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## Sonic Solutions F4Q09 (Qtr End 03/31/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator Instructions) Your first question comes from Ralph Schackart - William Blair & Company, L.L.C.

#### Ralph Schackart - William Blair & Company, L.L.C.

I have a couple of questions. First is related to stronger than expected strength in the Roxio business. Just curious what was driving that. I mean we all know that units were pretty tough. Was it your go to market strategy that was a little bit different, the attach rates were maybe a little bit better than you were anticipating? Just want a little bit more color on that if we could.

#### Dave Habiger

You know our retail bricks and mortar did quite well. We had a, we launched a new product called VHS to DVD that certainly produced higher revenues than expected. Our OEMs also were slightly better than we would have thought when we gave guidance in I guess it was, you know, January, February of this year. So both the OEM and bricks and mortar business held up during the, you know, tough economic times and I guess we anticipated that they would have been impacted a little bit more dramatically.

#### Paul Norris

Yes, Ralph, we also had stronger than expected performance from our institutional business, from what we call our DLP business where we'd actually, that had really slowed down in our mid-December quarter as I think companies put off spending. And we saw that rebound quite significantly in the March quarter which was a positive surprise.

#### Ralph Schackart - William Blair & Company, L.L.C.

And then on the premium content business, Dave maybe if you give us a little bit more color to the extent you're comfortable disclosing. On CinemaNow how is the business trending, vis a vie, your original expectations? I know it's still early innings here. Maybe if you gave just, provide some metrics on download trends by consumers, number of digital titles and then why are you seeing stronger than anticipated Qflix strength at this point?

#### Dave Habiger

On the premium content, Ralph, we will not be providing explicit or specific title counts or breakouts at this point. I expect that will change in the coming quarters and we'll give you much more clarity on some of the metrics so you can understand that business more clearly. I think the one metric I'll give you is that we've certainly seen the penetration and consumer demand grow. I think everyone in the industry is clearly seeing that there's something happening and the studios are seeing it and anyone who's been involved in this. We've certainly been involved in electronic sales now for in various ways for several years. And that's starting to flow through. And title count and purchasing and certainly the ecosystem that we're turning on from set top devices to Qflix drives, etc., is helping drive that.

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