

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a Greek letter alpha (α) in orange, all on a dark red background.

## Shutterfly, Inc. Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

---

#### Operator

(Operator Instructions) Your first question comes from the line of Kristine Koerber - JMP Securities.

#### Kristine Koerber - JMP Securities LLC

Congratulations on a good quarter. Couple of questions, first, on the guidance, given your primarily fourth quarter story here, I mean are you looking for trends to accelerate throughout the year? I mean how you are looking at the guidance? Or how should we look at the guidance you gave?

#### Jeffrey T. Housenbold

Without trying to be too specific by quarter I think really we are expecting to see the same types of patterns seasonally that we saw in 2008, even through this month we have seen pretty low levels of order volume in January just like we did last year about this time and then what we expect is growth spikes around the traditional gift giving holidays. There are a few things that moved around in terms of how the days land on the calendar this year. Q1, we lose a day because of leap year and then Easter is actually pushed in the Q2. So, you will see some shift around that. The Q4 holiday season is going to be fairly compressed this year, very similar to 2008. But I think the best guide at this point is to use fairly consistent patterns from 2008.

#### Kristine Koerber - JMP Securities LLC

Okay. That is helpful. And then looking at the trends around the non-seasonal period, are we talking the high teens kind of what you have guided in Form Q1 is that just trying to get an idea how soft business was.

#### Jeffrey T. Housenbold

In terms of the metrics, what we have seen so far in Q1, the activities on Shutterfly that are free, obviously visiting the site, registering, uploading, sharing all of those metrics continue to be quite normal and I will say healthy. We have seen a very traditional slowdown in order volume that comes as you exit Q4. So, typically our customers are kind of have a lot of holiday photos and there is a little bit of pent-up demand that continues into the early part of January and then the growth rates tend to come down to relatively flat towards the end of January.

#### Mark J. Rubash

And then we expect to see then to pick up going into Valentine's Day, Mother's Day, Father's Day would be the three biggest holidays in the first two quarters.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.