

DICE HOLDINGS, INC.
Form 10-Q
July 28, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2008

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: 001-33584

DICE HOLDINGS, INC.

(Exact name of Registrant as specified in its Charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

20-3179218
(I.R.S. Employer
Identification No.)

3 Park Avenue

New York, New York
(Address of principal executive offices)

10016
(Zip Code)

(212) 725-6550

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year - if changed since last report)

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

Large accelerated filer Accelerated filer 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

As of July 15, 2008, 62,192,803 shares of common stock (Common Stock) of the Registrant were outstanding.

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****DICE HOLDINGS, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(unaudited)****(in thousands except share and per share data)**

	June 30, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 74,672	\$ 57,525
Marketable securities	15,600	150
Accounts receivable, net of allowance for doubtful accounts of \$1,626 and \$1,631	15,315	19,112
Deferred income taxes - current	7,856	13,750
Prepaid and other current assets	2,088	2,582
Current assets of discontinued operations		195
Total current assets	115,531	93,314
Fixed assets, net	6,105	5,768
Acquired intangible assets, net	70,142	78,572
Goodwill	160,069	159,773
Deferred financing costs, net of accumulated amortization of \$1,668 and \$1,252	3,125	3,541
Other assets	411	484
Non-current assets of discontinued operations		135
Total assets	\$ 355,383	\$ 341,587
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 13,395	\$ 11,971
Deferred revenue	49,350	46,230
Current portion of long-term debt	750	2,850
Income taxes payable	5,598	3,697
Current liabilities of discontinued operations		1,404
Total current liabilities	69,093	66,152
Long-term debt	120,950	121,550
Deferred income taxes - non-current	20,794	26,256
Interest rate hedge liability	767	
Other long-term liabilities	6,721	7,002
Total liabilities	218,325	220,960
Commitments and contingencies (Note 7)		
Stockholders equity	622	622

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Common stock, \$.01 par value, authorized 240,000,000 shares; issued and outstanding: 62,192,803 and 62,172,690 shares, respectively

Additional paid-in capital	222,960	220,222
Accumulated other comprehensive income	4,987	3,130
Accumulated deficit	(91,511)	(103,347)
Total stockholders equity	137,058	120,627
Total liabilities and stockholders equity	\$ 355,383	\$ 341,587

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenues	\$ 40,281	\$ 34,358	\$ 79,850	\$ 64,747
Operating expenses:				
Cost of revenues	2,484	1,946	4,901	3,772
Product development	1,172	982	2,344	1,962
Sales and marketing	15,895	13,797	30,801	27,011
General and administrative	5,363	4,411	10,912	8,360
Depreciation	958	702	1,821	1,321
Amortization of intangible assets	4,237	4,773	8,479	10,001
Total operating expenses	30,109	26,611	59,258	52,427
Operating income	10,172	7,747	20,592	12,320
Interest expense	(2,484)	(4,293)	(5,168)	(6,640)
Interest income	492	82	974	156
Other income (expense)	1,157		(1,109)	
Income from continuing operations before income taxes	9,337	3,536	15,289	5,836
Income tax expense	1,786	1,689	3,972	782
Income from continuing operations	7,551	1,847	11,317	5,054
Discontinued operations:				
Income (loss) from discontinued operations		108	519	(841)
Income tax (expense) benefit from discontinued operations		(463)		5,156
Minority interest in net loss of subsidiary		121		121
Income (loss) from discontinued operations, net of tax		(234)	519	4,436
Net income	7,551	1,613	11,836	9,490
Convertible preferred stock dividends				(107,718)
Income (loss) attributable to common stockholders	\$ 7,551	\$ 1,613	\$ 11,836	\$ (98,228)
Basic earnings (loss) per share:				
From continuing operations	\$ 0.12	\$ 0.03	\$ 0.18	\$ (1,113.48)
From discontinued operations			0.01	48.12
	\$ 0.12	\$ 0.03	\$ 0.19	\$ (1,065.36)
Diluted earnings (loss) per share:				

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From continuing operations	\$ 0.12	\$ 0.03	\$ 0.17	\$(1,113.48)
From discontinued operations			0.01	48.12
	\$ 0.12	\$ 0.03	\$ 0.18	\$(1,065.36)

See accompanying notes to the condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2008	2007
Cash flows provided by operating activities:		
Net income	\$ 11,836	\$ 9,490
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,821	1,321
Amortization of intangible assets	8,479	10,001
Deferred income taxes	189	(3,216)
Gain on sale of joint venture	(611)	
Amortization of deferred financing costs	416	336
Share based compensation	2,725	1,782
Loss on interest rate hedges	1,109	
Changes in operating assets and liabilities:		
Accounts receivable	3,828	1,419
Prepaid expenses and other assets	(49)	(1,501)
Accounts payable and accrued expenses	1,749	(1,189)
Income taxes payable	2,437	(891)
Deferred revenue	3,074	9,354
Other, net	36	498
Net cash provided by operating activities of continuing operations	37,039	27,404
Cash flows provided by (used for) investing activities:		
Purchases of fixed assets	(2,150)	(1,524)
Purchases of marketable securities	(26,923)	(200)
Maturities and sales of marketable securities	11,395	200
Other, net		(32)
Net cash used for investing activities of continuing operations		