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PRESENTATION

Operator

Good morning ladies and gentleman. Thank you everyone and welcome to 21Vianet Group's third quarter 2014 earnings conference call. At this time all participants are in a listen-only mode. We will be facilitating a question and answer session towards the end of this conference call. Before we begin, I will read the safe harbor statement. This call may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are based on management's current expectations and observations that involve known and unknown risks, uncertainties and other factors not under the Company's control which may cause actual results, performance or achievements of the Company to be materially different from the results, performance or expectations implied by these forward-looking statements.

All forward-looking statements are expressly qualified by the cautionary statements, risk factors and details of the Company's filings with the SEC. 21Vianet undertakes no guarantee to revise or update any forward-looking statements for selected events. All circumstances are as of the date of this conference call.

With us today are Mr Josh Chen, Chairman and Chief Executive Officer, Mr Shang Hsiao, Chief Financial Officer and Mr Eric Chu, Vice President of Capital Markets and Business Development. Following management's prepared remarks, we will conduct the Q&A. At this time I would now like to turn the conference call over to Mr Josh Chen, 21Vianet's Chairman and Chief Executive Officer for opening remarks. Thank you.

Josh Chen - *21Vianet Group - Chairman and CEO*

Good morning and good evening everyone. Welcome to 21Vianet's third quarter 2014 earnings conference call. We had another quarter with solid growth momentum, supported by continued strong [secular] tailwinds. Demand for our traditional strong verticals such as e-commerce, online video, social media remained very robust.

But most importantly, we have noted two emerging growth drivers for our core data centre business. First is related to our -- to the cloud industry. We are beginning to see larger deployments from the major cloud service providers. Generally speaking, a nationwide consumer [arranged] cloud deployment with this future access point would need at least 1000 cabinets to support the service offering and the corresponding traffic. These create huge demand for large tailor-made data centers.

Going forward, one of our operating priorities will be to serve VIP customers in the data centre business and that we have seen very positive early results. We are happy to announce that we have already signed a seven year agreement to provide infrastructure service for Alibaba's cloud business.

In the first phase of this multiphase engagement we will build and operate a new state of the art data centre with around 1000 cabinets. By leveraging our data centre infrastructure expertise for hosting this, our client will be rely on 21Vianet for data centre build-out implementations with maintaining their focus on their core business. We are also working with other customers on similar large-scale potential deployments.

The second key growth driver is related to the mobile industry. In the past few years we have seen not only strong device in mobile device but also a steady migration of mobile users from 2G to 3G and now recently to 4G. Improving mobile technology and the proliferations of mobile applications and games result in much higher usage mobile data per users.

This combination of mobile user growth and the usage growth per user is generating exponentially growth in mobile data which translates into demand for data centers where these data centers are stored, processed and then transmitted. With these growth drivers, we anticipate accelerating growth in our data centre business for the foreseeable future.

Now I would like to discuss our MNS business. In the last several quarters we have seen challenges in this space, mostly due to an industry-wide pricing decline, greater competition and VAT system migration. Despite these challenges, we feel that these industry changes are for the better in the long-term, as we believe that this reflects transmission -- this reflects a transition in China from transit-based traffic transmission to peering-based transmission. Such a transition occurred roughly 10 years ago in the developed market such as US and Europe, which ultimately led the internet infrastructure in these markets to move to the next level. We believe we are just starting to see early signs of such a change.

Recognizing this change, we are proactively preparing our business by (technical difficulty) we will increasingly focus on the higher margin MS business and the higher quality customers with less working capital requirements. Additionally, with [I2] and [DYX] secure as the large anchors, we are also looking to establish and build open platforms in each ecosystem and gradually expand these ecosystems over time.

Lastly, we are working with regulatory agencies such as CNNIC to have our customers acquire internet infrastructure resource such as autonomous system numbers, IP address and DNS infrastructure. This basic but very important resource will enable our customers to enjoy the benefits offered by peering-based internet transmission technology.

In July 2014 we have also signed agreements with international internet organizations [IK] and ISC to deploy a mirror for the root server in our data centers. This deployment of the two loose servers will materially improve the response time and therefore increase performance and usage experience for Chinese internet users. At this point I'd like to hand the call over to our President, Frank, to talk about our IDC business and the core business in more detail.

Frank Meng - *21Vianet Group - President*

Thank you Josh. In the third quarter we continue to make inroads on new strategic partnerships and initiatives. Supported by these encouraging developments and the surging internet traffic growth, as well as the more favourable regulatory environment in China we remain optimistic about our core IDC business and the cloud-enabler services and are committed to continuing to execute our growth strategies and to capture these emerging opportunities.

During the third quarter we have completed the [I2 and DYX] acquisitions and have started the integration process into our core operations. As we stated before, each of these two businesses represents the industry leader in their respective markets and meets our strict criteria strategically, operationally and financially. Once integrated, they will not only help improve the operating efficiency in our core business but also serve as the cornerstones on our strategic roadmap as we develop an open ecosystem for China's internet infrastructure market.

In October, we announced a strategic partnership with China Internet Network Information Center, or CNNIC, the Government's administrative agency responsible for managing domestic domain name registry and other core internet infrastructure services in China. This agreement will allow 21Vianet and CNNIC to closely cooperate on conducting [environmental] research and developing an open domain name system or DNS internet platform in China.

In November, we announced a strategic partnership with China Academy of Telecommunications Research, or CATR, a division of the Ministry of Industry and Information Technology. Under the terms of the agreement, 21Vianet and the CATR will closely collaborate on cutting edge research and development initiatives in connection with the next generation broadband industry in China. We believe this partnership will help us build an open and a mutually beneficial broadband ecosystem for all participants in the Chinese internet industry.

Now moving on to our cloud enabler services. We see strong promise in both Microsoft Azure and Office 365 services which now support over 20,000 enterprise customers, including not only many international corporations but also a significant number of domestic companies.

For our [Asia] customers we also introduced the WebDirect payment services in late September and the hybrid storage solutions offered by StorSimple in late October. The launch of these services allows us to further expand our offering and attract new customers. Our cooperation with IBM also continues to progress smoothly as we successfully completed the commercial launch of the IBM private cloud businesses at the end of Q3.

Another new initiative this past quarter was our expanded cooperation with Foxconn, a leading global electronics manufacturer. In early October, we established a joint venture with Foxconn to jointly build and develop a global supply chain for the IDC and the cloud computing infrastructure markets. This collaboration will allow us to pool resources and technologies together in a way that boosts our operational synergy as we work together to provide a superior cloud enabled services to domestic and international customers.

Finally, I would like to briefly touch on the industry awards we received for our cloud computing services. Our Microsoft cloud business unit was awarded the 2014 China's Most Influential Cloud Computing Service Provider and the 2014 Innovative Cloud Computing Solutions Awards at the 2014 China IT Market annual conference. These rewards not only provide recognition for our cloud computing capabilities but they also help promote our cloud services as we expand our research and penetrate more deeply into the mainstream market.

At this point I would like to turn the call over to Shang, our Chief Financial Officer, to go through our financial results.

Shang Hsiao - *21Vianet Group - CFO*

Thank you Frank. Good morning everyone. Before I begin discussing our financial performance, I would like to briefly touch upon two items. The first item is the cash flow statement. Starting this quarter, we are including a cash flow statement in our quarterly earnings release in an effort to be more transparent with our financial disclosure.

Second, I would like to highlight the improvement in our accounts receivable with our days sales outstanding or DSO decreasing from 107 days in the second quarter to 92 days in the third quarter. We expect our DSO will further improve in coming quarters.

Now moving on to our financial results. Before I begin, I would like to state that we will present a non-GAAP measure today. Our non-GAAP result excludes certain non-cash expenses which are not part of our core operations. The details of these expenses may be found in the conciliation table included in our earlier release. Also know that all the financial numbers we are presenting today are in RMB amounts unless otherwise noted.

Our net revenue for the third quarter of 2014 increased by 51.5% year over year to RMB778.5 million. Net revenue from hosting and related services increased by 52% year over year to RMB513.2 million, mainly due to an increase in total cabinets under management and demand for the Company's CDN and cloud service, as well as the contribution from a recently completed acquisition but partly offset by the transition to the VAT system.

The MRR per cabinet was RMB10,433 in the third quarter of 2014, as compared to RMB10,789 in the second quarter of 2014. Net revenue from management network service increased by 50.4% to RMB265.3 million in the third quarter of 2014. This increase was mainly because of contribution from acquisition, partly offset by the incremental competition and the transition to the VAT system.

Adjusted gross profit increased by 78% to RMB264.5 million. Adjusted gross margin was 34% in the third quarter of 2014, compared with 28.9% in the prior year and 30.1% in the second quarter of 2014. The increase in gross margin was mainly due to the higher margin revenue contribution from acquisitions and Microsoft cloud services.

Adjusted operating expenses increased to RMB198.4 million. As a percentage of the net revenue, adjusted operation expenses was 25.5%, compared with 17.8% in the prior year period and 20.2% in the second quarter of 2014. More specifically, adjusted sales and marketing expenses increased to RMB84.9 million from RMB35.9 million in the prior year period due to the expansion of our sales and service personnel associated with the acquisitions completed in the third quarter.

Adjusted general and administrative expenses increased to approximately RMB81.9 million from RMB36 million in the prior year period, mainly due to an increase in headcount associated with the growth in the Company's overall business and acquisitions completed in the third quarter. Adjusted research and development expenses increased to RMB31.7 million from RMB19.7 million, which reflects our effort to further strengthen its research and development capability and expand our cloud computing service offering.

The difference between the adjusted operating expenses and our higher GAAP total operating expenses amount is mainly due to change in the fair value of contingent purchase consideration payable, which was again RMB64.9 million and share based compensation expenses of RMB9.3 million. The change in the fair value of contingent purchase consideration payable resulted from a decrease in the present value of [fastly-made cash] and share consideration as of 30 September 2014 associated with our Company's past acquisitions.

From our profitability perspective, adjusted EBITDA for the third quarter of 2014 increased by 61.3% to RMB153.9 million from RMB95.4 million in the comparative period in 2013. Adjusted EBITDA margin for the quarter was 19.8% compared to 18.6% in the prior year period and 20.1% in the second quarter of 2014.

Our adjusted net profit for the quarter was RMB16 million, compared to RMB29.5 million in the prior year period. Adjusted net profit margin was 2.1%, compared with 5.7% in the prior year period, and 3.5% in the second quarter of 2014.

Adjusted diluted earnings per share was for the quarter was RMB0.04 which represents the equivalent of RMB0.24 or $0.04 per ADS. As of 30 September 2014, our cash and cash equivalent in short-term investment was RMB2.2 billion, equivalent to $361.3 million.

At the beginning of September we announced the program to repurchase up to $105 million worth of the equity shares. As of 31 October 2014 we have bought back 1.6 million shares and $70 million still remain under the buy-back program.

Looking at our financial outlook, currently we expect fourth quarter of the 2014 net revenue to be in the range of RMB812 million to RMB848 million, which at the mid-point represents growth up approximately 61% from the comparable period in 2013. Adjusted EBITDA is expected to be in the range of RMB152 million to RMB168 million, which at the mid-point represents growth of approximately 68% from the comparable period in 2013.

Net revenue for the full year of 2014 are expected to be in the range of RMB2.84 billion to RMB2.87 billion which at the mid-point represents approximately 45% growth over 2013. For the full year 2014, adjusted EBITDA is expected to be in the range of RMB551 million to RMB567 million which at the mid-point represents approximately 53% growth over 2013. This forecast reflects the company's current and preliminary view which is subject to change.

This concludes our prepared remarks for today. Operator, we are now ready to take some questions.

QUESTIONS AND ANSWERS

Operator

Certainly. Ladies and gentlemen, we will now begin the question and answer session. (Operator instructions). Your first question comes from the line of Matthew Heinz from Stifel. Please ask your question.

Matthew Heinz - *Stifel Nicolaus - Analyst*

Hi, good morning. I was just wondering if you could help us break out the contribution of Microsoft cloud revenues during the quarter and what your go forward outlook is for -- kind of implied in your Q4 guidance, and the overall 2014 guidance for cloud revenues both from Microsoft and IBM. Then, secondarily, I was hoping you could give us some context around the breakdown in network services from between legacy revenues and the IPU contribution in the quarter.

Shang Hsiao - *21Vianet Group - CFO*

Okay, thanks. This is Shang. Let's talk about cloud revenue. In third quarter, the cloud revenue actually is around RMB7 million. I think in the first quarter we did mention about RMB3 million, second quarter RMB6 million, and this quarter is RMB7 million.

The company lowered the expectation from the original RMB14 million for the Microsoft for 2014, now down to between RMB25 million to RMB30 million. The main reason is even we are finding with a lot of customers on the use of the Windows (technical difficulty) Office 365, but the usage per customer actually (inaudible), so we think this new business probably needs more time to ramp up the revenue.

After all, Office 365 and Windows (inaudible), they're commercialized in March and April this year. So this is for the Microsoft, and for 2015, right now we probably would expect each year the revenue would show growth at least 100% over what we achieved in 2014, then we should be able to expect 100% growth in the following years. That's Microsoft.

For the IBM, actually IBM we commercialized in very late September, and right now we only have one quarter to go. We did not see any revenue in the Q3, but for Q4 right now we expect it should be between somewhere around RMB2 million for the revenue. So that's the current status because it's a whole process for the IBMs, there's a delay for a quarter.

So that's for that and in terms of the MMS and also the IPU all those numbers -- we are talking about many numbers so after the call, we will provide you the details for that, okay?

Matthew Heinz - *Stifel Nicolaus - Analyst*

Okay, thank you.

Shang Hsiao - *21Vianet Group - CFO*

Thank you.

Operator

Thank you very much. Your next question comes from the line of James Breen from William Blair & Company. Please ask your question.

James Breen - *William Blair - Analyst*

Thank you. Can you just talk about the recent Unicom deal and what the implications are for you there, and the network side of the business, can you just talk about any competition you're seeing from other resellers of the Unicom telecom facilities. Thanks.

Shang Hsiao - *21Vianet Group - CFO*

Okay, this question we will pass on to our CEO Josh Chen to answer.

Josh Chen - *21Vianet Group - Chairman and CEO*

(interpreted) We signed with China Unicom and Alibaba. The contracts are already signed. Phase one is for 1000 cabinets. That 1000 cabinets has already been signed for seven years, [in Hangzhou] actually the phase one cabinets have been deployed in very late September, so we should be able to start to see the revenue in Q4. But remember that's phase 1.

For the customer, if they directly face the consumer, particularly for those customers that have an intention to provide the cloud service, [wrong part] for the company. It's phase 1, it's a minimum 1000 cabinets. So right now at this moment we just signed 1000 cabinets, but we should expect to see multiple thousands more from Alibaba in the year of 2015. We already deployed phase one.

James Breen - *William Blair - Analyst*

Okay, thanks. Then just on the network side are you seeing any competition in terms of pricing in the MNS network business?

Josh Chen - *21Vianet Group - Chairman and CEO*

(interpreted) If you look at China, overall the internet infrastructure versus the US, in China we are literally just going through a transition from a transit based economy to a peering based economy which is where the US is today. This transition in the US or Europe markets occurred roughly ten years ago in 2003, 2004-ish.

So in China today for example we have less than 300 autonomous system numbers -- AS numbers in short -- that have been signed to networks, big and small. In comparison if you look at the US market today, there are 28,000 AS numbers. So these represent 28,000 networks, big and small, that are interconnected with each other in a highly distributed way. That essentially is what enables -- ensures -- deficiency of the overall internet infrastructure in the US in the developed economy.

So in China today we are going through the transition from a transit based -- internet traffic transmission -- towards more and more peering-based internet transmission. During this transit there will be some challenges as we have seen today. But as we mentioned in our prepared remarks we are working very diligently to address a lot of these challenges to make sure that we adjust our business model accordingly, adjust our revenue streams. How we look at -- we delegate our revenue streams accordingly.

If you look at in the more advanced economies such as US, looking at well-established data centre business models -- such as Equinix, the core of that business model is essentially hosting plus a free peering of customers at the data centre location. But in China we are not quite there yet.

However, we are definitely going in that direction. Again,during this transition there will be some pricing pressure, there will be some challenges to the business model. However, we are very glad that the entire country -- primarily driven by the demand by the end-users, by all the enterprises -- we are going towards that direction. So again we have developed strategies, specific measures to address these challenges.

One of the core strategies for us to address this challenge during this current transition is to focus more and more on higher margin revenue streams, on higher quality customers. From a higher margin revenue stream perspective we are increasingly focused on the customers who rely more on high quality services, who pay more attention to alternative service providers from companies like ourselves, and who are not as price sensitive as some of the other companies. So that's on the high-margin revenue side.

On the quality of customers we are focusing more on customers who do not have as much of a working capital requirement, who do not require as loose credit terms from us. So for those customers we are increasingly shifting away from those customers but more towards our high quality customers who value our proposition.

James Breen - *William Blair - Analyst*

Great, thank you.

Operator

Thank you. The next question comes from the line of Cheng Cheng from Pacific Crest Securities. Please ask the question.

Cheng Cheng - *Pacific Crest Securities - Analyst*

Hi, thank you. My question's on IS Cabinet and I guess the number in Q3 and also thinking for Q4 and also if the 1000 cabinets for Alibaba was included in that Q3 number or not.

Shang Hsiao - *21Vianet Group - CFO*

Okay, thank you Cheng Cheng. The cabinets we deployed in Q3 was 1200 cabinets. Originally we did expect close to 3000 cabinets. So one big data centre actually in [Xinzhou] has been delayed due to the power supply issue. That will be delayed until next year.

But for the Q4 we have two major big data centers scheduled to be deployed. One is a Beijing Daxing data centre, around 2000 cabinets. The other one is Beijing (inaudible), also probably more than 2000 cabinets will be deployed in Q4. So that's our current deployment plan.

The Alibaba we deployed 1000 cabinets. Right now I think in Q3 -- towards the end of Q3 -- I think there are -- server has been put at somewhere around 600 cabinets. So we should be able to see very high utilization rates from the 1000 cabinets in Q4. So that one already counts in our Q3 number. Okay Cheng?

Cheng Cheng - *Pacific Crest Securities - Analyst*

Yeah, and just as a follow up, I was wondering on utilization rates, historically they've dropped a little bit when you had a high quota of cabinet installs. But in this quarter it's a pretty sharp decline in utilization even though new cabinets was lower than expected. So I'm just wondering if there's any more color you can give on the utilization rate part of it?

Shang Hsiao - *21Vianet Group - CFO*

We calculate our utilization rate. It's under a weighted average measure. In second quarter, towards the end of the second quarter, the company actually had deployed somewhere around 1800 cabinets. That did not actually put a big impact in the Q2, but the whole thing was impact in our Q3. Since this quarter we then put -- since the Q3 we deployed only around 1200 cabinets so we should be able to expect the Q4 utilization rate either stay in 70% or be even higher, because the 4000 cabinets we are scheduled to deploy, okay, again will be deployed towards the very end of December. It's under a weighted average to calculate it. Okay?

Cheng Cheng - *Pacific Crest Securities - Analyst*

Okay. Great, thanks.

Shang Hsiao - *21Vianet Group - CFO*

Thanks.

Operator

Thank you. Your next question comes from the line of Colin McCallum from Credit Suisse. Please ask your question.

Colin McCallum - *Credit Suisse - Analyst*

Thanks very much. Three questions from me, if I may. First of all, can you give us I think just two numbers regarding IPU for third quarter? I think really you should be able to give us publicly the revenue recorded from IPU in third quarter and the EBITDA, the adjusted EBITDA recorded from IPU in third quarter. If you could give us that now that would be extremely helpful.

Second question is just regarding cloud revenue. The slowdown in Microsoft from sort of doubling Q-on-Q into second quarter, to only growing from RMB6 million to RMB7 million in third quarter, what was the cause of that very significant slowdown? And how can you make the assumption that it's a time issue which will then result in revenues growing later if you've seen that much of a slowdown Q-on-Q, what's the reason behind it and what will -- what can you see that would fix that situation such that the growth rate can pick up again? That was the second question.

And then the third question is just on your EBITDA guidance for the fourth quarter. If you were to meet just the lower end of that guidance it would imply actually a decline in EBITDA Q-on-Q. I just want to be quite clear that is what you're saying and can you just explain why EBITDA might decline quarter-on-quarter into fourth quarter? Thank you.

Shang Hsiao - *21Vianet Group - CFO*

Okay. Let me start from the last question, the EBITDA. We lowered down the guidance. I think the major reason to lower down this guidance is because the Company lowered down the Microsoft revenue. Microsoft revenue, actually, all the incremental revenue you can see them as they would contribute to our net profit and EBITDA, because the cost for us to run the Microsoft operation, the main cost actually are people.

The Company, we are not responsible for any infrastructure, so all the servers, network will be purchased by Microsoft, so we don't have depreciation on our PN for the Microsoft. So because of those things, those additional revenue, we lower down between $10 million to $15 million revenue over there. Those are incremental revenue, so somehow that's also the loss of the EBITDA, for the Company, the annual guidance.

The main thing is (inaudible) and also the IBM since they delayed for more than one quarter and to IBM over there actually we are lower down, $7 million to $8 million original guidance, and those things are also incremental revenue. So that's the main reason for us to lower down the EBITDA.

Now, for the cloud revenue, I think on the earlier remark by Frank, we already mentioned we [design to allow] the customer, the customer signs up for everything. The way we sign, in particular for those VIP customers, those VIP customers, they did commit say a certain amount of the usage during a 12-month period, but in each quarter the Company can only charge, or I can say the partnership can only charge based on their actual usage.

So since we deployed this service, commercialized in March and April this year, the majority of the customers we sign, I have to say, should be between May, June and July. That's during that period of time we already signed more than 20,000 paid customers, 80% of that actually was from the domestic company and 20% of that is from multinational companies.

One of the main reasons the revenue did not pick up is actual usage for those companies is still very small, so the revenue actually we think now will ramp up as we originally expected. Microsoft and the Company; right now, one of our major initiatives is to help to sign customers to use this service as soon as possible.

Most of the new signed paid users, some of them, so those servers still have been used in their MIS department, let's say management information system department. I think sometimes they probably need more time to integrate those usages into their current IT infrastructure. Once that can be complete we do expect that we'll gradually expand those cloud services to the whole Company.

So if we base on the Microsoft model in the beginning, because Microsoft deploy the current service in 2009 for the Windows (inaudible) and also the Office 365 and they released their earnings months ago. The last 12 months these two (inaudible) contributed $4.4 billion for the Microsoft revenue. That's our total market outside of the China market.

So what Microsoft, what they advised to the Company is in the beginning ramp-up; that will take a little bit more time, but once the people are starting to use and expand internally then the revenue will be ramped-up very, very quickly. So we do have a reasonable belief to say even this year we achieve between $25 million to $30 million, and we do have the reasonable belief that that revenue will continue to ramp up more than 100%, annual basis.

That's number 2 question, and number 1 question about the IPU consolidation. We can provide the gross margin, EBITDA number and also the revenue and everything and all contribute. We will mention to you the MNS revenue et cetera after the call, because too many numbers. I don't want to discuss on the call. Okay?

Colin McCallum - *Credit Suisse - Analyst*

No, but -- sorry to just ask this again. I'm not asking for a lot of numbers, I'm asking for two numbers and I don't think it's unreasonable that you should be able to tell us that, given that you just bought the company.

Shang Hsiao - *21Vianet Group - CFO*

Okay.

Colin McCallum - *Credit Suisse - Analyst*

Why can you not give us two numbers --

Shang Hsiao - *21Vianet Group - CFO*

I think the revenue should be somewhere -- or I can give you the ballpark revenue. The revenue should be somewhere around $110 million to $120 million, something like that. Okay.

Colin McCallum - *Credit Suisse - Analyst*

And EBITDA?

Shang Hsiao - *21Vianet Group - CFO*

EBITDA. I think the EBITDA numbers should be -- I need to double-check on that, but they should be like 25% to -- okay, 20% to 25%.

Eric Chu - *21Vianet Group - VP Capital Markets & Business Development*

This is Eric. Just one more thing I wanted to add there. Because this is a brand new acquisition, our auditors are still reviewing some part of this transaction. So the financials will be finalized when we file our 20-F early next year, I guess March, April of next year. So that's one thing.

The other thing I wanted to mention is we do, because these are new acquisitions so we do have integration costs as well, as you know for any new acquisition. So that will impact our EBITDA for this year as we integrate the businesses. So just a couple of points, wanted to give you a quick heads-up.

Colin McCallum - *Credit Suisse - Analyst*

That's helpful. So the 20% to 25% EBITDA margin on that $110 million, $120 million, that is pre-integration costs, is that what you're saying, Eric?

Eric Chu - *21Vianet Group - VP Capital Markets & Business Development*

That is correct.

Colin McCallum - *Credit Suisse - Analyst*

Got it. Okay. That's helpful, thank you.

Eric Chu - *21Vianet Group - VP Capital Markets & Business Development*

Thank you.

Operator

Thank you. (Operator Instructions) There are no further questions on the line at this time. I would now like to hand the conference back to the management team for closing remarks.

Shang Hsiao - *21Vianet Group - CFO*

Thank you, everyone, and after the call I think the management will continue to discuss with each sell-side analyst. Okay? Thank you.

Operator

Thank you. Ladies and gentlemen, that does conclude our conference for today. Thank you for your participation, you may all disconnect.