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Six Flags Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Our first question comes from the line of Joe Stauff from CRT Capital.

Joe Stauff - CRT Capital

Good morning -- a couple of questions, please. On the sponsorship revenue, can you provide I guess a little bit more commentary about corporate -- you know, the corporate alliance piece? Is it that there are just -- they are sort of bailing on renewal or is it just they want a lower rate or what is it?

Mark S. Shapiro

The ad market is down.

Joe Stauff - CRT Capital

No, understood.

Mark S. Shapiro

Go look at any business trying to drive advertising from local TV stations to local radio to newspapers, I mean, just the overall ad business is down. I actually -- I think Lou has a pretty good shot to get to some meaningful numbers but it is catch-up at this point as things start to heat up.

Joe Stauff - CRT Capital

No, understood and I guess what I was just asking was -- I mean, are they still participating in general but obviously at a lower rate?

Mark S. Shapiro

You just can't generalize it -- I mean, nobody is pulling out because they are unhappy with their programs, put it that way. The business continues to grow and the response, that was my point, has just been phenomenal. When we walk into most advertisers, it's -- they are a little skeptical and weary. Explain to me what you are doing here -- this out-of-home solution, I get it. Is it just ride signage? What is it? We take them through the program and that's how we are able to generate the kind of numbers we do. We turn them on, impress them, score with the execution and get them back.

But in this market it's probably a combination of everything. You've got some marketers that are just cutting out-of-home out or cutting back on television and adding out-of-home. Some marketers are just cutting their overall budget completely. Some marketers just can't experiment right now with the

ad dollars. I mean, it's a host of issues. The ad sector itself is down and we are just a small cog in that wheel.

Joe Stauff - CRT Capital

Got it. Now with respect to I guess your expense structure at least for the year, is it again sort of fair to assume that obviously given the kind of savings that you achieved last year, it's going to be very hard to sort of for that cost structure to contract again at some level. Is that fair to say?

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