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DTS Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question is from Ralph Schackart with William Blair. Go ahead, please.

Ralph Schackart - William Blair

Good afternoon. Nice clean quarter, guys. A couple of questions; first, Jon, sort of big picture, have you seen any material changes, both positive or things that you weren't expecting since the last call -- has the cycle, is it rolling out any differently than we talked about on the last quarter?

Jon E. Kirchner

No, not really, Ralph. When we last spoke, we expected things to take a little time to develop this year and I think they are.

Ralph Schackart - William Blair

Great, and then in terms of -- if you could pull out your crystal ball, hardware pricing by the holidays I would assume that it would be lower than current price points. Do you have anything factored into your models, sort of big picture, sort of a rate of change on the price declines year-over-year or where we are from today?

Jon E. Kirchner

At this point, Ralph, I think the question of product pricing is best left to the manufacturers, but I will say that we've done a lot of work on various industry forecasts and I think the expected price of certainly players and associated products will certainly decline over the course of the year as you get into Christmas but just how much, not in a position to say.

Ralph Schackart - William Blair

Great and one last one, if I could; in terms of the buy-back activity, were you active at all during the quarter?

Jon E. Kirchner

We were blacked out essentially pretty much the entire quarter, so no.

Ralph Schackart - William Blair

Great. Thanks, guys.

Operator

Thank you. Our next question comes from Brian Thackray with Deutsche Bank. Go ahead, please.

Brian Thackray - Deutsche Bank

Good quarter. First question, the 21% of revenue compared to was it 7% last quarter, can you give a sense for a little bit more granularity, how much of that was coming from gaming and how much of that came from Blu-Ray and how much came from HD DVD?

Melvin L. Flanigan

I think about -- I want to say about half of it was related to the gaming business and the other half was split between -- it's probably more like 60-40 between Blu-Ray and HD DVD. HD DVD made up in the neighborhood of \$0.5 million or so in Q1.

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