MONSTER WORLDWIDE INC
Form S-3/A
January 05, 2004

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As filed with the Securities and Exchange Commission on January 5, 2004

Registration No. 333-109598

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3 TO FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MONSTER WORLDWIDE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

13-3906555
(I.R.S. Employer Identification Number)

622 Third Avenue
New York, New York 10017
(212) 351-7000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Myron Olesnyckyj, Esq.
Monster Worldwide, Inc.
622 Third Avenue
New York, New York 10017
(212) 351-7000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies of all communications, including all communications sent to the agent for service, should be sent to:

Gregg Berman, Esq.
Fulbright & Jaworski L.L.P.
666 Fifth Avenue
New York, New York 10103
(212) 318-3000

Luciana Fato, Esq.
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plan, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

This registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued January 5, 2004

2,500,000 Shares

Common Stock

Monster Worldwide, Inc. is offering 2,500,000 shares of its common stock.

Our common stock is listed on the Nasdaq National Market under the symbol "MNST." On January 2, 2004, the reported last sale price of our common stock on the Nasdaq National Market was $22.27 per share.

Investing in the common stock involves risks. See "Risk Factors" beginning on page 6.

PRICE $ PER SHARE

	Price to Public	***Underwriting Discounts and Commissions***	***Proceeds to Monster Worldwide, Inc.***
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

Monster Worldwide, Inc. has granted the underwriter the right to purchase up to an additional 375,000 shares of common stock to cover over-allotments.

The Securities and Exchange Commission and any state securities regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares of common stock to purchasers on January   , 2004.

MORGAN STANLEY

The date of this Prospectus is January   , 2004.

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You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock.

When used in this prospectus, "we", "us" and "our" refer to Monster Worldwide, Inc. and where the context requires, our subsidiaries. Monster is our registered trademark. This prospectus contains other product names, trade names, service marks and trademarks of Monster and of other organizations.

All of the information in this prospectus assumes no exercise of the underwriter's over-allotment option and gives effect to the two-for-one stock split effected in the form of a stock dividend to each stockholder of record as of February 29, 2000.

PROSPECTUS SUMMARY

The following summary should be read in conjunction with the other information contained or incorporated by reference in this prospectus. Read this prospectus carefully, especially the risks described under "Risk Factors."

Our Company

Founded in 1967, Monster Worldwide, Inc. is the parent company of Monster, the leading global online careers property. We also own TMP Worldwide, the world's largest Yellow Pages advertising agency and one of the world's largest recruitment advertising agencies. Our more than 495,000 clients include, on a non-exclusive basis, approximately 90 of the Fortune 100 and approximately 490 of the Fortune 500 companies. These Fortune 100 and Fortune 500 clients accounted for 5% and 13%, respectively, of our revenue for the nine months ended September 30, 2003. We are headquartered in New York with approximately 4,300 employees in 19 countries.

Monster (*www.monster.com*) is our flagship brand and the leading global online careers property. Monster was founded in 1994 as the Monster Board and was the 454th commercial website in the world. We believe that Monster has revolutionized the way employers and job seekers connect with one another. Monster's services are designed to help employers, who are our clients, streamline and effectively manage their entire hiring process online by advertising job openings and accessing resume databases. We believe that Monster provides one-stop-shopping for our clients' online recruiting and career management needs, and offers services that are more efficient and effective than traditional methods of human resource management. The Monster global network consists of 20 local content and language sites in countries throughout North America, Europe and the Asia Pacific Region. The Monster network's resume database (which includes Flipdog and MonsterTRAK), contains, as of November 2003, more than 32 million resumes.

Our TMP Worldwide Advertising & Communications business specializes in designing global, national or local recruitment advertising campaigns for clients in high growth industries and government agencies. We entered the recruitment advertising business in 1993 and have expanded this business worldwide through organic growth and acquisitions. We seek to help our clients position themselves as the employer of choice, and to attract and retain the most qualified candidates. In addition to traditional media, such as print advertising, we continue to expand the reach of our services through the utilization of online recruitment advertising, development of employer branding programs, image campaigns, creation of direct marketing materials, retention programs and other employee communications, job fairs, employee referral programs and campus recruiting.

TMP Worldwide Directional Marketing is the world's largest Yellow Pages advertising agency based on gross billings. We help over 2,000 clients build, enhance, and protect their brand images using over 7,000 Yellow Pages directories. Our Directional Marketing business focuses on Yellow Pages advertising programs for national accounts. We entered the Yellow Pages advertising business in 1967 and have been able to use our more than 35 years of understanding consumers' use of Yellow Pages directories to introduce our clients to other marketing media that facilitate a connection between consumers and our clients, such as Monstermoving^{SM} (*www.monstermoving.com*).

We believe our growth will primarily come from strengthening our leadership position in the online recruitment and career management market and migrating our traditional business models to the Internet. Our ongoing strategies to strengthen our position include:

- promoting the Monster brand globally through online and traditional advertising, aggressive and targeted marketing programs and through select alliances or affiliations;

- growing through new initiatives, such as Monster Hourly and Skilled and Monster Government Solutions, and leveraging our brand through extensions, such as Monstermoving.com;

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- developing the Monster brand internationally by maintaining or achieving the number one or two market position in key international markets, by growing organically and through select, complementary acquisitions;

- developing integrated sales approaches between our Interactive solutions and traditional recruitment and Yellow Pages advertising services along the entire employment spectrum; and

- enhancing the features of Monster so it remains the most comprehensive career management resource for both the job seeker and the human resources, or HR, professional.

Our executive offices are located at 622 Third Avenue, New York, New York 10017, and our telephone number is (212) 351-7000. Our website is *www.monsterworldwide.com*. The information contained on our website is not a part of this prospectus.

Recent Developments

Hudson Highland Spin-Off. On March 31, 2003, we completed the distribution (the "spin-off") of the common stock of Hudson Highland Group, Inc. ("HH Group"), previously reported as our eResourcing and Executive Search divisions. The spin-off was effected by way of pro-rata tax free dividend (the "Distribution") of the common stock of HH Group to holders of our common stock on March 31, 2003. In the Distribution, our stockholders received one share of HH Group common stock for every $13^{1}/_{3}$ shares of our common stock owned. Our stockholders paid no consideration for the shares of HH Group stock they received.

Termination of Ninemsn Joint Venture. In August 2003, we terminated our joint venture arrangement with Ninemsn in Australia and New Zealand. We have shut down our websites in Australia and New Zealand (Monster.au and Monster.nz) and have redirected all traffic to our Monster.com website. Our shut down plan includes employee terminations, client notifications and property abandonment. Our shut down plan was substantially complete as of August 15, 2003.

Expiration of AOL and MSN Agreements and Redirection of Marketing Spending. Our content and marketing agreement with America Online, Inc. (a unit of Time Warner Inc.) expired on December 1, 2003 and our content and marketing agreement with MSN (a unit of Microsoft, Inc.) expired on December 31, 2003. For the nine months ended September 30, 2003, we estimate that MSN and AOL together provided an average of approximately 20% of the unduplicated unique visitors that visited the Monster sites. We define an unduplicated unique visitor as one who visited only the AOL Monster co-branded site or the MSN Monster co-branded site, and did not visit any of our Monster sites. During 2003, we anticipate spending approximately 40% of our global marketing budget or approximately $50 million in connection with these agreements. Following the expiration of these agreements, we plan to redirect a large portion of this amount toward targeted, national and local marketing initiatives. We believe that this approach will enable us to more efficiently attract a targeted and more relevant audience, expand our Monster franchise and better meet the needs of Monster's customers.

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THE OFFERING

Common stock offered by Monster Worldwide, Inc.	2,500,000
Common stock to be outstanding after this offering	115,401,241
Use of proceeds	General corporate purposes, including working capital. A portion of the proceeds may also be used to acquire or invest in complementary businesses. See "Use of Proceeds."
Nasdaq National Market Symbol	MNST

The number of shares of common stock to be outstanding after this offering excludes 18,030,326 shares of common stock subject to outstanding stock options and 9,385,405 shares of common stock reserved for future issuance under our stock plans. See "Capitalization" for additional information concerning the number of outstanding shares of our capital stock.

RISK FACTORS

You should consider carefully the following risk factors together with all of the other information included in this prospectus before you decide to purchase shares of our common stock.

We rely on the value of our brands, particularly Monster, and the costs of maintaining and enhancing our brand awareness are increasing.

Our success depends on our brands and their value. Our business would be harmed if we were unable to adequately protect our brand names, particularly Monster. We believe that maintaining and expanding the Monster brand is an important aspect of our efforts to attract and expand our user and client base. We also believe that the importance of brand recognition will increase due to the growing number of Internet sites and the relatively low barriers to entry. We have spent considerable money and resources to date on the establishment and maintenance of the Monster brand. We may spend increasing amounts of money on, and devote greater resources to, advertising, marketing and other brand-building efforts to preserve and enhance consumer awareness of the Monster brand during 2003. Despite this, we may not be able to successfully maintain or enhance consumer awareness of the Monster brand and, even if we are successful in our branding efforts, such efforts may not be cost-effective. If we are unable to maintain or enhance consumer awareness of the Monster brand in a cost-effective manner, our business, operating results and financial condition may be harmed significantly.

We are also susceptible to others imitating our products, particularly Monster, and infringing on our intellectual property rights. We may not be able to successfully protect our intellectual property rights, upon which we are materially dependent. In addition, the laws of foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Imitation of our products, particularly Monster, or infringement of our intellectual property rights could diminish the value of our brands or otherwise reduce our revenues.

Our operations have been and will be affected by future global economic fluctuations.

The general level of economic activity in the regions and industries in which we operate significantly affects demand for our services. When economic activity slows, many companies hire fewer employees. Therefore, if the current downturn in our business that began in the second half of 2001 continues, or there is a similar economic downturn in the future, especially in regions or industries where our operations are heavily concentrated, our business, financial condition and operating results could be significantly harmed. Further, we may face increased pricing pressures during such periods. There can be no assurance that during these periods our results of operations will not be significantly harmed.

Our operating results fluctuate from quarter to quarter.

Our quarterly operating results have fluctuated in the past and may fluctuate in the future. These fluctuations are a result of a variety of factors, including:

- entering new markets;
- enhancements to existing services;
- the hiring cycles of employers;
- the timing, amount and mix of subscription, license and service payments;
- changes in general economic conditions, such as recessions, that could affect recruiting efforts generally and online recruiting efforts in particular;

the magnitude and timing of marketing initiatives;

the maintenance and development of our strategic relationships;

the attraction and retention of key personnel;

our ability to manage our anticipated growth and expansion;

our ability to attract and retain customers;

our ability to attract qualified job seekers;

technical difficulties or system downtime affecting the Internet generally or the operation of our products and services specifically;

the timing of our acquisitions; and

the timing of Yellow Pages directory closings, the largest number of which currently occur in the third quarter.

We face risks relating to developing technology, including the Internet.

The market for Internet products and services is characterized by rapid technological developments, frequent new product introductions and evolving industry standards. The emerging character of these products and services and their rapid evolution will require our continuous improvement in the performance, features and reliability of our Internet content, particularly in response to competitive offerings. We may not be successful in responding quickly, cost effectively and sufficiently to these developments. In addition, the widespread adoption of new Internet technologies or standards could require us to make substantial expenditures to modify or adapt our websites and services. This could harm our business, financial condition and operating results.

The online recruiting market is still young and rapidly evolving. The adoption of online recruiting and job seeking, particularly among those companies that have historically relied upon traditional recruiting methods, requires the acceptance of a new way of conducting business, exchanging information, advertising and applying for jobs. Many of our potential customers have little or no experience using the Internet as a recruiting tool, and only select segments of the job-seeking population have experience using the Internet to look for jobs. Companies may not continue to allocate portions of their budgets to Internet-based recruiting and job seekers may not use online job seeking methods. As a result, we may not be able to effectively compete with traditional recruiting and job seeking methods. If Internet-based recruiting does not remain widely accepted or if we are not able to anticipate changes in the online recruiting market, our business, results of operations and financial condition could be significantly harmed.

New Internet services or enhancements that we have offered or may offer in the future may contain design flaws or other defects that could require expensive modifications or result in a loss of client confidence. Any disruption in Internet access or in the Internet generally could significantly harm our business, financial condition and operating results. Slower response times or system failures may also result from straining the capacity of our software, hardware or network infrastructure. To the extent that we do not effectively address any capacity constraints or system failures, our business, results of operations and financial condition could be significantly harmed.

Trends that could have a critical impact on our success include:

rapidly changing technology in online recruiting;

evolving industry standards, including both formal and de facto standards relating to online recruiting;

developments and changes relating to the Internet;

evolving government regulations;

competing products and services that offer increased functionality; and

changes in employer and job seeker requirements.

We rely heavily on our information systems and if our access to this technology is impaired or interrupted, or we fail to further develop our technology, our business could be harmed.

Our success depends in large part upon our ability to store, retrieve, process and manage substantial amounts of information, including our client and candidate databases. To achieve our strategic objectives and to remain competitive, we must continue to develop and enhance our information systems. This may require the acquisition of equipment and software and the development, either internally or through independent consultants, of new proprietary software. Our inability to design, develop, implement and utilize, in a cost-effective manner, information systems that provide the capabilities necessary for us to compete effectively, or any interruption or loss of our information processing capabilities, for any reason, could harm our business, results of operations or financial condition.

Our markets are highly competitive.

The markets for our services are highly competitive. They are characterized by pressures to:

reduce prices;

incorporate new capabilities and technologies; and

accelerate job completion schedules.

Furthermore, we face competition from a number of sources. These sources include:

Internet portals and other job-related websites;

traditional media companies, including newspapers;

specialized and integrated marketing communication firms; and

national and regional advertising agencies.

Many of our competitors or potential competitors have long operating histories, and some may have greater financial, management, technological development, sales, marketing and other resources than we do. Some of our competitors, who have greater financial resources than us, may make the cost of entering into or renewing certain of our affiliation agreements economically unattractive, by developing competing relationships with our existing or potential affiliates. If we do not renew an affiliation agreement, our stock price may be significantly harmed. In addition, our ability to maintain our existing clients and attract new clients depends to a large degree on the quality of our services and our reputation among our clients and potential clients.

Due to competition, we may experience reduced margins on our products and services, loss of market share or less use of Monster by job seekers and our customers. If we are not able to compete effectively with current or future competitors as a result of these and other factors, our business, financial condition and results of operations could be significantly harmed.

We have no significant proprietary technology that would preclude or inhibit competitors from entering the online advertising, recruitment advertising or Yellow Pages advertising markets. Existing or future competitors may develop or offer services and products which provide significant performance, price, creative or other advantages over our services. This could significantly harm our business, financial condition and operating results.

We are vulnerable to intellectual property infringement claims brought against us by others and we may not have sufficient protection for our own intellectual property.

Successful intellectual property infringement claims against us could result in monetary liability or a material disruption in the conduct of our business. We cannot be certain that our products, content and brand names do not or will not infringe valid patents, copyrights or other intellectual property rights held by third parties. We expect that infringement claims in our markets will increase in number as more participants enter the markets. We may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. If we were found to have infringed the intellectual property rights of a third party, we could be liable to that party for license fees, royalty payments, profits or damages, and the owner of the intellectual property might be able to prevent us from using the technology or software in the future. If the amounts of these payments were significant or we were prevented from incorporating certain technology or software into our products, our business could be significantly harmed.

We may incur substantial expenses in defending against these third party infringement claims, regardless of their merit. As a result, due to the diversion of management time, the expense required to defend against any claim and the potential liability associated with any lawsuit, any significant litigation could significantly harm our business, financial condition and results of operations.

If we are unable to protect our proprietary rights or maintain our rights to use key technologies of third parties, our business may be harmed.

A degree of uncertainty exists concerning the application and enforcement of copyright and trade dress laws to the Internet, and existing laws may not provide us adequate protection for our original content or the appearance of our Internet sites. In addition, because copyright laws do not prohibit independent development of similar content, copyright laws may not provide us with any competitive advantage. We have obtained certain patents and applied for other patents with respect to certain of our software systems, methods and related technologies, but our pending applications may not be granted and any patents issued to us may in the future be challenged, invalidated or circumvented, and the rights granted thereunder may not provide us with a competitive advantage. Policing unauthorized use of our proprietary technology and other intellectual property rights could involve significant expense and could be difficult or impossible, particularly given the global nature of the Internet and the fact that the laws of other countries may afford us little or no effective protection of our intellectual property.

In addition, we rely on certain technology licensed from third parties, and may be required to license additional technology in the future, for use in managing our Internet sites and providing related services to users and advertising customers. Our ability to generate fees from Internet commerce may also depend on data encryption and authentication technologies that we may be required to license from third parties. These third-party technology licenses may not continue to be available to us on acceptable commercial terms or at all. The inability to enter into and maintain any of these technology licenses could significantly harm our business, financial condition and operating results.

Computer viruses may cause our systems to incur delays or interruptions.

Computer viruses may cause our systems to incur delays or other service interruptions and could damage our reputation which in turn, could significantly harm our business, financial condition and operating results. The inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability. Our system's continuing and uninterrupted performance is critical to our success. Customers and job seekers may become dissatisfied by any system failure that interrupts our ability to provide our services to them, including failures affecting our ability to serve Web page requests without significant delay to the viewer. Sustained or repeated system failures would reduce the attractiveness of our solutions to customers and job seekers and result in reduced traffic or contract terminations, fee rebates and make goods, thereby reducing revenues. Moreover, if a computer virus affecting our system is highly publicized, our reputation could be significantly damaged and our visitor traffic may decrease.

Our growth may be dependent on acquiring new businesses.

We may continue to grow, in part, by acquiring businesses. The success of this strategy depends upon several factors, including:

- our ability to identify and acquire businesses on a cost-effective basis;
- our ability to integrate acquired personnel, operations, products and technologies into our organization effectively; and
- our ability to retain and motivate key personnel and to retain the clients of acquired firms.

We may not be able to identify any suitable acquisition candidate. If we do, financing for our desired acquisitions may not be available on terms we find acceptable and we may not be able to manage and integrate acquisitions successfully. Any inability to do so may significantly harm our business, financial condition and operating results. In addition, we have frequently used our stock as consideration for acquisitions. Our common stock may not remain at a price at which it can be used as consideration for acquisitions without diluting our existing stockholders, and potential acquisition candidates may not view our stock attractively. We also may not be able to sustain the rates of growth that we have experienced in the past, whether by acquiring businesses or otherwise.

We have had and may face future difficulties managing growth.

Historically, our business grew rapidly, both internally and through acquisitions, until the current downturn in our business that began in the second half of 2001. This expansion resulted in substantial growth in the number of our employees, and put a significant strain on our management and operations. If our business grows rapidly again in the future, we expect it to result in increased responsibility for management personnel, and incremental strain on our operations, and financial and management systems. Our success under such conditions will depend to a significant extent on the ability of our executive officers and other members of senior management to operate effectively both independently and as a group. If we are not able to manage future growth, our business, financial condition and operating results may be harmed.

If HH Group fails to meet its obligations, our financial condition and results of operations may be harmed.

On March 31, 2003 we completed the spin-off of HH Group to our stockholders. As a result of the spin-off HH Group agreed to indemnify us from liabilities related to their business. If, for whatever reason, a claim is made for which we do not receive indemnification, our financial condition and results of operations could be significantly harmed. In addition, for a transition period, HH Group has agreed to provide us with certain services. If they fail to do so for the specified period, our business could be disrupted until we are able to replace HH Group as the service provider.

We face risks relating to our foreign operations.

We conduct operations in 19 foreign countries, including Australia, Belgium, Canada, France, Germany, India, Ireland, Italy, Japan, the Netherlands, Singapore, Spain and the United Kingdom. For the nine months ended September 30, 2003 and 2002, approximately 24% and 25%, respectively, of our total revenue was earned outside of the United States. Such amounts are collected in the local currency. In addition, we generally pay operating expenses in the corresponding local currency. Therefore, we are at risk for exchange rate fluctuations between such local currencies and the U.S. dollar. We are also subject to

taxation in foreign jurisdictions. In addition, transactions between our foreign subsidiaries and us may be subject to United States and foreign withholding taxes. Applicable tax rates in foreign jurisdictions differ from those of the United States, and change periodically. The extent, if any, to which we will receive credit in the United States for taxes we pay in foreign jurisdictions will depend upon the application of limitations set forth in the Internal Revenue Code of 1986, as well as the provisions of any tax treaties that may exist between the United States and such foreign jurisdictions.

Our current or future international operations might not succeed for a number of reasons including:

- difficulties in staffing and managing foreign operations;
- competition from local recruiting services;
- operational issues such as longer customer payment cycles and greater difficulties in collecting accounts receivable;
- seasonal reductions in business activity;
- language and cultural differences;
- legal uncertainties inherent in transnational operations such as export and import regulations, tariffs and other trade barriers;
- taxation issues;
- unexpected changes in trading policies and regulatory requirements;
- issues relating to uncertainties of laws and enforcement relating to the regulation and protection of intellectual property; and
- general political and economic trends.

Also, if we are forced to discontinue any of our international operations, we could incur material costs to close down such operations.

Traditional media remains important to us.

A significant portion of our total revenue comes from designing and placing recruitment advertisements in traditional media such as newspapers and trade publications. This business constituted approximately 20% and 24% of our total revenue for the nine months ended September 30, 2003 and 2002, respectively. We also receive a meaningful portion of our revenue from placing advertising in Yellow Pages directories. This business constituted approximately 18% and 17% of total revenue for the nine months ended September 30, 2003 and 2002, respectively. The total revenue we receive in the future from our traditional media operations may be less than the total revenue that we have received from such operations in the past.

In addition, newer media, such as the Internet, may cause Yellow Pages directories and other forms of traditional media to become less desirable forms of advertising media. If we are not able to generate Internet advertising fees to offset any decrease in commissions from traditional media, our business, financial condition and operating results may be significantly harmed.

We depend on our key management personnel.

Our continued success will depend to a significant extent on our senior management, including Andrew J. McKelvey, our Chairman of the Board and CEO. The loss of the services of Mr. McKelvey or one or more key employees could significantly harm our business, financial condition and operating results. In addition, if one or more key employees join a competitor or form a competing company, the resulting loss of existing or potential clients could significantly harm our business, financial condition and operating results.

We are influenced by a principal stockholder.

Andrew J. McKelvey beneficially owns all of our outstanding Class B common stock and a large number of shares of our common stock, which, together with his Class B common stock ownership, represents approximately 36% of the combined voting power of all classes of our voting stock as of September 30, 2003. Mr. McKelvey can strongly influence the election of all of the members of our board. He can also exercise significant influence over our business and affairs. This includes any determinations with respect to mergers or other business combinations, the acquisition or disposition of our assets, whether or not we incur indebtedness, the issuance of any additional common stock or other equity securities and the payment of dividends with respect to common stock.

Effects of anti-takeover provisions could inhibit the acquisition of Monster Worldwide by others.

Some of the provisions of our certificate of incorporation, bylaws and Delaware law could, together or separately:

- discourage potential acquisition proposals;
- delay or prevent a change in control; and
- limit the price that investors might be willing to pay in the future for shares of our common stock.

In particular, our board of directors may issue up to 800,000 shares of preferred stock with rights and privileges that might be senior to our common stock, without the consent of the holders of the common stock. Our certificate of incorporation and bylaws provide, among other things, for advance notice of stockholder proposals and director nominations.

There may be volatility in our stock price.

The market for our common stock has, from time to time, experienced extreme price and volume fluctuations. Factors such as announcements of variations in our quarterly financial results and fluctuations in advertising revenue, including the percentage of our revenue derived from Internet-based services and products, could cause the market price of our common stock to fluctuate significantly. Further, due to the volatility of the stock market generally, the price of our common stock could fluctuate for reasons unrelated to our operating performance.

The market price of our common stock can be influenced by professional securities analysts' expectations about the ability of our business to grow and to achieve certain profitability targets. If our financial performance in a particular quarter does not meet the expectations of securities analysts, this may adversely affect the views of those securities analysts concerning our growth potential and future financial performance. If the securities analysts who regularly follow our common stock lower their ratings of our common stock or lower their projections for our future growth and financial performance, the market price of our common stock is likely to drop significantly.

We face risks associated with government regulation.

As an advertising agency that creates and places print and Internet advertisements, we are subject to Sections 5 and 12 of the Federal Trade Commission Act of 1914, also known as the FTC Act. These sections regulate advertising in all media, including the Internet, and require advertisers and advertising agencies to have substantiation for advertising claims before disseminating advertisements. The FTC Act prohibits the dissemination of false, deceptive, misleading, and unfair advertising, and grants the FTC enforcement powers to impose and seek civil penalties, consumer redress, injunctive relief and other

remedies upon advertisers and advertising agencies that disseminate prohibited advertisements. Advertising agencies like us are subject to liability under the FTC Act if the agency actively participated in creating the advertisement, and knew or had reason to know that the advertising was false or deceptive.

In the event that any advertising that we have created is found to be false, deceptive or misleading, the FTC Act could potentially subject us to liability. The fact that the FTC has brought several actions charging deceptive advertising via the Internet, and is actively seeking new cases involving advertising via the Internet, indicates that the FTC Act could pose a somewhat higher risk of liability to the advertising distributed via the Internet. The FTC has never brought any actions against us. Other current or new government laws and regulations, or the application of existing laws and regulations may:

- subject us to significant liabilities including civil rights, affirmative action and other employment claims and state sales and use taxes;
- significantly dampen growth in Internet usage;
- prevent us from offering certain Internet content or services; or
- otherwise significantly harm our business, financial condition and operating results.

There are currently few laws or regulations directly applicable to the Internet. The application of existing laws and regulations to our web sites, particularly Monster, relating to issues such as user privacy, defamation, advertising, taxation, promotions, content regulation, and intellectual property ownership and infringement can be unclear. In addition, we will also be subject to new laws and regulations directly applicable to our activities. Any existing or new legislation applicable to us could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and dampen the growth in use of the web.

We post our privacy policy and practices concerning the use and disclosure of user data on our websites. Any failure by us to comply with our posted privacy policy or other privacy-related laws and regulations could result in proceedings which could potentially harm our business, results of operations and financial condition. In this regard, there are a large number of legislative proposals before the United States Congress and various state legislative bodies regarding privacy issues related to our business. It is not possible to predict whether or when such legislation may be adopted, and certain proposals, if adopted, could significantly harm our business through a decrease in user registrations and revenues. This could be caused by, among other possible provisions, the required use of disclaimers or other requirements before users can utilize our services.

Due to the global nature of the Internet, it is possible that the governments of other states and foreign countries might attempt to regulate its transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws or such laws may be modified and new laws may be enacted in the future. Any such developments (or developments stemming from enactment or modification of other laws) may significantly harm our business, operating results and financial condition.

Legal proceedings may significantly harm our business.

From time to time, we may become involved in litigation or other proceedings. It is possible that such litigation or proceedings may significantly harm our future results of operations or financial condition due to expenses we may incur to defend ourselves or the ramifications of an adverse decision.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes or incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact are "forward-looking statements" for purposes of this prospectus, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. In some cases, you can identify these forward-looking statements by our use of the words "believes," "anticipates," "plans," "expects," "may," "will," "would," "intends," "estimates," and similar expressions, whether in the negative or affirmative. We cannot guarantee that we actually will achieve these plans, intentions or expectations. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements in this prospectus, particularly under the heading "Risk Factors," that we believe could cause our actual results to differ materially from the forward-looking statements that we make. The forward-looking statements do not reflect the potential impact of any future acquisitions, mergers or dispositions. All forward-looking statements and reasons why actual results may differ included in this prospectus are made as of the date hereof, and we assume no obligation to update any such forward-looking statement or reason why actual results may differ.

USE OF PROCEEDS

Our net proceeds from the sale of the 2,500,000 shares of our common stock, assuming a public offering price of $22.27 per share, are estimated to be $52.2 million, or $60.1 million if the underwriter's over-allotment is exercised in full, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds of this offering primarily for general corporate purposes, including working capital. A portion of the proceeds may also be used to acquire or invest in complementary businesses. Although we have no definitive agreements, arrangements, plans or understandings with respect to any such transaction, we are often presented with opportunities to enter into such transactions and are currently discussing potential acquisitions with third parties. Consequently, we may utilize a portion of our net proceeds from this offering in conjunction with one or more acquisitions. Pending such uses, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment grade obligations.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our stock. We currently anticipate that all future earnings will be retained by us to support our growth strategy. Accordingly, we do not anticipate paying cash dividends on our stock for the foreseeable future. The payment of any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, future earnings, operations, capital requirements, our general financial condition, contractual restrictions and general business conditions. Further, our current financing agreement restricts the payment of dividends on our stock. On March 31, 2003, we paid a dividend consisting of all of the stock of HH Group to our stockholders.

PRICE RANGE OF OUR COMMON STOCK

Our stock is quoted on the Nasdaq National Market under the ticker symbol "MNST." Our stock was initially offered to the public on December 12, 1996 at $7.00 per share. The following table sets forth for the periods indicated the high and low reported closing sale prices per share for our stock as reported by Nasdaq.

	High	Low
Year Ending December 31, 2004		
First Quarter (through January 2, 2004)	$ 22.27	$ 22.27
	High	**Low**
Year Ended December 31, 2003		
First Quarter	$ 13.02	$ 8.06
Second Quarter	22.25	10.22
Third Quarter	29.19	19.80
Fourth Quarter	28.50	19.12
	High	**Low**
Year Ended December 31, 2002		

	High	Low
First Quarter	$ 47.21	$ 27.18
Second Quarter	35.18	20.79
Third Quarter	21.94	8.50
Fourth Quarter	17.68	8.53

	High	Low
Year Ended December 31, 2001		
First Quarter	$ 66.38	$ 36.44
Second Quarter	63.75	30.63
Third Quarter	58.94	27.88
Fourth Quarter	48.13	27.24

There were approximately 1,774 stockholders of record of our common stock on January 2, 2004. On January 2, 2004, the last reported sale price per share for our common stock as reported on the Nasdaq National Market was $22.27.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2003, (i) on a historical basis and (ii) on a historical basis, as adjusted to give effect to our sale of 2,500,000 shares of common stock at an assumed offering price of $22.27 per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The table set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and notes thereto incorporated by reference in this prospectus.

	As of September 30, 2003	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 118,115	$ 170,285
Current portion of long-term debt	$ 4,088	$ 4,088
Long-term debt, less current portion	$ 2,217	$ 2,217
Stockholders' equity:		
Preferred stock, $.001 par value:		
Authorized 800,000 shares; issued and outstanding none actual and as adjusted		
Common stock, $.001 par value:		
Authorized 1,500,000,000 shares; actual issued 108,835,000; actual outstanding 107,908,000 and issued as adjusted 114,835,000; outstanding as adjusted 113,908,000	108	111
Class B common stock, $.001 par value:		
Authorized 39,000,000 shares; issued and outstanding Actual 4,762,000 and as adjusted 4,762,000	5	5
Additional paid-in capital	971,352	1,023,519
Accumulated other comprehensive income	39,237	39,237
Retained deficit	(571,976)	(571,976)
Treasury stock, at cost; 927,000 shares	(9,842)	(9,842)
Total stockholders' equity	428,884	481,054

	As of September 30, 2003	
Total capitalization	$ 431,101	$ 483,271

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information presented below has been retroactively restated to reflect the operations of HH Group and the results of our terminated joint venture arrangement with Ninemsn in Australia and New Zealand as discontinued operations for all periods presented. The selected consolidated financial information with respect to our financial position as of December 31, 1998 and 1999 and our results of operations for each of the years then ended have been derived from our unaudited consolidated financial statements which are not incorporated by reference herein. The selected consolidated financial information with respect to our financial position as of December 31, 2000 has been derived from our audited balance sheet which is not incorporated by reference herein. The selected consolidated financial information with respect to our financial position as of December 31, 2001 and 2002 and our results of operations for each of the three years ended December 31, 2002 have been derived from our audited financial statements which are incorporated by reference herein. The selected consolidated financial information with respect to the results of our operations for the nine months ended September 30, 2002 and 2003 and with respect to our financial position as of September 30, 2003 have been derived from the unaudited consolidated financial statements which, in the opinion of our management, have been prepared on the same basis as the audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the information set forth therein. The results for the nine months ended September 30, 2003 are not necessarily indicative of future results. The selected consolidated financial information presented below should be read in conjunction with our consolidated financial statements and our consolidated condensed financial statements and notes thereto, incorporated by reference in this prospectus.

	Year Ended December 31,		Year Ended December 31,			Nine Months Ended September 30,	
	1998	1999	2000	2001	2002	2002	2003
	(unaudited)					(unaudited)	
STATEMENT OF OPERATIONS:							
(dollars in thousands)							
Revenue	$ 383,633	$ 470,767	$ 751,053	$ 874,574	$ 700,540	$ 536,149	$ 508,862
Salaries & related, office & general and marketing & promotion	314,095	389,879	629,935	689,004	597,787	447,588	453,713
Merger and integration costs and restructuring costs	2,600	16,181	13,609	29,303	3,178	4,692	
Business reorganization & other special charges					103,820	63,126	47,922
Amortization of intangibles	10,742	11,423	10,796	12,110	2,405	1,863	1,815
Total operating expenses	327,437	417,483	654,340	730,417	707,190	517,269	503,450
Income (loss) from operations	$ 56,196	$ 53,284	$ 96,713	$ 144,157	$ (6,650)	$ 18,880	$ 5,412
Income (loss) from continuing operations before accounting change	$ 31,496	$ 47,909	$ 69,613	$ 94,322	$ (15,022)	$ 5,394	$ (5,249)
Net income (loss)	$ 46,218	$ 8,158	$ 50,863	$ 69,020	$ (534,896)	$ (483,797)	$ (93,996)
Diluted income (loss) per share from continuing operations before accounting change	$ 0.34	$ 0.49	$ 0.63	$ 0.83	$ (0.13)	$ 0.05	$ (0.05)

As of December 31, As of December 31,

	As of December 31,		As of December 31,			
	1998	1999	2000	2001	2002	As of September 30, 2003
	(unaudited)					(unaudited)
BALANCE SHEET DATA:						
(dollars in thousands)						
Current assets	$ 595,606	$ 704,550	$ 1,317,500	$ 1,005,918	$ 808,546	$ 532,750
Total assets	1,002,685	1,183,657	2,082,945	2,206,362	1,630,795	1,058,367
Current liabilities	505,906	665,795	917,065	929,608	799,220	619,281
Long-term liabilities	188,562	146,733	86,709			