MONSTER WORLDWIDE, INC.
Form 10-K
February 13, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _________ TO _________

COMMISSION FILE NUMBER 001-34209

MONSTER WORLDWIDE, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	13-3906555
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

622 Third Avenue, New York, New York 10017

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(212) 351-7000

(REGISTRANT S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value $.001 per share	**New York Stock Exchange**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined under Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

The aggregate market value of common stock held by non-affiliates of the registrant was approximately $963,574,266 as of June 29, 2012, the last business day of the registrant s second fiscal quarter of 2012.

As of January 31, 2013, there were 116,837,419 shares of the registrant s common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant s definitive Proxy Statement to be used in connection with its 2013 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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Special Note About Forward-Looking Statements

Monster Worldwide, Inc. (together with its consolidated subsidiaries, the Company, Monster, Monster Worldwide, we, our or us) makes forward-looking statements in this report and in other reports and proxy statements that we file with the United States Securities and Exchange Commission (SEC). Except for historical information contained herein, the statements made in this report constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such forward-looking statements involve certain risks and uncertainties, including statements regarding our strategic direction, prospects and future results. Certain factors, including factors outside of our control, may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, among other things, the global economic and financial market environment; risks associated with cuts in government spending; risks relating to our foreign operations; risks relating to the European debt crisis and market perceptions concerning the instability of the euro; our ability to maintain and enhance the value of our brands, particularly Monster; competition; risks associated with our ongoing review of strategic alternatives; fluctuations in our quarterly operating results; our ability to adapt to rapid developments in technology; our ability to continue to develop and enhance our information technology systems; concerns related to our privacy policies and our compliance with applicable data protection laws and regulations; intrusions on our systems; interruptions, delays or failures in the provision of our services; our vulnerability to intellectual property infringement claims brought against us by others; our ability to protect our proprietary rights and maintain our rights to use key technologies of third parties; the risk that acquisitions or partnerships may not achieve the expected benefits to us; our ability to attract and retain talented employees, including senior management; potential write-downs if our goodwill or intangible assets become impaired; adverse determinations by domestic and/or international taxation authorities related to our estimated tax liabilities; effects of anti-takeover provisions in our organizational documents that could inhibit the acquisition of Monster Worldwide by others; volatility in our stock price; risks associated with government regulation; the outcome of litigation we may become involved in from time to time; and other risks and uncertainties set forth from time to time in our reports to the SEC, including under *Item 1A. Risk Factors* of this report.

We undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

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PART I

ITEM 1. *BUSINESS*

Introduction

Monster Worldwide, Inc. (together with its consolidated subsidiaries, the Company, Monster, Monster Worldwide, we, our or us), the par company of Monster®, is the worldwide leader in successfully connecting people to job opportunities. From the web, to mobile, to social, Monster helps companies find people with customized solutions using advanced technologies to match the right person to the right job. With a local presence in more than 40 countries, Monster connects employers with quality job seekers at all levels, provides personalized career advice to consumers globally and delivers vast, highly targeted audiences to advertisers.

Our principal executive offices are located at 622 Third Avenue, New York, New York 10017. Our telephone number is (212) 351-7000 and our Internet address for corporate information is http://www.about-monster.com. Our predecessor business was founded in 1967, and our current company was incorporated in Delaware and became a public company in 1996. We make all of our public filings with the SEC available on our http://www.about-monster.com website, free of charge, under the caption *Investor Relations SEC Filings.* Included in these filings are our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, which are available as soon as reasonably practicable after we electronically file or furnish such materials with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act.

Our Strategy

Monster Worldwide s long-term business strategy is designed to capitalize on the numerous opportunities that exist in the global online recruitment marketplace and related markets. Our strategy calls for strategic investment in product, technology, brand support and customer service to expand our global leadership position in an effort to achieve long-term growth and profitability and create shareholder value. In support of this strategy, we continue to invest in our operations on a global basis while controlling the growth of operating expenses.

Monster s focus is on the needs of its customers, both employers and job seekers. Our advanced products and services are intended to improve the seeker experience while also developing deeper relationships with our employer customers. Through innovative products and a rebuilt website, we offer greater value to all job seekers who look to manage their careers, even those seekers who are not actively engaged in a job search. Our product offerings and services are designed to enhance seeker engagement and increase job response rate. We believe that more active seeker engagement will translate directly into higher quality candidates for our employer customers. For employers, our tools and features allow them to more efficiently and effectively attract and find the most relevant candidates for their job openings.

Our investments in our technology platform have allowed us to deliver innovative products and services on a global basis. We have consolidated several technology systems and have created a platform that is more secure, scalable and redundant. In 2008, we acquired Trovix Inc., a business that provides career-related products and services that utilize advanced search technology, focusing on key attributes such as skills, work history and education. Our patented 6Sense® semantic search and matching technology, which is based upon Trovix technology, is the backbone of a growing family of products for both job seekers and employers. Our innovative and proprietary semantic resume search product, Monster Power Resume Search® (PRS) is available to customers in North America, Germany, the United Kingdom and France. Our 6Sense technology transforms traditional keyword-based processes by assisting our customers in matching candidates to their required job specifications. For seekers, our 6Sense powered job search has changed how seekers explore, find and apply for jobs. We introduced our cloud based search product SeeMore® in the third quarter of 2011, which allows our customers to utilize our patented semantic search technology on their own talent databases.

In 2007, we introduced the Career Ad Network (CAN) which is a recruitment-focused online advertising network. Globally CAN reaches, on average, 113 million internet users each month. Monster offers this product to customers in North America, major markets in Europe, and in Australia. We continue to improve our efficiency in acquiring audiences that our customers demand. CAN distributes our customers job advertisements across a broad array of targeted websites and is an effective way of expanding our customers pool of active and passive seekers. The value proposition to our customers is to find better quality candidates at a cost effective price. We expect to expand this offering to other international countries in which we operate as the opportunities present themselves.

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To further expand our business in the North American online recruitment market, Monster acquired the assets exclusive to Yahoo! HotJobs (the HotJobs Assets) from Yahoo! Inc. (Yahoo!) on August 24, 2010, pursuant to an Asset Purchase Agreement dated as of February 3, 2010 between Monster and Yahoo!, for a purchase price of $225.0 million. Concurrent with the closing of the acquisition, Monster and Yahoo! entered into a three year commercial traffic agreement whereby Monster became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada. This traffic agreement has increased our reach in North America. In February 2011, the Company completed the integration of the HotJobs website onto the Company s platform, which enables job seekers to benefit from the increased availability of jobs and precise search capabilities, and enables employers to benefit from the increased volume and quality of seeker traffic.

In June 2011, we launched BeKnown®, a professional networking application available on the Facebook platform to extend our global reach and leverage the world s most popular global social network. This application allows Facebook members in more than 40 countries throughout North America, Europe, Australia and India and in more than 15 languages to establish a professional network on BeKnown. With BeKnown, users can seamlessly identify and connect with professional contacts from multiple sources and enhance their professional identities, while keeping their friends on Facebook separate from their professional contacts.

Our Monster Government Solutions (MGS) sells online solutions to federal, state and local governments and educational institutions within the United States. We have experienced strong growth in MGS in 2011 and 2012, which now accounts for approximately 10% of our total business. In 2012, we expanded our MGS business to Europe and signed the largest international transaction in the Company s history with the United Kingdom Government for over $20.0 million. MGS provides recruitment solutions that engage seekers and employers online, enable MGS customers to attract qualified candidates, expedite time to hire and create online communities using innovative technologies and services. These services primarily include customized career sites hosted by MGS utilizing a Software as a Service (SaaS) model. Additionally, we offer our customers application tracking services, diversity offerings and other ancillary services either directly or through alliances to meet the changing needs of our customers.

We continue to actively and aggressively support the Monster brand in our core markets through strategic investments in both online and offline advertising and promotion. Our advertising and promotion activities are designed to drive quality visitors to Monster.com and our affiliated online properties. We have centralized our media purchases and changed the timing of our media buying to receive beneficial rates, resulting in greater efficiencies for our marketing expenditures. According to comScore Media Metrix, Monster held the leading traffic position in the United States in the Career Services and Development category throughout the majority of 2012 and ended the year with over 21 million monthly unique visitors.

Our global sales structure allows us to sell and distribute our products and services to large, medium and small businesses on a local basis. Our objective is to offer existing customers additional products while expanding our coverage to attract new customers. We service existing and potential customers through a field sales force, telephone sales force and an online service, which we refer to as our eCommerce channel, where the customer can advertise jobs and access the resume database without sales force involvement. We have integrated our field and telesales forces in the United States and aligned our sales resources regionally so we can operate more efficiently and provide a high touch, consultative service to customers. In order to support our broadened product portfolio and our expanded sales resources, we have in-sourced, centralized and standardized our global call center operations to create a customer focused, proactive value added model.

On March 1, 2012, the Company announced that it had resolved to explore strategic alternatives to maximize value for the Company s stockholders. There can be no assurance that this process will result in the pursuit or consummation of any strategic transaction or that there will be a formal cessation of the process. In conjunction with the decision to explore strategic alternatives, we also committed to a series of restructuring actions throughout 2012 in order to improve the Company s long-term growth prospects and profitability in its core markets. Most recently, the Company announced actions designed to concentrate resources on core businesses within North America and key European and Asian markets. As part of this effort, the Company exited our business operations in Latin America and Turkey in the fourth quarter of 2012 and sold our Careers-China business unit in February 2013.

Our Services

We operate in three reportable segments: Careers-North America; Careers-International; and Internet Advertising & Fees. For the year ended December 31, 2012, these operating segments represented approximately 52%, 39% and 9% of our consolidated revenue, respectively. Please see Note 16-*Segment and Geographic Data* to the Company s financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion of our segment results.

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Careers (North America and International)

Monster is the premier global online and mobile employment solution, matching the right person to the right job. Monster has a presence in more than 40 countries around the world. We earned 39%, 40%, and 37% of our total revenue from continuing operations outside of North America in the years ended December 31, 2012, 2011 and 2010, respectively. With a local presence in key markets in North America, Europe, and Asia, Monster works by connecting employers with quality job seekers at all levels and by providing searchable jobs and career management resources online. We have been able to build on Monster s brand and create worldwide awareness by offering online recruiting solutions that we believe are redefining the way employers and job seekers connect. For the employer, our goal is to provide the most effective solutions and easiest to use technology to simplify the hiring process and deliver access to our community of job seekers. For job seekers, our purpose is to improve their careers by providing work-related content, services and advice.

Our services and solutions include: searchable job postings; resume database access; recruitment media solutions throughout our network; and other career-related content. Job seekers can search our job postings and post their resumes on each of our career websites. Employers and human resources companies pay to: advertise jobs; search our resume database; and utilize career site hosting and other services such as recruitment media.

Monster has traditionally targeted the enterprise market, or those businesses that we consider to be among the 1,500 largest organizations globally. We have increased our efforts to expand our penetration into the small-to-medium sized businesses (SMBs), those businesses with approximately 10 to 2,000 employees that operate primarily in local and regional markets. We currently have alliances with media and publishing companies, including approximately 1,000 newspapers in the United States, which extends our presence with local and regional job seekers.

Internet Advertising & Fees

Our Internet Advertising & Fees business operates a network of websites that connect companies to highly targeted audiences at critical stages in their lives. Our goal is to offer compelling online services for the users of such websites through personalization, community features and enhanced content. We monetize this web traffic through display advertising and lead generation. We believe that these properties appeal to advertisers and other third parties as they deliver certain discrete demographics entirely online. Beginning in the third quarter of 2011, the Company no longer engages in arbitrage lead generation activities due to the diminishing profit opportunity and the promulgation of new regulations applicable to the Company s customers in the for-profit education business.

Revenue for the Internet Advertising & Fees segment is derived primarily from two types of services: display advertising and lead generation. Display advertising opportunities have been integrated across the Monster Worldwide network of websites, allowing marketers to deliver targeted online advertising messages via numerous sizes and formats of creative units. Consumers come to Monster s websites for information and advice on how to manage critical life transitions, and this environment is typically seen by marketers as desirable for the promotion of products and services as consumers are actively looking for new ideas and solutions. Lead generation is a direct response business in which marketers pay for connections to consumers whose demographics match the requirements of specific business offerings and who request information about the offerings. Our large database of users and ongoing collection of numerous points of data allows us to provide our clients with targeted and valuable opportunities to connect with interested consumers.

Sales and Marketing

The Company s sales resources consist of field sales, telesales, and a self service eCommerce channel. Our sales activities are geared towards enterprise, SMB, government agencies, advertising agencies and educational institutions. The field and telesales resources for our Careers business in the United States are regionalized to better serve our customers with a more high touch, consultative approach, while providing greater efficiencies for developing new business opportunities. We have specialty units within the sales organization, dedicated to serving our vertical markets, such as: government; healthcare; staffing; and newspapers. Our telesales staff is primarily responsible for telemarketing and customer service for SMBs and is located in our offices around the world. Our field sales staff focuses on both local and national clients and is also dispersed throughout our offices globally. Our eCommerce channel is available to all customer groups and is currently most heavily used by smaller employers. Our Internet Advertising & Fees sales force is located throughout the United States and is focused on cross-selling the products of each property within its network.

The majority of our advertising budget is allocated to online advertising including: search engine marketing; alliances; and distributed job content to drive unique visitors to search for and apply to jobs. Our marketing approach also includes a regionally varied selection of traditional offline advertising such as: television; radio; and business, consumer and trade publications to market and promote the Monster brand and our innovative products and services. The majority of our marketing and promotion expense is allocated to our Careers North America and

Careers International segments.

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Customers

Our customers are comprised of individuals, small and medium-sized organizations, enterprise organizations, federal, state and local government agencies and educational institutions. No one customer accounts for more than 5% of our total annual revenue.

Competition

The markets for our services and products are highly competitive and are characterized by pressure to win new customers, expand the market for our services and incorporate new capabilities and technologies. We face competition from a number of sources. These sources include other employment-related websites, including websites that aggregate job advertisements from multiple company websites and job sites; professional networking and social networking websites; general classified advertising websites; traditional media companies (primarily newspaper publishers); Internet portals; search engines; and general-interest websites such as blogs. The barriers to entry into Internet businesses like ours are relatively low. As a result, new competitors continuously arise.

In addition to traditional competitors that provide products and services that are very similar to Monster s core products and services, we face increasing competition from a broad range of competitor types. Jobs aggregator websites have become a significant source of competition, as they permit job seekers to search multiple company websites and job boards. Professional networking websites have had significant success over the past several years in gaining large numbers of members and attracting employer customers with products that compete directly with our products. Low-cost and free classified advertising websites have also gained increased acceptance with employers. Additionally, many niche career websites have been launched targeted at specific industry verticals, and many industry blogs and websites now provide employment advertising opportunities for employers within specific industries.

Some of our competitors or potential competitors may have greater financial, management, technological, development, sales, marketing and other resources than we do. In addition, our ability to maintain our existing clients and generate new clients depends to a significant degree on the quality of our services, pricing and reputation among our clients and potential clients.

Intellectual Property

Our success and ability to compete are dependent in part on the protection of our domain names, trademarks, trade names, service marks, patents and other proprietary rights. We rely on copyright laws to protect the original website content that we develop. In addition, we rely on federal, state and foreign trademark laws to provide additional protection for the identifying marks appearing on and the design and appearance of our Internet sites. A degree of uncertainty exists concerning the application and enforcement of copyright and trademark laws with respect to the Internet, and there can be no assurance that existing laws will provide adequate protection for our original content or the appearance of our Internet sites. In addition, because copyright laws do not prohibit independent development of similar content, there can be no assurance that copyright laws will provide any competitive advantage to us. We also assert common law protection on certain names and marks that we have used in connection with our business activities.

We rely on trade secret, copyright and patent laws to protect the proprietary technologies that we have developed to manage and improve our Internet sites and advertising services, but there can be no assurance that such laws will provide sufficient protection to us, that others will not develop technologies that are similar or superior to ours, or that third parties will not copy or otherwise obtain and use our technologies without authorization. We have obtained patents and applied for several other patents with respect to certain of our software systems, methods and related technologies, but there can be no assurance that any pending applications will be granted or that any patents will not in the future be challenged, invalidated or circumvented, or that the rights granted thereunder will provide us with a competitive advantage. In addition, we rely on certain technology licensed from third parties, and may be required to license additional technology in the future, for use in managing our Internet sites and providing related services to users and advertising customers. Our ability to generate fees from Internet commerce may also depend on data encryption and authentication technologies that we may be required to license from third parties. There can be no assurance that these third-party technology licenses will be available or will continue to be available to us on acceptable commercial terms or at all. The inability to enter into and maintain any of these technology licenses could significantly harm our business, financial condition and operating results.

Policing unauthorized use of our proprietary technology and other intellectual property rights could entail significant expense and could be difficult or impossible, particularly given the global nature of the Internet and the fact that the laws of other countries may afford us little or no effective protection of our intellectual property.

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We have been named as defendants in lawsuits from time to time alleging that we infringed on patents of third parties. There can be no assurance that other third parties will not assert against us claims of patent, copyright or trademark infringement. We anticipate an increase in patent infringement claims involving Internet-related technologies as the number of products and competitors in this market grows and as related patents are issued. Further, there can be no assurance that third parties will not claim that we have misappropriated their trade secrets, creative ideas or formats or otherwise infringed their proprietary rights in connection with our Internet content or technology. Any claims of infringement or misappropriation, with or without merit, could be time consuming to defend, result in costly litigation, divert management attention, and require us to enter into costly royalty or licensing arrangements. If a party claiming infringement is successful, we could be required to pay substantial licensing fees or compensatory or punitive damages, and we could be enjoined from using important technologies or methods. If we are enjoined, it may not be possible or commercially practical for us to develop or obtain and implement substitute technologies or methods that are not covered by the third party s intellectual property. Any of these outcomes could significantly harm our business, financial condition and operating results.

Employees

As of January 31, 2013, including the remaining employees of the discontinued operations, we employed approximately 5,000 people worldwide, a decrease of 1,000 employees over the prior year, primarily resulting from our restructuring efforts.

Executive Officers

As of January 31, 2013, our executive officers were as follows:

Name	Age	Position
Salvatore Iannuzzi	59	Chairman of the Board of Directors, President and Chief Executive Officer
Timothy T. Yates	65	Executive Vice President, Director
James M. Langrock	47	Executive Vice President and Chief Financial Officer
Lise Poulos	54	Executive Vice President and Chief Administrative Officer
Mark Stoever	45	Executive Vice President, Corporate Development and Internet Advertising

Salvatore Iannuzzi has been our Chairman of the Board of Directors, President and Chief Executive Officer of the Company since April 2007. Prior to joining the Company, Mr. Iannuzzi served as President of Motorola, Inc. s Enterprise Mobility business from January 2007 to April 2007. Prior to that, Mr. Iannuzzi served as President and Chief Executive Officer of Symbol Technologies, Inc. (Symbol), a publicly traded company engaged in the business of manufacturing and servicing products and systems used in end-to-end enterprise mobility solutions, from January 2006 to January 2007, when Symbol was sold to Motorola, Inc. He previously served as Symbol s Interim President and Chief Executive Officer and Chief Financial Officer from August 2005 to January 2006 and as Senior Vice President, Chief Administrative and Control Officer from April 2005 to August 2005. He also served as a director of Symbol from December 2003 to January 2007, serving as the Non-Executive Chairman of the Board from December 2003 to April 2005. From August 2004 to April 2005, Mr. Iannuzzi was a partner in Saguenay Capital, a boutique investment firm. Prior thereto, from April 2000 to August 2004, Mr. Iannuzzi served as Chief Administrative Officer of CIBC World Markets. From 1982 to 2000, he held several senior positions at Bankers Trust Company/Deutsche Bank, including Senior Control Officer and Head of Corporate Compliance.

Timothy T. Yates has been our Executive Vice President and a Director since June 2007. From June 2007 until January 2011, Mr. Yates also served as our Chief Financial Officer. Prior to joining the Company, Mr. Yates served as Senior Vice President, Chief Financial Officer and a director of Symbol from February 2006 to January 2007. From January 2007 to June 2007, he was a Senior Vice President of Motorola, Inc. s Enterprise Mobility business responsible for Motorola s integration of Symbol. From August 2005 to February 2006, Mr. Yates served as an independent consultant to Symbol. Prior to this, from October 2002 to November 2005, Mr. Yates served as a partner and Chief Financial Officer of Saguenay Capital, a boutique investment firm. Prior to that, he served as a founding partner of Cove Harbor Partners, a private investment and consulting firm, which he helped establish in 1996. From 1971 through 1995, Mr. Yates held a number of senior leadership roles at Bankers Trust New York Corporation, including serving as Chief Financial and Administrative Officer from 1990 through 1995.

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James M. Langrock has been our Executive Vice President and Chief Financial Officer since January 2011. From May 2008 until January 2011, Mr. Langrock served as the Company s Senior Vice President, Finance and Chief Accounting Officer. Prior to joining the Company, Mr. Langrock was Vice President, Finance of Motorola, Inc. s Enterprise Mobility business from January 2007 to April 2008. From May 2005 to January 2007, Mr. Langrock served as the Vice President, Chief Accounting Officer and Corporate Controller at Symbol. From December 2003 to May 2005, Mr. Langrock was Symbol s Vice President Internal Audit. Before joining Symbol, he served as Chief Financial Officer at Empress International, Ltd., an importer and wholesale distributor, from May 2002 to November 2003. From 1991 to April 2002, Mr. Langrock held a variety of audit positions at Arthur Andersen LLP, including Senior Manager in the Audit and Business Advisory Practice.

Lise Poulos has been our Executive Vice President and Chief Administrative Officer since January 2008. Previously, she had served as Executive Vice President since September 2007. Prior to joining the Company, Ms. Poulos served as Senior Vice President, Human Resources of Motorola, Inc. s Enterprise Mobility business from January 2007 to July 2007. From 1997 to January 2007, Ms. Poulos held various roles at Symbol, including Senior Vice President, Human Resources and Corporate Communications from August 2006 to January 2007, Vice President, Human Resources from November 2005 to August 2006 and Director, Human Resources from 2002 to November 2005. Prior to joining Symbol, Ms. Poulos worked at a major energy company and in the financial services industry.

Mark Stoever has been our Executive Vice President, Corporate Development and Internet Advertising since October 2011. Previously, he had served as Executive Vice President, Corporate Development and Strategic Alliances from September 2008 to October 2011, as Executive Vice President, Internet Advertising & Fees from July 2007 to September 2008, and as Senior Vice President, Internet Advertising & Fees from July 2005 to July 2007. Prior to joining the Company, Mr. Stoever served as Executive Vice President of Decision Matrix Group, an investment fund specializing in technology market research, from January 2005 to May 2005. Prior to that, beginning in 1996 he held various management roles at Lycos, Inc., a global Internet content and service provider, most recently as President and Chief Executive Officer from October 2002 to November 2004. Prior to Lycos, Mr. Stoever held management roles at ON Technology Corporation, a software company, from 1994 to 1996, and at Microcom, Inc., a modem technology company, from 1989 to 1994.

ITEM 1A. *RISK FACTORS*

The existing global economic and financial market environment has had, and may continue to have, a negative effect on our business and operations.

Because demand for our services is sensitive to changes in the level of economic activity, our business has suffered during economic downturns. Many companies hire fewer employees when economic activity is slow. As a result, demand for our services is reduced, which leads to lower sales. If the economy does not fully recover or worsens, or unemployment remains at high levels, demand for our services and our sales may be further reduced. In addition, lower demand for our services may lead to lower prices for our services.

The volatility in global financial markets may also limit our ability to access the capital markets at a time when we would like, or need, to raise capital, which could have an impact on our ability to react to changing economic and business conditions. Accordingly, if the economy does not fully recover or worsens, our business, results of operations and financial condition could be materially and adversely affected.

Risks associated with cuts in government spending could materially and adversely affect our business, operations and financial condition.

Reductions in government expenditures that have been or may be proposed or mandated could have a material adverse affect on our business, operations and financial condition. Government agencies may be limited in their ability to contract for Monster s services due to any proposed or mandated spending cuts. In addition, there could be an overall negative impact on economic growth as a result of decreased government spending, which could adversely affect our business, operations and financial condition.

We face risks relating to our foreign operations.

We earned 42%, 33%, 39% of our total revenue from continuing operations outside of the United States in the years ended December 31, 2012, 2011 and 2010, respectively. Such amounts are generally collected in local currencies. In addition, we generally pay operating expenses in local currencies. Therefore, we are at risk for exchange rate fluctuations between such local currencies and the United States dollar. Global foreign exchange markets have experienced periods of heightened volatility in recent years and we cannot predict the direction or magnitude of future currency fluctuations. A weakening of the currencies in which we generate sales relative to the currencies in which our costs are denominated may lower our results of operations.

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We are also subject to taxation in foreign jurisdictions. In addition, transactions between our foreign subsidiaries and us may be subject to United States and foreign withholding taxes. Applicable tax rates in foreign jurisdictions differ from those of the United States, and change periodically. The extent, if any, to which we will receive credit in the United States for taxes we pay in foreign jurisdictions will depend upon the application of limitations set forth in the Internal Revenue Code of 1986, as well as the provisions of any tax treaties that may exist between the United States and such foreign jurisdictions.

Our international operations might not succeed or might fail to meet our expectations for a number of reasons, including:

- general political uncertainty;
- difficulties in staffing and managing foreign operations;
- competition from local recruiting services;
- operational issues such as longer customer payment cycles and greater difficulties in collecting accounts receivable;
- seasonal reductions in business activity;
- language and cultural differences;
- taxation issues;
- complex legal and regulatory requirements that may be uncertain and may change; and
- issues relating to uncertainties of laws and enforcement relating to the regulation and protection of intellectual property.

Also, we could be exposed to fines and penalties under United States laws such as the Foreign Corrupt Practices Act and local laws prohibiting corrupt payments to governmental officials. Although we have implemented policies and procedures designed to ensure compliance with these laws, we cannot be sure that our employees, contractors or agents will not violate our policies. Any such violations could materially damage our reputation, our brand, our international expansion efforts, our business and our operating results.

Concerns regarding the European debt crisis and market perceptions concerning the instability of the euro could adversely affect the Company s business, results of operations and financing.

Concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone countries. These concerns, or market perceptions concerning these and related issues, could adversely affect the value of the Company s euro-denominated assets and obligations and lead to future economic slowdowns.

We rely on the value of our brands, particularly Monster, and the costs of maintaining and enhancing our brand awareness are increasing.

Our success depends on our brands and their value. Our business would be harmed if we were unable to adequately protect our brand names, particularly Monster. We believe that maintaining and expanding the Monster brand is an important aspect of our efforts to attract and expand our user and client base. We also believe that the importance of brand recognition will increase due to the growing number of Internet sites and the relatively low barriers to entry. We have spent considerable money and resources to date on the establishment and maintenance of the Monster brand. We are devoting substantial resources to advertising, marketing and other brand-building efforts to preserve and enhance consumer awareness of the Monster brand. Despite this, we may not be able to successfully maintain or enhance consumer awareness of the Monster brand and, even if we are successful in our branding efforts, such efforts may not be cost-effective. If we are unable to maintain or enhance consumer awareness of the Monster brand in a cost-effective manner, our business, operating results and financial condition may be harmed significantly.

We also are susceptible to others imitating our products and brands, particularly our Monster brand, and infringing on our intellectual property rights. We may not be able to successfully protect our intellectual property rights, upon which we are dependent. While we believe we have strong trademark protection in the Monster brand worldwide in the careers and recruitment business, that protection does not extend fully to other businesses. Other companies and organizations use the Monster name, and more may do so in the future. This use could adversely affect our brand recognition and reputation if employers or job seekers confuse us with these other organizations. In addition, the laws of foreign countries do not necessarily protect intellectual property rights to the same extent as the laws of the United States. Imitation of our products or brands, particularly our Monster brand, or infringement of our intellectual property rights could diminish the value of our brands or otherwise reduce our revenues.

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Our markets are highly competitive.

The markets for our services are highly competitive. They are characterized by pressures to:

- reduce prices;
- incorporate new capabilities and technologies; and
- accelerate hiring timelines.

Furthermore, we face competition from a number of sources. These sources include:

- other employment-related websites, including large national and international competitors, niche career websites targeted at specific industry verticals, and jobs aggregator websites that aggregate job postings from multiple company websites and job boards;
- professional networking and social networking websites;
- general classified advertising websites, some of which offer a low-cost or free alternative to our offerings;
- traditional media companies, including newspapers; and
- Internet portals, search engines and general-interest websites such as blogs.

In addition to traditional competitors that provide products and services that are very similar to Monster s core products and services, we face increasing competition from a broad range of competitor types. Jobs aggregator websites have become a significant source of competition, as they permit job seekers to search multiple company websites and job boards. Professional networking websites have had significant success over the past several years in gaining large numbers of members and attracting employer customers with products that compete directly with our products. Low-cost and free classified advertising websites have also gained increased acceptance with employers. Additionally, many niche career websites have been launched targeted at specific industry verticals, and many industry blogs and websites now provide employment advertising opportunities for employers within specific industries.

Some of our competitors or potential competitors may have greater financial resources, management, technological development, sales, marketing and other resources than we do. Some of our competitors have more diversified businesses or may be owned by entities engaged in other lines of business, allowing them to operate their directly competitive operations at lower margins than our operations. In addition, our ability to maintain our existing clients and attract new clients depends to a large degree on the quality of our services and our reputation among our clients and potential clients.

Due to competition, we may experience reduced margins on our products and services, loss of market share or diminished use of our services by job seekers and our customers. If we are not able to compete effectively with current or future competitors as a result of these and other factors, our business, financial condition and results of operations could be significantly harmed.

We have no significant proprietary technology that would preclude or inhibit competitors from entering the online advertising market. Existing or future competitors may develop or offer services and products that provide significant performance, price, creative or other advantages over our services. If we do not keep pace with product and technology advances, there could be a material adverse impact on our competitive position, revenue and prospects for growth. This could significantly harm our business, financial condition and operating results.

Our ongoing review of strategic alternatives may pose additional risks to our business.

On March 1, 2012, the Company announced that it had resolved to explore strategic alternatives to maximize value for the Company s stockholders. This process is ongoing and the Board of Directors has not set a definitive timetable for the completion of its evaluation. Our exploration of strategic alternatives, including any uncertainty created by this process, involves a number of risks, including distraction of management during this process; significant fluctuations in our stock price could occur in response to developments relating to the strategic review process or market speculation regarding any such developments; we may encounter difficulties in hiring, retaining and motivating key personnel during this process or as a result of uncertainties generated by this process or any developments or actions relating to it; we may incur substantial increases in general and administrative expense associated with increased legal fees and the need to retain and compensate third party consultants; and we may experience difficulties in preserving the commercially sensitive confidential information that may need to be disclosed to competitors and other persons during this process or in connection with an assessment of our strategic alternatives.

There can be no assurance that this process will result in the pursuit or consummation of any strategic transaction or that there will be a formal cessation of the process. During this process, we do not intend to provide interim updates or announce or otherwise disclose developments (whether or not material) related to the strategic review process. The occurrence of any one or more of the above risks could have a material adverse impact on our business, results of operations, liquidity or financial condition.

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Our operating results fluctuate from quarter to quarter.

Our quarterly operating results have fluctuated in the past and may fluctuate in the future. These fluctuations are a result of a variety of factors, including, but not limited to:

- the timing and amount of existing clients subscription renewals;
- enhancements to existing services;
- the hiring cycles of employers;
- changes in general economic conditions, such as recessions, that could, among other things, affect recruiting efforts generally and online recruiting efforts in particular;
- the magnitude and timing of marketing initiatives;
- the maintenance and development of our strategic relationships;
- our ability to attract and retain customers;
- technical difficulties or system downtime affecting the Internet generally or the operation of our products and services specifically; and
- enhancements to technology to safeguard against security breaches.

We face risks relating to developing technology.

The market for our products and services is characterized by rapid technological developments, frequent new product introductions and evolving industry standards. The emerging character of these products and services and their rapid evolution will require continuous improvement in the performance, features and reliability of our Internet and mobile content, particularly in response to competitive offerings. We may not be successful in responding quickly, cost effectively and sufficiently to these developments. In addition, the widespread adoption of new technologies or standards (including several different mobile and smart phone operating systems) could require us to make substantial expenditures to modify or adapt our websites, applications and services. Each manufacturer or distributor of a mobile device or smart phone may establish unique technical standards for its devices, and our products and services may not work or be viewable on these devices as a result. As new devices and new platforms are continually being released, it is difficult to predict the problems we may encounter in developing versions of our products and services for use on these alternative devices and we may need to devote significant resources to the creation, support, and maintenance of such devices. If we are slow to develop products and technologies that are compatible with such devices, we might fail to capture a significant share of an increasingly important portion of the market for our products and services. This could harm our business, financial condition and operating results.

New Internet services or enhancements that we have offered or may offer in the future may contain design flaws or other defects that could require expensive modifications or result in a loss of client confidence. Any disruption in Internet access or in the Internet generally could significantly harm our business, financial condition and operating results. Slower response times or system failures may also result from straining the capacity of our software, hardware or network infrastructure. To the extent that we do not effectively address any capacity constraints or system failures, our business, results of operations and financial condition could be significantly harmed.

Trends that could have a critical impact on our success include:

- rapidly changing technology in online recruiting;
- evolving industry standards relating to online recruiting;
- developments and changes relating to the Internet and mobile devices;
- evolving government regulations;
- competing products and services that offer increased functionality;
- changes in employer and job seeker requirements; and
- customer privacy protection concerning transactions conducted over the Internet.

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We rely heavily on our information systems and if our access to this technology is impaired, or we fail to further develop our technology, our business could be significantly harmed.

Our success depends in large part upon our ability to store, retrieve, process and manage substantial amounts of information, including our client and candidate databases. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. Our future success will depend on our ability to adapt to rapidly changing technologies, to adapt our information systems to evolving industry standards and to improve the performance and reliability of our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. Our inability to design, develop, implement and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively could significantly harm our business, results of operations or financial condition.

Concerns relating to our privacy policies and our compliance with applicable data protection laws and regulations could damage our reputation and deter current and potential customers, job seekers and other Internet users from using our products and services and subject us to fines.

Concerns about our practices with regard to the collection, use, disclosure or security of personal information or other privacy-related matters, even if unfounded, could damage our reputation, which in turn could significantly harm our business, financial condition and operating results.

While we strive to comply with all applicable data protection laws and regulations, as well as our own posted privacy policies, any failure or perceived failure to comply may result in proceedings or actions against us by government entities or others, which could potentially have an adverse impact on our business. Moreover, failure or perceived failure to comply with applicable laws, regulations, requirements or our policies related to the collection, use, sharing or security of personal information or other privacy-related matters could result in a loss of confidence in us by customers, job seekers and other Internet users and could expose us to fines and penalties and could require us to expend significant sums in connection with any failure or perceived failure, each of which could adversely affect our business, financial condition and results of operations. Laws related to data protection continue to evolve. It is possible that certain jurisdictions may enact laws or regulations that impact our ability to offer our products and services and/or result in reduced traffic or contract terminations in those jurisdictions, which could harm our business, financial condition and results of operations.

Intrusions on our systems could damage our business.

Despite our implementation of network security measures, our servers are vulnerable to cyber attacks, computer viruses, worms and other malicious software programs, physical and electronic break-ins, sabotage and similar disruptions from unauthorized tampering with our computer systems. Unauthorized access could jeopardize the security of information stored in our systems relating to our customers, job seekers and other website users, and can lead to phishing schemes whereby unauthorized persons pose as employers or Monster representatives and seek to obtain personal information from our customers and job seekers. In addition, malware or viruses could jeopardize the security of information stored or used in a user s computer.

We have experienced these intrusions in the past. We may also experience these intrusions in the future and may be required to expend significant sums and resources to safeguard against or remediate them. Moreover, negative publicity arising from any intrusion is damaging to our reputation and may adversely impact traffic to our sites. Accordingly, any intrusion could significantly harm our business, financial condition and results of operations.

Interruptions, delays or failures in the provision of our services could damage our brand and harm our operating results.

Our systems are susceptible to outages and interruptions due to fire, floods, power loss, telecommunications failures, terrorist attacks and similar events. Our systems continuing and uninterrupted performance is critical to our success. Customers, job seekers and other website users may become dissatisfied by any system failure that interrupts our ability to provide our services to them, including failures affecting our ability to serve web page requests without significant delay to the viewer. Sustained or repeated system failures would reduce the attractiveness of our solutions to customers, job seekers and other Internet users and result in reduced traffic, contract terminations, fee rebates and make goods, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions is damaging to our reputation and may adversely impact traffic to our sites.

We do not have multiple site redundancy for all of our services and some of our systems are not fully redundant in the event of any such occurrence. In an effort to reduce the likelihood of a geographical or other disaster impacting our business, we have distributed, and intend to continue assessing the need to distribute, our servers among additional data centers. Failure to execute these changes properly or in a timely manner could result in delays or interruptions to our service, which could result in a loss of users and damage to our brand, and harm our operating results. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service.

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We are vulnerable to intellectual property infringement claims brought against us by others.

Successful intellectual property infringement claims against us could result in monetary liability or a material disruption in the conduct of our business. We cannot be certain that our products, content and brand names do not or will not infringe valid patents, trademarks, copyrights or other intellectual property rights held by third parties. We expect that infringement claims in our markets will increase in number. We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. If we were found to have infringed the intellectual property rights of a third party, we could be liable to that party for license fees, royalty payments, lost profits or other damages, and the owner of the intellectual property might be able to obtain injunctive relief to prevent us from using the technology or software in the future. If the amounts of these payments were significant or we were prevented from incorporating certain technology or software into our products, our business could be significantly harmed.

We may incur substantial expenses in defending against these third party infringement claims, regardless of their merit. As a result, due to the diversion of management time, the expense required to defend against any claim and the potential liability associated with any lawsuit, any significant litigation could significantly harm our business, financial condition and results of operations.

If we are unable to protect our proprietary rights or maintain our rights to use key technologies of third parties, our business may be harmed.

A degree of uncertainty exists concerning the application and enforcement of trademark, trade dress and copyright laws to the Internet, and existing laws may not provide us adequate protection for our original content or the appearance of our Internet sites. In addition, because copyright laws do not prohibit independent development of similar content, copyright laws may not provide us with any competitive advantage. We have obtained patents and applied for other patents with respect to certain of our software systems, methods and related technologies, but our pending applications may not be granted and any patents issued to us may in the future be challenged, invalidated or circumvented, and the rights granted under patents may not provide us with a competitive advantage. We also face risks associated with our trademarks, particularly trademarks covering the Monster brand. Policing unauthorized use of our proprietary technology and other intellectual property rights could involve significant expense and could be difficult or impossible, particularly given the global nature of the Internet and the fact that the laws of certain other countries may afford us little or no effective protection of our intellectual property. Moreover, certain amendments to the United States patent law made by the America Invents Act of 2011, when they become effective, may affect our ability to protect our innovations and defend against claims of patent infringement.

In addition, we rely on certain technology licensed from third parties, and may be required to license additional technology in the future for use in managing our Internet sites and providing related services to users and advertising customers. Our ability to generate fees from Internet commerce may also depend on data encryption, authentication and other technologies that we may be required to license from third parties. These third-party technology licenses may not continue to be available to us on acceptable commercial terms or at all. The inability to enter into and maintain any of these technology licenses could significantly harm our business, financial condition and operating results.

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We have made strategic acquisitions and entered into alliances and joint ventures in the past and may do so in the future. If we are unable to achieve expected benefits from such transactions, there could be a material adverse impact on our business, growth rates and results of operations.

As part of our business strategy we have entered into agreements relating to acquisitions, strategic alliances and joint ventures. Such transactions are inherently risky and can be accompanied by a number of risks, including:

- the difficulty of integrating the operations and personnel of the acquired companies into our operations;
- the potential disruption of our ongoing business and distraction of management;
- the difficulty of integrating acquired technology and rights into our services and unanticipated expenses related to such integration;
- the impairment of relationships with customers and partners of the acquired companies or our customers and partners as a result of the integration of acquired operations;
- the impairment of relationships with employees of the acquired companies or our employees as a result of integration of new management personnel;
- the difficulty of integrating the acquired companies accounting, management information, human resources and other administrative systems;
- in the case of foreign acquisitions, uncertainty regarding foreign laws and regulations and the difficulty integrating operations and systems as a result of cultural, systems and operational differences; and
- the impact of known potential liabilities or unknown liabilities associated with the acquired companies.

Our failure to be successful in addressing these risks or other problems encountered in connection with acquisitions could cause us to fail to realize the anticipated benefits of any such acquisitions, incur unanticipated liabilities and significantly harm our business, financial condition and results of operations generally.

Our business depends largely on our ability to attract and retain talented employees, including senior management.

We are substantially dependent on the continued services of our executive officers and senior management. The loss of any of these individuals could harm our business, financial condition and results of operations. Our business is also dependent on our ability to retain, hire, motivate and develop talented, highly skilled personnel. Experienced management and technical, marketing and support personnel in our industry are in high demand, and competition for their talents is intense. If we are less successful in our recruiting efforts, or if we are unable to retain key employees, our ability to develop and deliver successful products and services may be adversely affected. On March 1, 2012, the Company announced that it had resolved to explore strategic alternatives to maximize value for the Company s stockholders. This strategic review process creates uncertainty which may impact our ability to recruit and retain executive talent.

We have recorded a significant goodwill impairment charge and may be required to record additional significant charges to earnings if our goodwill or intangible assets become impaired.

During the year ended December 31, 2012, we recorded a goodwill impairment charge of $262.7 million for our Careers-China business unit. We are required under generally accepted accounting principles to review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our intangible assets may not be recoverable include a decline in stock price and market capitalization, slower growth rates in our industry or other materially adverse events. We may be required to record additional significant charges to earnings in our financial statements during the period in which any impairment of our goodwill or amortizable intangible assets is determined. This may adversely impact our results of operations. As of December 31, 2012, our goodwill and intangible assets were $919.9 million, which represented 55% of total consolidated assets.

We estimate tax liabilities, the final determination of which is subject to review by domestic and international taxation authorities.

We are subject to income taxes and other taxes in both the United States and the foreign jurisdictions in which we currently operate or have historically operated. We are also subject to review and audit by both domestic and foreign taxation authorities. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires judgment and estimation. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in our consolidated financial statements.

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Effects of anti-takeover provisions could inhibit the acquisition of Monster Worldwide by others.

Some of the provisions of our certificate of incorporation, bylaws and Delaware law could, together or separately:

- discourage potential acquisition proposals;
- delay or prevent a change in control; and/or
- limit the price that investors might be willing to pay in the future for shares of our Common Stock.

In particular, our Board of Directors may authorize the issuance of up to 800,000 shares of Preferred Stock with rights and privileges that might be senior to our Common Stock, without the consent of the holders of the Common Stock. In addition, our certificate of incorporation and bylaws provide, among other things, for advance notice of stockholder proposals and director nominations.

There is volatility in our stock price.

The market for our Common Stock has, from time to time, experienced extreme price and volume fluctuations. Factors such as announcements of variations in our quarterly financial results and fluctuations in revenue could cause the market price of our Common Stock to fluctuate significantly. In addition, the stock market in general, and the market prices for Internet-related companies in particular, have experienced volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance. Additionally, volatility or a lack of positive performance in our stock price may adversely affect our ability to retain key employees, many of whom have been granted equity compensation.

The market price of our Common Stock can be influenced by stockholders expectations about the ability of our business to grow and to achieve certain profitability targets. If our financial performance in a particular quarter does not meet the expectations of our stockholders, it may adversely affect their views concerning our growth potential and future financial performance and, therefore, result in a drop in the market price of our Common Stock. In addition, if the securities analysts who regularly follow our Common Stock lower their ratings of our Common Stock, the market price of our Common Stock is likely to drop significantly.

We face risks associated with government regulation.

The application of existing laws and regulations to our websites relating to issues such as user privacy, security of data, defamation, advertising, taxation, promotions, content regulation, and intellectual property ownership and infringement can be unclear. In addition, we will also be subject to new laws and regulations directly applicable to our activities. Any existing or new legislation applicable to us could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and dampen growth in Internet usage.

The federal CAN-SPAM Act and state anti-spam laws impose certain requirements on the use of e-mail. The implications of these laws have not been fully tested. Portions of our business rely on e-mail to communicate with consumers on our behalf and for our clients. We may face risk if our use of e-mail is found to violate the federal law or applicable state law.

We post our privacy policy and practices concerning the use and disclosure of user data on our websites. Any failure by us to comply with our posted privacy policy or other privacy-related laws and regulations could result in proceedings which could potentially harm our business, results of operations and financial condition. In this regard, there are a large number of legislative proposals before the United States Congress, various state legislative bodies as well as various European Union institutions, bodies and agencies regarding privacy issues related to our business. It is not possible to predict whether or when such legislation may be adopted, and certain proposals, if adopted, could significantly harm our business, financial condition and results of operations through a decrease in user registrations and revenues. This could be caused by, among other possible provisions, the required use of disclaimers or other requirements before users can utilize our services.

Due to the global nature of the Internet, it is possible that the governments of other states and foreign countries might attempt to regulate its transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws or such laws may be modified and new laws may be enacted in the future. Any such developments (or developments stemming from enactment or modification of other laws) may significantly harm our business, operating results and financial condition.

Legal proceedings may significantly harm our business.

From time to time, we may become involved in litigation or other proceedings in the ordinary course of business. It is possible that such litigation or proceedings may significantly harm our future results of operations or financial condition due to expenses we may incur to defend ourselves or the ramifications of an adverse decision.

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ITEM 1B. ***UNRESOLVED STAFF COMMENTS***
None.

ITEM 2. ***PROPERTIES***
Our principal executive offices are located in New York, New York, where we occupy approximately 52,000 square feet of leased space. Our largest office space is located in Maynard, Massachusetts, where we occupy approximately 171,000 square feet of leased space. We also lease additional facilities in the United States in: Bedford, Massachusetts; Boston, Massachusetts; Cambridge, Massachusetts; Chicago, Illinois; Florence, South Carolina; Indianapolis, Indiana; Los Angeles, California; McLean, Virginia; Milwaukee, Wisconsin; Mountain View, California; San Francisco, California; Tempe, Arizona; and Washington, D.C.. Our domestic properties are used generally by our Careers-North America and Internet Advertising & Fees segments.

We also maintain leased facilities internationally in: Austria; Belgium; Canada; Czech Republic; France; Germany; Hong Kong; Hungary; India; Ireland; Italy; Luxembourg; Malaysia; the Netherlands; Norway; the People s Republic of China; Poland; the Republic of Korea; Russia; Singapore; Spain; Sweden; Switzerland; United Arab Emirates and the United Kingdom. Our international properties are used generally by our Careers-International segment.

In addition, we have leased facilities that we are in the process of disposing are located in: Dallas, Texas; Denver, Colorado; Brazil; Mexico and Turkey.

We also operate data centers in the United States, Europe and Asia pursuant to various lease and co-location arrangements.

We consider our leased space to be adequate for the operation of our business, and we do not foresee any difficulties in meeting any future space requirements.

ITEM 3. ***LEGAL PROCEEDINGS***
The Company is involved in various legal proceedings that are incidental to the conduct of its business. Aside from the matters discussed below, no legal proceedings were commenced during the period covered by this report that the Company believes could reasonably be expected to have a material adverse impact on its financial condition, results of operations and cash flows.

In April 2012, TQP Development, LLC filed suit against the Company for allegedly infringing a patent relating to the transmission of encrypted data. The lawsuit, entitled TQP Development, LLC v. Monster Worldwide, Inc. (Civil Action No. 2:12-cv-186), was brought in the United States District Court for the Eastern District of Texas. The plaintiff sought injunctive relief, monetary damages, pre and post judgment interest, and other costs. In November 2012, the matter was resolved and in December 2012, the lawsuit was dismissed with prejudice.

In July 2012, Data Carriers, LLC filed suit against the Company for allegedly infringing a patent relating to a system for monitoring and automating the use of a computer. The lawsuit, entitled Data Carriers, LLC v. Monster Worldwide, Inc. (Civil Action No.12-940), was brought in the United States District Court for the District of Delaware. The Plaintiff sought injunctive relief, monetary damages, pre and post judgment interest, and other costs. Recently, the parties reached an agreement in principle to settle the matter. It is expected that all parties will execute the appropriate settlement documents at which point the matter will be presented to the Court seeking an Order of dismissal with prejudice.

ITEM 4. ***MINE SAFETY DISCLOSURES***
Not applicable.

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PART II

ITEM 5. ***MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***

Market Information

Our Common Stock is listed on the New York Stock Exchange under the symbol MWW.

As of January 31, 2013, the last reported sale price of our Common Stock as reported by the New York Stock Exchange was $5.80 The following table sets forth for the indicated periods the high and low sales prices per share for our Common Stock on the New York Stock Exchange.

2012	High	Low
First Quarter	$ 10.40	$ 6.57
Second Quarter	$ 10.02	$ 7.55
Third Quarter	$ 9.05	$ 5.72
Fourth Quarter	$ 8.53	$ 5.01

2011	High	Low
First Quarter	$ 25.90	$ 14.24
Second Quarter	$ 18.47	$ 12.99
Third Quarter	$ 15.30	$ 7.00
Fourth Quarter	$ 9.90	$ 6.34

Holders

As of January 31, 2013, there were approximately 1,850 stockholders of record of our Common Stock, although we believe that there are a significantly larger number of beneficial owners.

Dividends

We have never declared or paid any cash dividends on our stock, and we do not anticipate paying cash dividends in the foreseeable future. The payment of any future dividends, if any, will be at the discretion of our Board of Directors and will depend upon, among other things, future earnings, operations, capital requirements, our general financial condition, contractual restrictions and general business conditions. Our credit agreement restricts, in certain circumstances, the payment of dividends on our stock.

Securities Authorized for Issuance Under Equity Compensation Plans

Please see our disclosure in Part III, Item 12 in this report on Form 10-K.

Stock Performance Graph

The following performance graph and related information shall not be deemed filed for the purposes of Section 18 of the Exchange Act or otherwise subject to liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act.

The following graph compares the cumulative total return of the Company s Common Stock during the period commencing December 31, 2007 to December 31, 2012, with the S&P 500 Index and the RDG Internet Composite Index. The graph depicts the results of investing $100 in the Company s Common Stock, the S&P 500 Index and the RDG Internet Composite Index at closing prices on December 31, 2007 and assumes, with respect to the S&P 500 Index and the RDG Internet Composite Index, that all dividends were reinvested. The Company has never declared or paid any cash dividends on its stock. Such returns are based on historical results and are not intended to suggest future performance.

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Comparison of Five Year Cumulative Total Return

Among Monster Worldwide, Inc., The S&P 500 Index

and The RDG Internet Composite Index

Issuance of Unregistered Securities

None.

Issuer Purchases of Equity Securities

A summary of the Company s repurchase activity for the year ended December 31, 2012 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs*
Balance at December 31, 2011	5,504,896	$ 7.6047	5,504,896	$ 208,136,934
January 1 March 31	4,385,123	$ 7.5819	4,385,123	174,889,350
April 1 June 30	3,009,016	$ 8.4800	3,009,016	149,372,936
July 1 September 30	1,087,314	$ 6.1407	1,087,314	142,696,058
October 1 December 31		$		142,696,058
Balance at December 31, 2012	13,986,349	$ 7.6732	13,986,349	$ 142,696,058

* In October 2011, the Company s Board of Directors approved a share repurchase program, authorizing the Company to purchase up to $250.0 million worth of shares of its Common Stock. The share repurchase program expires in April 2013.

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ITEM 6. *SELECTED FINANCIAL DATA*

The following tables present selected financial data for the five years ended December 31, 2012 excluding discontinued operations from continuing operations. See *Management s Discussion and Analysis of Financial Condition and Results of Operations,* found in Item 7 of this report, for information regarding business acquisitions, discontinued operations, critical accounting policies and items affecting comparability of the amounts below.

SELECTED STATEMENT OF OPERATIONS DATA

(In thousands, except per share amounts)

	Year Ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Revenue	$ 890,392	$ 993,644	$ 874,923	$ 873,687	$ 1,334,016
Salaries and related, office, general, marketing and promotions	817,882	895,162	893,433	851,855	1,131,991
Restructuring and other special charges	40,358	4,715		16,043	15,161
Total operating expenses	858,240	899,877	893,433	867,898	1,147,152
Operating income (loss)	$ 32,152	$ 93,767	$ (18,510)	$ 5,789	$ 186,864
Income (loss) from continuing operations	$ 58,166	$ 66,050	$ (14,787)	$ 30,251	$ 125,860
Loss from discontinued operations	(316,886)	(12,253)	(17,572)	(11,324)	(1,067)
Net (loss) income	$ (258,720)	$ 53,797	$ (32,359)	$ 18,927	$ 124,793
Basic (loss) earnings per share:					
Income (loss) from continuing operations	$ 0.52	$ 0.54	$ (0.12)	$ 0.25	$ 1.04
Loss from discontinued operations, net of tax	(2.81)	(0.10)	(0.15)	(0.09)	(0.01)
Basic (loss) earnings per share	$ (2.29)	$ 0.44	$ (0.27)	$ 0.16	$ 1.03
Diluted (loss) earnings per share:					
Income from continuing operations	$ 0.51	$ 0.53	$ (0.12)	$ 0.25	$ 1.04
Loss from discontinued operations, net of tax	(2.78)	(0.10)	(0.15)	(0.09)	(0.01)
Diluted (loss) earnings per share	$ (2.27)	$ 0.43	$ (0.27)	$ 0.16	$ 1.03

SELECTED BALANCE SHEET DATA [(a)]

(In thousands)

	At December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Total Current Assets	$ 579,653	$ 675,932	$ 585,371	$ 645,493	$ 682,821
Total Current Liabilities	584,980	782,963	686,824	507,156	723,708
Total Assets	1,684,865	2,057,998	1,978,002	1,827,190	1,916,590
Long-Term Liabilities	219,846	110,908	162,528	186,870	145,609
Total Stockholders Equity	$ 880,039	$ 1,164,127	$ 1,128,650	$ 1,133,164	$ 1,047,273

(a): For December 31, 2012, the assets and liabilities of discontinued operations are included in Total Current Assets and Total Current Liabilities, respectively.

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ITEM 7. ***MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

We make forward-looking statements in this report and in other reports and proxy statements that we file with the SEC. Except for historical information contained herein, the statements made in this report constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Such forward-looking statements involve certain risks and uncertainties, including statements regarding our strategic direction, prospects and future results. Certain factors, including factors outside of our control, may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, among other things, the global economic and financial market environment; risks associated with cuts in government spending; risks relating to our foreign operations; risks relating to the European debt crisis and market perceptions concerning the instability of the euro; our ability to maintain and enhance the value of our brands, particularly Monster; competition; risks associated with our ongoing review of strategic alternatives; fluctuations in our quarterly operating results; our ability to adapt to rapid developments in technology; our ability to continue to develop and enhance our information technology systems; concerns related to our privacy policies and our compliance with applicable data protection laws and regulations; intrusions on our systems; interruptions, delays or failures in the provision of our services; our vulnerability to intellectual property infringement claims brought against us by others; our ability to protect our proprietary rights and maintain our rights to use key technologies of third parties; the risk that acquisitions or partnerships may not achieve the expected benefits to us; our ability to attract and retain talented employees, including senior management; potential write-downs if our goodwill or amortizable intangible assets become impaired; adverse determinations by domestic and/or international taxation authorities related to our estimated tax liabilities; effects of anti-takeover provisions in our organizational documents that could inhibit the acquisition of Monster Worldwide by others; volatility in our stock price; risks associated with government regulation; the outcome of litigation we may become involved in from time to time; and other risks and uncertainties set forth from time to time in our reports and other filings made with the SEC, including under Part I, *Item 1A. Risk Factors* , of this report.

OVERVIEW

Business

Monster Worldwide, the parent company of Monster®, is the worldwide leader in successfully connecting people to job opportunities. From the web, to mobile, to social, Monster helps companies find people with customized solutions using advanced technologies to match the right person to the right job. With a local presence in more than 40 countries, Monster connects employers with quality job seekers at all levels, provides personalized career advice to consumers globally and delivers vast, highly targeted audiences to advertisers.

We have built on Monster s brand and created worldwide awareness by offering online recruiting solutions that we believe are redefining the way employers and job seekers connect. For employers, our goal is to provide the most effective solutions and easiest to use technology to simplify the hiring process and cost effectively deliver access to our community of job seekers. For job seekers, our purpose is to help improve their careers by providing work-related content, services and advice. Our services and solutions include: searchable job advertisements; resume database access; recruitment media solutions through our advertising network and partnerships; and other career-related content. Job seekers can search our job advertisements and post their resumes for free on each of our career websites and mobile applications. Employers pay to: advertise available jobs and recruitment related services; search our resume database; and access other career-related services.

Our investments in our technology platform have allowed us to continue delivering innovative products and services on a global basis. Over the last few years, we consolidated several technology systems and created a platform that is more secure, scalable and redundant. Our strategy has been to grow our business both organically and through strategic acquisitions and alliances in which the growth prospects fit our long-term strategic growth plan.

In 2008, we acquired Trovix Inc., a business that provides career-related products and services that utilize advanced search technology, focusing on key attributes such as skills, work history and education. Our patented 6Sense® semantic search and matching technology, which is based upon Trovix technology, is the backbone of a growing family of products for both job seekers and employers. Our innovative and proprietary semantic resume search product, Monster Power Resume Search® (PRS) is available to customers in North America, Germany, the United Kingdom and France. Our 6Sense technology transforms traditional keyword-based processes by assisting our customers in matching candidates to their required job specifications. For seekers, our 6Sense powered job search has changed how seekers explore, find and apply for jobs. We introduced our cloud based search product SeeMore® in the third quarter of 2011, which allows our customers to utilize our patented semantic search technology on their own talent databases.

In 2007, we introduced the Career Ad Network (CAN) which is a recruitment-focused online advertising network. Globally CAN reaches, on average, 113 million internet users each month. Monster offers this product to customers in North America, major markets in Europe, and in Australia. We continue to improve our efficiency in acquiring audiences that our customers demand. CAN distributes our customers job advertisements across a broad array of targeted websites and is an effective way of expanding our customers pool of active and passive seekers. The value proposition to our customers is to find better quality candidates at a cost effective price. We expect to expand this offering to other international countries in which we operate as the opportunities present themselves.

To further expand our business in the North American online recruitment market, on August 24, 2010, the Company completed the acquisition of the Yahoo! HotJobs Assets from Yahoo!, Inc. (Yahoo!). Concurrent with the closing of the acquisition, Monster and Yahoo! entered into a three year commercial traffic agreement whereby Monster became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada. This traffic agreement has increased our reach in North America.

In June 2011, we launched BeKnown®, a professional networking application available on the Facebook platform to extend our global reach and leverage the world s most popular global social network. This application allows Facebook members in more than 40 countries throughout North America, Europe, Australia and India and in more than 15 languages to establish a professional network on BeKnown. With BeKnown, users can seamlessly identify and connect with professional contacts from multiple sources and enhance their professional identities, while keeping their friends on Facebook separate from their professional contacts.

We operate a government solutions business, Monster Government Solutions (MGS), which sells online solutions to federal, state and local governments and educational institutions within the United States. MGS has grown throughout 2011 and 2012 to approximately 10% of our total business. In 2012, we expanded our MGS business to Europe and signed the largest international transaction in the Company s history with the United Kingdom Government for over $20.0 million. MGS provides recruitment solutions that engage seekers and employers online, enable MGS customers to attract qualified candidates, expedite time to hire and create online communities using innovative technologies and services. These services primarily include customized career sites hosted by MGS utilizing a Software as a Service (SaaS) model. Additionally, we offer our customers application tracking services, diversity offerings and other ancillary services either directly or through alliances to meet the changing needs of our customers.

Our Internet Advertising & Fees business operates a network of websites that connect companies to highly targeted audiences at critical stages in their lives. Our goal is to offer compelling online services for the users of such websites through personalization, community features and enhanced content. We monetize this web traffic through display advertising and lead generation. We believe that these properties appeal to advertisers and other third parties as they deliver certain discrete demographics entirely online. Beginning in the third quarter of 2011, the Company no longer engages in arbitrage lead generation activities due to the diminishing profit opportunity and the promulgation of new regulations applicable to the Company s customers in the for-profit education business.

We continue to actively and aggressively support the Monster brand in our core markets through strategic investments in both online and offline advertising and promotion. Our advertising and promotion activities are designed to drive quality visitors to Monster.com and our affiliated online properties. We have centralized our media purchases and changed the timing of our media buying to receive beneficial rates, resulting in greater efficiencies for our marketing expenditures. According to comScore Media Metrix, Monster held the leading traffic position in the United States in the Career Services and Development category throughout the majority of 2012 and ended the year with over 21 million monthly unique visitors.

Restructuring Programs and Discontinued Operations

Throughout 2012, we undertook a series of restructuring actions in order to improve the Company s long-term growth prospects and profitability in its core markets. In addition to the amounts recorded in 2012, the Company expects to incur an additional $27.0 million to $37.0 million of charges in 2013 with respect to our restructuring programs and discontinued operations.

January 2012 Restructuring

On January 24, 2012, the Company committed to a plan to take a series of strategic restructuring actions. The Company s decision to adopt the strategic restructuring actions resulted from the Company s desire to provide the Company with more flexibility to invest in marketing and sales activities in order to improve its long-term growth prospects and profitability. Through December 31, 2012, the Company has notified approximately 325 associates and approximately 60 associates have voluntarily left the Company, reducing the Company s workforce by approximately 385 associates. The restructuring actions also included the consolidation of certain office facilities and the impairment of certain fixed assets.

Through December 31, 2012, the Company has incurred $26.2 million associated with this restructuring. The Company will not incur any new charges in the future relating to this program.

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November 2012 Restructuring

On November 8, 2012, the Company announced actions designed to concentrate resources on core businesses within North America and key European and Asian markets with increased spending in marketing and sales. The actions subsequently included (i) the sale of the Careers-China business, (ii) the exiting of the business operations in Latin America and Turkey and (iii) a strategic restructuring inclusive of a reduction in force, office consolidations and impairment of certain assets. Please see *Discontinued Operations* below.

Through December 31, 2012, the Company has notified approximately 300 associates in North America and Europe (excluding discontinued operations) and has incurred $14.7 million of charges. The Company anticipates additional charges in the first half of 2013 relating to severance and office consolidations.

Discontinued Operations

During the third quarter of 2012, as part of the Company s review of strategic alternatives, the Company made the decision to sell its Careers-China business unit. The sale of the Careers-China business was completed on February 5, 2013. As disclosed in Note 4-*Goodwill and Intangibles* in Notes to the Consolidated Financial Statements in Part II of this Form 10-K, the Company recorded a goodwill impairment charge for 100% of the goodwill attributable to Careers-China in the amount of $262.7 million in 2012.

Additionally, during the fourth quarter of 2012, the Company made the strategic decision to discontinue operations in Latin America and Turkey. All of the Latin America and Turkey business operations were discontinued on or before December 31, 2012. The Company incurred approximately $8.0 million of costs associated with the shutdown of these businesses.

In the aggregate, the Company s headcount will be reduced by approximately 1,100 employees as a result of the sale of Careers-China and the exiting of Latin America and Turkey.

Operating results for Careers-China, Latin America and Turkey, which had previously been included in the Careers-International segment in the Company s Consolidated Statement of Operations, have now been reclassified as discontinued operations for all periods presented. Please see Note 6-*Discontinued Operations* in Notes to the Consolidated Financial Statements in Part II of this Form 10-K.

Constant Currency Presentation

Revenue and bookings (which represent the value of contractual orders received during the relevant period) from our international operations has historically represented, and we expect will continue to represent, a significant portion of our business. As a result, our revenue and bookings growth has been impacted, and we expect will continue to be impacted, by fluctuations in foreign currency exchange rates. In order to provide a framework for assessing how our consolidated and Careers-International operating results performed excluding the impact of foreign currency fluctuations, we additionally present the year-over-year percentage change in revenue and bookings performance on a constant currency basis, which assumes no change in the exchange rate from the prior-year period. This constant currency is provided in addition to, and not as a substitute for, the year-over-year percentage change in revenue and bookings on an as-reported basis.

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RESULTS OF OPERATIONS

Consolidated operating results as a percent of revenue, excluding discontinued operations, for the years ended December 31, 2012, 2011 and 2010 are as follows:

	Year Ended December 31,		
	2012	2011	2010
Revenue	**100.0%**	**100.0%**	**100.0%**
Salaries and related	45.9%	48.4%	53.1%
Office and general	24.8%	22.6%	25.8%
Marketing and promotion	21.2%	19.1%	23.2%
Restructuring and other special charges	4.5%	0.5%	0.0%
Total operating expenses	**96.4%**	**90.6%**	**102.1%**
Operating income (loss)	**3.6%**	**9.4%**	**(2.1)%**
Interest and other, net	(0.7)%	(0.3)%	(0.2)%
Income (loss) before income taxes and loss in equity interests	2.9%	9.1%	(2.3)%
Benefit from (provision for) income taxes	3.7%	(2.4)%	0.9%
Loss in equity interests, net	(0.1)%	(0.1)%	(0.3)%
Income/(Loss) Continuing Operations	**6.5%**	**6.6%**	**(1.7)%**

The following presentation of our segment results is prepared based on the criteria we use when evaluating the performance of our business units.

The Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Consolidated Revenue, Operating Expenses and Operating Income (Loss)

Consolidated revenue, operating expenses and operating income (loss) for the years ended December 31, 2012 and 2011 are as follows, excluding the results of operations for discontinued operations (dollars in thousands):

	2012	% of Revenue	2011	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 890,392	100.0%	$ 993,644	100.0%	$ (103,252)	(10.4)%
Salaries and related	408,305	45.9%	480,398	48.4%	(72,093)	(15.0)%
Office and general	221,251	24.8%	224,914	22.6%	(3,663)	(1.6)%
Marketing and promotion	188,326	21.2%	189,850	19.1%	(1,524)	(0.8)%
Restructuring and other special charges	40,358	4.5%	4,715	0.5%	35,643	755.9%
Total operating expenses	858,240	96.4%	899,877	90.6%	(41,637)	(4.6)%
Operating income	$ 32,152	3.6%	$ 93,767	9.4%	$ (61,615)	(65.7)%

Our consolidated revenue decreased by $103.3 million (10.4%) in 2012 compared to 2011. In constant currency, our consolidated revenue decreased 8% compared to 2011. Our Internet Advertising & Fees revenue decreased $33.6 million or 30.6% for the same period. This decrease was primarily attributable to the Company, as of the beginning of the third quarter of 2011, no longer engaging in arbitrage lead generation activities due to the lack of profitability in such business and in light of new regulations. Excluding the arbitrage lead generation activities in 2011, our consolidated revenue decreased 8.3% and on a constant currency basis decreased 6.0%. Our Careers-International segment decreased $47.3 million or 11.9% (on a constant currency basis, our Careers-International revenue decreased by 6.1%), primarily due to decreases within most countries in Europe and in Korea partially offset by an increase in India. Our Careers-North America segment experienced a $22.4 million or 4.6% decrease mainly due to decreased revenue from our enterprise and ecommerce customers, partially offset by increased business activity from our newspaper and staffing sectors. These decreases in our consolidated Careers segments were primarily due to the deceleration of booking activity beginning in the fourth quarter of 2011 and continuing in 2012, which the Company believes results from the increased global economic uncertainty as our customers continue to be extremely conservative in controlling their recruiting budgets.

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Overall bookings (which represent the value of contractual orders received during the relevant period), excluding amounts related to our discontinued operations and arbitrage lead generation activities, decreased 6.7% on a global basis compared to 2011. With the investments that the Company has made to further broaden its product portfolio to provide customers a broad array of technology-based solutions for their talent management strategy, including the recent launches of BeKnown and our next generation semantic search product, SeeMore, the Company is well positioned to take advantage when the global economy accelerates. Further, the Company s recent restructuring will allow the Company to concentrate its resources on our largest and most profitable core markets and continue strengthening its traffic position. According to comScore Media Metrix, Monster held the leading traffic position in the United States in the Career Services and Development category throughout the majority of 2012 and ended the year with over 21 million monthly unique visitors.

Salary and related expenses decreased $72.1 million (15.0%), in 2012 compared to 2011, which includes $10.5 million of favorable foreign exchange. This decrease in salaries and related expenses resulted primarily from decreased regular salary costs as a result of our restructuring programs as well as no longer engaging in arbitrage lead generation activities, decreased stock-based compensation, decreased associate incentive programs as well as decreased variable compensation costs for the Company s sales force resulting from decreased booking activity.

Office and general expenses decreased $3.7 million (1.6%), in 2012 compared to 2011, which includes $3.6 million of favorable foreign exchange impact. This decrease in office and general expenses resulted primarily from decreased occupancy costs in 2012 relating to charges recorded in the first quarter of 2011 for changes in estimated sublease assumptions for previously exited facilities, partially offset by increased professional fees in the UK related to our government services sector as well as fees associated with the Company s plan to evaluate strategic alternatives.

Marketing and promotion expenses decreased $1.5 million (0.8%) in 2012 compared to 2011, which includes $4.4 million of favorable foreign exchange impact. The relatively flat spending in 2012 compared to 2011 related to decreased marketing and promotion expenses in 2012 in our Internet Advertising & Fees segment resulting from the Company no longer engaging in arbitrage lead generation activities offset by increased investment in the United States and International to drive seeker traffic.

In 2012, we incurred $40.4 million of restructuring and other special charges, comprised mainly of severance costs, facility charges and the impairment of certain assets as a result of our restructuring program which were announced in January 2012 and November 2012.

Operating results for Careers-China, Latin America and Turkey, which had previously been included in the Company s Consolidated Statement of Operations, have now been reclassified as discontinued operations for all periods presented. Please see Note 6 *Discontinued Operations* in Notes to the Consolidated Financial Statements in Part II of this Form 10-K.

Our consolidated operating income, excluding discontinued operations, was $32.2 million in 2012, compared to an operating income of $93.8 million in 2011, as a result of the factors discussed above.

Careers-North America

The operating results of our Careers-North America segment for the years ended December 31, 2012 and 2011 are as follows (dollars in thousands):

	2012	**% of Revenue**	**2011**	**% of Revenue**	**Increase (Decrease)**	**% Increase (Decrease)**
Revenue	$ 462,962	100.0%	$ 485,356	100.0%	$ (22,394)	(4.6%)
Salaries and related	184,336	39.8%	212,440	43.8%	(28,104)	(13.2%)
Office and General	103,206	22.3%	99,361	20.5%	3,845	3.9%
Marketing and Promotions	111,764	24.1%	98,474	20.3%	13,290	13.5%
Restructuring and other special charges	20,970	4.5%	450	0.1%	20,520	na
Total Operating Expenses	420,276	90.8%	410,725	84.6%	9,551	2.3%
Operating Income	$ 42,686	9.2%	$ 74,631	15.4%	$ (31,945)	(42.8%)

Revenue in our Careers-North America segment experienced a $22.4 million (4.6%) decrease due to a reduction of revenue from our enterprise and ecommerce customers, partially offset by increased business activity from our newspaper and staffing sectors. Bookings increased 1% in our Careers North America segment driven by strong bookings growth in our staffing and government sectors partially offset by decreases in our enterprise and telesales sectors.

Salary and related expenses decreased $28.1 million (13.2%) in 2012 compared to 2011. This decrease in salaries and related expenses resulted primarily from $11.5 million of decreased regular salary costs as a result of our restructuring programs, $9.6 million of

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decreased variable compensation costs, $5.9 million of decreased stock-based compensation as well as $2.2 million of decreased associate incentive programs.

Office and general expenses increased $3.8 million (3.9%) in 2012 compared to 2011. This increase in office and general expenses resulted primarily from increased travel and related costs related to our 2012 sales conference and evaluation of strategic alternatives.

Marketing and promotion expenses increased $13.3 million (13.5%) in 2012 compared to 2011. This increase in marketing and promotion expenses resulted primarily from our focus and investment in increasing seeker traffic in the United States. According to comScore Media Metrix, the increased marketing investment allowed Monster to hold the leading traffic position in the United States in the Career Services and Development category throughout the majority of 2012 and ended the year with over 21 million monthly unique visitors.

We incurred $21.0 million of restructuring and other special charges in 2012 comprised primarily of severance.

Our Careers-North America operating income was $42.7 million in 2012, compared to operating income of $74.6 million in 2011, as a result of the factors described above.

Careers-International

The operating results of our Careers-International segment for the years ended December 31, 2012 and 2011 are as follows (dollars in thousands):

	2012	% of Revenue	2011	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 351,130	100.0%	$ 398,408	100.0%	$ (47,278)	(11.9%)
Salaries and related	163,716	46.6%	188,410	47.3%	(24,694)	(13.1%)
Office and General	90,785	25.9%	79,215	19.9%	11,570	14.6%
Marketing and Promotions	67,563	19.2%	61,304	15.4%	6,259	10.2%
Restructuring and other special charges	15,990	4.6%	160	0.0%	15,830	na
Total Operating Expenses	338,054	96.3%	329,089	82.6%	8,965	2.7%
Operating Income	$ 13,076	3.7%	$ 69,319	17.4%	$ (56,243)	(81.1%)

Our Careers-International segment revenue experienced a $47.3 million (11.9%, 6.1% in constant currency) decrease, which includes $22.9 million of unfavorable foreign exchange impact, with decreases in most of our international operations as we continue to see significant weakness in Europe. Our Careers-International bookings in 2012 decreased 15.2% compared to 2011 (in constant currency, our bookings would have decreased 10.2% compared to the same period of 2011). Bookings in Europe decreased 17% (in constant currency, our bookings would have decreased 12% compared to the same period of 2011), primarily resulting from decreases in most countries in Europe due to the continued weak and uncertain economic environment. Bookings in Asia also decreased 9% (in constant currency, our bookings would have decreased 3% compared to the same period of 2011), primarily resulting from decreases in Korea and India.

Salary and related expenses decreased $24.7 million (13.1%, 7.9% in constant currency) in 2012 compared to 2011, which includes $9.7 million of favorable foreign exchange impact. This decrease in salaries and related expenses resulted primarily from $10.7 million of decreased regular salary costs as a result of our restructuring programs, $5.6 million of decreased stock-based compensation, $3.1 million of decreased costs relating to associate incentive programs as well as $3.1 million of decreased variable compensation costs for the Company s sales force resulting from decreased booking activity.

Office and general expenses increased $11.6 million (14.6%, 18.4% in constant currency) in 2012 compared to 2011, which includes $3.0 million of favorable foreign exchange impact. This increase in office and general expenses resulted primarily from increased professional fees in the UK related to our government services.

Marketing and promotion expenses increased $6.3 million (10.2%, 17.2% in constant currency) in 2012 compared to 2011, which includes $4.3 million of favorable foreign exchange impact. This increase in marketing and promotion expenses resulted primarily from our focus on brand awareness in Europe and Asia, primarily in the first half of 2012.

We incurred $16.0 million of restructuring and other special charges in 2012 which is primarily comprised of severance costs.

Our Careers-International operating income, excluding discontinued operations, was $13.1 million in 2012, compared to an operating income of $69.3 million in 2011, as a result of the factors discussed above.

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Internet Advertising & Fees

The operating results of our Internet Advertising & Fees segment for the years ended December 31, 2012 and 2011 are as follows (dollars in thousands):

	2012	% of Revenue	2011	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 76,300	100.0%	$ 109,880	100.0%	$ (33,580)	(30.6%)
Salaries and related	31,926	41.8%	47,613	43.3%	(15,687)	(32.9%)
Office and General	16,981	22.3%	26,317	24.0%	(9,336)	(35.5%)
Marketing and Promotions	7,549	9.9%	26,631	24.2%	(19,082)	(71.7%)
Restructuring and other special charges	2,123	2.8%	4,105	3.7%	(1,982)	(48.3%)
Total Operating Expenses	58,579	76.8%	104,666	95.3%	(46,087)	(44.0%)
Operating Income	$ 17,721	23.2%	$ 5,214	4.7%	$ 12,507	239.9%

Revenue in our Internet Advertising & Fees segment decreased $33.6 million (30.6%) in 2012 compared to 2011. This decrease was primarily attributable to the Company, as of the beginning of the third quarter of 2011, no longer engaging in arbitrage lead generation activities due to the lack of profitability in such business and in light of new regulations.

Operating expenses decreased $46.1 million (44.0%) in 2012 compared to 2011. This decrease in operating expenses resulted primarily from the Company no longer engaging in the arbitrage lead generation business. In 2012, the Company focused on higher margin lead generation and advertising business activities as demonstrated by our operating margins 2012.

Our Internet Advertising & Fees operating income was $17.7 million in 2012 compared to operating income of $5.2 million in 2011, as a result of the factors discussed above.

Interest and Other, net

Interest and other, net, for the years ended December 31, 2012 and 2011 resulted in an expense of $5.9 million and $3.0 million, respectively. Interest and other, net, primarily relates to interest expense on the Company s outstanding debt, interest income associated with the Company s various investments, foreign currency gains or losses and gains or losses related to the Company s auction rate securities. The increased expense in interest and other, net, of $2.9 million primarily resulted from gains on auction rate securities during 2011, lower net foreign currency gains in 2012 as well as higher net interest expense in 2012 primarily relating to higher amounts outstanding on our credit facilities.

Income Taxes

Income taxes for the years ended December 31, 2012 and 2011 are as follows (dollars in thousands):

	2012	2011	$ Change	% Change
Income before income taxes and loss in equity interests	$ 26,269	$ 90,796	$ (64,527)	(71.1)%
(Benefit from) provision for income taxes	(32,978)	23,504	(56,482)	(240.3)%
Effective tax rate	0.0%	26.0%	n/a	n/a

The provision for income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the earnings in the various tax jurisdictions and the applicable rates. The federal tax rate in the United States is 35% and tax rates in the foreign countries in which we do business varies from approximately 17% to 36%. The mix of income in high and low tax jurisdictions can vary from year to year. Our future tax rates can be adversely affected if there is more income in countries with higher tax rates or losses in countries with lower tax rates.

Our effective tax rates differ from the statutory rate due to the impact of state and local income taxes, non-deductible expenses, foreign earnings taxed at different tax rates, valuation allowances and the accrual of interest on tax liabilities. The tax benefit recorded for the year ended December 31, 2012 was increased by $19.3 million related to certain tax losses arising from the Company s restructuring.

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As a result of effective settlement of tax examinations during 2012, and adjustments to prior accruals for previously unrecognized tax benefits, the Company recognized tax benefits of $32.7 million during 2012 which, on a net of tax basis, impacted the effective rate by $23.1 million. The Company also reversed accrued interest related to unrecognized tax benefits of $9.6 million which, on a net of tax basis, impacted the effective rate by $5.8 million. During 2011, the Company reversed $6.6 million of accrued tax and accrued interest due to settlement of tax examinations and other adjustments to accrued uncertain tax positions.

Our future effective tax rates could be adversely affected by earnings being lower in countries where we have lower statutory rates, changes in the valuation of our deferred tax assets, or changes in tax laws or interpretations thereof. The ultimate realization of our deferred tax assets depends primarily on the generation of future income in the requisite tax jurisdictions. Differences between anticipated and actual outcomes could have a material impact on the realization of our deferred tax assets. Our future tax rates may also be adversely impacted if the Company has insufficient accumulated realized excess tax benefits from vested stock-based compensation such that future tax benefit deficiencies caused by awards vesting at prices below the original grant date price are charged to the income tax provision. Excess accumulated tax benefits recorded in equity at December 31, 2012 amount to $1.8 million and may become exhausted in 2013.

In addition, our filed tax returns are subject to the examination by the United States Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes.

The Company conducts business globally and as a result, the Company or one or more subsidiaries is subject to United States federal income taxes and files income tax returns in various states and approximately 37 foreign jurisdictions. In the normal course of business, the Company is subject to tax examinations by taxing authorities including major jurisdictions such as Germany, United Kingdom, and the United States as well as other countries in Europe and the Asia Pacific region. The Company is generally no longer subject to examinations with respect to returns that have been filed for years prior to 2006 in Germany, 2009 in the United Kingdom, and 2006 in the United States. Tax years are generally considered closed from examinations when the statute of limitations expires. The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by as much as $13.0 million in the next twelve months due to expirations of statutes of limitations or settlement of audits. The tax matters relate to allocation of income among jurisdictions and the determination of certain acquired tax loss carryovers.

Loss in Equity Interests, Net

Loss in equity interests, net, for the years ended December 31, 2012 and 2011 was $1.1 million and $1.2 million, respectively. The Company s equity investments consist of a 50% equity interest in a company located in Australia and a 25% investment in a company located in Finland. This decreased loss in 2012 primarily related to our Australian equity investment, which recorded a decreased loss from operations in 2012.

(Loss) income from discontinued operations, net of tax

For the years ended December 31, 2012 and 2011, the Company reported a loss from discontinued operations, net of tax, of $316.9 million and $12.3 million, respectively. Included in the results from discontinued operations are the results of our operations in Careers-China, Latin America and Turkey.

In the third quarter of 2012, the Company made the decision to sell its Careers-China business and completed the sale on February 5, 2013. Operating results for the Careers-China business, which had previously been included in the Careers-International segment in the Company s Consolidated Statement of Operations for the periods subsequent to the October 2008 acquisition, have now been reclassified as business held for sale for all periods presented. The 2012 results include a $262.7 million goodwill impairment charge, a $9.7 million charge related to the recording of a full valuation allowance associated with Careers China deferred tax asset as well as a $5.2 million impairment charge relating to amortizable intangibles. The 2011 results included a gain of $17.4 million relating to the release of escrowed funds associated with the ChinaHR acquisition.

During the fourth quarter of 2012, the Company made the strategic decision to discontinue operations in Latin America and Turkey and all of the business operations were discontinued on or before December 31, 2012. Accordingly, the operating results of these businesses have now been reclassified as discontinued operations for all periods presented. The 2012 results include $8.0 million of shut-down costs.

Net (loss) income

As a result of the factors discussed above, our consolidated loss for the year ended December 31, 2012 was $258.7 million compared to consolidated net income of $53.8 million for the same period in 2011.

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Diluted Earnings (Loss) Per Share

Diluted earnings per share in 2012 was a loss of $2.27 per share compared to a diluted income of $0.43 per share in 2011. Diluted weighted average shares outstanding for the years ended December 31, 2012 and 2011 was 114.0 million shares and 123.9 million shares, respectively.

The Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010

Consolidated Revenue, Operating Expenses and Operating Income

Consolidated revenue, operating expenses and operating loss for the years ended December 31, 2011 and 2010, restated to exclude the results of discontinued operations, are as follows (dollars in thousands):

	2011	% of Revenue	2010	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 993,644	100.0%	$ 874,924	100.0%	$ 118,721	13.6%
Salaries and related	480,398	48.4%	464,206	53.1%	16,192	3.5%
Office and general	224,914	22.6%	225,953	25.8%	(1,039)	(0.5)%
Marketing and promotion	189,850	19.1%	203,274	23.2%	(13,424)	(6.6)%
Restructuring and other special charges	4,715	0.5%		0.0%	4,715	n/a
Total operating expenses	899,877	90.6%	893,433	102.1%	6,444	0.7%
Operating income (loss)	$ 93,767	9.4%	$ (18,510)	(2.1)%	$ 112,277	n/a

Our consolidated revenue increased $118.7 million (13.6%) in 2011 compared to 2010. Our Careers-International segment experienced a 23.9% increase in revenue, which includes $17.8 million of favorable foreign exchange impact, primarily due to growth in Europe including Germany, France and Sweden, and in Asia including South Korea and India. Our Careers-North America segment experienced a 15.0% increase in revenue due to increased business activity from our enterprise customers, in addition to growth within our newspaper, staffing and e-commerce sectors. Careers-North America also benefitted from the revenue generated from the HotJobs Assets, which we acquired on August 24, 2010. These increases in our consolidated Careers segments were due to the further adoption of the Company s broadened product portfolio (including PRS, CAN and the HotJobs Assets). Our Internet Advertising & Fees revenue decreased 16.2% in 2011 compared to 2010. This decrease was primarily attributable to the Company, as of the beginning of the third quarter of 2011, no longer engaging in arbitrage lead generation activities due to the lack of profitability in such business and in light of new regulations. This decrease was partially offset by an increase in our display advertising business. Overall bookings (which represent the value of contractual orders received during the relevant period), excluding amounts related to our arbitrage lead generation activities, increased 15% on a global basis compared to 2010. However, the Company experienced a deceleration of booking and revenue growth in the latter half of 2011, particularly in the fourth quarter. The Company believes that the principal factor for such deceleration is the increased global economic uncertainty.

Salary and related expenses increased $16.2 million (3.5%) in 2011 compared to 2010, which includes $9.0 million of unfavorable foreign exchange. This increase in salaries and related expenses resulted primarily from increased regular salary costs associated with the impact of a full year of salary and related expenses from the HotJobs Assets, increased headcount in 2011 primarily in Asia as well as increased variable compensation costs resulting from increased booking activity in 2011. These increases were partially offset by decreased severance costs associated with our targeted headcount reductions, which primarily occurred in 2010, in addition to decreased costs associated with stock-based compensation and associate incentive plans.

Office and general expenses decreased $1.0 million (0.5%) in 2011 compared to 2010, which includes $2.6 million of unfavorable foreign exchange impact. This increase in office and general expenses resulted primarily from increased amortization of acquired intangibles relating to the HotJobs Assets, charges relating to changes in estimated sublease assumptions for previously exited facilities as well as increased depreciation expense associated with our recent increase in capital expenditures. These increases in office and general expenses were partially offset by a decrease in professional fees associated with the HotJobs acquisition incurred primarily in 2010.

The Company does not allocate acquisition and integration-related expenses to their reportable segments. Accordingly, the $4.6 million and $24.3 million of acquisition and integration-related expenses incurred in 2011 and 2010, respectively, associated with the acquisition of the HotJobs Assets is recorded as a corporate expense.

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Marketing and promotion expenses decreased $13.4 million (6.6%) in 2011 compared to 2010, which includes $2.5 million of unfavorable foreign exchange impact. This decrease in marketing and promotion expenses resulted primarily from the Company, beginning in the third quarter of 2011, no longer engaging in arbitrage lead generation activities. This decrease was partially offset by an increase in our traffic agreement with Yahoo!, whereby the Company became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada as well as our expenses related to our focus on brand awareness in Europe and Asia.

We incurred $4.7 million of restructuring charges and other special charges in 2011 comprised primarily of severance and facility costs resulting from the Company no longer engaging in certain activities within the Internet Advertising & Fees segment, the decision to cease operations within one country in the Careers-International segment as well as targeted headcount reductions within the Careers-North America segment.

Our consolidated operating income was $93.8 million in 2011, compared to an operating loss of $18.5 million in 2010, as a result of the factors discussed above.

Careers North America

The operating results of our Careers North America segment for the years ended December 31, 2011 and 2010 are as follows (dollars in thousands):

	2011	% of Revenue	2010	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 485,356	100.0%	$ 422,193	100.0%	$ 63,163	15.0%
Salaries and related	212,440	43.8%	196,076	46.4%	16,364	8.3%
Office and General	99,361	20.5%	84,442	20.0%	14,919	17.7%
Marketing and Promotions	98,474	20.3%	93,892	22.2%	4,582	4.9%
Restructuring and other special charges	450	0.1%		0.0%	450	na
Total Operating Expenses	410,725	84.6%	374,410	88.7%	36,315	9.7%
Operating Income	$ 74,631	15.4%	$ 47,783	11.3%	$ 26,848	56.2%

Revenue in our Careers North America segment increased $63.2 million (15.0%) in 2011 compared to 2010, due to increased business activity from our enterprise customers, in addition to growth within our newspaper, staffing and e-commerce sectors. Careers North America also benefitted from the revenue generated from the HotJobs Assets, which we acquired on August 24, 2010. The increase in our Careers North America segment was due to the further adoption of the Company s broadened product portfolio (including PRS, CAN and the HotJobs Assets). Our Careers North America bookings in 2011 increased 15% compared to the same period of 2010, however we experienced a deceleration of growth in the latter half of 2011. The Company believes that the principal factor for such deceleration is the increased global economic uncertainty.

Salary and related expenses increased $16.4 million (8.3%) in 2011 compared to 2010. This increase in salaries and related expenses resulted primarily from $14.2 million of increased variable compensation costs for the Company s sales force resulting from increased booking activity in 2011 as well as $10.9 million of increased regular salary costs primarily associated with the impact of a full year of salary and related expenses from the HotJobs Assets. These increases were partially offset by decreased associate incentive plans of $4.7 million as well as severance costs of $3.3 million associated with our targeted headcount reductions, which primarily occurred in 2010.

Office and general expenses increased $14.9 million (17.7%) in 2011 compared to 2010. This increase in office and general expenses resulted primarily from increased amortization expense of $5.6 million associated with the acquisition of the HotJobs Assets, $3.7 million of increased professional fees, $1.7 million of additional depreciation expense associated with our recent increase in capital expenditures as well as $1.2 million of additional occupancy costs.

Marketing and promotion expenses increased $4.6 million (4.9%) in 2011 compared to 2010. This increase in marketing and promotion expenses primarily resulted from our traffic agreement with Yahoo!, which became effective on August 24, 2010, whereby the Company became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada. This increase was partially offset by a decrease in our offline media costs.

We incurred $0.5 million of restructuring charges and other special charges in 2011 comprised primarily of severance costs resulting from targeted headcount reductions.

Our Careers-North America operating income was $74.6 million in 2011, compared to operating income of $47.8 million in 2010, as a result of the factors described above.

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Careers-International

The operating results, excluding discontinued operations, of our Careers-International segment for the years ended December 31, 2011 and 2010 are as follows (dollars in thousands):

	2011	% of Revenue	2010	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 398,408	100.0%	$ 321,588	100.0%	$ 76,820	23.9%
Salaries and related	188,410	47.3%	184,416	57.3%	3,994	2.2%
Office and General	79,215	19.9%	79,062	24.6%	153	0.2%
Marketing and Promotions	61,304	15.4%	58,171	18.1%	3,133	5.4%
Restructuring and other special charges	160	0.0%		0.0%	160	na
Total Operating Expenses	329,089	82.6%	321,649	100.0%	7,440	2.3%
Operating Income	$ 69,319	17.4%	$ (61)	0.0%	$ 69,380	na

Our Careers-International segment revenue increased $76.8 million (23.9%, 18.4% in constant currency) in 2011 compared to 2010, which includes $17.8 million of favorable foreign exchange impact, primarily due to growth in Europe including Germany, France and Sweden, and in Asia including South Korea and India. The increase in our Careers-International segment was due to the further adoption of the Company s broadened product portfolio and an improved economic environment in 2011 in certain countries as compared to 2010. Our Careers-International bookings in 2011 increased 21% compared to 2010, however we experienced a deceleration of growth in the latter half of 2011. The Company believes that the principal factor for such deceleration is the increased global economic uncertainty.

Salary and related expenses increased $4.0 million (2.2%, (2.1%) in constant currency) in 2011 compared to 2010, which includes $7.9 million of unfavorable foreign exchange impact. The decrease, in constant currency, of $3.9 million resulted primarily from decreased severance costs of $2.1 million associated with our targeted headcount reductions, which primarily occurred in 2010 and a $2.7 million reduction in variable compensation which reflects the reduced bookings in the latter half of 2011, partially offset by an increase of $3.0 million in regular salary costs associated with increased headcount in 2011 compared to 2010, primarily in Asia.

Office and general expenses increased $0.2 million (0.2%, 2.0% in constant currency) in 2011 compared to 2010, which includes $2.0 million of unfavorable foreign exchange impact. This increase in office and general expenses resulted primarily from $1.4 million in increased administrative expense and $0.6 million of increased professional expenses as well as a partial reversal in 2010 of a previously recorded contingency resulting from a legal settlement.

Marketing and promotion expenses increased $3.1 million (5.4%, 1.4% in constant currency) in 2011 compared to 2010, which includes $2.4 million of unfavorable foreign exchange impact. This increase in marketing and promotion expenses primarily resulted from our focus on brand awareness in Europe and Asia.

We incurred $0.2 million of restructuring charges and other special charges in 2011 which is primarily comprised of severance costs resulting from our decision to cease operations within one country.

Our Careers-International operating income was $69.3 million in 2011, compared to an operating loss of $0.1 million in 2010, as a result of the factors discussed above.

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Internet Advertising & Fees

The operating results of our Internet Advertising & Fees segment for the years ended December 31, 2011 and 2010 are as follows (dollars in thousands):

	2011	% of Revenue	2010	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$ 109,880	100.0%	$ 131,142	100.0%	$ (21,262)	(16.2%)
Salaries and related	47,613	43.3%	50,420	38.4%	(2,807)	(5.6%)
Office and General	26,317	24.0%	26,015	19.8%	302	1.2%
Marketing and Promotions	26,631	24.2%	50,483	38.5%	(23,852)	(47.2%)
Restructuring and other special charges	4,105	3.7%		0.0%	4,105	na
Total Operating Expenses	104,666	95.3%	126,918	96.8%	(22,252)	(17.5%)
Operating Income	$ 5,214	4.7%	$ 4,224	3.2%	$ 990	23.4%

Revenue in our Internet Advertising & Fees segment decreased $21.3 million (16.2%) in 2011 compared to 2010. This decrease primarily resulted from the Company, as of the beginning of the third quarter of 2011, no longer engaging in the arbitrage lead generation activities, partially offset by an increase in our display advertising business.

Operating expenses decreased $22.3 million (17.5%) in 2011 compared to 2010. This decrease in operating expenses primarily resulted from a $23.8 million decrease in marketing expenses, partially offset by $4.1 million of restructuring and other special charges associated with the Company no longer engaging in the certain activities within our Internet Advertising & Fees segment.

Our Internet Advertising & Fees operating income was $5.2 million in 2011, compared to operating income of $4.2 million in 2010, as a result of the factors discussed above.

Interest and Other, net

Interest and other, net for the fiscal years ended December 31, 2011 and 2010 resulted in a net expense of $3.0 million and $1.7 million, respectively. Interest and other, net, primarily relates to interest expense on the Company s outstanding debt, interest income associated with the Company s various investments, foreign currency gains or losses and gains or losses on the Company s auction rate securities.

The increased expense in interest and other, net, of $1.3 million primarily resulted from higher interest expense in 2011, primarily relating to the funding of the acquisition of the HotJobs Assets and additional proceeds from borrowings on credit facilities in 2011 as well as lower gains on auction rate securities. These increases were partially offset by higher net foreign currency gains in 2011 and higher interest income primarily resulting from higher interest rates on our cash balances throughout 2011 as compared to 2010.

Income Taxes

Income taxes for the years ended December 31, 2011 and 2010 are as follows (dollars in thousands):

	2011	2010	$ Change	% Change
Income (loss) before income taxes and loss in equity interests	$ 90,796	$ (20,210)	$ 111,006	549.3%
Provision for (benefit from) income taxes	23,504	(8,293)	31,797	383.4%
Effective tax rate	26.0%	41.0%	n/a	n/a

The provision for income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Our effective tax rates differ from the statutory rate due to the impact of state and local income taxes, certain nondeductible expenses, foreign earnings taxed at different tax rates, valuation allowances and the accrual of interest on tax liabilities. Our future effective tax rates could be adversely affected by earnings being lower in countries where we have lower statutory rates, changes in the valuation of our deferred tax assets, or changes in tax laws or interpretations thereof. In addition, our filed tax returns are subject to the examination by the United States Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes.

During 2011, the Company reversed $6.6 million of accrued tax and accrued interest due to settlement of tax examinations and other adjustments to accrued uncertain tax positions. During 2010, the Company completed a tax examination in the United Kingdom. The tax authorities reviewed the character of certain intercompany loans as debt. The Company had previously established an uncertain tax position in the amount of $25.1 million for the tax benefits of accrued interest expense on these loans by reducing recorded deferred tax assets. Approximately $13.9 million of these benefits were sustained in the examination. As a result of resolution of the examination, the Company reversed the unrecognized tax benefits but established a valuation allowance for the benefits sustained due to uncertainty in their ultimate realization. Net of the recorded valuation allowance, the reversal did not have an effect on the effective tax rate.

The Company also recognized $1.4 million of previously unrecognized tax benefits due to settlement of a United States state tax examination, which on a net of tax basis impacted the effective tax rate by $0.9 million. The Company also reserved accrued interest and penalties related to unrecognized tax benefits of $0.6 million, which on a net of tax basis impacts the effective rate by $0.3 million. The total benefit reflected in the effective tax rate due to recognition of previously unrecognized benefits and reversals of interest and penalties thereon was $1.2 million.

Loss in Equity Interests, Net

Loss in equity interests, net, for the years ended December 31, 2011 and 2010 was $1.2 million and $2.9 million, respectively. The Company s equity investments consist of a 50% equity interest in a company located in Australia and a 25% investment in a company located in Finland. This decreased loss in 2010 primarily related to our Australian equity investment, which recorded a decreased loss from operations in 2010.

Net (Loss) Income

Our consolidated net income was $53.8 million in 2011 compared to a net loss of $32.4 million in 2010, as a result of the factors discussed above.

Diluted (Loss) Earnings Per Share

Diluted income per share in 2011 was $0.43 compared to diluted loss per share of $0.27 in 2010. Diluted weighted average shares outstanding for the years ended December 31, 2011 and 2010 was 123.9 million shares and 120.6 million shares, respectively. For periods in which losses are presented, dilutive earnings per share calculations do not differ from basic earnings per share because the effects of any potential common stock equivalents are anti-dilutive and therefore not included in the calculation of dilutive earnings per share.

Financial Condition

The following table details our cash and cash equivalents as of December 31, 2012 and 2011 (dollars in thousands):

	Year Ended December 31,		**Change**	
	2012	**2011**	$	%
Cash and cash equivalents	$ 148,185	$ 250,317	$ (102,132)	(40.8)%
Percentage of total assets	8.8%	12.2%		

As of December 31, 2012, we had cash and cash equivalents of $148.2 million, compared to $250.3 million as of December 31, 2011. Our decrease in cash and cash equivalents of $102.1 million in 2012 primarily resulted from $53.3 million provided by operating activities, partially offset by $65.6 million of repurchases of common stock, $59.6 million of capital expenditures, and $24.7 million of net payments on credit facilities.

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Cash Flows

Consolidated cash flows for the fiscal year ended December 31, 2012 and 2011 are as follows (dollars in thousands):

	Year Ended December 31,		Change	
	2012	2011	$	%
Net cash provided by operating activities	$ 53,327	$ 149,677	$ (96,350)	(64.4%)
Net cash used for investing activities	(60,921)	(62,202)	1,281	(2.1%)
Net cash (used) provided by financing activities	(98,811)	5,132	(103,943)	n/a
Effect of exchange rates on cash	4,273	(5,459)	9,732	n/a

Cash provided by operating activities was $53.3 million for the year ended December 31, 2012, a decrease of $96.4 million from the $149.7 million of cash provided by operating activities for the year ended December 31, 2011. This decrease resulted primarily from reduced operating income in 2012 compared to 2011 driven by the previously mentioned revenue declines.

Cash used for investing activities was $60.9 million for the year ended December 31, 2012, a decrease of $1.3 million from cash used for investing activities of $62.2 million for the year ended December 31, 2011. This decrease resulted primarily from $2.3 million of decreased capital expenditures in 2012.

Cash used by financing activities was $98.8 million for the year ended December 31, 2012, an increase of $103.9 million from $5.1 million of cash provided by financing activities for the year ended December 31, 2011. This increase resulted primarily from the repurchase of $23.7 million more of the Company s common stock compared to the year ended December 31, 2011 as well $89.0 million more in net repayments on borrowings on our term loan and revolving credit facilities compared to the year ended December 31, 2011.

Liquidity and Capital Resources

Our principal capital requirements have been to fund: (i) working capital; (ii) marketing and development of our Monster network; (iii) acquisitions; (iv) capital expenditures; and (v) share repurchases.

Historically, we have relied on funds provided by operating activities, equity offerings, short and long-term borrowings and seller-financed notes to meet our liquidity needs. We invest our excess cash predominantly in bank time deposits and commercial paper that matures within three months of its origination date. Due to the turmoil in the financial markets, we have redeployed our excess cash during 2012, 2011 and 2010 in conservative investment vehicles such as money market funds that invest solely in United States treasuries, top foreign sovereign regional, national and supra-national bank debt obligations and bank deposits at prime money center banks. We actively monitor the third-party depository institutions that hold our cash and cash equivalents. Our emphasis is primarily on safety of principal while secondarily on maximizing yield on those funds. We can provide no assurances that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

At any point in time we have funds in our operating accounts that are with third party financial institutions. These balances in the United States may exceed the Federal Deposit Insurance Corporation insurance limits. While we monitor the cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or could be subject to other adverse conditions in the financial markets.

We believe that our current cash and cash equivalents, revolving credit facilities and cash we anticipate generating from operating activities will provide us with sufficient liquidity to satisfy our working capital needs, cash payments of our various restructuring costs, capital expenditures and meet our investment requirements and commitments through at least the next twelve months. Our cash generated from operating activities is subject to fluctuations in the global economy and overall hiring demand.

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Credit Facilities

In December 2007, the Company entered into a senior unsecured revolving credit facility that provided for maximum borrowings of $250.0 million, including up to a $50.0 million sublimit for letters of credit. On August 31, 2009, with the objective of availing itself of the benefits of an improved credit market in an ongoing unstable macroeconomic environment, the Company amended certain terms and increased its borrowing capability under its existing credit agreement (the First Amended Credit Agreement). The First Amended Credit Agreement maintained the Company s existing $250.0 million revolving credit facility and provided for a new $50.0 million term loan facility, for a total of $300.0 million in credit available to the Company. On March 22, 2012, the First Amended Credit Agreement was further amended and restated in its entirety (the Second Amended Credit Agreement). The Second Amended Credit Agreement provides the Company with a $225.0 million revolving credit facility and a $100.0 million term loan facility, providing for a total of $325.0 million in credit available to the Company. The borrowings under the Second Amended Credit Agreement were used to satisfy the obligations under the First Amended Credit Agreement of $172.5 million for the revolving credit facility and $40.0 million for the term loan. The revolving credit facility and the term loan facility each mature on March 22, 2015. The Second Amended Credit Agreement does not qualify as a debt extinguishment in accordance with ASC 470 *Debt*, and all financing fees incurred will be deferred and amortized through March 2015. The Company is required to make quarterly amortization payments on the outstanding principal amount of the term loan with $1.3 million payable on March 31, 2013, $1.9 million payable on each of June 30, 2013, September 30, 2013, December 31, 2013, and March 31, 2014, $2.5 million payable on each of June 30, 2014, September 30, 2014, and December 31, 2014 and the remaining balance of the term loan due at maturity.

Borrowings under the Second Amended Credit Agreement will bear interest at a rate equal to either (i) the British Bankers Association LIBOR (BBA LIBOR) Rate plus a margin ranging from 250 basis points to 325 basis points depending on the Company s consolidated leverage ratio or (ii) the sum of (A) the highest of (1) the agent s prime rate, (2) the sum of 0.50% plus the overnight federal funds rate on such day or (3) the BBA LIBOR plus 1.0%, and (B) a margin ranging from 150 basis points to 225 basis points depending on the Company s consolidated leverage ratio. In addition, the Company will be required to pay the following fees: (i) a fee on all outstanding amounts of letters of credit at a rate per annum ranging from 250 basis points to 325 basis points (depending on the consolidated leverage ratio); and (ii) a commitment fee on the unused portion of the revolving credit facility at a rate per annum ranging from 35 basis points to 50 basis (depending on the consolidated leverage ratio). The Company may repay outstanding borrowings at any time during the term of the credit facility without any prepayment penalty.

The Second Amended Credit Agreement contains financial covenants requiring the Company to maintain: (i) a consolidated leverage ratio of no more than 3.00 to 1.00; and (ii) an interest charge coverage ratio of at least 3.00 to 1.00. The Second Amended Credit Agreement also contains various other negative covenants, including restrictions on incurring indebtedness, creating liens, mergers, dispositions of property, dividends and stock repurchases, acquisitions and other investments and entering into new lines of business. The Second Amended Credit Agreement also contains various affirmative covenants, including covenants relating to the delivery of financial statements and other financial information, maintenance of property, maintenance of insurance, maintenance of books and records and compliance with environmental laws. As of December 31, 2012, the Company was in full compliance with its covenants.

At December 31, 2012, the utilized portion of this credit facility was $96.3 million in borrowings on the term loan facility, $56.6 million of borrowings on the revolving credit facility, and $6.6 million in outstanding letters of credit. The portion of the term loan that is due within one year is $6.9 million and is classified as short-term in the consolidated balance sheet. The remaining amount outstanding on the term loan and the utilized portion of the revolving credit facility is classified as long-term in the consolidated balance sheet. As of December 31, 2012, based on the calculation of the maximum consolidated leverage ratio, $161.8 million of the Company s revolving credit facility was available. At December 31, 2012, the one month BBA LIBOR rate, the agent s prime rate, and the overnight federal funds rate were 0.21%, 3.25% and 0.09%, respectively. As of December 31, 2012, the Company used the one month BBA LIBOR rate for the interest rate on these borrowings with an interest rate of 2.96%.

In the second quarter of 2011, one of the Company s subsidiaries in China entered into a one-year unsecured uncommitted revolving credit facility, guaranteed by the Company, which provides for maximum borrowings of $7.6 million. During the third quarter of 2011, the remaining subsidiaries in China guaranteed the unsecured uncommitted revolving credit facility. The revolving credit facility contained covenants which included obtaining, complying and maintaining all verifications, authorizations, approvals, registrations, licenses and consents required by local law to perform its obligations to the lender under the agent agreement, notifying the lender forthwith of the occurrence of any event that may affect the Company s ability to perform any of its obligations under the credit agreement and using the revolving credit facility for financing its working capital requirements. As of December 31, 2012, the Company was in full compliance with its covenants. As of December 31, 2012, the interest rate on these borrowings was 6.16%, the utilized portion was $6.3 million, which is classified as short-term in the consolidated balance sheet as of December 31, 2012, and $1.2 million was available to be utilized by the Company.

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In the second quarter of 2012, one of the Company s subsidiaries in China entered into an additional one-year uncommitted revolving credit facility, secured by a standby letter of credit, which provides for maximum borrowings of $5.0 million. This facility contained covenants which included obtaining, complying and maintaining all verifications, authorizations, approvals, registrations, licenses and consents required from the borrower by local law to perform its obligations to the lender under the loan agreement, notifying the lender forthwith of the occurrence of any event that may affect the Company s ability to perform any of its obligations under the loan agreement and using this facility for financing its working capital requirements. As of December 31, 2012, the Company was in full compliance with its covenants. As of December 31, 2012, the interest rate on these borrowings was 5.88%, the utilized portion was $5.0 million, which is classified as short-term in the consolidated balance sheet as of December 31, 2012, and it was fully utilized by the Company.

Income Taxes

The Company has earned a significant portion of its income outside the United States, which the Company has asserted to be indefinitely reinvested in foreign operations. The Company evaluates its reinvestment assertions each reporting period. In the fourth quarter of 2011, the Company changed its reinvestment assertion with respect to its subsidiary in South Korea and plans to repatriate earnings. This determination was made by reviewing investment opportunities and expected financing needs in South Korea and the United States as well as considering the tax cost of repatriating from South Korea. United States residual taxes have been provided on unremitted earnings through December 31, 2012.

The amount of cash in subsidiaries offshore for which the Company maintains the indefinite reinvestment assertion at December 31, 2012 was approximately $121.0 million. While we have not determined the total United States and foreign tax liabilities on such a repatriation, generally, if this cash were repatriated, a United States tax liability would be incurred for the excess of United States tax over local taxes paid, if any on the portion characterized as a taxable dividend for United States tax purposes. The Company reviewed its liquidity needs in the United States and does not presently intend to repatriate these funds. In addition to an expected repatriation from South Korea in 2013 and cash expected from domestic operations, the Company can borrow from its credit facility in the United States should additional liquidity needs arise. We have borrowed funds domestically and continue to have the ability to borrow funds domestically at reasonable interest rates.

In 2012, we utilized our tax loss carryovers in the United States and did not pay significant United States cash taxes. We expect to utilize available tax loss carryovers to offset most United States tax liability through the end of 2013. We expect to continue to have taxable income in certain foreign tax jurisdictions in which we pay taxes on a quarterly basis.

November 2012 Restructuring

On November 8, 2012, the Company announced actions designed to concentrate resources on core businesses within North America and key European and Asian markets with increased spending in marketing and sales. The actions subsequently included (i) the sale of the Careers-China business which was completed on February 5, 2013, (ii) the exiting of the business operations in Latin America and Turkey and (iii) a strategic restructuring inclusive of a reduction in force, office consolidations and impairment of certain assets. Please see Note 6-*Discontinued Operations* in Notes to the Consolidated Financial Statements in Part II of this Form 10-K, for more information relating to the sale of the Careers-China business and the exiting of our businesses in Latin America and Turkey.

Through December 31, 2012, the Company has notified approximately 300 associates in North America and Europe (excluding discontinued operations) and has incurred $14.7 million of charges. The Company anticipates additional charges in the first half of 2013 relating to severance and office consolidations.

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Discontinued Operations

During the third quarter of 2012, as part of the Company s review of strategic alternatives, the Company made the decision to sell its Careers-China business unit. The sale of the Careers-China business was completed on February 5, 2013. As disclosed in Note 4-*Goodwill and Intangibles* in Notes to the Consolidated Financial Statements in Part II of this Form 10-K, the Company recorded a goodwill impairment charge for 100% of the goodwill attributable to Careers-China in the amount of $262.7 million in 2012.

Additionally, during the fourth quarter of 2012, the Company made the strategic decision to discontinue operations in Latin America and Turkey. All of the Latin America and Turkey business operations were discontinued on or before December 31, 2012. The Company incurred approximately $8.0 million of costs associated with the shutdown of these businesses.

In the aggregate, the Company s headcount will be reduced by approximately 1,100 employees as a result of the sale of Careers-China and the exiting of Latin America and Turkey.

Operating results for Careers-China, Latin America and Turkey, which had previously been included in the Careers-International segment in the Company s Consolidated Statement of Operations, have now been reclassified as discontinued operations for all periods presented. Please see Note 6-*Discontinued Operations* in Notes to the Consolidated Financial Statements in Part II of this Form 10-K.

In addition to the amounts recorded in 2012 for our restructuring programs and discontinued operations, the Company expects to incur an additional $27.0 million to $37.0 million of charges in 2013 for our restructuring programs and discontinued operations.

Operating Lease Obligations

We have recorded significant charges and accruals relating to terminating certain operating lease obligations before the end of their terms once the Company no longer derives economic benefit from the lease. The liability is recognized and measured at its fair value when we determine that the cease use date has occurred and the fair value of the liability is determined based on the remaining lease rentals due, reduced by estimated sublease rental income that could be reasonably obtained for the property. The estimate of subsequent sublease rental income may change and require future changes to the fair value of the liabilities for the lease obligations.

Share Repurchase Plan

On October 25, 2011, the Board of Directors of the Company authorized a share repurchase program of up to $250.0 million. Under the share repurchase program, shares of common stock will be purchased on the open market or through privately negotiated transactions from time-to-time through April 2013. The timing and amount of purchases will be based on market conditions, corporate and legal requirements and other factors. The share repurchase program does not obligate the Company to acquire any specific number of shares in any period, and may be modified, suspended, extended or discontinued at any time without prior notice. During the year ended December 31, 2012, the Company repurchased 8.5 million shares for a total repurchase of $65.6 million at an average price of $7.72 per share. During the year ended December 31, 2011, the Company repurchased 5.5 million shares for a total repurchase of $42.0 million at an average price of $7.60 per share.

Contractual Obligations

The commitments as of December 31, 2012 related to our continuing and discontinued operations are as follows (dollars in thousands) :

Contractual Obligations	**Total**	**Less Than 1 Year**	**1- 3 Years**	**3-5 Years**	**More Than 5 years**
Operating Leases	$ 194,551	$ 44,435	$ 71,093	$ 39,214	$ 39,809
Purchase commitments advertising contracts	42,674	32,813	9,861		
Principal Payments	164,239	18,264	145,975		
Interest Payments	14,439	6,660	7,457	221	101
Software Financing	6,968	6,968			
Other	18,786	12,284	6,502		
Total	**$ 441,657**	**$ 121,424**	**$ 240,888**	**$ 39,435**	**$ 39,910**

In addition to the cash commitments above, we also have $63.5 million of long-term income taxes payable, for which the timing of payment is not reasonably estimable, given the many variables related to these liabilities. Please see Note 14-*Income Taxes* to the Company s financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion of information related to long-term income taxes payable.

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Fair Value Measurement

The Company values its assets and liabilities using the methods of fair value as described in ASC 820, *Fair Value Measurements and Disclosures*. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three levels of fair value hierarchy are described below:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Inputs that are generally unobservable and typically reflect management s estimates of assumptions that market participants would use in pricing the asset or liability.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers counterparty credit risk in its assessment of fair value. Observable or market inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company s assumptions based on the best information available. There have been no transfers of assets or liabilities between the fair value measurement classifications in the year ended December 31, 2012.

The Company has certain assets and liabilities that are required to be recorded at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States. The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Bank time deposits	$	$ 79,078	$	$ 79,078
U.S. and foreign government obligations		22,143		22,143
Bankers acceptances		7,337		7,337
Foreign exchange contracts		36		36
Total Assets	$	$ 108,594	$	$ 108,594
Liabilities:				
Foreign exchange contracts	$	$ 70	$	$ 70
Lease exit liabilities			14,233	14,233
Total Liabilities	$	$ 70	$ 14,233	$ 14,303

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
Bank time deposits	$	$ 114,839	$	$ 114,839
Commercial paper		75,066		75,066
Bankers acceptance		8,630		8,630
Government bond foreign		7,143		7,143
Foreign exchange contracts		215		215
Total Assets	$	$ 205,893	$	$ 205,893

Liabilities:				
Lease exit liabilities	$	$	$ 14,938	$ 14,938
Total Liabilities	$	$	$ 14,938	$ 14,938

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The lease exit liabilities relate to vacated facilities associated with previously discontinued operations and realignment activities of the Company and are recorded in accrued expenses and other current liabilities in the consolidated balance sheet as of December 31, 2012 and 2011. The fair value of the Company s lease exit liabilities within the Level 3 classification is based on a discounted cash flow model applied over the remaining term of the leased property.

The changes in the fair value of the Level 3 liabilities are as follows (in thousands):

	Lease Exit Liability Year Ended December 31,	
	2012	2011
Balance, Beginning of Period	$ 14,938	$ 13,913
Expense	5,511	4,897
Cash Payments and changes in fair value	(6,216)	(3,872)
Balance, End of Period	$ 14,233	$ 14,938

The carrying value for cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company s debt relates to borrowings under its credit facilities and term loan (please see Note 11-*Financing Agreements* to the Company s financial statements included in Item 8 of this Annual Report on Form 10-K), which approximates fair value due to market interest rates.

CRITICAL ACCOUNTING ESTIMATES

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (GAAP). In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 1, *Basis of Presentation and Significant Accounting Policies*, of the Notes to Consolidated Financial Statements, included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K. Management believes that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management s most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. Management has reviewed these critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

Revenue Recognition and Accounts Receivable

The Company recognizes revenue on agreements in accordance with ASC 605, *Revenue Recognition*.

Careers-North America and Careers-International. Our Careers-North America and Careers-International segments primarily earn revenue from the placement of job postings on the websites within the Monster network, access to the Monster network s online resume database, recruitment media services, applicant tracking services, online career related solutions provided through a Software as a Service (SaaS) offering and other career-related services.

Where appropriate, we recognize revenue in accordance with Accounting Standards Update (ASU) No. 2009-13, *Multiple-Deliverable Revenue Arrangements,* which was effective January 1, 2011. The Company s revenue associated with multiple element contracts is based on the selling price hierarchy, which utilizes vendor-specific objective evidence or (VSOE) when available, third-party evidence (TPE) if VSOE is not available, and if neither is available then the best estimate of selling price is used. The Company utilizes VSOE in the majority of its multiple deliverable transactions. Under this new accounting guidance, to treat elements in a multi-element arrangement as separate units of accounting, each element must have standalone value upon delivery. If the element has standalone value, the Company accounts for each element separately.

In determining whether elements have standalone value, the Company considers the availability of the elements from other vendors, the nature of the elements, the timing of execution of contracts for customers and the contractual dependence of the element related to a customer s acceptance.

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We recognize revenue at the time that job postings and related accessories are displayed on the Monster network websites, based upon customer usage patterns. Revenue earned from subscriptions to the Monster network s resume database, applicant tracking services and other career-related services are recognized over the length of the underlying subscriptions, typically from two weeks to twelve months. The Company accounts for SaaS contracts as the services are being performed.

Unearned revenues are reported on the balance sheet as deferred revenue. We review accounts receivable for those that may potentially be uncollectible and any accounts receivable balances that are determined to be uncollectible are included in our allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

Internet Advertising & Fees. Our Internet Advertising & Fees segment primarily earns revenue from the display of advertisements on the Monster network of websites, click-throughs on text based links, leads provided to advertisers and subscriptions to premium services. We recognize revenue for online advertising as impressions are delivered. An impression is delivered when an advertisement appears in pages viewed by our users. We recognize revenue from the display of click-throughs on text based links as click-throughs occur. A click-through occurs when a user clicks on an advertiser s listing. Revenue from lead generation is recognized as leads are delivered to advertisers.

Fair Value Measurements

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued expense and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. Our debt consists of borrowings under our credit facility, which approximates fair value due to the variable nature of the interest rates which approximates market.

Asset Impairment

Business Combinations, Goodwill and Intangible Assets

We account for business combinations in accordance with ASC 805, *Business Combinations*. The acquisition method of accounting requires that assets acquired and liabilities assumed be recorded at their fair values on the date of a business acquisition. Our consolidated financial statements and results of operations reflect an acquired business on the completion date of an acquisition.

The Company tests the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year. Goodwill is tested more frequently if indicators of impairment exist. The goodwill impairment test is performed at the reporting unit level. The Company has four reporting units which are the equivalent to our four operating segments: Careers-North America, Careers-International, Careers-China, presented for all periods as a discontinued operation and held for sale, and Internet Advertising & Fees. In determining if goodwill is impaired, we estimate the fair value of the reporting unit and compare it to the carrying value of the assets and liabilities of that reporting unit. The Company determines the fair value of its reporting units using a weighting of fair values derived from the income approach and the market approach. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management s estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business s ability to execute on the projected cash flows. Under the market approach, the Company estimates the fair value based on market multiples of cash flow and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit and considering a reasonable control premium. The weighting of the fair value derived from the market approach differs for each reporting unit depending on the level of comparability of these publicly-traded companies to the reporting unit. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates.

During the third quarter of 2012, the Company performed a qualitative analysis for the Careers-China reporting unit and it was determined that the Careers-China reporting unit was more likely than not to have a fair value less than the unit s carrying amount. The conclusion was based on the recent financial performance of Careers-China compared to previously forecasted results, updated projections of future profitability as well as indicative offers from potential buyers of the Careers-China business (please see Note 6-*Discontinued Operations*). Accordingly, the Company performed a step one fair value evaluation of Careers-China utilizing both a discounted cash flow analysis and the indicative offers from potential buyers of the Careers-China business. The result of this fair value analysis was that the fair value of the reporting unit was less than the carrying value and a step two analysis was required to determine the amount of goodwill impairment, if any. The Company performed the step two evaluation and determined that the goodwill for the Careers-China reporting unit was impaired and recorded a goodwill impairment charge for Careers-China of $216.2 million. In the fourth quarter of 2012, the Company impaired the remaining goodwill balance of the Careers-China business and recorded an additional $46.4 million impairment, leaving the Careers-China business with no goodwill.

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For the annual goodwill impairment test performed in the fourth quarter of 2012, each of the Careers International (excluding Careers China) and the Internet Advertising and Fees reporting units had fair value that substantially exceeded its carrying value.

For the Careers North America report unit, the Company calculated, using a discount rate of 15% and a terminal growth rate of 4%, that the estimated fair value would have to be at least 25% less than the computed amount to result in any goodwill impairment charges. The recorded amount of goodwill for the Careers North America reporting unit was $594.1 million as of December 31, 2012. The Company believes the inputs and assumptions used in determining the fair value of the Careers North America reporting unit are reasonable.

As a corroborative source of information, the Company reconciles the estimated fair values of its reporting units to within a reasonable range of its market capitalization, which includes an assumed control premium (an adjustment reflecting an estimated fair value on a control basis) to verify the reasonableness of the fair value of its reporting units obtained through the aforementioned methods. The control premium is estimated based upon control premiums observed in comparable market transactions. As none of our reporting units are publicly-traded, individual reporting unit fair value determinations do not directly correlate to the Company s stock price. Although the Company believes it is reasonable to conclude that market capitalization could be an indicator of fair value over time, we believe that our current market capitalization undervalues the aggregate fair values of our individual reporting units.

The Company recognizes that during certain periods our market capitalization has been below our book value. Accordingly, we monitor changes in our share price between annual impairment tests to ensure that our reconciled market capitalization continues to exceed or is not significantly below the carrying value of our net assets. In the event that our reconciled market capitalization does decline below its book value, we consider the length and severity of the decline and the reason for the decline when assessing whether potential goodwill impairment exists. Further, if a reporting unit does not appear to be achieving the projected growth plan used in determining its fair value, we will reevaluate the reporting unit for potential goodwill impairment based on revised projections, as available.

Long-lived assets

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset s residual value, if any. In turn, measurement of an impairment loss requires a determination of fair value, which is based on the best information available. We use internal discounted cash flows estimates, quoted market prices when available and independent appraisals, as appropriate, to determine fair value. We derive the required cash flow estimates from our historical experience and our internal business plans and apply an appropriate discount rate.

Income Taxes

We utilize the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. In evaluating our ability to recover our deferred tax assets within the jurisdictions from which they arise, we consider all available positive and negative evidence, including scheduled reversals of taxable temporary items, projected future taxable income, tax planning strategies and recent financial operations. Assumptions used in making this evaluation require significant judgment and are consistent with the plans and estimates we are using to manage the underlying business. When we determine that we are not able to realize our recorded deferred tax assets, an increase in the valuation allowance is recorded, decreasing earnings in the period in which such determination is made.

We assess our income tax positions and record tax benefits for all years subject to examination based upon our evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where there is greater than 50% likelihood that a tax benefit will be sustained, we have recorded the largest amount of tax benefit that may potentially be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is a 50% or less likelihood that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements.

Stock-Based Compensation

We account for stock-based compensation in accordance with ASC 718, *Compensation-Stock Compensation*. Under the fair value recognition provisions of ASC 718, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, net of estimated forfeitures. We use the Black-Scholes option-pricing model to determine the fair value of stock option awards and measure non-vested stock awards using the fair market value of our common stock on the date the award is approved. We award stock options, non-vested stock, market-based non-vested stock and performance-based non-vested stock to employees, directors and executive officers.

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Restructuring and Other Operating Lease Obligations

We recognize a liability for costs to terminate an operating lease obligation before the end of its term when we no longer derive economic benefit from the lease. The liability is recognized and measured at its fair value when we determine that the cease use date has occurred and the fair value of the liability is determined based on the remaining lease rentals due, reduced by estimated sublease rental income that could be reasonably obtained for the property. The estimate of subsequent sublease rental income may change and require future changes to the fair value of the liabilities for the lease obligations.

Recently Issued Accounting Pronouncements

New accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standards setting bodies that we adopt according to the various timetables the FASB specifies. The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company s results of operations, financial position or cash flow.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

Foreign Exchange Risk

During 2012, revenue from our continuing international operations accounted for 42% of our consolidated revenue. Revenue and related expenses are generally denominated in the functional currencies of the local countries. Our primary foreign currencies are Euros, Korean Won, Swedish Krona, and Chinese Renminbi. The functional currency of our subsidiaries that either operate or support these websites is the same as the corresponding local currency. The results of operations of, and certain of our intercompany balances associated with, our internationally-focused websites are exposed to foreign exchange rate fluctuations. Upon consolidation, as exchange rates vary, revenue and other operating results may differ materially from expectations, and we may record significant gains or losses on the remeasurement of intercompany balances. The effect of the strengthening United States dollar in 2012 negatively impacted reported revenue by approximately $23.2 million and negatively impacted reported operating income by approximately $4.4 million, compared to 2011.

We have foreign exchange risk related to foreign-denominated cash, cash equivalents and marketable securities (foreign funds). Based on the balance of foreign funds at December 31, 2012 of $141.7 million, an assumed 5%, 10% and 20% negative currency movement would result in fair value declines of $7.1 million, $14.2 million and $28.3 million, respectively.

We use forward foreign exchange contracts as cash flow hedges to offset risks related to certain foreign currency transactions. These transactions primarily relate to non-functional currency denominated inter-company funding loans, non-functional currency denominated accounts receivable and non-functional currency denominated accounts payable. We do not enter into derivative financial instruments for trading purposes.

The financial statements of our non-United States subsidiaries are translated into United States dollars using current rates of exchange, with gains or losses included in the cumulative translation adjustment account, a component of stockholders equity. During the year ended December 31, 2012, our cumulative translation adjustment account increased $23.4 million, primarily attributable to the foreign currency movements of the United States dollar against the Chinese Renminbi, British Pound, Euro, and Indian Rupee.

Interest Rate Risk

Credit Facilities

As of December 31, 2012, our debt was comprised primarily of borrowings under our senior secured revolving credit facility, term loan facility and borrowings of one of our subsidiaries in China under an unsecured uncommitted revolving credit facility that we guarantee and a second China uncommitted revolving credit facility secured by a standby letter of credit. The credit facilities interest rates may be reset due to fluctuation in a market-based index, such as the federal funds rate, the London Interbank Offered Rate (LIBOR), the administrative agent s prime rate or the People s Bank of China rate. Assuming the amount of borrowings provided for under our credit facilities was fully drawn during 2012, we would have had $333.9 million outstanding under such facilities, and a hypothetical 1.00% (100 basis-point) change in the interest rate of our credit facilities would have changed our pre-tax earnings by approximately $3.3 million for the year ended December 31, 2012. Assuming the amount of borrowings under our credit facilities was equal to the amount of outstanding borrowings on December 31, 2012, we would have had $164.2 million of total usage and a hypothetical 1.00% (100 basis-point) change in the interest rate of our credit facilities would have changed our pre-tax earnings by approximately $1.6 million for the year ended December 31, 2012. We do not manage the interest rate risk on our debt through the use of derivative instruments.

Investment Portfolio

Our investment portfolio is comprised primarily of cash and cash equivalents and short-term investments in a variety of debt instruments of high quality issuers. We invest in top sovereign, regional, national and supra-national bank commercial paper, bank time deposits, bankers acceptances and government bills or promissory notes or bonds that mature within three months of their origination date. A hypothetical 1.00% (100 basis-point) change in interest rates applicable to our investment portfolio balance as of December 31, 2012 would have changed our annual pretax earnings by approximately $1.3 million.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

The following are the consolidated financial statements of Monster Worldwide, Inc. and its consolidated subsidiaries, which are filed as part of this report.

MONSTER WORLDWIDE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

Monster Worldwide, Inc.

New York, New York

We have audited the accompanying consolidated balance sheets of Monster Worldwide, Inc. (the Company) as of December 31, 2012 and 2011 and the related consolidated statements of operations, stockholders equity, and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Monster Worldwide, Inc. at December 31, 2012 and 2011, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Monster Worldwide, Inc. s internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 13, 2013 expressed an unqualified opinion thereon.

/s/ BDO USA, LLP

New York, New York

February 13, 2013

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MONSTER WORLDWIDE, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2012	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 148,185	$ 250,317
Accounts receivable net of allowance for doubtful accounts of $3,925 and $5,240	335,905	343,546
Prepaid and other	73,861	82,069
Current assets of discontinued operations	21,702	
Total current assets	579,653	675,932
Goodwill	887,271	1,132,161
Property and equipment, net	147,613	156,282
Intangibles, net	32,583	51,961
Other assets	37,745	41,662
Total assets	**$ 1,684,865**	**$ 2,057,998**
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable, accrued expenses and other	$ 181,914	$ 196,987
Deferred revenue	351,546	380,310
Current portion of long-term debt and borrowings on revolving credit facilities	18,264	188,836
Income taxes payable		16,830
Current liabilities of discontinued operations	33,256	
Total current liabilities	584,980	782,963
Long-term income taxes payable	63,465	94,750
Long-term debt, less current portion	145,975	
Other long-term liabilities	10,406	16,158
Total liabilities	**804,826**	**893,871**
Commitments and contingencies		
Stockholders equity:		
Preferred stock, $.001 par value, authorized 800 shares; issued and outstanding: none		
Common stock, $.001 par value, authorized 1,500,000 shares; issued: 139,836 and 137,855 shares, respectively; outstanding: 111,129 and 117,628 shares, respectively	140	138
Class B common stock, $.001 par value, authorized 39,000 shares; issued and outstanding: none		
Additional paid-in capital	1,357,126	1,405,915
Accumulated deficit	(564,389)	(305,669)
Accumulated other comprehensive income	87,162	63,743
Total stockholders equity	**880,039**	**1,164,127**
Total liabilities and stockholders equity	**$ 1,684,865**	**$ 2,057,998**

See accompanying notes.

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MONSTER WORLDWIDE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Year Ended December 31, 2012	2011	2010
Revenue	$ 890,392	$ 993,644	$ 874,923
Salaries and related	408,305	480,398	464,206
Office and general	221,251	224,914	225,953
Marketing and promotion	188,326	189,850	203,274
Restructuring and other special charges	40,358	4,715	
Total operating expenses	858,240	899,877	893,433
Operating income (loss)	32,152	93,767	(18,510)
Interest and other, net	(5,883)	(2,971)	(1,700)
Income (loss) before income taxes and loss in equity interests	26,269	90,796	(20,210)
Benefit from (provision for) income taxes	32,978	(23,504)	8,293
Loss in equity interests, net	(1,081)	(1,242)	(2,870)
Income (loss) from continuing operations	58,166	66,050	(14,787)
Loss from discontinued operations, net of tax	(316,886)	(12,253)	(17,572)
Net (loss) income	$ (258,720)	$ 53,797	$ (32,359)
Basic (loss) earnings per share:			
Income (loss) from continuing operations	$ 0.52	$ 0.54	$ (0.12)
Loss from discontinued operations, net of tax	(2.81)	(0.10)	(0.15)
Basic (loss) earnings per share	$ (2.29)	$ 0.44	$ (0.27)
Diluted (loss) earnings per share:			
Income (loss) from continuing operations	$ 0.51	$ 0.53	$ (0.12)
Loss from discontinued operations, net of tax	(2.78)	(0.10)	(0.15)
Diluted (loss) earnings per share	$ (2.27)	$ 0.43	$ (0.27)
Weighted average shares outstanding:			
Basic	112,866	122,002	120,608
Diluted	113,995	123,923	120,608
Net (loss) income	**$ (258,720)**	**$ 53,797**	**$ (32,359)**
Other comprehensive (loss) income:			
Foreign currency translation adjustments, net	23,419	578	(1,002)
Comprehensive (loss) income	**$ (235,301)**	**$ 54,375**	**$ (33,361)**

See accompanying notes.

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MONSTER WORLDWIDE, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(In thousands)

	Shares of Common Stock	Common Stock and Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity
Balance, January 1, 2010	**134,380**	**$ 1,396,104**	**$ (327,107)**	**$ 64,167**	**$ 1,133,164**
Net loss			(32,359)		(32,359)
Change in cumulative foreign currency translation adjustment				(1,002)	(1,002)
Tax withholdings related to net share settlements of restricted stock awards and units	(869)	(14,227)			(14,227)
Issuance of common stock for stock option exercises	29	300			300
Tax provision for stock-based compensation		(4,417)			(4,417)
Stock based compensation- restricted stock	2,294	46,646			46,646
Stock based compensation- stock options		545			545
Balance, December 31, 2010	**135,834**	**$ 1,424,951**	**$ (359,466)**	**$ 63,165**	**$ 1,128,650**
Net income			53,797		53,797
Change in cumulative foreign currency translation adjustment				578	578
Repurchase of common stock		(41,973)			(41,973)
Tax withholdings related to net share settlements of restricted stock awards and units	(1,145)	(17,139)			(17,139)
Issuance of common stock for stock option exercises	1	23			23
Tax provision for stock-based compensation		(4,628)			(4,628)
Stock based compensation- restricted stock	3,165	44,380			44,380
Stock based compensation- stock options		439			439
Balance, December 31, 2011	**137,855**	**$ 1,406,053**	**$ (305,669)**	**$ 63,743**	**$ 1,164,127**
Net loss			(258,720)		(258,720)
Change in cumulative foreign currency translation adjustment				23,419	23,419
Repurchase of common stock		(65,611)			(65,611)
Tax withholdings related to net share settlements of restricted stock awards and units	(1,099)	(8,482)			(8,482)
Issuance of common stock for stock option exercises	3	23			23
Tax provision for stock-based compensation		(5,319)			(5,319)
Stock based compensation- restricted stock	3,078	30,551			30,551
Stock based compensation- stock options		51			51
Balance, December 31, 2012	**139,837**	**$ 1,357,266**	**$ (564,389)**	**$ 87,162**	**$ 880,039**

See accompanying notes.

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MONSTER WORLDWIDE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,		
	2012	2011	2010
Cash flows provided by operating activities:			
Net (loss) income	$ (258,720)	$ 53,797	$ (32,359)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	70,000	74,600	67,096
Provision for doubtful accounts	4,469	3,329	2,947
Non-cash compensation	28,964	42,523	47,191
Loss in equity interests, net	1,081	1,242	2,870
Non-cash restructuring write-offs, accelerated amortization and loss on disposal of assets	7,505	130	255
Deferred income taxes	(9,814)	(5,659)	(27,890)
Tax benefit from change in uncertain tax positions	(43,193)		
Gains on auction rate securities		(1,732)	(2,415)
Impairment of goodwill and other intangibles	267,855		
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	(2,013)	(856)	(53,555)
Prepaid and other	13,332	(5,510)	(16,490)
Deferred revenue	(17,456)	5,056	62,488
Accounts payable, accrued liabilities and other	(8,683)	(17,243)	42,934
Total adjustments	312,047	95,880	125,431
Net cash provided by operating activities	**53,327**	**149,677**	**93,072**
Cash flows used for investing activities:			
Capital expenditures	(59,572)	(61,818)	(57,126)
Payments for acquisitions and intangible assets, net of cash acquired			(225,795)
Sales and maturities of marketable securities and other		1,732	27,089
Cash funded to equity investee	(2,077)	(2,559)	(5,648)
Dividends received from unconsolidated investee	728	443	220
Net cash used for investing activities	**(60,921)**	**(62,202)**	**(261,260)**
Cash flows (used for) provided by financing activities:			
Payments on borrowings on credit facilities	(305,709)	(44,501)	(15,500)
Proceeds from borrowings on credit facilities	224,718	108,722	90,000
Payments on term loan	(43,750)		
Proceeds from borrowings on term loan	100,000		
Repurchase of common stock	(65,611)	(41,973)	
Tax withholdings related to net share settlements of restricted stock awards and units	(8,482)	(17,139)	(14,227)
Proceeds from the exercise of employee stock options	23	23	300
Net cash (used for) provided by financing activities	**(98,811)**	**5,132**	**60,573**
Effects of exchange rates on cash	4,273	(5,459)	(4,663)
Net (decrease) increase in cash and cash equivalents	(102,132)	87,148	(112,278)
Cash and cash equivalents, beginning of period	250,317	163,169	275,447

Cash and cash equivalents, end of period	**$ 148,185**	**$ 250,317**	**$ 163,169**

See accompanying notes.

MONSTER WORLDWIDE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company

Monster Worldwide, Inc. (together with its consolidated subsidiaries, the Company, Monster, Monster Worldwide, we, our, or us) has op that consist of three reportable segments: Careers-North America, Careers-International and Internet Advertising & Fees. Revenue in the Company s Careers segments are primarily earned from the placement of job advertisements on the websites within the Monster network, access to the Monster network s of online resume databases, recruitment media services and other career-related services. Revenue in the Company s Internet Advertising & Fees segment is primarily earned from the display of advertisements on the Monster network of websites, click-throughs on text based links and leads provided to advertisers. The Company s Careers segments provide online services to customers in a variety of industries throughout North America, Europe, and the Asia-Pacific region, while Internet Advertising & Fees delivers online services primarily in North America.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and all of its wholly-owned and majority-owned subsidiaries. Investments in which the Company does not have a controlling interest or is not the primary beneficiary are accounted for under the equity method. All inter-company accounts and transactions have been eliminated in consolidation. We have reclassified certain amounts previously reported in our financial statements to conform to the current presentation, including amounts related to discontinued operations. Unless noted otherwise, discussions in these notes pertain to our continuing operations.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities and revenues and expenses. These estimates include, among others, allowances for doubtful accounts, fair value of financial assets and liabilities, net realizable values on long-lived assets and deferred tax assets and liabilities, certain accrued expense accounts, deferred revenue, goodwill, revenue recognition and forfeitures associated with stock-based compensation. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue on agreements in accordance with Accounting Standards Codification (ASC) ASC 605- *Revenue Recognition*.

Careers-North America and Careers-International. Our Careers-North America and Careers-International segments primarily earn revenue from the placement of job postings on the websites within the Monster network, access to the Monster network s online resume database, recruitment media services, applicant tracking services, online career related solutions provided through a Software as a Service (SaaS) offering and other career-related services.

Where appropriate, we recognize revenue in accordance with Accounting Standards Update (ASU) No. 2009-13, *Multiple-Deliverable Revenue Arrangements,* which was effective January 1, 2011. The Company s revenue associated with multiple element contracts is based on the selling price hierarchy, which utilizes vendor-specific objective evidence or (VSOE) when available, third-party evidence (TPE) if VSOE is not available, and if neither is available then the best estimate of selling price would be used. The Company utilizes VSOE in the majority of its multiple deliverable transactions. Under this new accounting guidance, to treat elements in a multi-element arrangement as separate units of accounting, each element must have standalone value upon delivery. If the element has standalone value, the Company accounts for each element separately. In determining whether elements have standalone value, the Company considers the availability of the elements from other vendors, the nature of the elements, the timing of execution of contracts for customers and the contractual dependence of the element related to a customer s acceptance.

We recognize revenue at the time that job postings and related accessories are displayed on the Monster network websites, based upon customer usage patterns. Revenue earned from subscriptions to the Monster network s resume database, applicant tracking services and other career-related services are recognized over the length of the underlying subscriptions, typically from two weeks to twelve months. The Company accounts for SaaS contracts as the services are being performed.

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Unearned revenues are reported on the balance sheet as deferred revenue. We review accounts receivable for those that may potentially be uncollectible and any accounts receivable balances that are determined to be uncollectible are included in our allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

Internet Advertising & Fees. Our Internet Advertising & Fees segment primarily earns revenue from the display of advertisements on the Monster network of websites, click-throughs on text based links, leads provided to advertisers and subscriptions to premium services. We recognize revenue for online advertising as impressions are delivered. An impression is delivered when an advertisement appears in pages viewed by our users. We recognize revenue from the display of click-throughs on text based links as click-throughs occur. A click-through occurs when a user clicks on an advertiser s listing. Revenue from lead generation is recognized as leads are delivered to advertisers.

Business Combinations

We account for business combinations in accordance with ASC 805, *Business Combinations*. The acquisition method of accounting requires that assets acquired and liabilities assumed be recorded at their fair values on the date of a business combination. Our consolidated financial statements and results of operations reflect an acquired business from the completion date of an acquisition. Please see Note 3-*Business Combinations*.

Discontinued Operations

The Company accounts for business dispositions and its businesses held for sale in accordance with ASC 205-20, *Discontinued Operations*. ASC 205-20 requires the results of operations of business dispositions to be segregated from continuing operations and reflected as discontinued operations in current and prior periods. Please see Note 6-*Discontinued Operations* to the consolidated financial statements.

Marketing and Promotion

Advertising production costs are recorded as expense the first time an advertisement appears. Costs of communicating advertising are recorded as expense as advertising space or airtime is used. All other advertising costs are expensed as incurred.

Fair Value of Financial Instruments

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company s debt relates to borrowings under its credit facilities and term loan, which approximates fair value due to market interest rates.

Concentrations of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. Cash and cash equivalents are maintained with several financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally these deposits may be redeemed upon demand. The Company also invests in short-term commercial paper rated P1 or better by Moody s or A1 or better by Standard & Poors. The Company performs continuing credit evaluations of its customers, maintains allowances for potential credit losses and does not require collateral. The Company makes judgments as to its ability to collect outstanding receivables based primarily on management s evaluation of the customer s financial condition, past collection history and overall aging of the receivables. Historically, such losses have been within management s expectations. The Company has not experienced significant losses related to receivables from individual customers or groups of customers in any particular industry or geographic area.

Cash and Cash Equivalents

Cash and cash equivalents, which primarily consist of bank time deposits and commercial paper, are stated at cost, which approximates fair value. For financial statement presentation purposes, the Company considers all highly liquid investments having original maturities of three months or less to be cash equivalents. Outstanding checks in excess of account balances, typically payroll and other contractual obligations disbursed on or near the last day of a reporting period, are reported as current liabilities in the accompanying consolidated balance sheets.

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Accounts Receivable

The Company s accounts receivable primarily consist of trade receivables. Management reviews accounts receivable on a monthly basis to determine if any receivables will potentially be uncollectible. The Company includes any accounts receivable balances that are determined to be uncollectible in its allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, the Company believes its allowance for doubtful accounts as of December 31, 2012 and 2011 are adequate. However, actual write-offs could exceed the recorded allowance. Including discontinued operations, the activity in the allowance for doubtful accounts is as follows:

Year Ended December 31,	Beginning Balance	Charged to Expense	Write-Offs and Other	Ending Balance
2012	$ 5,240	$ 4,469	$ (4,988)	$ 4,721
2011	$ 5,420	$ 3,329	$ (3,509)	$ 5,240
2010	$ 12,660	$ 2,947	$ (10,187)	$ 5,420

Included in the December 31, 2012 ending balance of $4,721 is $796 of allowance for doubtful accounts attributable to discontinued operations.

Property and Equipment

Computer and communications equipment, furniture and equipment and capitalized software costs are stated at cost and are depreciated using the straight line method over the estimated useful lives of the assets, generally three to ten years. Leasehold improvements are stated at cost and amortized using the straight-line method, over their estimated useful lives, or the lease term, whichever is shorter.

Internal Use Software and Website Development Costs

In accordance with ASC 350-40, *Internal-Use Software,* the Company capitalizes costs to purchase or internally develop software for internal use, as well as costs incurred to design, develop, test and implement enhancements to its website. These costs are included in property and equipment and the estimated useful life is five years

Goodwill and Intangible Assets

The Company evaluates its long-lived assets for impairment in accordance with ASC 350-20, *Goodwill*. Goodwill is recorded when the purchase price paid for an acquisition exceeds the estimated fair value of the net identified tangible and intangible assets acquired.

The Company tests the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year. Goodwill is tested more frequently if indicators of impairment exist. The goodwill impairment test is performed at the reporting unit level. The Company has four reporting units which are the equivalent to our four operating segments: Careers-North America, Careers-International, Careers-China and Internet Advertising & Fees. In determining if goodwill is impaired, we estimate the fair value of the reporting unit and compare it to the carrying value of the assets and liabilities of that reporting unit. The Company determines the fair value of its reporting units using a weighting of fair values derived from the income approach and the market approach. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management s estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business s ability to execute on the projected cash flows. Under the market approach, the Company estimates the fair value based on market multiples of cash flow and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit and further considering the value of a control premium. The weighting of the fair value derived from the market approach differs for each reporting unit depending on the level of comparability of these publicly-traded companies to the reporting unit. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates.

Other intangible assets primarily consist of the value of customer relationships, trade names, resume databases, trademarks and internet domains. Amortizable intangible assets are primarily being amortized on a basis that approximates economic use, over periods ranging from two to ten years.

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Long-Lived Assets

Long-lived assets, other than goodwill and indefinite lived intangible assets, are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of these assets and their eventual disposition are less than their carrying amounts.

Intangible assets are primarily evaluated on an annual basis, generally in conjunction with the Company s evaluation of goodwill balances. Impairment, if any, is assessed by using internally developed discounted cash flows estimates, quoted market prices, when available, and independent appraisals to determine fair value. The determination of whether or not long-lived assets have become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the estimated future cash flows expected to result from the use of those assets. Changes in the Company s strategy, assumptions and/or market conditions could significantly impact these judgments and require adjustments to recorded amounts of long-lived assets. As of December 31, 2012, there were no impairment indicators present.

Foreign Currency Translation and Transactions

The financial position and results of operations of the Company s foreign subsidiaries are determined using local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each year-end. Income statement accounts are translated at the average rate of exchange prevailing during the year. Translation adjustments arising from the use of differing exchange rates from period to period are included in other comprehensive income (loss), a component of stockholders equity. Gains and losses resulting from other foreign currency transactions, including forward foreign exchange contracts, are included in other income (expense), net.

Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. The Company s items of other comprehensive income are foreign currency translation adjustments, which relate to investments that are permanent in nature, net of applicable income taxes. To the extent that such amounts relate to investments that are permanent in nature, no adjustments for income taxes are made.

The Company uses forward foreign exchange contracts as economic cash flow hedges to offset risks related to foreign currency transactions. These transactions primarily relate to non-functional currency denominated inter-company funding loans and non-functional currency inter-company accounts receivable. The Company does not trade derivative financial instruments for speculative purposes. Please see Note 10-*Financial Derivative Instruments.*

Income Taxes

We utilize the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. In evaluating our ability to recover our deferred tax assets within the jurisdictions from which they arise, we consider all available positive and negative evidence, including scheduled reversals of taxable temporary items, projected future taxable income, tax planning strategies and recent financial operations. Assumptions used in making this evaluation require significant judgment and are consistent with the plans and estimates we are using to manage the underlying business. When we determine that we are not able to realize our recorded deferred tax assets, an increase in the valuation allowance is recorded, decreasing earnings in the period in which such determination is made.

We assess our income tax positions and record tax benefits for all years subject to examination based upon our evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where there is greater than 50% likelihood that a tax benefit will be sustained, we have recorded the largest amount of tax benefit that may potentially be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is a 50% or less likelihood that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements.

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Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation Stock Compensation.* Under the fair value recognition provisions of ASC 718, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, net of estimated forfeitures. We use the Black-Scholes option-pricing model to determine the fair-value of stock option awards and measure non-vested stock awards using the fair market value of our common stock on the date the award is approved. We award stock options, non-vested stock, market-based non-vested stock and performance-based non-vested stock to employees, directors and executive officers.

Restructuring and Other Special Charges

The Company accounts for restructuring activities in accordance with ASC 420, *Exit or Disposal Cost Obligations.* Under the guidance, for the cost of restructuring activities that do not constitute a discontinued operation, the liability for the current and fair value of expected future costs associated with such restructuring activity shall be recognized in the period in which the liability is incurred. We segregate the costs of restructuring activities taken pursuant to a management approved restructuring plan.

Operating Lease Obligations

We recognize a liability for costs to terminate an operating lease obligation before the end of its term if we no longer derive economic benefit from the lease. The liability is recognized and measured at its fair value when we determine that the cease use date has occurred and the fair value of the liability is determined based on the remaining lease rentals due, reduced by estimated sublease rental income that could be reasonably obtained for the property. The estimate of subsequent sublease rental income may change and require future changes to the fair value of the liabilities for the lease obligations.

Earnings Per Share

Basic earnings per share is calculated using the Company s weighted-average outstanding common shares. When the effects are dilutive, diluted earnings per share is calculated using the weighted-average outstanding common shares, participating securities and the dilutive effect of all other stock-based compensation awards as determined under the treasury stock method. Certain stock options and stock issuable under employee compensation plans were excluded from the computation of diluted earnings per share due to their anti-dilutive effect. A reconciliation of shares used in calculating basic and diluted earnings per share is as follows:

	December 31,		
(Thousands of shares)	**2012**	**2011**	**2010**
Basic weighted average shares outstanding	112,866	122,002	120,608
Effect of common stock equivalents stock options and non-vested stock under employee compensation plans [(1)]	1,129	1,921	
Diluted weighted average shares outstanding	113,995	123,923	120,608
Weighted average anti-dilutive common stock equivalents [(1)]	7,167	4,165	6,631

(1) For periods in which losses from continuing operations are presented, dilutive earnings per share calculations do not differ from basic earnings per share because the effects of any potential common stock equivalents are anti-dilutive and therefore not included in the calculation of dilutive earnings per share. For the year ended December 31, 2010, those potential shares totaled 2,108, which are included in the weighted average anti-dilutive common stock equivalents above.

Recently Issued Accounting Pronouncements

New accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standards setting bodies that we adopt according to the various timetables the FASB specifies. The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company s results of operations, financial position or cash flow.

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2. STOCK-BASED COMPENSATION

Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, which is generally the vesting period, net of estimated forfeitures.

The Company awards non-vested stock to employees, directors and executive officers in the form of Restricted Stock Awards (RSAs) and Restricted Stock Units (RSUs), market-based RSAs and RSUs, stock options and performance-based RSAs and RSUs. The Compensation Committee of the Company s Board of Directors approves stock-based compensation awards for all employees and executive officers of the Company. The Corporate Governance and Nominating Committee of the Company s Board of Directors approves stock-based compensation awards for all non-employee directors of the Company. The Company uses the fair-market value of the Company s common stock on the date the award is approved to measure fair value for service-based awards, a Monte Carlo simulation model to determine both the fair value and requisite service period of market-based awards and the Black-Scholes option-pricing model to determine the fair value of stock option awards. The Company presents as a financing activity in the consolidated statement of cash flows the benefits of tax deductions in excess of the tax-effected compensation of the related stock-based awards for the options exercised and RSAs and RSUs vested.

The Company recognized pre-tax compensation expense, excluding discontinued operations, in the consolidated statement of operations related to stock-based compensation as follows:

	Year Ended December 31,		
	2012	2011	2010
Non-vested stock, included in salaries and related	$ 28,123	$ 41,019	$ 46,367
Stock options, included in salaries and related	51	439	545
Total	$ 28,174	$ 41,458	$ 46,912

During the year ended December 31, 2012, the Company capitalized $1,567 of stock-based compensation associated with internally developed software for internal use and enhancements to our website.

As of December 31, 2012, the Company has issued the following types of equity awards under its 1999 Long Term Incentive Plan and the 2008 Equity Incentive Plan (the Company no longer issues new equity awards under the 1999 Long-Term Incentive Plan).

Restricted Stock

The Company, from time to time, enters into separate non-vested share-based payment arrangements with employees, executives and directors. The Company grants RSUs that are subject to continued employment and vesting conditions, but do not have dividend or voting rights. The Company also grants RSAs that are subject to continued employment and vesting conditions and have voting rights, but do not have dividend rights. Directors of the Company receive automatic RSAs which are measured using the fair market value of the Company s common stock on the date of the grant. The Company also grants market-based RSAs and RSUs that vest contingent on meeting certain stock price targets within five years of the grant date. The Company also grants performance-based RSAs and RSUs that vest contingent on meeting specific financial results within a specified time period.

The fair value of RSAs and RSUs is recognized as expense ratably over the requisite service period, net of estimated forfeitures.

Inclusive of discontinued operations, the tax benefits recognized on the non-vested stock-based compensation expenses were $8,878, $11,166, and $13,076 for years ended December 31, 2012, 2011 and 2010, respectively. In the event that stock-based compensation vests at a price below the original grant date price, the recognized tax benefits will not be realized. Such tax benefit deficiencies may be charged to equity to the extent of accumulated excess realized tax benefits. At December 31, 2012, the Company has remaining accumulated excess realized tax benefits of $1,834. The Company also has unrealized tax benefits from vested stock awards of $5,900 which will be credited to equity when the Company has sufficient taxable income to utilize these benefits which will create additional excess realized tax benefits. In the event that stock-based compensation vests at a price below the original grant date price and there are insufficient accumulated excess tax benefits, the tax benefit deficiencies will be charged to the tax provision.

2012 Restricted Stock. During 2012, the Company granted RSAs covering an aggregate of 3,156,515 shares and RSUs covering an aggregate of 1,229,526 shares to approximately 225 employees, executive officers and directors of the Company. The RSAs and RSUs vest in various increments on the anniversaries of the individual grant dates, through December 11, 2016, subject to the recipient s continued employment or service through each applicable vesting date.

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2011 Restricted Stock. During 2011, the Company granted RSAs covering an aggregate of 769,000 shares and RSUs covering an aggregate of 200,000 shares to approximately 81 employees, executive officers and directors of the Company. The RSAs and RSUs vest in various increments on the anniversaries of the individual grant dates, through October 25, 2015, subject to the recipient s continued employment or service through each applicable vesting date.

2010 Restricted Stock. During 2010, the Company granted RSAs covering an aggregate of 5,072,000 shares and RSUs covering an aggregate of 1,732,000 shares to approximately 3,900 employees, executive officers and directors of the Company. The RSAs and RSUs vest in various increments on the anniversaries of the individual grant dates, through December 15, 2014, subject to the recipient s continued employment or service through each applicable vesting date.

As of December 31, 2012, the unrecognized compensation expense related to non-vested stock was $52,292, which is being amortized over the requisite service period on a straight-line basis. The remaining weighted average term over which the unamortized compensation expense will be recognized is 1.5 years.

The following table summarizes the activity of the Company s non-vested stock:

	Year Ended December 31,					
	2012		2011		2010	
(Thousands of shares)	**Shares**	**Weighted Average Fair Value at Grant Date**	**Shares**	**Weighted Average Fair Value at Grant Date**	**Shares**	**Weighted Average Fair Value at Grant Date**
Non-vested at beginning of period	7,432	$ 13.85	11,299	$ 14.65	7,744	$ 15.62
Granted RSAs	3,156	6.88	769	13.74	5,072	14.32
Granted RSUs	1,230	6.89	200	14.67	1,732	14.78
Forfeited	(1,102)	12.14	(1,672)	13.66	(955)	17.95
Vested	(3,077)	14.07	(3,164)	16.82	(2,294)	17.16
Non-vested at end of period	7,639	$ 10.01	7,432	$ 13.85	11,299	$ 14.65

Stock Options

The Company has not granted any stock options subsequent to 2008 and as of December 31, 2012 all options have been fully expensed. The following table summarizes the activity of the Company s employee stock options:

	Year Ended December 31,					
	2012		2011		2010	
(Thousands of shares)	**Shares**	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**	**Shares**	**Weighted Average Exercise Price**
Outstanding at beginning of period	1,560	$ 24.10	2,135	$ 27.31	2,716	$ 29.16
Exercised	(3)	9.11	(1)	25.25	(29)	10.28
Forfeited/expired/cancelled	(528)	29.10	(574)	36.00	(552)	33.74
Outstanding at period end	1,029	$ 29.04	1,560	$ 24.10	2,135	$ 27.31
Options exercisable at year end	1,029	$	1,538	$ 24.05	2,080	$ 27.20
Aggregate intrinsic value of options exercised during the year	$ 2		$ 4		$ 323	

Aggregate intrinsic value is calculated as the difference between the closing market price of the Company s common stock as of each exercise date and the exercise price of the underlying options.

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3. BUSINESS COMBINATIONS

The following table summarizes the Company s business combinations completed from January 1, 2010 through December 31, 2012. Although none of the following acquisitions were considered to be a significant subsidiary, either individually or in the aggregate, they do affect the comparability of results from period to period. The acquisitions are as follows:

Acquired Business	Acquisition Date	Business Segment
JobBusan	December 31, 2010	Careers-International
HotJobs Assets	August 24, 2010	Careers-North America

JobBusan Acquisition

On December 31, 2010, the Company s Careers-International segment purchased certain assets of JobBusan, a business that provides online recruiting in Busan, South Korea. Consideration for the acquisition was $900, of which $795 was paid in cash in the fourth quarter of 2010, and the remaining consideration was paid in the first quarter of 2011.

Acquisition of the HotJobs Assets

On August 24, 2010, pursuant to an Asset Purchase Agreement dated as of February 3, 2010 between Monster and Yahoo! Inc. (Yahoo!), Monster completed the acquisition of substantially all of the assets exclusive to Yahoo! HotJobs (the HotJobs Assets) from Yahoo!. We acquired the HotJobs Assets, among other objectives, to expand our business in the North America online recruitment market. Accordingly, the business attributable to the HotJobs Assets has been included in the Careers-North America segment and reporting unit. The results of operations attributable to the HotJobs Assets have been included in our consolidated financial statements since August 24, 2010. Concurrent with the closing of the acquisition, Monster and Yahoo! entered into a three year commercial traffic agreement whereby Monster became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada.

The Company funded the acquisition of the HotJobs Assets with available cash and proceeds from the Company s revolving credit facility (please see Note 11-*Financing Agreements*). The Company used the acquisition method to account for the acquisition in accordance with ASC 805, *Business Combinations*. Under the acquisition method, the purchase price was allocated to, and we have recognized the fair value of, the tangible and intangible assets acquired and liabilities assumed. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired have been recorded as goodwill. Consideration for the acquisition was $225,000 in cash. The Company recorded $192,144 of goodwill, $33,000 of intangible assets, $12,171 of unbilled accounts receivable, $12,263 of deferred revenue and $52 of all other net tangible liabilities. In the three months ended March 31, 2011 and the twelve months ended December 31, 2011, the Company incurred $4,600 and $24,300, respectively, of acquisition and integration-related costs associated with the acquisition of the HotJobs Assets, which were expensed as incurred and are included in office and general and salary and related expenses in the consolidated statement of operations. No integration-related costs were incurred by the Company subsequent to March 31, 2011 and the Company does not expect to incur any integration costs during future periods.

4. GOODWILL AND INTANGIBLE ASSETS

The Company tests the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year. Goodwill is tested more frequently if indicators of impairment exist. The goodwill impairment test is performed at the reporting unit level. The Company has four reporting units which are the equivalent to our four operating segments: Careers-North America, Careers-International, Careers-China, presented for all periods as a discontinued operation and held for sale, and Internet Advertising & Fees. In determining if goodwill is impaired, we estimate the fair value of the reporting unit and compare it to the carrying value of the assets and liabilities of that reporting unit. The Company determines the fair value of its reporting units using a weighting of fair values derived from the income approach and the market approach. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management s estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business s ability to execute on the projected cash flows. Under the market approach, the Company estimates the fair value based on market multiples of cash flow and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit and considering a reasonable control premium. The weighting of the fair value derived from the market approach differs for each reporting unit depending on the level of comparability of these publicly-traded companies to the reporting unit. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates.

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During the third quarter of 2012, the Company performed a qualitative analysis for the Careers-China reporting unit and it was determined that the Careers-China reporting unit was more likely than not to have a fair value less than the unit s carrying amount. The conclusion was based on the recent financial performance of Careers-China compared to previously forecasted results, updated projections of future profitability as well as indicative offers from potential buyers of the Careers-China business (please see Note 6-*Discontinued Operations*). Accordingly, the Company performed a step one fair value evaluation of Careers-China utilizing both a discounted cash flow analysis and the indicative offers from potential buyers of the Careers-China business. The result of this fair value analysis was that the fair value of the reporting unit was less than the carrying value and a step two analysis was required to determine the amount of goodwill impairment, if any. The Company performed the step two evaluation and determined that the goodwill for the Careers-China reporting unit was impaired and recorded a goodwill impairment charge for Careers-China of $216,221. In the fourth quarter of 2012, the Company impaired the remaining goodwill balance of the Careers-China business and recorded an additional $46,429 impairment, leaving the Careers-China business with no goodwill.

For the annual goodwill impairment test performed in the fourth quarter of 2012, each of the Careers International (excluding Careers China) and the Internet Advertising and Fees reporting units had fair value that substantially exceeded its carrying value.

For the Careers North America report unit, the Company calculated, using a discount rate of 15% and a terminal growth rate of 4%, that the fair value would have to be at least 25% less than the computed amount to result in any goodwill impairment charges. The recorded amount of goodwill for the Careers North America reporting unit was $594,094 as of December 31, 2012. The Company believes the inputs and assumptions used in determining the fair value of the Careers North America reporting unit are reasonable.

As a corroborative source of information, the Company reconciles the estimated fair values of its reporting units to within a reasonable range of its market capitalization, which includes an assumed control premium (an adjustment reflecting an estimated fair value on a control basis) to verify the reasonableness of the fair value of its reporting units obtained through the aforementioned methods. The control premium is estimated based upon control premiums observed in comparable market transactions. As none of our reporting units are publicly-traded, individual reporting unit fair value determinations do not directly correlate to the Company s stock price. Although the Company believes it is reasonable to conclude that market capitalization could be an indicator of fair value over time, we believe that our current market capitalization undervalues the aggregate fair values of our individual reporting units.

The Company recognizes that during certain periods our market capitalization has been below our book value. Accordingly, we monitor changes in our share price between annual impairment tests to ensure that our reconciled market capitalization continues to exceed or is not significantly below the carrying value of our net assets. In the event that our reconciled market capitalization does decline below its book value, we consider the length and severity of the decline and the reason for the decline when assessing whether potential goodwill impairment exists. Further, if a reporting unit does not achieve the projected growth plan used in determining its fair value, we will reevaluate the reporting unit for potential goodwill impairment based on the revised projection, as available.

A summary of changes in goodwill by reportable segment are as follows:

	Careers-North America	Careers-International	Internet Advertising & Fees	Total
Balance as of December 31, 2010	$ 594,378	$ 376,983	$ 151,590	1,122,951
Additions and adjustments	(284)			(284)
Translations, net		9,494		9,494
Balance as of December 31, 2011	594,094	386,477	151,590	1,132,161
Impairment of Careers China		(262,650)		(262,650)
Translations, net		17,760		17,760
Balance as of December 31, 2012	$ 594,094	$ 141,587	$ 151,590	$ 887,271

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The Company s intangible assets, excluding the assets of the discontinued operations at December 31, 2012, consisted of the following:

	December 31, 2012		December 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Amortization Period (Years)
Customer relationships	$ 49,068	$ (42,532)	$ 68,190	$ (49,058)	3
Trademarks/Internet domains	16,230		15,494		Indefinite lived
Trade Names	10,600	(2,763)	10,600	(1,570)	9
Other	25,302	(23,322)	25,716	(17,411)	3 to 20
Total	$ 101,200	$ (68,617)	$ 120,000	$ (68,039)	

The Company recorded amortization expense, excluding discontinued operations, of $12,353, $12,789 and $7,594 relating to its intangible assets for the years ended December 31, 2012, 2011 and 2010, respectively.

Based on the carrying value of identified intangible assets recorded as of December 31, 2012, and assuming no subsequent impairment of the underlying assets, the estimated annual amortization expense for the next five years is as follows:

	2013	2014	2015	2016	2017
Estimated amortization expense	$ 9,305	$ 1,354	$ 1,246	$ 1,246	$ 1,246

5. RESTRUCTURING

2011 Restructuring

Beginning in the third quarter of 2011, the Company made the strategic decision to no longer engage in arbitrage lead generation activities within the Internet Advertising & Fees segment due to the diminishing profit opportunity and the promulgation of new regulations applicable to the Company s customers in the for-profit education business. The Company also made the decision to cease operations in one country within the Careers-International segment. As a result of these strategic decisions, the Company reduced its workforce, closed certain office facilities and impaired certain assets. During the three months ended March 31, 2012, the Company recorded a reduction to restructuring expense related to a change in estimated sublease income. The Company will not incur any new charges in the future relating to this program. The 2011 restructuring resulting in a deduction that produced a net tax benefit of $19,300 recorded in the first quarter of 2012.

The following table displays a roll forward of the 2011 Restructuring and other special charges and related liability balances, excluding discontinued operations:

	Accrual at December 31, 2011	Expense	Cash Payments	Non-Cash Utilization	Accrual at December 31, 2012
Workforce reduction	$ 1,298	$	$ (1,250)	$	$ 48
Consolidation of office facilities	1,750	(503)	(765)		482
Impairment of assets	130			(130)	
Total	$ 3,178	$ (503)	$ (2,015)	$ (130)	$ 530

January 2012 Restructuring

On January 24, 2012, the Company committed to a plan to take a series of strategic restructuring actions. The Company s