

FOR RELEASE:
November 8, 2005

NASDAQ: SNIC

Sonic Solutions Reports Results for Second Quarter Ended September 30, 2005

Novato, California (November 8, 2005) – Sonic Solutions (NASDAQ: SNIC) announced today the financial results for its second quarter ended September 30, 2005.

Net revenue for the quarter was \$31,948,000 compared to \$17,437,000 for the same period in the prior fiscal year. Net income for the quarter was \$3,102,000 or \$0.11 per diluted share compared to net income of \$3,575,000 or \$0.14 per diluted share for the same period in the prior fiscal year.

Net revenue for the six month period ended September 30, 2005 was \$67,467,000 compared to \$35,346,000 for the same period in the prior fiscal year. Net income for this six month period was \$7,115,000 or \$0.26 per diluted share compared to net income of \$7,562,000 or \$0.29 per diluted share for the same period in the prior fiscal year.

Sonic will hold its second quarter ended September 30, 2005 earnings conference call on Tuesday, November 8, 2005 at 1:30 p.m. (PT)/4:30 p.m. (ET). Investors are invited to listen to Sonic's quarterly conference call on the investor section of the Sonic Web site at www.sonic.com. A replay of the call will also be available via Webcast at www.sonic.com.

Sonic Solutions
Condensed Consolidated Statements of Operations
(in thousands, except per share amounts — unaudited)

	Three Months Ended September 30,		Six Months Ended September, 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net Revenue	\$31,948	\$17,437	\$67,467	\$35,346
Cost of Revenue	<u>6,845</u>	<u>1,639</u>	<u>16,093</u>	<u>3,500</u>
Gross Profit	<u>25,103</u>	<u>15,798</u>	<u>51,374</u>	<u>31,846</u>
Operating expenses				
Marketing and sales	7,354	3,686	15,877	7,598
Research and development	11,128	7,107	21,518	13,655
General and administrative	3,354	1,387	8,264	2,587
Business integration	41	0	336	0
Total operating expenses	<u>21,877</u>	<u>12,180</u>	<u>45,995</u>	<u>23,840</u>
Operating income	<u>3,226</u>	<u>3,618</u>	<u>5,379</u>	<u>8,006</u>
Other income (expense), net	<u>(234)</u>	<u>171</u>	<u>(347)</u>	<u>231</u>
Income before income taxes	2,992	3,789	5,032	8,237
Provision (benefit) for income taxes	<u>(110)</u>	<u>214</u>	<u>(2,083)</u>	<u>675</u>
Net income	<u>\$3,102</u>	<u>\$3,575</u>	<u>7,115</u>	<u>7,562</u>
Net income per share				
Basic	<u>\$0.13</u>	<u>\$0.15</u>	<u>\$0.29</u>	<u>\$0.33</u>
Diluted	<u>\$0.11</u>	<u>\$0.14</u>	<u>\$0.26</u>	<u>\$0.29</u>
Shares used in computing net income per share				
Basic	<u>24,586</u>	<u>23,422</u>	<u>24,468</u>	<u>22,733</u>
Diluted	<u>27,975</u>	<u>26,400</u>	<u>27,738</u>	<u>25,931</u>

Sonic Solutions
Condensed Consolidated Balance Sheets
(in thousands, except share amounts)

<u>ASSETS</u>	<u>2005</u>	<u>September 30,</u>
	<u>March 31,*</u>	<u>(unaudited)</u>
Current Assets:		
Cash and cash equivalents	\$ 35,436	\$ 18,741
Short term investments	0	26,100
Accounts receivable, net of allowance for returns and doubtful accounts of \$10,068 and \$7,648 at March 31, 2005 and September 30, 2005, respectively	12,839	16,978
Inventory	755	546
Unbilled receivables	121	0
Prepaid expenses and other current assets	<u>2,153</u>	<u>3,044</u>
Total current assets	51,304	65,409
Fixed assets, net	6,756	6,187
Purchased and internally developed software costs, net	1,595	1,405
Goodwill	54,664	53,481
Acquired intangibles, net	49,046	46,413
Other assets	<u>2,583</u>	<u>4,798</u>
Total assets	<u>\$165,948</u>	<u>\$177,693</u>
 <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 9,087	\$ 6,891
Accrued liabilities	19,164	23,405
Deferred revenue	5,176	7,143
Obligations under capital leases, current portion	<u>84</u>	<u>62</u>
Total current liabilities	33,511	37,501
Bank note payable	30,000	30,000
Other long term liabilities, net of current portion	2,217	1,018
Deferred revenue, net of current portion	756	607
Obligations under capital leases, net of current portion	<u>41</u>	<u>11</u>
Total liabilities	<u>66,525</u>	<u>69,137</u>
Shareholders' Equity:		
Convertible preferred stock, no par value, 10,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2005, and September 30, 2005, respectively	---	---
Common stock, no par value, 100,000,000 shares authorized; 24,308,730 and 24,799,399 shares issued and outstanding at March 31, 2005 and September 30, 2005, respectively	106,410	109,021
Accumulated other comprehensive loss	(274)	(867)
Accumulated earnings (deficit)	<u>(6,713)</u>	<u>402</u>
Total shareholders' equity	99,423	108,556
Total liabilities and shareholders' equity	<u>\$ 165,948</u>	<u>\$177,693</u>

* The consolidated balance sheet at March 31, 2005 has been derived from the Company's audited consolidated financial statements on Form 10-K at that date, but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

About Sonic Solutions

Sonic Solutions (NASDAQ: SNIC; <http://www.sonic.com>) is the leader in digital media software, providing a broad range of interoperable, platform independent software tools and applications for creative professionals, business and home users, and technology partners. Sonic's products range from advanced DVD authoring systems and interactive content delivery technologies used to produce the majority of Hollywood DVD film releases, to the award-winning Roxio- and Sonic-branded CD and DVD creation, playback and backup solutions that have become the premiere choice for consumers, prosumers and business users worldwide.

Sonic products are globally available from major retailers, online at Sonic.com and Roxio.com, and are bundled with personal computers ("PCs"), after-market drives and consumer electronic devices. Sonic's digital media creation engine is the de facto standard and has been licensed by major software and hardware manufacturers, including Adobe, Microsoft, Scientific-Atlanta, Sony, and many others. Sonic Solutions is headquartered in Marin County, California.

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Forward-Looking Statements

This press release and Sonic's second quarter ended September 30, 2005 earnings conference call contain forward-looking statements that are based upon current expectations. Such forward-looking statements include revenue and earnings per share guidance for the fiscal quarters ending December 31, 2005, March 31, 2006, the fiscal year ending March 31, 2006 and the fiscal year ending March 31, 2007; the gross margin, operating margin, effective tax rate and cost of compliance with the Sarbanes-Oxley Act of 2002, as amended ("SOX"), assumed for the guidance; the continuing effects of the increase in operating expenses and headcount in connection with the Roxio acquisition; and favorable expectations about Sonic's consumer electronics strategy and ability to take advantage of the convergence of the PC and consumer electronics industries. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause such differences include, but are not limited to, Sonic's ability to successfully integrate Roxio's Consumer Software Division and former employees into Sonic's business and realize the anticipated synergies and cost savings from the acquisition; general customer and market reaction to the Roxio acquisition; the timely introduction and acceptance of new products, including but not limited to Sonic's high definition series products; the costs associated with new product introductions and the possible adverse effect on gross margin; the transition of products to new hardware configurations and platforms; unforeseen increases in operating expenses as a result of the Roxio acquisition, new product introductions, cost of SOX compliance or business expansion; loss of significant customers due to the Roxio acquisition and other market conditions; risks related to acquisitions and international operations; and other factors, including those discussed in Sonic's annual and quarterly reports on file with the Securities and Exchange Commission. This press release should be read in conjunction with Sonic's most recent quarterly report on Form 10-Q and Sonic's other reports on file with the Securities and Exchange Commission, which contain a more detailed discussion of Sonic's business including risks and uncertainties that may affect future results. Sonic does not undertake to update any forward-looking statements.

For More Information, Contact:

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