

DICE HOLDINGS, INC.
Form 10-Q
July 27, 2010

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, 2010

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)

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)
None
(Former name, former address and former fiscal year - if changed since last report)

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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 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 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 20, 2010, 62,932,507 shares of common stock ("Common Stock") of the Registrant were outstanding.

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PART I — FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

DICE HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(in thousands, except per share data)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 36,911	\$ 44,925
Marketable securities	3,522	4,214
Accounts receivable, net of allowance for doubtful accounts of \$1,453 and \$1,764	11,071	11,336
Deferred income taxes - current	806	812
Income taxes receivable	2,096	906
Prepaid and other current assets	1,437	1,360
Total current assets	55,843	63,553
Fixed assets, net	5,531	5,719
Acquired intangible assets, net	48,119	48,536
Goodwill	145,037	142,638
Deferred financing costs, net of accumulated amortization of \$3,335 and \$2,918	1,458	1,875
Other assets	389	234
Total assets	\$ 256,377	\$ 262,555
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 10,740	\$ 9,930
Deferred revenue	41,144	33,909
Current portion of acquisition related contingencies	1,554	275
Current portion of long-term debt	1,000	1,000
Income taxes payable	922	601
Total current liabilities	55,360	45,715
Long-term debt	28,700	49,300
Deferred income taxes - non-current	10,597	10,886
Interest rate hedge liability - non-current	-	550
Accrual for unrecognized tax benefits	5,821	5,778
Other long-term liabilities	2,647	1,706
Total liabilities	103,125	113,935
Commitments and contingencies (Note 8)		
Stockholders' equity		
Convertible preferred stock, \$.01 par value, authorized 20,000 shares; issued and outstanding: 0 shares	-	-
Common stock, \$.01 par value, authorized 240,000; issued and outstanding: 62,930 and 62,502 shares, respectively	629	625
Additional paid-in capital	235,025	232,508

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Accumulated other comprehensive loss	(14,891)	(10,013)
Accumulated deficit	(67,511)	(74,500)
Total stockholders' equity	153,252	148,620
Total liabilities and stockholders' equity	\$ 256,377	\$ 262,555

See accompanying notes to the condensed consolidated financial statements.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2010	2009	2010	2009
Revenues	\$ 29,921	\$ 27,009	\$ 56,748	\$ 56,578
Operating expenses:				
Cost of revenues	2,181	1,811	4,288	3,641
Product development	1,432	961	2,622	1,756
Sales and marketing	11,078	8,483	21,209	17,919
General and administrative	4,890	5,128	9,176	10,124
Depreciation	1,107	932	2,079	1,853
Amortization of intangible assets	2,748	4,017	5,144	7,908
Change in acquisition related contingencies	24	-	(300)	-
Total operating expenses	23,460	21,332	44,218	43,201
Operating income	6,461	5,677	12,530	13,377
Interest expense	(974)	(1,649)	(2,095)	(3,572)
Interest income	23	53	61	136
Other income	141	369	216	757
Income from continuing operations before income taxes	5,651	4,450	10,712	10,698
Income tax expense	1,963	1,674	3,723	4,064
Net income	\$ 3,688	\$ 2,776	\$ 6,989	\$ 6,634
Basic earnings per share	\$ 0.06	\$ 0.04	\$ 0.11	\$ 0.11
Diluted earnings per share	\$ 0.05	\$ 0.04	\$ 0.10	\$ 0.10
Weighted average basic shares outstanding	62,665	62,229	62,478	62,219
Weighted average diluted shares outstanding	67,630	65,941	67,348	65,834

See accompanying notes to the condensed consolidated financial statements.

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

	For the six months ended June 30,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 6,989	\$ 6,634
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	2,079	1,853
Amortization of intangible assets	5,144	7,908
Deferred income taxes	(1,498)	(3,198)
Amortization of deferred financing costs	417	417
Share based compensation	1,798	3,098
Change in acquisition related contingencies	(300)	-
Gain from interest rate hedges	(216)	(757)
Changes in operating assets and liabilities:		
Accounts receivable	595	3,747
Prepaid expenses and other assets	17	358
Accounts payable and accrued expenses	1,336	(1,899)
Income taxes payable	(815)	(412)
Deferred revenue	6,825	(6,507)
Payments to reduce interest rate hedge agreements	(333)	(514)
Other, net	127	187
Net cash from operating activities	22,165	10,915
Cash flows from investing activities:		
Purchases of fixed assets	(2,520)	(1,470)
Purchases of marketable securities	(2,442)	(1,234)
Maturities and sales of marketable securities	3,111	4,000
Payments for acquisitions	(6,000)	(2,690)
Net cash from investing activities	(7,851)	(1,394)
Cash flows from financing activities:		