

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

BMP Sunstone Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

[Operator Instructions] Your first question comes from the line of Katherine Lu with Oppenheimer Please proceed.

Katherine Lu - Oppenheimer

Hi. Good morning David, Good afternoon Fred. Congratulations on the good quarter. I noticed you had a very strong 1-Q sales from your Sunstone business and the results looks even more impressive if we take into account the business seasonality and economic slowdown. So I'm just wondering if you can give us some color on your observation of Chinas OTC market in 1Q and what makes your performance to stand out?

David Gao

Katherine, here is David, let me answer your question, probably Fred can make a comment. The Sunstone business in Q1 is very strong as you can see, actually I think the growth is about 29% for the quarter, obviously we are trying to understand why the performance is so strong. I think one of the reasons I think is execution of the sales and marketing with our sales force. I think actually the end of last year we're starting to do some justification about the sales incentives of the sales force I think that is really working well. The market actually in China as you know there is still some uncertainties, I certainly would not say that because the market with this kind of growth, because there is still some uncertainty for the health care reform which we don't know how these incentives are going to continue to develop. But again you are right, we have a strong growth especially with our existing products. We will also start to launch some new products, however these new product launch is not a significant contribution to the growth.

Fred Powel

I'd agree with you David, when we took a look at the numbers Katherine, what we saw consistently was growth of our existing products year-over-year and as we continue to expand those products into additional areas in greater penetration, we saw our overall revenue growth. In addition if you remember –we've only been together at Sunstone for a full year now since we acquired them in February 2008. So as David said, this is a matter of getting the competition, getting the structure proper and continuing to do the sales and marketing to expand our existing product line

Katherine Lu - Oppenheimer

Okay. Great. Thank you. Let me just have one follow up. You reiterated your 2009 guidance, I am just wondering in your bottom line guidance or your EBITDA guidance, does that include contributions from Shengda acquisition because you mentioned you started to integrate Shengda in February.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.