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VisionChina Media Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator instructions). And our first question comes from the line of Wallace Cheung with Credit Suisse. Go ahead.

Wallace Cheung – Credit Suisse

Hi good morning. Mr. Li, Alfred, and Chris, Helen, Hi. Just wanted to ask two questions quickly. Number one is can you explain a bit the reason why the advertisers number seems like down quite a bit in the first quarter and also can you update us about the backlog order as a percentage of your full-year revenue guidance? Thank you. Hello?

Alfred Tong

Wallace, this is Alfred. To answer your question, basically the number of advertiser (inaudible) we ended with 800 advertisers but for the first quarter we basically have a healthy numbers of advertisers. And in terms of the (inaudible) – wait a minute – yes, well, the (inaudible) is about 520 million renminbi and it is about 42% of year 2008 advertisers have already renewed their contracts.

Wallace Cheung – Credit Suisse

But is it sort of a – regarding my first question, is it sort of a trend going forward that we begin to see there'll be less customers but the value for each customer is actually will be much higher than before and also like it or not, will that be leading to may be lower administration expense or marketing expenses as well? Thank you.

Alfred Tong

Actually for Q1 most of them now seems to be spending the money more carefully. So we believe that the number of advertisers will pick up in the second quarter, just we know numbers (inaudible) advertising trend, so because of the worldwide economic recession, the number of advertisers is a little bit less, but we believe that it is going to pick up in the second half.

Helen Plummer

Next question please.

Operator

Our next question comes from the line of Eddie Leung with Merrill Lynch. Go ahead.

Eddie Leung – Merrill Lynch

Good morning everyone. I guess you know to start with I want to follow up with Wallace's second question on the percentage of pre-sells, the percentage of pre-sell orders of your full-year guidance, how much have you pre-sold of your full-year guidance?

Alfred Tong

(inaudible) about 500 renminbi, that is about half of our guidance, high end guidance number.

Eddie Leung – Merrill Lynch

Got it. And the same question, regarding your sales and marketing expenses, how much of your sales and marketing expenses is variable cost and how much is fixed cost in terms of percentage?

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