

MONSTER WORLDWIDE INC

Form 10-Q

April 29, 2011

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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, 2011
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
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

13-3906555
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

622 Third Avenue, New York, New York
(ADDRESS OF PRINCIPAL
EXECUTIVE OFFICES)

10017
(ZIP CODE)

(212) 351-7000

(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 Smaller reporting
company

(Do not check if a 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

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 April 20, 2011 |
|--------------|---|
| Common Stock | 129,318,647 |

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MONSTER WORLDWIDE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

| | Three Months Ended | |
|--|---------------------------|--------------------|
| | March 31, | |
| | 2011 | 2010 |
| Revenue | \$ 261,382 | \$ 215,305 |
| Salaries and related | 135,661 | 128,450 |
| Office and general | 66,570 | 62,148 |
| Marketing and promotion | 57,698 | 59,581 |
| Total operating expenses | 259,929 | 250,179 |
| Operating income (loss) | 1,453 | (34,874) |
| Interest and other, net | (441) | (653) |
| Income (loss) before income taxes and loss in equity interests | 1,012 | (35,527) |
| Provision for (benefit from) income taxes | 356 | (12,179) |
| Loss in equity interests, net | (578) | (831) |
| Net income (loss) | \$ 78 | \$ (24,179) |
| Basic income (loss) per share | \$ | \$ (0.20) |
| Diluted income (loss) per share | \$ | \$ (0.20) |
| Weighted average shares outstanding: | | |
| Basic | 121,425 | 120,032 |
| Diluted | 124,636 | 120,032 |
| <i>See accompanying notes.</i> | | |

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

| | March 31, 2011 (unaudited) | December 31, 2010 |
|--|---|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 191,002 | \$ 163,169 |
| Accounts receivable, net of allowance for doubtful accounts of \$5,118 and \$5,420 | 340,307 | 346,751 |
| Prepaid and other | 84,600 | 75,451 |
| Total current assets | 615,909 | 585,371 |
| Goodwill | 1,151,182 | 1,122,951 |
| Property and equipment, net | 154,900 | 150,147 |
| Intangibles, net | 62,474 | 66,184 |
| Investment in unconsolidated affiliates | 919 | 1,359 |
| Other assets | 51,061 | 51,990 |
| Total assets | \$ 2,036,445 | \$ 1,978,002 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 36,092 | \$ 36,569 |
| Accrued expenses and other current liabilities | 184,547 | 176,400 |
| Deferred revenue | 399,105 | 376,448 |
| Current portion of long-term debt and borrowings on credit facility | 80,000 | 84,500 |
| Income taxes payable | 12,062 | 12,907 |
| Total current liabilities | 711,806 | 686,824 |
| Long-term income taxes payable | 96,922 | 95,390 |
| Deferred income taxes | 12,670 | 17,186 |
| Long-term debt, less current portion | 40,000 | 40,000 |
| Other long-term liabilities | 7,933 | 9,952 |
| Total liabilities | 869,331 | 849,352 |
| 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: 136,767 and 135,834 shares, respectively; outstanding: 122,046 and 121,113 shares, respectively | 137 | 136 |
| Class B common stock, \$.001 par value, authorized 39,000 shares; issued and outstanding: none | | |

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| | | |
|--|---------------------|---------------------|
| Additional paid-in capital | 1,427,804 | 1,424,815 |
| Accumulated deficit | (359,388) | (359,466) |
| Accumulated other comprehensive income | 98,561 | 63,165 |
| Total stockholders equity | 1,167,114 | 1,128,650 |
| Total liabilities and stockholders equity | \$ 2,036,445 | \$ 1,978,002 |

See accompanying notes.

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

| | Three Months Ended March 31, | |
|--|-------------------------------------|----------------|
| | 2011 | 2010 |
| Cash flows provided by operating activities: | | |
| Net income (loss) | \$ 78 | \$ (24,179) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 18,401 | 16,604 |
| Provision for doubtful accounts | 370 | 1,149 |
| Non-cash compensation | 13,180 | 10,267 |
| Deferred income taxes | (3,984) | (14,713) |
| Loss in equity interests, net | 578 | 831 |
| Gains on auction rate securities | (1,120) | (200) |
| Changes in assets and liabilities, net of purchase transactions: | | |
| Accounts receivable | 12,416 | 17,631 |
| Prepaid and other | (6,718) | 1,589 |
| Deferred revenue | 14,926 | 4,668 |
| Accounts payable, accrued liabilities and other | 1,293 | 22,569 |
| Total adjustments | 49,342 | 60,395 |
| Net cash provided by operating activities | 49,420 | 36,216 |
| Cash flows used for investing activities: | | |
| Capital expenditures | (16,457) | (8,536) |
| Cash funded to equity investee | (1,007) | (1,345) |
| Sales and maturities of marketable securities | 1,120 | 3,414 |
| Dividends received from unconsolidated investee | 443 | 220 |
| Net cash used for investing activities | (15,901) | (6,247) |
| Cash flows used for financing activities: | | |
| Payments on borrowings on credit facility | (4,500) | |
| Tax withholdings related to net share settlements of restricted stock awards and units | (7,096) | (6,359) |
| Proceeds from exercise of employee stock options | 23 | 27 |
| Net cash used for financing activities | (11,573) | (6,332) |
| Effects of exchange rates on cash | 5,887 | (7,932) |
| Net increase in cash and cash equivalents | 27,833 | 15,705 |
| Cash and cash equivalents, beginning of period | 163,169 | 275,447 |

| | | |
|---|-------------------|-------------------|
| Cash and cash equivalents, end of period | \$ 191,002 | \$ 291,152 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for income taxes | \$ 4,780 | \$ 1,952 |
| Cash paid for interest | \$ 2,089 | \$ 1,284 |
| <i>See accompanying notes.</i> | | |

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

Basis of Presentation

The consolidated 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 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. All significant inter-company accounts and transactions have been eliminated in consolidation.

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, 2010. The Company adheres to the same accounting policies in preparing interim financial statements. As permitted under generally accepted accounting principles in the United States, 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.

Certain reclassifications of prior year amounts have been made for consistent presentation.

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In October 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2009-13, *Multiple-Deliverable Revenue Arrangements*. The new standard changes the requirements for establishing separate units of accounting in a multiple element arrangement and requires the allocation of arrangement consideration to each deliverable based on the relative selling price. The selling price for each deliverable is based on vendor-specific objective evidence (VSOE) if available, third-party evidence (TPE) if VSOE is not available, or estimated selling price if neither VSOE or TPE is available. ASU 2009-13 is effective for revenue arrangements entered into in fiscal years beginning on or after June 15, 2010. The Company adopted ASU 2009-13 effective January 1, 2011 and it did not have a material impact on its consolidated statements of operations and financial condition.

In December 2010, the FASB issued ASU No. 2010-28, *Intangibles - Goodwill and Other Topics*. This update modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with the existing guidance, which requires that goodwill of a reporting unit be tested

for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This accounting guidance is effective for financial statements issued for fiscal years beginning after December 15, 2010, and interim periods within those fiscal years. The Company adopted this new guidance effective January 1, 2011 and it did not have a material impact on the Company's consolidated statements of operations and financial condition.

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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 earnings per share due to their anti-dilutive effect. A reconciliation of shares used in calculating basic and diluted earnings per share follows:

| (thousands of shares) | Three Months Ended | |
|---|--------------------|---------|
| | March 31, | |
| | 2011 | 2010 |
| Basic weighted average shares outstanding | 121,425 | 120,032 |
| Effect of common stock equivalents – stock options and non-vested stock under employee compensation plans (1) | 3,211 | |
| Diluted weighted average shares outstanding (1) | 124,636 | 120,032 |
| Weighted average anti-dilutive common stock equivalents (1) | 3,327 | 7,433 |

(1) For periods in which losses are presented, dilutive earnings per share calculations do not differ from basic earnings per share because the effects of any potential common stock equivalents are anti-dilutive and therefore not included in the calculation of dilutive earnings per share. For the three months ended March 31, 2010, those potential shares totaled 2,192, which are included in the weighted average anti-dilutive common stock equivalents above, in addition to 5,241 of out of the money anti-dilutive common stock equivalents for the three months ended March 31, 2010.

4. STOCK-BASED COMPENSATION

Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, which is generally the vesting period, net of estimated forfeitures. The Company awards non-vested stock to employees, directors and executive officers in the form of Restricted Stock Awards (RSAs) and Restricted Stock Units (RSUs), market-based RSAs and RSUs, stock options and performance-based RSAs and RSUs. The Compensation Committee of the Company's Board of Directors approves stock-based compensation awards for all employees and executive officers of the Company. The Corporate Governance and Nominating Committee of the Company's Board of Directors approves stock-based compensation awards for all non-employee directors of the Company. The Company uses the fair-market value of the Company's common stock on the date the award is approved to measure fair value for service-based awards, a Monte Carlo simulation model to determine both the fair value and requisite service period of market-based awards and the Black-Scholes option-pricing model to determine the fair value of stock option awards. The Company does not capitalize stock-based compensation costs. The Company presents as a financing activity in the consolidated statement of cash flows the benefits of tax deductions in excess of the tax-effected compensation of the related stock-based awards for the options exercised and RSAs and RSUs vested.

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

| | Three Months Ended March 31, | |
|--|---|------------------|
| | 2011 | 2010 |
| Non-vested stock, included in salaries and related | \$ 13,028 | \$ 10,124 |
| Stock options, included in salaries and related | 152 | 143 |
| Total | \$ 13,180 | \$ 10,267 |

During the first three months of 2011, the Company granted an aggregate of 299,000 RSAs and 69,000 RSUs to approximately 30 employees, executive officers and directors of the Company. The RSAs and RSUs vest in various increments on the anniversaries of the individual grant dates, through March 18, 2015, subject to the recipient's continued employment or service through each applicable vesting date. The fair-market value of RSAs and RSUs vested during the three months ended March 31, 2011 is \$24,935.

The Company's non-vested stock activity for the three months ended March 31, 2011 is as follows:

| (thousands of shares) | Shares | Weighted Average Fair Value at Grant Date |
|-------------------------------------|---------------|--|
| Non-vested at January 1, 2011 | 11,299 | \$ 14.65 |
| Granted | 368 | 17.97 |
| Forfeited | (390) | 14.31 |
| Vested | (1,448) | 17.22 |
| Non-vested at March 31, 2011 | 9,829 | \$ 14.75 |

As of March 31, 2011, the unrecognized compensation expense related to non-vested stock was \$107,266, which is being amortized over the requisite service periods on a straight-line basis.

The Company's stock option activity for the three months ended March 31, 2011 is as follows:

| (thousands of shares) | Shares | Weighted Average Exercise Price | Weighted Average Contractual Term (in years) | Aggregate Intrinsic Value |
|--|---------------|--|---|--|
| Outstanding at January 1, 2011 | 2,135 | \$ 27.31 | | |
| Exercised | (1) | 25.25 | | |
| Forfeited/expired/cancelled | (35) | 35.92 | | |
| Outstanding at March 31, 2011 | 2,099 | \$ 27.17 | 2.49 | \$ 3,543 |
| Options exercisable at March 31, 2011 | 2,077 | \$ 27.17 | 2.45 | \$ 3,543 |

Aggregate intrinsic value is calculated as the difference between the closing market price of the Company's common stock as of March 31, 2011 and the exercise price of the underlying options. During the three months ended March 31,

2011 and 2010, the aggregate intrinsic value of options exercised was \$4 and \$32, respectively. As of March 31, 2011, the unrecognized compensation expense for stock options was \$198, which is being amortized over the requisite service periods on a straight-line basis.

Table of Contents**5. BUSINESS COMBINATIONS**

On August 24, 2010, pursuant to an Asset Purchase Agreement dated as of February 3, 2010 between Monster and Yahoo! Inc., Monster completed the acquisition of substantially all of the assets exclusive to Yahoo! HotJobs (the HotJobs Assets) from Yahoo! The purchase price for the HotJobs Assets was \$225,000. We acquired the HotJobs Assets, among other objectives, to expand our business in the North America online recruitment market. Accordingly, the business attributable to the HotJobs Assets has been included in the Careers North America segment and reporting unit. The results of operations attributable to the HotJobs Assets have been included in our consolidated financial statements since August 24, 2010. Concurrent with the closing of the acquisition, Monster and Yahoo! entered into a three year commercial traffic agreement whereby Monster became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada.

The Company funded the acquisition of the HotJobs Assets with available cash and proceeds from the Company s revolving credit facility (see Note 11). The Company used the acquisition method to account for the acquisition in accordance with ASC 805, *Business Combinations*. Under the acquisition method, the purchase price was allocated to, and we have recognized the fair value of, the tangible and intangible assets acquired and liabilities assumed. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired have been recorded as goodwill. In the three months ended March 31, 2011, the Company incurred \$4.6 million of acquisition and integration-related costs associated with the acquisition of the HotJobs Assets, which were expensed as incurred and are included in office and general and salary and related expenses in the consolidated statement of operations. These costs primarily relate to professional fees and other integration costs associated with the acquisition. We do not expect to continue to incur significant integration-related costs associated with the acquisition of the HotJobs Assets.

The following table summarizes our preliminary allocation of the purchase consideration of the HotJobs Assets:

| | Amount | Estimated Useful Lives |
|---|-------------------|-------------------------------|
| Unbilled accounts receivable | \$ 12,228 | |
| Identifiable intangible assets: | | |
| Customer relationships | 11,900 | 3 years |
| Trade name | 10,600 | 9 years |
| Resume database | 10,000 | 3 years |
| Non-competition agreement | 500 | 3 years |
| | | |
| Total identifiable intangible assets | 33,000 | |
| Deferred revenue | (12,315) | |
| All other net tangible assets (liabilities) | (52) | |
| Goodwill | 192,139 | |
| | | |
| Total purchase price | \$ 225,000 | |

Among the factors that contributed to the recognition of goodwill in this transaction was the expansion of our market share in the North America online recruitment market, increased reach to both active and passive job seekers, the addition of an assembled workforce and opportunities for future synergies. This goodwill is deductible for tax purposes. The pro forma impact of the acquisition of the HotJobs Assets is not material to the Company s historical consolidated operating results and therefore is not presented.

6. 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 counter-party 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, 2011.

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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, 2011:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|-----------|-------------------|------------------|-------------------|
| Assets: | | | | |
| Bank time deposits | \$ | \$ 59,878 | \$ | \$ 59,878 |
| Commercial paper | | 79,136 | | 79,136 |
| Banker's acceptances | | 8,492 | | 8,492 |
| Government bond - foreign | | 8,420 | | 8,420 |
| Foreign exchange contracts | | 304 | | 304 |
| Total Assets | \$ | \$ 156,230 | \$ | \$ 156,230 |
| Liabilities: | | | | |
| Lease exit liabilities | \$ | \$ | \$ 15,971 | \$ 15,971 |
| Total Liabilities | \$ | \$ | \$ 15,971 | \$ 15,971 |

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|-----------|-------------------|------------------|-------------------|
| Assets: | | | | |
| Bank time deposits | \$ | \$ 55,954 | \$ | \$ 55,954 |
| Commercial paper | | 47,675 | | 47,675 |
| Government bond - foreign | | 4,385 | | 4,385 |
| Foreign exchange contracts | | 666 | | 666 |
| Total Assets | \$ | \$ 108,680 | \$ | \$ 108,680 |
| Liabilities: | | | | |
| Lease exit liabilities | \$ | \$ | \$ 13,913 | \$ 13,913 |
| Total Liabilities | \$ | \$ | \$ 13,913 | \$ 13,913 |

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

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

| | |
|----------------------------|-----------------------------|
| | Lease Exit Liability |
| Balance, December 31, 2010 | \$ 13,913 |
| Expense | 2,998 |

| | |
|-------------------------|-----------|
| Cash Payments | (940) |
| Balance, March 31, 2011 | \$ 15,971 |

The carrying value for cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, deferred revenue and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company's debt relates to borrowings under its revolving credit facility and term loan (see Note 11), which approximates fair value due to market interest rates.

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As of March 31, 2011 and December 31, 2010, the Company did not hold any investments in auction rate securities. In November 2009, the Company entered into a settlement agreement with RBC Capital Markets Corporation (RBC) with respect to auction rate securities previously purchased from RBC. Pursuant to the terms of the settlement agreement, RBC immediately repurchased the subject auction rate securities from the Company at a certain discount to their par value. As part of the settlement agreement, the Company will receive certain additional monies from RBC if, within a certain time period of the date of the execution of the settlement agreement, any of the auction rate securities still held by RBC are redeemed or refinanced by the issuer for sums higher than the amounts RBC paid the Company to repurchase such auction rate securities. Additionally, the Company dismissed a lawsuit it had filed against RBC in connection with, and released claims related to, RBC's sale of the auction rate securities to the Company. In January 2011, the Company received \$1.1 million from RBC relating to auction rate securities which were redeemed by the issuer or sold by RBC for sums higher than the amounts RBC paid the Company to repurchase such auction rate securities, which is reflected in interest and other, net in the consolidated statements of operations for the quarter ended March 31, 2011.

Equity Investments

The Company accounts for investments through which a non-controlling interest is held 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.

The Company has a 25% equity investment in a company located in Finland related to a business combination completed in 2001. The Company received a dividend of \$443 and \$220 in the first quarter of 2011 and 2010, respectively, for this investment. The carrying value of the investment was \$199 and \$441 as of March 31, 2011 and December 31, 2010, respectively, and was recorded on the consolidated balance sheet as a component of investment in unconsolidated affiliates.

In the fourth quarter of 2008, the Company acquired a 50% equity interest in a company located in Australia. In the three months ended March 31, 2011 and 2010, the Company expended \$1,007 and \$1,345, respectively, for additional working capital requirements relating to the Australian investment. The carrying value of the investment was \$720 and \$918 as of March 31, 2011 and December 31, 2010, respectively, and was recorded on the consolidated balance sheet as a component of investment in unconsolidated affiliates. Since this equity method investment has met the income significance test, the Company has presented additional summarized financial information as of March 31, 2011 and 2010 below. Reportable financial positions and results of operations as of and for the quarters ended March 31, 2011 and 2010 attributable to the Company's equity interest in Australia are as follows:

| | March 31, | |
|---------------------|------------------|-------------|
| | 2011 | 2010 |
| Current Assets | \$ 2,343 | \$ 1,424 |
| Current Liabilities | \$ 1,684 | \$ 1,334 |
| Revenues | \$ 1,835 | \$ 1,170 |
| Expenses | 3,057 | 2,637 |
| Operating loss | (1,222) | (1,467) |
| Net loss | \$ (1,204) | \$ (1,458) |

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Income and loss in equity interests, net, are based upon unaudited financial information and are as follows (by equity investment):

| | Three Months Ended March 31, | |
|-------------------------------|---|-------------|
| | 2011 | 2010 |
| Australia | \$ (783) | \$ (950) |
| Finland | 205 | 119 |
| Loss in equity interests, net | \$ (578) | \$ (831) |

8. RESTRUCTURING AND OTHER SPECIAL CHARGES

On July 30, 2007, the Company announced a strategic restructuring plan intended to position the Company for sustainable long-term growth in the rapidly evolving global online recruitment and advertising industry. The restructuring plan was originally designed to reduce the Company's workforce by approximately 800 associates. Subsequent to the announcement of this plan, the Company identified approximately 100 associates in the customer service function who would stay with the Company. Through June 30, 2009, when all of the initiatives relating to the 2007 restructuring program were complete, the Company had notified or terminated approximately 700 associates and approximately 140 associates had voluntarily left the Company. These initiatives were implemented to reduce the growth rate of operating expenses and provide funding for investments in new product development and innovation, enhanced technology, global advertising campaigns and selective sales force expansion. Since the inception of the 2007 restructuring program through the completion of the program in the second quarter of 2009, the Company incurred \$49,109 of restructuring expenses. The Company will not incur any new charges in the future relating to this program.

Restructuring and other special charges and related liability balances are as follows:

| | December 31, 2010 | Expense | Cash Payments | Non-Cash Utilization | March 31, 2011 |
|------------------------------------|------------------------------|----------------|--------------------------|---------------------------------|---------------------------|
| Workforce reduction | \$ 347 | \$ | \$ (107) | \$ | \$ 240 |
| Consolidation of office facilities | 435 | | (285) | | 150 |
| Other costs and professional fees | 120 | | (1) | | 119 |
| Total | \$ 902 | \$ | \$ (393) | \$ | \$ 509 |

9. PROPERTY AND EQUIPMENT, NET

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

| | March 31, 2011 | December 31, 2010 |
|---------------------------------------|---------------------------|------------------------------|
| Capitalized software costs | \$ 228,080 | \$ 218,478 |
| Furniture and equipment | 34,216 | 32,004 |
| Leasehold improvements | 43,465 | 40,624 |
| Computer and communications equipment | 199,057 | 192,412 |
| | 504,818 | 483,518 |

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| | | |
|--------------------------------|------------|------------|
| Less: accumulated depreciation | 349,918 | 333,371 |
| Property and equipment, net | \$ 154,900 | \$ 150,147 |

Depreciation expense was \$14,372 and \$14,521 for the three months ended March 31, 2011 and 2010, respectively.

Table of Contents**10. 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 gain position (recorded in interest and other, net, in the consolidated statements of operations) of our derivatives at March 31, 2011 and December 31, 2010 are as follows:

| | Notional Balance | March 31, 2011 Maturity Date | Prepaid Expenses |
|---|---|---|-----------------------------|
| Designated as Hedges under ASC 815 | | | |
| None | | | \$ |
| Not Designated as Hedges under ASC 815 | | | |
| | \$62,548 consisting of 12 different currency pairs | April 2011 | 304 |
| Foreign currency exchange forwards | | | 304 |
| Total Derivative Instruments | | | \$ 304 |

| | Notional Balance | December 31, 2010 Maturity Date | Prepaid Expenses |
|---|---|--|-----------------------------|
| Designated as Hedges under ASC 815 | | | |
| None | | | \$ |
| Not Designated as Hedges under ASC 815 | | | |
| | \$62,902 consisting of 12 different currency pairs | January 2011 | 666 |
| Foreign currency exchange forwards | | | 666 |
| Total Derivative Instruments | | | \$ 666 |

During the three months ended March 31, 2011 and March 31, 2010, net gains of \$0.1 million and \$0.2 million, respectively, from realized net gains and changes in the fair value of our forward contracts, were recognized in interest and other, net in the consolidated statement of operations.

11. FINANCING AGREEMENTS

In December 2007, the Company entered into a senior unsecured revolving credit facility that provided for maximum borrowings of \$250,000, including up to a \$50,000 sublimit for letters of credit. On August 31, 2009 (the Amendment Closing Date), with the objective of availing itself of the benefits of an improved credit market in an ongoing unstable macroeconomic environment, the Company amended certain terms and increased its borrowing capability under its existing credit agreement (the Amended Credit Agreement). The Amended Credit Agreement maintained the Company's existing \$250,000 revolving credit facility and provided for a new \$50,000 term loan facility, for a total of \$300,000 in credit available to the Company. The revolving credit facility and the term loan facility each mature on

December 21, 2012. The term loan is subject to annual amortization of principal, with \$5,000 payable on each anniversary of the Amendment Closing Date and the remaining \$35,000 due at maturity.

The Amended Credit Agreement provided for increases in the interest rates applicable to borrowings and increases in certain fees. Borrowings under the Amended Credit Agreement will bear interest at a rate equal to (i) LIBOR plus a margin ranging from 300 basis points to 400 basis points depending on the Company's ratio of consolidated funded debt to trailing four-quarter consolidated earnings before interest, taxes, depreciation and amortization (the

Consolidated Leverage Ratio) as defined in Amended Credit Agreement or (ii) for Dollar-denominated loans only, and upon the Company's election, the sum of (A) the highest of (1) the credit facility's administrative agent's prime rate, (2) the sum of 0.50% plus the overnight federal funds rate on such day or (3) subject to certain exceptions, the sum of 1.00% plus the 1-month LIBOR rate, plus (B) a margin ranging from 200 basis points to 300 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 300 basis points to 400 basis points (depending on the Company's Consolidated Leverage Ratio); and (ii) a commitment fee on the unused portion of the revolving credit facility at a rate per annum ranging from 50 basis points to 75 basis points (depending on the Company's Consolidated Leverage Ratio). The Company is no longer required to pay a utilization fee on outstanding loans and letters of credit under any circumstances.

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The Amended Credit Agreement also increased the maximum permitted Consolidated Leverage Ratio to: (a) 3.50:1.00 for the period beginning on August 31, 2009 and ending on September 29, 2010; (b) 3.00:1.00 for the period beginning on September 30, 2010 and ending on September 29, 2011; and (c) 2.75:1.00 beginning on September 30, 2011 and any time thereafter. The Company may repay outstanding borrowings at any time during the term of the credit facility without any prepayment penalty. The Amended Credit Agreement contains covenants which restrict, among other things, the ability of the Company to borrow, create liens, pay dividends, repurchase its common stock, acquire businesses and other investments, enter into new lines of business, dispose of property, guarantee debts of others or, lend funds to affiliated companies and contains requirements regarding the maintenance of certain financial statement amounts and ratios, all as provided in the Amended Credit Agreement. In January 2010, the Company received a technical amendment to the permitted investments section of the Amended Credit Agreement to accommodate the particular legal structure of the acquisition of the HotJobs Assets (see Note 5). As of March 31, 2011, the Company was in full compliance with its covenants.

Additionally, on the Amendment Closing Date the Company entered into the U.S. Pledge Agreement which along with subsequent separate pledge agreements shall cause the Company's obligations under the Amended Credit Agreement to be secured by a pledge of: (a) all of the equity interests of the Company's domestic subsidiaries (other than certain specified inactive subsidiaries) and (b) 65% of the equity interests of each first-tier material foreign subsidiary of the Company.

In December 2010, the Company further amended its Amended Credit Agreement to (i) allow acquisition-related fees associated with the acquisition of the HotJobs Assets to be added back into Consolidated EBITDA (as defined in the agreement, subject to certain limitations) and (ii) to increase the amount of permitted secured indebtedness from \$20,000 to \$45,000.

At March 31, 2011, the utilized portion of this credit facility was \$45,000 in borrowings on the term loan facility, \$75,000 of borrowings on the revolving credit facility, primarily relating to the funding of the acquisition of the HotJobs Assets, and \$1,070 in outstanding letters of credit. During the three months ended March 31, 2011, the Company repaid \$4,500 on the revolving credit facility. The utilized portion of the revolving credit facility and the portion of borrowings on the term loan that is due within one year, which represents \$5,000 of the total borrowings, is classified as short-term on the consolidated balance sheet as of March 31, 2011 and the remaining borrowings on the term loan of \$40,000 is classified as long-term. As of March 31, 2011, the entire amount of the Company's revolving credit facility based on the maximum Consolidated Leverage Ratio was available which amounted to \$173,930. At March 31, 2011, the one month US Dollar LIBOR rate, the credit facility's administrative agent's prime rate, and the overnight federal funds rate were 0.24%, 3.25% and 0.10%, respectively. As of March 31, 2011, the Company used the one month US Dollar LIBOR rate for the interest rate on these borrowings with an interest rate of 3.75%.

12. COMPREHENSIVE INCOME (LOSS)

The Company's comprehensive income (loss) is as follows:

| | Three Months ended March 31, | |
|---|---|-------------|
| | 2011 | 2010 |
| Net income (loss) | \$ 78 | \$ (24,179) |
| Foreign currency translation adjustment | 35,396 | (15,697) |
| Comprehensive income (loss) | \$ 35,474 | \$ (39,876) |

13. INCOME TAXES

The provision for income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the earnings in the various tax jurisdictions and the applicable rates. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates, changes in the valuation of our deferred tax assets or liabilities, or changes in tax laws or

interpretations thereof.

The Company is currently under examination by several domestic and international tax authorities, including the United States Internal Revenue Service. 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) at March 31, 2011 and December 31, 2010 is recorded as long-term taxes payable of \$96,922 and \$95,390 respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statement of operations. The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by as much as zero to \$15,000 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 characterization of certain intercompany loans.

Table of Contents**14. SEGMENT AND GEOGRAPHIC DATA**

The Company conducts business in three reportable segments: Careers North America, Careers International and Internet Advertising & Fees. Corporate operating expenses are not allocated to the Company's reportable segments. Primarily resulting from the acquisition of ChinaHR, the Company's Chief Operating Decision Maker (as defined by ASC 280, *Segments*) began reviewing the operating results of ChinaHR and initiated the process of making resource allocation decisions for ChinaHR separately from the Careers International operating segment (of which ChinaHR was formerly a part). Accordingly, beginning in 2009, the Company has the following four operating segments: Careers North America, Careers International, Careers China and Internet Advertising & Fees. Pursuant to ASC 280, *Segments*, due to the economic similarities of both operating segments, the Company aggregates the Careers International and Careers China operating segments into one reportable segment: Careers International. See Note 1 for a description of the Company's reportable segments. The business attributable to the acquisition of the HotJobs Assets has been assigned to our Careers North America segment (see Note 5).

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

| | Three Months Ended March 31, | |
|-----------------------------|---|-------------------|
| | 2011 | 2010 |
| Revenue | | |
| Careers North America | \$ 121,032 | \$ 96,957 |
| Careers International | 107,260 | 85,625 |
| Internet Advertising & Fees | 33,090 | 32,723 |
| Revenue | \$ 261,382 | \$ 215,305 |

| | Three Months Ended March 31, | |
|--------------------------------|---|--------------------|
| | 2011 | 2010 |
| Operating Income (Loss) | | |
| Careers North America | \$ 16,989 | \$ (3,772) |
| Careers International | 5,422 | (13,412) |
| Internet Advertising & Fees | 1,503 | 1,236 |
| Corporate expenses | (22,461) | (18,926) |
| Operating income (loss) | \$ 1,453 | \$ (34,874) |

| | Three Months Ended March 31, | |
|--------------------------------------|---|------------------|
| | 2011 | 2010 |
| Depreciation and Amortization | | |
| Careers North America | \$ 8,992 | \$ 6,851 |
| Careers International | 7,100 | 7,436 |
| Internet Advertising & Fees | 2,203 | 2,233 |
| Corporate expenses | 106 | 84 |
| Depreciation and amortization | \$ 18,401 | \$ 16,604 |

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| | Three Months Ended March 31, | |
|---|---|-------------------|
| | 2011 | 2010 |
| Revenue by Geographic Region (a) | | |
| United States | \$ 147,849 | \$ 124,245 |
| Germany | 24,106 | 15,568 |
| Other foreign | 89,427 | 75,492 |
| Revenue | \$ 261,382 | \$ 215,305 |

The following table reconciles each reportable segment's assets to total assets reported on the Company's consolidated balance sheets:

| | March 31, 2011 | December 31, 2010 |
|--------------------------------|---------------------------|------------------------------|
| Total Assets by Segment | | |
| Careers - North America | \$ 877,427 | \$ 899,171 |
| Careers - International | 772,651 | 690,246 |
| Internet Advertising & Fees | 186,870 | 182,514 |
| Corporate | 37,990 | 50,478 |
| Shared assets (b) | 161,507 | 155,593 |
| Total assets | \$ 2,036,445 | \$ 1,978,002 |

Long-lived Assets by Geographic Region (c)

| | March 31, 2011 | December 31, 2010 |
|--------------------------------|---------------------------|------------------------------|
| United States | \$ 113,988 | \$ 111,255 |
| International | 40,912 | 38,892 |
| Total long-lived assets | \$ 154,900 | \$ 150,147 |

- (a) Revenue by geographic region is generally based on the location of the Company's subsidiary.
- (b) Shared assets represent assets that provide economic benefit to all of the Company's operating segments. Shared assets are not allocated to operating segments for internal reporting or decision-making purposes.
- (c) Total long-lived assets include property and equipment, net.

15. LEGAL MATTERS

The Company is involved in various legal proceedings that are incidental to the conduct of its business. Aside from the matters discussed below, 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.

In May 2010, Site Update Solutions LLC filed suit against the Company for allegedly infringing a patent relating to search engine databases. The lawsuit, entitled Site Update Solutions LLC v. Accor North America, Inc., et al. (Civil Action No. 2:10-cv-151), is pending in the United States District Court for the Eastern District of Texas, and there are 34 other defendants named in the plaintiff's original complaint. The plaintiff seeks monetary damages, attorneys' fees

and other costs and injunctive relief. The Court has entered a schedule in the case which includes a final pre-trial conference set for March 2012. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

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In December 2010, EIT Holdings LLP filed suit against the Company and six other named defendants for allegedly infringing a patent purporting to cover certain forms of pop-up advertising on websites. The lawsuit, entitled EIT Holdings LLP v. Yelp!, Inc., et al. (Civil Action No. cv-10-5623), is pending in the United States District Court for the Northern District of California. The plaintiff seeks monetary damages, pre- and post-judgment interest, and attorneys' fees. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

In February 2011, Gildersleeve Holdings LLC filed suit against the Company and ten other named defendants for allegedly infringing a patent purporting to cover certain forms of viewer specific content on websites. The lawsuit, entitled Gildersleeve Holdings LLC v. Amazon.com, et al. (Civil Action No. 11-cv-00472), is pending in the United States District Court for the Northern District of Georgia. The plaintiff seeks monetary damages, attorney's fees, costs and injunctive relief. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Monster Worldwide, Inc.

New York, New York

We have reviewed the consolidated balance sheet of Monster Worldwide, Inc. (the Company) as of March 31, 2011, and the related consolidated statements of operations and cash flows for the three month periods ended March 31, 2011 and 2010 included in the accompanying Securities and Exchange Commission Form 10-Q for the period ended March 31, 2011. 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 review, 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 the accounting principles generally accepted in the United States.

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, 2010, 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 2, 2011, 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, 2010 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

April 29, 2011

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Monster Worldwide, Inc. (together with its consolidated subsidiaries, the Company, Monster Worldwide, we, us) makes forward-looking statements in this report and in other reports and proxy statements that we file with the United States Securities and Exchange Commission (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; our ability to maintain and enhance the value of our brands, particularly Monster; competition; 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; our ability to identify future acquisition opportunities or partners and the risk that future acquisitions or partnerships may not achieve the expected benefits to us; our ability to manage future growth; risks related to our foreign operations; our ability to expand our operations in international markets; 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; outcome of litigation we may become involved in from time to time; and other risks and uncertainties set forth from time to time in our reports to the SEC, including under Part I, *Item 1A. Risk Factors* of our annual report on Form 10-K for the year ended December 31, 2010.

Overview

Monster is the premier global online employment solution provider, inspiring people to improve their lives, with a presence in approximately 55 countries around the world. We have built on Monster's brand and created worldwide awareness by offering online recruiting solutions that we believe are redefining the way employers and job seekers connect. For employers, our goal is to provide the most effective solutions and easiest to use technology to simplify the hiring process and cost effectively deliver access to our community of job seekers. For job seekers, our purpose is to help improve their careers by providing work-related content, services and advice.

Our services and solutions include searchable job postings, resume database access, recruitment media solutions throughout our network and other career-related content. Job seekers can search our job postings and post their resumes for free on each of our career websites. Employers pay to post jobs, search our resume database and access other career-related services.

Our investments in our technology platform have allowed us to deliver these innovative products and services on time and on a global basis. We have consolidated several technology systems and have created a platform that is more secure, scalable and redundant. Additionally, in 2008, we acquired Trovix Inc., a business that provides career-related products and services that utilize advanced search technology, focusing on key attributes such as skills, work history and education. Our patented 6Sense(R) semantic search and matching technology, which is based upon Trovix technology, is the backbone of a growing family of products for both job seekers and employers. We recently launched our innovative and proprietary semantic resume search product, Monster Power Resume Search(R) (PRS) to customers in North America, the United Kingdom and France. We are on track to launch PRS in Germany in the second half of 2011 and expect to rollout PRS to the Netherlands and China in the late 2011, early 2012 time frame. Our 6Sense technology transforms traditional keyword-based processes by assisting our customers in matching candidates to their required job specifications. We also recently introduced 6Sense powered job search, which is

changing how seekers explore, find and apply for jobs. We are now embarking on further applications of 6Sense technology, including the development of 6Sense Enterprise Suite, which will allow organizations to apply 6Sense semantic search technology to their own talent databases, whether candidates were sourced by Monster or not.

In 2007, we introduced the Career Ad Network, or CAN, the industry's largest recruitment-focused online advertising network that now reaches on average 93 million unique passive and active seekers each month globally with over 3.6 billion job advertisement impressions per month on thousands of sites. CAN distributes our customer's job advertisements across a broad array of targeted websites and is an effective way of expanding our customer's pool of active and passive seekers. We offer this innovative media product to customers in North America and most major markets in Europe. During 2010, we also enhanced CAN's capabilities which can now guide interested candidates directly from a job advertisement to the employer's career site.

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Our strategy has been to grow our business both organically and through strategic acquisitions and alliances in which the perceived growth prospects fit our long-term strategic growth plan. On August 24, 2010, the Company completed the acquisition of the HotJobs Assets (as defined below), which we believe will expand our market share in the North America online recruitment market. In February 2011, the Company completed the integration of the HotJobs website onto the Company's platform, which will enable job seekers to benefit from the increased availability of jobs and precise search capabilities and enable employers to benefit from the increased volume and quality of seeker traffic. We believe the long-term growth opportunities overseas are significant and believe that we are positioned to benefit from our expanded reach and increased brand recognition around the world. We believe we are positioned to benefit from the continued secular shift towards online recruiting. In addition, through a balanced mix of investment, strategic acquisitions and disciplined operating focus and execution, we believe we can take advantage of this online migration to significantly grow our international business over the next several years.

We also operate a network of websites that connect companies to highly targeted audiences at critical stages in their lives. Our goal is to offer compelling online services for the users of such websites through personalization, community features and enhanced content. We believe there are significant opportunities to monetize this web traffic through lead generation, display advertising and other consumer related products. We believe that these properties appeal to advertisers and other third parties as they deliver certain discrete demographics entirely online.

Acquisition of the HotJobs Assets from Yahoo! Inc.

On August 24, 2010, pursuant to an Asset Purchase Agreement dated as of February 3, 2010 between Monster and Yahoo! Inc., Monster completed the acquisition of substantially all of the assets exclusive to Yahoo! HotJobs (the HotJobs Assets) from Yahoo! The purchase price for the HotJobs Assets was \$225.0 million. We acquired the HotJobs Assets, among other objectives, to expand our business in the North America online recruitment market. Accordingly, the business attributable to the HotJobs Assets has been included in the Careers North America segment and reporting unit. The results of operations attributable to the HotJobs Assets have been included in our consolidated financial statements since August 24, 2010. Concurrent with the closing of the acquisition, Monster and Yahoo! entered into a three year commercial traffic agreement whereby Monster became Yahoo!'s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada.

The Company funded the acquisition of the HotJobs Assets with available cash and proceeds from the Company's revolving credit facility (see Note 11 to the Company's financial statements included in Item 1 of this Quarterly Report on Form 10-Q). In the three months ended March 31, 2011, the Company incurred \$4.6 million of acquisition and integration-related costs associated with the acquisition of the HotJobs Assets, which were expensed as incurred and are included in office and general and salary and related expenses in the consolidated statement of operations. These costs primarily relate to professional fees and other integration costs associated with the acquisition. We do not expect to continue to incur significant integration-related costs associated with the acquisition of the HotJobs Assets.

Table of Contents**Results of Operations**

Consolidated operating results as a percentage of revenue for the three months ended March 31, 2011 and 2010 are as follows:

| | Three Months Ended March 31, | |
|--|---|----------------|
| | 2011 | 2010 |
| Revenue | 100.0% | 100.0% |
| Salaries and related | 51.9% | 59.7% |
| Office and general | 25.5% | 28.9% |
| Marketing and promotion | 22.1% | 27.7% |
| Total operating expenses | 99.4% | 116.2% |
| Operating income (loss) | 0.6% | (16.2)% |
| Interest and other, net | (0.2)% | (0.3)% |
| Income (loss) before income taxes and loss in equity interests | 0.4% | (16.5)% |
| Provision for (benefit from) income taxes | 0.1% | (5.7)% |
| Loss in equity interests, net | (0.2)% | (0.4)% |
| Net income (loss) | 0.0% | (11.2)% |

***The Three Months Ended March 31, 2011 Compared to the Three Months Ended March 31, 2010
Consolidated Revenue, Operating Expenses and Operating Income (Loss)***

Consolidated revenue, operating expenses and operating income (loss) for the three months ended March 31, 2011 and 2010 are as follows:

| (dollars in thousands) | 2011 | % of Revenue | 2010 | % of Revenue | Increase (Decrease) | % Increase (Decrease) |
|-------------------------------|-------------|-------------------------|-------------|-------------------------|--------------------------------|--------------------------------------|
| Revenue | \$ 261,382 | 100.0% | \$ 215,305 | 100.0% | \$ 46,077 | 21.4% |
| Salaries and related | 135,661 | 51.9% | 128,450 | 59.7% | 7,211 | 5.6% |
| Office and general | 66,570 | 25.5% | 62,148 | 28.9% | 4,422 | 7.1% |
| Marketing and promotion | 57,698 | 22.1% | 59,581 | 27.7% | (1,883) | (3.2)% |
| Operating expenses | 259,929 | 99.4% | 250,179 | 116.2% | 9,750 | 3.9% |
| Operating income (loss) | \$ 1,453 | 0.6% | \$ (34,874) | (16.2)% | \$ 36,327 | (104.2)% |

Our consolidated revenue increased \$46.1 million, or 21.4%, in the first quarter of 2011 compared to the same period of 2010, which includes \$1.2 million of favorable foreign exchange impact and the first quarter of 2011 benefiting from the revenue generated from the HotJobs Assets, which we acquired in the third quarter of 2010. Our Careers International segment experienced a 25.3% increase in revenue and our Careers North America segment experienced a 24.8% increase in revenue. These increases in our consolidated Careers segments were due to continuing improvements in our global business activity as well as the improvements the Company has made in the customer value proposition, including our PRS and CAN products. The first quarter of 2011 generated increased bookings

(which represent the value of contractual orders received during the relevant period) of 24% on a global basis compared to the first quarter of 2010. This increase in bookings occurred in a majority of our sectors in the North America market (particularly within our e-commerce, telesales and large enterprise customer sectors), the majority of our regions in Europe (particularly in Germany, France and Sweden), as well as increases in all of our Asian markets (particularly in Korea, India and China). Our Internet Advertising & Fees revenue remained relatively flat in the first quarter of 2011 compared to the same period of 2010.

Salary and related expenses increased \$7.2 million, or 5.6%, in the first quarter of 2011 compared to the same period of 2010, which includes \$1.1 million of unfavorable foreign exchange. This increase in salaries and related expenses resulted primarily from increased regular salary costs associated with increased headcount in 2011 compared to 2010, increased variable compensation costs resulting from increased booking activity in 2011 and increased stock-based compensation resulting from our broader equity and incentive programs. These increases were partially offset by decreased severance costs associated with our targeted headcount reductions, which primarily occurred in 2010.

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Office and general expenses increased \$4.4 million, or 7.1%, in the first quarter of 2011 compared to the same period of 2010, which includes \$0.5 million of unfavorable foreign exchange impact. This increase in office and general expenses resulted primarily from \$3.0 million of charges recorded in the current quarter relating to changes in estimated sublease assumptions for previously exited facilities as well as increased amortization of acquired intangibles relating to the HotJobs Assets. These increases were partially offset by decreased bad debt expense in 2011, primarily resulting from increased bad debt charges in 2010 relating to customers negatively impacted by the global recession, as well as \$0.6 million of decreased costs associated with the acquisition of the HotJobs Assets (the Company recorded \$3.8 million of integration-related expenses in the first quarter of 2011 and \$4.4 million of acquisition-related expenses in the first quarter of 2010). The Company does not allocate acquisition and integration-related expenses to their reportable segments and, accordingly, these expenses were recorded as a corporate expense.

Marketing and promotion expenses decreased \$1.9 million, or 3.2%, in the first quarter of 2011 compared to the same period of 2010, which includes \$0.4 million of unfavorable foreign exchange impact. This decrease in marketing and promotion was primarily related to a decrease in offline media and production costs. These decreases were partially offset by our traffic agreement with Yahoo!, which became effective on August 24, 2010, whereby the Company became Yahoo!'s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada, in addition to our continued expansion of our online marketing activities in Asia and in Europe.

Our consolidated operating income was \$1.5 million in the first quarter of 2011, compared to an operating loss of \$34.9 million in the first quarter of 2010, as a result of the factors discussed above.

Careers North America

The operating results of our Careers North America segment for the three months ended March 31, 2011 and 2010 are as follows:

| (dollars in thousands) | 2011 | % of Revenue | 2010 | % of Revenue | Increase (Decrease) | % Increase (Decrease) |
|-------------------------|------------|-----------------|------------|-----------------|------------------------|-----------------------------|
| Revenue | \$ 121,032 | 100.0% | \$ 96,957 | 100.0% | \$ 24,075 | 24.8% |
| Salaries and related | 55,039 | 45.5% | 51,495 | 53.1% | 3,544 | 6.9% |
| Office and general | 24,210 | 20.0% | 19,978 | 20.6% | 4,232 | 21.2% |
| Marketing and promotion | 24,794 | 20.5% | 29,256 | 30.2% | (4,462) | (15.3)% |
| Operating expenses | 104,043 | 86.0% | 100,729 | 103.9% | 3,314 | 3.3% |
| Operating income (loss) | \$ 16,989 | 14.0% | \$ (3,772) | (3.9)% | \$ 20,761 | (550.4)% |

Revenue in our Careers North America segment increased \$24.1 million, or 24.8%, in the first quarter of 2011 compared to the same period of 2010, with the first quarter of 2011 benefiting from the revenue generated from the HotJobs Assets, which we acquired in the third quarter of 2010. We are continuing to see improvements in our North American business activity, with the first quarter of 2011 generating increased bookings of 29% compared to the first quarter of 2010. This increase in bookings occurred in the majority of our customer sectors, particularly our e-commerce, telesales and large enterprise sectors. We believe the increased bookings in these sectors are a result of the improvement in the North America economy as well as the improvements the Company has made in the customer value proposition. The Company has continued to invest in technology to diversify its product offerings and provide customers a broad array of technology-based solutions for their talent management strategy, including our PRS and CAN products.

Salary and related expenses increased by \$3.5 million, or 6.9%, in the first quarter of 2011 compared to the same period of 2010. This increase in salaries and related expense resulted primarily from \$3.7 million of increased variable compensation costs for the Company's sales force resulting from increased booking activity in 2011, \$2.0 million of

increased regular salary costs primarily associated with increased headcount in 2011 compared to 2010 and \$1.4 million of increased stock-based compensation resulting from our broader equity and incentive programs. These increases were partially offset by decreased severance costs of \$3.0 million associated with our targeted headcount reductions, which primarily occurred in 2010.

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Office and general expenses increased by \$4.2 million, or 21.2%, in the first quarter of 2011 compared to the same period of 2010. This increase in office and general expenses resulted primarily from increased amortization expense of \$2.1 million associated with the acquisition of the HotJobs Assets in addition to \$1.0 million of increased consulting costs.

Marketing and promotion expenses decreased \$4.5 million, or 15.3%, in the first quarter of 2011 compared to the same period of 2010. This decrease in marketing and promotion was primarily related to a decrease in offline media and production costs. These increases were partially offset by the traffic agreement the Company entered into with Yahoo!, which became effective on August 24, 2010, whereby the Company became Yahoo!'s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada.

Our Careers North America operating income was \$17.0 million in the first quarter of 2011, compared to an operating loss of \$3.8 million in the first quarter of 2010, as a result of the factors described above.

Careers International

The operating results of our Careers International segment for the three months ended March 31, 2011 and 2010 are as follows:

| (dollars in thousands) | 2011 | % of Revenue | 2010 | % of Revenue | Increase (Decrease) | % Increase (Decrease) |
|-------------------------|------------|-----------------|-------------|-----------------|------------------------|-----------------------------|
| Revenue | \$ 107,260 | 100.0% | \$ 85,625 | 100.0% | \$ 21,635 | 25.3% |
| Salaries and related | 55,719 | 51.9% | 55,644 | 65.0% | 75 | 0.1% |
| Office and general | 25,008 | 23.3% | 25,229 | 29.5% | (221) | (0.9)% |
| Marketing and promotion | 21,111 | 19.7% | 18,164 | 21.2% | 2,947 | 16.2% |
| Operating expenses | 101,838 | 94.9% | 99,037 | 115.7% | 2,801 | 2.8% |
| Operating income (loss) | \$ 5,422 | 5.1% | \$ (13,412) | (15.7)% | \$ 18,834 | (140.4)% |

Our Careers International segment revenue increased \$21.6 million, or 25.3%, in the first quarter of 2011 compared to the same period of 2010, which includes \$0.9 million of favorable foreign exchange impact. We are continuing to see improvements in our Careers International segment, which experienced strong bookings growth in the majority of regions in Europe (particularly in Germany, France and Sweden), as well as increases in all of our Asian markets (particularly in Korea, India and China). We believe the increased bookings in these areas are a result of the improvement in the global economy as well as the improvements the Company has made in the customer value proposition. The Company has continued to invest in technology to diversify its product offerings and provide customers a broad array of technology-based solutions for their talent management strategy. We believe the roll-out of PRS to certain European countries during 2010, including the United Kingdom and France, the anticipated roll-out of PRS to Germany in the second half of 2011 and the launch in the Netherlands and China in the late 2011, early 2012 time frame will continue to drive new customer sales in resume search and some of our combined Career product packages.

Salary and related expenses increased \$0.1 million, or 0.1%, in the first quarter of 2011 compared to the same period of 2010, which includes \$0.9 million of unfavorable foreign exchange impact. This increase in salaries and related expenses resulted primarily from \$1.5 million of increases in stock-based compensation resulting from our broader equity and incentive programs as well as increased regular salary costs of \$1.0 million. These increases were partially offset by decreased severance costs of \$2.0 million associated with our targeted headcount reductions, which primarily occurred in 2010.

Office and general expenses decreased \$0.2 million, or 0.9%, in the first quarter of 2011 compared to the same period of 2010, which includes \$0.4 million of unfavorable foreign exchange impact. This decrease in office and general expenses resulted primarily from \$0.5 million of decreased bad debt expense, primarily associated with increased bad

debt charges recorded in 2010 relating to customers negatively impacted by the global recession.

Marketing and promotion expenses increased \$2.9 million, or 16.2%, in the first quarter of 2011 compared to the same period of 2010, which includes \$0.3 million of unfavorable foreign exchange impact. This increase in marketing and promotion primarily relates to our continued expansion of our online marketing activities in Asia and in Europe.

Our Careers International operating income was \$5.4 million in the first quarter of 2011, compared to an operating loss of \$13.4 million in the first quarter of 2010, as a result of the factors discussed above.

Table of Contents**Internet Advertising & Fees**

The operating results of our Internet Advertising & Fees segment for the three months ended March 31, 2011 and 2010 are as follows:

| (dollars in thousands) | | % of | | % of | Increase | % |
|-------------------------|-----------|---------|-----------|---------|------------|------------|
| Revenue | 2011 | Revenue | 2010 | Revenue | (Decrease) | (Decrease) |
| Revenue | \$ 33,090 | 100.0% | \$ 32,723 | 100.0% | \$ 367 | 1.1% |
| Salaries and related | 13,267 | 40.1% | 12,801 | 39.1% | 466 | 3.6% |
| Office and general | 6,742 | 20.4% | 6,712 | 20.5% | 30 | 0.4% |
| Marketing and promotion | 11,578 | 35.0% | 11,974 | 36.6% | (396) | (3.3)% |
| Operating expenses | 31,587 | 95.5% | 31,487 | 96.2% | 100 | 0.3% |
| Operating income | \$ 1,503 | 4.5% | \$ 1,236 | 3.8% | \$ 267 | 21.6% |

Revenue in our Internet Advertising & Fees segment increased \$0.4 million, or 1.1%, in the first quarter of 2011 compared to the same period of 2010. The increase was attributed to our continued strength in our display business which was partially offset by a decline in our military recruitment business. We are continuing to focus on diversifying our client base for our advertising business and on improving the results of our clients' advertising programs.

Operating expenses increased \$0.1 million, or 0.3%, in the first quarter of 2011 compared to the same period in 2010. The increase in operating expenses primarily resulted from \$0.8 million of increased regular salary costs, \$0.5 million of increased variable compensation costs for the Company's sales force and \$0.2 million of increased occupancy costs. These increases were partially offset by decreased severance costs of \$0.9 million associated with our targeted headcount reductions, which primarily occurred in 2010, in addition to a decrease of \$0.5 million relating to online media advertising.

Our Internet Advertising & Fees operating income was \$1.5 million in the first quarter of 2011, compared to operating income of \$1.2 million in the first quarter of 2010, as a result of the factors discussed above.

Interest and Other, net

Interest and other, net, for the three months ended March 31, 2011 and 2010 resulted in an expense of \$0.4 million and \$0.7 million, respectively. Interest and other, net, primarily relates to interest expense on the Company's outstanding debt, interest income associated with the Company's various investments, foreign currency gains or losses and gains or losses related to the Company's auction rate securities. The reduced expense in interest and other, net, of \$0.3 million resulted primarily from higher auction rate securities gains in the first quarter of 2011, partially offset by higher interest expense in the first quarter of 2011, primarily relating to the funding of the acquisition of the HotJobs Assets.

Income Taxes

Income taxes for the three months ended March 31, 2011 and 2010 are as follows:

| (dollars in thousands) | 2011 | 2010 | \$ Change | % Change |
|--|----------|-------------|-----------|----------|
| Income (loss) before income taxes and loss in equity interests | \$ 1,012 | \$ (35,527) | \$ 36,539 | (102.8)% |
| Provision for (benefit from) income taxes | 356 | (12,179) | 12,535 | (102.9)% |
| Effective tax rate | 35.2% | 34.3% | | |

The provision for income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the earnings in the various tax jurisdictions and the applicable rates. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we

have lower statutory rates, changes in the valuation of our deferred tax assets or liabilities, or changes in tax laws or interpretations thereof.

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The Company is currently under examination by several domestic and international tax authorities, including the United States Internal Revenue Service. 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) at March 31, 2011 and December 31, 2010 is recorded as long-term taxes payable of \$96.9 million and \$95.4 million, respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statement of operations. The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by as much as zero to \$15.0 million 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 characterization of certain intercompany loans.

Loss in Equity Interests, Net

Loss in equity interests, net, for the three months ended March 31, 2011 and 2010 was \$0.6 million and \$0.8 million, respectively. The Company's equity investments consist of a 50% equity interest in a company located in Australia and a 25% equity interest in a company located in Finland.

Net Income (Loss)

Our consolidated net income was \$0.1 million in the first quarter of 2011, compared to net loss of \$24.2 million in the first quarter of 2010, as a result of the factors discussed above.

Diluted Income (Loss) Per Share

Diluted income per share in the first quarter of 2011 was \$0.00 compared to diluted loss per share of \$0.20 in the first quarter of 2010. Diluted weighted average shares outstanding for the three months ended March 31, 2011 and 2010 was 124.6 million shares and 120.0 million shares, respectively. For periods in which losses are presented, dilutive earnings per share calculations do not differ from basic earnings per share because the effects of any potential common stock equivalents are anti-dilutive and therefore not included in the calculation of dilutive earnings per share.

Financial Condition

The following tables detail our cash and cash equivalents:

| (dollars in thousands) | March 31, 2011 | December 31, 2010 | Change | |
|-------------------------------|---------------------------|----------------------------------|---------------|----------|
| | | | \$ | % |
| Cash and cash equivalents | \$ 191,002 | \$ 163,169 | \$ 27,833 | 17.1% |
| Percentage of total assets | 9.4% | 8.2% | | |

As of March 31, 2011, we had cash and cash equivalents of \$191.0 million, compared to \$163.2 million as of December 31, 2010. Our increase in cash and cash equivalents of \$27.8 million in the first three months of 2011 primarily resulted from \$49.4 million provided by operating activities in addition to \$5.9 million related to effects of exchange rates. These increases were partially offset by \$16.5 million of capital expenditures in addition to \$11.6 million of net cash used in financing activities.

Table of Contents**Cash Flows**

Consolidated cash flows for the three months ended March 31, 2011 and 2010 are as follows:

| (dollars in thousands) | March 31, 2011 | March 31, 2010 | Change \$ | % |
|---------------------------------------|-------------------|-------------------|--------------|----------|
| Cash provided by operating activities | \$ 49,420 | \$ 36,216 | \$ 13,204 | 36.5% |
| Cash used for investing activities | (15,901) | (6,247) | (9,654) | 154.5% |
| Cash used for financing activities | (11,573) | (6,332) | (5,241) | 82.8% |
| Effect of exchange rates on cash | 5,887 | (7,932) | 13,819 | (174.2)% |

Cash provided by operating activities was \$49.4 million for the three months ended March 31, 2011, an increase of \$13.2 million from the \$36.2 million of cash provided by operating activities for the three months ended March 31, 2010. This increase in cash provided by operating activities resulted primarily from increased cash flows due to a net income of \$0.1 million in 2011 compared to a loss of \$24.2 million for 2010, in addition to the impact of deferred income taxes of \$10.7 million. These increases were partially offset by \$24.5 million of reduced cash flows provided by working capital items in 2011, primarily resulting from changes in accounts payable and other, prepaid and other and accounts receivable, partially offset by deferred revenue.

Cash used for investing activities was \$15.9 million for the three months ended March 31, 2011, an increase of \$9.7 million from cash used for investing activities of \$6.2 million for the three months ended March 31, 2010. This increase is primarily a result of an increase in capital expenditures of \$7.9 million in addition to a decrease in the sale of marketable securities of \$2.3 million.

Cash used for financing activities was \$11.6 million for the three months ended March 31, 2011, an increase of \$5.2 million from cash used for financing activities of \$6.3 million for the three months ended March 31, 2010. This increase is primarily a result of the Company repaying \$4.5 million of borrowings on credit facilities in addition to \$0.7 million relating to tax withholdings for restricted stock awards and units.

Liquidity and Capital Resources

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

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

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

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

Table of Contents***Credit Facility***

In December 2007, the Company entered into a senior unsecured revolving credit facility that provided for maximum borrowings of \$250.0 million, including up to a \$50.0 million sublimit for letters of credit. On August 31, 2009 (the Amendment Closing Date), with the objective of availing itself of the benefits of an improved credit market in an ongoing unstable macroeconomic environment, the Company amended certain terms and increased its borrowing capability under its existing credit agreement (the Amended Credit Agreement). The Amended Credit Agreement maintained the Company's existing \$250.0 million revolving credit facility and provided for a new \$50.0 million term loan facility, for a total of \$300.0 million in credit available to the Company. The revolving credit facility and the term loan facility each mature on December 21, 2012. The term loan is subject to annual amortization of principal, with \$5.0 million payable on each anniversary of the Amendment Closing Date and the remaining \$35.0 million due at maturity.

The Amended Credit Agreement provided for increases in the interest rates applicable to borrowings and increases in certain fees. Borrowings under the Amended Credit Agreement will bear interest at a rate equal to (i) LIBOR plus a margin ranging from 300 basis points to 400 basis points depending on the Company's ratio of consolidated funded debt to trailing four-quarter consolidated earnings before interest, taxes, depreciation and amortization (the Consolidated Leverage Ratio) as defined in Amended Credit Agreement or (ii) for Dollar-denominated loans only, and upon the Company's election, the sum of (A) the highest of (1) the credit facility's administrative agent's prime rate, (2) the sum of 0.50% plus the overnight federal funds rate on such day or (3) subject to certain exceptions, the sum of 1.00% plus the 1-month LIBOR rate, plus (B) a margin ranging from 200 basis points to 300 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 300 basis points to 400 basis points (depending on the Company's Consolidated Leverage Ratio); and (ii) a commitment fee on the unused portion of the revolving credit facility at a rate per annum ranging from 50 basis points to 75 basis points (depending on the Company's Consolidated Leverage Ratio). The Company is no longer required to pay a utilization fee on outstanding loans and letters of credit under any circumstances.

The Amended Credit Agreement also increased the maximum permitted Consolidated Leverage Ratio to: (a) 3.50:1.00 for the period beginning on August 31, 2009 and ending on September 29, 2010; (b) 3.00:1.00 for the period beginning on September 30, 2010 and ending on September 29, 2011; and (c) 2.75:1.00 beginning on September 30, 2011 and any time thereafter. The Company may repay outstanding borrowings at any time during the term of the credit facility without any prepayment penalty. The Amended Credit Agreement contains covenants which restrict, among other things, the ability of the Company to borrow, create liens, pay dividends, repurchase its common stock, acquire businesses and other investments, enter into new lines of business, dispose of property, guarantee debts of others or, lend funds to affiliated companies and contains requirements regarding the maintenance of certain financial statement amounts and ratios, all as provided in the Amended Credit Agreement. In January 2010, the Company received a technical amendment to the permitted investments section of the Amended Credit Agreement to accommodate the particular legal structure of the acquisition of the HotJobs Assets (see Note 5 to the Company's financial statements included in Item 1 of this Quarterly Report on Form 10-Q). As of March 31, 2011, the Company was in full compliance with its covenants.

Additionally, on the Amendment Closing Date the Company entered into the U.S. Pledge Agreement which along with subsequent separate pledge agreements shall cause the Company's obligations under the Amended Credit Agreement to be secured by a pledge of: (a) all of the equity interests of the Company's domestic subsidiaries (other than certain specified inactive subsidiaries) and (b) 65% of the equity interests of each first-tier material foreign subsidiary of the Company.

In December 2010, the Company further amended its Amended Credit Agreement to (i) allow acquisition-related fees associated with the acquisition of the HotJobs Assets to be added back into Consolidated EBITDA (as defined in the agreement, subject to certain limitations) and (ii) to increase the amount of permitted secured indebtedness from \$20.0 million to \$45.0 million.

At March 31, 2011, the utilized portion of this credit facility was \$45.0 million in borrowings on the term loan facility, \$75.0 million of borrowings on the revolving credit facility, primarily relating to the funding of the acquisition of the

HotJobs Assets, and \$1.1 million in outstanding letters of credit. During the three months ended March 31, 2011, the Company repaid \$4.5 million on the revolving credit facility. The utilized portion of the revolving credit facility and the portion of borrowings on the term loan that is due within one year, which represents \$5.0 million of the total borrowings, is classified as short-term on the consolidated balance sheet as of March 31, 2011 and the remaining borrowings on the term loan of \$40.0 million is classified as long-term. As of March 31, 2011, the entire amount of the Company's revolving credit facility based on the maximum Consolidated Leverage Ratio was available which amounted to \$173.9 million. At March 31, 2011, the one month US Dollar LIBOR rate, the credit facility's administrative agent's prime rate, and the overnight federal funds rate were 0.24%, 3.25% and 0.10%, respectively. As of March 31, 2011, the Company used the one month US Dollar LIBOR rate for the interest rate on these borrowings with an interest rate of 3.75%.

Table of Contents***Acquisition of the HotJobs Assets from Yahoo! Inc.***

On August 24, 2010, pursuant to an Asset Purchase Agreement dated as of February 3, 2010 between Monster and Yahoo! Inc., Monster completed the acquisition of substantially all of the assets exclusive to Yahoo! HotJobs (the HotJobs Assets) from Yahoo! The purchase price for the HotJobs Assets was \$225.0 million. We acquired the HotJobs Assets, among other objectives, to expand our business in the North America online recruitment market. Accordingly, the business attributable to the HotJobs Assets has been included in the Careers North America segment and reporting unit. The results of operations attributable to the HotJobs Assets have been included in our consolidated financial statements since August 24, 2010. Concurrent with the closing of the acquisition, Monster and Yahoo! entered into a three year commercial traffic agreement whereby Monster became Yahoo! s exclusive provider of career and job content on the Yahoo! homepage in the United States and Canada.

Income Taxes

Thus far in 2011, we have incurred tax losses and have not paid significant taxes in the United States due to the availability of tax loss carryforwards. We continue to have taxable income in certain foreign tax jurisdictions in which we pay taxes on a quarterly basis.

Restructuring Activities

We have recorded significant charges and accruals in connection with our 2007 restructuring initiatives, prior business reorganization plans and discontinued operations. These accruals include estimates pertaining to future lease obligations, employee separation costs and the settlements of contractual obligations resulting from our actions. Although we do not anticipate significant changes, the actual costs may differ from these estimates. As of June 30, 2009, the Company had completed all of the initiatives relating to the 2007 restructuring program and no new charges will be incurred in the future relating to this program.

Operating Lease Obligations

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

Share Repurchase Plan

As of March 31, 2011, we have no authorization to purchase shares of our Common Stock under any share repurchase plan.

Fair Value Measurement

The Company values its assets and liabilities using the methods of fair value as described in Accounting Standards Codification (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 counter-party 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, 2011.

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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, 2011:

| <i>(in thousands)</i> | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|----------------|-------------------|------------------|-------------------|
| Assets: | | | | |
| Bank time deposits | \$ | \$ 59,878 | \$ | \$ 59,878 |
| Commercial paper | | 79,136 | | 79,136 |
| Banker's acceptances | | 8,492 | | 8,492 |
| Government bond - foreign | | 8,420 | | 8,420 |
| Foreign exchange contracts | | 304 | | 304 |
| Total Assets | \$ | \$ 156,230 | \$ | \$ 156,230 |
| Liabilities: | | | | |
| Lease exit liabilities | \$ | | \$ 15,971 | \$ 15,971 |
| Total Liabilities | \$ | \$ | \$ 15,971 | \$ 15,971 |

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010:

| <i>(in thousands)</i> | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|----------------|-------------------|------------------|-------------------|
| Assets: | | | | |
| Bank time deposits | \$ | \$ 55,954 | \$ | \$ 55,954 |
| Commercial paper | | 47,675 | | 47,675 |
| Government bond - foreign | | 4,385 | | 4,385 |
| Foreign exchange contracts | | 666 | | 666 |
| Total Assets | \$ | \$ 108,680 | \$ | \$ 108,680 |
| Liabilities: | | | | |
| Lease exit liabilities | \$ | | \$ 13,913 | \$ 13,913 |
| Total Liabilities | \$ | \$ | \$ 13,913 | \$ 13,913 |

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

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

**Lease Exit
Liability**
(in thousands)

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| | | |
|----------------------------|----|--------|
| Balance, December 31, 2010 | \$ | 13,913 |
| Expense | | 2,998 |
| Cash Payments | | (940) |
| Balance, March 31, 2011 | \$ | 15,971 |

The carrying value for cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, deferred revenue and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company's debt relates to borrowings under its revolving credit facility and term loan (see Note 11 to the Company's financial statements included in Item 1 of this Quarterly Report on Form 10-Q), which approximates fair value due to market interest rates.

Table of Contents**Critical Accounting Estimates**

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

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

Revenue Recognition and Accounts Receivable

The Company recognizes revenue on agreements in accordance with ASC 605, *Revenue Recognition*. *Careers North America and Careers International*. Our *Careers North America* and *Careers International* segments primarily earn revenue from the placement of job postings on the websites within the Monster network, access to the Monster network's online resume database, recruitment media and other career-related services. We recognize revenue at the time that job postings are displayed on the Monster network websites, based upon customer usage patterns. Revenue earned from subscriptions to the Monster network's resume database and other career-related services are recognized over the length of the underlying subscriptions, typically from two weeks to twelve months. In accordance with Accounting Standards Update (ASU) No. 2009-13, *Multiple-Deliverable Revenue Arrangements* (ASU No. 2009-13) which was effective January 1, 2011, revenue associated with multiple element contracts is based on the selling price hierarchy, which includes vendor-specific objective evidence or (VSOE) when available, third-party evidence (TPE) if vendor-specific objective evidence is not available and then the best estimate of selling price if neither VSOE or TPE is available. Unearned revenues are reported on the balance sheet as deferred revenue. We review accounts receivable for those that may potentially be uncollectible and any accounts receivable balances that are determined to be uncollectible are included in our allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

Internet Advertising & Fees. Our *Internet Advertising & Fees* segment primarily earns revenue from the display of advertisements on the Monster network of websites, click-throughs on text based links, leads provided to advertisers and subscriptions to premium services. We recognize revenue for online advertising as impressions are delivered. An impression is delivered when an advertisement appears in pages viewed by our users. We recognize revenue from the display of click-throughs on text based links as click-throughs occur. A click-through occurs when a user clicks on an advertiser's listing. Revenue from lead generation is recognized as leads are delivered to advertisers. In addition, we recognize revenue for certain subscription products ratably over the length of the subscription. We review accounts receivable for those that may potentially be uncollectible and any accounts receivable balances that are determined to be uncollectible are included in our allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

Fair Value Measurements

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

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Asset Impairment

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

The judgments that we make in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact net income in periods following a business combination. We generally use either the income, cost or market approach to aid in our conclusions of such fair values and asset lives. The income approach presumes that the value of an asset can be estimated by the net economic benefit to be received over the life of the asset, discounted to present value. The cost approach presumes that an investor would pay no more for an asset than its replacement or reproduction cost. The market approach estimates value based on what other participants in the market have paid for reasonably similar assets. Although each valuation approach is considered in valuing the assets acquired, the approach ultimately selected is based on the characteristics of the asset and the availability of information.

We evaluate our goodwill for impairment annually or more frequently if indicators of potential impairment exist. 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 of the impairment review 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 our reporting units. Changes in our strategy and/or market conditions could significantly impact these judgments and require reductions to recorded amounts of intangible assets. As of March 31, 2011, none of our reporting units with significant goodwill were at risk of failing step one of the goodwill impairment test.

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

Income Taxes

We utilize the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. In determining the need for valuation allowances we consider projected future taxable income and the availability of tax planning strategies. If in the future we determine that we would not be able to realize our recorded deferred tax assets, an increase in the valuation allowance would be recorded, decreasing earnings in the period in which such determination is made.

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

Stock-Based Compensation

We account for stock-based compensation in accordance with ASC 718, *Stock Compensation*. Under the fair value recognition provisions of ASC 718, stock-based compensation cost is measured at the grant date based on the fair

value of the award and is recognized as expense ratably over the requisite service period, net of estimated forfeitures. We use the Black-Scholes option-pricing model to determine the fair value of stock option awards and measure non-vested stock awards using the fair market value of our common stock on the date the award is approved. For certain 2008 awards, which were market-based grants, we estimated the fair value of the award utilizing a Monte Carlo simulation model. We award stock options, non-vested stock, market-based non-vested stock and performance-based non-vested stock to employees, directors and executive officers.

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Restructuring and Other Operating Lease Obligations

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

Equity Investments

Gains and losses in equity interest for the three months ended March 31, 2011, resulting from our equity method investments in businesses in Finland and Australia, are based on unaudited financial information of those businesses. Although we do not anticipate material differences, audited results may differ.

Recently Issued Accounting Pronouncements

In October 2009, the Financial Accounting Standards Board (FASB) issued ASU No. 2009-13, *Multiple-Deliverable Revenue Arrangements*. The new standard changes the requirements for establishing separate units of accounting in a multiple element arrangement and requires the allocation of arrangement consideration to each deliverable based on the relative selling price. The selling price for each deliverable is based on VSOE if available, TPE if VSOE is not available, or estimated selling price if neither VSOE or TPE is available. ASU 2009-13 is effective for revenue arrangements entered into in fiscal years beginning on or after June 15, 2010. The Company adopted ASU 2009-13 effective January 1, 2011 and it did not have a material impact on its consolidated statements of operations and financial condition.

In December 2010, the FASB issued ASU No. 2010-28, *Intangibles – Goodwill and Other Topics*. This update modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with the existing guidance, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This accounting guidance is effective for financial statements issued for fiscal years beginning after December 15, 2010, and interim periods within those fiscal years. The Company adopted this new guidance effective January 1, 2011 and it did not have a material impact on the Company's consolidated statements of operations and financial condition.

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The information in this section should be read in connection with the information on financial market risk related to non-U.S. currency exchange rates, changes in interest rates and other financial market risks in Part II, Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, in our Annual Report on Form 10-K for the year ended December 31, 2010.

Foreign Exchange Risk

During the three months ended March 31, 2011, revenue from our international operations accounted for 43% of our consolidated revenue. Revenue and related expenses generated from our international websites are generally denominated in the functional currencies of the local countries. Our primary foreign currencies are Euros, British Pounds, Czech Korunas, Korean Won, Chinese Renminbi and Swedish Krona. The functional currency of our subsidiaries that either operate or support these websites is the same as the corresponding local currency. The results of operations of, and certain of our intercompany balances associated with, our internationally-focused websites are exposed to foreign exchange rate fluctuations. Upon consolidation, as exchange rates vary, revenue and other operating results may differ materially from expectations, and we may record significant gains or losses on the remeasurement of intercompany balances. The effect of the weakening U.S. dollar in the first quarter of 2011 positively impacted reported revenue by approximately \$1.2 million and negatively impacted reported operating income by approximately \$0.7 million, compared to the first three months of 2010.

We have foreign exchange risk related to foreign-denominated cash, cash equivalents and marketable securities (foreign funds). Based on the balance of foreign funds at March 31, 2011 of \$183.4 million, an assumed 5%, 10% and 20% negative currency movement would result in fair value declines of \$9.2 million, \$18.3 million and \$36.7 million, respectively.

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

The financial statements of our non-U.S. subsidiaries are translated into U.S. dollars using current rates of exchange, with gains or losses included in the cumulative translation adjustment account, a component of stockholders' equity. During the three months ended March 31, 2011, our cumulative translation adjustment account increased \$35.4 million, primarily attributable to the foreign currency movements of the U.S. dollar against the Euro, British Pound, Korean Won and Swedish Krona.

Interest Rate Risk***Credit Facility***

As of March 31, 2011, our debt was comprised primarily of borrowings under our credit facility. The interest rates under our credit facility may be reset due to fluctuation in a market-based index, such as the federal funds rate, the 1-month LIBOR rate or the credit facility's administrative agent's prime rate. Assuming the amount of borrowings provided for under our credit facility was fully drawn during the first three months of 2011, we would have had \$295.0 million outstanding under such facility, and a hypothetical 1.00% (100 basis-point) change in the interest rate of our credit facility would have changed our quarterly pre-tax earnings by approximately \$0.7 million for the three months ended March 31, 2011. Assuming the amount of borrowings under our credit facility was equal to the amount of outstanding borrowings on March 31, 2011, we would have had \$121.1 million of total usage and a hypothetical 1.00% (100 basis-point) change in the interest rate of our credit facility would have changed our pre-tax earnings by approximately \$0.3 million for the three months ended March 31, 2011. We do not manage the interest rate risk on our debt through the use of derivative instruments.

Investment Portfolio

Our investment portfolio is comprised primarily of cash and cash equivalents and investments in a variety of debt instruments of high quality issuers, top sovereign, regional, national and supra-national bank commercial paper, bank time deposits, bankers' acceptances and government bonds that mature within six months of their origination date. A hypothetical 1.00% (100 basis-point) change in interest rates applicable to our investment portfolio would have changed our quarterly pretax earnings by approximately \$0.4 million for the three months ended March 31, 2011.

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Monster maintains disclosure controls and procedures, as such term is defined in Rule 13a-15(e) of Securities Exchange Act of 1934 (the Exchange Act), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, Monster's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and Monster's management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Monster has carried out an evaluation, as of the end of the period covered by this report, under the supervision and with the participation of Monster's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Monster's disclosure controls and procedures. Based upon their evaluation and subject to the foregoing, the Chief Executive Officer and Chief Financial Officer concluded that Monster's disclosure controls and procedures were effective.

There have been no significant changes in Monster's internal controls over financial reporting that occurred during the fiscal quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

The Company is involved in various legal proceedings that are incidental to the conduct of its business. Aside from the matter discussed below, no legal proceedings were commenced during the period covered by this report that the Company believes could reasonably be expected to have a material adverse effect on its financial condition or results of operations. For a discussion of certain other legal proceedings disclosed in the Company's prior reports, see Note 15, Legal Matters, in the Notes to Consolidated Financial Statements of this Form 10-Q.

In February 2011, Gildersleeve Holdings LLC filed suit against the Company and ten other named defendants for allegedly infringing a patent purporting to cover certain forms of viewer specific content on websites. The lawsuit, entitled Gildersleeve Holdings LLC v. Amazon.com, et al. (Civil Action No. 11-cv-00472), is pending in the United States District Court for the Northern District of Georgia. The plaintiff seeks monetary damages, attorney's fees, costs and injunctive relief. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, *Item 1A. Risk Factors* in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, which could materially affect our business, financial position and results of operations. There are no material changes from the risk factors set forth in Part I, *Item 1A., Risk Factors* in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 6. EXHIBITS

The following exhibits are filed as a part of this report:

| Exhibit Number | Description |
|-----------------------|--|
| 10.1 | Form of Monster Worldwide, Inc. Non-Employee Director Restricted Stock Agreement for initial grants of restricted stock. |
| 10.2 | Form of Monster Worldwide, Inc. Non-Employee Director Restricted Stock Agreement for annual grants of restricted stock. |

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- 15.1 Letter from BDO USA, LLP regarding unaudited interim financial information.
- 31.1 Certification by Salvatore Iannuzzi pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification by James M. Langrock pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification by Salvatore Iannuzzi pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification by James M. Langrock pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MONSTER WORLDWIDE, INC. (Registrant)

Dated: April 29, 2011

By: /s/ SALVATORE IANNUZZI
Salvatore Iannuzzi
Chairman, President and Chief Executive Officer
(principal executive officer)

Dated: April 29, 2011

By: /s/ JAMES M. LANGROCK
James M. Langrock
Executive Vice President and Chief Financial
Officer
(principal financial officer and principal
accounting officer)

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