

SONIC[®]

A promotional image for a Sonic the Hedgehog movie. Sonic is shown running through a movie theater, with a film strip and a movie screen in the background. The text is overlaid on a yellow rounded rectangle.

William Blair Conference
October 3rd 2007

Cautionary Statement

Statements contained in this presentation that are not statements of historical fact are "forward-looking statements" and are made pursuant to the Safe-Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include the business strategies, product plans, and financial projections of Sonic Solutions and the features and benefits of the products of Sonic.

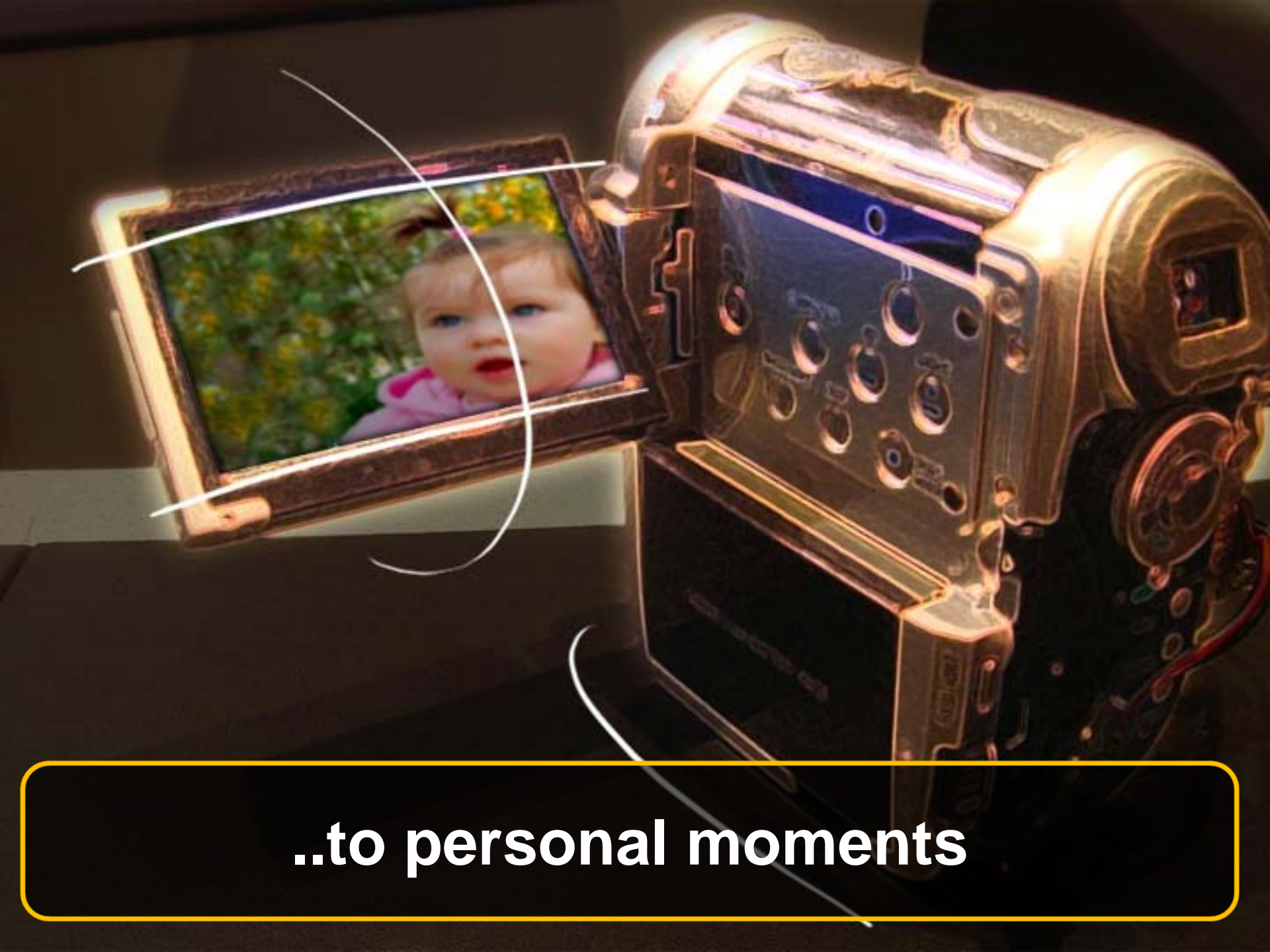
This presentation is not meant to provide a complete or historically accurate view of Sonic's business. As previously announced on February 1, 2007, Sonic has commenced a voluntary review of its historical and current stock option grant practices and related accounting. Based on the review, the audit committee and Sonic management have preliminarily concluded that, under applicable accounting guidance, Sonic lacks sufficient documentation for certain historical option grants and that the measurement dates associated with these option grants will need to be adjusted. Further, as previously announced, the audit committee, after consultation with management and the Company's board of directors, has determined that the Company's annual and interim financial statements may no longer be relied upon.

Digital Media is Everywhere

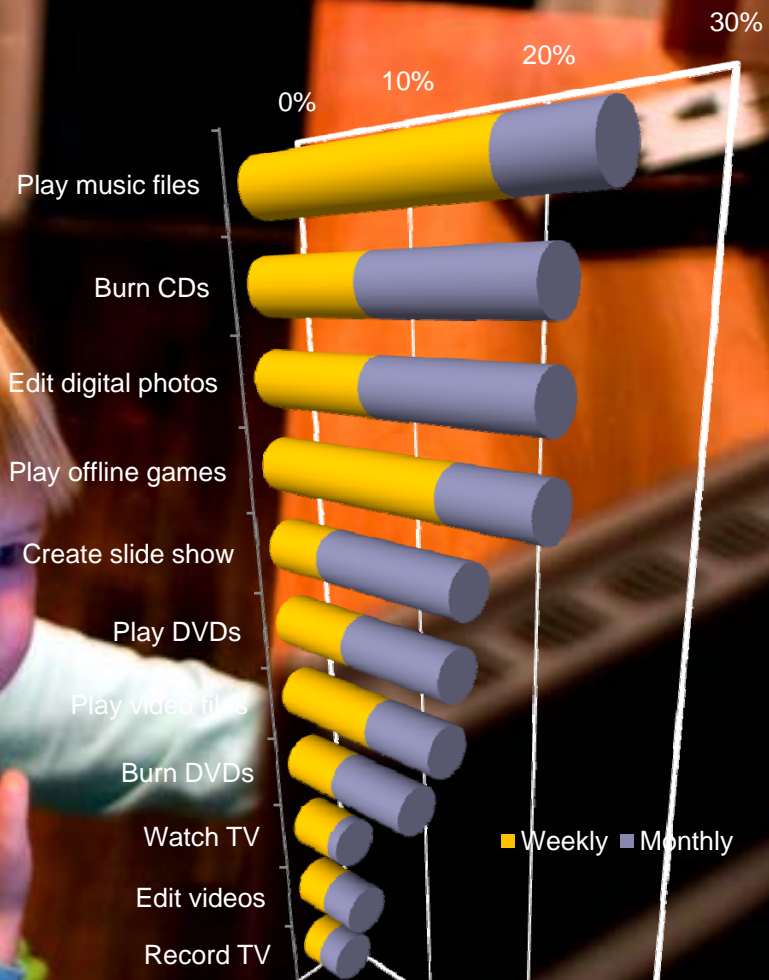




From Hollywood Blockbusters...



..to personal moments



Consumers are spending more time creating & consuming **digital media** than ever before



**Sonic's mission is to enable the creation,
management,
and enjoyment of **digital media****

Across the Value Chain



Hollywood

80% of Hollywood DVDs are created using Sonic technology



Home

Sonic technology powers set-top players and ships on >50 million PCs each year

Addressing Multiple Markets

Pro Group

- \$10 M FY07
- 80% of all DVDs are created using Sonic tools



Tech Licensing

- \$19 M FY07
- #1 provider HD/DVD engines to PC/CE vendors



Consumer

- \$121 M FY07
- 400 M installed
- 50 M PCs annually
- 15K storefronts



Business Drivers

1. Powering the new HD formats
2. Monetizing consumer use of digital media
3. Enabling DVD on Demand

Powering the HD Value Chain



Retooling Hollywood with HD authoring systems

Powering 3rd party HD authoring & playback



Licensing key patents for HD

Monetizing Consumer Digital Media





Roxio is at the Center of Digital Media on the PC

roxio.com

Distributed on 50 million new PCs

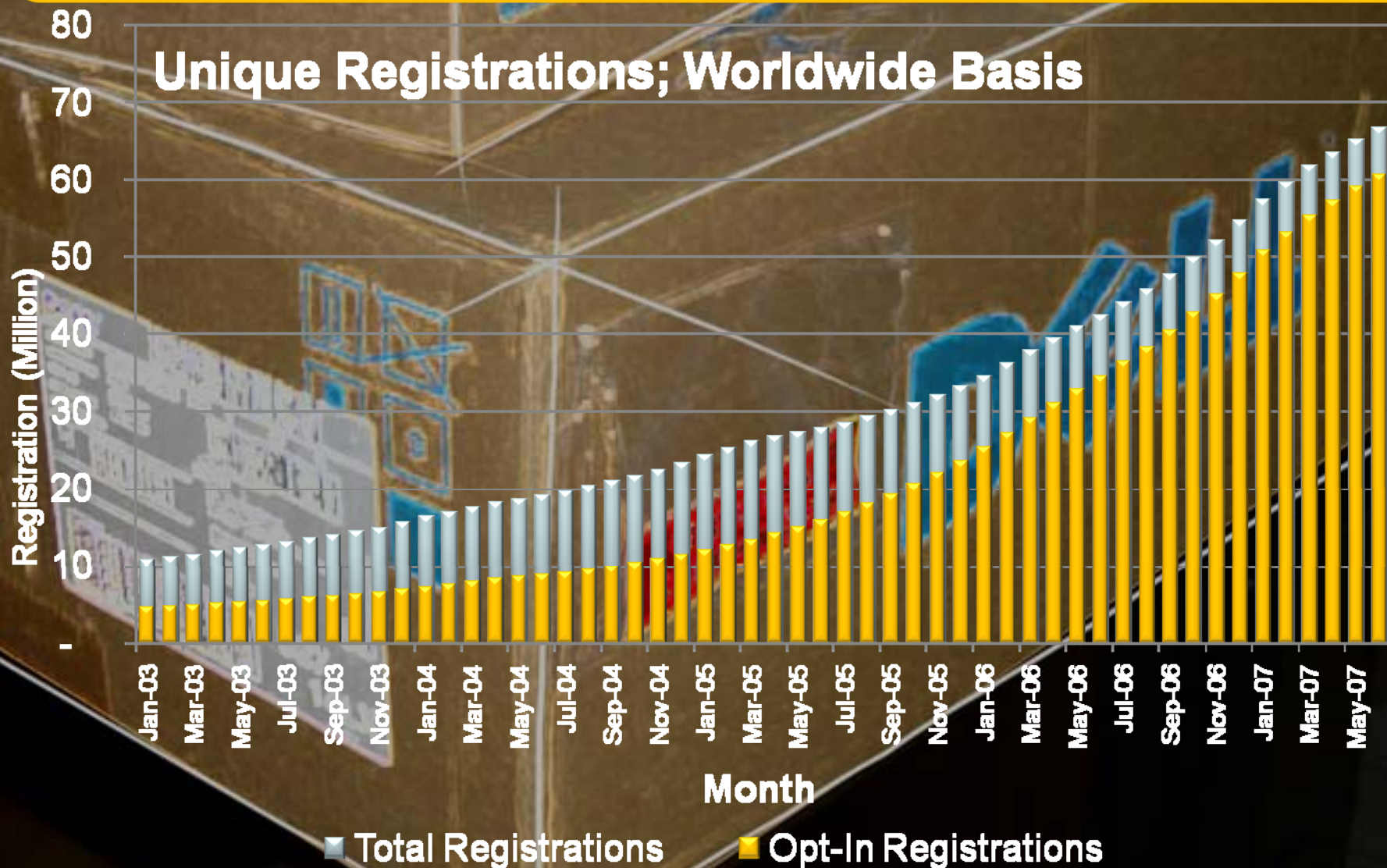
Sold in 15,000 retail locations



The Model: Distribution Drives Up-sell

Registration Growth Drives Consumer Connections

Unique Registrations; Worldwide Basis



Monetizing The User Base

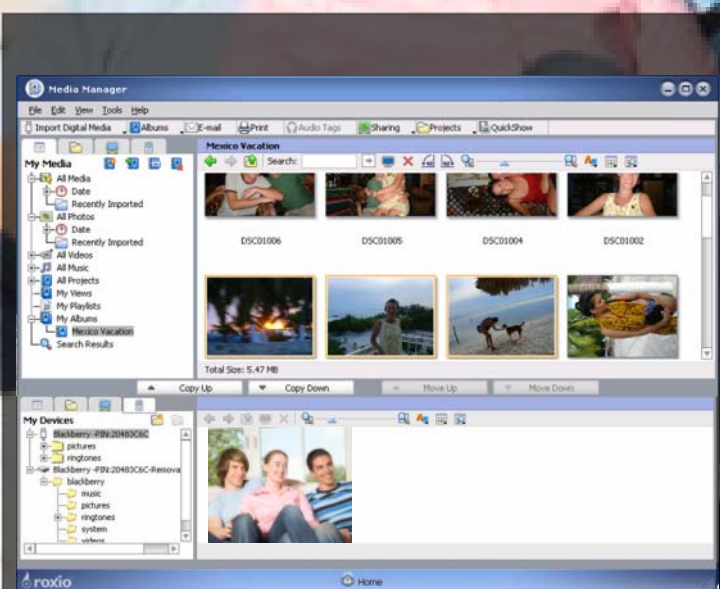
	Good	Better	Best
Web Retail & Bricks and Mortar	Up-sell directly: higher margin, customized products and services		
Point of Sale Up-Sell		 <ul style="list-style-type: none">• Burn personal video to DVD• Easily edit and enhance your video project• Archive your digital memories	Custom up-sell programs generate \$\$\$ for OEMs & Sonic
Preload		>50 million PCs ship with Roxio PC Apps pre-installed	

Going Deeper With OEMs: BackOnTrack

PC backup and restore solutions that save OEMs money while securing consumer's content



New OEM Trajectories: Mobile



RIM & Sonic partner to deliver mobile media solutions for BlackBerry users

Expanding The Audience: Buzz



Instantly optimize and upload video to the web

Upgrade to premium Roxio products

DVD on Demand



DVD Dominates Filmed Entertainment...

\$26B Business in the U.S.

**DVD
Packaged Media
56%**

**Video-on-Demand
2%**

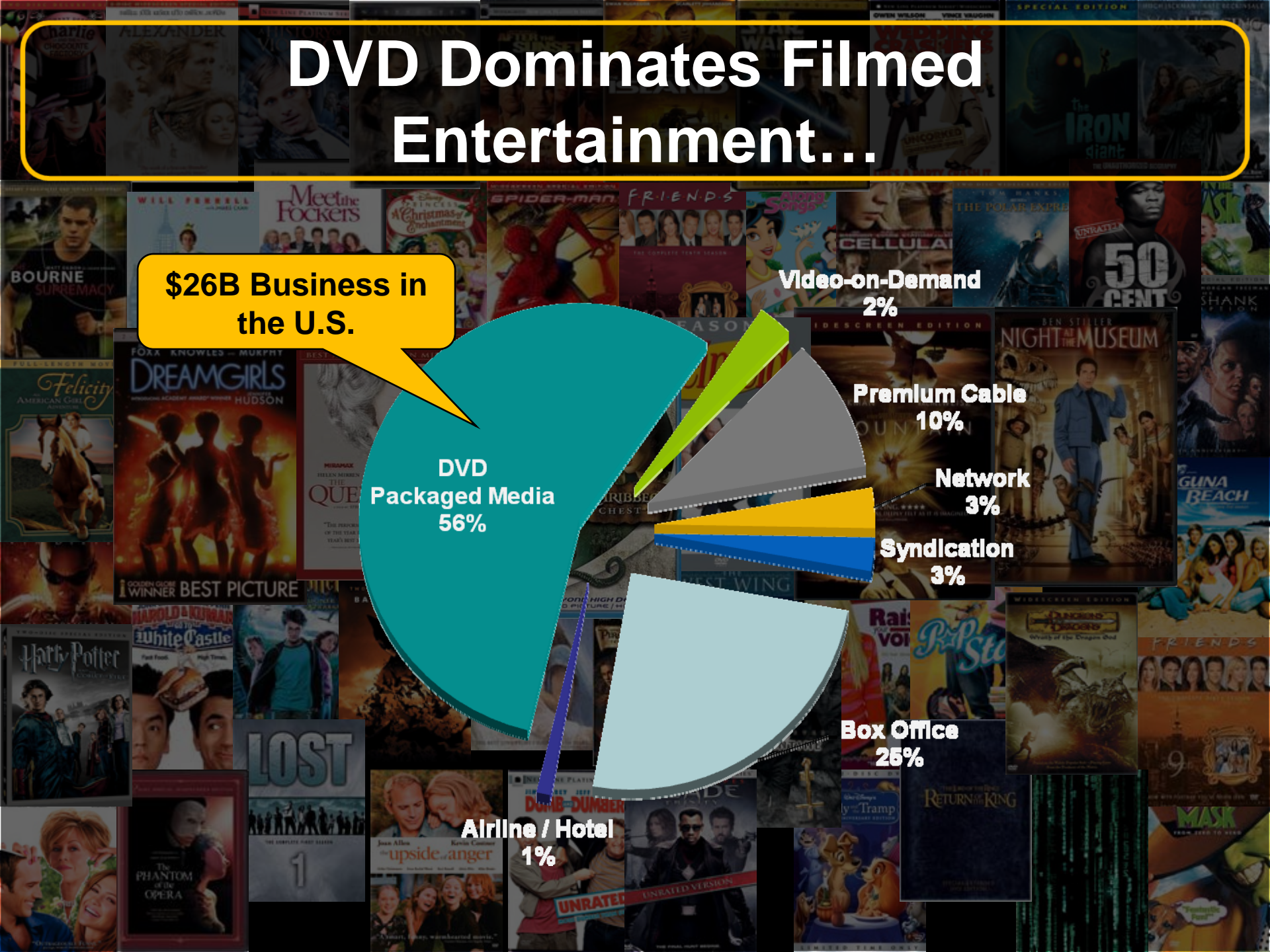
**Premium Cable
10%**

**Network
3%**

**Syndication
3%**

**Box Office
25%**

**Airline / Hotel
1%**



The Vast Majority of Content is NOT on DVD...

Non-Specialty Retailer (Top 20 New Releases)

Mass Merchant (750-1800 titles)

Large VOD Catalog (2,000)

Electronics Superstore (2,500-4,000)

Video Specialty Store (5,000-7,000)

Internet Superstore (40,000)

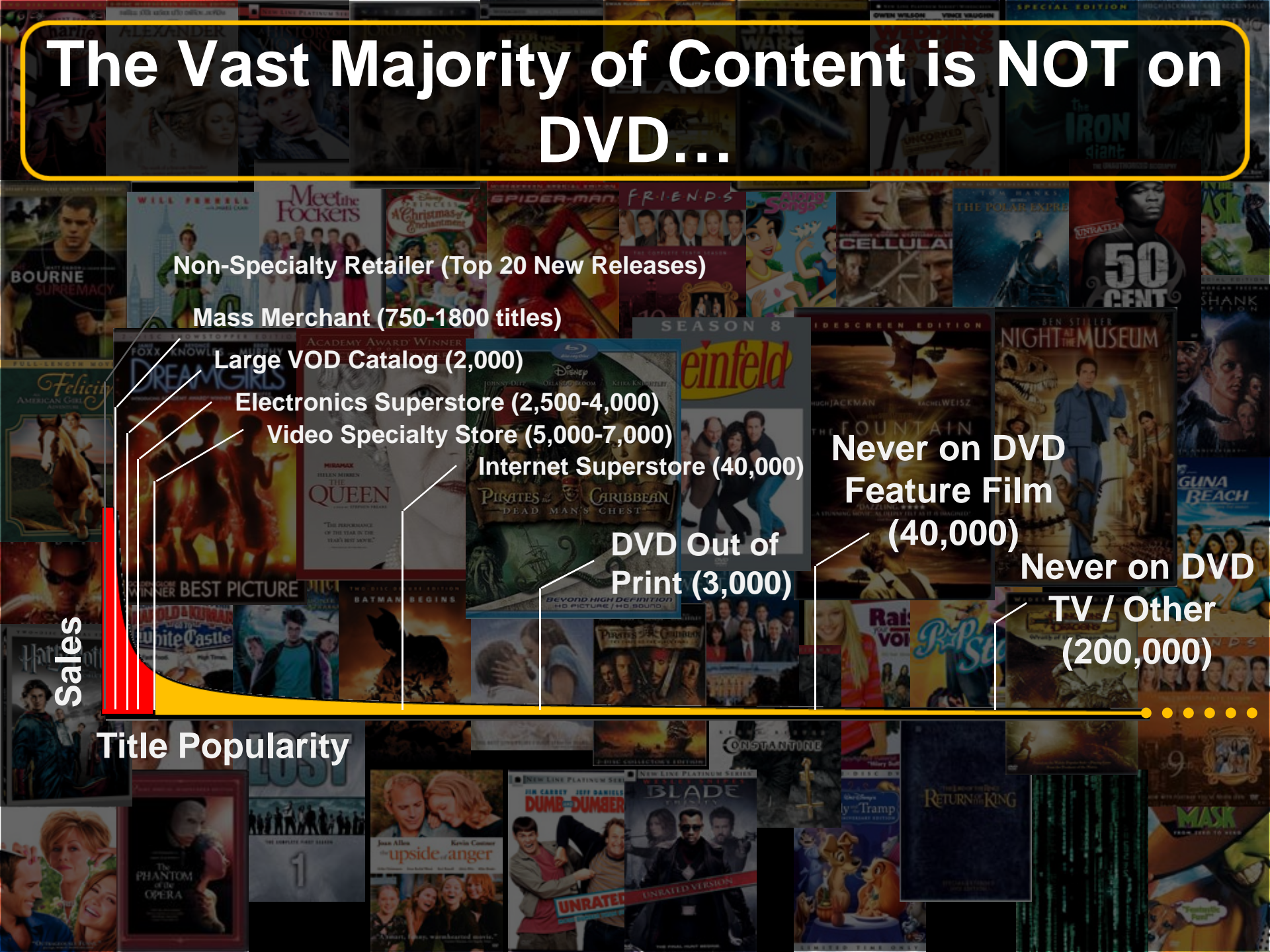
DVD Out of Print (3,000)

Never on DVD
Feature Film
(40,000)

Never on DVD
TV / Other
(200,000)

Sales

Title Popularity



What About Digital Distribution?

Cost effective to distribute content but...



Premium content catalog
is limited or unavailable

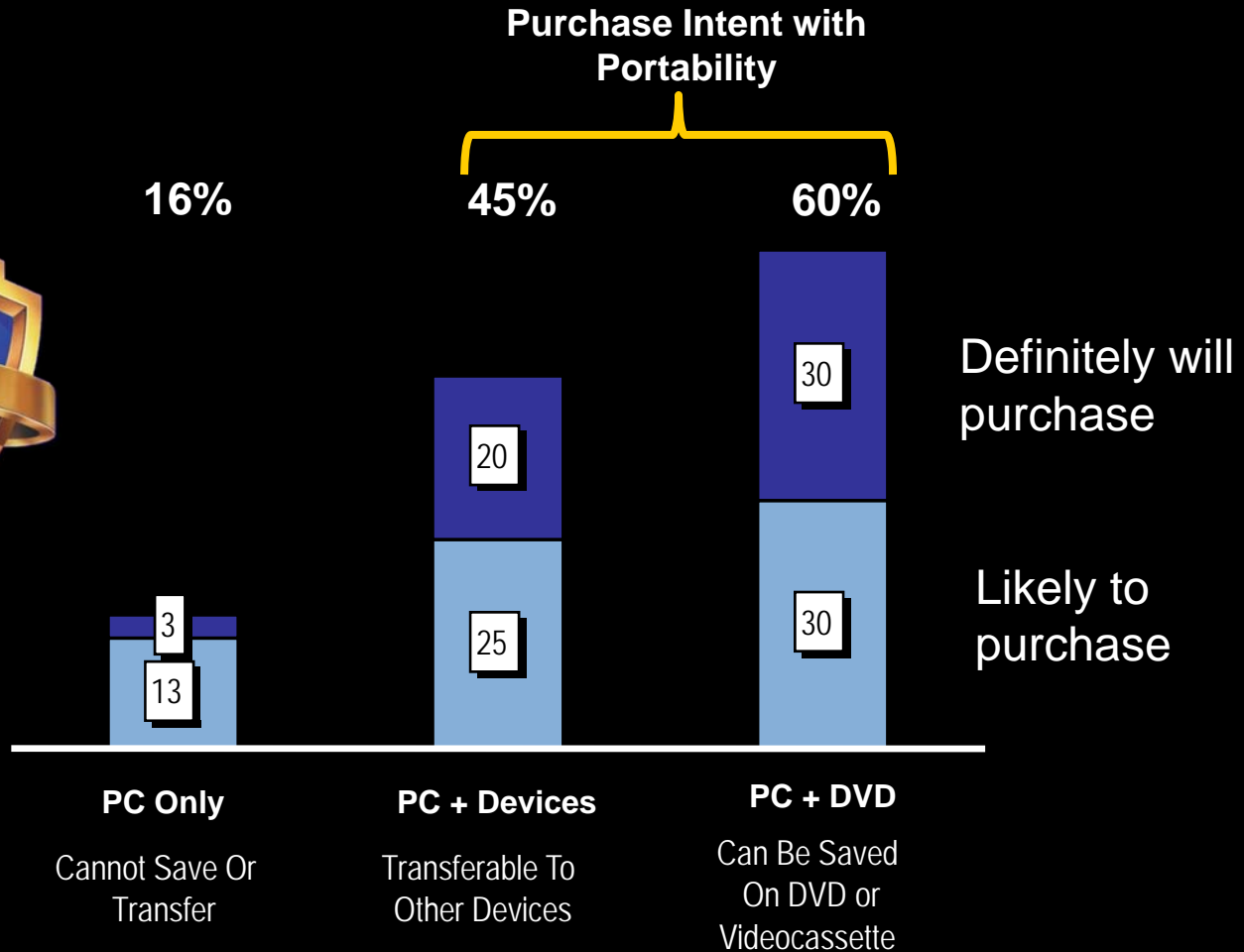


Or, its locked to the PC or
the set-top box at home

Qflix Solves the Digital Dilemma

- **The benefits of digital distribution**
 - Low cost distribution
- **The portability, playability and distribution rights of DVD**
 - Uses Hollywood-approved CSS to provide copy protection

Warner Bros. Study: Purchase Intent Increases 10x w/ portability



Qflix Scenarios



On Demand Manufacturing

- Eliminate inventory
- Maximize content availability
- Drive from the web
- Retail-identical results

Qflix Scenarios



On Demand Manufacturing

- Eliminate inventory
- Maximize content availability
- Drive from the web
- Retail-identical results

In-Store Kiosks

- Offer thousands of titles
- Minimize inventory
- In-store or on-line purchase
- Maximize \$\$\$ per square foot

Qflix Scenarios

On Demand Manufacturing

- Eliminate inventory
- Maximize content availability
- Drive from the web
- Retail-identical results

In-Store Kiosks

- Offer thousands of titles
- Minimize inventory
- In-store or on-line purchase
- Maximize \$\$\$ per square foot

At Home Burning

- Find content on the web
- Download to PCs or set-top boxes
- Burn to DVD to take on the road or carry to the living room

Our Participation



Licensing & certification for drives, media, software & hardware



**Sales of content preparation tools:
Scenarist Publisher**

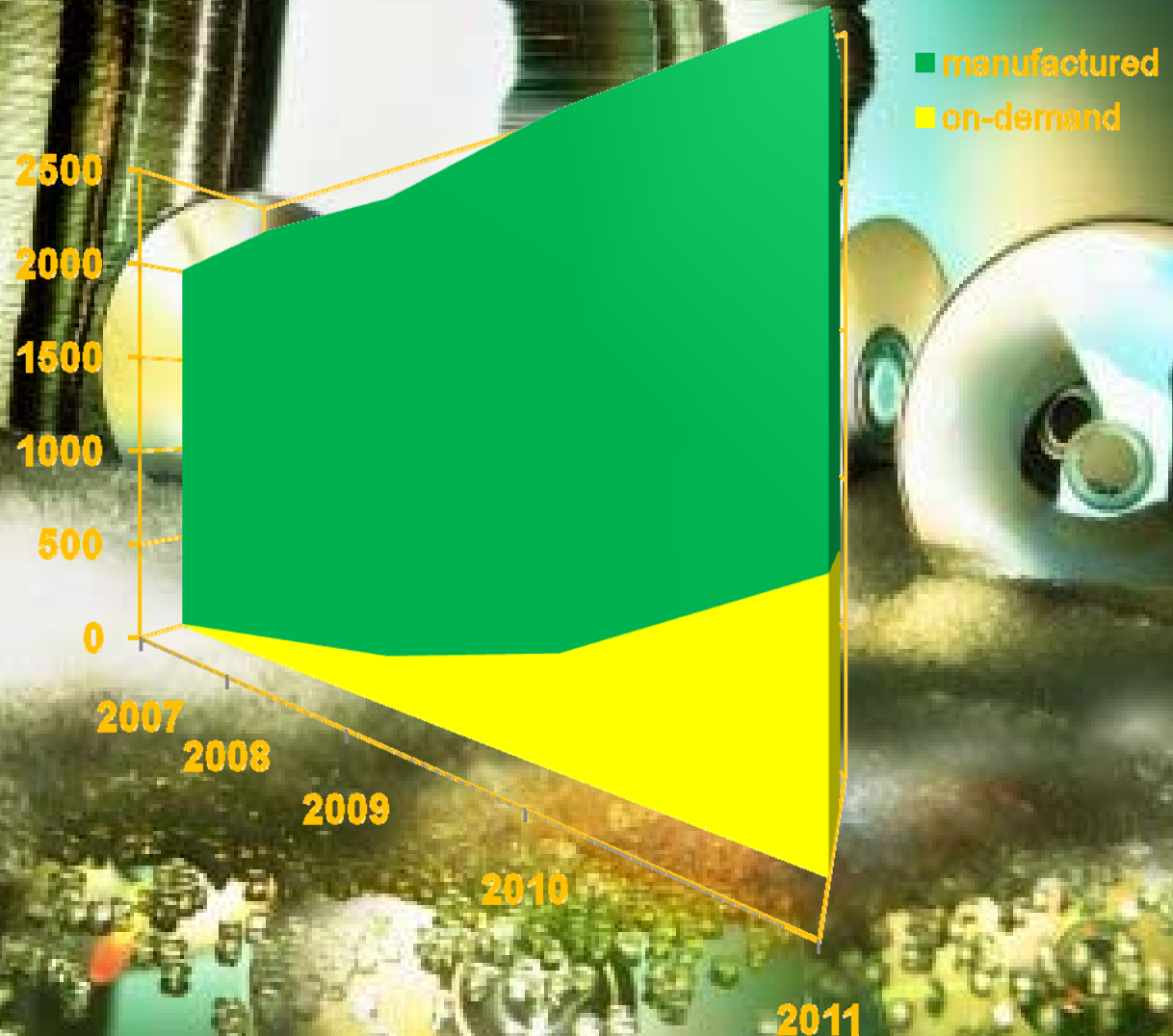


**Sales of PC Software and SDKs for
third parties**

The Opportunity

**2 Billion DVDs
are replicated
each year.**

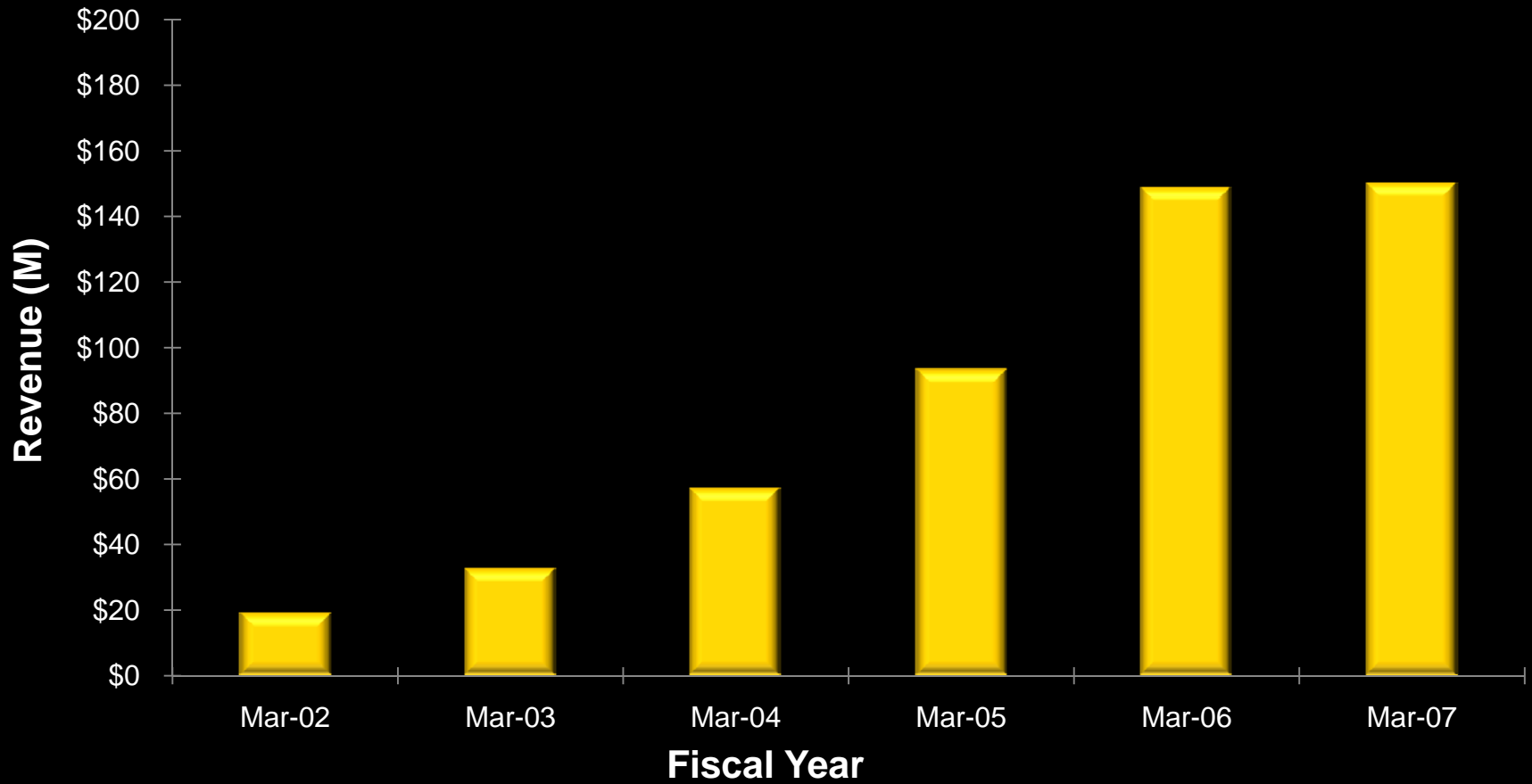
**As many as
500 million of
these will shift
to DVD-on-
Demand by
2011.**



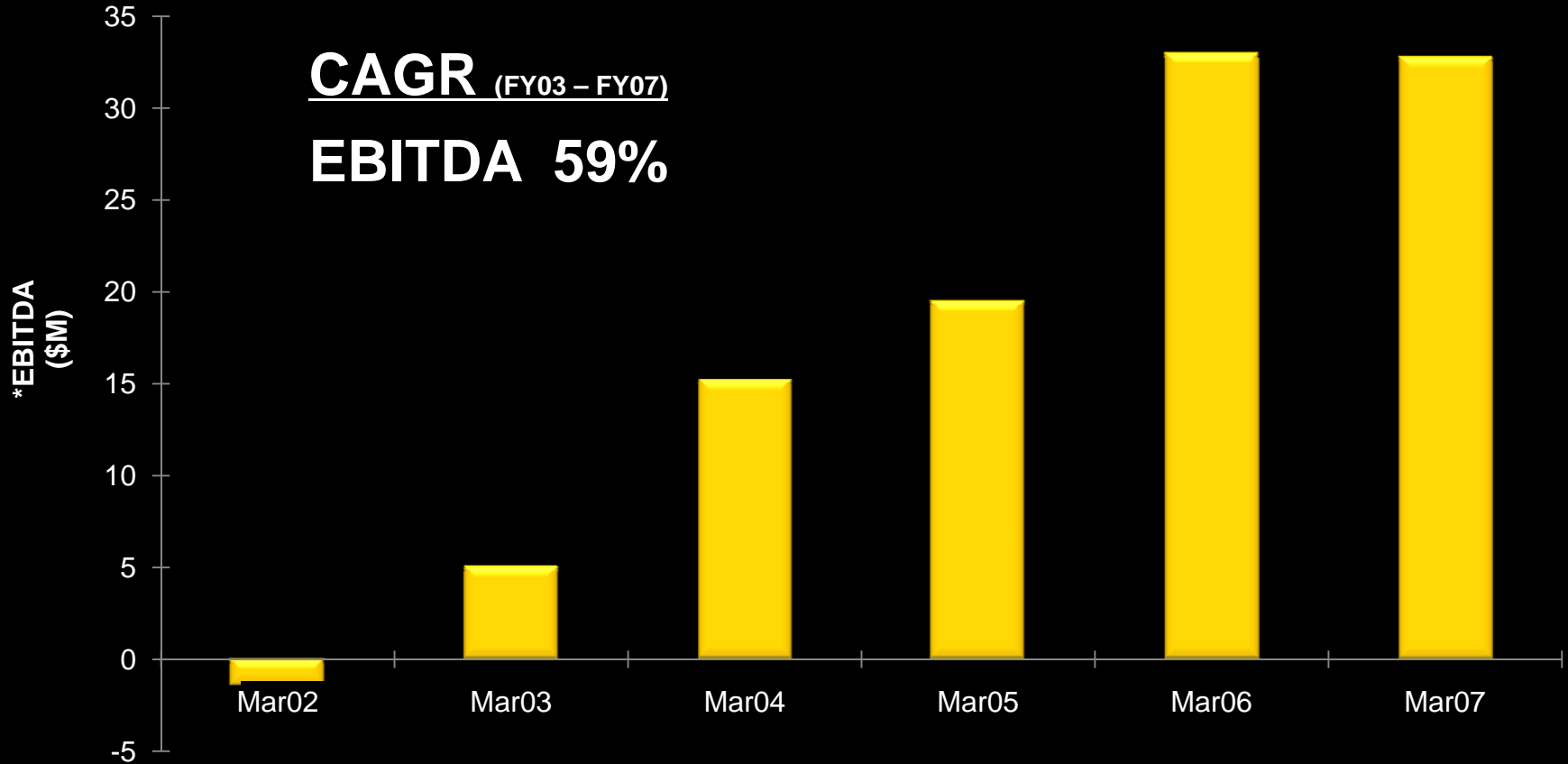
Financials



Annual Revenue Trend



Adjusted EBITDA Trend



Recent Balance Sheet Metrics

(as of 06/30/07)

Cash \$65.7 M

DSOs 34 Days

Debt \$20.0 M

Investment Highlights

- **Sonic is the leader in Digital Media software**
 - Leading the transition to HD from Hollywood to home
 - Pioneering DVD on Demand
 - Roxio is the #1 brand for consumer digital media
- **Strategic, industry-leading partnerships**
 - Hollywood studios
 - PC OEMs & technology leaders
 - Major retailers
- **Track record of strong revenues, profitability and growth**

SONIC[®]



Thank You