MONSTER WORLDWIDE, INC.
Form 10-Q
July 30, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2015
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM to
COMMISSION FILE NUMBER 001-34209

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

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

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

Class	Outstanding as of July 24, 2015
Common Stock	91,209,994

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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 June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue	$180,414	$194,441	$364,107	$392,590
Salaries and related	89,915	103,220	183,661	205,219
Office and general	44,270	49,131	90,312	104,338
Marketing and promotion	34,240	37,377	67,401	78,790
Restructuring and other special charges	5,977	—	26,199	—
Total operating expenses	174,402	189,728	367,573	388,347
Operating income (loss)	6,012	4,713	(3,466)	4,243
Gain on partial sale of equity method investment	—	—	8,849	—
Gain on deconsolidation of subsidiaries, net	—	—	—	11,828
Interest and other, net	(3,350)	(1,660)	(6,457)	(2,983)
Income before income taxes and income (loss) in equity interests	2,662	3,053	(1,074)	13,088
Provision for (benefit from) income taxes	2,816	1,615	(10,329)	8,278
Income (loss) in equity interests, net	292	58	72	(75)
Net income	138	1,496	9,327	4,735
Net income attributable to noncontrolling interest	1,181	1,462	2,200	2,636
Net (loss) income attributable to Monster Worldwide, Inc.	$(1,043)	$34	$7,127	$2,099
Basic (loss) earnings per share attributable to Monster Worldwide, Inc.	$(0.01)	$—	$0.08	$0.02
Diluted (loss) earnings per share attributable to Monster Worldwide, Inc.	$(0.01)	$—	$0.08	$0.02
Weighted average shares outstanding:				
Basic	90,067	87,080	89,605	89,080
Diluted	90,067	89,955	93,218	92,174
Net income	$138	$1,496	$9,327	$4,735
Other comprehensive income (loss):				
Foreign currency translation adjustments, net	2,933	(2,861)	(6,171)	638
Comprehensive income (loss)	3,071	(1,365)	3,156	5,373
Comprehensive income attributable to noncontrolling interest	852	4,379	2,122	4,726
Comprehensive income (loss) attributable to Monster Worldwide, Inc.	$2,219	$(5,744)	$1,034	$647

See accompanying notes.

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

	June 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$107,681	$94,297
Accounts receivable, net of allowance for doubtful accounts of $3,945 and $3,295, respectively	256,190	282,523
Prepaid and other	67,005	83,326
Total current assets	430,876	460,146
Goodwill	536,743	540,621
Property and equipment, net	114,398	119,729
Intangibles, net	29,306	30,503
Investment in unconsolidated affiliates	19,082	20,700
Other assets	41,914	45,452
Total assets	$1,172,319	$1,217,151
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, accrued expenses and other	$157,229	$159,027
Deferred revenue	281,793	300,724
Current portion of long-term debt	10,688	9,563
Total current liabilities	449,710	469,314
Long-term income taxes payable	37,652	54,636
Long-term debt, net, less current portion	198,289	201,821
Other long-term liabilities	17,581	16,635
Total liabilities	703,232	742,406
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.001 par value, authorized 800 shares; issued and outstanding: none	—	—
Common stock, $.001 par value, authorized 1,500,000 shares; issued: 146,639 and 144,361 shares, respectively; outstanding: 90,214 and 87,936 shares, respectively	146	144
Class B common stock, $.001 par value, authorized 39,000 shares; issued and outstanding: none	—	—
Additional paid-in capital	2,024,842	2,023,640
Accumulated deficit	(847,033)	(854,160)
Accumulated other comprehensive income	3,152	9,245
Less: Treasury stock, at cost, 56,425 shares	(758,371)	(758,371)
Total Monster Worldwide, Inc. stockholders' equity	422,736	420,498
Noncontrolling interest in subsidiary	46,351	54,247
Total stockholders' equity	469,087	474,745
Total liabilities and stockholders' equity	$1,172,319	$1,217,151

See accompanying notes.

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

	Six months ended June 30,	
	2015	2014
Cash flows provided by operating activities:		
Net income	$9,327	$4,735
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,237	24,354
Provision for doubtful accounts	761	728
Stock-based compensation	8,091	17,236
(Income) loss in equity interests, net	(72)	75
Non-cash restructuring charges	4,226	—
Deferred income taxes	4,705	3,402
Gain on deconsolidation of subsidiaries	—	(13,647)
Gain on partial sale of equity method investment	(8,849)	—
Amount reclassified from accumulated other comprehensive income	—	1,819
Excess income tax benefit from equity compensation plans	—	(199)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	20,978	39,524
Prepaid and other	4,121	(7,990)
Deferred revenue	(14,181)	(27,489)
Accounts payable, accrued liabilities and other	(9,537)	1,259
Total adjustments	33,480	39,072
Net cash provided by operating activities	42,807	43,807
Cash flows used for investing activities:		
Capital expenditures	(14,735)	(22,469)
Payments for acquisitions, net of cash acquired	—	(27,005)
Investment in Alma Career Oy	—	(6,516)
Dividends received from equity investment and other	1,648	(616)
Cash received from partial sale of equity method investment	9,128	—
Capitalized patent defense costs	(2,305)	(1,220)
Net cash used for investing activities	(6,264)	(57,826)
Cash flows (used for) provided by financing activities:		
Payments on borrowings on credit facilities	(32,100)	(8,100)
Proceeds from borrowings on credit facilities	32,100	78,800
Payments on borrowings on term loan	(4,500)	(4,375)
Fees paid on the issuance of debt	(1,110)	—
Repurchase of common stock	—	(51,517)
Tax withholdings related to net share settlements of restricted stock awards and units	(6,800)	(3,707)
Excess income tax benefit from equity compensation plans	—	199
Distribution paid to minority shareholder	(10,018)	(3,021)
Net cash (used for) provided by financing activities	(22,428)	8,279
Effects of exchange rates on cash	(731)	1,554
Net increase (decrease) in cash and cash equivalents	13,384	(4,186)
Cash and cash equivalents, beginning of period	94,297	88,581
Cash and cash equivalents, end of period	$107,681	$84,395
Supplemental disclosures of cash flow information:		

Cash paid for income taxes	$328	$4,245
Cash paid for interest	$4,702	$3,970
Non-cash activities:		
Net assets of entities contributed to Alma Career Oy	$—	$4,200

See accompanying notes.

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MONSTER WORLDWIDE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share amounts)
(unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

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

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

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

Basis of Presentation

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

The consolidated interim financial statements include the accounts of the Company and all of its wholly-owned and majority-owned subsidiaries. Investments in which the Company does not have a controlling interest or is not the primary beneficiary, but has the ability to exert significant influence, are accounted for under the equity method of accounting. All inter-company accounts and transactions have been eliminated in consolidation. The noncontrolling interest in our South Korean subsidiary is recorded net of tax as Net income attributable to noncontrolling interest. These statements reflect all normal recurring adjustments that, in the opinion of management, are necessary for fair presentation of the information contained herein. These consolidated interim financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014. The Company adheres to the same accounting policies in preparing interim financial statements. As permitted under U.S. GAAP, interim accounting for certain expenses, including income taxes, are based on full year assumptions. Such amounts are expensed in full in the year incurred. For interim financial reporting purposes, income taxes are recorded based upon estimated annual income tax rates.

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

2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, which supersedes the revenue recognition guidance in Accounting Standard Codification (“ASC”) 605, Revenue Recognition. The new guidance clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP and International Financial Reporting Standards. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes the most current revenue recognition guidance. 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 April 2015, the FASB issued ASU No. 2015-03, which revises the guidance in ASC 835, Interest, to require debt issuance costs be presented as a direct deduction from the corresponding debt liability, consistent with the presentation of debt discounts or premiums. The ASU does not affect the recognition and measurement of debt issuance costs. The guidance is to be applied retrospectively, and is effective for reporting periods (interim and annual) beginning after December 15, 2015, for public companies, and is considered a change in accounting principle. Early adoption is permitted. The implementation of this ASU is not expected to have a material impact on our consolidated financial position or results of operations.

In April 2015, the FASB issued ASU No. 2015-05, which revises the guidance in ASC 350-40, Intangibles - Goodwill and Other - Internal-Use Software, to provide guidance on determining if a cloud computing arrangement includes a software license. In accordance with the ASU, 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 does not change the customer's accounting treatment of service contracts. The amended guidance is effective for reporting periods (interim and annual) beginning after December 15, 2015, and early adoption is permitted. The implementation of this ASU is not expected to have a material impact on our consolidated financial position or results of operations.

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

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

On October 22, 2014, the Company consummated an offering of its 3.50% convertible senior notes due 2019 (the “Notes”). Under the treasury stock method, the Notes will generally have a dilutive impact on earnings per share if the Company’s average stock price for the period exceeds approximately $5.33 per share of Monster’s common stock, the conversion price of the Notes. 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 3,841,342 and 2,418,316 shares, respectively. See reconciliation of shares table below for further discussion.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Basic weighted-average shares outstanding	90,067	87,080	89,605	89,080
Impact of stock options and non-vested stock under employee compensation plans[(1)]	—	2,875	1,195	3,094
Impact of 3.50% convertible senior notes due 2019[(1)]	—	—	2,418	—
Diluted weighted-average shares outstanding	90,067	89,955	93,218	92,174
Weighted-average anti-dilutive common stock equivalents - stock options and non-vested stock under employee compensation plans	5,042	5,083	1,037	4,305

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(1) For periods in which losses attributable to the Company 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 quarter ended June 30, 2015, those potential shares totaled 806,833 related to non-vested stock under employee compensation plans and 3,841,342 relating to 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 for the quarter ended June 30, 2015.

Share Repurchase Plan

On April 30, 2013, the Board of Directors of the Company authorized a share repurchase program of up to $200,000 which expired on April 30, 2015. No share repurchases were made during the six months ended June 30, 2015. During the six months ended June 30, 2014, the Company repurchased 7,025,988 shares for a total of $51,376, excluding commissions, at an average price of $7.31 per share. Since the inception of this repurchase program, the Company repurchased 27,717,428 shares for a total of $158,683, excluding commissions, at an average price of $5.73 per share.

4. STOCK-BASED COMPENSATION

Stock-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, which is generally the vesting period, net of estimated forfeitures.

The Company awards non-vested stock to employees, directors and executive officers in the form of Restricted Stock Awards (“RSAs”) and Restricted Stock Units (“RSUs”), market-based RSAs and RSUs, performance-based RSAs and RSUs and stock options. The Compensation Committee of the Company’s Board of Directors approves stock-based compensation awards for all employees and executive officers of the Company. The Corporate Governance and Nominating Committee of the Company’s Board of Directors approves stock-based compensation awards for all non-employee directors of the Company. The Company uses the fair-market value of the Company’s common stock on the date the award is approved to measure fair value for service-based and performance-based awards, a Monte Carlo simulation model to determine both the fair value and requisite service period of market-based awards and the Black-Scholes option-pricing model to determine the fair value of stock option awards. The Company presents as a financing activity in the consolidated statement of cash flows the benefits of tax deductions in excess of the tax-effected compensation of the related stock-based awards for the options exercised and vested RSAs and RSUs.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Non-vested stock, included in salaries and related	$3,626	$9,063	$8,091	$17,236

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

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

Service-Based Awards - During the first six months of 2015, the Company granted an aggregate of 384,384 service-based RSUs. The RSUs vest in various increments on the anniversaries of the individual grant dates, through June 10, 2019, subject to the recipient's continued employment or service through each applicable vesting date.

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

	Six months ended June 30,			
	2015		2014	
	Shares	Weighted Average Fair Value at Grant Date	Shares	Weighted Average Fair Value at Grant Date
Non-vested at beginning of period	8,554	$4.85	13,142	$5.58
Granted RSUs	1,084	$4.64	226	$5.84
Forfeited	(808)	$4.90	(259)	$5.77
Vested	(3,492)	$4.67	(1,762)	$10.35
Non-vested at end of period	5,338	$4.90	11,347	$4.77

As of June 30, 2015, the unrecognized compensation expense related to non-vested stock was $14,773 which is expected to be recognized over a weighted-average period of 1.3 years.

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

	Six months ended June 30,			
	2015		2014	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding as of the beginning of the period	146	$32.32	928	$29.68
Exercised	—	$—	—	—
Forfeited/expired/canceled	(24)	$30.03	(371)	$24.32
Outstanding at end of the period	122	$32.79	557	$33.09
Options exercisable at end of period	122	$32.79	557	$33.09
Aggregate intrinsic value of options exercised during the period	$—		$—	

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

On May 15, 2015, the Company issued a total of 82,257 shares of our common stock to an employee and a consultant in consideration for services under an employment agreement and 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. NONCONTROLLING INTEREST

In December 2013, the Company sold a 49.99% interest in JobKorea Ltd. (“JobKorea”), its wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of $90,000. H&Q Korea, an affiliate of H&Q Asia Pacific, is a pioneer in the development of Korea’s private equity industry and one of the top private equity managers in the country. Based on the terms of the agreement, Monster maintains a controlling interest in the subsidiary and, accordingly, will continue to consolidate the results of JobKorea in its consolidated financial statements. During the six months ended June 30, 2015 and 2014, a cash distribution of $10,018 and $3,021, respectively, was declared and paid by JobKorea to both Monster and H&Q Korea. 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. The noncontrolling interest's share of net income was $1,462 and $2,636 for the three and six months ended June 30, 2014, respectively.

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The following table reflects the changes in stockholders' equity attributed to the Company and the noncontrolling interest in the six months ended June 30, 2015:

	Attributable to Monster Worldwide, Inc.	Attributable to Noncontrolling Interest	Total Stockholders' Equity
Balance, December 31, 2014	$420,498	$54,247	$474,745
Net income	7,127	2,200	9,327
Change in cumulative foreign currency translation adjustment	(6,093)	(78)	(6,171)
Comprehensive income	1,034	2,122	3,156
Tax withholdings related to net share settlements of restricted stock awards and units	(6,800)	—	(6,800)
Cash distribution	—	(10,018)	(10,018)
Stock based compensation - restricted stock	8,004	—	8,004
Balance, June 30, 2015	$422,736	$46,351	$469,087

6. BUSINESS COMBINATIONS

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

7. FAIR VALUE MEASUREMENT

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

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

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

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

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers counterparty credit risk in its assessment of fair value. Observable or market inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions based on the best information available. There have been no transfers of assets or liabilities between the fair value measurement classifications during the six months ended June 30, 2015.

The Company has certain assets and liabilities that are required to be recorded at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States.

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The following table summarizes those assets and liabilities measured at fair value on a recurring basis as of June 30, 2015:

	June 30, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Bank time deposits	$—	$37,629	$—	$37,629
Bankers' acceptances	—	405	—	405
Foreign exchange contracts	—	69	—	69
Total Assets	$—	$38,103	$—	$38,103
Liabilities:				
Foreign exchange contracts	$—	$60	$—	$60
Lease exit liabilities	—	—	9,980	9,980
Total Liabilities	$—	$60	$9,980	$10,040

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

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

We recognize a liability for costs to terminate an operating lease obligation before the end of its term when we no longer derive economic benefit from the lease. The lease exit liabilities within the Level 3 tier relate to vacated facilities associated with previously discontinued operations, restructuring activities of the Company and consolidation of office facilities and are recorded in accrued expenses and other current liabilities in the consolidated balance sheets. The liability is recognized and measured based on a discounted cash flow model when the cease use date has occurred. The fair value of the liability is determined based on the remaining lease rentals due, reduced by estimated sublease rental income that could be reasonably obtained for the property. In the first quarter of 2015, as part of its "Reallocate to Accelerate" program, the Company vacated space in its Bedford, Massachusetts location (see Note 11 - Restructuring and Other Special Charges). In the first quarter of 2014, the Company vacated its office facilities in Maynard, Massachusetts and Cambridge, Massachusetts and moved in to our new corporate headquarters in Weston, Massachusetts.

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

	Lease Exit Liability	
	Six months ended June 30,	
	2015	2014
Balance, Beginning of Period	$8,515	$12,550
Expense	3,981	5,728
Cash payments and changes in fair value	(2,516)	(5,285)
Balance, End of Period	$9,980	$12,993

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The carrying value for cash and cash equivalents, accounts receivable, accounts payable, certain accrued expenses and other current liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments. The Company's debt relates to its 3.50% convertible senior notes due 2019 and borrowings under its revolving credit facilities and term loan (see Note 14 - Long-Term Debt). Our borrowings under our credit facilities approximate fair value due to the debt bearing fluctuating market interest rates. The carrying amounts of the convertible senior notes approximate fair value giving affect for the term of those notes and the effective interest rates.

8. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME

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

	Foreign Currency Translation Adjustments	
	Six months ended June 30,	
	2015	2014
Beginning balance	$9,245	$63,368
Other comprehensive loss before reclassifications	(6,093)	(3,271)
Amounts reclassified from accumulated other comprehensive income	—	1,819
Net current period change in accumulated other comprehensive income	(6,093)	(1,452)
Ending balance	$3,152	$61,916

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

Details about AOCI Components	Affected Line Item in the Statement Where Net Income Is Presented	Six months ended June 30, 2015	2014
Foreign currency translation adjustments			
Deconsolidation of foreign subsidiaries	Gain on deconsolidation of subsidiaries, net	$—	$1,819
Total reclassifications		$—	$1,819

9. DECONSOLIDATION OF SUBSIDIARIES

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

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

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

10. INVESTMENTS

Equity Method Investments

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

In 2008, the Company acquired a 50% equity interest in a company located in Australia, CareerOne Pty Limited ("CareerOne"). For the six months ended June 30, 2014, the Company expended an additional $866 for additional working capital requirements relating to CareerOne. The carrying value of the investment was $213 as of June 30, 2014 and was recorded on the consolidated balance sheet as a component of Investment in unconsolidated affiliates. On March 31, 2015, the Company sold the majority of its 50% equity interest in CareerOne in an arms-length transaction, leaving the Company with a 10% interest. Total cash received from the transaction was $9,128, and the sale resulted in the recognition of a pre-tax gain of $8,849 in the first quarter of 2015. As a result of the sale, the Company no longer has the ability to exercise significant influence over CareerOne. Therefore, effective March 31, 2015, the remaining 10% interest retained by the Company is being accounted for under the cost method. See Note 15 – Income Taxes for discussion of the tax impact of the transaction.

As discussed in Note 9 – Deconsolidation of Subsidiaries, through January 3, 2014, the Company had a 25% equity investment in a company located in Finland related to a business combination completed in 2001. Effective January 3, 2014, the Company has a 15% equity investment in Alma Career Oy, a joint venture in Finland, Eastern Europe and the Baltics with Alma Media. The Company received a dividend of $835 and $199 in the second quarter of 2015 and 2014, respectively, related to this investment. The carrying value of the investment was $19,082 and $23,546 as of June 30, 2015 and 2014, respectively, and was recorded on the consolidated balance sheet as a component of Investment in unconsolidated affiliates.

Income (loss) in equity interests, net are as follows by equity investment:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Alma Career Oy	$292	$231	$471	$350
CareerOne	—	(173)	(399)	(425)
Income (loss) in equity interests, net	$292	$58	$72	$(75)

11. RESTRUCTURING AND OTHER SPECIAL CHARGES

"Reallocate to Accelerate"

On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's new strategy. The initiatives include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. Through June 30, 2015, the Company has notified approximately 250 associates in North America and Europe. The Company anticipates additional charges of approximately $2,000 to $3,000 in the remainder of 2015. The following table displays a roll forward of the restructuring and other special charges and related liability balances associated with the "Reallocate to Accelerate" program:

	Accrual at December 31, 2014	Expense	Cash Payments	Non-Cash Utilization	Accrual at June 30, 2015
Workforce reduction	$—	$17,537	$(10,028)	$—	$7,509
Consolidation of office facilities	—	3,534	(424)	—	3,110
Impairment of assets	—	4,226	—	(4,226)	—
Other costs and professional fees	—	902	(326)	—	576

Total	$—	$26,199	$(10,778)	$(4,226)	$11,195

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12. PROPERTY AND EQUIPMENT, NET

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

	June 30, 2015	December 31, 2014
Capitalized software costs	$171,223	$209,007
Furniture and equipment	17,275	16,196
Leasehold improvements	36,719	40,103
Computer and communications equipment	158,914	160,414
	384,131	425,720
Less: accumulated depreciation	269,733	305,991
Property and equipment, net	$114,398	$119,729

Depreciation expense was $10,701 and $21,783 for the three and six months ended June 30, 2015, respectively. Depreciation expense was $11,217 and $23,102 for the three and six months ended June 30, 2014, respectively. During the first quarter of 2014, the Company vacated, and wrote off assets associated with, its office facilities in Maynard, Massachusetts and Cambridge, Massachusetts and moved into our corporate headquarters in Weston, Massachusetts.

13. FINANCIAL DERIVATIVE INSTRUMENTS

The Company uses forward foreign exchange contracts as cash flow hedges to offset risks related to foreign currency transactions. These transactions primarily relate to non-functional currency denominated inter-company funding loans and non-functional currency inter-company accounts receivable.

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

	June 30, 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	18,524	July/August 2015	69
Foreign currency exchange forwards	Accrued expenses and other current liabilities	12,232	July/August 2015	(60)
Total Derivative Instruments		$30,756		$9

	December 31, 2014			
	Component of	Notional Amount	Maturity Dates	Fair Value
Designated as Hedges under ASC 815				
None		$—		$—
Not Designated as Hedges under ASC 815				
Foreign currency exchange forwards	Prepaid and other	15,902	January 2015	74
Foreign currency exchange forwards	Accrued expenses and other current liabilities	25,378	January 2015	(265)
Total Derivative Instruments		$41,280		$(191)

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

	Location of Realized and Unrealized Net Gains and Changes in the Fair Value of Forward Contracts	Amount of Realized and Unrealized Net Gains and Changes in the Fair Value of Forward Contracts			
		Three months ended June 30,		Six months ended June 30,	
		2015	2014	2015	2014
Foreign currency exchange forwards	Interest and Other, net	$375	$663	$671	$531

14. LONG-TERM DEBT

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

	June 30, 2015	December 31, 2014
3.50% convertible senior notes due 2019	$143,750	$143,750
Term loan facility	83,250	87,750
Unamortized discount on convertible senior notes	(18,023)	(20,116)
	208,977	211,384
Less: current portion of long-term debt	10,688	9,563
Long-term debt, net, less current portion	$198,289	$201,821

3.50% Convertible Senior Notes Due 2019

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

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

The conversion rate for the Notes is initially 187.7405 shares per one thousand dollar principal amount of the Notes, which is equivalent to an initial conversion price of approximately $5.33 per share of Monster's common stock ("Common Stock"), and is subject to adjustment in certain circumstances. 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 27,000,000, and is subject to adjustment under certain circumstances.

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

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

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

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

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

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

Credit Facilities

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

On October 15, 2014, the Company entered into an amendment of the Second Amended Credit Agreement that (i) permitted the offering of the Notes and the conversion of the Notes into cash and/or equity of the Company, (ii) permitted the Company to enter into a capped call transaction and (iii) required that the Company use the proceeds from the offering of the Notes (net of reasonable and documented fees and expenses incurred in connection with the offering and the net cost of the capped call transaction), to repay the term loan facility and revolving debt under the

Second Amended Credit Agreement (with no corresponding reduction of the then-existing revolving credit facility).

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

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

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

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

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

At June 30, 2015, the utilized portion of this credit facility was $83,250 in borrowings on the term loan facility, $0 borrowings on the revolving credit facility, and $295 in outstanding letters of credit. The portion of the term loan that is due within one year is $10,688 and is classified as short-term in the consolidated balance sheet. The remaining amount outstanding on the term loan is classified as long-term debt in the Company’s consolidated balance sheet. As of June 30, 2015, based on the calculation of the maximum consolidated leverage ratio, $31,341 of the Company’s revolving credit facility was available. At June 30, 2015, the one month BBA LIBOR rate, the agent’s prime rate, and the overnight federal funds rate were 0.19%, 3.25% and 0.08%, respectively. As of June 30, 2015, the Company used the one month BBA LIBOR rate for the interest rate on these borrowings with an interest rate of 3.43%.

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15. INCOME TAXES

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 with lower statutory rates, greater losses than anticipated in countries with lower statutory tax rates, increases in recorded valuation allowances of tax assets, or changes in tax laws or interpretations thereof.

Our effective tax rate differs from the Federal United States statutory tax rate of 35% due to accrual of state taxes, non-deductible expenses, foreign earnings and losses taxed at different rates, accrual of interest on tax liabilities, accrual of United States residual tax on earnings that are not indefinitely reinvested and the effect of valuation allowances on deferred tax assets. We record valuation allowances primarily on tax benefits of losses arising in certain unprofitable countries in international markets. The tax provision during the 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 the settlement of a tax examination during the first quarter of 2015, the Company recorded a tax benefit due to the 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 the recognition of previously unrecognized tax positions, and reversals of accrued interest and penalties thereon, was $15,753. The tax matters relate primarily to the allocation of income among tax jurisdictions.

The tax provision during the six months ended June 30, 2014 was increased by approximately $5,902 of discrete items, consisting primarily of a tax provision of $5,543 due to a gain related to the deconsolidation of our subsidiaries in Poland, Hungary and the Czech Republic (see Note 9 - Deconsolidation of Subsidiaries) and increases to tax valuation allowances of approximately $1,200. In addition, as a result of changes to certain estimates relating to determination of unrecognized tax positions during the three months ended March 31, 2014, the Company recognized previously unrecognized tax positions of $350 which, on a net of tax basis, impacted the effective rate by $228. The Company also reversed accrued interest on unrecognized tax positions of $440, which impacted the effective tax rate by $266. The total benefit reflected in the tax provision in the six months ended June 30, 2014 for these items was $494. The tax matters relate primarily to the allocation of income among tax jurisdictions.

The Company is currently under examination by several domestic and international tax authorities. Presently, no material adjustments have been proposed. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. The gross recorded liability for uncertain tax positions (inclusive of estimated interest and penalties thereon) as of June 30, 2015 and December 31, 2014 is recorded on the Company’s consolidated balance sheets as long-term income taxes payable of $37,652 and $54,636, respectively. Interest and penalties related to underpayment of income taxes are classified as a component of income tax expense in the consolidated statements of operations and comprehensive income (loss). The Company estimates that it is reasonably possible that unrecorded tax benefits may be reduced by an amount ranging from $0 to $5,000 in the next twelve months due to expirations of statutes of limitations or settlement of tax examinations. The tax matters concerned relate to the allocation of income among jurisdictions and the amount of prior year tax loss carryovers.

16. SEGMENT AND GEOGRAPHIC DATA

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

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue				
Careers – North America	$119,844	$126,161	$242,236	$253,706
Careers – International	60,570	68,280	121,871	138,884
Revenue	$180,414	$194,441	$364,107	$392,590
Operating Income (Loss)				
Careers – North America	$25,247	$21,366	$38,585	$37,177
Careers – International	(7,484)	(6,974)	(20,402)	(12,263)
	17,763	14,392	18,183	24,914
Corporate expenses	(11,751)	(9,679)	(21,649)	(20,671)
Operating Income (Loss)	$6,012	$4,713	$(3,466)	$4,243
Depreciation and Amortization				
Careers – North America	$7,265	$6,809	$14,795	$14,174
Careers – International	3,875	4,705	7,733	9,655
	11,140	11,514	22,528	23,829
Corporate expenses	290	321	709	525
Depreciation and Amortization	$11,430	$11,835	$23,237	$24,354
Restructuring and Other Special Charges				
Careers – North America	$505	—	$11,562	$—
Careers – International	3,931	—	12,508	—
Corporate expenses	1,541	—	2,129	—
Restructuring and Other Special Charges	$5,977	—	$26,199	$—
Revenue by Geographic Region (a)				
United States	$116,018	$121,810	$234,477	$245,166
International	64,396	72,631	129,630	147,424
Revenue	$180,414	$194,441	$364,107	$392,590

	June 30, 2015	December 31, 2014
Long-lived Assets by Geographic Region (b)		
United States	$86,487	$89,343
International	27,911	30,386
Total Long-Lived Assets	$114,398	$119,729

(a) Revenue by geographic region is generally based on the location of the Company’s subsidiary.
(b) Total long-lived assets include property and equipment, net.

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

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17. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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

Leases

The Company leases its facilities and a portion of its capital equipment under operating leases that expire at various dates. Some of the operating leases provide for increasing rents over the terms of the leases and total rent expense under these leases is recognized ratably over the initial renewal period of each lease. The following table presents future minimum lease commitments under non-cancelable operating leases and minimum rentals to be received under non-cancelable subleases at June 30, 2015:

	Operating Leases	Estimated Sublease Income
2015	$ 17,890	$ 1,307
2016	31,674	3,725
2017	28,954	3,715
2018	26,185	3,680
2019	22,839	3,631
Thereafter	61,083	4,510
	$ 188,625	$ 20,568

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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, 2015, and the related consolidated statements of operations and comprehensive income (loss) for the three and six-month periods ended June 30, 2015 and 2014, and cash flows for the six-month periods ended June 30, 2015 and 2014 included in the accompanying Securities and Exchange Commission Form 10-Q for the period ended June 30, 2015. These interim financial statements are the responsibility of the Company’s management.

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

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

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

/s/ BDO USA, LLP
BDO USA, LLP
New York, New York
July 30, 2015

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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, the global economic and financial market environment; risks associated with cuts in government spending; risks relating to our foreign operations; risks relating to the European debt crisis and market perceptions concerning the instability of the euro; our ability to maintain and enhance the value of our brands, particularly Monster; competition; risks related to our new strategy; fluctuations in our quarterly operating results; our ability to adapt to rapid developments in technology; our ability to continue to develop and enhance our information technology systems; concerns related to our privacy policies and our compliance with applicable data protection laws and regulations; intrusions on our systems; interruptions, delays or failures in the provision of our services; our vulnerability to intellectual property infringement claims brought against us by others; our ability to protect our proprietary rights and maintain our rights to use key technologies of third parties; the risk that acquisitions or partnerships may not achieve the expected benefits to us; our ability to attract and retain talented employees, including senior management; potential write-downs if our goodwill or amortizable intangible assets become impaired; adverse determinations by domestic and/or international taxation authorities related to our estimated tax liabilities; effects of anti-takeover provisions in our organizational documents that could inhibit the acquisition of Monster Worldwide by others; volatility in our stock price; risks associated with government regulation; the outcome of litigation we may become involved in from time to time; risks associated with our convertible senior notes due 2019; and other risks and uncertainties set forth from time to time in our reports and other filings made with the SEC, including under Part I, " Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2014.

Overview

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

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

We earned 34% and 35% of our total revenue outside of North America for the quarters ended June 30, 2015 and 2014, respectively. With a local presence in key markets in North America, Europe, and Asia, Monster works by connecting employers with quality job seekers at all levels and by providing searchable jobs and career management resources online. For the employer, our goal is to provide the most effective solutions and easiest to use technology to simplify the hiring process and deliver access to our community of job seekers. For job seekers, our purpose is to improve their careers by providing work-related content, services and advice.

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

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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.

Recent Developments

"Reallocate to Accelerate"

On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's strategy. The initiatives include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. Through June 30, 2015, the Company has notified approximately 250 associates in North America and Europe. The Company expects these reductions, currently anticipated to be completed by the end of 2015, to result in annualized savings of approximately $38 million to $45 million. The full impact of the savings will be realized beginning in the fourth quarter of 2015. The Company recognized a pre-tax charge of $26.2 million in the first half of 2015 as a result of these initiatives, and anticipates additional charges of approximately $2 million to $3 million in the remainder of 2015.

CareerOne

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

Leadership Changes

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

Constant Currency Presentation

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

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RESULTS OF OPERATIONS

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Salaries and related	49.8 %	53.1 %	50.4 %	52.3 %
Office and general	24.5 %	25.3 %	24.8 %	26.6 %
Marketing and promotion	19.0 %	19.2 %	18.5 %	20.1 %
Restructuring and other special charges	3.3 %	— %	7.2 %	— %
Total operating expenses	96.7 %	97.6 %	101.0 %	98.9 %
Operating income (loss)	3.3 %	2.4 %	(1.0)%	1.1 %
Gain on partial sale of equity method investment	— %	— %	2.4 %	— %
Gain on deconsolidation of subsidiaries, net	— %	— %	— %	3.0 %
Interest and other, net	(1.9)%	(0.9)%	(1.8)%	(0.8)%
Income before income taxes and income (loss) in equity interests	1.5 %	1.6 %	(0.3)%	3.3 %
Provision for (benefit from) income taxes	1.6 %	0.8 %	(2.8)%	2.1 %
Income (loss) in equity interests, net	0.2 %	— %	— %	— %
Net income	0.1 %	0.8 %	2.6 %	1.2 %

The Three Months Ended June 30, 2015 Compared to the Three Months Ended June 30, 2014

Consolidated Revenue, Operating Expenses, Operating Income and EBITDA

Consolidated revenue, operating expenses, operating income and EBITDA are as follows (dollars in thousands):

	Three months ended June 30,					
	2015	% of Revenue	2014	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$180,414	100.0 %	$194,441	100.0 %	$(14,027)	(7.2)%
Salaries and related	89,915	49.8 %	103,220	53.1 %	(13,305)	(12.9)%
Office and general	44,270	24.5 %	49,131	25.3 %	(4,861)	(9.9)%
Marketing and promotion	34,240	19.0 %	37,377	19.2 %	(3,137)	(8.4)%
Restructuring and other special charges	5,977	3.3 %	—	— %	5,977	na
Total operating expenses	174,402	96.7 %	189,728	97.6 %	(15,326)	(8.1)%
Operating income	$6,012	3.3 %	$4,713	2.4 %	$1,299	27.6 %
EBITDA	$21,068	11.7 %	$25,611	13.2 %	$(4,543)	(17.7)%
Adjusted EBITDA	$29,045	16.1 %	$25,611	13.2 %	$3,434	13.4 %

Our consolidated revenue decreased by $14.0 million (7.2%, 2.0% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014. Our Careers-North America segment experienced a decrease of $6.3 million (5.0%) primarily due to declines in the government, mid-market and enterprise verticals, partially offset by growth in the staffing, small business and e-commerce verticals. Internet Advertising & Fees revenue and operating results are now being reported within the Careers-North America segment (see Note 16 – Segment and Geographic Data in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q). Our Careers-International segment decreased $7.7 million (11.3%, increase of 2.8% on a constant currency basis). The revenue growth at constant currency was due to increases in Korea, India, Germany and the United Kingdom, partially offset by declines in France, the Netherlands and Sweden, as we continue to experience economic and competitive headwinds in these countries.

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Salaries and related expenses decreased $13.3 million (12.9%, 7.9% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014. This decrease in salaries and related expenses resulted primarily from decreased regular salary and other headcount related costs and decreased stock based compensation as a result of our "Reallocate to Accelerate" program announced on February 10, 2015. These decreases were partially offset by a final separation charge of $2.0 million relating to the resignation of the Company’s former Chief Executive Officer.

Office and general expenses decreased $4.9 million (9.9%, 6.2% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014.This decrease in office and general expenses resulted primarily from decreased occupancy costs and professional fees.

Marketing and promotion expenses decreased $3.1 million (8.4%, 1.7% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014. During the second quarter, the Company was able to reduce marketing spend while driving quality traffic.

We incurred $6.0 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.

Our consolidated operating income was $6.0 million in the second quarter of 2015, compared to operating income of $4.7 million in the second quarter of 2014, as a result of the factors discussed above.

Our consolidated EBITDA and Adjusted EBITDA were $21.1 million and $29.0 million in the second quarter of 2015, respectively, compared to consolidated EBITDA and Adjusted EBITDA of $25.6 million in the same period of 2014 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 operating income to 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,					
	2015	% of Revenue	2014	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$119,844	100.0 %	$126,161	100.0 %	$(6,317)	(5.0)%
Salaries and related	50,484	42.1 %	57,033	45.2 %	(6,549)	(11.5)%
Office and general	25,761	21.5 %	26,999	21.4 %	(1,238)	(4.6)%
Marketing and promotion	17,847	14.9 %	20,763	16.5 %	(2,916)	(14.0)%
Restructuring and other special charges	505	0.4 %	—	— %	505	na
Total operating expenses	94,597	78.9 %	104,795	83.1 %	(10,198)	(9.7)%
Operating income	$25,247	21.1 %	$21,366	16.9 %	$3,881	18.2 %

Our Careers-North America segment revenue decreased $6.3 million (5.0%) in the second quarter of 2015 compared to the same period of 2014. The decrease in the Careers-North America segment is primarily due to declines in the government, mid-market and enterprise verticals, partially offset by growth in the staffing, small business and e-commerce verticals. Our focus on sales execution in North America has proven effective and we expect sequential revenue growth beginning in the third quarter of 2015. We are increasingly confident that our family of new strategic products are additive to our traditional core products and provide a superior competitive solution for our customers.

Salaries and related expenses decreased $6.5 million (11.5%) in the second quarter of 2015 compared to the same period of 2014. This decrease in salaries and related expenses resulted primarily from $4.5 million of decreased regular salary and other headcount related costs related to headcount reductions as a result of our "Reallocate to Accelerate" program announced on February 10, 2015.

Office and general expenses decreased $1.2 million (4.6%) in the second quarter of 2015 compared to the same period of 2014. This decrease in office and general expenses resulted primarily from $0.6 million of decreased occupancy costs and $0.6 million of decreased professional fees.

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Marketing and promotion expenses decreased $2.9 million (14.0%) in the second quarter of 2015 compared to the same period of 2014. During the second quarter, the Company was able to reduce marketing spend while driving quality traffic, in addition to attending the annual Society for Human Resource Management ("SHRM") conference in June as a platinum sponsor.

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.

Our Careers-North America segment's operating income was $25.2 million in the second quarter of 2015, compared to operating income of $21.4 million in the second quarter of 2014, as a result of the factors described above.

Careers - International

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

	Three months ended June 30,					
	2015	% of Revenue	2014	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$60,570	100.0 %	$68,280	100.0 %	$(7,710)	(11.3)%
Salaries and related	31,938	52.7 %	40,004	58.6 %	(8,066)	(20.2)%
Office and general	15,795	26.1 %	18,642	27.3 %	(2,847)	(15.3)%
Marketing and promotion	16,390	27.1 %	16,608	24.3 %	(218)	(1.3)%
Restructuring and other special charges	3,931	6.5 %	—	— %	3,931	na
Total operating expenses	68,054	112.4 %	75,254	110.2 %	(7,200)	(9.6)%
Operating loss	$(7,484)	(12.4)%	$(6,974)	(10.2)%	$(510)	7.3 %

Our Careers-International segment revenue decreased $7.7 million (11.3%, increase of 2.8% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014 with Europe decreasing 18.0% (1.0% on a constant currency basis), and Asia increasing 6.1% (12.8% on a constant currency basis). The revenue declines in Europe at constant currency primarily related to France, the Netherlands and Sweden, partially offset by increases in Germany and the United Kingdom. We continue to encounter market and competitive headwinds in Europe and are focused on improving sales execution and adoption of our product offerings. In Asia, both Korea and India continue to perform well with both countries experiencing year over year revenue growth on both an actual and constant currency basis.

Salaries and related expenses decreased $8.1 million (20.2%, 8.7% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014. This decrease in salaries and related expenses resulted primarily from $3.1 million in decreased regular salary and other headcount related costs, on a constant currency basis, related to headcount reductions as a result of our "Reallocate to Accelerate" program announced on February 10, 2015, and a currency impact reducing salary and related expenses by $4.6 million.

Office and general expenses decreased $2.8 million (15.3%, 7.3% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014. This decrease in office and general expenses resulted primarily from decreased depreciation expense and occupancy costs, on a constant currency basis, of $0.5 million and $0.6 million, respectively, and a currency impact reducing office and general expenses by $1.5 million.

Marketing and promotion expenses decreased $0.2 million (1.3%, increase of 13.1% on a constant currency basis) in the second quarter of 2015 compared to the same period of 2014. The Company continues to focus on targeted investments in key markets in Europe and Asia to drive site traffic and improve brand awareness.

Our Careers-International segment incurred $3.9 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.

Our Careers-International operating loss was $7.5 million in the second quarter of 2015, compared to an operating loss of $7.0 million in the second quarter of 2014, as a result of the factors discussed above.

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Interest and other, net
Interest and other, net, for the three months ended June 30, 2015 and 2014 resulted in an expense of $3.4 million and $1.7 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, and interest income associated with the Company's various investments and foreign currency gains or losses.
Income Taxes
Income taxes are as follows (dollars in thousands):

	Three months ended June 30,			
	2015	2014	Change in Dollars	Percentage Change
Income before income taxes and income in equity interests	$2,662	$3,053	$(391)	(12.8)%
Provision for income taxes	$2,816	$1,615	$1,201	74.4%
Effective tax rate	105.8%	52.9%		

The provision for income taxes consists of provisions for federal, state and foreign income taxes. The Company operates globally with operations in various tax jurisdictions outside of the United States. Accordingly, the effective income tax rate is a composite rate reflecting the 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, accrual of United States residual tax on earnings that are not indefinitely reinvested and the effect of valuation allowances on deferred tax assets. Due to continued weakness 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 excluding the impact of discrete items our effective tax rate is generally higher relative to the statutory rate of 35%.
The Company is currently under examination by several domestic and international tax authorities. Presently, no material adjustments have been proposed. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. The gross recorded liability for uncertain tax positions (inclusive of estimated interest and penalties thereon) as of June 30, 2015 and December 31, 2014 is recorded on the Company's consolidated balance sheet as long-term income taxes payable of $37.7 million and $54.6 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 $5 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 three months ended June 30, 2015 was $0.3 million compared to $0.1 million for the same period of 2014. Through January 3, 2014, the Company had a 25% equity investment in a company located in Finland. Effective January 3, 2014, the Company has a 15% equity investment in Alma Career Oy, a joint venture with Alma Media Corporation. See Note 9 – Deconsolidation of Subsidiaries in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.
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 exercise significant influence. Therefore, effective March 31, 2015, the 10% interest retained by the Company is being accounted for under the cost method. See Note 10 - Investments in Notes to the Consolidated

Financial Statements in Item I of this Form 10-Q.

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Net income attributable to noncontrolling interest
In December 2013, the Company sold a 49.99% interest in JobKorea, its wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of $90.0 million. Based on the terms of the agreement, since the Company maintains a controlling interest in the subsidiary, the Company consolidates the results of JobKorea in its consolidated financial statements. The noncontrolling interest's share of net income was $1.2 million and $1.5 million for the quarter ended June 30, 2015 and 2014, respectively.
Net (loss) income attributable to Monster Worldwide, Inc.
As a result of the factors discussed above, our consolidated net income was $0.1 million for the three months ended June 30, 2015, compared to $1.5 million for the same period of 2014. Net loss attributable to Monster Worldwide, Inc. was $1.0 million for the three months ended June 30, 2015, compared to break-even for the same period of 2014.
Diluted (loss) earnings per share attributable to Monster Worldwide, Inc.
Diluted loss per share attributable to Monster Worldwide, Inc. was $0.01 for the three months ended June 30, 2015, compared to break-even for the same period of 2014. Diluted weighted average shares outstanding for the three months ended June 30, 2015 and 2014 was 90.1 million shares and 90.0 million shares, respectively.
Reconciliation of Non-GAAP Financial Measures to GAAP Measures
EBITDA is defined as operating income or loss before depreciation and amortization, non-cash compensation expense, non-cash impairment charges, and non-cash costs incurred with the Company's restructuring programs. Adjusted EBITDA is defined as EBITDA plus separation charges associated with the resignation of the Company's former Chief Executive Officer and costs incurred relating to the Company's restructuring programs.
The Company considers 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. 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 EBITDA or Adjusted EBITDA in isolation or as alternatives to financial measures determined in accordance with GAAP. The principal limitation of 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, Adjusted EBITDA is subject to inherent limitations as it reflects the exercise of judgment by management about which expenses and income are excluded or included in determining Adjusted EBITDA. In order to compensate for these limitations, management presents EBITDA and Adjusted EBITDA in connection with GAAP results.
A reconciliation of operating loss to EBITDA and Adjusted EBITDA is as follows (dollars in thousands):

	Three months ended June 30,	
	2015	2014
Operating income	$6,012	$4,713
Depreciation expense	10,701	11,217
Stock based compensation expense	3,626	9,063
Amortization of intangibles	729	618
EBITDA	21,068	25,611
Separation charges[1]	2,000	—
Restructuring and other special charges[2]	5,977	—
Adjusted EBITDA	$29,045	$25,611

(1) 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.

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(2) On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's new strategy. The "Reallocate to Accelerate" initiatives include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. The Company incurred $6.0 million of restructuring costs during the second quarter of 2015 related to this program.

The Six Months Ended June 30, 2015 Compared to the Six Months Ended June 30, 2014

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

Consolidated revenue, operating expenses, operating (loss) income and EBITDA are as follows (dollars in thousands):

	Six months ended June 30,					
	2015	% of Revenue	2014	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$364,107	100.0 %	$392,590	100.0 %	$(28,483)	(7.3)%
Salaries and related	183,661	50.4 %	205,219	52.3 %	(21,558)	(10.5)%
Office and general	90,312	24.8 %	104,338	26.6 %	(14,026)	(13.4)%
Marketing and promotion	67,401	18.5 %	78,790	20.1 %	(11,389)	(14.5)%
Restructuring and other special charges	26,199	7.2 %	—	— %	26,199	na
Total operating expenses	367,573	101.0 %	388,347	98.9 %	(20,774)	(5.3)%
Operating (loss) income	$(3,466)	(1.0)%	$4,243	1.1 %	$(7,709)	(181.7)%
EBITDA	$32,088	8.8 %	$45,833	11.7 %	$(13,745)	(30.0)%
Adjusted EBITDA	$56,061	15.4 %	$52,182	13.3 %	$3,879	7.4 %

Our consolidated revenue decreased by $28.5 million (7.3%, 2.4% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. Our Careers-North America segment experienced a decrease of $11.5 million (4.5%) primarily due to declines in the government, mid-market and enterprise verticals, partially offset by growth in the staffing, small business and e-commerce verticals. Internet Advertising & Fees revenue and operating results are now being reported within the Careers-North America segment (see Note 16 – Segment and Geographic Data in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q). Our Careers-International segment decreased $17.0 million (12.2%, 0.8% on a constant currency basis).

Salaries and related expenses decreased $21.6 million (10.5%, 5.7% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. This decrease in salaries and related expenses resulted primarily from decreased regular salary and other headcount related costs and decreased stock based compensation as a result of our "Reallocate to Accelerate" program announced on February 10, 2015.

Office and general expenses decreased $14.0 million (13.4%, 10.2% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. This decrease in office and general expenses resulted primarily from decreased occupancy costs resulting from charges for exited facilities in North America recognized in the first quarter of 2014 which were not recognized in the first six months of 2015 and decreased depreciation expense.

Marketing and promotion expenses decreased $11.4 million (14.5%, 8.5% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. During the first six months of 2015, the Company was able to significantly reduce marketing spend while driving quality traffic, in addition to delivering a highly impactful campaign focused on Millennials.

We incurred $26.2 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.

Our consolidated operating loss was $3.5 million in the first six months of 2015, compared to operating income of $4.2 million in the same period of 2014, as a result of the factors discussed above.

Our consolidated EBITDA and Adjusted EBITDA were $32.1 million and $56.1 million in the first six months of 2015, respectively, compared to consolidated EBITDA and Adjusted EBITDA of $45.8 million and $52.2 million, in the same period

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of 2014, 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 operating (loss) income to 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,					
	2015	% of Revenue	2014	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$242,236	100.0 %	$253,706	100.0 %	$(11,470)	(4.5)%
Salaries and related	104,581	43.2 %	113,442	44.7 %	(8,861)	(7.8)%
Office and general	52,498	21.7 %	58,406	23.0 %	(5,908)	(10.1)%
Marketing and promotion	35,010	14.5 %	44,681	17.6 %	(9,671)	(21.6)%
Restructuring and other special charges	11,562	4.8 %	—	— %	11,562	na
Total operating expenses	203,651	84.1 %	216,529	85.3 %	(12,878)	(5.9)%
Operating income	$38,585	15.9 %	$37,177	14.7 %	$1,408	3.8 %

Our Careers-North America segment revenue decreased $11.5 million (4.5%) in the first six months of 2015 compared to the same period of 2014. The decrease in the Careers-North America segment is primarily due to declines in the government, mid-market and enterprise verticals, partially offset by growth in the staffing, small business and e-commerce verticals.

Salaries and related expenses decreased $8.9 million (7.8%) in the first six months of 2015 compared to the same period of 2014. This decrease in salaries and related expenses resulted primarily from $6.6 million of decreased regular salary and other headcount related costs related to headcount reductions as a result of our "Reallocate to Accelerate" program announced on February 10, 2015.

Office and general expenses decreased $5.9 million (10.1%) in the first six months of 2015 compared to the same period of 2014. This decrease in office and general expenses resulted primarily from $4.7 million of decreased occupancy costs.

Marketing and promotion expenses decreased $9.7 million (21.6%) in the first six months of 2015 compared to the same period of 2014. During the first six months of 2015, the Company was able to significantly reduce marketing spend while driving quality traffic, in addition to delivering a highly impactful campaign focused on Millennials.

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.

Our Careers-North America segment's operating income was $38.6 million in the first six months of 2015, compared to operating income of $37.2 million in the same period of 2014, as a result of the factors described above.

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Careers - International

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

	Six months ended June 30,					
	2015	% of Revenue	2014	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Revenue	$121,871	100.0 %	$138,884	100.0 %	$(17,013)	(12.2)%
Salaries and related	65,907	54.1 %	79,140	57.0 %	(13,233)	(16.7)%
Office and general	31,473	25.8 %	37,910	27.3 %	(6,437)	(17.0)%
Marketing and promotion	32,385	26.6 %	34,097	24.6 %	(1,712)	(5.0)%
Restructuring and other special charges	12,508	10.3 %	—	— %	12,508	na
Total operating expenses	142,273	116.7 %	151,147	108.8 %	(8,874)	(5.9)%
Operating loss	$(20,402)	(16.7)%	$(12,263)	(8.8)%	$(8,139)	66.4 %

Our Careers-International segment revenue decreased $17.0 million (12.2%, 0.8% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014 with Europe decreasing 18.4% (2.1% on a constant currency basis), and Asia increasing 3.9% (8.7% on a constant currency basis). The revenue declines in Europe at constant currency primarily related to France, the Netherlands and Sweden, partially offset by increases in Germany and the United Kingdom. We continue to encounter market and competitive headwinds in Europe and are focused on improving sales execution and adoption of our product offerings. In Asia, both Korea and India continue to perform well with both countries experiencing year over year revenue growth on both an actual and constant currency basis.

Salaries and related expenses decreased $13.2 million (16.7%, 5.6% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. This decrease in salaries and related expenses resulted primarily from $3.9 million in decreased regular salary and other headcount related costs, on a constant currency basis, related to headcount reductions as a result of our "Reallocate to Accelerate" program announced on February 10, 2015, and a currency impact reducing salary and related expenses by $8.8 million.

Office and general expenses decreased $6.4 million (17.0%, 9.6% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. This decrease in office and general expenses resulted primarily from decreased depreciation expense and occupancy costs, on a constant currency basis, of $1.5 million and $1.0 million, respectively, and a currency impact reducing office and general expenses by $2.8 million.

Marketing and promotion expenses decreased $1.7 million (5.0%; increase of 8.3% on a constant currency basis) in the first six months of 2015 compared to the same period of 2014. The Company continues to focus on targeted investments in key markets in Europe and Asia to drive site traffic and improve brand awareness.

Our Careers-International segment incurred $12.5 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.

Our Careers-International operating loss was $20.4 million in the first six months of 2015, compared to an operating loss of $12.3 million in the same period of 2014, as a result of the factors discussed above.

Interest and other, net

Interest and other, net, for the six months ended June 30, 2015 and 2014 resulted in an expense of $6.5 million and $3.0 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, and interest income associated with the Company’s various investments and foreign currency gains or losses.

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

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recognition of a pre-tax gain of $8.8 million in the first six months of 2015. See Note 10 - Investments in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.
Gain on deconsolidation of subsidiaries, net
During the first quarter of 2014, the Company deconsolidated its subsidiaries in Poland, Hungary and the Czech Republic and recorded a net gain of $11.8 million thereon. See Note 9 - Deconsolidation of Subsidiaries in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.
Income Taxes
Income taxes are as follows (dollars in thousands):

	Six months ended June 30,			
	2015	2014	Change in Dollars	Percentage Change
(Loss) income before income taxes and income (loss) in equity interests	$(1,074)	$13,088	$(14,162)	(108.2)%
(Benefit from) provision for income taxes	$(10,329)	$8,278	$(18,607)	(224.8)%
Effective tax rate	— %	63.2 %		

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, accrual of United States residual tax on earnings that are not indefinitely reinvested and the effect of valuation allowances on deferred tax assets. Due to continued weakness 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, excluding the impact of discrete items our effective tax rate is generally higher relative to the statutory rate of 35%.

The tax provision during the six months ended June 30, 2015 was increased by approximately $7.7 million of discrete items, 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 due to tax valuation allowances recorded on current year operating losses 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 six months 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 tax provision during the six months ended June 30, 2014 was increased by approximately $5.9 million of discrete items, consisting primarily of a tax provision of $5.5 million due to a gain related to the deconsolidation of our subsidiaries in Poland, Hungary and the Czech Republic (see Note 9 - Deconsolidation of Subsidiaries in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q) and increases to tax valuation allowances of approximately $1.2 million. In addition, as a result of changes to certain estimates relating to determination of unrecognized tax positions during the first quarter of 2014, the Company recognized previously unrecognized tax

positions of $0.4 million which, on a net of tax basis, impacted the effective rate by $0.2 million. The Company also reversed accrued interest on unrecognized tax positions of $0.4 million, which impacted the effective tax rate by $0.3 million. The total benefit reflected in the tax provision in the six months ended

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June 30, 2014 for these items was $0.5 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. 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, 2015 and December 31, 2014 is recorded on the Company's consolidated balance sheet as long-term income taxes payable of $37.7 million and $54.6 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 $5 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 (loss) in equity interests, net

Income in equity interests, net, for the six months ended June 30, 2015 was $0.1 million compared to a loss of $0.1 million for the same period of 2014. Through January 3, 2014, the Company had a 25% equity investment in a company located in Finland. Effective January 3, 2014, the Company has a 15% equity investment in Alma Career Oy, a joint venture with Alma Media Corporation. See Note 9 – Deconsolidation of Subsidiaries in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

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 exercise significant influence. Therefore, effective March 31, 2015, the 10% interest retained by the Company is being accounted for under the cost method. See Note 10 - Investments in Notes to the Consolidated Financial Statements in Item I of this Form 10-Q.

Net income attributable to noncontrolling interest

In December 2013, the Company sold a 49.99% interest in JobKorea, its wholly owned subsidiary in South Korea, to H&Q Korea for an aggregate purchase price of $90.0 million. Based on the terms of the agreement, since the Company maintains a controlling interest in the subsidiary, the Company consolidates the results of JobKorea in its consolidated financial statements. The noncontrolling interest's share of net income was $2.2 million and $2.6 million for the six months ended June 30, 2015 and 2014, respectively.

Net income attributable to Monster Worldwide, Inc.

As a result of the factors discussed above, our consolidated net income was $9.3 million for the six months ended June 30, 2015, compared to $4.7 million for the same period of 2014. Net income attributable to Monster Worldwide, Inc. was $7.1 million for the six months ended June 30, 2015, compared to $2.1 million for the same period of 2014.

Diluted earnings per share attributable to Monster Worldwide, Inc.

Diluted earnings per share attributable to Monster Worldwide, Inc. was $0.08 for the six months ended June 30, 2015, compared to $0.02 for the same period of 2014. Diluted weighted average shares outstanding for the six months ended June 30, 2015 and 2014 was 93.2 million shares and 92.2 million shares, respectively.

Reconciliation of Non-GAAP Financial Measures to GAAP Measures

EBITDA is defined as operating income or loss before depreciation and amortization, non-cash compensation expense, non-cash impairment charges, and non-cash costs incurred with the Company's restructuring programs. Adjusted EBITDA is defined as EBITDA plus charges related to exited facilities, separation charges associated with the resignation of the Company's former Chief Executive Officer, and costs incurred relating to the Company's restructuring programs.

The Company considers 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. EBITDA and Adjusted EBITDA are non-GAAP measures and may not be comparable to similarly titled measures reported by other companies.

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We do not consider EBITDA or Adjusted EBITDA in isolation or as alternatives to financial measures determined in accordance with GAAP. The principal limitation of 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, Adjusted EBITDA is subject to inherent limitations as it reflects the exercise of judgment by management about which expenses and income are excluded or included in determining Adjusted EBITDA. In order to compensate for these limitations, management presents EBITDA and Adjusted EBITDA in connection with GAAP results.

A reconciliation of operating (loss) income to EBITDA and Adjusted EBITDA is as follows (dollars in thousands):

	Six months ended June 30,	
	2015	2014
Operating (loss) income	$(3,466)	$4,243
Depreciation expense	21,783	23,102
Stock based compensation expense	8,091	17,236
Amortization of intangibles	1,454	1,252
Restructuring non-cash expenses[(1)]	4,226	—
EBITDA	32,088	45,833
Facilities costs[(2)]	—	6,349
Separation charges[(3)]	2,000	—
Restructuring and other special charges, less non-cash items[(1)]	21,973	—
Adjusted EBITDA	$56,061	$52,182

(1) On February 10, 2015, the Company committed to take a series of cost savings initiatives to reduce costs globally while continuing to support the Company's new strategy. The "Reallocate to Accelerate" initiatives include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. The Company incurred $26.2 million of restructuring costs during the first six months of 2015 related to this program (including $4.2 million of non-cash expenses).

(2) The Company incurred $6.3 million of charges associated with exited facilities in the first quarter of 2014. The majority of these charges related to facility charges associated with the consolidation of multiple offices into the Company's corporate headquarters in Weston, Massachusetts.

(3) 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.

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FINANCIAL CONDITION

The following tables detail our cash and cash equivalents:

	June 30, 2015	December 31, 2014	Change in Dollars	Percentage
Cash and cash equivalents	$107,681	$94,297	$13,384	14.2 %
Percentage of total assets	9.2 %	7.7 %		

As of June 30, 2015, we had cash and cash equivalents of $107.7 million compared to $94.3 million as of December 31, 2014. Our increase in cash and cash equivalents of $13.4 million in the first six months of 2015 primarily resulted from $42.8 million of cash provided by operating activities and $9.1 million of cash received from the sale of a partial equity interest in CareerOne Pty Limited ("CareerOne"), partially offset by $14.7 million of capital expenditures, $6.8 million of tax withholdings related to vesting of stock awards, $4.5 million of payments on borrowings on our term loan, $2.3 million of payments for legal fees for defense of our patents, a $10.0 million distribution paid to the minority shareholder in our Korean subsidiary, and a $0.7 million unfavorable impact of currency on cash and cash equivalents in the first six months of 2015.

Cash Flows

Consolidated cash flows for the six months ended June 30, 2015 and 2014 are as follows:

	Six months ended June 30, 2015	Six months ended June 30, 2014	Change in Dollars	Percentage
Net cash provided by operating activities	$42,807	$43,807	$(1,000)	(2.3)%
Net cash used for investing activities	$(6,264)	$(57,826)	$(51,562)	89.2 %
Net cash (used for) provided by financing activities	$(22,428)	$8,279	$(30,707)	(370.9)%
Effects of exchange rates on cash	$(731)	$1,554	$(2,285)	(147)%

Cash provided by operating activities was $42.8 million for the six months ended June 30, 2015, an decrease of $1.0 million from the $43.8 million of cash provided by operating activities for the six months ended June 30, 2014. This decrease resulted primarily from decreased cash flows of $3.9 million relating to working capital items, partially offset by an increase of $2.9 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.

Cash used for investing activities was $6.3 million for the six months ended June 30, 2015, a decrease of $51.6 million from cash used for investing activities of $57.8 million for the six months ended June 30, 2014. This decrease resulted primarily from $27.0 million of payments for acquisitions, net of cash acquired, in the first quarter of 2014, $6.5 million of cash contributed in connection with our joint venture with Alma Media in the first quarter of 2014, $9.1 million of cash received in the first quarter of 2015 from the sale of a partial equity interest in CareerOne, and decreased capital expenditures of $7.7 million during the first six months of 2015, partially offset by $1.1 million of payments for legal fees for defense of our patents in the first quarter of 2015.

Cash used for financing activities was $22.4 million for the six months ended June 30, 2015, a decrease of $30.7 million from cash provided by financing activities of $8.3 million for the six months ended June 30, 2014. This decrease resulted primarily from decreased net new borrowings on our term loan and credit facilities of $70.8 million, partially offset by no share repurchases in the first half of 2015 versus repurchases of $51.5 million in the first six months of 2014, $7.0 million of increased distributions paid to the minority shareholder in our Korean subsidiary during the first six months of 2015, and $3.1 million of increased tax withholdings related to vesting of stock awards in the first six months of 2015.

Liquidity and Capital Resources

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

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Historically, we have relied on funds provided by operating activities, equity offerings, short and long-term borrowings and seller-financed notes to meet our liquidity needs. We invest our excess cash predominantly in bank time deposits and bankers' acceptances 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 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, cash payments of our various restructuring costs, 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 Facility

On October 15, 2014, the Company entered into an amendment of its credit agreement dated March 22, 2012 (the “Second Amended Credit Agreement”), that (i) permitted the offering of the Notes (as defined below) and the conversion of the Notes into cash and/or equity of the Company, (ii) permitted the Company to enter into a capped call transaction and (iii) required that the Company use the proceeds from the offering of the Notes (net of reasonable and documented fees and expenses incurred in connection with the offering and the net cost of the capped call transaction), to repay the term loan facility and revolving debt under the Second Amended Credit Agreement (with no corresponding reduction of the then-existing revolving credit facility).

On October 31, 2014, the Company amended and restated the Second Amended Credit Agreement (the “Third Amended Credit Agreement”). The Third Amended Credit Agreement provides the Company with a $100 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, which is a component of the Consolidated Leverage Ratio and the Consolidated Fixed Charge Coverage Ratio.

The Company is required to make quarterly amortization payments on the outstanding principal amount of the term loans, with $2.25 million payable on September 30, 2015, $2.8 million payable on each of December 31, 2015, March 31, 2016, June 30, 2016, and September 30, 2016, $3.4 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, 2015, the Company was in full compliance with its covenants. As of June 30, 2015, based on the maximum allowed consolidated leverage, $31.3 million of the Company's revolving credit facility was available under the Third Amended Credit Agreement.

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.

See Note 14 – 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 historically earned a significant portion of its income outside the United States. The total amount of cash offshore is approximately $75.7 million, approximately $68.0 million of which is in subsidiaries for which the

Company maintains the indefinite reinvestment assertion and $8.3 million of which is held in South Korea. In December 2013 Monster sold 49.99% of its interest in its Korean subsidiary to H & Q Korea. As a result of the sale, the 50.01% retained interest in

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Korea is owned through an entity characterized as a partnership for U.S. tax reporting purposes and the Company's share of income is taxable in the U.S. whether distributed or not. In April 2015 a cash distribution of $10.0 million was paid to the Company with respect to its 50.01% retained interest.

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 any, on the portion characterized as a taxable dividend for United States tax purposes. 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 2015, the Company has paid $0.3 million of taxes on domestic and international income. We expect to utilize our tax loss and tax credit carryovers to offset most cash tax obligations in 2015. 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 include a global workforce reduction of approximately 300 associates, lease exit costs, impairment of certain assets, and office and general expense controls. Through June 30, 2015, the Company has notified approximately 250 associates in North America and Europe. The Company expects these reductions, currently anticipated to be completed by the end of 2015, to result in annualized savings of approximately $38 million to $45 million. The full impact of the savings will be realized beginning in the fourth quarter of 2015. The Company recognized a pre-tax charge of $26.2 million during the first six months of 2015 as a result of these initiatives, and anticipates additional charges of approximately $2 million to $3 million in the remainder of 2015.

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 Plan

On April 30, 2013, the Board of Directors of the Company authorized a share repurchase program of up to $200 million which expired on April 30, 2015. No share repurchases were made during the six months ended June 30, 2015. During the six months ended June 30, 2014, the Company repurchased 7.0 million shares for a total of $51.4 million, excluding commissions, at an average price of $7.31 per share. Since the inception of this repurchase program, the Company repurchased 27.7 million shares for a total of $158.7 million, excluding commissions, at an average price of $5.73 per share.

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CRITICAL ACCOUNTING ESTIMATES

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

Our significant accounting policies are discussed in Note 1, Basis of Presentation and Significant Accounting Policies, of the Notes to Consolidated Financial Statements, included in “Item 8, Financial Statements and Supplementary Data”, of our Annual Report on Form 10-K for the year ended December 31, 2014. 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.

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 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 affect 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. Goodwill is tested more frequently if indicators of impairment exist. The goodwill impairment test is performed at the reporting unit level. 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 flow 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.
As a corroborative source of information, the Company reconciles the estimated fair values of its reporting units to within a reasonable range of its market capitalization, which includes an assumed control premium (an adjustment reflecting an estimated fair value on a control basis) to verify the reasonableness of the fair value of its reporting units obtained through 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.
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. 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.
Long-lived assets. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset's residual value, if any. In turn, measurement of an impairment loss requires a determination of fair value, which is based on the best

information available. We use internal discounted cash flows estimates, quoted market prices when available and independent appraisals, as appropriate, to determine fair value. We derive the required cash flow estimates from our historical experience and our internal business plans and apply an appropriate discount rate.

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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 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 interest for the three and six months ended June 30, 2015 and 2014, resulting from our equity method investments in Alma Career Oy 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 exercise significant influence. Therefore, effective March 31, 2015, the 10% interest retained by the Company is being accounted for under the cost method.

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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, 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, 2014.

Foreign Exchange Risk

During the three months ended June 30, 2015, revenue from our international operations accounted for 36% 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, Korean Won, 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, 2015 negatively impacted our revenue by approximately $10.1 million and a positive impact of $0.7 million on reported operating income, compared to the three months ended June 30, 2014.

We have foreign exchange risk related to foreign-denominated cash and cash equivalents ("foreign funds"). Based on the balance of foreign funds at June 30, 2015 of $75.7 million, an assumed 5%, 10% and 20% negative currency movement would result in fair value declines of $3.8 million, $7.6 million and $15.1 million, respectively.

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

The financial statements of our non-U.S. subsidiaries are translated into U.S. dollars using current rates of exchange, with gains or losses included in the cumulative translation adjustment account, a component of stockholders' equity. During the three months ended June 30, 2015, our cumulative translation adjustment account increased by $3.3 million, attributable to net foreign currency movements, primarily of changes in the U.S. dollar against the Euro and the Swedish Krona.

Interest Rate Risk

Credit Facilities

As of June 30, 2015, 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 2015, we would have had $183.3 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 $0.5 million for the three months ended June 30, 2015. Assuming the amount of borrowings under our credit facilities was equal to the amount of outstanding borrowings on June 30, 2015, we would have had $83.3 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, 2015. 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 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, 2015 would have changed pretax earnings by approximately $0.2 million for the three months ended June 30, 2015.

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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, 2015, 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. 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.

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, 2014, which could materially affect our business, financial position and results of operations. There are no material changes from the risk factors set forth in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

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

On May 15, 2015, the Company issued a total of 82,257 shares of our common stock to an employee and a consultant in consideration for services under an employment agreement and 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
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.
31.2	Certification by James M. Langrock pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Timothy T. Yates pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by James M. Langrock pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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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.

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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: July 30, 2015

By: /S/ TIMOTHY T. YATES
Timothy T. Yates
President and Chief Executive Officer
(principal executive officer)

Dated: July 30, 2015

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

Dated: July 30, 2015

By: /S/ MICHAEL B. MCGUINNESS
Michael B. McGuinness
Senior Vice President, Chief Accounting Officer and Global Controller
(principal accounting officer)

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