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SRS Labs Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). The first question is from James Basch with Dialectic.

James Basch - Dialectic

Hi, guys. I had a couple of questions. One is you guys have discussed with investors looking at '08 the expectations of 10% plus revenue growth. Now I know you don't formally give guidance on revenues, but I'm kind of asking you if that's a realistic target, especially in the context of what's being happening to the stock price, and maybe pessimism over the outlook for the company. It would be reassuring to hear that that is in fact a realistic target? And I have some follow-up questions.

Ulrich Gottschling

Hi, James, this is Ulrich. Thank you for your question. I think it's a question that a lot of people are asking, and are we going to be able to return to our traditional growth rates. Clearly as you've indicated, we've generally stayed away from doing forecast and projections because those things tend to sometimes work out real well and sometimes not to work out as well. I will say as Tom has mentioned in his comments, that there seems to be a tremendous amount of activity ongoing right now at various stages with significant customers of ours, to where we believe we'll be very successful this year in moving forward these contracts and generating revenue.

I think we also have mentioned over the course of last year that we've signed many new accounts, particularly those in Europe that will start generating revenue this year, accounts such as Beko and Vestel and Profilo. We've signed accounts such as Sharp TV for Europe and for Japan region that are starting to ship TVs. We've assigned additional other accounts. So we feel pretty confident that 2008 is going to be a very good and strong year for us. And as Tom mentioned, reverse that trend and get us moving back in the right direction.

James Basch - Dialectic

Okay. And so the only reason I guess you're not formally giving guidance on '08 is because you haven't in the past because again this is something that you guys have indicated to investors in the past that 10% plus is a realistic target. Is that the case?

Ulrich Gottschling

Again we do try to stay away from the forecasting and the projections, but I think clearly our goal would be to meet and exceed that kind of a number and we're hopeful that we'll be able to do that this year.

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