DICE HOLDINGS, INC.
Form 10-Q
July 24, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

R QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

£ TRANSITION PERIOD PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 001-33584

DICE HOLDINGS, INC.
(Exact name of Registrant as specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	20-3179218 (I.R.S. Employer Identification No.)
1040 Avenue of the Americas, 16th Floor New York, New York (Address of principal executive offices)	10018 (Zip Code)

(212) 725-6550
(Registrant's telephone number, including area code)

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 R No £

Indicate by check mark 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes R No £

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer £ Accelerated filer R Non-accelerated filer £ 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 R

As of July 19, 2013, there were 59,044,083 shares of the registrant's common stock, par value $.01 per share, outstanding.

Table of Contents

DICE HOLDINGS, INC.
TABLE OF CONTENTS

Table of Contents

PART I.
Item 1. Financial Statements
DICE HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except per share data)

	June 30, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	$40,599	$40,013
Investments	—	2,201
Accounts receivable, net of allowance for doubtful accounts of $2,279 and $2,095	22,042	29,030
Deferred income taxes—current	1,090	1,609
Prepaid and other current assets	3,416	3,084
Total current assets	67,147	75,937
Fixed assets, net	13,469	11,158
Acquired intangible assets, net	59,045	62,755
Goodwill	198,950	202,944
Deferred financing costs, net of accumulated amortization of $252 and $131	957	1,078
Other assets	416	358
Total assets	$339,984	$354,230
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$17,900	$16,552
Deferred revenue	73,157	69,404
Current portion of acquisition related contingencies	4,974	4,926
Income taxes payable	1,190	3,817
Total current liabilities	97,221	94,699
Long-term debt	26,000	46,000
Deferred income taxes—non-current	13,026	14,414
Accrual for unrecognized tax benefits	2,437	2,502
Acquisition related contingencies	4,878	4,830
Other long-term liabilities	1,143	1,147
Total liabilities	144,705	163,592
Commitments and contingencies (Note 8)		
Stockholders' equity		
Convertible preferred stock, $.01 par value, authorized 20,000 shares; no shares issued and outstanding	—	—
Common stock, $.01 par value, authorized 240,000; issued 72,684 and 71,047 shares, respectively; outstanding: 59,124 and 58,958 shares, respectively	727	710
Additional paid-in capital	302,773	294,747
Accumulated other comprehensive loss	(14,351)	(9,294)
Accumulated earnings	31,634	16,586
Treasury stock, 13,560 and 12,090 shares, respectively	(125,504)	(112,111)
Total stockholders' equity	195,279	190,638
Total liabilities and stockholders' equity	$339,984	$354,230

See accompanying notes to condensed consolidated financial statements.

2

Table of Contents

DICE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues	$52,013	$48,455	$102,448	$94,587
Operating expenses:				
Cost of revenues	5,636	3,825	10,754	6,952
Product development	5,223	3,214	10,656	6,376
Sales and marketing	16,904	16,037	33,505	32,607
General and administrative	8,083	6,730	16,506	13,017
Depreciation	1,709	1,275	3,366	2,526
Amortization of intangible assets	1,708	1,695	3,409	3,535
Change in acquisition related contingencies	49	—	96	—
Total operating expenses	39,312	32,776	78,292	65,013
Operating income	12,701	15,679	24,156	29,574
Interest expense	(344)	(1,052)	(719)	(1,369)
Interest income	10	44	24	56
Other income	237	—	232	—
Income before income taxes	12,604	14,671	23,693	28,261
Income tax expense	4,631	5,217	8,645	10,188
Net income	$7,973	$9,454	$15,048	$18,073
Basic earnings per share	$0.14	$0.15	$0.26	$0.29
Diluted earnings per share	$0.13	$0.14	$0.25	$0.27
Weighted-average basic shares outstanding	57,833	62,640	57,682	63,379
Weighted-average diluted shares outstanding	60,910	66,004	61,002	66,875

See accompanying notes to condensed consolidated financial statements.

Table of Contents

DICE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income	$7,973	$9,454	$15,048	$18,073
Foreign currency translation adjustment, net of tax of $0, $0, $0 and $0	(270)	(1,487)	(5,048)	593
Unrealized gains (losses) on investments, net of tax of $0, $2, $0 and $5	(5)	4	(9)	8
Total other comprehensive income (loss)	(275)	(1,483)	(5,057)	601
Comprehensive income	$7,698	$7,971	$9,991	$18,674

See accompanying notes to condensed consolidated financial statements.

Table of Contents

DICE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2013	2012
Cash flows from operating activities:		
Net income	$15,048	$18,073
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation	3,366	2,526
Amortization of intangible assets	3,409	3,535
Deferred income taxes	(886)	(1,520)
Amortization of deferred financing costs	121	967
Share based compensation	4,212	3,015
Change in acquisition related contingencies	96	—
Change in accrual for unrecognized tax benefits	(65)	186
Changes in operating assets and liabilities:		
Accounts receivable	6,763	3,538
Prepaid expenses and other assets	(407)	33
Accounts payable and accrued expenses	1,529	(1,101)
Income taxes receivable	(2,616)	(952)
Deferred revenue	4,119	5,860
Other, net	6	35
Net cash flows from operating activities	34,695	34,195
Cash flows from investing activities:		
Purchases of fixed assets	(5,748)	(3,054)
Purchases of investments	(3)	(1,735)
Maturities and sales of investments	2,194	999
Net cash flows from investing activities	(3,557)	(3,790)
Cash flows from financing activities:		
Payments on long-term debt	(20,000)	(16,500)
Proceeds from long-term debt	—	16,500
Payments under stock repurchase plan	(12,356)	(34,064)
Payment of acquisition related contingencies	—	(1,557)
Proceeds from stock option exercises	2,597	1,130
Purchase of treasury stock related to vested restricted stock	(983)	(392)
Excess tax benefit over book expense from stock options exercised	1,245	944
Financing costs paid	—	(1,101)
Net cash flows from financing activities	(29,497)	(35,040)
Effect of exchange rate changes	(1,055)	233
Net change in cash and cash equivalents for the period	586	(4,402)
Cash and cash equivalents, beginning of period	40,013	55,237
Cash and cash equivalents, end of period	$40,599	$50,835

See accompanying notes to condensed consolidated financial statements.

Table of Contents

DICE HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Dice Holdings, Inc. (“DHI” or the “Company”) have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in annual audited financial statements prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) have been omitted and condensed pursuant to such rules and regulations. In the opinion of the Company’s management, all adjustments (consisting of only normal and recurring accruals) have been made to present fairly the financial position, results of operations and cash flows of the Company for the periods presented. Although the Company believes that the disclosures are adequate to make the information presented not misleading, these financial statements should be read in conjunction with the Company’s audited consolidated financial statements as of and for the year ended December 31, 2012 included in the Company’s Annual Report on Form 10-K. Operating results for the six month period ended June 30, 2013 are not necessarily indicative of the results to be achieved for the full year.

Preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the period. Management believes the most complex and sensitive judgments, because of their significance to the condensed consolidated financial statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. Actual results could differ materially from management’s estimates reported in the condensed consolidated financial statements and footnotes thereto. There have been no significant changes in the Company’s assumptions regarding critical accounting estimates during the six month period ended June 30, 2013.

2. NEW ACCOUNTING STANDARDS

In February 2013, the Financial Accounting Standards Board (the “FASB”) issued ASU No. 2013-02, which amends the guidance in ASC 220 on Comprehensive Income. Under the revised guidance, companies are required to provide information about the amounts reclassified out of accumulated other comprehensive income (“AOCI”) by component. In addition, companies are required to present, either on the face of the statement where net income is presented or in the notes, the effects on the line items of net income of significant amounts reclassified out of AOCI but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. This amended guidance is to be applied prospectively and is effective for reporting periods (interim and annual) beginning after December 15, 2012 for public companies, with early adoption permitted. The Company adopted the revised guidance January 1, 2013, and has reported significant items reclassified out of AOCI in the Notes to Condensed Consolidated Financial Statements.

3. ACQUISITIONS

The IT Job Board—In July 2013, the Company expanded its online tech recruiting business to Europe by acquiring all of the issued and outstanding shares of JobBoard Enterprises Limited, an online recruitment company in the technology industry. The purchase price consisted of £8.0 million ($12.2 million), net of cash acquired, plus deferred payments totaling £3.0 million ($4.6 million) in the aggregate payable upon the achievement of certain operating and financial goals ending in 2014. The Company borrowed $15.0 million under the Credit Agreement to fund this acquisition.

WorkDigital—In October 2012, the Company acquired all of the issued and outstanding shares of WorkDigital Limited, a technology company focused on the recruitment industry, for $10.0 million in cash, plus deferred payments totaling $10.0 million in the aggregate payable in 2013-2014 based on delivery of certain products and the achievement of certain milestones. The acquisition resulted in the recording of $17.9 million in goodwill and $2.3 million in intangible assets. The WorkDigital acquisition is not deemed significant to the Company’s financial results, thus limited disclosures are presented herein.

Slashdot Media—In September 2012, the Company purchased certain assets of Geeknet, Inc.'s online media business ("Slashdot Media"), which is comprised of Slashdot, SourceForge and Freecode websites. The purchase price consisted of $20.0 million in cash, of which $3.0 million is being held in escrow. The acquisition resulted in recording intangible assets of $9.7 million and goodwill of $6.2 million. The assets acquired and liabilities assumed were recorded at fair value as of the acquisition date. The acquired accounts receivable of $5.1 million were recorded at fair value of $4.8 million.

Table of Contents

FINS.com—In June 2012, the Company purchased certain assets of FINS.com, resulting in recording of identifiable intangible assets for candidate database, mobile application technology and brand names. Refer to Note 6 "Acquired Intangible Assets". The FINS.com acquisition is not deemed significant to the Company's financial results, thus limited disclosures are presented herein.

The assets and liabilities recognized in 2012 as of the acquisition dates for FINS.com, Slashdot Media and WorkDigital include (in thousands):

	FINS.com, Slashdot Media and WorkDigital Acquisitions
Assets:	
Accounts receivable	$4,852
Acquired intangible assets	12,925
Goodwill	24,212
Fixed assets	1,922
Other assets	248
Assets acquired	44,159
Liabilities:	
Accounts payable and accrued expenses	$449
Deferred revenue	2,644
Deferred income taxes	558
Fair value of contingent consideration	9,708
Liabilities assumed	13,359
Net Assets Acquired	$30,800

Goodwill results from the expansion of the Company's market share in the Tech & Clearance and Finance verticals, from intangible assets that do not qualify for separate recognition, including an assembled workforce and site traffic, and from expected synergies from combining operations of FINS.com, Slashdot Media, and WorkDigital into the Company's existing operations. The amount of goodwill expected to be deductible for tax purposes is $6.3 million.

Pro forma Information—The following pro forma condensed consolidated results of operations are presented as if the acquisition of Slashdot Media was completed as of January 1, 2011:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues	$52,013	$53,730	$102,448	$104,615
Net income	7,973	9,815	15,048	18,414
Basic earnings per share	$0.14	$0.16	$0.26	$0.29

The pro forma financial information represents the combined historical operating results of the Company and Slashdot Media with adjustments for purchase accounting and is not necessarily indicative of the results of operations that would have been achieved if the acquisitions had taken place at the beginning of the periods presented. The pro forma adjustments included adjustments for interest on borrowings, amortization of acquired intangible assets and the related income tax impacts of such adjustments. The Condensed Consolidated Statements of Operations for the three and six month periods ended June 30, 2013 include revenues from this acquisition of $4.1 million and $8.2 million, respectively, and operating losses of $315,000 and $1.4 million, respectively.

The pro forma financial information does not include adjustments for the FINS.com and WorkDigital acquisitions, as they are not individually or collectively material in the Company's results.

Table of Contents

4. FAIR VALUE MEASUREMENTS

The FASB ASC topic on Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value and requires certain disclosures for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. As a basis for considering assumptions, a three-tier fair value hierarchy is used, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Quoted prices for identical instruments in active markets.
- 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-derived valuations, in which all significant inputs are observable in active markets.
- Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Money market funds are included in cash and cash equivalents on the Condensed Consolidated Balance Sheets. The money market funds are valued using quoted prices in the market, and investments are valued using significant other observable inputs. The carrying amounts reported in the Condensed Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, and long-term debt approximate their fair values. The Company estimated the fair value of long-term debt using Level 3 inputs, based on an estimate of current rates for debt of the same remaining maturities.

The Company has obligations, to be paid in cash, related to its acquisitions if certain future operating and financial goals are met. See Note 3 - Acquisitions. The fair value of this contingent consideration is determined using an expected present value technique. Expected cash flows are determined using the probability weighted-average of possible outcomes that would occur should delivery of certain product enhancements occur. There is no market data available to use in valuing the contingent consideration; therefore, the Company developed its own assumptions related to the expected future delivery of product enhancements to estimate the fair value of these liabilities. A 2% discount rate is used to estimate the fair value of the expected payments. The liabilities for the contingent consideration were established at the time of acquisition and are evaluated at each reporting period. The increase in fair value is recorded as an expense and is included in change in acquisition related contingencies on the Condensed Consolidated Statements of Operations.

The assets and liabilities measured at fair value on a recurring basis are as follows (in thousands):

	As of June 30, 2013 Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	$11,590	$—	$—	$11,590
Contingent consideration to be paid in cash for the acquisitions	—	—	9,852	9,852

	As of December 31, 2012 Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	$11,820	$—	$—	$11,820
Investments	—	2,201	—	2,201

Contingent consideration to be paid in cash for the acquisitions	—	—	9,756	9,756

Reconciliations of liabilities measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) are as follows (in thousands):

8

Table of Contents

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Contingent consideration for acquisitions				
Balance at beginning of period	$9,803	$—	$9,756	$1,557
Cash payments	—	—	—	(1,557)
Change in estimates included in earnings	49	—	96	—
Balance at end of period	$9,852	$—	$9,852	$—

Certain assets and liabilities are measured at fair value on a non-recurring basis and therefore are not included in the table above. These assets include goodwill and intangible assets which result as acquisitions occur. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable. Such instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances, for example, when there is evidence of impairment.

The Company determines whether the carrying value of recorded goodwill is impaired for each reporting unit on an annual basis or more frequently if indicators of potential impairment exist for each reporting unit. The impairment test for goodwill for the reporting units from the 2005 Dice Inc. acquisition is performed annually as of August 31, and the last test resulted in no impairment. The impairment test for goodwill for the reporting units from the 2006 eFinancialCareers acquisition, the 2009 Health Callings acquisition and the 2010 WorldwideWorker and Rigzone acquisitions are performed annually as of October 31 and the last test resulted in no impairment. Goodwill resulting from the 2012 acquisitions of FINS, Slashdot Media, and WorkDigital will be tested annually for impairment beginning on October 31, 2013 or more frequently if indicators of potential impairment exist for each reporting unit. In testing goodwill for impairment, a qualitative assessment can be performed, and if it is determined that the fair value of the reporting unit is more likely than not less than the carrying amount, the two step impairment test is required. The first step of the impairment review process compares the fair value of the reporting unit in which the goodwill resides to the carrying value of that reporting unit. The second step measures the amount of impairment loss, if any, by comparing the implied fair value of the reporting unit goodwill with its carrying amount. The determination of whether or not goodwill has become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the value of the reporting units. Fair values of each reporting unit are determined either by using a discounted cash flow methodology or by using a combination of a discounted cash flow methodology and a market comparable method. The discounted cash flow methodology is based on projections of the amounts and timing of future revenues and cash flows, assumed discount rates and other assumptions as deemed appropriate. Factors such as historical performance, anticipated market conditions, operating expense trends and capital expenditure requirements are considered. Additionally, the discounted cash flows analysis takes into consideration cash expenditures for product development, other technological updates and advancements to the websites and investments to improve the candidate databases. The market comparable method indicates the fair value of a business by comparing it to publicly traded companies in similar lines of business or to comparable transactions or assets. Considerations for factors such as size, growth, profitability, risk and return on investment are analyzed and compared to the comparable businesses and adjustments are made. A market value of invested capital of the publicly traded companies is calculated and then applied to the entity’s operating results to arrive at an estimate of value. No impairment was indicated during the 2012 impairment tests. The fair value of each reporting unit was in excess of the carrying value.

The indefinite-lived acquired intangible assets include the Dice trademarks and brand name. The Company determines whether the carrying value of recorded indefinite-lived acquired intangible assets is impaired on an annual basis or test more frequently if indicators of potential impairment exist. The impairment test is performed annually as of August 31 and last resulted in no impairment. The impairment review process compares the fair value of the indefinite-lived acquired intangible assets to its carrying value. If the carrying value exceeds the fair value, an impairment loss is recorded. The determination of whether or not indefinite-lived acquired intangible assets have become impaired involves a significant level of judgment in the assumptions underlying the approach used to determine the value of the indefinite-lived acquired intangible assets. Fair values are determined using a profit allocation methodology, which estimates the value of the trademark and brand name by capitalizing the profits saved because the company owns the asset. Factors such as historical performance, anticipated market conditions, operating expense trends and capital expenditure requirements are considered. Changes in Company strategy and/or market conditions could significantly impact these judgments and require adjustments to recorded amounts of intangible assets.

Table of Contents

5. INVESTMENTS

DHI's investments are stated at fair value. These investments are available-for-sale. The Company held no investments as of June 30, 2013. The following table summarizes the Company's investments (in thousands) as of December 31, 2012:

	As of December 31, 2012			
	Maturity	Gross Amortized Cost	Gross Unrealized Gain	Estimated Fair Value
Certificates of deposit	Within one year	1,210	4	1,214
Certificates of deposit	1 to 5 years	982	5	987
Total		$2,192	$9	$2,201

6. ACQUIRED INTANGIBLE ASSETS, NET

Below is a summary of the major acquired intangible assets and the weighted-average amortization period for the acquired identifiable intangible assets (in thousands):

	As of June 30, 2013				
	Total Cost	Accumulated Amortization	Foreign Currency Translation Adjustment	Acquired Intangible Assets, Net	Weighted-Average Amortization Period
Technology	$21,000	$ (16,267)	$ (161)	$ 4,572	3.7 years
Trademarks and brand names—Dice	39,000	—	—	39,000	Indefinite
Trademarks and brand names—Other	19,115	(9,646)	(602)	8,867	6.0 years
Customer lists	45,213	(39,345)	(814)	5,054	4.8 years
Candidate and content database	30,341	(28,712)	(77)	1,552	2.8 years
Acquired intangible assets, net	$154,669	$ (93,970)	$ (1,654)	$ 59,045	

	As of December 31, 2012						
	Cost	Acquisitions	Total Cost	Accumulated Amortization	Foreign Currency Translation Adjustment	Acquired Intangible Assets, Net	Weighted-Average Amortization Period
Technology	$17,500	$ 3,500	$21,000	$ (15,156)	$ (53)	$ 5,791	3.7 years
Trademarks and brand names—Dice	39,000	—	39,000	—	—	39,000	Indefinite
Trademarks and brand names—Other	15,490	3,625	19,115	(8,930)	(490)	9,695	6.0 years
Customer lists	41,513	3,700	45,213	(38,624)	(729)	5,860	4.8 years
Candidate and content database	28,241	2,100	30,341	(27,884)	(48)	2,409	2.8 years
Acquired intangible assets, net	$141,744	$ 12,925	$154,669	$ (90,594)	$ (1,320)	$ 62,755	

The WorldwideWorker brand and technology were retired during the year ended December 31, 2012. The total cost and accumulated amortization were reduced from the total cost as of December 31, 2012.

Identifiable intangible assets for the Slashdot Media, WorkDigital and FINS.com acquisitions are included in the total cost as of December 31, 2012. The weighted-average amortization period for the technology, trademarks and brand names, customer lists and candidate and content database are 2.8 years, 5.8 years, 10.0 years and 1.6 years, respectively.

Based on the carrying value of the acquired finite-lived intangible assets recorded as of June 30, 2013, and assuming no subsequent impairment of the underlying assets, the estimated future amortization expense is as follows (in thousands):

Table of Contents

July 1, 2013 through December 31, 2013	$2,946
2014	5,429
2015	3,735
2016	1,823
2017	1,727
2018 and thereafter	4,385

7. INDEBTEDNESS

In June 2012, the Company, together with Dice Inc. and Dice Career Solutions, Inc. (collectively, the "Borrowers") entered into a Credit Agreement (the "Credit Agreement"), which provides for a revolving facility of $155.0 million maturing in June 2017. The Borrowers used $14.2 million of the proceeds from the Credit Agreement to pay the full amount of indebtedness and interest outstanding under the previously existing credit facility dated July 2010, terminating that facility. A portion of the proceeds was also used to pay certain costs associated with the Credit Agreement and for working capital purposes.

Borrowings under the Credit Agreement bear interest at the Company's option, at a LIBOR rate or a base rate plus a margin. The margin ranges from 1.75% to 2.50% on LIBOR loans and 0.75% to 1.50% on base rate loans, determined by the Company's most recent consolidated leverage ratio. The facility may be prepaid at any time without penalty.

The Credit Agreement contains various customary affirmative and negative covenants and also contains certain financial covenants, including a consolidated leverage ratio and a consolidated interest coverage ratio. Negative covenants include restrictions on incurring certain liens; making certain payments, such as stock repurchases and dividend payments; making certain investments; making certain acquisitions; and incurring additional indebtedness. The Credit Agreement also provides that the payment of obligations may be accelerated upon the occurrence of customary events of default, including, but not limited to, non-payment, change of control, or insolvency. As of June 30, 2013, the Company was in compliance with all of the financial and other covenants under the Credit Agreement.

The obligations under the Credit Agreement are guaranteed by three of the Company's wholly-owned subsidiaries, eFinancialCareers, Inc. (formerly known as JobsintheMoney.com, Inc.), Targeted Job Fairs, Inc., and Rigzone.com, Inc., and secured by substantially all of the assets of the Borrowers and the guarantors and stock pledges from certain of the Company's foreign subsidiaries.

Debt issuance costs of approximately $1.1 million were incurred and are being amortized over the life of the loan. These costs are included in interest expense. Unamortized deferred financing costs from the previous credit facility of $765,000 were written off and are included in interest expense during the second quarter of 2012.

The Company's previous credit facility, which was in place from July 2010 to June 2012, provided for a revolving facility of $70.0 million and a term facility of $20.0 million and bore interest at a LIBOR rate, LIBOR rate, or base rate plus a margin. The margin ranges were from 2.75% to 3.50% on LIBOR loans and 1.75% to 2.50% on base rate loans.

The amounts borrowed under the Credit Agreement as of June 30, 2013 and December 31, 2012 are as follows (dollars in thousands):

	June 30, 2013	December 31, 2012
Amounts Borrowed:		
LIBOR rate loans	$26,000	$46,000
Total borrowed	$26,000	$46,000
Maximum available to be borrowed under revolving facility	$129,000	$109,000
Interest rates:		
LIBOR rate loans:		

Interest margin	1.75 %	1.75 %
Actual interest rates	2.00 %	2.00 %

There are no scheduled amortization payments until maturity of the Credit Agreement in June 2017.

In July 2013, the Company borrowed $15.0 million under the Credit Agreement to fund the acquisition of The IT Job Board.

11

Table of Contents

8. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases equipment and office space under operating leases expiring at various dates through February 2020. Future minimum lease payments under non-cancelable operating leases as of June 30, 2013 are as follows (in thousands):

July 1, 2013 through December 31, 2013	$1,484
2014	2,788
2015	2,391
2016	2,072
2017	2,002
2018 and thereafter	8,820
Total minimum payments	$19,557

Rent expense was $775,000 and $1.5 million for the three and six month periods ended June 30, 2013, respectively, and $509,000 and $1.0 million for the three and six month periods ended June 30, 2012, respectively, and is included in, general and administrative expense, on the Condensed Consolidated Statements of Operations.

Litigation

The Company is subject to various claims from taxing authorities, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of these legal matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material effect on the Company's financial condition, operations or liquidity.

Tax Contingencies

The Company operates in a number of tax jurisdictions and is subject to audits and reviews by various taxation authorities with respect to income, payroll, sales and use and other taxes and remittances. The Company may become subject to future tax assessments by various authorities for current or prior periods. The determination of the Company's worldwide provision for taxes requires judgment and estimation. There are many transactions and calculations where the ultimate tax determination is uncertain. The Company has recorded certain provisions for our tax estimates which we believe are reasonable.

9. EQUITY TRANSACTIONS

Stock Repurchase Plan—On August 15, 2011, the Company's Board of Directors approved a stock repurchase program that permitted the Company to repurchase up to $30 million of its common stock over a one year period (the "Stock Repurchase Plan I"). This plan concluded on March 8, 2012.

In March 2012, the Company's Board of Directors approved a stock repurchase program that permitted the Company to repurchase up to $65 million of its common stock (the "Stock Repurchase Plan II"). This new authorization became effective upon the completion of the Stock Repurchase Plan I on March 8, 2012 and was in effect for one year. This plan expired on March 8, 2013.

In January 2013, the Company's Board of Directors approved a stock repurchase program that permits the Company to repurchase up to $50 million of its common stock (the "Stock Repurchase Plan III" and, together with the Stock Repurchase Plans I and II, the "Stock Repurchase Plans"). This new authorization became effective upon the completion of the Stock Repurchase Plan II on March 8, 2013 and will be in effect for one year. Under the plan, management has discretion in determining the conditions under which shares may be purchased from time to time.

During the three months ended June 30, 2013, the Company purchased 920,700 shares of its common stock on the open market. These shares were purchased at an average cost of $8.85 per share, for a total cost of approximately $8.1 million. Approximately $903,000 of share repurchases had not settled as of June 30, 2013, and this amount is included in accounts payable and accrued expenses in the accompanying Condensed Consolidated Balance Sheet as of June 30, 2013. As of June 30, 2013, there was approximately $41.9 million remaining under the Stock Repurchase Plan III.

Table of Contents

10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive loss, net consists of the following components, net of tax, (in thousands):

	June 30, 2013	December 31, 2012
Foreign currency translation adjustment, net of tax of $1,336 and $1,336	$(14,351)	$(9,303)
Unrealized gains on investments, net of tax of $0 and $0	—	9
Total accumulated other comprehensive loss, net	$(14,351)	$(9,294)

Changes in accumulated other comprehensive loss during the three months ended June 30, 2013 are as follows (in thousands):

	Foreign currency translation adjustment	Unrealized gains (losses) on investments	Total
Beginning balance	$(14,081)	$5	$(14,076)
Other comprehensive loss before reclassifications	(270)	(5)	(275)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current-period other comprehensive loss	(270)	(5)	(275)
Ending balance	$(14,351)	$—	$(14,351)

Changes in accumulated other comprehensive loss during the three months ended June 30, 2012 are as follows (in thousands):

	Foreign currency translation adjustment	Unrealized gains (losses) on investments	Total
Beginning balance	$(9,975)	$7	$(9,968)
Other comprehensive loss before reclassifications	(1,487)	4	(1,483)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current-period other comprehensive loss	(1,487)	4	(1,483)
Ending balance	$(11,462)	$11	$(11,451)

Changes in accumulated other comprehensive loss during the six months ended June 30, 2013 are as follows (in thousands):

	Foreign currency translation adjustment	Unrealized gains (losses) on investments	Total
Beginning balance	$(9,303)	$9	$(9,294)
Other comprehensive loss before reclassifications	(5,048)	(9)	(5,057)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current-period other comprehensive loss	(5,048)	(9)	(5,057)
Ending balance	$(14,351)	$—	$(14,351)

Changes in accumulated other comprehensive loss during the six months ended June 30, 2012 are as follows (in thousands):

	Foreign currency translation adjustment	Unrealized gains (losses) on investments	Total

Beginning balance	$(12,055)	$3	$(12,052)
Other comprehensive loss before reclassifications	593	8	601
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current-period other comprehensive loss	593	8	601
Ending balance	$(11,462)	$11	$(11,451)

13

Table of Contents

11. STOCK BASED COMPENSATION

During the year ended December 31, 2012, the Company had two plans (the “2005 Plan and 2007 Plan”) under which it could grant stock-based awards to certain employees, directors and consultants of the Company and its subsidiaries.

On April 20, 2012, at the Company’s Annual Meeting of Stockholders, the stockholders approved the Company’s 2012 Omnibus Equity Award Plan (the “2012 Plan”). The 2012 Plan replaced the 2005 and 2007 Plan. Compensation expense for stock-based awards made to employees, directors and consultants in return for service is recorded in accordance with Compensation-Stock Compensation of the FASB ASC. The expense is measured at the grant-date fair value of the award and recognized as compensation expense on a straight-line basis over the service period, which is the vesting period. The Company estimates forfeitures that it expects will occur and records expense based upon the number of awards expected to vest.

The Company recorded stock based compensation expense of $2.2 million and $4.2 million during the three and six month periods ended June 30, 2013, respectively, and $1.5 million and $3.0 million during the three and six month periods ended June 30, 2012, respectively. At June 30, 2013, there was $21.6 million of unrecognized compensation expense related to unvested awards, which is expected to be recognized over a weighted-average period of approximately 1.8 years.

Restricted Stock- Restricted stock is granted to employees and to non-employee members of the Company’s Board. These shares are part of the compensation plan for services provided by the employees or Board members. The closing price of the Company’s stock on the date of grant was used to determine the fair value of the grants. The expense related to the restricted stock grants is recorded over the vesting period. There was no cash flow impact resulting from the grants.

A summary of the status of restricted stock awards as of June 30, 2013 and 2012, and the changes during the periods then ended is presented below:

	Three Months Ended June 30, 2013		Three Months Ended June 30, 2012	
	Shares	Weighted-Average Fair Value at Grant Date	Shares	Weighted-Average Fair Value at Grant Date
Non-vested at beginning of the period	1,816,425	$9.94	1,188,069	$10.41
Granted- Restricted Stock	34,500	$9.14	71,800	$9.46
Forfeited during the period	(74,000)	$10.29	(40,625)	$10.34
Vested during the period	(43,550)	$9.72	(17,000)	$15.94
Non-vested at end of period	1,733,375	$9.91	1,202,244	$10.28

	Six Months Ended June 30, 2013		Six Months Ended June 30, 2012	
	Shares	Weighted-Average Fair Value at Grant Date	Shares	Weighted-Average Fair Value at Grant Date
Non-vested at beginning of the period	1,305,369	$10.09	550,250	$12.98
Granted- Restricted Stock	872,500	$9.85	844,800	$9.01
Forfeited during the period	(95,688)	$10.34	(47,375)	$10.69
Vested during the period	(348,806)	$10.32	(145,431)	$12.99
Non-vested at end of period	1,733,375	$9.91	1,202,244	$10.28

Stock Options- The fair value of each option grant is estimated using the Black-Scholes option-pricing model using the weighted-average assumptions in the table below. This valuation model requires the Company to make assumptions and judgments about the variables used in the calculation, including the fair value of the Company’s common stock, the expected life (the period of time that the options granted are expected to be outstanding), the volatility of the Company’s common stock, a risk-free interest rate and expected dividends. The expected life of options granted is derived from historical exercise behavior. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury rates in effect at the time of grant.

Table of Contents

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
The weighted average fair value of options granted	$3.42	$3.62	$3.58	$4.42
Dividend yield	— %	— %	— %	— %
Weighted average risk free interest rate	0.70 %	0.84 %	0.85 %	0.84 %
Weighted average expected volatility	44.12 %	44.88 %	42.44 %	60.13 %
Expected life (in years)	4.6	4.6	4.6	4.6

A summary of the status of options granted as of June 30, 2013 and 2012, and the changes during the periods then ended is presented below:

	Three Months Ended June 30, 2013		
	Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Options outstanding at beginning of period	8,838,989	$ 5.18	$45,041,060
Granted	10,000	$ 9.14	—
Exercised	(212,623)	$ 2.07	$1,457,228
Forfeited	(40,789)	$ 8.85	—
Options outstanding at end of period	8,595,577	$ 5.24	$36,183,544
	Three Months Ended June 30, 2012		
	Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Options outstanding at beginning of period	9,057,217	$ 4.48	$45,552,154
Granted	40,000	$ 9.46	