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## SonicWALL, Inc. Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

Thanks very much. (Operator Instruction). And first up, we will hear from Sterling Auty at JP Morgan.

**Sterling Auty**

Yeah, thanks. Hi, guys.

**Matt Medeiros**

Hi, Sterling.

**Rob Selvi**

Hi, Sterling.

**Sterling Auty**

So a couple of questions, around the macro and the economic, can you talk to us a little bit about how the quarter unfolded, meaning did things deteriorate at the end or was it kind of a steady toughness throughout the quarter?

**Operator**

Folks, if I can ask you to stand by for just a moment we have just lost the speaker location, he will be dialing right back in. So Mr. Auty, if you will stand by, we will have everyone back online in just a moment.

**Sterling Auty**

Okay, thank you.

**Operator**

And again for any one just joining us, we will be resuming the conference in just a moment, please stand by. Thank you.

**Matt Medeiros**

Kevin?

**Operator**

Okay, we got you back on?

**Matt Medeiros**

Apparently we had a failure here.

**Operator**

Okay, good enough. Well, you are back on and we still have Sterling online for the question.

**Matt Medeiros**

Sterling, our apologies.

**Rob Selvi**

Sorry Sterling.

**Sterling Auty**

I was going to say it's the first time that a management team hung up on me during a conference call.

**Matt Medeiros**

Yeah.

**Rob Selvi**

Cost cutting efforts, Sterling.

**Sterling Auty**

Did you guys hear the question or do you want me to repeat it?

**Rob Selvi**

Yeah, we didn't hear.

**Matt Medeiros**

Could you please repeat it?

**Sterling Auty**

Yeah, so I was asking, can you give us a little bit of color in terms of how the quarter unfolded, did things get worse or tougher as the quarter went on or were they kind of equally tough throughout the quarter?

**Matt Medeiros**

Sterling?

**Sterling Auty**

Yes.

**Matt Medeiros**

Okay. The quarter progressed very well; in January and February, we were actually ahead of our traditional linearity. It was the first two weeks of March where it virtually just stopped. We saw a recovery in the last two weeks of March to give us obviously the numbers that we gained, but no, I think that the concern for us was in the first two weeks of March.

**Sterling Auty**

I don't think that's uncommon, we heard that from a number of locations as well, as you look at the subscription business and the license and subscription number, then are you basically saying that a lot of the strength there was from what you were able to do in the December quarter as well as follow on sales to the existing base or was it still just a really good tie ratio with the new units in the quarter?

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