

Yahoo sells HotJobs to Monster Worldwide for \$225M

February 4 2010, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Yahoo Inc. crossed off another chore on its housecleaning list Wednesday with the proposed sale of online help-wanted site HotJobs to rival Monster Worldwide Inc. for \$225 million.

The all-cash deal marks another step in [Yahoo CEO](#) Carol Bartz's effort to jettison services that have been struggling or don't fit with the Internet company's efforts to focus more on its news, entertainment and communications features.

Yahoo already has closed several unprofitable services and last month agreed to sell e-mail provider Zimbra to VMWare Inc. for an undisclosed amount.

HotJobs' sale price reflects how far it has fallen since Yahoo bought it for \$439 million in cash and stock nearly eight years ago. In an ironic twist, Yahoo had to outbid Monster.com's holding company to buy HotJobs.

As often happens in acquisitions, HotJobs' culture quickly clashed with Yahoo's, said Marc Cendella, a former HotJobs executive who now runs another online recruitment service, TheLadders.com. He said nine of HotJobs' top 11 executives left within six months of Yahoo's takeover.

These have been tough times for companies that rely on help-wanted advertising for their income, with the feeble economy and high [unemployment rate](#) dampening demand. Monster's profit plunged 85

percent to \$19 million last year.

HotJobs is a smaller player in the market than Monster, which generated \$905 million in revenue last year. JPMorgan analyst Imran Khan estimated HotJobs 2009 revenue at \$900 million.

Yahoo, based in Sunnyvale, still will have an opportunity to get some money out of Monster after HotJobs changes hands. The deal calls for the front page of Yahoo's Web site in North America to feature Monster's job listings and other employment content for the next three years. Monster will make annual payments to Yahoo based on the volume of traffic flowing from the links.

Monster, based in New York, is counting on HotJobs to make it a more formidable challenger to CareerBuilder.com and extend its geographic reach by connecting with about 600 newspapers that belong to HotJobs' network.

In a Wednesday conference call, Monster executives told analysts that they expect to retain about 275 of HotJobs' employees. The executives indicated some layoffs are likely, but didn't indicate how many jobs will be cut. A Yahoo spokeswoman declined to say how many people currently work for HotJobs.

If the deal is approved by regulators, Monster plans to take over HotJobs between June and October.

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