

MONSTER WORLDWIDE, INC.

Form 10-Q

May 07, 2015

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

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 (I.R.S. EMPLOYER
INCORPORATION OR ORGANIZATION) IDENTIFICATION NO.)

135 Boston Post Road, Building 15, Weston, 02493
Massachusetts
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(978) 461-8000
(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 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 the 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 (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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of May 1, 2015
Common Stock	91,002,719

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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MONSTER WORLDWIDE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands, except per share amounts)

(unaudited)

	Three months ended	
	March 31,	
	2015	2014
Revenue	\$183,693	\$198,149
Salaries and related	93,746	101,999
Office and general	46,042	55,207
Marketing and promotion	33,161	41,413
Restructuring and other special charges	20,222	—
Total operating expenses	193,171	198,619
Operating loss	(9,478	) (470
Gain on partial sale of equity method investment	8,849	—
Gain on deconsolidation of subsidiaries, net	—	11,828
Interest and other, net	(3,107	) (1,323
(Loss) income before income taxes and loss in equity interests	(3,736	) 10,035
(Benefit from) provision for income taxes	(13,145	) 6,663
Loss in equity interests, net	(220	) (133
Net income	9,189	3,239
Net income attributable to noncontrolling interest	1,019	1,174
Net income attributable to Monster Worldwide, Inc.	\$8,170	\$2,065
Basic earnings per share attributable to Monster Worldwide, Inc.	\$0.09	\$0.02
Diluted earnings per share attributable to Monster Worldwide, Inc.	\$0.09	\$0.02
Weighted average shares outstanding:		
Basic	89,137	91,102
Diluted	91,474	94,416
Net income	\$9,189	\$3,239
Other comprehensive income:		
Foreign currency translation adjustments, net	(9,104	) 3,496
Comprehensive income	85	6,735
Comprehensive income attributable to noncontrolling interest	1,270	347
Comprehensive (loss) income attributable to Monster Worldwide, Inc.	\$(1,185	) \$6,388
See accompanying notes.		

MONSTER WORLDWIDE, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par values)

	March 31, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,230	\$ 94,297
Accounts receivable, net of allowance for doubtful accounts of \$3,135 and \$3,295, respectively	275,539	282,523
Prepaid and other	66,785	83,326
Total current assets	452,554	460,146
Goodwill	535,790	540,621
Property and equipment, net	117,203	119,729
Intangibles, net	29,802	30,503
Investment in unconsolidated affiliates	18,832	20,700
Other assets	49,284	45,452
Total assets	\$ 1,203,465	\$ 1,217,151
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, accrued expenses and other	\$ 160,821	\$ 159,027
Deferred revenue	303,535	300,724
Current portion of long-term debt	10,125	9,563
Total current liabilities	474,481	469,314
Long-term income taxes payable	37,550	54,636
Long-term debt, net, less current portion	200,055	201,821
Other long-term liabilities	18,125	16,635
Total liabilities	730,211	742,406
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: 146,292 and 144,361 shares, respectively; outstanding: 89,867 and 87,936 shares, respectively	146	144
Class B common stock, \$.001 par value, authorized 39,000 shares; issued and outstanding: none	—	—
Additional paid-in capital	2,044,732	2,040,209
Accumulated deficit	(845,990)	) (854,160)
Accumulated other comprehensive (loss) income	(110)	) 9,245
Less: Treasury stock, at cost, 56,425 shares	(781,041)	) (774,940)
Total Monster Worldwide, Inc. stockholders' equity	417,737	420,498
Noncontrolling interest in subsidiary	55,517	54,247
Total stockholders' equity	473,254	474,745
Total liabilities and stockholders' equity	\$ 1,203,465	\$ 1,217,151
See accompanying notes.		

MONSTER WORLDWIDE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three months ended March 31,	
	2015	2014
Cash flows provided by operating activities:		
Net income	\$9,189	\$3,239
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,807	12,519
Provision for doubtful accounts	323	316
Stock-based compensation	4,465	8,173
Loss in equity interests, net	220	133
Non-cash restructuring charges	4,226	—
Deferred income taxes	3,933	3,893
Gain on deconsolidation of subsidiaries	—	(13,647)
Gain on partial sale of equity method investment	(8,849))
Amount reclassified from accumulated other comprehensive income	—	1,819
Excess income tax benefit from equity compensation plans	—	(130)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(255)	) 14,501
Prepaid and other	(4,298)	) (14,838)
Deferred revenue	9,946	(964)
Accounts payable, accrued liabilities and other	(3,948)	) 3,893
Total adjustments	17,570	15,668
Net cash provided by operating activities	26,759	18,907
Cash flows (used for) provided by investing activities:		
Capital expenditures	(7,945)	) (10,700)
Payments for acquisitions, net of cash acquired	—	(27,005)
Investment in Alma Career Oy	—	(6,516)
Cash funded to equity investee and other	976	(729)
Capitalized patent defense costs	(2,263))
Cash received from partial sale of equity method investment	9,128	—
Net cash used for investing activities	(104)	) (44,950)
Cash flows (used for) provided by financing activities:		
Payments on borrowings on credit facilities	(31,600))
Proceeds from borrowings on credit facilities	31,600	78,800
Payments on borrowings on term loan	(2,250)	) (1,875)
Fees paid on the issuance of debt	(997))
Repurchase of common stock	—	(39,653)
Tax withholdings related to net share settlements of restricted stock awards and units	(5,494)	) (1,427)
Excess income tax benefit from equity compensation plans	—	130
Net cash (used for) provided by financing activities	(8,741)	) 35,975
Effects of exchange rates on cash	(1,981)	) 118
Net increase in cash and cash equivalents	15,933	10,050
Cash and cash equivalents, beginning of period	94,297	88,581
Cash and cash equivalents, end of period	\$110,230	\$98,631
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	\$1,412	\$3,182

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Cash paid for interest	\$1,137	\$2,240
Non-cash activities:		
Net assets of entities contributed to Alma Career Oy	\$—	\$4,200
See accompanying notes.		

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MONSTER WORLDWIDE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands, except per share amounts)

(unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Monster Worldwide, Inc. (together with its consolidated subsidiaries, the “Company”, “Monster”, “Monster Worldwide”, “we”, “our”, or “us”) has operations that consist of two reportable segments: Careers-North America and Careers-International. Revenue in the Company’s segments is primarily earned from the placement of job advertisements on the websites within the Monster network, access to the Monster network of online resume and social profile databases, recruitment media services and other career-related services. The Company’s segments provide online services to customers in a variety of industries throughout North America, Europe, and the Asia-Pacific region.

Prior to January 1, 2015, the Company reported a third reportable segment, Internet Advertising & Fees. Effective January 1, 2015, as a result of changes in Monster's internal management and reporting structure, operations of Internet Advertising & Fees are now included within the Careers-North America reportable segment. See Note 16 - Segment and Geographic Data.

In May 2014, Monster revealed its “All the Jobs, All the People” strategy to drive the business and enhance its competitive position. Monster’s new strategy focuses on adding massive scale to its business to expand its total addressable market and the value it can provide to customers through a variety of new products, technologies and business models to successfully connect more people with more jobs.

Basis of Presentation

The consolidated interim financial statements included herein are unaudited and have been prepared by the Company pursuant to the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been omitted pursuant to such rules and regulations; however, the Company believes that the disclosures are adequate to make the information presented not misleading.

The consolidated interim 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, but has the ability to exert significant influence, are accounted for under the equity method of accounting. All inter-company accounts and transactions have been eliminated in consolidation. The noncontrolling interest in our South Korean subsidiary is recorded net of tax as Net income attributable to noncontrolling interest. These statements reflect all normal recurring adjustments that, in the opinion of management, are necessary for fair presentation of the information contained herein. These consolidated interim financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014. The Company adheres to the same accounting policies in preparing interim financial statements. As permitted under U.S. GAAP, interim accounting for certain expenses, including income taxes, are based on full year assumptions. Such amounts are expensed in full in the year incurred. For interim financial reporting purposes, income taxes are recorded based upon estimated annual income tax rates.

We have reclassified certain amounts previously reported in our financial statements to conform to the current presentation. Unless noted otherwise, discussions in these notes pertain to our continuing operations.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, which supersedes the revenue recognition guidance in Accounting Standard Codification (“ASC”) 605, Revenue Recognition. The new guidance clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes the most current revenue recognition guidance. This amended guidance is effective retrospectively for

reporting periods (interim and annual) beginning after December 15, 2016. We are currently assessing the potential impact of this ASU on our consolidated financial position and results of operations.

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In April 2015, the FASB issued ASU No. 2015-03, which revises the guidance in ASC 835, Interest, to require debt issuance costs be presented as a direct deduction from the corresponding debt liability, consistent with the presentation of debt discounts or premiums. The ASU does not affect the recognition and measurement of debt issuance costs. The guidance is to be applied retrospectively, and is effective for reporting periods (interim and annual) beginning after December 15, 2015, for public companies, and is considered a change in accounting principle. Early adoption is permitted. The implementation of this ASU is not expected to have a material impact on our consolidated financial position or results of operations.

3. EARNINGS PER SHARE ATTRIBUTABLE TO MONSTER WORLDWIDE, INC.

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.

On October 22, 2014, the Company consummated an offering of its 3.50% convertible senior notes due 2019 (the "Notes"). Under the treasury stock method, the Notes will generally have a dilutive impact on earnings per share if the Company's average stock price for the period exceeds approximately \$5.33 per share of Monster's common stock, the conversion price of the Notes.

In connection with the pricing of the Notes, Monster entered into a capped call transaction which increases the effective conversion price of the Notes, and is designed to reduce potential dilution upon conversion of the Notes. Since the beneficial impact of the capped call is anti-dilutive, it is excluded from the calculation of earnings per share. See Note 14 - Long-Term Debt for additional details.

A reconciliation of shares used in calculating basic and diluted earnings per share is as follows (shares in thousands):

	Three months ended March 31,	
	2015	2014
Basic weighted-average shares outstanding	89,137	91,102
Impact of stock options and non-vested stock under employee compensation plans	1,585	3,314
Impact of 3.50% convertible senior notes due 2019	752	—
Diluted weighted-average shares outstanding	91,474	94,416
Weighted-average anti-dilutive common stock equivalents - stock options and non-vested stock under employee compensation plans	1,679	3,526
Share Repurchase Plan		

On April 30, 2013, the Board of Directors of the Company authorized a share repurchase program of up to \$200,000 which expired on April 30, 2015. No share repurchases were made during the three months ended March 31, 2015. During the three months ended March 31, 2014, the Company repurchased 5,016,709 shares for a total of \$39,552, excluding commissions, at an average price of \$7.88 per share. Since the inception of this repurchase program, the Company repurchased 27,717,428 shares for a total of \$158,683, excluding commissions, at an average price of \$5.73 per share.

4. STOCK-BASED COMPENSATION

Stock-based compensation expense 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, performance-based RSAs and RSUs and stock options. 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 and performance-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.

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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 vested RSAs and RSUs.

Compensation expense for stock option awards and service-based awards is recognized ratably over the requisite service period. For market-based awards, compensation expense is recognized over the requisite service period as derived using a Monte Carlo simulation model. If an award includes both a market and performance or service condition, the requisite service period is adjusted in the event the market condition is satisfied prior to the end of the derived service period. For performance-based awards, compensation expense is recognized based on the probability of achieving the performance conditions associated with the respective shares, as determined by management. The Company recognized pre-tax compensation expense in the consolidated statements of operations related to stock-based compensation as follows:

	Three months ended March 31,	
	2015	2014
Non-vested stock, included in salaries and related	\$4,465	\$8,173

Market-Based Awards -During the first three months of 2015, the Company granted an aggregate of 350,000 market-based RSUs that will vest contingent on meeting certain stock price targets within three years of the grant date. The market-based RSUs vest in four tranches, with each tranche equaling 25% of the award, if, and when, certain stock price targets are achieved and maintained for 30 consecutive trading days, subject to the recipient's continued employment and service through the one year anniversary of the target stock price being achieved.

Performance-Based Awards -During the first three months of 2015, the Company granted 350,000 RSUs subject to certain specified performance-based conditions.

Service-Based Awards - There were no service-based stock awards granted during the first three months of 2015. The Company's non-vested stock activity is as follows (shares in thousands):

	Three months ended March 31,			
	2015		2014	
	Shares	Weighted Average Fair Value at Grant Date	Shares	Weighted Average Fair Value at Grant Date
Non-vested at beginning of period	8,554	\$4.85	13,142	\$5.58
Granted RSUs	700	\$3.71	25	\$6.27
Forfeited	(528)	\$4.87	(98)	\$20.19
Vested	(3,110)	\$4.58	(691)	\$9.99
Non-vested at end of period	5,616	\$4.85	12,378	\$5.27

As of March 31, 2015, the unrecognized compensation expense related to non-vested stock was \$16,917 which is expected to be recognized over a weighted-average period of 1.2 years.

The Company's stock option activity is as follows (shares in thousands):

	Three months ended March 31, 2015		2014	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding as of the beginning of the period	146	\$32.32	928	\$29.68
Exercised	—	\$—	—	—
Forfeited/expired/canceled	(22	) \$29.40	(371	) \$24.56
Outstanding at end of the period	124	\$32.85	557	\$33.08
Options exercisable at end of period	124	\$32.85	557	\$33.08
Aggregate intrinsic value of options exercised during the period	\$—		\$—	

All stock options granted were fully expensed prior to January 1, 2014.

5. NONCONTROLLING INTEREST

In December 2013, the Company sold a 49.99% interest in JobKorea Ltd. ("JobKorea"), its wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of \$90,000. H&Q Korea, an affiliate of H&Q Asia Pacific, is a pioneer in the development of Korea's private equity industry and one of the top private equity managers in the country. Based on the terms of the agreement, Monster maintains a controlling interest in the subsidiary and, accordingly, will continue to consolidate the results of JobKorea in its consolidated financial statements. The noncontrolling interest's share of net income was \$1,019 and \$1,174 for the three months ended March 31, 2015 and 2014, respectively.

The following table reflects the changes in stockholders' equity attributed to the Company and the noncontrolling interest in the three months ended March 31, 2015:

	Attributable to Monster Worldwide, Inc.	Attributable to Noncontrolling Interest	Total Stockholders' Equity
Balance, December 31, 2014	\$420,498	\$54,247	\$474,745
Net income	8,170	1,019	9,189
Change in cumulative foreign currency translation adjustment	(9,355	) 251	(9,104
Comprehensive (loss) income	(1,185	) 1,270	85
Tax withholdings related to net share settlements of restricted stock awards and units	(6,101	) —	(6,101
Stock based compensation - restricted stock	4,525	—	4,525
Balance, March 31, 2015	\$417,737	\$55,517	\$473,254

6. BUSINESS COMBINATIONS

In the first quarter of 2014, the Company's Careers-North America segment purchased TalentBin, Inc., a social profile talent search engine, and Gozaik LLC, a developer of social jobs aggregation and distribution technology. Aggregate consideration for the acquisitions was \$27,005 in cash, net of cash acquired, with \$1,750 of the consideration in escrow. The amounts held in escrow were released in the first quarter of 2015. The Company recorded \$25,061 of goodwill, \$907 of deferred tax assets, \$1,740 of purchased technology, \$730 of other intangibles, \$249 of other assets and \$1,482 of liabilities related to the acquisitions. Of the goodwill recorded, approximately \$10,500 will be deductible for tax purposes.

7. 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 for the three months ended March 31, 2015.

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 March 31, 2015:

	March 31, 2015			Total
	Level 1	Level 2	Level 3	
Assets:				
Bank time deposits	\$—	\$51,747	\$—	\$51,747
Bankers' acceptances	—	1,681	—	1,681
Foreign exchange contracts	—	126	—	126
Total Assets	\$—	\$53,554	\$—	\$53,554
Liabilities:				
Foreign exchange contracts	\$—	\$103	\$—	\$103
Lease exit liabilities	—	—	10,590	10,590
Total Liabilities	\$—	\$103	\$10,590	\$10,693

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

	December 31, 2014			Total
	Level 1	Level 2	Level 3	
Assets:				
Bank time deposits	\$—	\$60,553	\$—	\$60,553
Foreign exchange contracts	—	74	—	74
Total Assets	\$—	\$60,627	\$—	\$60,627
Liabilities:				
Foreign exchange contracts	\$—	\$265	\$—	\$265
Lease exit liabilities	—	—	8,515	8,515
Total Liabilities	\$—	\$265	\$8,515	\$8,780

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 lease exit liabilities within the Level 3 tier relate to vacated facilities associated with previously discontinued operations, restructuring activities of the Company and consolidation of office facilities and are recorded in accrued expenses and other current liabilities in the consolidated balance sheets. The liability is recognized and measured based on a discounted cash flow model when the cease use date has occurred. 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. In the first quarter of 2015, as part of its "Reallocate to Accelerate" program, the Company vacated space in its Bedford, Massachusetts location (see Note 11 - Restructuring and Other Special Charges). In the first quarter of 2014, the Company vacated its office facilities in Maynard, Massachusetts and Cambridge, Massachusetts and moved in to our new corporate headquarters in Weston, Massachusetts.

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

	Lease Exit Liability	
	Three months ended March 31,	
	2015	2014
Balance, Beginning of Period	\$8,515	\$12,550
Expense	3,195	5,728
Cash payments and changes in fair value	(1,120	) (2,411
Balance, End of Period	\$10,590	\$15,867

The carrying value for cash and cash equivalents, accounts receivable, accounts payable, certain accrued expenses 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 its 3.50% convertible senior notes due 2019 and borrowings under its revolving credit facilities and term loan (see Note 14 - Long-Term Debt). Our borrowings under our credit facilities approximate fair value due to the debt bearing fluctuating market interest rates. The carrying amounts of the convertible senior notes approximate fair value giving affect for the term of those notes and the effective interest rates.

8. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The amounts recognized in accumulated other comprehensive (loss) income were as follows:

	Foreign Currency Translation Adjustments	
	Three months ended March 31,	
	2015	2014
Beginning balance	\$9,245	\$63,368
Other comprehensive (loss) income before reclassifications	(9,355	) 2,504
Amounts reclassified from accumulated other comprehensive (loss) income	—	1,819
Net current period change in accumulated other comprehensive (loss) income	(9,355	) 4,323
Ending balance	\$(110	) \$67,691

Amounts reclassified from accumulated other comprehensive (loss) income to income were as follows:

Details about AOCI Components	Affected Line Item in the Statement Where Net Income Is Presented	Three months ended March 31,	
		2015	2014
Foreign currency translation adjustments			
Deconsolidation of foreign subsidiaries	Gain on deconsolidation of subsidiaries, net	\$—	\$1,819
Total reclassifications		\$—	\$1,819

9. DECONSOLIDATION OF SUBSIDIARIES

Prior to January 3, 2014, the Company had a 25% equity investment in a company located in Finland related to a business combination completed in 2001, with the remaining 75% held by Alma Media Corporation (“Alma Media”). Alma Media is a leading media company based in Finland, focused on digital services and publishing in Finland, the Nordic countries, the Baltics and Central Europe. Effective January 3, 2014, the Company expanded its relationship with Alma Media. Monster and Alma Media each contributed several additional entities and businesses into the then-existing joint venture and formed a significantly larger joint venture where Monster has an equity ownership of 15% with the opportunity to increase ownership up to 20%. The Company also contributed cash of approximately \$6,500. Following closing, Monster no longer held a controlling interest in its subsidiaries in Poland, Hungary and the Czech Republic and therefore deconsolidated those subsidiaries effective January 3, 2014. The Company accounts for its investment under the equity method of accounting due to the Company’s ability to exert significant influence over the financial and operating policies of the new joint venture, primarily through our representation on the board of directors.

The Company recorded a gain of \$13,647 as a result of the deconsolidation. The gain was measured as the difference between (a) the net fair value of the retained noncontrolling investment and the consideration transferred and (b) the carrying value of the contributed entities’ net assets of approximately \$4,200. The fair value of the retained noncontrolling investment was approximately \$24,800 which was determined based on the present value of estimated future cash flows and comparable market transactions. Cash flow projections were based on estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used was based on the weighted-average cost of capital adjusted for the relevant risk associated with the business-specific characteristics and the uncertainty related to the business’s ability to execute on the projected cash flows. The Company also recognized \$1,819 of accumulated unrealized currency translation loss related to the net assets of the subsidiaries contributed by Monster.

As a result of the deconsolidation, the Company recorded a net gain of \$11,828 to Gain on deconsolidation of subsidiaries, net in the first quarter of 2014. See Note 15 – Income Taxes for discussion on the tax impact of the deconsolidation.

10. INVESTMENTS

Equity Method Investments

The Company accounts for investments through which it holds a noncontrolling interest and has the ability to exert significant influence using the equity method of accounting, recording its owned percentage of the investment’s net results of operations in Loss in equity interests, net, in the Company’s consolidated statement of operations. Such losses reduce the carrying value of the Company’s investment and gains increase the carrying value of the Company’s investment. Dividends paid by the equity investee reduce the carrying amount of the Company’s investment.

In 2008, the Company acquired a 50% equity interest in a company located in Australia, CareerOne Pty Limited (“CareerOne”). For the three months ended March 31, 2015 and 2014, the Company expended an additional \$451 and \$492, respectively, for additional working capital requirements relating to CareerOne. The carrying value of the investment was \$104 as of March 31, 2014 and was recorded on the consolidated balance sheet as a component of Investment in unconsolidated affiliates. On March 31, 2015, the Company sold the majority of its 50% equity interest in CareerOne in an arms-length transaction, leaving the Company with a 10% interest. Total cash received from the transaction was \$9,128, and the sale resulted in the recognition of a pre-tax gain of \$8,849 in the first quarter of 2015. As a result of the sale, the Company no longer has the ability to exercise significant influence over CareerOne.

Therefore, effective March 31, 2015, the remaining 10% interest retained by the Company is being accounted for under the cost method. See Note 15 – Income Taxes for discussion of the tax impact of the transaction.

As discussed in Note 9 – Deconsolidation of Subsidiaries, through January 3, 2014, the Company had a 25% equity investment in a company located in Finland related to a business combination completed in 2001. Effective January 3, 2014, the Company has a 15% equity investment in Alma Career Oy, a joint venture in Finland, Eastern Europe and the Baltics with Alma Media. The carrying value of the investment was \$18,832 and \$24,480 as of March 31, 2015 and 2014, respectively, and was recorded on the consolidated balance sheet as a component of Investment in unconsolidated affiliates.

Loss in equity interests, net are as follows by equity investment:

	Three months ended March 31,	
	2015	2014
Alma Career Oy	\$ 179	\$ 119
Australia	(399)	(252)
Loss in equity interests, net	\$ (220)	\$ (133)

11. RESTRUCTURING AND OTHER SPECIAL CHARGES

"Reallocate to Accelerate"

On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's new strategy. The initiatives include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. Through March 31, 2015, the Company has notified approximately 200 associates in North America and Europe. The Company anticipates additional charges of approximately \$3,000 to \$5,000 in the second and third quarters of 2015. The following table displays a roll forward of the restructuring and other special charges and related liability balances associated with the "Reallocate to Accelerate" program:

	Accrual at December 31, 2014	Expense	Cash Payments	Non-Cash Utilization	Accrual at March 31, 2015
Workforce reduction	\$—	\$ 12,325	\$ (3,150)	\$—	\$ 9,175
Lease exit costs	—	3,000	—	—	3,000
Impairment of assets	—	4,226	—	(4,226)	—
Other costs and professional fees	—	671	(76)	—	595
Total	\$—	\$ 20,222	\$ (3,226)	\$ (4,226)	\$ 12,770

12. PROPERTY AND EQUIPMENT, NET

The Company's property and equipment balances net of accumulated depreciation are as follows:

	March 31, 2015	December 31, 2014
Capitalized software costs	\$ 213,003	\$ 209,007
Furniture and equipment	17,011	16,196
Leasehold improvements	35,918	40,103
Computer and communications equipment	156,554	160,414
	422,486	425,720
Less: accumulated depreciation	305,283	305,991
Property and equipment, net	\$ 117,203	\$ 119,729

Depreciation expense was \$11,082 and \$11,885 for the three months ended March 31, 2015 and 2014, respectively. During the first quarter of 2014, the Company vacated, and wrote off assets associated with its office facilities in Maynard, Massachusetts and Cambridge, Massachusetts and moved in to our corporate headquarters in Weston, Massachusetts.

13. FINANCIAL DERIVATIVE INSTRUMENTS

The Company uses forward foreign exchange contracts as 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 fair value position (recorded in interest and other, net, in the consolidated statements of operations and comprehensive income (loss)) of our derivatives are as follows:

March 31, 2015				
	Component of	Notional Amount	Maturity Dates	Fair Value
Designated as Hedges under ASC 815				
None		\$—		\$—
Not Designated as Hedges under ASC 815				
Foreign currency exchange forwards	Prepaid and other	15,972	April/May 2015	126
Foreign currency exchange forwards	Accrued expenses and other current liabilities	14,608	April 2015	(103)
Total Derivative Instruments		\$30,580		\$23
December 31, 2014				
	Component of	Notional Amount	Maturity Dates	Fair Value
Designated as Hedges under ASC 815				
None		\$—		\$—
Not Designated as Hedges under ASC 815				
Foreign currency exchange forwards	Prepaid and other	15,902	January 2015	74
Foreign currency exchange forwards	Accrued expenses and other current liabilities	25,378	January 2015	(265)
Total Derivative Instruments		\$41,280		\$(191)

The amounts of unrealized and realized net gains (losses) and changes in the fair value of our forward contracts are as follows:

	Location of Realized and Unrealized Net Gain (Loss) and Changes in the Fair Value of Forward Contracts	Amount of Realized and Unrealized Net Gain (Loss) and Changes in the Fair Value of Forward Contracts	
		Three months ended March 31, 2015	2014
Foreign currency exchange forwards	Interest and Other, net	\$ 295	\$(132)

14. LONG-TERM DEBT

Long-term debt, net of discounts where applicable, is summarized as follows:

	March 31, 2015	December 31, 2014
3.50% convertible senior notes due 2019	\$ 143,750	\$ 143,750
Credit facilities	85,500	87,750
Unamortized discount on convertible senior notes	(19,070)	(20,116)
	210,180	211,384
Less: current portion of long-term debt	10,125	9,563
Long-term debt, net, less current portion	\$ 200,055	\$ 201,821

3.50% Convertible Senior Notes Due 2019

On October 22, 2014, the Company consummated an offering of \$143,750 aggregate principal amount of its 3.50% convertible senior notes due 2019 (the "Notes"), which includes \$18,750 in aggregate principal amount of Notes sold pursuant to the over-allotment option that was previously granted to the initial purchasers of the Notes and exercised by the initial purchasers on October 21, 2014. The Company received net proceeds of \$139,031 from the sale of the Notes, after deducting fees and expenses of \$4,719. The Notes are unsecured, senior obligations of Monster, that bear interest at a rate of 3.50% per annum, payable in arrears on April 15 and October 15 of each year to holders of record at the close of business on the preceding April 1 and October 1, respectively. The Notes will mature on October 15, 2019, unless converted or repurchased in accordance with their terms prior to such date.

In connection with the offering of the Notes, Monster entered into capped call transactions with an affiliate of one of the initial purchasers. The Company used \$16,531 of the net proceeds to pay for the cost of the capped call transactions, \$82,500 to repay in full the term loan outstanding as of the date of issuance, and \$40,000 to repay a portion of the loans outstanding under the revolving credit facility.

The conversion rate for the Notes is initially 187.7405 shares per one thousand dollar principal amount of the Notes, which is equivalent to an initial conversion price of approximately \$5.33 per share of Monster's common stock ("Common Stock"), and is subject to adjustment in certain circumstances. Unless and until Monster obtains stockholder approval to issue upon conversion of the Notes more than 19.99% of the outstanding shares of Common Stock, Monster will settle conversions of the Notes by paying cash up to the principal amount of any converted Notes and delivering Common Stock and/or paying cash in respect of any remaining conversion obligation, and the number of shares of Common Stock issuable upon conversion of the Notes will be subject to such cap. If Monster obtains stockholder approval to issue upon conversion of the Notes more than 19.99% of the outstanding shares of Common Stock on the date the Notes were priced, Monster will settle conversions of the Notes by paying or delivering, as the case may be, cash, shares of Common Stock or a combination thereof, at its election. Stockholder approval has been requested at the upcoming Annual Meeting of Stockholders on June 9, 2015. Monster will not have the right to redeem the Notes prior to maturity. The maximum number of shares of common stock the Notes are convertible into is approximately 27,000,000, and is subject to adjustment under certain circumstances.

The Notes will be convertible at the option of holders only under the following circumstances:

1. Prior to the business day immediately preceding January 15, 2019, during any calendar quarter commencing after the calendar quarter ended on December 31, 2014 (and only during such calendar quarter), if the last reported sale price of Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
2. Prior to the business day immediately preceding January 15, 2019, during the five business day period after any five consecutive trading day period (the "Measurement Period") in which the trading price as defined in the Indenture per one thousand dollar principal amount of the Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of Common Stock and the conversion rate on each such trading day;
3. Prior to the business day immediately preceding January 15, 2019, upon the occurrence of specified corporate events; or
4. At any time on or after January 15, 2019 until the close of business on the second scheduled trading day immediately preceding the October 15, 2019 maturity date.

Further, holders may require the Company to purchase all or a portion of their Notes at a purchase price in cash equal to 100% of the principal amount at maturity of the Notes to be purchased, plus accrued and unpaid interest upon certain fundamental changes.

In accordance with ASC 470-20, Debt with Conversion and Other Options, the Notes were separated into debt and equity components and assigned a fair value. The value assigned to the debt component was the estimated fair value, as of the issuance date, of similar debt without the conversion feature. The difference between the cash proceeds and this estimated fair value represents the value which was assigned to the equity component and was recorded as a debt discount. The debt discount is being amortized using the effective interest method from the date of issuance through

the October 15, 2019 maturity date.

15

The initial debt component of the Notes was valued at \$122,829, based on the contractual cash flows discounted at an appropriate market rate for non-convertible debt at the date of issuance. The carrying value of the permanent equity component reported in additional paid-in-capital was initially valued at \$20,228, which is net of \$693 of fees and expenses allocated to the equity component.

The capped call transactions are expected generally to reduce potential dilution to the Common Stock and/or offset cash payments Monster would have to make in excess of the principal amount of any converted Notes in the event that the market price per share of Common Stock, as measured under the terms of the capped call transaction, is greater than the strike price of the capped call transaction, which will initially correspond to the conversion price of the Notes and be subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the Notes. The cap price under the capped call transaction is initially \$7.035 per share, and is subject to certain adjustments under the terms of the capped call transaction. The capped call transaction has been included as a net reduction to additional paid-in capital within stockholders' equity in accordance with ASC 815-40, Derivatives and Hedging - Contracts in Entity's Own Equity .

Credit Facilities

On March 22, 2012, the Company amended its then-existing credit agreement in its entirety (the "Second Amended Credit Agreement"). The Second Amended Credit Agreement provided the Company with a \$225,000 revolving credit facility and a \$100,000 term loan facility, for a total of \$325,000 in credit available to the Company. The obligations under the Second Amended Credit Agreement were set to mature on March 22, 2015. The Second Amended Credit Agreement did not qualify as a debt extinguishment in accordance with ASC 470 - Debt , and all financing fees incurred were deferred were being amortized through March 2015.

On October 15, 2014, the Company entered into an amendment of the Second Amended Credit Agreement that (i) permitted the offering of the Notes and the conversion of the Notes into cash and/or equity of the Company, (ii) permitted the Company to enter into a capped call transaction and (iii) required that the Company use the proceeds from the offering of the Notes (net of reasonable and documented fees and expenses incurred in connection with the offering and the net cost of the capped call transaction), to repay the term loan facility and revolving debt under the Second Amended Credit Agreement (with no corresponding reduction of the then-existing revolving credit facility).

On October 31, 2014, the Company amended and restated the Second Amended Credit Agreement (the "Third Amended Credit Agreement"). The Third Amended Credit Agreement provides the Company with a \$100,000 revolving credit facility and \$90,000 term loan facility, providing for a total of \$190,000 in credit available to the Company. The borrowings under the Third Amended Credit Agreement were used to satisfy the obligations under the Second Amended Credit Agreement of \$98,900 under the revolving credit facility. Each of the revolving credit facility and the term loan facility matures on October 31, 2017. On February 5, 2015, the Company entered into an amendment of the Third Amended Credit Agreement to provide the Company with flexibility in connection with its "Reallocate to Accelerate" initiatives. The amendment provides that up to \$20,000 of costs and restructuring charges incurred during the fiscal year ending December 31, 2015 will be added back to Consolidated EBITDA, which is a component of the Consolidated Leverage Ratio and the Consolidated Fixed Charge Coverage Ratio.

The Third Amended Credit Agreement partially qualifies as a debt extinguishment in accordance with ASC 470 - Debt . Accordingly, the Company expensed \$388 of financing fees classified as a debt extinguishment through interest & other, net during the fourth quarter of 2014. The remaining \$3,080 of financing fees is being deferred and amortized through October 2017.

The Company is required to make quarterly amortization payments on the outstanding principal amount of the term loans, with \$2,250 payable on each of June 30, 2015 and September 30, 2015, \$2,813 payable on each of December 31, 2015, March 31, 2016, June 30, 2016, and September 30, 2016, \$3,375 payable on each of December 31, 2016, March 31, 2017, June 30, 2017, and September 30, 2017, and the remaining balance of the term loan due at maturity.

Borrowings under the Third Amended Credit Agreement bear interest at a rate equal to either (i) the London Interbank Offered Rate ("LIBOR") plus a margin ranging from 250 basis points to 325 basis points depending on the Consolidated Leverage Ratio as defined in the Third Amended Credit Agreement or upon the Company's election (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) LIBOR plus 1.0%, plus (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 points (depending on the Consolidated Leverage Ratio).

The Third Amended Credit Agreement contains financial covenants requiring the Company to maintain: (i) a consolidated leverage ratio of no more than 2.75 to 1.00, as of the end of each fiscal quarter ending after the closing date through the fiscal quarter ending March 31, 2015, and 2.50 to 1.00, as of the end of the fiscal quarter ending June 30, 2015, and each fiscal quarter ending thereafter; and (ii) a consolidated Fixed Charge Coverage Ratio, as defined in the Third Amended Credit Agreement, of at least 1.50 to 1.00. The Third 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 Third 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, further assurances regarding collateral and compliance with environmental laws. The Third Amended Credit Agreement is secured by substantially all of the Company's domestic assets, other than real estate and certain other excluded assets. As of March 31, 2015, the Company was in full compliance with its covenants.

At March 31, 2015, the utilized portion of this credit facility was \$85,500 in borrowings on the term loan facility, \$0 borrowings on the revolving credit facility, and \$294 in outstanding letters of credit. The portion of the term loan that is due within one year is \$10,125 and is classified as short-term in the consolidated balance sheet. The remaining amount outstanding on the term loan is classified as long-term debt in the Company's consolidated balance sheets. As of March 31, 2015, based on the calculation of the maximum consolidated leverage ratio, \$59,977 of the Company's revolving credit facility was available. At March 31, 2015, the one month BBA LIBOR rate, the agent's prime rate, and the overnight federal funds rate were 0.18%, 3.25% and 0.06%, respectively. As of March 31, 2015, the Company used the one month BBA LIBOR rate for the interest rate on these borrowings with an interest rate of 3.42%.

15. INCOME TAXES

The (benefit from) 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 geographic mix of earnings in various tax jurisdictions and the applicable rates. Our interim provision for income taxes is measured using an estimated annual effective tax rate, adjusted for discrete items that occur within the periods presented. The tax effect of discrete items is recorded in the quarter in which they occur. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries with lower statutory rates, greater losses than anticipated in countries with lower statutory tax rates, increases in recorded valuation allowances of tax assets, or changes in tax laws or interpretations thereof. Our effective tax rate differs from the Federal United States statutory tax rate of 35% due to accrual of state taxes, non-deductible expenses, foreign earnings and losses taxed at different rates, accrual of interest on tax liabilities, accrual of United States residual tax on earnings that are not indefinitely reinvested and the effect of valuation allowances on deferred tax assets. We record valuation allowances primarily on tax benefits of losses arising in certain unprofitable countries in international markets. The tax provision during the three months ended March 31, 2015 reflects a provision of \$6,931 attributable to discrete items, consisting primarily of a tax provision of \$4,896 due to a gain related to the partial sale of our equity interest in a company located in Australia (see Note 10 - Investments), and increases to tax valuation allowances of \$1,455 on tax benefits of current year losses incurred in certain foreign tax jurisdictions. In addition, as a result of settlement of a tax examination during the three months ended March 31, 2015, the Company recorded a tax benefit due to recognition of previously unrecognized tax positions of \$10,424 which, net of deferred tax benefits and valuation allowances, impacted the effective rate by \$6,776. The Company also reversed accrued interest and penalties on unrecognized tax positions of \$12,607 which, on a net of tax basis, impacted the effective tax rate by \$8,977. The total benefit reflected in the tax provision in the quarter ended March 31, 2015 relating to recognition of previously unrecognized tax positions, and reversals of accrued interest and penalties thereon, was \$15,753. The tax matters relate primarily to allocation of income among tax jurisdictions.

The tax provision during the three months ended March 31, 2014 was increased by approximately \$6,483 of discrete items, consisting primarily of a tax provision of \$5,543 due to a gain related to the deconsolidation of our subsidiaries

in Poland, Hungary and the Czech Republic (see Note 9 - Deconsolidation of Subsidiaries) and increases to tax valuation allowances of approximately \$1,100. In addition, as a result of changes to certain estimates relating to determination of unrecognized tax positions during the three months ended March 31, 2014, the Company recognized previously unrecognized tax positions of \$350 which, on a net of tax basis, impacted the effective rate by \$228. The Company also reversed accrued interest on unrecognized tax positions of \$440, which impacted the effective tax rate by \$266. The total benefit reflected in the tax

provision in the quarter ended March 31, 2014 for these items was \$494. The tax matters relate primarily to allocation of income among tax jurisdictions.

The Company is currently under examination by several domestic and international tax authorities. Presently, no material adjustments have been proposed. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. The gross recorded liability for uncertain tax positions (inclusive of estimated interest and penalties thereon) as of March 31, 2015 and December 31, 2014 is recorded on the Company's consolidated balance sheet as long-term income taxes payable of \$37,550 and \$54,636, respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statements of operations and comprehensive income (loss). The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by an amount ranging from \$0 to \$5,000 in the next twelve months due to expirations of statutes of limitations or settlement of tax examinations. The tax matters concerned relate to the allocation of income among jurisdictions, and the amount of prior year tax loss carryovers.

16. SEGMENT AND GEOGRAPHIC DATA

As of January 1, 2015, the Company changed the composition of its reportable segments to reflect changes in its internal management and reporting structure. The prior period segment information contained below has been restated to reflect the Company's new operating structure. The Company conducts business in two reportable segments: Careers - North America and Careers - International. Corporate operating expenses are not allocated to the Company's reportable segments. See Note 1 - Description of Business and Basis of Presentation for a description of our operating segments.

The following tables present the Company's operations by reportable segment and by geographic region:

	Three months ended March 31,	
	2015	2014
Revenue		
Careers – North America	\$ 122,392	\$ 127,545
Careers – International	61,301	70,604
Revenue	\$ 183,693	\$ 198,149
Operating Income (Loss)		
Careers – North America	\$ 13,338	\$ 15,811
Careers – International	(12,918	) (5,289
	420	10,522
Corporate expenses	(9,898	) (10,992
Operating Loss	\$ (9,478	) \$(470
Depreciation and Amortization		
Careers – North America	\$ 7,531	\$ 7,367
Careers – International	3,857	4,948
	11,388	12,315
Corporate expenses	419	204
Depreciation and Amortization	\$ 11,807	\$ 12,519
Restructuring and Other Special Charges		
Careers – North America	\$ 11,057	—
Careers – International	8,577	—
Corporate expenses	588	—
Restructuring and Other Special Charges	\$ 20,222	—
Revenue by Geographic Region (a)		
United States	\$ 118,458	\$ 123,356
International	65,235	74,793
Revenue	\$ 183,693	\$ 198,149

	March 31, 2015	December 31, 2014
Long-lived Assets by Geographic Region (b)		
United States	\$ 89,110	\$ 89,343
International	28,093	30,386
Total Long-Lived Assets	\$ 117,203	\$ 119,729

(a) Revenue by geographic region is generally based on the location of the Company's subsidiary.

(b) Total long-lived assets include property and equipment, net.

Due to the nature of the Company's operations, a majority of its assets are utilized across all segments. In addition, segment assets are not reported to, or used by, the Chief Operating Decision Maker to allocate resources or assess performance of the Company's segments. Accordingly, the Company has not disclosed asset information by segment.

17. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved in various legal proceedings that are incidental to the conduct of its business. The Company is not involved in any pending or threatened legal proceedings that it believes could reasonably be expected to have a material adverse effect on its financial condition or results of operations.

Leases

The Company leases its facilities and a portion of its capital equipment under operating leases that expire at various dates. Some of the operating leases provide for increasing rents over the terms of the leases and total rent expense under these leases is recognized ratably over the initial renewal period of each lease. The following table presents future minimum lease commitments under non-cancelable operating leases and minimum rentals to be received under non-cancelable subleases at March 31, 2015:

	Operating Leases	Estimated Sublease Income
2015	\$ 26,198	\$ 1,619
2016	30,606	3,492
2017	28,110	3,592
2018	25,489	3,592
2019	22,192	3,592
Thereafter	60,249	4,449
	\$ 192,844	\$ 20,336

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders

Monster Worldwide, Inc.

New York, New York

We have reviewed the consolidated balance sheet of Monster Worldwide, Inc. (the "Company") as of March 31, 2015, and the related consolidated statements of operations and comprehensive income (loss) and cash flows for the three-month periods ended March 31, 2015 and 2014 included in the accompanying Securities and Exchange Commission Form 10-Q for the period ended March 31, 2015. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the consolidated balance sheet of Monster Worldwide, Inc. as of December 31, 2014, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 10, 2015 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2014 is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ BDO USA, LLP
BDO USA, LLP
New York, New York
May 7, 2015

ITEM 2. 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 Securities and Exchange Commission (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 related to our new strategy; 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; risks associated with our convertible senior notes due 2019; 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 our Annual Report on Form 10-K for the year ended December 31, 2014.

Overview

Monster Worldwide, Inc. (together with its consolidated subsidiaries, the “Company,” “Monster,” “Monster Worldwide,” “we,” “our,” or “us”) is a global leader in connecting people to jobs, wherever they are. Monster’s mission is to help people improve their lives with access to the right job opportunities, and to enable customers to be more successful in finding the best talent anywhere. Today, the Company offers services in more than 40 countries, providing some of the broadest, most sophisticated job seeking, career management, recruitment and talent management capabilities. Monster continues its pioneering work of transforming the recruitment industry with advanced technology using intelligent digital, social and mobile solutions, including our flagship website monster.com and a vast array of products and services.

In May 2014, we revealed the Company’s “All the Jobs, All the People” strategy to drive the business and enhance Monster’s competitive position. Our new strategy focuses on adding massive scale to our business to expand its total addressable market and the value the Company can provide to customers through a variety of new products, technologies and business models to successfully connect more people with more jobs.

We earned 33% and 36% of our total revenue outside of North America for the quarters ended March 31, 2015 and 2014, 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. 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 advertisements; resume database access; recruitment media solutions through our advertising network and partnerships; Twitter Cards and social job distribution; display advertising; lead generation; social profile aggregation; and other career-related content. Job seekers can search 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 the Monster resume and social databases; and access other career-related services.

Monster operates in an industry and in markets that are continually evolving with the entrance of new competitors and the changing needs of seekers and employers. The Company adjusts its product offerings and makes new investments in its technology platform in order to meet the challenges presented by the market evolution. The Company believes its “All the Jobs, All the People” strategy addresses this market evolution and positions Monster to achieve long-term growth while controlling the growth of operating expenses.

Recent Developments

“Reallocate to Accelerate”

On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company’s strategy. The initiatives include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. Through March 31, 2015, the Company has notified approximately 200 associates in North America and Europe. The Company expects these reductions, currently anticipated to be completed by the end of 2015, to result in annualized savings of approximately \$38 million to \$45 million. The full impact of the savings will be realized beginning in the fourth quarter of 2015. The Company recognized a pre-tax charge of \$20.2 million during the first quarter of 2015 as a result of these initiatives, and anticipates additional charges of approximately \$3 million to \$5 million in the second and third quarters of 2015.

CareerOne

On March 31, 2015, the Company sold the majority of its 50% equity interest in a company located in Australia, CareerOne Pty Limited (“CareerOne”), leaving the Company with a 10% interest. Total cash received from the transaction was \$9.1 million, and the sale resulted in the recognition of a pre-tax gain of \$8.8 million in the first quarter of 2015.

Leadership Changes

On November 4, 2014, the Company announced that Timothy Yates, a Director of Monster and formerly its Executive Vice President and Chief Financial Officer, had been appointed President and Chief Executive Officer. Monster also announced that effective November 4, 2014, Mark Stoeber, Executive Vice President, Corporate Development and Internet Advertising, had been appointed Executive Vice President and Chief Operating Officer of the Company. On April 20, 2015, Paul Forte has joined Monster as Executive Vice President, North America Sales.

Constant Currency Presentation

Revenue 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 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 changes 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 changes on an as-reported basis.

RESULTS OF OPERATIONS

Consolidated operating results as a percentage of revenue are as follows:

	Three months ended March 31,			
	2015		2014	
Revenue	100.0	%	100.0	%
Salaries and related	51.0	%	51.5	%
Office and general	25.1	%	27.9	%
Marketing and promotion	18.1	%	20.9	%
Restructuring and other special charges	11.0	%	—	%
Total operating expenses	105.2	%		