

MONSTER WORLDWIDE, INC.

Form 10-Q

August 09, 2016

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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 JUNE 30, 2016
OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ to _____
COMMISSION FILE NUMBER 001-34209

MONSTER WORLDWIDE, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE 13-3906555
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER
INCORPORATION OR ORGANIZATION) IDENTIFICATION NO.)

133 Boston Post Road, Building 15, Weston, Massachusetts 02493
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)
(978) 461-8000
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

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Class	Outstanding as of July 29, 2016
Common Stock	89,064,938

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PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MONSTER WORLDWIDE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(in thousands, except per share amounts)

(unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Revenue	\$ 150,912	\$ 167,730	\$ 308,699	\$ 340,612
Salaries and related	78,317	85,363	156,466	174,713
Office and general	44,387	42,998	86,168	87,792
Marketing and promotion	33,426	30,416	62,908	61,047
Goodwill impairment	142,002	—	142,002	—
Impairment of indefinite lived intangible assets	3,400	—	3,400	—
Restructuring and other special charges	—	5,915	—	26,007
Total operating expenses	301,532	164,692	450,944	349,559
Operating (loss) income	(150,620)	3,038	(142,245)	(8,947)
Gain on partial sale of equity method investment	—	—	—	8,849
Interest and other, net	(2,929)	(3,409)	(6,406)	(6,615)
Loss before income taxes and (loss) income in equity interests, net	(153,549)	(371)	(148,651)	(6,713)
(Benefit from) provision for income taxes	(29,435)	1,819	(26,128)	(12,126)
(Loss) income in equity interests, net	(41)	292	209	72
(Loss) income from continuing operations	(124,155)	(1,898)	(122,314)	5,485
Income from discontinued operations, net of tax	—	2,036	—	3,842
Net (loss) income	(124,155)	138	(122,314)	9,327
Net income attributable to noncontrolling interest	—	1,181	—	2,200
Net (loss) income attributable to Monster Worldwide, Inc.	\$(124,155)	\$(1,043)	\$(122,314)	\$ 7,127
Basic (loss) earnings per share attributable to Monster Worldwide, Inc.:				
(Loss) income from continuing operations	\$(1.40)	\$(0.02)	\$(1.38)	\$ 0.06
Income from discontinued operations, net of tax	—	0.01	—	0.02
Basic (loss) earnings per share attributable to Monster Worldwide, Inc.	\$(1.40)	\$(0.01)	\$(1.38)	\$ 0.08
Diluted (loss) earnings per share attributable to Monster Worldwide, Inc.:				
(Loss) income from continuing operations	\$(1.40)	\$(0.02)	\$(1.38)	\$ 0.06
Income from discontinued operations, net of tax	—	0.01	—	0.02
Diluted (loss) earnings per share attributable to Monster Worldwide, Inc.	\$(1.40)	\$(0.01)	\$(1.38)	\$ 0.08
Weighted average shares outstanding:				
Basic	88,683	90,067	88,802	89,605
Diluted	88,683	90,067	88,802	93,218
Net (loss) income	\$(124,155)	\$ 138	\$(122,314)	\$ 9,327
Other comprehensive (loss) income:				
Foreign currency translation adjustments, net	(2,272)	2,933	(918)	(6,171)
Comprehensive (loss) income	(126,427)	3,071	(123,232)	3,156
Comprehensive income attributable to noncontrolling interest	—	852	—	2,122
Comprehensive (loss) income attributable to Monster Worldwide, Inc.	\$(126,427)	\$ 2,219	\$(123,232)	\$ 1,034

See accompanying notes.

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

	June 30, 2016 (unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 103,303	\$ 167,915
Accounts receivable, net of allowance for doubtful accounts of \$4,207 and \$4,096, respectively	218,561	260,518
Prepaid and other	53,219	52,599
Total current assets	375,083	481,032
Goodwill	365,201	496,499
Property and equipment, net	111,391	110,143
Intangibles, net	25,160	27,874
Investment in unconsolidated affiliates	22,788	21,566
Other assets	36,723	17,818
Total assets	\$ 936,346	\$ 1,154,932
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, accrued expenses and other	107,755	137,069
Deferred revenue	239,290	279,815
Current portion of long-term debt, net	10,800	9,773
Total current liabilities	357,845	426,657
Long-term income taxes payable	36,507	36,348
Long-term debt, net, less current portion	172,491	184,499
Other long-term liabilities	13,719	26,022
Total liabilities	580,562	673,526
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: 147,718 and 147,047 shares, respectively; outstanding: 88,902 and 89,297 shares, respectively	148	147
Class B common stock, \$.001 par value, authorized 39,000 shares; issued and outstanding: none	—	—
Additional paid-in capital	2,026,916	2,026,268
Accumulated deficit	(902,862)	(780,548)
Accumulated other comprehensive income	1,008	1,926
Less: Treasury stock, at cost, 58,816 and 57,750 shares, respectively	(769,426)	(766,387)
Total stockholders' equity	355,784	481,406
Total liabilities and stockholders' equity	\$ 936,346	\$ 1,154,932
See accompanying notes.		

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

	Six months ended June 30,	
	2016	2015
Cash flows (used for) provided by operating activities:		
Net (loss) income	\$(122,314)	\$9,327
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,255	23,237
Provision for doubtful accounts	951	761
Stock-based compensation	3,051	8,091
Income in equity interests, net	(209)	(72)
Non-cash restructuring charges	—	4,226
Deferred income taxes	(27,659)	4,705
Impairment of indefinite lived intangible assets	3,400	—
Gain on partial sale of equity method investment	—	(8,849)
Goodwill impairment	142,002	—
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	39,203	20,978
Prepaid and other	128	4,121
Deferred revenue	(39,024)	(14,181)
Accounts payable, accrued liabilities and other	(31,671)	(9,537)
Total adjustments	110,427	33,480
Net cash (used for) provided by operating activities	(11,887)	42,807
Cash flows used for investing activities:		
Capital expenditures	(20,478)	(14,735)
Payment for acquisition, net of cash acquired	(12,511)	—
Investment in kununu US, LLC	(3,000)	—
Dividends received from equity investment and other	1,524	1,648
Cash received from partial sale of equity method investment	—	9,128
Capitalized patent defense costs	—	(2,305)
Net cash used for investing activities	(34,465)	(6,264)
Cash flows used for financing activities:		
Payments on borrowings on credit facilities	—	(32,100)
Proceeds from borrowings on credit facilities	—	32,100
Payments on borrowings on term loan	(5,138)	(4,500)
Payments on convertible notes	(9,475)	—
Fees paid on the issuance of debt and purchase of capped call and other	(170)	(1,110)
Repurchase of common stock	(3,039)	—
Tax withholdings related to net share settlements of restricted stock awards and units	(684)	(6,800)
Distribution paid to minority shareholder	—	(10,018)
Net cash used for financing activities	(18,506)	(22,428)
Effects of exchange rates on cash	246	(731)
Net (decrease) increase in cash and cash equivalents	\$(64,612)	\$13,384
Cash and cash equivalents from continuing operations, beginning of period	\$167,915	\$72,030
Cash and cash equivalents from discontinued operations, beginning of period	—	22,267
Cash and cash equivalents, beginning of period	\$167,915	\$94,297

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Cash and cash equivalents from continuing operations, end of period	\$103,303	\$99,415
Cash and cash equivalents from discontinued operations, end of period	—	8,266
Cash and cash equivalents, end of period	\$103,303	\$107,681
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	\$2,248	\$328
Cash paid for interest	\$4,230	\$4,702
Cash flows provided by (used in) discontinued operations:		
Net cash provided by operating activities	\$—	\$6,234
Net cash used for investing activities	\$—	\$(211)
See accompanying notes.		

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MONSTER WORLDWIDE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in thousands, except per share amounts)

(unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

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

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

Basis of Presentation

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

The consolidated interim financial statements include the accounts of the Company and all of its wholly-owned and majority-owned subsidiaries. Investments in which the Company does not have a controlling interest or is not the primary beneficiary, but has the ability to exert significant influence, are accounted for under the equity method of accounting. All inter-company accounts and transactions have been eliminated in consolidation. For the three and six months ended June 30, 2015, the noncontrolling interest in our former South Korean subsidiary is recorded net of tax as Net income attributable to noncontrolling interest. In October 2015, the Company sold its remaining ownership position in its South Korean subsidiary. See Note 7 - Discontinued Operations.

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, 2015. The Company adheres to the same accounting policies in preparing interim financial statements. As permitted under U.S. GAAP, interim accounting for certain expenses, including income taxes, are based on full year assumptions. Such amounts are expensed in full in the year incurred. For interim financial reporting purposes, income taxes are recorded based upon estimated annual income tax rates.

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

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, which supersedes the revenue recognition guidance in Accounting Standard Codification (“ASC”) 605, Revenue Recognition. The new guidance clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes the most current revenue recognition guidance. In July 2015, the FASB approved a one-year deferral of the effective date of this ASU. With this deferral, the amended guidance is effective retrospectively for reporting periods

(interim and annual) beginning after December 15, 2017. We are currently assessing the potential impact of this ASU on our consolidated financial position and results of operations.

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In January 2016, the FASB issued ASU No. 2016-01, which revises the guidance in ASC 825-10, Recognition and Measurement of Financial Assets and Financial Liabilities, and provides guidance for the recognition, measurement, presentation, and disclosure of financial assets and liabilities. The guidance is effective for reporting periods (interim and annual) beginning after December 15, 2017, for public companies. We are currently assessing the potential impact of this ASU on our consolidated financial position and results of operations.

In February 2016, the FASB issued ASU No. 2016-02, which supersedes the lease accounting guidance in ASC 840, Leases. The new guidance which requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. For lessees, leases will continue to be classified as either operating or finance leases in the income statement. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model. The guidance is effective for reporting periods (interim and annual) beginning after December 15, 2018, for public companies, with early adoption permitted. The new guidance must be adopted using a modified retrospective approach. We are currently assessing the potential impact of this ASU on our consolidated financial position and results of operations.

In March 2016, the FASB issued ASU No. 2016-09, which revises the guidance in ASC 718, Compensation - Stock Compensation, and will change how companies account for certain aspects of share-based payments to employees, including the income tax impact, classification on the statement of cash flows and forfeitures. The guidance is effective for reporting periods (interim and annual) beginning after December 15, 2017, for public companies. Early adoption is permitted. We are currently assessing the potential impact of this ASU on our consolidated financial position and results of operations.

Recently Adopted Accounting Pronouncements

Effective January 1, 2016, the Company retrospectively adopted ASU No. 2015-03 and No. 2015-15 related to simplifying the presentation of debt issuance costs. The adoption of this new guidance resulted in a change to the presentation of deferred financing costs related to our credit facilities and 3.50% convertible senior notes due 2019 from an asset to a direct deduction from the corresponding debt liability, consistent with the presentation of debt discounts and premiums. Adoption did not impact the Company's results of operations or cash flows for any period presented. See Note 15 - Long-Term Debt.

Effective January 1, 2016, the Company adopted ASU 2015-05 which clarified how a customer in a cloud computing arrangement should determine whether the arrangement includes a software license. Under this new guidance, if a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The ASU did not change the customer's accounting treatment of service contracts. Previously, the Company was required to analogize to lease accounting guidance when determining the asset acquired in a software licensing arrangement. As permitted under the guidance, the Company adopted the new guidance prospectively to all new or materially modified arrangements entered into on or after the effective date. The adoption of this guidance did not impact the Company's results of operations, financial position, or cash flows.

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

Basic earnings per share is calculated using the Company's weighted-average outstanding common shares. When the effects are dilutive, diluted earnings per share is calculated using the weighted-average outstanding common shares, participating securities and the dilutive effect of all other stock-based compensation awards as determined under the treasury stock method. Certain stock options and stock issuable under employee compensation plans were excluded from the computation of diluted earnings per share due to their anti-dilutive effect.

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

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Basic weighted-average shares outstanding	88,683	90,067	88,802	89,605
Impact of stock options and non-vested stock under employee compensation plans ⁽¹⁾	—	—	—	1,195
Impact of 3.50% convertible senior notes due 2019 ⁽²⁾	—	—	—	2,418
Diluted weighted-average shares outstanding	88,683	90,067	88,802	93,218
Weighted-average anti-dilutive common stock equivalents	2,649	5,042	2,303	1,037

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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 and six months ended June 30, 2016, those potential shares totaled 600,128 and 732,391 related to non-vested stock under employee compensation plans, respectively, which are included in the weighted average anti-dilutive common stock equivalents above, in addition to 2,048,948 and 1,570,545 of out of the money anti-dilutive common stock equivalents, respectively. For the quarter ended June 30, 2015, those potential shares totaled 806,833 related to non-vested stock under employee compensation plans and 3,841,000 relating to our 3.50% convertible senior notes due 2019 (the "Notes") which are included in the weighted average anti-dilutive common stock equivalents above, in addition to 393,662 of out of the money anti-dilutive common stock equivalents.

(1) On October 22, 2014, the Company consummated an offering of the Notes. Under the treasury stock method, the Notes will generally have a dilutive impact on earnings per share if the Company's average stock price for the period exceeds approximately \$5.33 per share of Monster's common stock, the conversion price of the Notes. For the three and six months ended June 30, 2016, the average stock price of Monster's common stock was \$2.86 and (2) \$3.36, respectively, resulting in no potential dilutive impact for the three and six months ended June 30, 2016. For the three and six months ended June 30, 2015, the average stock price of Monster's common stock was \$6.22 and \$5.86, respectively, resulting in a potential dilutive impact of approximately 3,841,000 and 2,418,000 shares, respectively. Since a loss attributable to the Company was incurred during the three months ended June 30, 2015, these potential dilutive shares are excluded from diluted weighted-average shares outstanding.

In connection with the pricing of the Notes, Monster entered into a capped call transaction which increases the effective conversion price of the Notes, and is designed to reduce potential dilution upon conversion of the Notes. Since the beneficial impact of the capped call is anti-dilutive, it is excluded from the calculation of earnings per share. See Note 15 - Long-Term Debt.

Share Repurchase Program

On October 27, 2015, the Board of Directors of the Company authorized a share repurchase program of up to \$75,000 (the "Share Repurchase Program"). Under the Share Repurchase Program, shares of common stock may be purchased on the open market or through privately negotiated transactions from time-to-time through October 27, 2017. The timing and amount of purchases will be based on a percentage of future generated free cash flow, and can be adjusted periodically. The Share Repurchase Program does not obligate the Company to acquire any specific number of shares in any period, and may be modified, suspended, extended or discontinued at any time without prior notice. During the six months ended June 30, 2016, the Company repurchased 1,066,451 shares for a total of \$3,018, excluding commissions, at an average price of \$2.83 per share. There were no share repurchases during the three months ended June 30, 2016. Since the inception of this repurchase program, the Company repurchased 2,391,451 shares for a total of \$11,008, excluding commissions, at an average price of \$4.60 per share. The Company currently has \$63,992 remaining under the Share Repurchase Program, subject to the following paragraph.

The Board of Directors of the Company has authorized the use of funds allocated to the Share Repurchase Program for the repurchase of the Notes. On March 22, 2016, the Company entered into a privately negotiated agreement to repurchase \$10,000 in aggregate principal amount of the Notes for \$9,475 in cash, plus accrued interest (See Note 15 - Long-Term Debt). After applying the funds utilized for such repurchase of the Notes to the amount remaining under the Share Repurchase Program, the Company currently has \$54,517 available for future repurchases of shares of common stock under the Share Repurchase Program and/or future repurchases of the Notes.

4. STOCK-BASED COMPENSATION

The Company awards non-vested stock to employees, directors and executive officers in the form of Restricted Stock Awards ("RSAs") and Restricted Stock Units ("RSUs"), market-based RSAs and RSUs, performance-based RSAs and RSUs and stock options. The Compensation Committee of the Company's Board of Directors approves stock-based compensation awards for all employees and executive officers of the Company. The Corporate Governance and Nominating Committee of the Company's Board of Directors approves stock-based compensation awards for all non-employee directors of the Company. The Company uses the fair-market value of the Company's common stock on the date the award is approved to measure fair value for service-based and performance-based awards, a Monte Carlo

simulation model to determine both the fair value and requisite service period of market-based awards and the Black-Scholes option-pricing model to determine the fair value of stock option awards. The Company presents as a financing activity in the consolidated statement of cash flows the benefits of tax deductions in

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excess of the tax-effected compensation of the related stock-based awards for the options exercised and vested RSAs and RSUs.

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

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Non-vested stock, included in salaries and related	\$1,972	\$3,613	\$3,051	\$8,018

Performance-Based Awards -During the first six months of 2016, the Company granted 2,773,663 RSUs, subject to the recipient's continued employment and certain specified performance-based conditions.

Service-Based Awards - During the first six months of 2016, the Company granted an aggregate of 1,854,580 service-based RSUs. The RSUs vest in various increments on the anniversaries of the individual grant dates, with the majority vesting through March 16, 2019, subject to the recipient's continued employment or service through each applicable vesting date.

The Company's non-vested stock activity is as follows (shares in thousands):

	Six months ended June 30,			
	2016	2015		
	Weighted Average Fair Value at Grant Date	Weighted Average Fair Value at Grant Date	Shares	Shares
Non-vested at beginning of period	4,571	\$ 4.95	8,554	\$ 4.85
Granted RSUs	4,628	\$ 3.12	1,084	\$ 4.64
Forfeited	(405)	\$ 4.04	(808)	\$ 4.90
Vested	(856)	\$ 5.55	(3,492)	\$ 4.67
Non-vested at end of period	7,938	\$ 3.87	5,338	\$ 4.90

As of June 30, 2016, the unrecognized compensation expense related to non-vested stock was \$16,170 which is expected to be recognized over a weighted-average period of 1.9 years.

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

	Six months ended June 30,	
	2016	2015
	Weighted Average Shares Exercised Price	Weighted Average Shares Exercised Price
Outstanding as of the beginning of the period	6 \$ 33.94	14 \$ 32.32
Exercised	— \$ —	— \$ —
Forfeited/expired/cancelled	— \$ —	(2) \$ 30.03
Outstanding at end of the period	6 \$ 33.94	12 \$ 32.79
Options exercisable at end of period	6 \$ 33.94	12 \$ 32.79
Aggregate intrinsic value of options exercised during the period	\$—	\$—

The Company has not granted any stock options subsequent to 2008 and all options were fully expensed prior to January 1, 2014.

On June 14, 2016, the Company issued 78,220 shares to a consultant in consideration for services under a consulting agreement entered into as part of a prior business combination. The securities were issued pursuant to the exemption contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

5. BUSINESS COMBINATION

In the second quarter of 2016, the Company's Careers-North America segment purchased Jobr, Inc., the leading mobile job discovery app. Consideration for the acquisition was \$12,511 in cash, net of cash acquired, with \$1,300 of the consideration in escrow and \$3,011 of the consideration used to eliminate Jobr debt at the time of acquisition. The Company preliminarily recorded \$10,845 of goodwill, \$1,870 of purchased technology, \$343 of other assets, and \$557 of deferred tax and other liabilities related to the acquisition. The goodwill recorded is not expected to be deductible for tax purposes.

6. NONCONTROLLING INTEREST

In December 2013, the Company sold a 49.99% interest in JobKorea Ltd. ("JobKorea"), its then-wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of \$90,000. Based on the terms of the agreement, Monster maintained a controlling interest in the subsidiary and, accordingly, continued to consolidate the results of JobKorea in its consolidated financial statements. In the fourth quarter of 2015, the Company sold its remaining 50.01% ownership position in JobKorea to H&Q Korea. See Note 7 - Discontinued Operations. The noncontrolling interest's share of net income was \$1,181 and \$2,200 for the three and six months ended June 30, 2015, respectively.

7. DISCONTINUED OPERATIONS

In December 2013, H&Q Korea acquired 49.99% of JobKorea from Monster (see Note 6- Noncontrolling Interest). On September 28, 2015, the Company entered into an agreement to sell its 50.01% ownership position in JobKorea to H&Q Korea for KRW 101 billion, or approximately \$85,000. The transaction closed on October 13, 2015 and is consistent with Monster's continued strategy of unlocking value and sharpening its focus on the Company's core online recruitment platform.

Operating results for JobKorea, which had previously been reported in the Careers-International segment, and included in the Company's consolidated statement of operations, were reclassified as discontinued operations for all periods presented. Summarized results of our discontinued operations are as follows:

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	Three months ended June 30, 2016	Six months ended June 30, 2015
Revenue	\$-12,685	\$-23,497
Income from discontinued operations, before tax	\$-3,034	\$-5,640
Income tax expense ⁽¹⁾	—(998)	—(1,798)
Income from discontinued operations, net of tax	—2,036	—3,842
Less: income from discontinued operations attributable to noncontrolling interest, net of tax	—1,181	—2,200
Income from discontinued operations attributable to Monster Worldwide, Inc., net of tax	\$-855	\$-1,642

(1) Income tax expense related to the discontinued operation includes tax of JobKorea in addition to allocated corporate tax.

There were no assets or liabilities of discontinued operations as of June 30, 2016 or December 31, 2015.

8. FAIR VALUE MEASUREMENT

The Company values its assets and liabilities using the methods of fair value as described in ASC 820, Fair Value Measurements and Disclosures. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The three levels of fair value hierarchy are described below:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers counterparty credit risk in its assessment of fair value. Observable or market inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions based on the best information available. There have been no transfers of assets or liabilities between the fair value measurement classifications during the six months ended June 30, 2016.

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 June 30, 2016:

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Bank time deposits	\$-23,492	\$—		\$23,492
U.S. and foreign government obligations	—1,146	—		1,146
Foreign exchange contracts	—69	—		69
Total Assets	\$-24,707	\$—		\$24,707
Liabilities:				
Foreign exchange contracts	\$-111	\$—		\$111
Lease exit liabilities	—	8,114		8,114
Total Liabilities	\$-111	\$8,114		\$8,225

The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of December 31, 2015:

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December 31, 2015

	Level 1	Level 2	Level 3	Total
Assets:				
Bank time deposits	\$33,791	\$—		\$33,791
Foreign exchange contracts	—86	—		86
Total Assets	\$33,877	\$—		\$33,877
Liabilities:				
Foreign exchange contracts	\$65	\$—		\$65
Lease exit liabilities	—	10,171		10,171
Total Liabilities	\$65	\$10,171		\$10,236

We recognize a liability for costs to terminate an operating lease obligation before the end of its term when we no longer derive economic benefit from the lease. The lease exit liabilities within the Level 3 tier relate to vacated facilities associated with previously discontinued operations, restructuring activities of the Company and consolidation of office facilities are recorded in accrued expenses and other current liabilities in the consolidated balance sheets. The liability is recognized and measured based on a discounted cash flow model when the cease use date has occurred. The fair value of the liability is determined based on the remaining lease rentals due, reduced by estimated sublease rental income that could be reasonably obtained for the property. In the first quarter of 2015, as part of its "Reallocate to Accelerate" program, the Company vacated space in its Bedford, Massachusetts location (see Note 11 - Restructuring and Other Special Charges).

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

	Lease Exit Liability	
	Six months ended June 30,	
	2016	2015
Balance, Beginning of Period	\$10,171	\$8,515
Expense	—	3,981
Cash payments and changes in fair value	(2,057)	(2,516)
Balance, End of Period	\$8,114	\$9,980

The carrying value for cash and cash equivalents, accounts receivable, accounts payable, certain accrued expenses and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company's debt relates to its 3.50% convertible senior notes due 2019 and borrowings under its revolving credit facilities and term loan (see Note 15 - Long-Term Debt). Our borrowings under our credit facilities approximate fair value due to the debt bearing fluctuating market interest rates. The carrying amounts of the convertible senior notes approximate fair value giving effect for the term of those notes and the effective interest rates.

9. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME

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

Foreign Currency Translation Adjustments	
Six months ended June 30,	
2016	2015
Beginning balance	\$1,926 \$9,245
Other	(6,093)
comprehensive	

loss
before
reclassifications
Amounts
reclassified
from
~~accumulated~~
other
comprehensive
income
Net
current
period
change
~~(18)~~ (6,093)
accumulated
other
comprehensive
income
Ending
~~\$1,008~~ \$3,152
balance

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10. INVESTMENTS

Equity Method Investments

The Company accounts for investments through which it holds a noncontrolling interest and has the ability to exert significant influence using the equity method of accounting, recording its owned percentage of the investment's net results of operations in (Loss) income 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.

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

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Alma Career Oy	\$476	\$292	\$801	\$471
kununu US, LLC	(517)	—	(592)	—
CareerOne Pty Ltd	—	—	—	(399)
(Loss) income in equity interests, net	\$(41)	\$292	\$209	\$72

Alma Career Oy

Prior to January 3, 2014, the Company had a 25% equity investment in a company located in Finland related to a business combination completed in 2001, with the remaining 75% held by Alma Media Corporation ("Alma Media"). Alma Media is a leading media company based in Finland, focused on digital services and publishing in Finland, the Nordic countries, the Baltics and Central Europe. Effective January 3, 2014, the Company expanded its relationship with Alma Media. Monster and Alma Media each contributed several additional entities and businesses into the then-existing joint venture and formed a significantly larger joint venture, Alma Career Oy, where Monster initially had an equity ownership of 15% with the opportunity to increase ownership up to 20%. The Company also contributed cash of \$6,500. On October 1, 2015, the Company exercised this option and contributed cash of \$2,369 to Alma Career Oy, resulting in a 16.7% equity investment in the entity. The Company accounts for this investment under the equity method of accounting due to its ability to exert significant influence over the financial and operating policies of Alma Career Oy, primarily through Monster's representation on the board of directors.

The Company received a dividend of \$1,235 and \$835 in the second quarter of 2016 and 2015, respectively, related to this investment. The carrying value of the investment was \$20,700 and \$19,082 as of June 30, 2016 and 2015, respectively, and is recorded on the consolidated balance sheet as a component of Investment in unconsolidated affiliates.

kununu US, LLC

In February 2016, the Company formed a joint venture with kununu GmbH, a subsidiary of XING AG. kununu GmbH is the European leader in providing employer transparency through ratings, reviews, and employer branding. Initially focused on the U.S. market, the purpose of the joint venture, kununu US, LLC ("Kununu"), is to test the delivery of content-rich employer reviews and ratings sourced from current and former employees and candidates. This information is designed to help better inform the consumers about the companies they might work for, and provides several new tools for employers to better manage their talent brands and engage prospective candidates, including sellable branding and brand management products.

The Company has a 50% ownership interest in Kununu and contributed cash of \$3,000 to the joint venture in the first quarter of 2016. The joint venture represents a variable interest entity ("VIE") primarily due to the equity investment at risk not being sufficient to finance its activities without additional subordinated financial support. The Company is not considered the primary beneficiary primarily because the Company does not have the power to direct the activities that most significantly impact Kununu's economic performance. The Company's maximum loss exposure is limited to the committed capital. The Company accounts for this investment under the equity method of accounting due to its ability to exert significant influence over the financial and operating policies of Kununu, primarily through Monster's

representation on the board of directors.

The carrying value of the investment was \$2,088 as of June 30, 2016 and is recorded on the consolidated balance sheet as a component of Investment in unconsolidated affiliates.

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In connection with the investment, the Company entered into a Cooperation Agreement with Kununu to provide sales services, support, and consulting for Kununu for an annual fee of \$1,500. The annual fee is being recognized on a straight-line basis as reduction of salary and related expense, with approximately \$500 recognized during the second quarter of 2016.

CareerOne Pty Ltd

In 2008, the Company acquired a 50% equity interest in a company located in Australia, CareerOne Pty Limited ("CareerOne"). During the first quarter of 2015, the Company expended an additional \$451 for additional working capital requirements relating to CareerOne. On March 31, 2015, the Company sold the majority of its 50% equity interest in CareerOne in an arms-length transaction, leaving the Company with a 10% interest. Total cash received from the transaction was \$9,128, and the sale resulted in the recognition of a pre-tax gain of \$8,849 in the first quarter of 2015. As a result of the sale, the Company no longer has the ability to exert significant influence over CareerOne. Therefore, effective March 31, 2015, the remaining 10% interest retained by the Company is being accounted for under the cost method. See Note 16 – Income Taxes for discussion of the tax impact of the transaction.

11. RESTRUCTURING AND OTHER SPECIAL CHARGES

Reallocate to Accelerate

On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's strategy. The initiatives included a global workforce reduction of approximately 300 associates (excluding discontinued operations), lease exit costs, impairment of certain assets, and office and general expense controls. No charges related to these initiatives were recognized in the three and six months ended June 30, 2016, and the Company does not expect to incur additional charges in future periods related to this program. The following table displays a roll forward of the restructuring and other special charges and related liability balances associated with the program:

	Accrual at December 31, 2015	Cash Payments	Accrual at June 30, 2016
Workforce reduction	\$ 4,309	\$ (3,445)	\$ 864
Consolidation of office facilities	4,767	(726)	4,041
Other costs and professional fees	645	(264)	381
Total	\$ 9,721	\$ (4,435)	\$ 5,286

12. PROPERTY AND EQUIPMENT, NET

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

	June 30, 2016	December 31, 2015
Capitalized software costs	\$ 188,952	\$ 178,146
Furniture and equipment	15,514	15,632
Leasehold improvements	36,092	35,846
Computer and communications equipment	151,704	152,563
	392,262	382,187
Less: accumulated depreciation	280,871	272,044
Property and equipment, net	\$ 111,391	\$ 110,143

Depreciation expense was \$9,558 and \$18,909 for the three and six months ended June 30, 2016, respectively.

Depreciation expense was \$10,442 and \$21,268 for the three and six months ended June 30, 2015, respectively.

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13. GOODWILL AND INTANGIBLE ASSETS

Goodwill

A summary of changes in goodwill is as follows:

	Careers - North America	Careers - International	Total
Balance as of December 31, 2015:			
Goodwill	\$ 774,765	\$ 310,184	\$ 1,084,949
Accumulated impairment losses	(325,800)	(262,650)	(588,450)
Net goodwill as of December 31, 2015	448,965	47,534	496,499
Acquisition activity ⁽¹⁾	10,845	—	10,845
Impairment	(142,002)	—	(142,002)
Translation and other adjustments, net	—	(141)	(141)
Balance as of June 30, 2016:			
Goodwill	785,610	310,043	1,095,653
Accumulated impairment losses	(467,802)	(262,650)	(730,452)
Net goodwill as of June 30, 2016	\$ 317,808	\$ 47,393	\$ 365,201

⁽¹⁾ See Note 5 - Business Combination.

The Company tests the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year, or more frequently when events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value. The Company has two reporting units which are equivalent to our two operating segments: Careers-North America and Careers-International.

In determining if goodwill is impaired, we estimate the fair value of the reporting unit and compare it to the carrying value of the assets and liabilities of that reporting unit. The Company determines the fair value of its reporting units using a weighting of fair values derived from the income approach and the market approach, depending on the availability of relevant market comparable information. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business's ability to execute on the projected cash flows. Under the market approach, the Company estimates the fair value based on market multiples of cash flows and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit and considering a reasonable control premium. The weighting of the fair value derived from the market approach differs for each reporting unit depending on the level of comparability of these publicly-traded companies to the reporting unit. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates.

For the annual goodwill impairment test performed in the fourth quarter of 2015, the Careers-International reporting unit's fair value substantially exceeded its carrying value. For the Careers-North America reporting unit, the Company calculated, using a combination of an income and market approach, that the fair value would have to be at least 15% less than the computed amount to result in any goodwill impairment charges.

As a corroborative source of information, the Company reconciles the estimated aggregate fair values of its reporting units within a reasonable range of its market capitalization, which includes an estimated control premium (an adjustment reflecting an estimated fair value on a control basis) to verify reasonableness of the fair value of its reporting units obtained using the aforementioned methods. The control premium is estimated based upon control premiums observed in comparable market transactions. As none of our reporting units are publicly-traded, individual reporting unit fair value determinations do not directly correlate to the Company's stock price. We monitor changes in our share price to ensure our reconciled market capitalization continues to exceed or is not significantly below the carrying value of our net assets. In the event our market capitalization does decline below its book value, we consider the length and severity of the decline and the reason for the decline when assessing whether potential goodwill

impairment exists. Further, if a reporting unit does not appear to be

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achieving it's the projected growth plan used in determining its fair value, we will reevaluate the reporting unit for potential goodwill impairment based on revised projections, as available.

On August 8, 2016, the Company entered into a merger agreement that provides for the Company to be merged with a subsidiary of another company in a transaction in which the Company's shareholders will receive approximately \$329,000 for all of the equity interests in the Company, subject to customary closing conditions. The sale is expected to be finalized in the fourth quarter of 2016 (see Note 19 - Subsequent Events for further details). In consideration of the recent decline in the Company's market capitalization, recent operating results, and the implications the agreed-upon sales price had on the valuation of goodwill, the Company recognized an estimated pre-tax impairment charge of \$142,002 during the second quarter of 2016. Due to the significance of the goodwill balance in the Careers-North America reporting unit, and the results of the annual impairment analysis performed in the fourth quarter of 2015, the Company recognized the estimated impairment charge to the Careers-North America reporting unit. This charge does not impact our liquidity, cash flows from operations, future operations, or compliance with debt covenants.

Due to the limited time period from the indication of the impairment to the date of this filing, and the complexities involved in estimating the fair value of certain assets and liabilities, the Company has not finalized its impairment analysis as of August 9, 2016. The Company will complete a formal impairment analysis in accordance with ASC 350, Intangibles - Goodwill and Other, during the third quarter of 2016 and recognize any adjustments to the estimated impairment charge at that time. We believe that our preliminary estimate is reasonable and represents the Company's best estimate of the goodwill impairment loss to be incurred, however, it is possible that the completion of the formal analysis may result in a material adjustment to this preliminary estimate in the third quarter of 2016.

Indefinite lived intangibles

Indefinite-lived intangible assets are primarily evaluated on an annual basis, generally in conjunction with the Company's evaluation of goodwill balances, unless impairment indicators exist between annual impairment tests. In assessing fair value, we generally utilize a relief from royalty method. If the carrying value of the indefinite-lived intangible assets exceeds the fair value of the asset, the carrying value is written down to fair value in the period identified. During the second quarter of 2016, the Company performed an impairment analysis on two indefinite lived intangible assets. The analysis resulted in an impairment charge of \$3,400 being recognized in the second quarter of 2016.

14. 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, non-functional currency inter-company accounts receivable, and significant non-functional currency denominated transactions with third parties.

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

		June 30, 2016		
	Component of	Notional Amount	Maturity Dates	Fair Value
Designated as Hedges under ASC 815				
None		\$—		\$—
Not Designated as Hedges under ASC 815				
Foreign currency exchange forwards	Prepaid and other	8,684	July 2016	69
Foreign currency exchange forwards	Accrued expenses and other current liabilities	12,737	July/August 2016	(111)
Total Derivative Instruments		\$ 21,421		\$ (42)
		December 31, 2015		
	Component of	Notional Amount	Maturity Dates	Fair Value
Designated as Hedges under ASC 815				
None		\$—		\$ —
Not Designated as Hedges under ASC 815				
Foreign currency exchange forwards	Prepaid and other	13,251	January 2016	86
Foreign currency exchange forwards	Accrued expenses and other current liabilities	14,044	January 2016	(65)
Total Derivative Instruments		\$ 27,295		\$ 21

The changes in the fair value of our forward contracts are as follows:

Location of Realized and Unrealized Net Gains (Losses) and Changes in the Fair Value of Forward Contracts	Amount of Realized and Unrealized Net Gains (Losses) and Changes in the Fair Value of Forward Contracts			
	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Foreign currency exchange forwards	\$ (24)	\$ 375	\$ (516)	\$ 671
Interest and Other, net				

15. LONG-TERM DEBT

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

	June 30, 2016	December 31, 2015
3.50% convertible senior notes due 2019	\$ 133,750	\$ 143,750
Term loan facility	66,292	71,431
Unamortized discount on convertible senior notes	(12,877)	(15,932)
Unamortized debt issuance costs	(3,874)	(4,977)
	183,291	194,272
Less: current portion of long-term debt, net	10,800	9,773
Long-term debt, net, less current portion	\$ 172,491	\$ 184,499

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3.50% Convertible Senior Notes Due 2019

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

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

The conversion rate for the Notes is initially 187.7405 shares per one thousand dollar principal amount of the Notes, which is equivalent to an initial conversion price of approximately \$5.33 per share of Monster’s common stock (“Common Stock”), and is subject to adjustment in certain circumstances. In June 2015, Monster received stockholder approval to issue upon conversion of the Notes more than 19.99% of the outstanding shares of Common Stock. As a result of this approval, Monster now has the ability to settle conversions of the Notes by paying or delivering, as the case may be, cash, shares of Common Stock or a combination thereof, at its election. Monster will not have the right to redeem the Notes prior to maturity. The maximum number of shares of common stock the Notes are convertible into is approximately 25,000,000, and is subject to adjustment under certain circumstances.

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

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

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

In accordance with ASC 470-20, Debt with Conversion and Other Options, the Notes were separated into debt and equity components and assigned a fair value. The value assigned to the debt component was the estimated fair value, as of the issuance date, of similar debt without the conversion feature. The difference between the cash proceeds and this estimated fair value represents the value which was assigned to the equity component and was recorded as a debt discount. The debt discount is being amortized using the effective interest method from the date of issuance through the October 15, 2019 maturity date.

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

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

On March 22, 2016, the Company entered into a privately negotiated agreement to repurchase \$10,000 in aggregate principal amount of the Notes for \$9,475 in cash, plus accrued interest. The Board of Directors of the Company has authorized the Company to employ funds allocated to its stock repurchase program (see Note 3 - Earnings per Share Attributable to Monster Worldwide, Inc.) for the repurchase of the Notes. The transaction closed on March 28, 2016, and it was determined that the repurchase of the principal amount shall be accounted for as a debt extinguishment in accordance with ASC 470 - Debt. Following the derecognition of the associated debt discount and deferred financing fees, a loss on extinguishment of \$37 was recorded during the first quarter of 2016. In connection with the repurchase, the Company unwound a portion of the capped call transactions entered into in connection with the issuance of the Notes. As a result of the unwind, the Company received \$409 on March 31, 2016, which was recognized as an increase to additional paid-in-capital during the first quarter of 2016.

As of June 30, 2016, \$133,750 in aggregate principal amount of the Notes was outstanding.

Credit Facilities

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

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

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

The Company is required to make quarterly amortization payments on the outstanding principal amount of the term loans, with \$2,569 payable on September 30, 2016, \$3,083 payable on each of December 31, 2016, March 31, 2017, June 30, 2017, and September 30, 2017, and the remaining balance of the term loan due at maturity.

Borrowings under the Third Amended Credit Agreement bear interest at a rate equal to either (i) the London Interbank Offered Rate ("LIBOR") plus a margin ranging from 250 basis points to 325 basis points depending on the Consolidated

Leverage Ratio as defined in the Third Amended Credit Agreement or upon the Company's election (ii) the sum of (A) the highest of (1) the Agent's prime rate, (2) the sum of 0.50% plus the overnight federal funds rate on such day or (3) LIBOR plus 1.0%, plus (B) a margin ranging from 150 basis points to 225 basis points depending on the Company's Consolidated Leverage Ratio. In addition, the Company will be required to pay the following fees: (i) a fee on all outstanding amounts of letters of credit at a rate per annum ranging from 250 basis points to 325 basis points (depending on the Consolidated Leverage Ratio); and (ii) a commitment fee on the unused portion of the revolving credit facility at a rate per annum ranging from 35 basis points to 50 basis points (depending on the Consolidated Leverage Ratio).

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The Third Amended Credit Agreement contains financial covenants requiring the Company to maintain: (i) a consolidated leverage ratio of no more than 2.75 to 1.00, as of the end of each fiscal quarter ending after the closing date through the fiscal quarter ending March 31, 2015, and 2.50 to 1.00, as of the end of the fiscal quarter ending June 30, 2015, and each fiscal quarter ending thereafter; and (ii) a consolidated Fixed Charge Coverage Ratio, as defined in the Third Amended Credit Agreement, of at least 1.50 to 1.00. The Third Amended Credit Agreement also contains various other negative covenants, including restrictions on incurring indebtedness, creating liens, mergers, dispositions of property, dividends and stock repurchases, acquisitions and other investments and entering into new lines of business. The Third Amended Credit Agreement also contains various affirmative covenants, including covenants relating to the delivery of financial statements and other financial information, maintenance of property, maintenance of insurance, maintenance of books and records, further assurances regarding collateral and compliance with environmental laws. The Third Amended Credit Agreement is secured by substantially all of the Company's domestic assets, other than real estate and certain other excluded assets. As of June 30, 2016, the Company was in full compliance with its covenants.

At June 30, 2016, the utilized portion of this credit facility was \$66,292 in borrowings on the term loan facility, no borrowings on the revolving credit facility, and \$90 in outstanding letters of credit. The portion of the term loan that is due within one year is \$11,819 and is classified as short-term in the consolidated balance sheet, net of deferred financing fees of \$1,019. The remaining amount outstanding on the term loan is classified as long-term debt in the Company's consolidated balance sheet. As of June 30, 2016, based on the calculation of the maximum consolidated leverage ratio, \$99,910 of the Company's revolving credit facility was available. At June 30, 2016, the one month BBA LIBOR rate, the agent's prime rate, and the overnight federal funds rate were 0.47%, 3.50% and 0.30%, respectively. As of June 30, 2016, the Company used the one month BBA LIBOR rate for the interest rate on these borrowings with an interest rate of 3.22%.

16. INCOME TAXES

The (benefit from) provision for income taxes consists of provisions for federal, state, and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the geographic mix of earnings in various tax jurisdictions and the applicable rates. Our interim provision for income taxes is measured using an estimated annual effective tax rate, adjusted for discrete items that occur within the periods presented. The tax effect of discrete items is recorded in the quarter in which they occur. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries with lower statutory rates, greater losses than anticipated in countries with lower statutory tax rates, increases in recorded valuation allowances of tax assets, or changes in tax laws or interpretations thereof.

Our effective tax rate differs from the Federal United States statutory tax rate of 35% due to accrual of state taxes, non-deductible expenses, foreign earnings and losses taxed at different rates, accrual of interest on tax liabilities, and the effect of valuation allowances on deferred tax assets. We record valuation allowances primarily on tax benefits of losses arising in certain unprofitable countries in international markets and certain U.S. Foreign Tax credits. The tax provision during the six months ended June 30, 2016 was increased by approximately \$1,964 of discrete items, consisting primarily of tax valuation allowances recorded on tax benefits of current year operating losses in certain foreign tax jurisdictions, deficiencies in tax benefits on stock based compensation, and accrued interest on unrecognized tax positions. In addition, during the three months ended June 30, 2016, the Company recorded a pre-tax charge for estimated impairment of goodwill in the amount of \$142,002. The Company recorded a deferred tax benefit of \$27,137 with respect to the portion of impaired goodwill which is deductible for tax purposes (see Note 13 - Goodwill and Intangible Assets for additional details).

The tax provision during the six months ended June 30, 2015 reflects a provision of \$7,735 attributable to discrete items, consisting primarily of a tax provision of \$4,896 due to a gain related to the partial sale of our equity interest in a company located in Australia (see Note 10 - Investments), and increases to tax valuation allowances of \$1,915 on tax benefits of current year losses incurred in certain foreign tax jurisdictions. In addition, as a result of settlement of a tax examination during the first quarter of 2015, the Company recorded a tax benefit due to recognition of previously unrecognized tax positions of \$10,424 which, net of deferred tax benefits and valuation allowances, impacted the effective rate by \$6,776. The Company also reversed accrued interest and penalties on unrecognized tax positions of

\$12,607 which, on a net of tax basis, impacted the effective tax rate by \$8,977. The total benefit reflected in the tax provision in the six months ended June 30, 2015 relating to recognition of previously unrecognized tax positions, and reversals of accrued interest and penalties thereon, was \$15,753. The tax matters relate primarily to allocation of income among tax jurisdictions.

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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) as of June 30, 2016 and December 31, 2015 is recorded on the Company's consolidated balance sheets as long-term income taxes payable of \$36,507 and \$36,348, respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statements of operations and comprehensive income (loss). The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by an amount ranging from \$0 to \$4,000 in the next twelve months due to expirations of statutes of limitations or settlement of tax examinations. The tax matters concerned relate to the allocation of income among jurisdictions and the amount of prior year tax loss carryovers.

17. SEGMENT AND GEOGRAPHIC DATA

The Company conducts business in two reportable segments: Careers-North America and Careers-International. Corporate operating expenses are not allocated to the Company's reportable segments. See Note 1 - Description of Business and Basis of Presentation for a description of our operating segments. The following tables present the Company's operations by reportable segment and by geographic region:

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2016	2015	2016	2015
Revenue				
Careers – North America	\$103,661	\$119,844	\$212,855	\$242,236
Careers – International	47,251	47,886	95,844	98,376
Revenue	\$150,912	\$167,730	\$308,699	\$340,612
Operating (Loss) Income				
Careers – North America	\$(135,666)	\$25,247	\$(116,400)	\$38,585
Careers – International	(7,547)	(10,458)	(11,867)	(25,883)
	(143,213)	14,789	(128,267)	12,702
Corporate expenses	(7,407)	(11,751)	(13,978)	(21,649)
Operating (Loss) Income	\$(150,620)	\$3,038	\$(142,245)	\$(8,947)
Depreciation and Amortization				
Careers – North America	\$7,131	\$7,265	\$14,115	\$14,795
Careers – International	2,851	3,554	5,643	7,095
	9,982	10,819	19,758	21,890
Corporate expenses	248	290	497	709
Depreciation and Amortization	\$10,230	\$11,109	\$20,255	\$22,599
Restructuring and Other Special Charges				
Careers – North America	\$—	\$505	\$—	\$11,562
Careers – International	—	3,869	—	12,316
Corporate expenses	—	1,541	—	2,129
Restructuring and Other Special Charges	\$—	\$5,915	\$—	\$26,007
Goodwill Impairment				
Careers – North America	\$142,002	\$—	\$142,002	\$—
Careers – International	—	—	—	—
Corporate expenses	—	—	—	—
Goodwill Impairment	\$142,002	\$—	\$142,002	\$—
Revenue by Geographic Region (a)				
United States	\$100,999	\$116,018	\$207,387	\$234,477
International	49,913	51,712	101,312	106,135
Revenue	\$150,912	\$167,730	\$308,699	\$340,612

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	June 30, 2016	December 31, 2015
Long-lived Assets by Geographic Region (b)		
United States	\$89,551	\$87,440
International	21,840	22,703
Total Long-Lived Assets	\$111,391	\$110,143

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

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

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

18. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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.

On or about October 12, 2015, TalentBin, Inc., a subsidiary of the Company, was served with notice of a purported consumer class action for allegedly assembling, scoring and sharing candidate profiles in violation of the Fair Credit Reporting Act and the California Investigative Consumer Reporting Agencies Act ("ICRAA"). The lawsuit, entitled Eric Halvorson, et. al., individually and on behalf of all others similarly situated vs. TalentBin, Inc. (Case No. CGC 15 548270), was brought in the Superior Court of the State of California, County of San Francisco. On or about November 2015, the action was removed to the United States District Court, Northern District of California (Case No. 3:15-cv-05166). The Plaintiff seeks injunctive relief, monetary damages, pre- and post-judgment interest, statutory penalties of between \$100 and \$1,000 per violation, punitive damages and other costs and attorney's fees. On February 23, 2016, the ICRAA claims were dismissed voluntarily. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

In July 2016, Guyzar LLC filed suit against the Company for allegedly infringing their Patent No. 5845070 relating to methods for the authentication and preservation of confidential information usable for completing transactions with an internet entity. The lawsuit, entitled Guyzar LLC vs. Monster Worldwide, Inc. (Civil Action No. 2:16-cv-00813) was brought in the United States District Court for the Eastern District of Texas. The Plaintiff seeks injunctive relief, monetary damages, enhanced damages, pre and post judgment interest, attorney's fees and other costs. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

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Leases

The Company leases its facilities and a portion of its capital equipment under operating leases that expire at various dates. Some of the operating leases provide for increasing rents over the terms of the leases and total rent expense under these leases is recognized ratably over the initial renewal period of each lease. The following table presents future minimum lease commitments under non-cancelable operating leases and minimum rentals to be received under non-cancelable subleases at June 30, 2016, excluding discontinued operations:

	Operating Leases	Estimated Sublease Income
2016	\$ 16,425	\$ 2,113
2017	29,433	4,087
2018	26,762	3,979
2019	23,499	3,816
2020	19,787	3,816
Thereafter	42,386	900
	\$ 158,292	\$ 18,711

19. SUBSEQUENT EVENTS

Merger Agreement

On August 8, 2016, the Company, entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Randstad North America, Inc., a Delaware corporation (“Parent”), and Merlin Global Acquisition, Inc., a Delaware corporation and wholly-owned subsidiary of Parent (“Merger Sub”). Pursuant to the terms of the Merger Agreement, Merger Sub will commence a tender offer to purchase all of the issued and outstanding shares of common stock of the Company, par value \$0.001 per share (each a “Share”), at a purchase price of \$3.40 per Share (the “Offer Price”), payable to the holder thereof in cash, without interest and less any applicable withholding taxes (the “Offer”).

Following the consummation of the Offer, Merger Sub will merge with and into the Company (the “Merger”) in accordance with the Merger Agreement and under Section 251(h) of the General Corporation Law of the State of Delaware, and the Company will survive the Merger as a wholly-owned subsidiary of Parent. At the effective time of the Merger (the “Effective Time”), each Share that is not tendered and accepted pursuant to the Offer (other than Shares held by Parent, Merger Sub or the Company or their direct or indirect wholly-owned subsidiaries and Shares held by stockholders who are entitled to demand and who have properly and validly perfected their statutory rights of appraisal) will be converted into the right to receive an amount equal to the Offer Price (the “Merger Consideration”), payable to the holder thereof in cash, without interest and less any applicable withholding taxes.

The obligation of Merger Sub to purchase Shares tendered in the Offer is subject to customary closing conditions, including (i) that the number of Shares validly tendered and not withdrawn in accordance with the terms of the Offer, together with the Shares then-owned by Parent, Merger Sub or any of their respective wholly-owned Subsidiaries, equals at least one Share more than half of the sum of (without duplication) (A) all Shares then outstanding (including all outstanding Company Restricted Shares (as defined in the Merger Agreement)) plus (B) all Shares issuable to holders of the Notes from whom the Company has received duly completed notices of exercise, plus (C) all Shares issuable to holders of Company Stock Options (as defined in the Merger Agreement) and (ii) (A) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (B) the approval of the relevant authority pursuant to Council Regulation 139/2004 of the European Union. The obligations of Parent and Merger Sub to complete the Offer and the Merger are not subject to any financing condition.

The Merger Agreement includes customary termination rights for both the Company and Parent including, among others, in connection with Superior Proposals (as defined in the Merger Agreement). Upon the termination of the Merger Agreement under certain specified circumstances, the Company will be required to pay Parent a termination fee of \$9,000.

The execution of the Merger Agreement will permit the holders of the Company’s Notes to exercise their option to convert their Notes into Shares, and, in the event that the Offer is consummated, the Company will be obligated to

offer to repurchase the Notes, in each case subject to the provisions of the Indenture dated as of October 22, 2014, by and between the Company and Wilmington Trust, National Association, as trustee.

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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 June 30, 2016, and the related consolidated statements of operations and comprehensive income (loss) for the three and six-month periods ended June 30, 2016 and 2015, and cash flows for the six-month periods ended June 30, 2016 and 2015 included in the accompanying Securities and Exchange Commission Form 10-Q for the period ended June 30, 2016. These interim financial statements are the responsibility of the Company’s management.

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

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

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board, the consolidated balance sheet of Monster Worldwide, Inc. as of December 31, 2015, 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 11, 2016 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, 2015 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
August 9, 2016

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We make forward-looking statements in this report and in other reports and proxy statements that we file with the Securities and Exchange Commission (the “SEC”). Except for historical information contained herein, the statements made in this report constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such forward-looking statements involve certain risks and uncertainties, including statements regarding our strategic direction, prospects and future results. Certain factors, including factors outside of our control, may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, among other things, uncertainties related to the acquisition of the Company by Randstad North America, Inc., including the timing of completion of the proposed transaction, the ability to obtain requisite regulatory approvals, the tender of a majority of the outstanding shares of common stock of Monster Worldwide, Inc., the possibility that competing offers will be made and the satisfaction or waiver of the other conditions to the consummation of the proposed transaction, the potential impact of the announcement or consummation of the proposed transaction on relationships, including with employees, suppliers and customers; the global economic and financial market environment; competition; risks relating to our foreign operations; our ability to maintain and enhance the value of our brands, particularly Monster; risks related to our strategy; fluctuations in our quarterly operating results; our ability to adapt to rapid developments in technology; our ability to continue to develop and enhance our information technology systems; concerns related to our 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; risks associated with cuts in government spending; the risk that acquisitions or partnerships may not achieve the expected benefits to us; our ability to attract and retain talented employees, including senior management; potential write-downs if our goodwill or amortizable intangible assets become impaired; adverse determinations by domestic and/or international taxation authorities related to our estimated tax liabilities; effects of anti-takeover provisions in our organizational documents that could inhibit the acquisition of Monster Worldwide by others; volatility in our stock price; risks associated with government regulation; the outcome of litigation we may become involved in from time to time; risks associated with our convertible senior notes due 2019; and other risks and uncertainties set forth from time to time in our reports and other filings made with the SEC, including under Part I, “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2015.

Overview

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

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

We earned 31% and 29% of our total revenue outside of North America for the quarters ended June 30, 2016 and 2015, respectively. With a local presence in key markets in North America, Europe, and Asia, Monster works by connecting employers with quality job seekers at all levels and by providing searchable jobs and career management resources online. For the employer, our goal is to provide the most effective solutions and easiest to use technology to simplify the hiring process and deliver access to our community of job seekers. For job seekers, our purpose is to

improve their careers by providing work-related content, services and advice.

Our services and solutions include: searchable job advertisements; resume database access; recruitment media solutions through our advertising network and partnerships; social job distribution on Twitter and Facebook; display advertising; lead generation; social profile aggregation; and other career-related content. Job seekers can search job advertisements and post their resumes for free on each of our career websites and mobile applications. Employers pay to: advertise available jobs and recruitment related services; search the Monster resume and social databases; and access other career-related services.

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

Merger Agreement

On August 8, 2016, the Company, entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Randstad North America, Inc., a Delaware corporation (“Parent”), and Merlin Global Acquisition, Inc., a Delaware corporation and wholly-owned subsidiary of Parent (“Merger Sub”). Pursuant to the terms of the Merger Agreement, Merger Sub will commence a tender offer to purchase all of the issued and outstanding shares of common stock of the Company, par value \$0.001 per share (each a “Share”), at a purchase price of \$3.40 per Share (the “Offer Price”), payable to the holder thereof in cash, without interest and less any applicable withholding taxes (the “Offer”).

Following the consummation of the Offer, Merger Sub will merge with and into the Company (the “Merger”) in accordance with the Merger Agreement and under Section 251(h) of the General Corporation Law of the State of Delaware, and the Company will survive the Merger as a wholly-owned subsidiary of Parent. At the effective time of the Merger (the “Effective Time”), each Share that is not tendered and accepted pursuant to the Offer (other than Shares held by Parent, Merger Sub or the Company or their direct or indirect wholly-owned subsidiaries and Shares held by stockholders who are entitled to demand and who have properly and validly perfected their statutory rights of appraisal) will be converted into the right to receive an amount equal to the Offer Price (the “Merger Consideration”), payable to the holder thereof in cash, without interest and less any applicable withholding taxes.

The obligation of Merger Sub to purchase Shares tendered in the Offer is subject to customary closing conditions, including (i) that the number of Shares validly tendered and not withdrawn in accordance with the terms of the Offer, together with the Shares then-owned by Parent, Merger Sub or any of their respective wholly-owned Subsidiaries, equals at least one Share more than half of the sum of (without duplication) (A) all Shares then outstanding (including all outstanding Company Restricted Shares (as defined in the Merger Agreement)) plus (B) all Shares issuable to holders of the Notes from whom the Company has received duly completed notices of exercise, plus (C) all Shares issuable to holders of Company Stock Options (as defined in the Merger Agreement) and (ii) (A) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (B) the approval of the relevant authority pursuant to Council Regulation 139/2004 of the European Union. The obligations of Parent and Merger Sub to complete the Offer and the Merger are not subject to any financing condition.

The Merger Agreement includes customary termination rights for both the Company and Parent including, among others, in connection with Superior Proposals (as defined in the Merger Agreement). Upon the termination of the Merger Agreement under certain specified circumstances, the Company will be required to pay Parent a termination fee of \$9.0 million.

The execution of the Merger Agreement will permit the holders of the Company’s Notes to exercise their option to convert their Notes into Shares, and, in the event that the Offer is consummated, the Company will be obligated to offer to repurchase the Notes, in each case subject to the provisions of the Indenture dated as of October 22, 2014, by and between the Company and Wilmington Trust, National Association, as trustee.

Constant Currency Presentation

Revenue from our international operations has historically represented, and we expect will continue to represent, a significant portion of our business. As a result, our revenue has been impacted, and we expect will continue to be impacted, by fluctuations in foreign currency exchange rates. In order to provide a framework for assessing how our consolidated and Careers-International operating results performed excluding the impact of foreign currency fluctuations, we additionally present the year-over-year percentage changes on a constant currency basis, which assumes no change in the exchange rate from the prior-year period. This constant currency is provided in addition to, and not as a substitute for, the year-over-year percentage changes on an as-reported basis.

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RESULTS OF OPERATIONS

Consolidated operating results as a percentage of revenue are as follows (excluding discontinued operations):

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Salaries and related	51.9 %	50.9 %	50.7 %	51.3 %
Office and general	29.4 %	25.6 %	27.9 %	25.8 %
Marketing and promotion	22.1 %	18.1 %	20.4 %	17.9 %
Goodwill impairment	94.1 %	— %	46.0 %	— %
Impairment of indefinite lived intangible assets	2.3 %	— %	1.1 %	— %
Restructuring and other special charges	— %	3.5 %	— %	7.6 %
Total operating expenses	199.8 %	98.2 %	146.1 %	102.6 %
Operating (loss) income	(99.8)%	1.8 %	(46.1)%	(2.6)%
Gain on partial sale of equity method investment	— %	— %	— %	2.6 %
Interest and other, net	(1.9)%	(2.0)%	(2.1)%	(1.9)%
Loss before income taxes and (loss) income in equity interests, net	(101.7)%	(0.2)%	(48.2)%	(2.0)%
(Benefit from) provision for income taxes	(19.5)%	1.1 %	(8.5)%	(3.6)%
(Loss) income in equity interests, net	— %	0.2 %	0.1 %	— %
(Loss) income from continuing operations	(82.3)%	(1.1)%	(39.6)%	1.6 %

The Three Months Ended June 30, 2016 Compared to the Three Months Ended June 30, 2015

Consolidated Revenue, Operating Expenses, Operating (Loss) Income, Cash EBITDA and Adjusted EBITDA

Consolidated revenue, operating expenses, operating (loss) income, Cash EBITDA and Adjusted EBITDA are as follows (excluding discontinued operations)(dollars in thousands):

	Three months ended June 30,					
	2016	% of Revenue	2015	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	\$ 150,912	100.0 %	\$ 167,730	100.0 %	\$(16,818)	(10.0)%
Salaries and related	78,317	51.9 %	85,363	50.9 %	(7,046)	(8.3)%
Office and general	44,387	29.4 %	42,998	25.6 %	1,389	3.2 %
Marketing and promotion	33,426	22.1 %	30,416	18.1 %	3,010	9.9 %
Goodwill impairment	142,002	94.1 %	—	— %	142,002	na
Impairment of indefinite lived intangible assets	3,400	2.3 %	—	— %	3,400	na
Restructuring and other special charges	—	— %	5,915	3.5 %	(5,915)	(100.0)%
Total operating expenses	301,532	199.8 %	164,692	98.2 %	136,840	83.1 %
Operating (loss) income	\$(150,620)	(99.8)%	\$ 3,038	1.8 %	\$(153,658)	(5,057.9)%
Cash EBITDA	\$ 6,984	4.6 %	\$ 17,760	10.6 %	\$(10,776)	(60.7)%
Adjusted EBITDA	\$ 9,178	6.1 %	\$ 25,675	15.3 %	\$(16,497)	(64.3)%

Our consolidated revenue decreased by \$16.8 million (10.0%, 9.8% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. Our Careers-North America segment experienced a decrease of \$16.2 million (13.5%) primarily due to declines in the enterprise, mid market, e-commerce and newspaper channels. Our Careers-International segment decreased \$0.6 million (1.3%, 0.9% on a constant currency basis).

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Salaries and related expenses decreased \$7.0 million (8.3%, 7.8% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. This decrease in salaries and related expenses resulted primarily from decreased stock based compensation, decreased variable compensation and a separation charge of \$2.0 million incurred in the second quarter of 2015 which was not incurred during the second quarter of 2016.

Office and general expenses increased \$1.4 million (3.2%, 4.0% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. This increase in office and general expenses resulted primarily from increased consulting fees, partially offset by decreased depreciation expense.

Marketing and promotion expenses increased \$3.0 million (9.9%, 10.7% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. During the second quarter, the Company made strategic investments to increase Monster's brand presence in Europe.

On August 8, 2016, the Company entered into a merger agreement that provides for the Company to be merged with a subsidiary of another company in a transaction in which the Company's shareholders will receive approximately \$329 million for all of the equity interests in the Company, subject to customary closing conditions. The sale is expected to be finalized in the fourth quarter of 2016. In consideration of the recent decline in the Company's market capitalization, recent operating results, and the implications the agreed-upon sales price had on the valuation of goodwill, the Company recognized an estimated pre-tax impairment charge of \$142.0 million during the second quarter of 2016. The Company recognized the estimated impairment charge in the Careers-North America reporting unit. The Company will complete a formal impairment analysis in accordance with ASC 350, Intangibles - Goodwill and Other, during the third quarter of 2016 and recognize any adjustments to the estimated impairment charge at that time. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q for further details. In addition, an impairment charge of \$3.4 million related to two indefinite-lived intangibles assets was recognized during the second quarter of 2016. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

We incurred \$5.9 million of restructuring and other special charges in the second quarter of 2015, comprised mainly of severance costs as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. No charges were incurred in 2016 relating to this program.

Our consolidated operating loss was \$150.6 million in the second quarter of 2016, compared to operating income of \$3.0 million in the second quarter of 2015, as a result of the factors discussed above.

Our consolidated Cash EBITDA and Adjusted EBITDA were \$7.0 million and \$9.2 million in the second quarter of 2016, respectively, compared to consolidated Cash EBITDA and Adjusted EBITDA of \$17.8 million and \$25.7 million in the same period of 2015, respectively, as a result of the factors discussed above. See Reconciliation of Non-GAAP Financial Measures to GAAP Measures following the discussion of our results of operations for definitions and a reconciliation from our loss from continuing operations to Cash EBITDA and Adjusted EBITDA. Careers-North America

The operating results of our Careers-North America segment are as follows (dollars in thousands):

	Three months ended June 30,					
	2016	% of Revenue	2015	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	\$103,661	100.0 %	\$119,844	100.0 %	\$(16,183)	(13.5) %
Salaries and related	50,316	48.5 %	50,484	42.1 %	(168)	(0.3) %
Office and general	26,671	25.7 %	25,761	21.5 %	910	3.5 %
Marketing and promotion	16,938	16.3 %	17,847	14.9 %	(909)	(5.1) %
Goodwill impairment	142,002	137.0 %	—	—	142,002	na
Impairment of indefinite lived intangible assets	3,400	3.3 %	—	—	3,400	na
Restructuring and other special charges	—	—	505	0.4 %	(505)	(100.0) %
Total operating expenses	239,327	230.9 %	94,597	78.9 %	144,730	153.0 %
Operating (loss) income	\$(135,666)	(130.9) %	\$25,247	21.1 %	\$(160,913)	(637.4) %

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Our Careers-North America segment revenue decreased \$16.2 million (13.5%) in the second quarter of 2016 compared to the same period of 2015. The decrease in the Careers-North America segment is primarily due to declines in the enterprise, mid-market, e-commerce and newspaper channels. Our commercial channels have been negatively impacted by increased price/value competition leading to churn in the account base, particularly among those customers where we do not have a deep multi-product relationship.

Salaries and related expenses were essentially flat in the second quarter of 2016 compared to the same period of 2015. Office and general expenses increased \$0.9 million (3.5%) in the second quarter of 2016 compared to the same period of 2015. This increase in office and general expenses resulted primarily from \$0.5 million of increased support costs. Marketing and promotion expenses decreased \$0.9 million (5.1%) in the second quarter of 2016 compared to the same period of 2015. During the second quarter, the Company was able to reduce marketing spend while driving quality traffic.

On August 8, 2016, the Company entered into a merger agreement that provides for the Company to be merged with a subsidiary of another company in a transaction in which the Company's shareholders will receive approximately \$329 million for all of the equity interests in the Company, subject to customary closing conditions. The sale is expected to be finalized in the fourth quarter of 2016. In consideration of the recent decline in the Company's market capitalization, recent operating results, and the implications the agreed-upon sales price had on the valuation of goodwill, the Company recognized an estimated pre-tax impairment charge of \$142.0 million during the second quarter of 2016. The Company recognized the estimated impairment charge in the Careers-North America reporting unit. The Company will complete a formal impairment analysis in accordance with ASC 350, Intangibles - Goodwill and Other, during the third quarter of 2016 and recognize any adjustments to the estimated impairment charge at that time. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q for further details. In addition, an impairment charge of \$3.4 million related to two indefinite-lived intangibles assets was recognized during the second quarter of 2016. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Our Careers-North America segment incurred \$0.5 million of restructuring and other special charges in the second quarter of 2015, comprised mainly of severance costs as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. No charges were incurred in 2016 relating to this program.

Our Careers-North America segment's operating loss was \$135.7 million in the second quarter of 2016, compared to operating income of \$25.2 million in the second quarter of 2015, as a result of the factors described above.

Careers-International

The operating results of our Careers - International segment are as follows (excluding discontinued operations)(dollars in thousands):

	Three months ended June 30,					
	2016	% of Revenue	2015	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	\$47,251	100.0 %	\$47,886	100.0 %	\$ (635)	(1.3) %
Salaries and related	25,425	53.8 %	27,360	57.1 %	(1,935)	(7.1) %
Office and general	12,888	27.3 %	14,551	30.4 %	(1,663)	(11.4) %
Marketing and promotion	16,485	34.9 %	12,564	26.2 %	3,921	31.2 %
Restructuring and other special charges	—	— %	3,869	8.1 %	(3,869)	(100.0) %
Total operating expenses	54,798	116.0 %	58,344	121.8 %	(3,546)	(6.1) %
Operating loss	\$(7,547)	(16.0) %	\$(10,458)	(21.8) %	\$ 2,911	(27.8) %

Our Careers-International segment revenue decreased \$0.6 million (1.3%, 0.9% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015, primarily due to decreases in the Asia Pacific region. Europe was essentially flat on both an actual and constant currency basis. We continue to see increased traction of our new products in Europe, and have made strides increasing our market competitiveness throughout the region.

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Salaries and related expenses decreased \$1.9 million (7.1%, 6.3% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. The decrease in salaries and related expenses on a constant currency basis resulted primarily from \$1.0 million of decreased variable compensation and decreased stock based compensation.

Office and general expenses decreased \$1.7 million (11.4%, 9.9% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. The decrease in office and general expenses on a constant currency basis resulted primarily from \$0.7 million of decreased depreciation expense and \$0.5 million of decreased occupancy costs and professional fees.

Marketing and promotion expenses increased \$3.9 million (31.2%, 32.8% on a constant currency basis) in the second quarter of 2016 compared to the same period of 2015. During the second quarter, the Company made strategic investments to increase Monster's brand presence in Europe through increased marketing in a number of our key markets, specifically the United Kingdom and Germany, where there is near-term opportunity to accelerate business with stronger customer performance.

Our Careers-International segment incurred \$3.9 million of restructuring and other special charges in the second quarter of 2016, comprised mainly of severance costs as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. No charges were incurred in 2016 relating to this program.

Our Careers-International operating loss was \$7.5 million in the second quarter of 2016, compared to an operating loss of \$10.5 million in the second quarter of 2015, as a result of the factors discussed above.

Interest and other, net

Interest and other, net, for the three months ended June 30, 2016 and 2015 resulted in an expense of \$2.9 million and \$3.4 million, respectively. Interest and other, net, primarily relates to interest expense on the Company's outstanding debt, amortization of the debt discount on our 3.50% convertible senior notes due 2019, interest income associated with the Company's various investments and foreign currency gains or losses.

Income Taxes

Income taxes are as follows (excluding discontinued operations)(dollars in thousands):

	Three months ended June 30,			
	2016	2015	Change in Dollars	Percentage Change
Loss before income taxes and income in equity interests	\$(153,549)	\$(371)	\$(153,178)	(41,287.9)%
(Benefit from) provision for income taxes	\$(29,435)	\$1,819	\$(31,254)	1,718.2 %
Effective tax rate	19.2	% (490.3)%		

The (benefit from) provision for income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the geographic mix of earnings in various tax jurisdictions and the applicable rates. Our interim provision for income taxes is measured using an estimated annual effective tax rate, adjusted for discrete items that occur within the periods presented. The tax effect of discrete items is recorded in the quarter in which they occur. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates, increases in recorded valuation allowances on our deferred tax assets, or changes in tax laws or interpretations thereof.

Our effective tax rate differs from the Federal United States statutory tax rate of 35% due to accrual of state taxes, non-deductible expenses, foreign earnings and losses taxed at different rates, accrual of interest on tax liabilities, and the effect of valuation allowances on deferred tax assets. Due to operating losses in certain international markets, particularly Europe, we continue to incur losses in jurisdictions with tax rates lower than the United States, or losses for which full valuation allowances are recorded on deferred tax benefits. Accordingly, our effective tax rate is generally higher relative to the statutory rate of 35%.

The tax provision during the quarter ended June 30, 2016 was increased by approximately \$1.4 million of discrete items, consisting primarily of tax deficiencies on stock based compensation and accrued interest on unrecognized tax

positions. In

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addition, during the second quarter of 2016, the Company recorded a pre-tax charge for estimated impairment of goodwill in the amount of \$142.0 million. The Company recorded a deferred tax benefit of \$27.1 million with respect to the portion of impaired goodwill which is deductible for tax purposes. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

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) as of June 30, 2016 and December 31, 2015 is recorded on the Company's consolidated balance sheet as long-term income taxes payable of \$36.5 million and \$36.3 million, respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statements of operations and comprehensive income (loss). The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by an amount ranging from \$0 to \$4 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 amount of prior year tax loss carryovers.

(Loss) income in equity interests, net

(Loss) income in equity interests, net, for the three months ended June 30, 2016 was essentially break-even compared to income of \$0.3 million for the same period of 2015. See Note 10 - Investments in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Effective January 3, 2014, the Company had a 15% equity investment in Alma Career Oy, a joint venture with Alma Media Corporation. On October 1, 2015, the Company exercised its option to increase ownership in Alma Career Oy, contributing cash of \$2.4 million, resulting in a 16.7% equity investment in the entity.

In February 2016, the Company formed a joint venture with kununu GmbH, a subsidiary of XING AG. kununu GmbH is the European leader in providing employer transparency through ratings, reviews, and employer branding. The Company has a 50% ownership interest in the joint venture and accounts for its investment under the equity method of accounting.

Through March 31, 2015, the Company had a 50% interest in a company in Australia. On March 31, 2015, the Company sold the majority of its interest, leaving the Company with a 10% interest. As a result, the Company no longer has the ability to exert significant influence. Therefore, effective March 31, 2015, the 10% interest retained by the Company is being accounted for under the cost method.

Net income attributable to noncontrolling interest

In December 2013, the Company sold a 49.99% interest in JobKorea, its then-wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of \$90 million. Based on the terms of the agreement, since the Company maintained a controlling interest in the subsidiary, the Company continued to consolidate the results of JobKorea in its consolidated financial statements. On October 13, 2015, the Company sold its remaining 50.01% ownership position in JobKorea to H&Q Korea for KRW 101 billion, or approximately \$85 million. The noncontrolling interest's share of net income was \$1.2 million for the three months ended June 30, 2015.

Income from discontinued operations, net of tax

As discussed above, the Company sold its remaining 50.01% ownership position in JobKorea to H&Q Korea on October 13, 2015. The sale is consistent with Monster's continued strategy of unlocking value and sharpening its focus on the Company's core online recruitment platform. For the three months ended June 30, 2016 and 2015, the Company reported income from discontinued operations, net of tax, of \$0 and \$2.0 million, respectively. See Note 7 - Discontinued Operations in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Net (loss) income attributable to Monster Worldwide, Inc.

As a result of the factors discussed above, our consolidated net loss was \$124.2 million for the three months ended June 30, 2016, compared to net income of \$0.1 million for the same period of 2015. Net loss attributable to Monster Worldwide, Inc. was \$124.2 million for the three months ended June 30, 2016, compared to a net loss of \$1.0 million for the same period of 2015.

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Diluted loss per share attributable to Monster Worldwide, Inc.

Diluted loss per share attributable to Monster Worldwide, Inc. was \$1.40 for the three months ended June 30, 2016, compared to \$0.01 for the same period of 2015. Diluted loss per share from continuing operations was \$1.40 for the three months ended June 30, 2016, compared to \$0.02 for the same period of 2015. Diluted weighted average shares outstanding for the three months ended June 30, 2016 and 2015 was 88.7 million shares and 90.1 million shares, respectively.

Reconciliation of Non-GAAP Financial Measures to GAAP Measures

Cash EBITDA is defined as income (loss) from continuing operations or net income (loss), as applicable, before income (loss) in equity interests, net, provision for (benefit from) income taxes, interest and other, net, gain on partial sale of equity method investment, depreciation, amortization, non-cash compensation expense, non-cash charges related to the Company's restructuring programs and non-cash impairment charges.

Adjusted EBITDA is defined as income (loss) from continuing operations or net income (loss), as applicable, before income (loss) in equity interests, net, provision for (benefit from) income taxes, interest and other, net, gain on partial sale of equity method investment, depreciation, amortization, non-cash compensation expense, non-cash impairment charges, costs incurred with the Company's restructuring programs, certain management advisory fees and separation charges.

The Company considers Cash EBITDA and Adjusted EBITDA to be important indicators of its operational strength which the Company believes are useful to management and investors in evaluating its operating performance. Cash EBITDA and Adjusted EBITDA are non-GAAP measures and may not be comparable to similarly titled measures reported by other companies.

We do not consider Cash EBITDA or Adjusted EBITDA in isolation or as alternatives to financial measures determined in accordance with GAAP. The principal limitation of Cash EBITDA and Adjusted EBITDA is that they exclude certain expenses and income that are required by GAAP to be recorded in our consolidated financial statements. In addition, Cash EBITDA and Adjusted EBITDA are subject to inherent limitations as these metrics reflect the exercise of judgment by management about which expenses and income are excluded or included in determining Cash EBITDA and Adjusted EBITDA. In order to compensate for these limitations, management presents Cash EBITDA and Adjusted EBITDA in connection with GAAP results.

A reconciliation of loss from continuing operations to Cash EBITDA and Adjusted EBITDA is as follows (dollars in thousands):

	Three months ended	
	June 30,	2015
	2016	2015
Loss from continuing operations	\$(124,155)	\$(1,898)
Loss (income) in equity interests, net	41	(292)
(Benefit from) provision for income taxes	(29,435)	1,819
Interest and other, net	2,929	3,409
Impairment of indefinite-lived intangible assets	3,400	—
Goodwill impairment	142,002	—
Depreciation expense	9,558	10,442
Stock based compensation expense	1,972	3,613
Amortization of intangibles	672	667
Cash EBITDA	6,984	17,760
Management advisory fees ⁽¹⁾	2,194	—
Separation charges ⁽²⁾	—	2,000
Restructuring and other special charges, less non-cash items ⁽³⁾	—	5,915
Adjusted EBITDA	\$9,178	\$25,675

(1)

The Company incurred \$2.2 million of management advisory fees in the second quarter of 2016. The engagement ended during the second quarter and no additional fees are expected in future periods.

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- (2) The Company incurred \$2.0 million of separation charges during the second quarter of 2015 in connection with the resignation of the Company's former Chief Executive Officer.

- (3) On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's strategy. The "Reallocate to Accelerate" initiatives included a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. The Company incurred \$5.9 million of restructuring costs during the second quarter of 2015 related to this program. No charges related to these initiatives were recognized in 2016, and the Company does not expect to incur additional charges in future periods related to this program.

The Six Months Ended June 30, 2016 Compared to the Six Months Ended June 30, 2015

Consolidated Revenue, Operating Expenses, Operating Loss, Cash EBITDA and Adjusted EBITDA

Consolidated revenue, operating expenses, operating loss, Cash EBITDA and Adjusted EBITDA are as follows (excluding discontinued operations)(dollars in thousands):

	Six months ended June 30,					Increase (Decrease)	% Increase (Decrease)
	2016	% of Revenue		2015	% of Revenue		
Revenue	\$308,699	100.0 %	\$340,612	100.0 %	\$ (31,913)	(9.4)%	
Salaries and related	156,466	50.7 %	174,713	51.3 %	(18,247)	(10.4)%	
Office and general	86,168	27.9 %	87,792	25.8 %	(1,624)	(1.8)%	
Marketing and promotion	62,908	20.4 %	61,047	17.9 %	1,861	3.0 %	
Restructuring and other special charges	—	— %	26,007	7.6 %	(26,007)	(100.0)%	
Impairment of indefinite lived intangible assets	3,400	1.1 %	—	— %	3,400	na	
Goodwill impairment	142,002	46.0 %	—	— %	142,002	na	
Total operating expenses	450,944	146.1 %	349,559	102.6 %	101,385	29.0 %	
Operating loss	\$(142,245)	(46.1)%	\$(8,947)	(2.6)%	\$(133,298)	1,489.9 %	
Cash EBITDA	26,463	8.6 %	25,896	7.6 %	567	2.2 %	
Adjusted EBITDA	30,632	9.9 %	49,677	14.6 %	(19,045)	(38.3)%	

Our consolidated revenue decreased by \$31.9 million (9.4%, 8.6% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. Our Careers-North America segment experienced a decrease of \$29.4 million (12.1%) primarily due to declines in the enterprise, mid-market, e-commerce channels, and newspaper channels, partially offset by growth in our healthcare channel. Our Careers-International segment decreased \$2.5 million (2.6%, 0.4% on a constant currency basis).

Salaries and related expenses decreased \$18.2 million (10.4%, 9.5% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. This decrease in salaries and related expenses resulted primarily from decreased regular salary and other headcount related costs as a result of our "Reallocate to Accelerate" program announced on February 10, 2015, a separation charge of \$2.0 million incurred in the second quarter of 2015 which was not incurred during 2016, and decreased variable compensation and stock based compensation.

Office and general expenses decreased \$1.6 million (1.8%, 0.8% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. This decrease in office and general expenses resulted primarily from decreased depreciation expense and an across the board expense reduction, partially offset by increased professional fees.

Marketing and promotion expenses increased \$1.9 million (3.0%, 4.6% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. During the first six months of 2016, the Company made strategic investments to increase Monster's brand presence in Europe, partially offset by efficiencies in North America.

On August 8, 2016, the Company entered into a merger agreement that provides for the Company to be merged with a subsidiary of another company in a transaction in which the Company's shareholders will receive approximately \$329 million for all of the equity interests in the Company, subject to customary closing conditions. The sale is expected to

be finalized in the fourth quarter of 2016. In consideration of the recent decline in the Company's market capitalization, recent operating

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results, and the implications the agreed-upon sales price had on the valuation of goodwill, the Company recognized an estimated pre-tax impairment charge of \$142.0 million during the second quarter of 2016. The Company recognized the estimated impairment charge in the Careers-North America reporting unit. The Company will complete a formal impairment analysis in accordance with ASC 350, Intangibles - Goodwill and Other, during the third quarter of 2016 and recognize any adjustments to the estimated impairment charge at that time. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q for further details. In addition, an impairment charge of \$3.4 million related to two indefinite-lived intangibles assets was recognized during the second quarter of 2016. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

We incurred \$26.0 million of restructuring and other special charges in the first six months of 2015, comprised mainly of severance costs, lease exit costs, and impairment of certain assets as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. No charges were incurred in 2016 relating to this program.

Our consolidated operating loss was \$142.2 million in the first six months of 2016, compared to an operating loss of \$8.9 million in same period of 2015, as a result of the factors discussed above.

Our consolidated Cash EBITDA and Adjusted EBITDA were \$26.5 million and \$30.6 million in the first six months of 2016, respectively, compared to consolidated Cash EBITDA and Adjusted EBITDA of \$25.9 million and \$49.7 million in the same period of 2015, respectively, as a result of the factors discussed above. See Reconciliation of Non-GAAP Financial Measures to GAAP Measures following the discussion of our results of operations for definitions and a reconciliation from our (loss) income from continuing operations to Cash EBITDA and Adjusted EBITDA.

Careers-North America

The operating results of our Careers-North America segment are as follows (dollars in thousands):

	Six months ended June 30,						Increase (Decrease)	% Increase (Decrease)
	2016	% of Revenue	2015	% of Revenue				
Revenue	\$212,855	100.0 %	\$242,236	100.0 %	\$ (29,381)	(12.1)%		
Salaries and related	99,820	46.9 %	104,581	43.2 %	(4,761)	(4.6)%		
Office and general	52,053	24.5 %	52,498	21.7 %	(445)	(0.8)%		
Marketing and promotion	31,980	15.0 %	35,010	14.5 %	(3,030)	(8.7)%		
Restructuring and other special charges	—	— %	11,562	4.8 %	(11,562)	(100.0)%		
Impairment of indefinite lived intangible assets	3,400	1.6 %	—	— %	3,400	na		
Goodwill impairment	142,002	66.7 %	—	— %	142,002	na		
Total operating expenses	329,255	154.7 %	203,651	84.1 %	125,604	61.7 %		
Operating (loss) income	\$(116,400)	(54.7)%	\$38,585	15.9 %	\$(154,985)	(401.7)%		

Our Careers-North America segment revenue decreased \$29.4 million (12.1%) in the first six months of 2016 compared to the same period of 2015. The decrease is primarily due to declines in the enterprise, mid-market, e-commerce channels, and newspaper channels, partially offset by growth in our healthcare channel. Our commercial channels have been negatively impacted by increased price/value competition leading to churn in the account base, particularly among those customers where we do not have a deep multi-product relationship.

Salaries and related expenses decreased \$4.8 million (4.6%) in the first six months of 2016 compared to the same period of 2015. This decrease in salaries and related expenses resulted primarily from \$2.1 million of decreased stock based compensation and \$2.6 million of decreased variable compensation.

Office and general expenses were essentially flat in the first six months of 2016 compared to the same period of 2015. Marketing and promotion expenses decreased \$3.0 million (8.7%) in the first six months of 2016 compared to the same period of 2015. During the first six months, the Company was able to reduce marketing spend while driving quality traffic, in addition to delivering a campaign focused on small and medium sized businesses ("SMBs").

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On August 8, 2016, the Company entered into a merger agreement that provides for the Company to be merged with a subsidiary of another company in a transaction in which the Company's shareholders will receive approximately \$329 million for all of the equity interests in the Company, subject to customary closing conditions. The sale is expected to be finalized in the fourth quarter of 2016. In consideration of the recent decline in the Company's market capitalization, recent operating results, and the implications the agreed-upon sales price had on the valuation of goodwill, the Company recognized an estimated pre-tax impairment charge of \$142.0 million during the second quarter of 2016. The Company recognized the estimated impairment charge in the Careers-North America reporting unit. The Company will complete a formal impairment analysis in accordance with ASC 350, Intangibles - Goodwill and Other, during the third quarter of 2016 and recognize any adjustments to the estimated impairment charge at that time. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q for further details. In addition, an impairment charge of \$3.4 million related to two indefinite-lived intangibles assets was recognized during the second quarter of 2016. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Our Careers-North America segment incurred \$11.6 million of restructuring and other special charges in the first six months of 2015, comprised mainly of severance costs, lease exit costs, and impairment of certain assets as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. No charges were incurred in 2016 relating to this program.

Our Careers-North America segment's operating loss was \$116.4 million in the first six months of 2016, compared to operating income of \$38.6 million in the same period of 2015, as a result of the factors described above.

Careers-International

The operating results of our Careers - International segment are as follows (excluding discontinued operations)(dollars in thousands):

	Six months ended June 30,					
	2016	% of Revenue	2015	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	\$95,844	100.0 %	\$98,376	100.0 %	\$(2,532)	(2.6) %
Salaries and related	51,349	53.6 %	56,906	57.8 %	(5,557)	(9.8) %
Office and general	25,440	26.5 %	29,010	29.5 %	(3,570)	(12.3) %
Marketing and promotion	30,922	32.3 %	26,027	26.5 %	4,895	18.8 %
Restructuring and other special charges	—	— %	12,316	12.5 %	(12,316)	(100.0) %
Total operating expenses	107,711	112.4 %	124,259	126.3 %	(16,548)	(13.3) %
Operating loss	\$(11,867)	(12.4) %	\$(25,883)	(26.3) %	\$(14,016)	(54.2) %

Our Careers-International segment revenue decreased \$2.5 million (2.6%, 0.4% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015 with Europe decreasing 1.1% (increase of 0.4% on a constant currency basis). The revenue increases in Europe at constant currency primarily related to the United Kingdom, Italy and the Netherlands.

Salaries and related expenses decreased \$5.6 million (9.8%, 7.6% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. The decrease in salaries and related expenses on a constant currency basis resulted primarily from \$1.6 million in decreased regular salary and other headcount related costs due to headcount reductions as a result of our "Reallocate to Accelerate" program announced on February 10, 2015 and \$1.8 million of decreased stock based compensation.

Office and general expenses decreased \$3.6 million (12.3%, 10.0% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. The decrease in office and general expenses on a constant currency basis resulted primarily from decreased depreciation expense and occupancy costs of \$1.3 million and \$0.9 million, respectively.

Marketing and promotion expenses increased \$4.9 million (18.8%, 22.1% on a constant currency basis) in the first six months of 2016 compared to the same period of 2015. During the first six months of 2016, the Company made strategic investments to increase Monster's brand presence in Europe.

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Our Careers-International segment incurred \$12.3 million of restructuring and other special charges in the first six months of 2015, comprised mainly of severance costs as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. No charges were incurred in 2016 relating to this program.

Our Careers-International operating loss was \$11.9 million in the first six months of 2016, compared to an operating loss of \$25.9 million in the same period of 2015, as a result of the factors discussed above.

Gain on partial sale of equity method investment

During the first quarter of 2015, the Company sold the majority of its 50% interest in a company located in Australia, leaving the Company with a 10% interest. Total cash received from the transaction was \$9.1 million, and the sale resulted in the recognition of a pre-tax gain of \$8.8 million in the six month period ended June 30, 2015. See Note 10 - Investments in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Interest and other, net

Interest and other, net, for the six months ended June 30, 2016 and 2015 resulted in an expense of \$6.4 million and \$6.6 million, respectively. Interest and other, net, primarily relates to interest expense on the Company's outstanding debt, amortization of the debt discount on our 3.50% convertible senior notes due 2019, interest income associated with the Company's various investments and foreign currency gains or losses.

Income Taxes

Income taxes are as follows (excluding discontinued operations)(dollars in thousands):

	Six months ended June 30,			
	2016	2015	Change in Dollars	Percentage Change
Loss before income taxes and income in equity interests	\$(148,651)	\$(6,713)	\$(141,938)	2,114.4 %
Benefit from income taxes	\$(26,128)	\$(12,126)	\$(14,002)	115.5 %
Effective tax rate	17.6	% 180.6	%	

The provision for (benefit from) income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the geographic mix of earnings in various tax jurisdictions and the applicable rates. Our interim provision for income taxes is measured using an estimated annual effective tax rate, adjusted for discrete items that occur within the periods presented. The tax effect of discrete items is recorded in the quarter in which they occur. Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates, increases in recorded valuation allowances on our deferred tax assets, or changes in tax laws or interpretations thereof.

Our effective tax rate differs from the Federal United States statutory tax rate of 35% due to accrual of state taxes, non-deductible expenses, foreign earnings and losses taxed at different rates, accrual of interest on tax liabilities, and the effect of valuation allowances on deferred tax assets. Due to operating losses in certain international markets, particularly Europe, we continue to incur losses in jurisdictions with tax rates lower than the United States, or losses for which full valuation allowances are recorded on deferred tax benefits. Accordingly, our effective tax rate is generally higher relative to the statutory rate of 35%.

The tax provision during the six months ended June 30, 2016 was increased by approximately \$2.0 million of discrete items, consisting primarily of tax valuation allowances recorded on tax benefits of current year operating losses in certain foreign tax jurisdictions, deficiencies on stock based compensation, and accrued interest on unrecognized tax positions. In addition, during the second quarter of 2016, the Company recorded a pre-tax charge for estimated impairment of goodwill in the amount of \$142.0 million. The Company recorded a deferred tax benefit of \$27.1 million with respect to the portion of impaired goodwill which is deductible for tax purposes. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

The tax provision during the six months ended June 30, 2015 was increased by approximately \$7.7 million of discrete items,

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consisting primarily of a tax provision of \$4.9 million due to a gain related to the partial sale of our equity interest in a company located in Australia (see Note 10 - Investments in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q), and increases to tax valuation allowances of \$1.9 million related to tax benefits of current year losses incurred in certain foreign tax jurisdictions. In addition, as a result of settlement of a tax examination during the first quarter of 2015, the Company recorded a tax benefit due to recognition of previously unrecognized tax positions of \$10.4 million which, net of deferred tax benefits and valuation allowances, impacted the effective rate by \$6.8 million. The Company also reversed accrued interest and penalties on unrecognized tax positions of \$12.6 million which, on a net of tax basis, impacted the effective tax rate by \$9.0 million. The total benefit reflected in the tax provision in the quarter ended June 30, 2015 relating to these items was \$15.8 million. The tax matters relate primarily to allocation of income among tax jurisdictions.

The Company is currently under examination by several domestic and international tax authorities, 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) as of June 30, 2016 and December 31, 2015 is recorded on the Company's consolidated balance sheet as long-term income taxes payable of \$36.5 million and \$36.3 million, respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statements of operations and comprehensive income (loss). The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by an amount ranging from \$0 to \$4 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 amount of prior year tax loss carryovers.

Income in equity interests, net

Income in equity interests, net, for the six months ended June 30, 2016 was \$0.2 million compared to \$0.1 million for the same period of 2015. See Note 10 - Investments in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Effective January 3, 2014, the Company had a 15% equity investment in Alma Career Oy, a joint venture with Alma Media Corporation. On October 1, 2015, the Company exercised its option to increase ownership in Alma Career Oy, contributing cash of \$2.4 million, resulting in a 16.7% equity investment in the entity.

In February 2016, the Company formed a joint venture with kununu GmbH, a subsidiary of XING AG. kununu GmbH is the European leader in providing employer transparency through ratings, reviews, and employer branding. The Company has a 50% ownership interest in the joint venture and accounts for its investment under the equity method of accounting.

Through March 31, 2015, the Company had a 50% interest in a company in Australia. On March 31, 2015, the Company sold the majority of its interest, leaving the Company with a 10% interest. As a result, the Company no longer has the ability to exert significant influence. Therefore, effective March 31, 2015, the 10% interest retained by the Company is being accounted for under the cost method.

Net income attributable to noncontrolling interest

In December 2013, the Company sold a 49.99% interest in JobKorea, its then-wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of \$90 million. Based on the terms of the agreement, since the Company maintained a controlling interest in the subsidiary, the Company continued to consolidate the results of JobKorea in its consolidated financial statements. On October 13, 2015, the Company sold its remaining 50.01% ownership position in JobKorea to H&Q Korea for KRW 101 billion, or approximately \$85 million. The noncontrolling interest's share of net income was \$2.2 million for the six months ended June 30, 2015.

Income from discontinued operations, net of tax

As discussed above, the Company sold its remaining 50.01% ownership position in JobKorea to H&Q Korea on October 13, 2015. The sale is consistent with Monster's continued strategy of unlocking value and sharpening its focus on the Company's core online recruitment platform. For the six months ended June 30, 2016 and 2015, the Company reported income from discontinued operations, net of tax, of \$0 and \$3.8 million, respectively. See Note 7 - Discontinued Operations in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

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Net (loss) income attributable to Monster Worldwide, Inc.

As a result of the factors discussed above, our consolidated net loss was \$122.3 million for the six months ended June 30, 2016, compared to net income of \$9.3 million for the same period of 2015. Net loss attributable to Monster Worldwide, Inc. was \$122.3 million for the six months ended June 30, 2016, compared to net income of \$7.1 million for the same period of 2015.

Diluted (loss) earnings per share attributable to Monster Worldwide, Inc.

Diluted loss per share attributable to Monster Worldwide, Inc. was \$1.38 for the six months ended June 30, 2016, compared to diluted earnings per share of \$0.08 for the same period of 2015. Diluted loss per share from continuing operations was \$1.38 for the six months ended June 30, 2016, compared to diluted earnings per share from continuing operations of \$0.06 for the same period of 2015. Diluted weighted average shares outstanding for the six months ended June 30, 2016 and 2015 was 88.8 million shares and 93.2 million shares, respectively.

Reconciliation of Non-GAAP Financial Measures to GAAP Measures

Cash EBITDA is defined as income (loss) from continuing operations or net income (loss), as applicable, before income in equity interests, net, provision for (benefit from) income taxes, interest and other, net, gain on partial sale of equity method investment, depreciation, amortization, non-cash compensation expense, non-cash charges related to the Company's restructuring programs and non-cash impairment charges.

Adjusted EBITDA is defined as income (loss) from continuing operations or net income (loss), as applicable, before income in equity interests, net, provision for (benefit from) income taxes, interest and other, net, gain on partial sale of equity method investment, depreciation, amortization, non-cash compensation expense, non-cash impairment charges, costs incurred with the Company's restructuring programs, certain management advisory fees and separation charges. The Company considers Cash EBITDA and Adjusted EBITDA to be important indicators of its operational strength which the Company believes are useful to management and investors in evaluating its operating performance. Cash EBITDA and Adjusted EBITDA are non-GAAP measures and may not be comparable to similarly titled measures reported by other companies.

We do not consider Cash EBITDA or Adjusted EBITDA in isolation or as alternatives to financial measures determined in accordance with GAAP. The principal limitation of Cash EBITDA and Adjusted EBITDA is that they exclude certain expenses and income that are required by GAAP to be recorded in our consolidated financial statements. In addition, Cash EBITDA and Adjusted EBITDA are subject to inherent limitations as these metrics reflect the exercise of judgment by management about which expenses and income are excluded or included in determining Cash EBITDA and Adjusted EBITDA. In order to compensate for these limitations, management presents Cash EBITDA and Adjusted EBITDA in connection with GAAP results.

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A reconciliation of (loss) income from continuing operations to Cash EBITDA and Adjusted EBITDA is as follows (dollars in thousands):

	Six months ended	
	June 30,	2015
	2016	2015
(Loss) income from continuing operations	\$(122,314)	\$5,485
Income in equity interests, net	(209)	(72)
Benefit from income taxes	(26,128)	(12,126)
Interest and other, net	6,406	6,615
Impairment of indefinite-lived intangible assets	3,400	—
Gain on partial sale of equity method investment	—	(8,849)
Goodwill impairment	142,002	—
Depreciation expense	18,909	21,268
Stock based compensation expense	3,051	8,018
Amortization of intangibles	1,346	1,331
Restructuring non-cash expenses ⁽³⁾	—	4,226
Cash EBITDA	\$26,463	\$25,896
Restructuring and other special charges, less non-cash items ⁽³⁾	—	21,781
Management advisory fees ⁽¹⁾	3,752	—
Separation charges ⁽²⁾	417	2,000
Adjusted EBITDA	\$30,632	\$49,677

(1) The Company incurred \$3.8 million of management advisory fees in the first six months of 2016. The engagement ended during the second quarter and no additional fees are expected in future periods.

(2) The Company incurred \$0.4 million of separation charges in the first six months of 2016 primarily relating to the reorganization of the sales force in North America. During the six months ended June 30, 2015, the Company incurred \$2.0 million of separation charges in connection with the resignation of the Company's former Chief Executive Officer.

(3) On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's strategy. The "Reallocate to Accelerate" initiatives included a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. The Company incurred \$26.0 million of restructuring costs during the first six months of 2015 related to this program (including \$4.2 million of non-cash expenses). No charges related to these initiatives were recognized in the first six months of 2016, and the Company does not expect to incur additional charges in future periods related to this program.

FINANCIAL CONDITION

The following tables detail our cash and cash equivalents (dollars in thousands):

	June 30,	December	Change in	
	2016	31, 2015	Dollars	Percentage
Cash and cash equivalents	\$103,303	\$167,915	\$(64,612)	(38.5)%
Percentage of total assets	11.0	% 14.5	%	

As of June 30, 2016, we had cash and cash equivalents of \$103.3 million compared to \$167.9 million as of December 31, 2015. Our decrease in cash and cash equivalents of \$64.6 million in the first six months of 2016 primarily resulted from \$11.9 million of cash used for operating activities caused in part by a one-time adjustment of working capital to improve the Company's vendor management practices in the first quarter of 2016, \$12.5 million of payments for the acquisition of Jobr, Inc., net of cash acquired, \$20.5 million of capital expenditures, \$3.0 million of cash invested in our joint venture with kununu GmbH, \$9.5 million of cash used to repurchase \$10 million in

aggregate principal amount of our 3.50% convertible notes due 2019, \$5.1 million of payments on borrowings on our term loan, the repurchase of \$3.0 million of the Company's common stock, partially

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offset by a cash dividend of \$1.2 million received from our investment in Alma Career Oy and a \$0.2 million favorable impact of currency on cash and cash equivalents.

Cash Flows

Consolidated cash flows for the six months ended June 30, 2016 and 2015 are as follows (dollars in thousands):

	Six months ended		Change in	
	June 30, 2016	2015	Dollars	Percentage
Net cash (used for) provided by operating activities	\$(11,887)	\$42,807	\$(54,694)	(127.8)%
Net cash used for investing activities	\$(34,465)	\$(6,264)	\$(28,201)	450.2 %
Net cash used for financing activities	\$(18,506)	\$(22,428)	\$3,922	(17.5)%
Effects of exchange rates on cash	\$246	\$(731)	\$977	133.7 %

Cash used for operating activities was \$11.9 million for the six months ended June 30, 2016, a decrease of \$54.7 million from the \$42.8 million of cash provided by operating activities for the six months ended June 30, 2015. This decrease resulted primarily from decreased cash flows of \$32.7 million relating to working capital items caused in part by a one-time adjustment of working capital to improve the Company's vendor management practices in the first quarter of 2016, and a decrease of \$21.9 million in net income when removing the impact of non-cash items and the gain of \$8.8 million related to the sale of a partial equity interest in CareerOne Pty Ltd during the first quarter of 2015. Included in cash provided by operating activities for the six months ended June 30, 2015, is \$6.2 million of cash provided by operating activities related to discontinued operations.

Cash used for investing activities was \$34.5 million for the six months ended June 30, 2016, an increase of \$28.2 million from cash used for investing activities of \$6.3 million for the six months ended June 30, 2015. This increase resulted primarily from \$12.5 million of payments for the acquisition of Jobr, Inc., net of cash acquired in the second quarter of 2016, \$3.0 million of cash invested in our joint venture with kununu GmbH in the first quarter of 2016, \$9.1 million of cash received in the first quarter of 2015 from the sale of a partial equity interest in CareerOne Pty Ltd, increased capital expenditures of \$5.7 million during the first six months of 2016, partially offset by payments for legal fees for defense of our patents of \$2.3 million in the first six months of 2015 which were not incurred during the first six months of 2016. Included in cash used for investing activities for the six months ended June 30, 2015, is \$0.2 million of cash used for investing activities related to discontinued operations.

Cash used for financing activities was \$18.5 million for the six months ended June 30, 2016, a decrease of \$3.9 million from cash used for financing activities of \$22.4 million for the six months ended June 30, 2015. This decrease resulted primarily from a \$10.0 million distribution paid to the minority holder in our former Korean subsidiary during the first six months of 2015 and \$6.1 million of decreased tax withholdings related to vesting of stock awards in the first six months of 2016, partially offset by \$9.5 million of cash used to repurchase \$10 million in aggregate principal amount of our 3.50% convertible notes due 2019 during the first six months of 2016, the repurchase of \$3.0 million of the Company's common stock during the first six months of 2016 compared to no share repurchases in the same period of 2015, and \$0.6 million of increased payments on our term loan in the first six months of 2016.

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; (v) repurchase of our 3.50% convertible senior notes due 2019; and (vi) share repurchases.

During recent periods we have met our liquidity needs primarily through funds provided by operating activities, borrowings under our credit facility and the issuance of convertible notes. We invest our excess cash predominantly in bank money market deposit accounts that mature within three months of their origination date. 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 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

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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.

Credit Facilities

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

The Company is required to make quarterly amortization payments on the outstanding principal amount of the term loans, with \$2.6 million payable on September 30, 2016, \$3.1 million payable on each of December 31, 2016, March 31, 2017, June 30, 2017, and September 30, 2017, and the remaining balance of the term loan due at maturity. The borrowings under the Third Amended Credit Agreement were used to refinance the obligations under the Second Amended Credit Agreement and for general corporate purposes.

Borrowings under the Third Amended Credit Agreement bear interest at a rate equal to either (i) the London Interbank Offered Rate (“LIBOR”) plus a margin ranging from 250 basis points to 325 basis points depending on the Consolidated Leverage Ratio as defined in the Third Amended Credit Agreement or upon the Company’s election (ii) the sum of (A) the highest of (1) the Agent’s prime rate, (2) the sum of 0.50% plus the overnight federal funds rate on such day or (3) LIBOR plus 1.0%, plus (B) a margin ranging from 150 basis points to 225 basis points depending on the Company’s Consolidated Leverage Ratio. In addition, the Company will be required to pay the following fees: (i) a fee on all outstanding amounts of letters of credit at a rate per annum ranging from 250 basis points to 325 basis points (depending on the Consolidated Leverage Ratio); and (ii) a commitment fee on the unused portion of the revolving credit facility at a rate per annum ranging from 35 basis points to 50 basis points (depending on the Consolidated Leverage Ratio).

The Third Amended Credit Agreement contains financial covenants requiring the Company to maintain: (i) a Consolidated Leverage Ratio of no more than 2.75 to 1.00, as of the end of each fiscal quarter ending after the Closing Date through the fiscal quarter ending March 31, 2015, and 2.50 to 1.00, as of the end of the fiscal quarter ending June 30, 2015, and each fiscal quarter ending thereafter; and (ii) a Consolidated Fixed Charge Coverage Ratio, as defined in the Third Amended Credit Agreement, of at least 1.50 to 1.00. The Third Amended Credit Agreement also contains various other negative covenants, including restrictions on incurring indebtedness, creating liens, mergers, dispositions of property, dividends and stock repurchases, acquisitions and other investments and entering into new lines of business. The Third Amended Credit Agreement also contains various affirmative covenants, including covenants relating to the delivery of financial statements and other financial information, maintenance of property, maintenance of insurance, maintenance of books and records, further assurances regarding collateral and compliance with environmental laws. The Third Amended Credit Agreement is secured by substantially all of the Company’s domestic assets, other than real estate and certain other excluded assets. As of June 30, 2016, the Company was in full compliance with its covenants.

As of June 30, 2016, based on the maximum allowed consolidated leverage, \$99.9 million of the Company’s revolving credit facility was available under the Third Amended Credit Agreement.

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3.50% Convertible Senior Notes Due 2019

On October 22, 2014, the Company consummated an offering of \$143.8 million aggregate principal amount of its 3.50% convertible senior notes due 2019 (the “Notes”), which includes \$18.8 million in aggregate principal amount of Notes sold pursuant to the over-allotment option that was previously granted to the initial purchasers of the Notes and exercised by the initial purchasers on October 21, 2014. In connection with the offering of the Notes, Monster entered into capped call transactions with an affiliate of one of the initial purchasers. The net proceeds were used to pay for the cost of the capped call transactions, and to repay in full the term loan and a portion of the revolving debt under the Second Amended Credit Agreement.

The Notes are unsecured, senior obligations of Monster, and interest is payable semi-annually at a rate of 3.50% per annum. The Notes will mature on October 15, 2019, unless converted or repurchased in accordance with their terms prior to such date. Prior to January 15, 2019, the Notes are convertible at the option of holders only upon the occurrence of specified events or during certain periods; thereafter, until the second scheduled trading day prior to maturity, the Notes will be convertible at the option of holders at any time.

The conversion rate for the Notes is initially 187.7405 shares per \$1,000 principal amount of the Notes, which is equivalent to an initial conversion price of approximately \$5.33 per share of Monster’s common stock (“Common Stock”), and is subject to adjustment in certain circumstances. In June 2015, Monster received stockholder approval to issue upon conversion of the Notes more than 19.99% of the outstanding shares of Common Stock. As a result of this approval, Monster now has the ability to settle conversions of the Notes by paying or delivering, as the case may be, cash, shares of Common Stock or a combination thereof, at its election. Monster does not have the right to redeem the Notes prior to maturity.

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

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

On March 22, 2016, the Company entered into a privately negotiated agreement to repurchase \$10.0 million in aggregate principal amount of the Notes for \$9.5 million in cash, plus accrued interest. The Board of Directors of the Company has authorized the Company to employ funds allocated to its stock repurchase program for the repurchase of the Notes (see Note 3 - Earnings per Share Attributable to Monster Worldwide, Inc. in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q). The transaction closed on March 28, 2016. In connection with the repurchase, the Company unwound a portion of the capped call transactions entered into in connection with the issuance of the Notes. As of June 30, 2016, approximately \$133.8 million in aggregate principal amount of the Notes was outstanding.

See Note 15 – Long-Term Debt in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q for additional details.

Income Taxes

The Company maintains a significant portion of its cash outside the United States in subsidiaries for which the Company has asserted its earnings to be indefinitely reinvested in foreign operations. The Company evaluates its reinvestment assertions each reporting period and has asserted to be reinvested with respect to all of its foreign

subsidiaries.

The total amount of cash offshore is approximately \$58.1 million, all of which is in subsidiaries for which the Company maintains the indefinite reinvestment assertion. While we have not determined the total United States and foreign tax liabilities arising from repatriation of earnings from subsidiaries for which the indefinite reinvestment assertion is made, generally, if this cash were repatriated, a United States tax liability would be incurred for the excess of United States tax over local taxes paid, if

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any, on the portion characterized as a taxable dividend for United States tax purposes. Repatriations may also be subject to foreign withholding taxes, depending on the country and the form of repatriation. The Company reviewed its liquidity needs in the United States and does not presently intend to repatriate these funds where an indefinite reinvestment assertion has been made. In addition to cash expected from domestic operations, the Company can borrow from its credit facility in the United States should additional liquidity needs arise. We have borrowed funds domestically and continue to have the ability to borrow funds domestically at reasonable interest rates.

Thus far in 2016, the Company has paid \$2.2 million of taxes on domestic and international income. We expect to utilize our tax loss and tax credit carryovers to reduced our ongoing cash tax requirements in 2016. We expect to have cash tax liabilities in certain jurisdictions in which we pay taxes on a quarterly basis.

Restructuring Activities

On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's "All the Jobs, All the People" strategy. The initiatives included a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. The Company recognized a pre-tax charge of \$26.0 million during the first six months of 2015 as a result of these initiatives. No charges related to these initiatives were recognized in 2016, and the Company does not expect to incur additional charges in future periods related 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.

Acquisitions and Investments

We have, from time to time, made strategic acquisitions and partnerships to expand Monster's global footprint, establish strategic partnerships or to obtain technology that is complementary to our product offerings and strategy. We account for business combinations under the acquisition method of accounting which requires that assets acquired and liabilities assumed be recorded at their fair values on the date of a business combination. Our consolidated financial statements and results of operations reflect an acquired business from the completion date of an acquisition. Investments in which the Company does not have a controlling interest or is not the primary beneficiary, but has the ability to exert significant influence, are accounted for under the equity method of accounting.

Share Repurchase Program

On October 27, 2015, the Board of Directors of the Company authorized a share repurchase program of up to \$75 million (the "Share Repurchase Program"). Under the Share Repurchase Program, shares of common stock may be purchased on the open market or through privately negotiated transactions from time-to-time through October 27, 2017. The timing and amount of purchases will be based on a percentage of future generated free cash flow, and can be adjusted periodically. The Share Repurchase Program does not obligate the Company to acquire any specific number of shares in any period, and may be modified, suspended, extended or discontinued at any time without prior notice. During the six months ended June 30, 2016, the Company repurchased 1.1 million shares for a total of \$3.0 million, excluding commissions, at an average price of \$2.83 per share. Since the inception of this repurchase program, the Company repurchased 2.4 million shares for a total of \$11.0 million, excluding commissions, at an average price of \$4.60 per share. The Company currently has \$64.0 million remaining under the Share Repurchase Program, subject to the following paragraph.

The Board of Directors of the Company has authorized the use of funds allocated to the Repurchase Program for the repurchase of the Notes. On March 22, 2016, the Company entered into a privately negotiated agreement to repurchase \$10 million in aggregate principal amount of the Notes for \$9.5 million in cash, plus accrued interest (See Note 15 - Long-Term Debt in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q). After applying the funds utilized for such repurchase of the Notes to the amount remaining under the Share Repurchase Program, the Company currently has \$54.5 million available for future repurchases of shares of common stock under

the Share Repurchase Program and/or future repurchases of the Notes.

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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 for the year ended December 31, 2015. 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.

The Company primarily earns revenue from the placement of job postings on the websites within the Monster network, access to the Monster network’s online resume and social profile databases, recruitment media services, applicant tracking services, online career-related solutions provided through a “Software as a Service” (“SaaS”) offering and other career-related services.

Where appropriate, we recognize revenue in accordance with Accounting Standards Update (“ASU”) No. 2009-13, Multiple-Deliverable Revenue Arrangements, which was effective January 1, 2011. The Company’s revenue associated with multiple element contracts is based on the selling price hierarchy, which utilizes vendor-specific objective evidence or (“VSOE”) when available, third-party evidence (“TPE”) if VSOE is not available, and if neither is available then the best estimate of selling price is used. The Company utilizes VSOE in the majority of its multiple deliverable transactions. Under this accounting guidance, to treat elements in a multi-element arrangement as separate units of accounting, each element must have standalone value upon delivery. If the element has standalone value, the Company accounts for each element separately. In determining whether elements have standalone value, the Company considers the availability of the elements from other vendors, the nature of the elements, the timing of execution of contracts for customers and the contractual dependence of the element related to a customer’s acceptance.

For duration based contracts, we recognize revenue at the time that job postings and related accessories are displayed on the Monster network websites, based upon customer usage patterns. Revenue earned from subscriptions to the Monster network’s resume and social profile databases, applicant tracking services and other career-related services are recognized over the length of the underlying subscriptions, typically from two weeks to twelve months. The Company accounts for SaaS contracts as the services are being performed.

We recognize revenue for online advertising and performance based media 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.

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.

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Fair Value Measurements

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, certain accrued expenses and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company's debt relates to its 3.50% convertible senior notes due 2019 and borrowings under its revolving credit facilities and term loan. Our borrowings under our credit facilities approximate fair value due to the debt bearing fluctuating market interest rates. The carrying amounts of the convertible senior notes approximate fair value giving effect for the term of those notes and the effective interest rates.

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 on the completion date of an acquisition.

The Company tests the recorded amount of goodwill for recovery on an annual basis in the fourth quarter of each fiscal year, or more frequently when events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying value. The Company has two reporting units which are equivalent to our two operating segments: Careers-North America and Careers-International.

In determining if goodwill is impaired, we estimate the fair value of the reporting unit and compare it to the carrying value of the assets and liabilities of that reporting unit. The Company determines the fair value of its reporting units using a weighting of fair values derived from the income approach and the market approach, depending on the availability of relevant market comparable information. Under the income approach, the Company calculates the fair value of a reporting unit based on the present value of estimated future cash flows. Cash flow projections are based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business's ability to execute on the projected cash flows. Under the market approach, the Company estimates the fair value based on market multiples of cash flows and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit and considering a reasonable control premium. The weighting of the fair value derived from the market approach differs for each reporting unit depending on the level of comparability of these publicly-traded companies to the reporting unit. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates.

For the annual goodwill impairment test performed in the fourth quarter of 2015, the Careers-International reporting unit's fair value substantially exceeded its carrying value. For the Careers-North America reporting unit, the Company calculated, using a combination of an income and market approach, that the fair value would have to be at least 15% less than the computed amount to result in any goodwill impairment charges.

As a corroborative source of information, the Company reconciles the estimated aggregate fair values of its reporting units within a reasonable range of its market capitalization, which includes an estimated control premium (an adjustment reflecting an estimated fair value on a control basis) to verify reasonableness of the fair value of its reporting units obtained using the aforementioned methods. The control premium is estimated based upon control premiums observed in comparable market transactions. As none of our reporting units are publicly-traded, individual reporting unit fair value determinations do not directly correlate to the Company's stock price. We monitor changes in our share price to ensure our reconciled market capitalization continues to exceed or is not significantly below the carrying value of our net assets. In the event our market capitalization does decline below its book value, we consider the length and severity of the decline and the reason for the decline when assessing whether potential goodwill impairment exists. Further, if a reporting unit does not appear to be achieving its the projected growth plan used in determining its fair value, we will reevaluate the reporting unit for potential goodwill impairment based on revised projections, as available.

On August 8, 2016, the Company entered into a merger agreement that provides for the Company to be merged with a subsidiary of another company in a transaction in which the Company's shareholders will receive approximately \$329 million for all of the equity interests in the Company, subject to customary closing conditions. The sale is expected to be finalized in the fourth quarter of 2016. In consideration of the recent decline in the Company's market capitalization, recent operating results, and the implications the agreed-upon sales price had on the valuation of goodwill, the Company recognized an estimated pre-tax impairment charge of \$142.0 million during the second quarter of 2016. Due to the significance of the goodwill balance in the Careers-North America reporting unit, and the results of the annual impairment analysis performed in

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the fourth quarter of 2015, the Company recognized the estimated impairment charge to the Careers-North America reporting unit. This charge does not impact our liquidity, cash flows from operations, future operations, or compliance with debt covenants.

Due to the limited time period from the indication of the impairment to the date of this filing, and the complexities involved in estimating the fair value of certain assets and liabilities, the Company has not finalized its impairment analysis as of August 9, 2016. The Company will complete a formal impairment analysis in accordance with ASC 350, Intangibles - Goodwill and Other, during the third quarter of 2016 and recognize any adjustments to the estimated impairment charge at that time. We believe that our preliminary estimate is reasonable and represents the Company's best estimate of the goodwill impairment loss to be incurred, however, it is possible that the completion of the formal analysis may result in a material adjustment to this preliminary estimate in the third quarter of 2016. See Note 13 - Goodwill and Intangible Assets in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Other intangible assets primarily consist of the value of customer relationships, trade names, resume databases, trademarks and internet domains. Amortizable intangible assets are primarily being amortized on a basis that approximates economic use, over periods ranging from two to ten years.

Indefinite-lived intangible assets are primarily evaluated on an annual basis, generally in conjunction with the Company's evaluation of goodwill balances, unless impairment indicators exist between annual impairment tests. In assessing fair value, we generally utilize a relief from royalty method. If the carrying value of the indefinite-lived intangible assets exceeds the fair value of the asset, the carrying value is written down to fair value in the period identified. During the second quarter of 2016, the Company performed an impairment analysis on two indefinite lived intangible assets. The analysis resulted in an impairment charge of \$3.4 million being recognized in the second quarter of 2016.

Long-lived assets. Long-lived assets, other than goodwill and indefinite lived intangible assets, are evaluated for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of these assets and their eventual disposition are less than their carrying amounts.

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 evaluating our ability to recover our deferred tax assets within the jurisdictions from which they arise, we consider all available positive and negative evidence, including scheduled reversals of taxable temporary items, projected future taxable income, tax planning strategies and recent financial operations.

Assumptions used in making this evaluation require significant judgment and are consistent with the plans and estimates we are using to manage the underlying business. When we determine that we are not able to realize our recorded deferred tax assets, an increase in the valuation allowance is recorded, decreasing earnings in the period in which such determination is made.

Our interim provisions for income taxes are measured using an estimated annual effective tax rate, adjusted for discrete items that occur within the periods presented.

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 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 award stock options, non-vested stock, market-based non-vested stock and performance-based non-vested stock to employees, directors and executive officers. We account for stock-based compensation in accordance with ASC 718, Stock Compensation. In accordance with ASC 718, we use the fair-market value of the Company's common stock on the date the award is approved to measure fair value for service-based and performance-based awards, a Monte Carlo simulation model to

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

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. 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 interests for the six months ended June 30, 2016 and 2015, resulting from our equity method investments in Alma Career Oy, kununu US, LLC and CareerOne Pty Limited, are based on unaudited financial information of those businesses. Although we do not anticipate material differences, audited results may differ.

On March 31, 2015, the Company sold the majority of its interest in CareerOne Pty Limited, leaving the Company with a 10% interest. As a result, the Company no longer has the ability to exert significant influence. Therefore, effective March 31, 2015, the 10% interest retained by the Company is being accounted for under the cost method.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standards setting bodies that we adopt according to the various timetables the FASB specifies. The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company’s results of operations, financial position or cash flows. As noted in Note 2 – Recently Issued Accounting Pronouncements in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q, the Company is currently assessing the potential impact of ASU No. 2014-09 which supersedes the revenue recognition guidance in ASC 605, Revenue Recognition, ASU No. 2016-01, which revises the guidance in ASC 825-10, Recognition and Measurement of Financial Assets and Financial Liabilities, ASU No. 2016-02, which supersedes the lease accounting guidance in ASC 840, Leases, and ASU No. 2016-09, which revises the guidance in ASC 718, Compensation - Stock Compensation, on the Company’s results of operations, financial position and cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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, 2015.

Foreign Exchange Risk

During the three months ended June 30, 2016, revenue from our international operations accounted for 33% 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 the Euro, British Pound, Swedish Króna, and Indian Rupee. 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 inter-company 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 re-measurement of inter-company balances. The effect of changes in foreign exchange rates in the three months ended June 30, 2016 negatively impacted our

revenue by approximately \$0.3 million and a positive impact of \$0.6 million on reported operating loss, compared to the three months ended June 30, 2015.

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We have foreign exchange risk related to foreign-denominated cash and cash equivalents (“foreign funds”). Based on the balance of foreign funds of our continuing operations at June 30, 2016 of \$57.2 million, an assumed 5%, 10% and 20% negative currency movement would result in fair value declines of \$2.9 million, \$5.7 million and \$11.4 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, non-functional currency denominated accounts payable and significant non-functional currency denominated transactions with third parties. 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 June 30, 2016, our cumulative translation adjustment account decreased by \$2.3 million, attributable to net foreign currency movements, primarily of changes in the U.S. dollar against the Euro, British Pound and Indian Rupee.

Interest Rate Risk

Credit Facilities

As of June 30, 2016, our debt was partly comprised of borrowings under our senior secured revolving credit facility and term loan facility. The credit facilities’ interest rates may be reset due to fluctuations in a market-based index, such as the federal funds rate, the London Interbank Offered Rate (LIBOR) or the administrative agent’s prime rate. Assuming the amount of borrowings provided for under our credit facilities was fully drawn during the second quarter of 2016, we would have had \$166.3 million outstanding under such facilities, and a hypothetical 1.00% (100 basis-point) change in the interest rate of our credit facilities would have changed our pre-tax earnings by approximately \$0.4 million for the three months ended June 30, 2016. Assuming the amount of borrowings under our credit facilities was equal to the amount of outstanding borrowings on June 30, 2016, we would have had \$66.3 million of total usage and a hypothetical 1.00% (100 basis-point) change in the interest rate of our credit facilities would have changed our pre-tax earnings by approximately \$0.2 million for the three months ended June 30, 2016. 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 short-term investments in a variety of debt instruments of high quality issuers. We invest in bank money market deposit accounts, bank time deposits, top sovereign, regional, national and supra-national bank commercial paper, bankers’ acceptances and government bills or promissory notes or bonds that mature within three months of their origination date. A hypothetical 1.00% (100 basis-point) change in interest rates applicable to our investment portfolio balance as of June 30, 2016 would have changed pretax earnings by approximately \$0.2 million for the three months ended June 30, 2016.

ITEM 4. CONTROLS AND PROCEDURES

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 June 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

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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 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.

On or about October 12, 2015, TalentBin, Inc., a subsidiary of the Company, was served with notice of a purported consumer class action for allegedly assembling, scoring and sharing candidate profiles in violation of the Fair Credit Reporting Act and the California Investigative Consumer Reporting Agencies Act (“ICRAA”). The lawsuit, entitled Eric Halvorson, et. al., individually and on behalf of all others similarly situated vs. TalentBin, Inc. (Case No. CGC 15 548270), was brought in the Superior Court of the State of California, County of San Francisco. On or about November 2015, the action was removed to the United States District Court, Northern District of California (Case No. 3:15-cv-05166). The Plaintiff seeks injunctive relief, monetary damages, pre- and post-judgment interest, statutory penalties of between \$100 and \$1,000 per violation, punitive damages and other costs and attorney’s fees. On February 23, 2016, the ICRAA claims were dismissed voluntarily. The Company intends to vigorously defend this matter and is currently unable to estimate any potential losses.

In July 2016, Guyzar LLC filed suit against the Company for allegedly infringing their Patent No. 5845070 relating to methods for the authentication and preservation of confidential information usable for completing transactions with an internet entity. The lawsuit, entitled Guyzar LLC vs. Monster Worldwide, Inc. (Civil Action No. 2:16-cv-00813) was brought in the United States District Court for the Eastern District of Texas. The Plaintiff seeks injunctive relief, monetary damages, enhanced damages, pre and post judgment interest, attorney’s fees and other costs. 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 fiscal year ended December 31, 2015, which could materially affect our business, financial position and results of operations. Other than with respect to the risk factors set forth below, 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 fiscal year ended December 31, 2015.

The announcement and pendency of our acquisition by Randstad North America, Inc. pursuant to the Offer and the Merger could have an adverse effect on our stock price and/or our business, operating results, prospects or financial condition.

The announcement and pendency of the proposed acquisition could cause disruption in our business in the following ways: third parties may choose to delay or defer decisions to do business with us or terminate or renegotiate their contracts with us as a result of entering into the Merger Agreement; current and prospective employees may regard their future roles with us with uncertainty, which might affect our ability to retain and recruit key personnel; we have diverted and will continue to divert significant management resources from the day-to-day business operations of the Company toward the Offer and the Merger; under the Merger Agreement, we are subject to certain restrictions on the conduct of our business prior to completing the Merger; and we may forego opportunities we might otherwise have pursued in the absence of the transaction with Randstad North America, Inc., any of which could have an adverse effect on stock price and/or our business, operating results, prospects or financial condition.

The proposed acquisition by Randstad North America, Inc. is subject to obtaining required approvals and satisfying other conditions that may delay or prevent the completion of the acquisition.

The completion of the Offer and the Merger are subject to a number of conditions, including (i) that the number of Shares validly tendered and not withdrawn in accordance with the terms of the Offer, together with the Shares then-owned by Parent, Merger Sub or any of their respective wholly-owned Subsidiaries, equals at least one Share more than half of the sum of (without duplication) (A) all Shares then outstanding (including all outstanding Company Restricted Shares) plus (B) all Shares issuable to holders of the Notes from whom the Company has received duly completed notices of exercise, plus (C) all Shares issuable to holders of Company Stock Options and (ii) (A) the

expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (B) the approval of the relevant authority pursuant to Council Regulation 139/2004 of the European Union. Even though we and Randstad North America, Inc. are required to use

commercially reasonable efforts to obtain all approvals and satisfy all conditions within our control in accordance with the Merger Agreement, we can give no assurance that such approvals will be obtained or that conditions will be satisfied.

Litigation may be filed against us and the members of our Board of Directors challenging the Offer and the Merger and any adverse outcome in any such litigation may prevent the Offer and the Merger from becoming effective or from becoming effective within the expected timeframe.

Failure to complete the Offer and the Merger could negatively affect our stock price, operating results, prospects or financial condition.

We cannot assure you that the Offer and the Merger will be completed. If the Offer and the Merger are not completed, we will be subject to several risks. Because the current trading price of our common stock may reflect a market assumption that the Offer and the Merger will occur, failure to complete the Offer and the Merger could adversely affect the share price of our common stock. We have incurred and will incur significant costs in connection with the Offer and the Merger, including the diversion of management resources, for which we will have received little or no benefit if the Offer and the Merger are not consummated. A failed transaction may result in a negative impression of us in the investment community. In addition, the Merger Agreement provides that, upon termination of the Merger Agreement under specified circumstances, we may be obligated to pay Randstad North America, Inc. a termination fee of \$9.0 million. The occurrence of any of these events individually or in combination could have a material adverse effect on our results of operations and the price of our common stock.

The Merger Agreement contains provisions that could discourage a third party from acquiring us prior to the completion of the Offer and the Merger.

The Merger Agreement contains provisions that restrict our ability to entertain a third-party proposal for an acquisition of the Company. These provisions include the general prohibition on our soliciting or negotiating with third parties regarding any alternative acquisition proposal, and the requirement that we pay a termination fee of \$9.0 million to Randstad North America, Inc. if the Merger Agreement is terminated under specified circumstances. These provisions might discourage an otherwise-interested third party from proposing an acquisition of the Company. Furthermore, even if a third party elects to propose an acquisition, the concept of a termination fee may result in that third party's offering of a lower value to our stockholders than such third party might otherwise have offered. If the Offer and the Merger are completed, our current stockholders will not participate in any future increase in our value.

Our stockholders will be prevented from participating in our potential future earnings and growth or benefit from any potential future increase in our value following the Offer and the Merger.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On June 14, 2016, the Company issued 78,220 shares to a consultant in consideration for services under a consulting agreement entered into as part of a prior business combination. The securities were issued pursuant to the exemption contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

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

Exhibit Number	Description
2.1*	Agreement and Plan of Merger, dated as of August 8, 2016, by and among Randstad North America, Inc., Merlin Global Acquisition, Inc., and Monster Worldwide, Inc. - Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 9, 2016.
3.2	Amended and Restated Bylaws of Monster Worldwide, Inc., as amended effective August 7, 2016 - Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on August 9, 2016.
10.1	Third Amendment to Third Amended and Restated Credit Agreement, dated as of August 8, 2016, by and among Monster Worldwide, Inc. and the lenders party thereto- Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 9, 2016.
15.1	Letter from BDO USA, LLP regarding unaudited interim financial information.
31.1	Certification by Timothy T. Yates 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.
32.1	Certification by Timothy T. Yates pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
* Schedules omitted pursuant to item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule to the SEC upon its request.	

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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: August 9, 2016

By: /S/ TIMOTHY T. YATES

Timothy T. Yates

Chief Executive Officer and Chief Financial Officer

(principal executive officer, principal financial officer and principal accounting officer)

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