UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 12, 2014

AVID TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**0-21174**	**04-2977748**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

75 Network Drive, Burlington, Massachusetts 01803

(Address of Principal Executive Offices) (Zip Code)

(978) 640-6789

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On September 12 , 2014, Avid Technology, Inc. (the "Company") issued a press release announcing that it has completed its restatement and filed (i) its annual report on Form 10-K for the fiscal year ended December 31, 2013, which also includes results for the fiscal year ended December 31, 2012 and restated results for the period ending December 31, 2011, and (ii) its quarterly reports on Form 10-Q for each of the quarters ended September 30, 2013, June 30, 2013 and March 31, 2013. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure

In the press release the Company also announced that on Friday, September 12, 2014, by 9:00 am Eastern Time, the Company will provide an investor update focused on articulating the Company's corporate strategy and discussing the restatement of the Company's historical financial statements and more details on the Company's financial results. The investor update will be released through a series of videos on Avid's website, www.avid.com, and can be accessed on http://ir.avid.com. The materials to be utilized during the investor update are attached as Exhibit 99.2 to this report.

Limitation on Incorporation by Reference. The information furnished in Items 2.02 and 7.01, including the press release and investor presentation attached hereto as Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward-Looking Statements. Except for historical information contained in this Form 8-K and the press release attached as Exhibits 99.1 and 99.2 hereto, the Form 8-K, press release and investor presentation contain forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the cautionary notes in the press release and investor presentation regarding these forward-looking statements.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit relating to Items 2.02 and 7.01 shall be deemed to be furnished, and not filed:

Exhibit Number	Description
99.1	Press release dated September 12, 2014
99.2	Investor Presentation September 12, 2014

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVID TECHNOLOGY, INC.
(Registrant)

Date: September 12, 2014

By: /s/ John W. Frederick
Name: John W. Frederick
Title: Executive Vice President, Chief Financial Officer and Chief Administrative Officer

Avid Files 2013 Form 10-K and Completes Financial Restatement

Company reports four consecutive quarters of year-over-year bookings growth and positive free cash flow for 2013

BURLINGTON, MA, September 12, 2014 Avid® (OTC: AVID) announced today that it has completed its restatement and filed its annual report on Form 10-K for the fiscal year ended December 31, 2013, which also includes results for the fiscal year ended December 31, 2012 and restated results for the fiscal year ended December 31, 2011. The Company also filed quarterly reports on Form 10-Q for each of the quarterly periods ended March 31, June 30 and September 30, 2013.

"We have worked diligently for well over a year on the restatement and are delighted to have completed the process." said Louis Hernandez, Jr., president and CEO of Avid. "Throughout this period, we have put a premium on maintaining our focus on continued innovation for our customers and reasserting our commitment to being a strategic leader for the media industry with our Avid Everywhere vision. I'm encouraged by the progress we've made in executing against our three phase transformational strategy, and specifically with the growth in bookings over the past few quarters. Now that we have completed the restatement process, we are excited to continue our work on the transformation and feel the momentum building."

Central to the transformational strategy and the Avid Everywhere vision is the MediaCentral platform. The momentum of the platform, combined with unprecedented community engagement via the Avid Customer Association, helped grow the Company's bookings over the past four quarters on a year-over-year basis, reversing declines experienced in 2012 and the first half of 2013.

"We are especially encouraged by the growth in platform sales and the strong adoption of subscription license offerings for our creative tools which we believe validates our strategic direction and provides a fertile opportunity for cross sale activity," said Louis Hernandez, Jr., president and CEO of Avid.

The restated results include changes to the Company's historical reported results, primarily focused in the following areas:

- Revenue Recognition
- Impairment of Goodwill
- Discontinued Operations Classification
- Restructuring Reserves

“As a result of our restatement and in accordance with GAAP, revenue that had originally been recognized in earlier periods is now being recognized ratably over an extended timeframe,” said John Frederick, executive vice president, chief financial officer and chief administrative officer of Avid. “The amount of revenue earned or to be earned over the entire period of recognition essentially remains unchanged from the amount we historically recognized. There was no change to the cash characteristics of the transactions being restated nor to the Company’s liquidity directly relating to these transactions. As a result of the restatement, the balance sheet reflects a significant increase in deferred revenue, which will be recognized in revenue over a number of years and will provide significant visibility into our future revenues. The revenue recognized from deferred revenue originating in periods prior to 2011 will continue in declining amounts through 2016, creating downward pressure on revenue growth until 2017.”

This accounting related revenue pressure is caused by an accounting rules change which became effective January 1, 2011 which resulted in more revenue for transactions originating after January 1, 2011 being recognized upon shipment in many of our customer arrangements as compared to transactions prior to that date.

The Company encourages investors to thoroughly review the supplemental tables attached to this announcement and the informational video series which will be posted on Avid’s Investor Relations website by 9:00 a.m. ET on September 12, 2014 which will provide more details on these changes.

Revenues for the twelve-month periods ended December 31, 2013 and 2012 were $563.4 million and $635.7 million, respectively. GAAP net income for the twelve-month periods ended December 31, 2013 and 2012 was $21.2 million and $92.9 million, respectively. The decline in revenue and net income was predominately due to the larger portion of revenue from periods prior to 2011 being amortized in 2012 as compared to 2013 due to the above referenced change in accounting rules.

The Company includes non-GAAP financial measures in this press release, including income from continuing operations, income per share from continuing operations, Adjusted EBITDA and free cash flow. Definitions of these non-GAAP financial measures and the reconciliations to the Company's comparable GAAP financial measures for the periods presented, are included in this press release.

For the twelve-month period ended December 31, 2013, non-GAAP income from continuing operations was $57.2 million or $1.46 per share.

As Avid continues to focus on executing against its three-phased transformational strategy, the Company’s management team believes that the operational measure of bookings, as well the non-GAAP financial metrics of Adjusted EBITDA and free cash flow will also be helpful in evaluating operating performance and the effectiveness of its strategy.

With respect to those measures we are providing 2014 guidance for each

- Year-over-year **bookings** growth of 3%
- $58 million to $65 million of adjusted earnings excluding interest, taxes, depreciation, all amortization, stock-based compensation, restructuring and other charges and restatement related costs (or **Adjusted EBITDA**).
- **Free cash flow** of approximately $20 million

Bookings for the three-month periods ended June 30, 2014 and March 31, 2014 were $127.7 million and $126.1 million respectively. These represent the 3rd and 4th consecutive quarters of year-over-year quarterly bookings growth dating back to the third quarter of 2013. For the twelve-month period ended June 30, 2014 bookings increased $21 million, a 4% increase over the twelve-month period ended June 30, 2013.

Adjusted EBITDA was $80.3 million and $117.8 million for the twelve-month periods ended December 31, 2013 and 2012, respectively. A significant factor in the decline in Adjusted EBITDA between 2012 and 2013 and then again for the 2014 guidance is the declining amortization of the pre-2011 deferred revenue, the impact of which will continue through 2017.

Avid's cash and debt balances as of June 30, 2014 were $23.0 million and $5.0 million, respectively. The Company expects restatement related payments for the second half of 2014 to be between $12 million to $14 million.

Free cash flow, which excludes payments for restatement and restructuring activities of $26.3 million, was $5.5 million in fiscal year 2013. On a GAAP basis, cash used in operations for the twelve-month period ended December 31, 2013 was $9.1 million.

To help investors better understand Avid's strategic vision, its restated results and financial model, the Company will post an informational video series on its Investor Relations web site, available here (ir.avid.com) by 9:00 a.m. ET on September 12, 2014. This four-part video series covers:

- Company Update and Vision
- Restatement Overview
- Financial Results for 2012 and 2013 and certain summary financial metrics (bookings and cash) for Q1 and Q2 of 2014
- Financial Model

The Company is targeting to file its quarterly report on Form 10-Q for the three-month period ended March 31, 2014 in approximately one week. Form 10-Q for the second quarter of 2014 is expected to be filed within approximately 40 days following the filing of the first quarter 10-Q.

Following the filing of Avid's first quarter 2014 financial report, the Company plans to apply for relisting on the NASDAQ stock exchange. Given the previously disclosed delay in the second quarter 2014 10-Q filing, the Company hopes to be relisted on the NASDAQ stock exchange sometime after becoming current with its SEC reporting obligations. In the interim, Avid stock will continue to trade on OTC Markets - OTC Pink Tier under the trading symbol AVID. For quotes or additional information on OTC Markets and the OTC Pink Tier, please visit http://www.otcmarkets.com.

Conference Call and Investor Day

A conference call to discuss Avid's financial results will be held after the filing of its Form 10-Q for the three months ended March 31, 2014. Additionally, the Company anticipates hosting an investor day in New York after the filing of its quarterly results for the period ending September 30, 2014.

Non-GAAP Measures

In this release Avid presents a number of non-GAAP financial measures as set forth and reconciled in the appendix of this press release.

Avid defines Adjusted EBITDA as non-GAAP operating profit or loss excluding depreciation and all amortization expense. Avid's non-GAAP operating results and earnings per share exclude restructuring costs, stock based compensation, amortization and impairment of intangibles as well as other unusual items such as costs related to the restatement; M&A related activity; or impact of significant legal settlements. Avid defines free cash flow as GAAP cash flow generated from or used by operations less capital expenditures and excludes payments or receipts related to M&A, significant legal settlements, restructuring, restatement or other non-operational or non-recurring events. These non-GAAP measures also reflect how Avid manages its businesses internally.

As with the items eliminated in its calculation of net income, these items may vary for different companies for reasons unrelated to the overall operating performance of Avid's business. When analyzing Avid's operating performance, investors should not consider these non-GAAP financial measures as a substitute for net income or other measures prepared in accordance with GAAP. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles. This non-GAAP information supplements, and is not intended to represent a measure of performance in accordance with, disclosures required by generally accepted accounting principles, or GAAP. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP.

The reconciliation of the GAAP to non-GAAP financial measures is in the tables included in this press release.

Operational Metrics

Avid also references bookings in this press release. Bookings are an operational metric which is defined as the amount of revenue we expect to earn from an agreement between Avid and a customer for goods and services over the course of the agreement. To count as a booking, we expect there to be persuasive evidence of an agreement between us and our customer and that the collectability of the amounts payable under the arrangement are reasonably assured. Due to the timing of revenue recognition, all of the revenue related to the booking may not be recorded in the period that it was transacted and would therefore be reported as part of revenue backlog and/or deferred revenue, thereby providing visibility into future revenue. However, because our bookings are based on orders that, under certain circumstances can be cancelled or adjusted; bookings may not convert into revenue earned.

Forward-Looking Statements

The information provided in this press release includes forward-looking statements that involve risks and uncertainties, including statements about our anticipated plans, objectives, expectations and intentions. Such statements include, without limitation, statements regarding our recently filed financial statements or other information included herein based upon or otherwise incorporating judgments or estimates, including statements herein relating to future performance such as our future adjusted EBITDA, earnings, bookings, free cash flow, payments for restatement-related expenses; our future strategy and business plans; our objective to obtain relisting on the NASDAQ Stock Market and to have our shares of common stock trade on that market; and our anticipated timing for filing our future quarterly reports. These forward-looking statements are based on current expectations as of the date of this release and subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to: the effect on our sales, operations and financial performance resulting from the identified material weaknesses in our internal control of financial reporting; the delisting of our stock from NASDAQ; the previously disclosed ongoing SEC and Department of Justice inquiries; pending litigation, including the previously disclosed class action and possibility of further legal proceedings adverse to our Company resulting from the restatement or related matters; the costs associated with the restatement; as well as our ability to have our shares relisted on the NASDAQ stock market; our liquidity; our ability to execute our strategic plan and meet customer needs; our ability to produce innovative products in response to changing market demand, particularly in the media industry; our ability to successfully accomplish our product development plans; competitive factors; history of losses; fluctuations in our revenue, based on, among other things, our performance in particular geographies or markets, fluctuations in foreign currency exchange rates and seasonal factors; adverse changes in economic conditions; variances in our backlog and the realization thereof. Moreover, the business may be adversely affected by future legislative, regulatory or tax changes as well as other economic, business and/or competitive factors. The risks included above are not exhaustive. Other factors that could adversely affect our business and prospects are described in the filings made by our Company with the SEC. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

About Avid

Through Avid Everywhere, Avid delivers the industry's most open, innovative and comprehensive media platform connecting content creation with collaboration, asset protection, distribution and consumption for the most listened to, most watched and most loved media in the world-from the most prestigious and award-winning feature films, music recordings, and television shows, to live concerts and news broadcasts. Industry leading solutions include Pro Tools®, Media Composer®, ISIS®, Interplay®, and Sibelius®. For more information about Avid solutions and services, visit www.avid.com, connect with Avid on Facebook, Twitter, YouTube, LinkedIn, Google+; or subscribe to Avid Blogs.

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AVID TECHNOLOGY, INC.

Condensed Consolidated Statements of Operations

(unaudited - in thousands, except per share data)

	Twelve Months Ended December 31,		
	2013	2012	2011
			(Restated)
Net revenues:			
Products	$ 395,531	$ 478,830	$ 660,720
Services	167,881	156,873	106,165
Total net revenues	563,412	635,703	766,885
Cost of revenues:			
Products	159,264	182,764	188,217
Services	63,177	63,670	70,808
Amortization of intangible assets	1,468	2,574	2,693
Total cost of revenues	223,909	249,008	261,718
Gross profit	339,503	386,695	505,167
Operating expenses:			
Research and development	95,249	98,879	111,129
Marketing and selling	133,890	153,481	163,204
General and administrative	77,578	52,066	50,732
Amortization of intangible assets	2,648	4,254	8,528
Restructuring costs, net	5,370	24,838	6,534
Total operating expenses	314,735	333,518	340,127
Operating income	24,768	53,177	165,040
Interest and other expense, net	(676)	(2,041)	(1,945)
Income from continuing operations before income taxes	24,092	51,136	163,095
Provision for income taxes, net	2,939	4,049	635
Income from continuing operations, net of tax	21,153	47,087	162,460
Discontinued Operations:			
Gain on divestiture of consumer business	—	37,972	—
Income from divested operations	—	7,832	63,907
Income from discontinued operations, net of tax	—	45,804	63,907
Net income	$ 21,153	$ 92,891	$ 226,367
Income per share from continuing operations, net of tax - basic	0.54	1.21	4.23

Income per share from discontinued operations, net of tax - basic	—	1.18	1.66
Net income per common share - basic	$ 0.54	$ 2.39	$ 5.89
Income per share from continuing operations, net of tax - diluted	0.54	1.21	4.22
Income per share from discontinued operations, net of tax - diluted	—	1.18	1.65
Net income per common share - diluted	$ 0.54	$ 2.39	$ 5.87
Weighted-average common shares outstanding - basic	39,044	38,804	38,435
Weighted-average common shares outstanding - diluted	39,070	38,836	38,534

AVID TECHNOLOGY, INC.

Condensed Consolidated Statements of Operations

(unaudited - in thousands, except per share data)

	Three Months Ended				Three Months Ended			
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012 (Restated)	June 30, 2012 (Restated)	March 31, 2012 (Restated)
Net revenues:								
Products	$ 103,985	$ 92,969	$ 99,858	$ 98,718	$ 116,449	$ 109,684	$ 124,991	$ 127,706
Services	43,118	45,924	41,488	37,353	44,020	40,923	40,485	31,445
Total net revenues	$ 147,103	$ 138,893	$ 141,346	$ 136,071	$ 160,469	$ 150,607	$ 165,476	$ 159,151
Cost of revenues:								
Products	43,665	39,683	38,900	37,015	47,942	38,356	50,983	45,482
Services	16,136	16,372	15,394	15,276	16,268	16,663	16,329	14,411
Amortization of intangible assets	158	158	501	651	646	634	644	650
Restructuring costs	—	—	—	—	—	—	—	—
Total cost of revenues	59,959	56,213	54,795	52,942	64,856	55,653	67,956	60,543
Gross profit	87,144	82,680	86,551	83,129	$ 95,613	$ 94,954	$ 97,520	$ 98,608
Operating expenses:								
Research and development	24,556	23,239	23,847	23,607	22,951	23,207	26,261	26,460
Marketing and selling	34,566	31,512	33,903	33,909	35,385	33,941	42,282	41,873
General and administrative	23,135	22,715	16,131	15,597	13,462	10,905	13,351	14,348
Amortization of intangible assets	667	660	658	663	755	782	1,106	1,611
Restructuring costs, net	2,491	688	1,918	273	126	9,831	14,437	444
Total operating expenses	85,415	78,814	76,457	74,049	72,679	78,666	97,437	84,736
Operating income	1,729	3,866	10,094	9,080	22,934	16,288	83	13,872

Interest and other expense, net	192	(363)	(247)	(258)	(1,150)	(318)	(379)	(194)
Income from continuing operations before income taxes	1,921	3,503	9,847	8,822	21,784	15,970	(296)	13,678
Provision for income taxes, net	792	921	669	557	1,119	1,194	(936)	2,672
Income from continuing operations, net of tax	1,129	2,582	9,178	8,265	20,665	14,776	640	11,006
Discontinued Operations:								
Gain on divestiture of consumer business	—	—	—	—	—	37,972	—	—
Income from divested operations	—	—	—	—	—	—	2,773	5,059
Income from discontinued operations, net of tax	—	—	—	—	—	37,972	2,773	5,059
Net income	$ 1,129	$ 2,582	$ 9,178	$ 8,265	$ 20,665	$ 52,748	$ 3,413	$ 16,065
Income per share from continuing operations, net of tax - basic	0.03	0.07	0.24	0.21	0.53	0.38	0.02	0.29
Income per share from discontinued operations, net of tax - basic	—	—	—	—	—	0.98	0.07	0.13
Net income per common share - basic	$ 0.03	$ 0.07	$ 0.24	$ 0.21	$ 0.53	$ 1.36	$ 0.09	$ 0.42
Income per share from continuing operations, net of tax - diluted	0.03	0.07	0.24	0.21	0.53	0.38	0.02	0.28
Income per share from discontinued operations, net of tax - diluted	—	—	—	—	—	0.98	0.07	0.13
Net income per common share - diluted	$ 0.03	$ 0.07	$ 0.24	$ 0.21	$ 0.53	$ 1.36	$ 0.09	$ 0.41
Weighted-average common shares outstanding - basic	39,080	39,075	39,040	38,977	38,916	38,859	38,778	38,662
Weighted-average common shares outstanding - diluted	39,111	39,076	39,069	39,034	38,937	38,890	38,798	38,721

AVID TECHNOLOGY, INC.

Reconciliations of GAAP financial measures to Non-GAAP financial measures

(unaudited - in thousands, except per share data)

	Twelve Months Ended December 31,		
	2013	**2012**	**2011**
			(Restated)
GAAP			
Net Revenues	**$ 563,412**	**$ 635,703**	**$ 766,885**
Cost of revenues	223,909	249,008	261,718
Gross Profit	339,503	386,695	505,167
Operating Expenses	314,735	333,518	340,127
Operating Income	24,768	53,177	165,040
Interest and other expense, net	(676)	(2,041)	(1,945)
Provision for income taxes, net	2,939	4,049	635
Income from continuing operations, net of tax	$ 21,153	$ 47,087	$ 162,460
Weighted-average common shares outstanding - diluted	39,070	38,836	38,534
Income per share from continuing operations, net of tax - diluted	**$ 0.54**	**$ 1.21**	**$ 4.22**
Adjustments to GAAP Results			
Cost of Revenues			
Amortization of intangible assets	1,468	2,574	2,693
Stock-based compensation	796	992	1,200
Operating Expenses			
Amortization of intangible assets	2,648	4,254	8,528
Restructuring costs, net	5,370	24,838	6,534
Restatement costs	20,591	—	—
Acquisition and other costs	—	1,048	556
(Gain) loss on sale of assets	(125)	(252)	597
Stock-based compensation			
R&D	581	985	1,638
Sales & Marketing	1,786	3,754	4,349
G&A	3,752	5,700	5,421
Other			
Tax adjustment	(860)	(965)	(1,579)
Non-GAAP			
Net revenues	**563,412**	**635,703**	**766,885**
Cost of revenues	221,645	245,441	257,824
Gross Profit	341,767	390,262	509,061
Operating Expenses	280,132	293,190	312,504
Operating Income	**61,635**	**97,071**	**196,557**
Interest and other expense, net	(676)	(2,041)	(1,945)
Provision for income taxes, net	3,799	5,014	2,214

Income from continuing operations, net of tax	57,160	90,016	192,398
Income per share from continuing operations, net of tax - diluted	**$ 1.46**	**$ 2.32**	**$ 4.99**

Adjusted EBITDA			
Non-GAAP Operating Income (from above)	**61,635**	**97,071**	**196,557**
Depreciation	17,837	19,846	19,543
Amortization of capitalized software development costs	815	846	1,218
Adjusted EBITDA	**$ 80,286**	**$ 117,763**	**$ 217,318**

Free Cash Flow			
GAAP net cash (used in) provided by operating activities	**(9,145)**	**34,709**	**2,967**
Capital Expenditures	(11,625)	(9,703)	(10,795)
Restructuring Payments	(13,151)	(19,420)	(17,206)
Restatement Payments	(13,161)	—	—
Free Cash Flow	**5,542**	**44,426**	**9,378**

AVID TECHNOLOGY, INC.

Reconciliations of GAAP financial measures to Non-GAAP financial measures

(unaudited - in thousands, except per share data)

	Three Months Ended				Three Months Ended			
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012 (Restated)	June 30, 2012 (Restated)	March 31, 2012 (Restated)
GAAP								
Net Revenues	**$ 147,103**	**$ 138,893**	**$ 141,346**	**$ 136,071**	**$ 160,469**	**$ 150,607**	**$ 165,476**	**$ 159,151**
Cost of revenues	59,959	56,213	54,795	52,942	64,856	55,653	67,956	60,543
Gross Profit	87,144	82,680	86,551	83,129	95,613	94,954	97,520	98,608
Operating Expenses	85,415	78,814	76,458	74,049	72,679	78,666	97,437	84,736
Operating Income	1,729	3,866	10,093	9,080	22,934	16,288	83	13,872
Interest and other expense, net	192	(363)	(247)	(258)	(1,150)	(318)	(379)	(194)
Provision for income taxes, net	792	921	669	557	1,119	1,194	(936)	2,672
Income from continuing operations, net of tax	$ 1,129	$ 2,582	$ 9,177	$ 8,265	$ 20,665	$ 14,776	$ 640	$ 11,006
Weighted-average common shares outstanding - diluted	39,111	39,076	39,069	39,034	38,937	38,890	38,798	38,721
Income per share from continuing operations, net of tax - diluted	**$ 0.03**	**$ 0.07**	**$ 0.23**	**$ 0.21**	**$ 0.53**	**$ 0.38**	**$ 0.02**	**$ 0.28**
Adjustments to GAAP Results								
Cost of Revenues								
Amortization of intangible assets	158	158	501	651	646	634	644	650
Stock-based compensation	173	185	212	226	230	236	268	259
Operating Expenses								
Amortization of intangible assets	667	660	658	663	755	782	1,106	1,611
Restructuring costs, net	2,491	688	1,918	273	126	9,831	14,437	444
Restatement costs	8,162	8,730	2,929	769	—	—	—	—
Acquisition and other costs	—	—	—	—	111	(100)	555	482
(Gain) loss on sale of assets	—	—	—	(125)	—	—	—	(252)

Stock-based compensation								
R&D	127	137	173	145	193	212	269	311
Sales & Marketing	329	402	473	581	440	(93)	2,244	1,162
G&A	572	808	1,250	1,125	1,544	1,265	1,713	1,179
Other								
Tax adjustment	(215)	(215)	(215)	(215)	(241)	(241)	(241)	(241)

Non-GAAP								
Net revenues	**147,103**	**138,893**	**141,346**	**136,071**	**160,469**	**150,607**	**165,476**	**159,151**
Cost of revenues	59,628	55,870	54,082	52,065	63,980	54,783	67,044	59,634
Gross Profit	87,475	83,023	87,264	84,006	96,489	95,824	98,432	99,517
Operating Expenses	73,067	67,389	69,058	70,618	69,510	66,769	77,113	79,799
Operating Income	**14,408**	**15,634**	**18,207**	**13,388**	**26,978**	**29,055**	**21,320**	**19,718**
Interest and other expense, net	192	(363)	(247)	(258)	(1,150)	(318)	(379)	(194)
Provision for income taxes, net	1,007	1,136	884	772	1,360	1,435	(695)	2,913
Income from continuing operations, net of tax	13,593	14,135	17,076	12,358	24,468	27,302	21,635	16,611
Income per share from continuing operations, net of tax - diluted	**$ 0.35**	**$ 0.36**	**$ 0.44**	**$ 0.32**	**$ 0.63**	**$ 0.7**	**$ 0.56**	**$ 0.43**

Adjusted EBITDA								
Non-GAAP Operating Income (from above)	**14,408**	**15,634**	**18,207**	**13,388**	**26,978**	**29,055**	**21,320**	**19,718**
Depreciation	4,386	4,302	4,429	4,719	5,099	4,874	4,899	4,974
Amortization of capitalized software development costs	586	49	77	102	109	128	294	316
Adjusted EBITDA	**$ 19,380**	**$ 19,985**	**$ 22,713**	**$ 18,210**	**$ 32,186**	**$ 34,056**	**$ 26,512**	**$ 25,008**

Free Cash Flow								
GAAP net cash (used in) provided by operating activities	**883**	**(4,472)**	**(4,146)**	**(1,410)**	**2,023**	**(77)**	**14,020**	**18,743**
Capital Expenditures	(2,627)	(3,708)	(3,164)	(2,126)	(2,752)	(1,421)	(1,941)	(3,589)
Restructuring Payments	2,536	3,256	3,122	4,237	5,128	8,582	1,721	3,978
Restatement Payments	7,728	3,919	1,514	—	—	—	—	—
Free Cash Flow	**8,520**	**(1,005)**	**(2,674)**	**701**	**4,399**	**7,084**	**13,800**	**19,132**

AVID TECHNOLOGY, INC.

Condensed Consolidated Balance Sheets

(unaudited - in thousands)

	December 31, 2013	December 31, 2012
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 48,203	$ 70,390
Accounts receivable, net of allowances of $13,963 and $20,977 at December 31, 2013 and December 31, 2012, respectively	56,770	67,956
Inventories	60,122	69,143
Deferred tax assets, net	522	586
Prepaid expenses	7,778	9,060
Other current assets	17,493	19,950
Total current assets	190,888	237,085
Property and equipment, net	35,186	41,441
Intangible assets, net	4,260	9,217
Long-term deferred tax assets, net	2,415	2,825
Other assets	2,393	3,793
Total assets	$ 235,142	$ 294,361
LIABILITIES AND STOCKHOLDERS' DEFICIT:		
Current liabilities:		
Accounts payable	$ 33,990	$ 35,425
Accrued compensation and benefits	30,342	25,177
Accrued expenses and other current liabilities	41,273	34,003
Income taxes payable	6,875	7,969
Deferred tax liabilities, net	14	203
Deferred revenues	211,403	230,305
Total current liabilities	323,897	333,082
Long-term deferred tax liabilities, net	565	713
Long-term deferred revenues	255,429	328,180
Other long-term liabilities	14,586	17,978
Total liabilities	594,477	679,953
Stockholders' deficit:		
Common stock	423	423
Additional paid-in capital	1,043,384	1,039,562
Accumulated deficit	(1,336,526)	(1,357,679)
Treasury stock at cost, net of reissuances	(72,543)	(75,542)
Accumulated other comprehensive income	5,927	7,644
Total stockholders' deficit	(359,335)	(385,592)
Total liabilities and stockholders' deficit	$ 235,142	$ 294,361

AVID TECHNOLOGY, INC.

Condensed Consolidated Statements of Cash Flows

(unaudited - in thousands)

	Twelve Months Ended December 31,		
	2013	2012	2011
			(Restated)
Cash flows from operating activities:			
Net income	$ 21,153	$ 92,891	$ 226,367
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	22,767	27,495	31,983
Provision for doubtful accounts	157	125	1,473
Non-cash provision for restructuring	—	1,459	326
(Gain) loss on sale of assets	(125)	(252)	597
Gain on divestiture of consumer business	—	(37,972)	—
Stock-based compensation expense	6,917	11,432	12,609
Non-cash interest expense	294	294	301
Unrealized foreign currency transaction (gains) losses	(10)	(1,251)	1,818
Provision for deferred taxes	730	(400)	(1,994)
Changes in operating assets and liabilities			
Accounts receivable	11,030	26,765	(3,804)
Inventories	9,021	20,844	(3,317)
Prepaid expenses and other current assets	4,393	(3,745)	(223)
Accounts payable	(1,416)	(7,111)	(4,533)
Accrued expenses, compensation and benefits, and other liabilities	8,932	(3,300)	(17,436)
Income taxes payable	(1,324)	676	(640)
Deferred revenues	(91,664)	(93,241)	(240,560)
Net cash (used in) provided by operating activities	(9,145)	34,709	2,967
Cash flows from investing activities:			
Purchases of property and equipment	(11,625)	(9,703)	(10,795)
Capitalized software development costs	—	—	(1,242)
Change in other long-term assets	(36)	(40)	(155)
Proceeds from divestiture of consumer business	—	11,440	—
Proceeds from sales of assets	125	—	—
Net cash (used in) provided by investing activities	(11,536)	1,697	(12,192)
Cash flows from financing activities:			
Proceeds from the issuance of common stock under employee stock plans	177	1,022	3,239
Common stock repurchases for tax withholdings for net settlement of equity awards	(273)	(668)	(1,213)
Proceeds from revolving credit facilities	—	14,000	21,000
Payments on revolving credit facilities	—	(14,000)	(21,000)
Net cash provided by (used in) financing activities	(96)	354	2,026

Effect of exchange rate changes on cash and cash equivalents	(1,410)	775	(2,728)
Net (decrease) increase in cash and cash equivalents	(22,187)	37,535	(9,927)
Cash and cash equivalents at beginning of period	70,390	32,855	42,782
Cash and cash equivalents at end of period	$ 48,203	$ 70,390	$ 32,855

AVID TECHNOLOGY, INC.
Supplemental Revenue Information
(unaudited - in millions)

	For the Period Ended							
Bookings	**June 30, 2014**	**March 31, 2014**	**December 31, 2013**	**September 30, 2013**	**June 30, 2013**	**March 31, 2013**	**December 31, 2012**	**September 30, 2012**
Quarterly	$ 127.7	$ 126.1	$ 150.4	$ 127	$ 120.7	$ 125.1	$ 141.5	$ 122.8
Last twelve months (LTM)	531.1	524.1	523.1	514.2	510	531	545	586.3

Revenue Backlog	**December 31, 2013**	**December 31, 2012**
Deferred Revenue	$ 466.8	$ 558.5
Other Backlog	92.2	51.2
Total Revenue Backlog	$ 559	$ 609.7

The expected timing of recognition of revenue backlog as of December 31, 2013 is as follows:

	Twelve Months Ended December 31,						
	2014	**2015**	**2016**	**2017**	**2018**	**Thereafter**	**Total**
Orders executed prior to January 1, 2011	$ 92.3	$ 58.2	$ 24.5	$ 1	$ 0.1	—	$ 176.1
Orders executed or materially modified on or after January 1, 2011	200.9	86.7	53	27.5	14.7	0.1	$ 382.9
	$ 293.2	$ 144.9	$ 77.5	$ 28.5	$ 14.8	$ 0.1	$ 559

Investor Video Series

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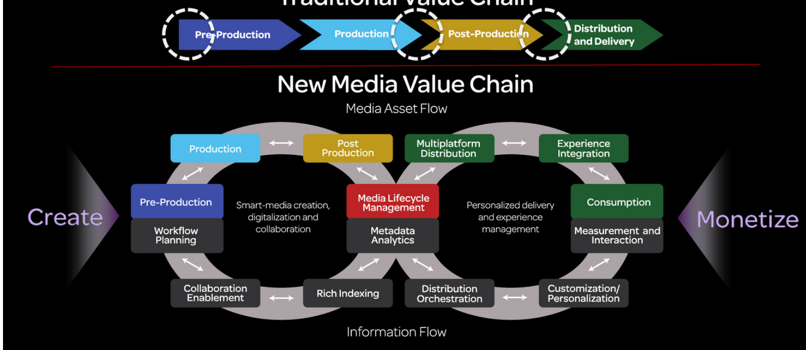
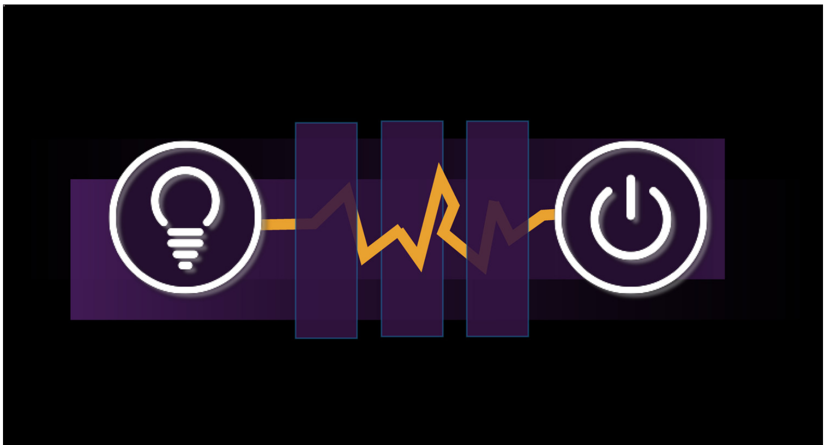
Phase 1
Perform better in the markets we serve today

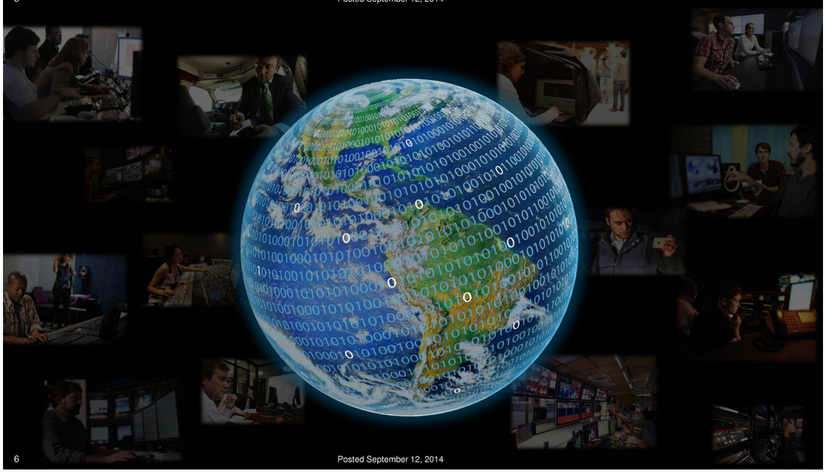
Phase 2
Address higher growth areas in current markets

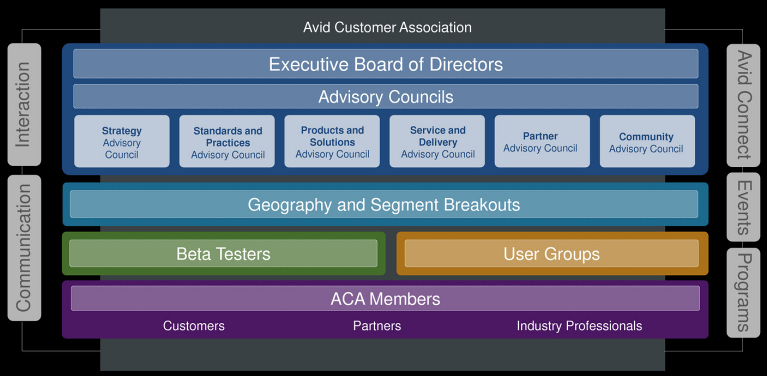
Phase 3
Address higher long-term growth areas and increase relevance

Traditional Value Chain









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ABC Television Network


Steve Cohen
Motion Picture Editor

Avid Connect 2014: The Inaugural Event

1,000+ Industry Professionals in Attendance

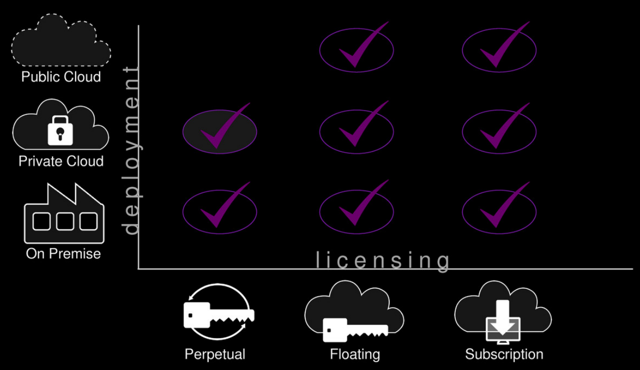
43 Countries Represented

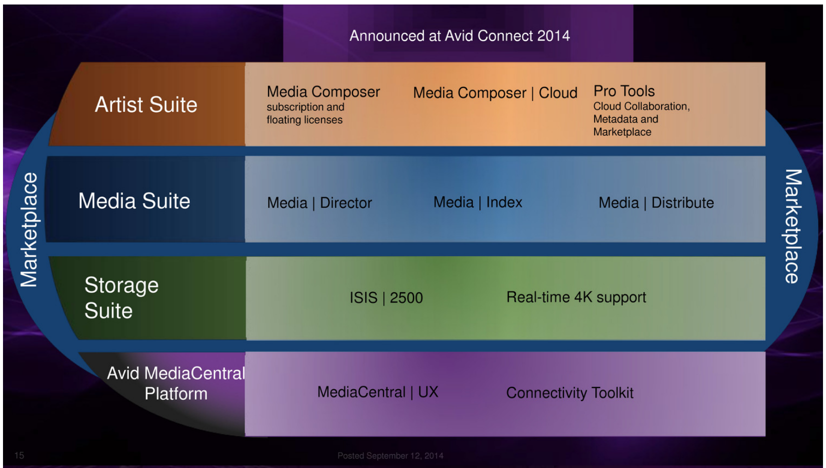
First Meetings of the Executive Board of Directors and Advisory Councils

Posted September 12, 2014

Avid Everywhere – Our Path Forward

Choice and Flexibility




Announced at Avid Connect 2014
Artist Suite
Media Composer
subscription and floating licenses
Media Composer | Cloud
Pro Tools
Cloud Collaboration, Metadata and Marketplace
Marketplace
Media Suite
Media | Director
Media | Index
Media | Distribute
Marketplace
Storage Suite
ISIS | 2500
Real-time 4K support
Avid MediaCentral Platform
MediaCentral | UX
Connectivity Toolkit
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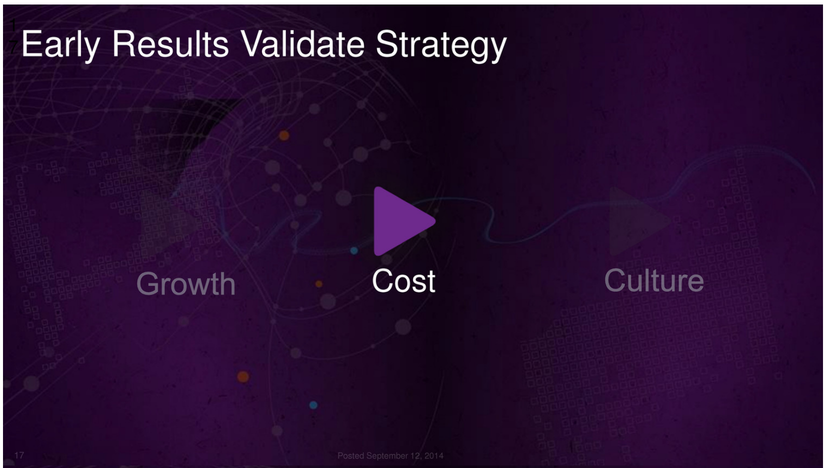
Early Results Validate Strategy
Growth
Cost
Culture
16
Posted September 12, 2014


Early Results Validate Strategy
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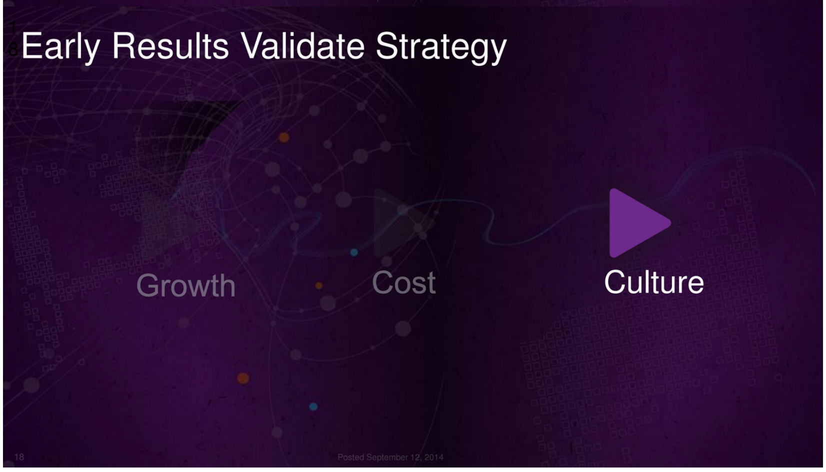
Early Results Validate Strategy
Growth
Cost
Culture
18
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A Highly Fragmented Industry….

Top 10 Broadcast Media Vendors

Market Share

Top 10 Financial Tech Vendors

Market Share

Early Results Validate Strategy

- Leverages the platform
- Provides new distribution
- Adds a new anchor for growth


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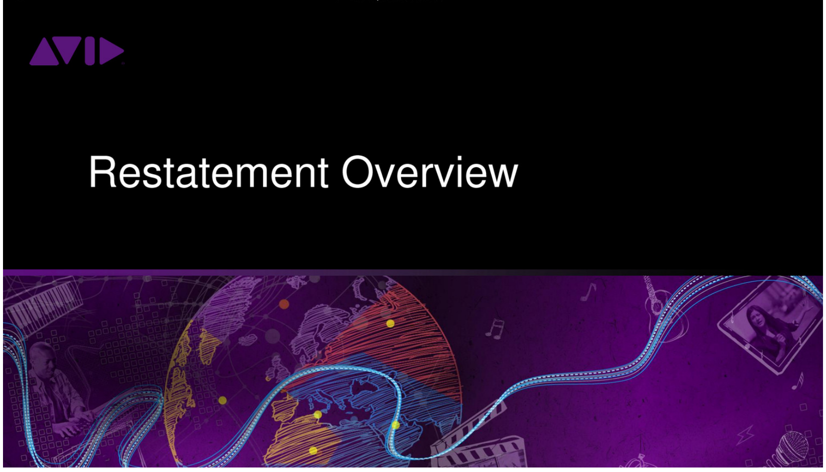
Posted September 12, 2014


Restatement Overview

Safe Harbor

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Use of Non-GAAP Financial Measures

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What We Found

- Determined many of our software updates represented implied post-contract customer support or PCS and that revenue accounting needed to be corrected
- Could not establish fair value for software updates, therefore, some or all of transaction value had to be recognized ratably over the periods the updates were provided
- We found no evidence that our previous revenue accounting was the result of intentional misconduct
- Our internal control over financial reporting was found not to be effective

Our Process

- Retained big four accounting firm to review our historical accounting practices and advise management on acceptability of accounting application
- Reviewed historical practices around upgrades and updates
- Implemented a methodical, comprehensive process for analyzing and assessing accounting impact of multiple bundled offerings
- Initiated a special purpose team to review, address and remediate internal control deficiencies

Our Process

- Developed and documented new accounting framework
- Went back to 2005 and reprocessed over five million transaction lines to determine appropriate accounting treatment for five year period
- Implemented new revenue accounting sub-ledger system to apply appropriate accounting treatment for all customer sales arrangements
- Because prior periods had been reopened—evaluated certain other historical accounting decisions

Internal Controls over Financial Reporting

- As part of restatement process, we reviewed our internal control structure related to our financial reporting and identified material weaknesses which are discussed in more detail in our Form 10-K for fiscal year 2013
- Nearly all efforts have been toward regaining current filing status
- As a result, we have not yet addressed all of the underlying internal control deficiencies but have initiated remediation measures in the interim
- We've invested in the accounting and internal audit functions as it relates to people, process and technology and expect to see incremental improvements over the next 12-24 months

Key Financial Metrics*

…leading indicators of revenue growth and liquidity

- Bookings
- Adjusted EBITDA
- Free Cash Flow

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation for Adjusted EBITDA and Free Cash Flow

2014 Strategic Goals

Drive Growth	▪ Focus investment in highest growth areas ▪ Maximize wallet share within existing customers ▪ Expand penetration of anchor products
Improve Profitability	▪ Maximize procurement cost savings ▪ Extend labor arbitrage to all organizations ▪ Improve software mix and direct material margins
Continue Cultural Transformation	▪ Create culture of urgency and accountability ▪ Minimize legacy cultural issues ▪ Align rewards and recognition to desired culture
Establish Community Platform	▪ Reestablish Avid as thought and technology leader ▪ Avid Customer Association (ACA) ▪ Partners participate in Avid Everywhere Platform

Targeted Timeline

- **Today:** Filed 2013 10-K and associated 10-Qs
- **Approximately + One Week:** File Q1 2014 10-Q
- **Approximately + 40 Days:** File Q2 2014 10-Q
- **After Q2 2014 10-Q Filed:** Relisting on NASDAQ
- **Before Year End 2014:** Annual Shareholder Meeting
- **After Q3 2014 10-Q Filed:** Avid 2014 Investor Day

Major Restatement Items

1. Revenue Recognition
2. Impairment of Goodwill
3. Discontinued Operations Classification
4. Restructuring Reserves

1. Major Restatement Items – Revenue Recognition

- Existence of implied post-contract customer support requires Company to defer and amortize a significant portion of revenue
- Impacts the timing but not the total amount of revenue earned
- Revenue accounting treatment different for pre-2011 as compared to post-2010
- Cash flow characteristics of transactions unchanged by change in accounting

2. Major Restatement Items – Impairment of Goodwill

- Restated financial statements impacted historical assessment of goodwill
- Recorded a full goodwill impairment charge in the year ended December 31, 2011

3. Major Restatement Items – Discontinued Operations

- The divestiture of consumer product lines in July 2012 should have been presented as discontinued operations
- Reclassification of all historical revenues and expenses to income or loss from discontinued operations

4. Major Restatement Items – Restructuring Reserves

- Revised accruals of restructuring charges in fiscal year 2009 and 2012 in a cumulative amount of $1.6 million
- Related to lease obligations and other exit activities

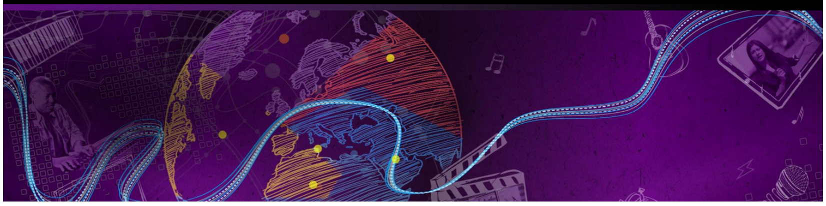
Impact of Restatement on Previously Issued Results

(in millions)	GAAP Revenue			GAAP Net Income (Loss)		
	Year Ended December 31, 2010	Year Ended December 31, 2011	Nine-Months Ended September 30, 2012	Year Ended December 31, 2010	Year Ended December 31, 2011	Nine-Months Ended September 30, 2012
As Previously Reported	**$ 678.5**	**$ 677.9**	**$ 436.7**	**$ (37.0)**	**$ (23.8)**	**$ (69.6)**
Revenue Recognition	(137.7)	244.8	84.6	(137.7)	244.8	84.6
Discontinued Operations	(137.3)	(155.9)	(46.1)	-	-	47.7
Restructuring Costs, net	-	-	-	0.3	2.7	5.4
Other Adjustments (a)	-	-	-	(13.1)	2.7	4.1
Total Restatement Adjustments	(275.0)	89.0	38.5	(150.5)	250.2	141.8
As Restated	**$ 403.5**	**$ 766.9**	**$ 475.2**	**$ (187.5)**	**$ 226.4**	**$ 72.2**

(a) Primarily related to changes in stock-based compensation and inventory valuation

Change in accounting principles resulted in significant shift in revenue from pre-2011 to later periods

Financial Results



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Moving Forward

- Growth
- Profitability
- Culture

Moving Forward

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- Profitability
- Culture
- Community Platform

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Perform better in the markets we serve today

→

Phase 2
Address higher growth areas in current markets

→

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Operational Measure Definition

Bookings

- Bookings represents the total amount of revenue that we expect to earn over the term of the agreement between Avid and a customer for goods and /or services over the course of the agreement
- To count as a booking, we expect there to be persuasive evidence of an agreement between us and our customer and that collectability of the amounts payable under the arrangement to be reasonably assured
- Bookings are subject to cancellations, changes and adjustments and are based on certain assumptions. Bookings may not reflect final revenue earned for a particular arrangement. Bookings do not reflect adjustments related to rebates or other sales incentive programs
- The material weaknesses in our internal control environment may impact the accuracy of recorded bookings

Key Non-GAAP Financial Definitions*

Free Cash Flow

- Free cash flow represents GAAP operating cash flow less capital expenditures and excludes payments or receipts related to M&A, significant legal settlements, restructuring, restatement or other non-operational or non-recurring events

* Please reference appendix for additional detail on definition of these metrics, including a GAAP to non-GAAP reconciliation

Key Non-GAAP Financial Definitions*

Adjusted EBITDA

- Adjusted EBITDA is defined as Non-GAAP operating profit or loss* excluding all depreciation and amortization expense

* Please reference appendix for additional detail on definition of these metrics, including a GAAP to non-GAAP reconciliation

Key Financial Metrics – 2014 Targets*

Bookings

Targeting year over year improvement of approximately **3%**

Adjusted EBITDA

Targeting **significant** year over year improvement excluding pre-2011 revenue amortization

Free Cash Flow Generation

Targeting FCF of $20 million

…earnings and bookings growth should convert to higher enterprise value, reflecting the value our community places on us

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation

Expected Deferred Revenue Amortization as of December 31, 2013

GAAP Results

(in millions, except per share data)	Twelve Months Ended December 31, 2012	Twelve Months Ended December 31, 2013
Revenues	**635.7**	**563.4**
Gross Margin	**386.7**	**339.5**
% Revenue	60.8%	60.3%
Operating Expenses	**333.5**	**314.7**
Operating Profit	**53.2**	**24.8**
Interest and other expense, net	(2.0)	(0.7)
Provision for income taxes, net	4.0	2.9
Income from discontinued operations, net of tax	45.8	-
Net income	**$ 92.9**	**$ 21.2**
Net income per common share - diluted	$ 2.39	$ 0.54

Pre-2011 revenue amortization can mask underlying performance

Non-GAAP Methodology

Non-GAAP results remove unusual or non-operational events

Standard exclusions

- Restructuring costs
- Stock-based compensation
- Amortization of intangible assets
- Impairment of intangibles
- Associated impact on taxes

Examples of non-recurring events

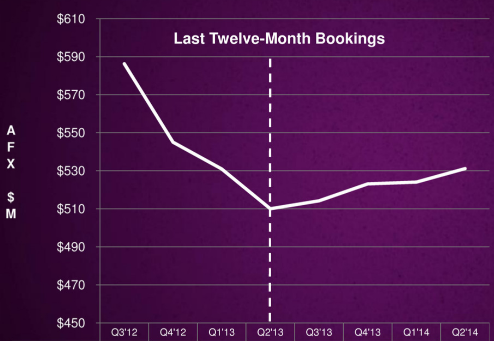
- Restatement costs
- Proceeds / loss on M&A activity
- Significant legal settlements
- Gain / loss on asset sales

GAAP and Non-GAAP Results*

(in millions)	2012 GAAP	2012 Adj	2012 Non-GAAP	2013 GAAP	2013 Adj	2013 Non-GAAP	2014 Guidance
Bookings			**$ 545.1**			**$ 523.1**	+ 3% YoY
Revenue	$ 635.7	$ -	$ 635.7	$ 563.4	$ -	$ 563.4	Down Approximately 5%
Gross Margin	386.7	3.6	390.3	339.5	2.3	341.8	
% Revenue	60.8%		61.4%	60.3%		60.7%	Aproximately 59%
Operating Expense	333.5	(40.3)	293.2	314.7	(34.6)	280.1	$265 - $275
Operating Profit	$ 53.2	$ 43.9	$ 97.1	$ 24.8	$ 36.9	$ 61.6	
% Revenue	8.4%		15.3%	4.4%		10.9%	
Adjusted EBITDA			**$ 117.7**			**$ 80.3**	**$58 - $65**
Free Cash Flow			**$ 44.4**			**$ 5.5**	**$20**

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation for Adjusted EBTIDA and Free Cash Flow

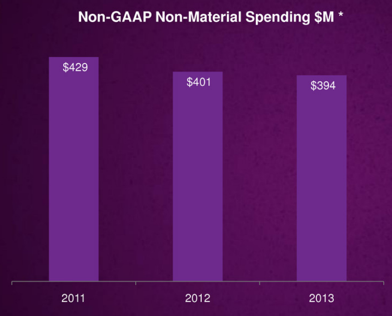
Resumption of Bookings Growth



	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
LTM Bookings	$586	$545	$531	$510	$514	$523	$524	$531
Quarterly Bookings	$123	$141	$125	$121	$127	$150	$126	$128

- 4 consecutive quarters of YoY growth
- Believe third quarter 2013 represented inflection point in return to growth
- Growth relatively modest but consistent
- We expect continued modest growth as we transition to higher growth markets

Rationalization of Non-GAAP Non-Material Spending



- Strategic initiatives have identified areas of cost saving opportunities without impacting investment into future growth

Non-GAAP Non-Material Spending down $35 million since 2011

* Note: Definition of Non-GAAP Non-Material spending and GAAP to non-GAAP reconciliation available in appendix

Net Cash Bridge ($M)

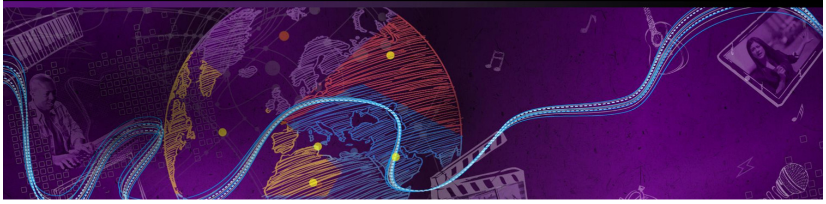
Avid has generated cash from operations over the past seven-quarter period

* Results for six-month period ended June 30, 2014 are preliminary and subject to change

Balance Sheet

(in millions)	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Cash	$ 42.8	$ 32.9	$ 70.4	$ 48.2
Account receivable	92.3	94.7	68.0	56.8
Inventory	103.2	106.5	69.1	60.1
Other current assets	24.3	23.0	29.6	25.8
Total current assets	262.6	257.1	237.1	190.9
Property and equipment, net	62.5	53.4	41.4	35.2
Other assets	459.6	30.1	15.8	9.1
Total assets	$ 784.6	$ 340.6	$ 294.4	$ 235.1
Accounts payable	47.1	42.5	35.4	34.0
Accrued expenses and other current liabilities	89.2	74.1	67.4	78.5
Deferred revenues	440.0	368.0	230.3	211.4
Total current liabilities	576.4	484.6	333.1	323.9
Long-term deferred revenues	497.5	329.2	328.2	255.4
Other long-term liabilities	21.0	17.7	18.7	15.1
Total liabilities	1,094.9	831.5	680.0	594.5
Stockholders' deficit	(310.3)	(490.9)	(385.6)	(359.4)
Total liabilities and stockholders' deficit	$ 784.6	$ 340.6	$ 294.4	$ 235.1
Current and long-term deferred revenue	$ 937.5	$ 697.2	$ 558.5	$ 466.8

Financial Model



Safe Harbor

The information provided in this video includes forward-looking statements that involve risks and uncertainties, including statements about our anticipated plans, objectives, expectations and intentions. Such statements include, without limitation, statements regarding our recently filed financial statements or other information included herein based upon or otherwise incorporating judgments or estimates relating to future performance such as future earnings, bookings, backlog and free cash flow; our future strategy and business plans; our product plans, including products under development, such as Avid Everywhere; our objective to obtain relisting on the NASDAQ Stock Market and to have our shares of common stock trade on that market; and our anticipated timing for filing our future quarterly reports. These forward-looking statements are based on current expectations as of the date this video was posted on our website and subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to: the effect on our sales, operations and financial performance resulting from: the identified material weaknesses in our internal control over financial reporting; the delisting of our stock from NASDAQ; the previously disclosed ongoing SEC and Department of Justice inquiries; pending litigation, including the previously disclosed class action and possibility of further legal proceedings adverse to our company resulting from the restatement or related matters; the costs associated with the restatement; as well as our ability to have our shares relisted on the NASDAQ stock market; our liquidity; our ability to execute our strategic plan and meet customer needs; our ability to produce innovative products in response to changing market demand, particularly in the media industry; our ability to successfully accomplish our product development plans; competitive factors; history of losses; fluctuations in our revenue, based on, among other things, our performance in particular geographies or markets, fluctuations in foreign currency exchange rates and seasonal factors; adverse changes in economic conditions; variances in our backlog and the realization thereof. Moreover, the business may be adversely affected by future legislative, regulatory or tax changes as well as other economic, business and/or competitive factors. The risks included above are not exhaustive. Other factors that could adversely affect our business and prospects are described in the filings made by our company with the SEC. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures

This presentation includes a number of non-GAAP financial measures, which are defined and reconciled in the appendix to this presentation. These Non-GAAP measures include Adjusted EBITDA, Non-GAAP Operating Profit or Loss, Free Cash Flow and Non-GAAP Non-Material spending.

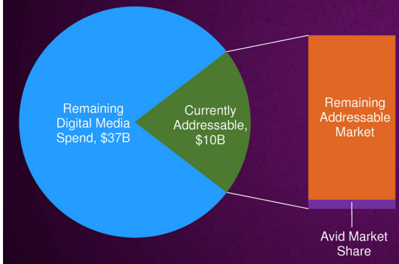
These Non-GAAP measures reflect how Avid manages its businesses internally. These measures may vary for different companies for reasons unrelated to the overall operating performance of Avid's business. When analyzing Avid's operating performance, investors should not consider these Non-GAAP financial measures as a substitute for net income or other measures prepared in accordance with GAAP. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles. This Non-GAAP information supplements, and is not intended to represent a measure of performance in accordance with, disclosures required by generally accepted accounting principles, or GAAP. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP.

The reconciliation of the GAAP to Non-GAAP financial measures is in the tables included in this presentation and the appendix thereto.

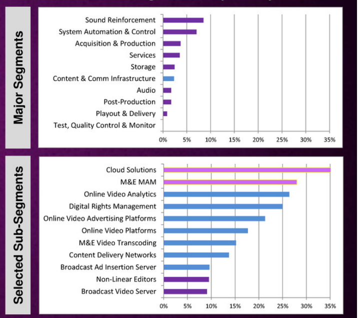
Room to Grow

Avid Operates in a Significant Portion of a Massive Technology Market

Digital Media Spend = $47B



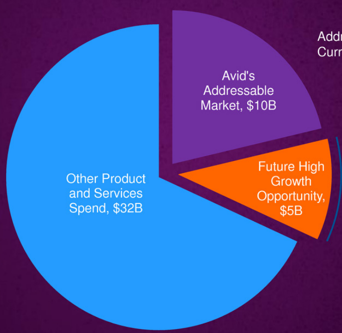
Projected Multi-Year CAGRs of Industry Segments and Sub-Segments Vary Widely



Source: IABM, NAMM, Frost & Sullivan, InfoComm studies as well as internal AVID management estimates

Market Potential and Customer Value

This is a $47 billion/year market where relationships extend for 5 or more years

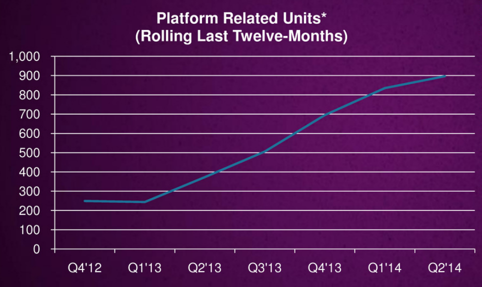


Addressable by Avid today – Current penetration is ~6%

Includes solutions focused on:
- Distribution, monetization & analytics
- Multi-platform distribution
- Cloud-based technology
- Live events
- Non-media segments

Low and moderate growth segments not addressable by Avid

Early Progress on Platform Unit Sales



* - Includes MediaCentral, Interplay Production and Interplay MAM

- Platform sales inform us of future cross sale opportunity
- Platform message is resonating even during early phases of product launch
- MediaCentral has demonstrated most pronounced growth

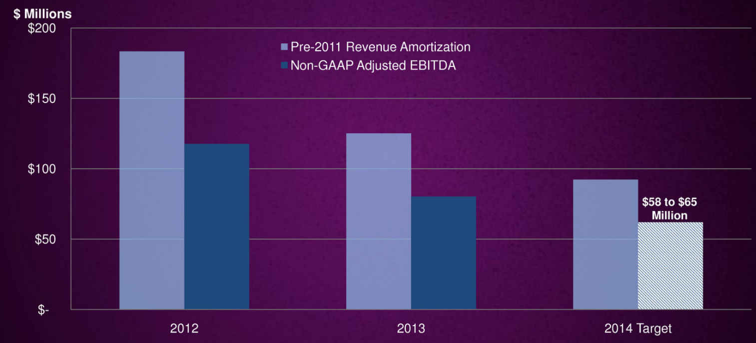
2014 Guidance

Process began with our initial 100-day research, customer wallet share assessment and a run-rate cost analysis and we determined …

1. We were financially lagging our peer group
2. We had significant cost opportunities arising from lack of alignment with our key strategies which led to inefficient operations and misaligned investments
3. We needed more effective strategic-based sales planning programs to drive incremental sales through our existing customer accounts

…and, with learnings in hand, we established a market based profitability target

Non-GAAP Adjusted EBITDA*



* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation

Key Financial Metrics – 2014 Targets*

Bookings

Targeting year over year improvement of approximately **3%**

Adjusted EBITDA

Targeting $58 to $65 million

Free Cash Flow Generation

Targeting FCF of $20 million

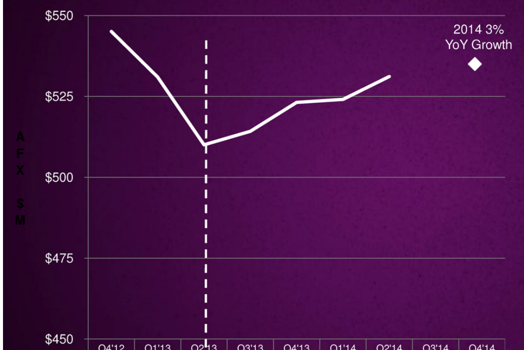
…earnings and bookings growth should convert to higher enterprise value, reflecting the value our community places on us

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation

Financial Modeling Fundamentals

- Bookings growth should, subject to inherent limitations, convert to Adjusted EBITDA
- The portion of Adjusted EBITDA that converts to cash should increase each year until 2017
- We believe GAAP revenue and Adjusted EBITDA will continue to be challenged due to restatement deferred revenue run-off
- We are working on strategic projects that should drive a decline in operating costs

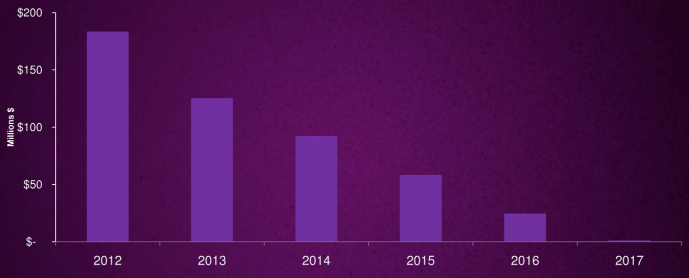
Last 12 Months (LTM) Bookings



	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14
LTM Booking	$545	$531	$510	$514	$523	$524	$531		

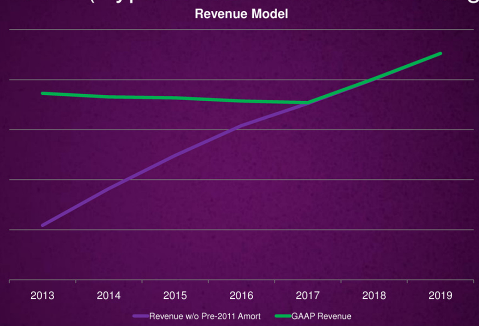
- Believe third quarter 2013 represented inflection point in return to growth
- Growth relatively modest but consistent
- Slower growth until we transition to higher growth markets

Expected Pre-2011 Related Revenue Amortization ($M)



As Pre-2011 Deferred Revenue amortizes it will create meaningful annual accounting related headwinds for the next few years

Revenue Model (Hypothetical – not intended as guidance)



We believe the amortization of pre-2011 restatement related deferred revenue will be impactful on our results through 2017 at which point the impact of the restatement will no longer be reflected in our financial results.

Appendix – Non-GAAP

Non-GAAP Financial Definitions

Free Cash Flow

- Free cash flow represents GAAP operating cash flow less capital expenditures and excludes payments or receipts related to M&A, significant legal settlements, restructuring, restatement or other non-operational or non-recurring events

Adjusted EBITDA

- Adjusted EBITDA is defined as non-GAAP operating profit or loss excluding all depreciation and amortization expense

Non-GAAP Operating Profit or Loss

- Non-GAAP operating profit or loss in GAAP operating profit excluding restructuring costs, stock based compensation, amortization and impairment of intangibles as well as other unusual items such as costs related to the restatement; M&A related activity; or impact of significant legal settlements

Non-GAAP Non-Material Spending

- Non-GAAP Non-Material Spending is Non-GAAP operating expense plus Non-GAAP cost of sales less direct product material cost

GAAP to Non-GAAP Reconciliation

(unaudited - in thousands, except per share data)		December 31,		
		2013	2012	2011 (Restated)
GAAP	**Net Revenues**	$ 563,412	$ 635,703	$ 766,885
	Cost of revenues	223,909	249,008	261,718
	Gross Profit	339,503	386,695	505,167
	Operating Expenses	314,735	333,518	340,127
	Operating Income	24,768	53,177	165,040
	Interest and other expense, net	(676)	(2,041)	(1,945)
	Provision for income taxes, net	2,939	4,049	635
	Income from continuing operations, net of tax	$ 21,153	$ 47,087	$ 162,460
	Weighted-average common shares outstanding - diluted	39,070	38,836	38,534
	Income per share from continuing operations, net of tax - diluted	$ 0.54	$ 1.21	$ 4.22
Adjustments to GAAP Results	**Cost of Revenues**			
	Amortization of intangible assets	1,468	2,574	2,693
	Stock-based compensation	796	992	1,200
	Operating Expenses			
	Amortization of intangible assets	2,648	4,254	8,528
	Restructuring costs, net	5,370	24,838	6,534
	Restatement costs	20,591	-	-
	Acquisition and other costs	-	1,048	556
	(Gain) loss on sale of assets	(125)	(252)	597
	Stock-based compensation			
	R&D	581	985	1,638
	Sales & Marketing	1,786	3,754	4,349
	G&A	3,752	5,700	5,421
	Other			
	Tax adjustment	(860)	(965)	(1,579)
Non-GAAP	**Net revenues**	563,412	635,703	766,885
	Cost of revenues	221,645	245,441	257,824
	Gross Profit	341,767	390,262	509,061
	Operating Expenses	280,132	293,190	312,504
	Operating Income	61,635	97,071	196,557
	Interest and other expense, net	(676)	(2,041)	(1,945)
	Provision for income taxes, net	3,799	5,014	2,214
	Income from continuing operations, net of tax	57,160	90,016	192,398
	Income per share from continuing operations, net of tax - diluted	$ 1.46	$ 2.32	$ 4.99

GAAP to Non-GAAP Reconciliation

(unaudited - in thousands, except per share data)		December 31,		
		2013	2012	2011 (Restated)
Adjusted EBITDA	**Non-GAAP Operating Income (from above)**	61,635	97,071	196,557
	Depreciation	17,837	19,846	19,543
	Amortization of capitalized software development costs	815	846	1,218
	Adjusted EBITDA	$ 80,286	$ 117,763	$ 217,318
Free Cash Flow	**GAAP net cash (used in) provided by operating activities**	(9,145)	34,709	2,967
	Capital Expenditures	(11,625)	(9,703)	(10,795)
	Restructuring Payments	(13,151)	(19,420)	(17,206)
	Restatement Payments	(13,161)	-	-
	Free Cash Flow	$ 5,542	$ 44,426	$ 9,378
Non-GAAP Non-Mat'l Spd	Non-GAAP Cost of Revenues	221,645	245,441	257,824
	Non-GAAP Operating Expense	280,131	293,190	312,504
	Total	501,776	538,631	570,328
	Product Material Cogs	107,634	137,690	141,435
	Non-GAAP Non-Material Spending	$ 394,142	$ 400,941	$ 428,893

Appendix – Definitions

Operational Measures

Bookings

- Bookings represents the total amount of revenue that we expect to earn over the term of the agreement between Avid and a customer for goods and /or services over the course of the agreement
- To count as a booking, we expect there to be persuasive evidence of an agreement between us and our customer and that collectability of the amounts payable under the arrangement to be reasonably assured
- Bookings are subject to cancellations, changes and adjustments and are based on certain assumptions. Bookings may not reflect final revenue earned for a particular arrangement. Bookings do not reflect adjustments related to rebates or other sales incentive programs
- The material weaknesses in our internal control environment may impact the accuracy of recorded bookings

Bookings & Expected Revenue Timing

(unaudited - in millions)

Bookings	For the Period Ended June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Quarterly	$ 127.7	$ 126.1	$ 150.4	$ 127.0	$ 120.7	$ 125.1	$ 141.5	$ 122.8
Last twelve months (LTM)	$ 531.1	$ 524.1	$ 523.1	$ 514.2	$ 510.0	$ 531.0	$ 545.0	$ 586.3

Revenue Backlog	December 31, 2013	December 31, 2012
Deferred Revenue	$ 466.8	$ 558.5
Other Backlog	$ 92.2	$ 51.2
Total Revenue Backlog	$ 559.0	$ 609.7

The expected timing of recognition of revenue backlog as of December 31, 2013 is as follows:

	Twelve Months Ended December 31,						
	2014	2015	2016	2017	2018	Thereafter	Total
Orders executed prior to January 1, 2011	$ 92.3	$ 58.2	$ 24.5	$ 1.0	$ 0.1	$ -	$ 176.1
Orders executed or materially modified on or after January 1, 2011	$ 200.9	$ 86.7	$ 53.0	$ 27.5	$ 14.7	$ 0.1	$ 382.9
	$ 293.2	$ 144.9	$ 77.5	$ 28.5	$ 14.8	$ 0.1	$ 559.0

Investor Video Series

Posted September 12, 2014

Safe Harbor

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about our anticipated plans, objectives, expectations and intentions. Such statements include, without limitation, state
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estimates relating to future performance such as future earnings, bookings, backlog and free cash flow; our future stra
business plans; our product plans, including products under development, such as Avid Everywhere; our objective to
on the NASDAQ Stock Market and to have our shares of common stock trade on that market; and our anticipated timi
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our website and subject to known and unknown risks and uncertainties that could cause actual results to differ materi
expressed or implied by such statements, including but not limited to: the effect on our sales, operations and financial
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matters; the costs associated with the restatement; as well as our ability to have our shares relisted on the NASDAQ
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whether as a result of new information, future events or otherwise.

Phase 1

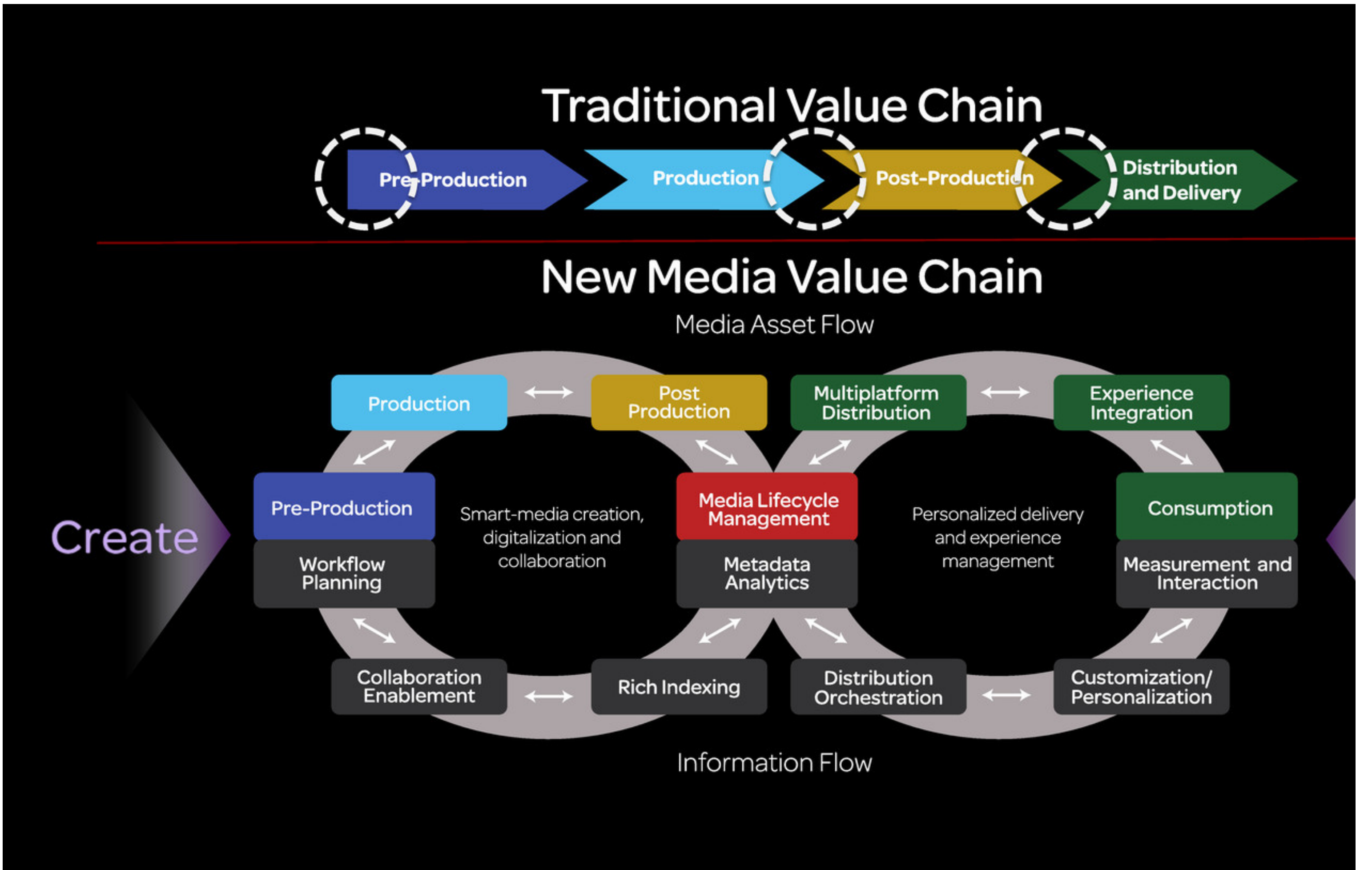
Perform better in the markets we serve today

Phase 2

Address higher growth areas in current markets

Phase 3

Address high
long-term gro
areas and incr
relevance



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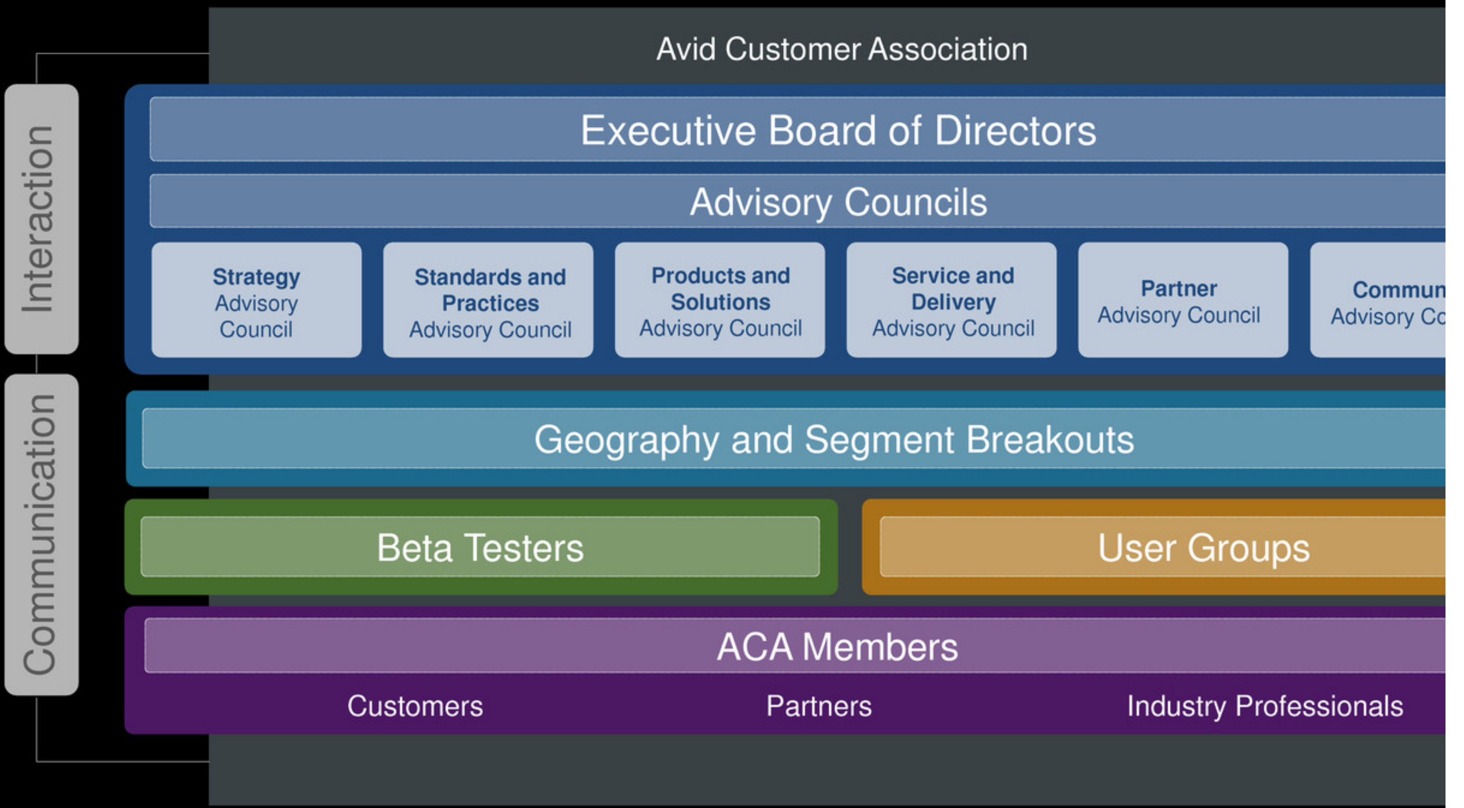

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Avid Connect 2014: The Inaugural Event

1,000+ Industry Professionals in Attendanc

43 Countries Represented

First Meetings of the Executive Board of
and Advisory Councils

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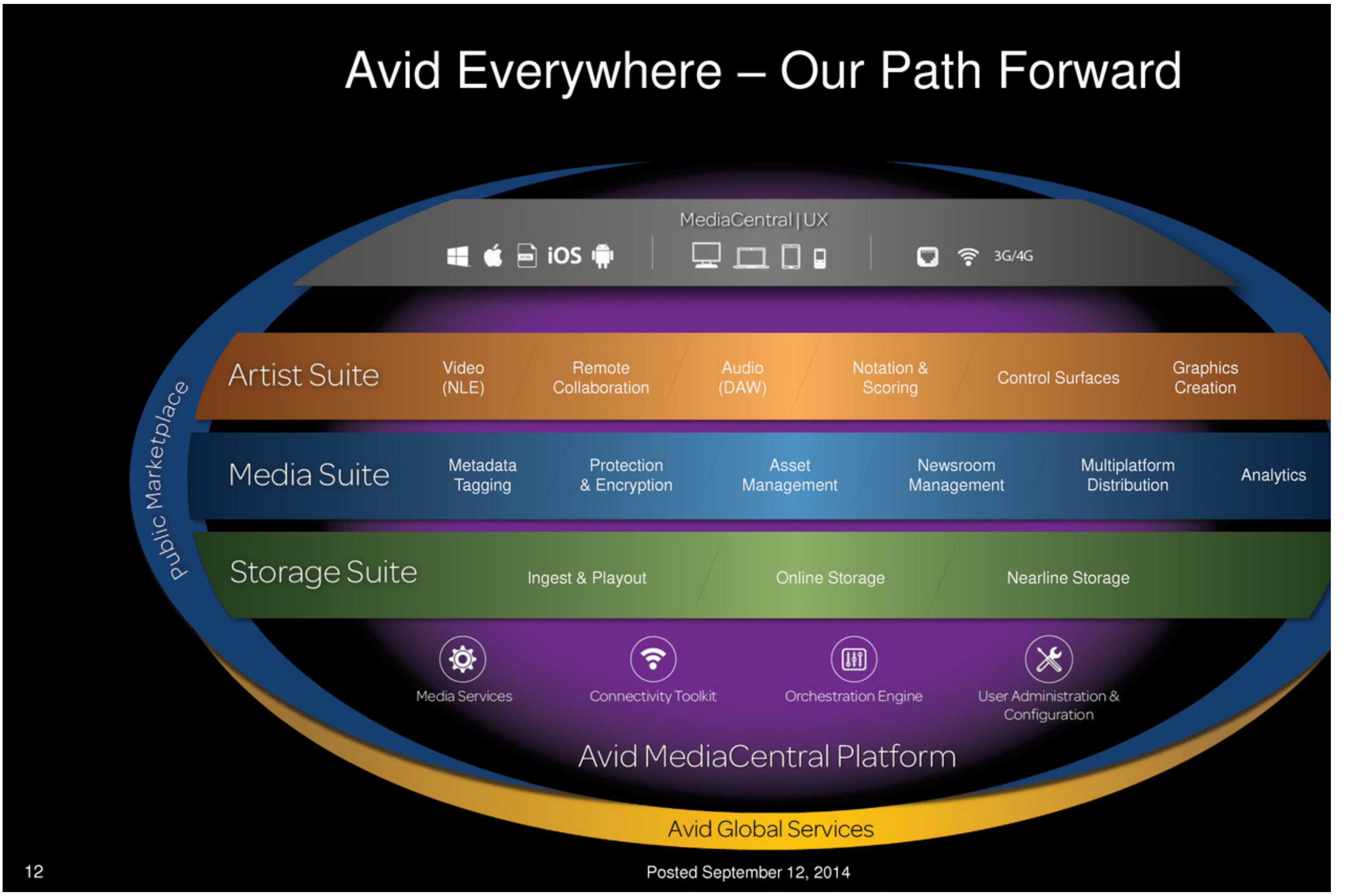
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3G/4G
Artist Suite
Video (NLE)
Remote Collaboration
Audio (DAW)
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Control Surfaces
Graphics Creation
Media Suite
Metadata Tagging
Protection & Encryption
Asset Management
Newsroom Management
Multiplatform Distribution
Analytics
Storage Suite
Ingest & Playout
Online Storage
Nearline Storage
Public Marketplace
Media Services
Connectivity Toolkit
Orchestration Engine
User Administration & Configuration
Avid MediaCentral Platform
Avid Global Services
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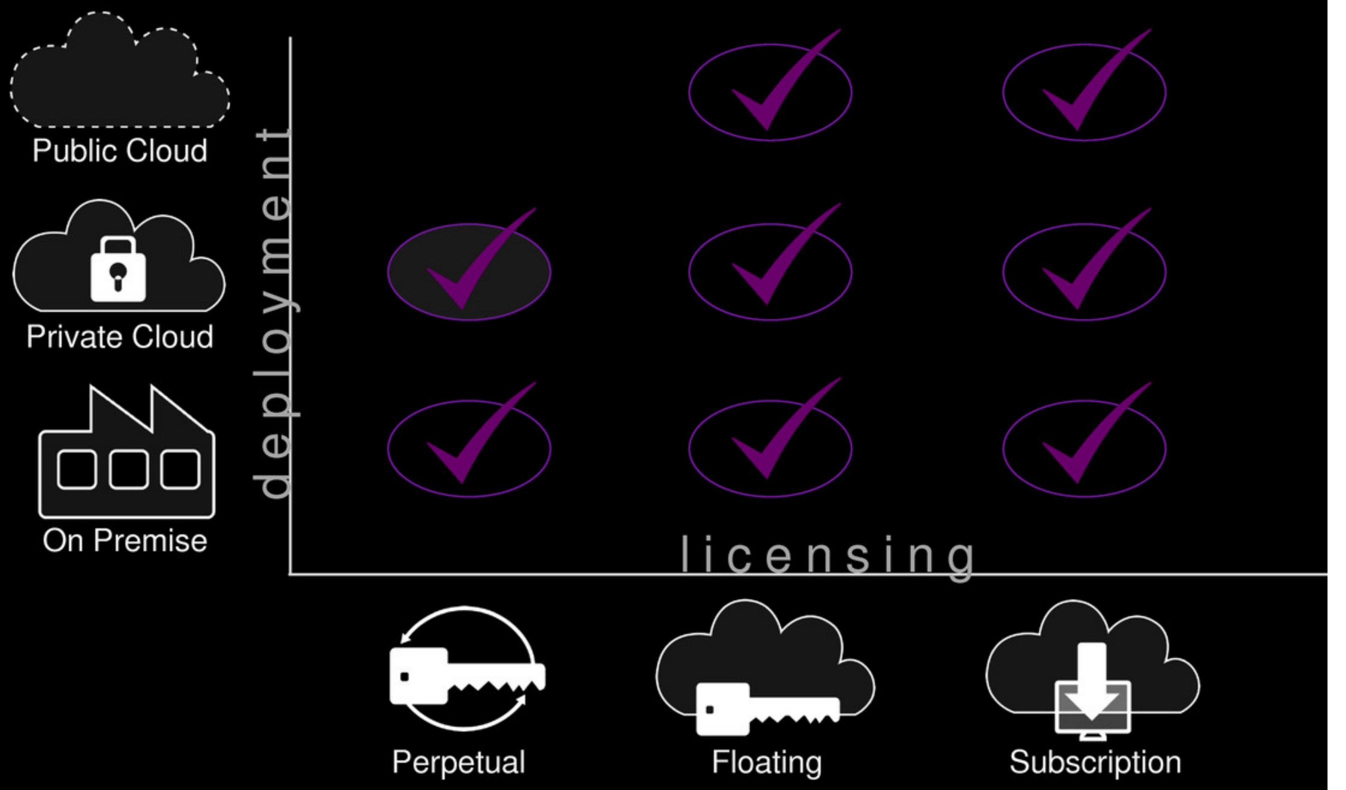
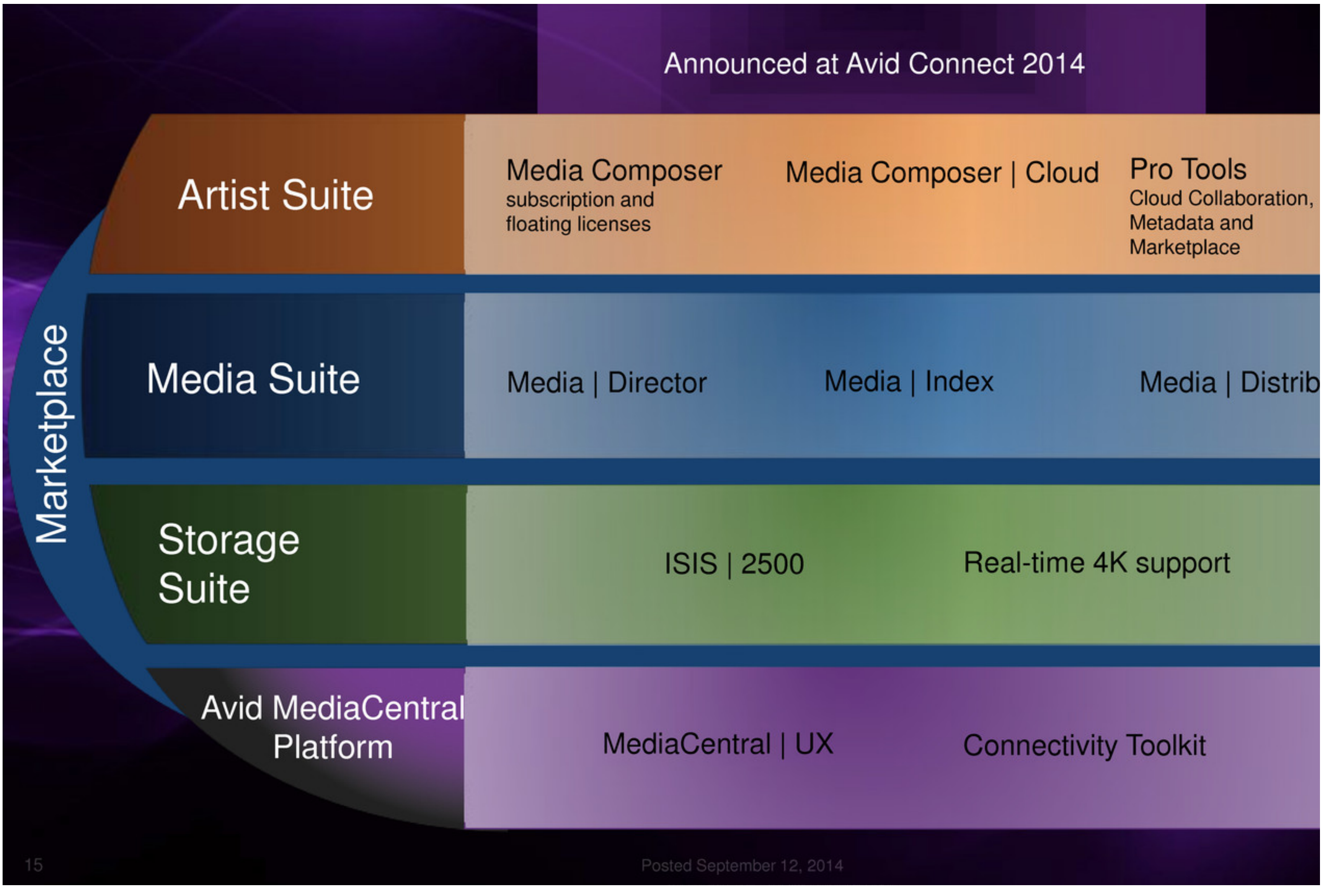
Pre-existing
200+ Patents
10 New Patents Grant
18 Applications Pendi
(12) United States Patent
Ibrahim et al.

Choice and Flexibility




Announced at Avid Connect 2014
Marketplace
Artist Suite
Media Composer
subscription and floating licenses
Media Composer | Cloud
Pro Tools
Cloud Collaboration, Metadata and Marketplace
Media Suite
Media | Director
Media | Index
Media | Distrib
Storage Suite
ISIS | 2500
Real-time 4K support
Avid MediaCentral Platform
MediaCentral | UX
Connectivity Toolkit
15
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1
6

Early Results Validate Strategy

Growth

Cost

Culture

Early Results Validate Strategy

Growth

Cost

Culture

Early Results Validate Strategy

Growth

Cost

Culture

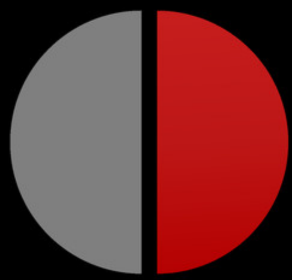
A Highly Fragmented Industry….

Top 10 Broadcast Media Vendors

Market Share

Top 10 Financial Tech V

Market Share



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Early Results Validate Strategy

Leverages the platform

Provides new distribution

Adds a new
for grow

Posted September 12, 2014

Investor Video Series

Posted September 12, 2014

Restatement Overview

Safe Harbor

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What We Found

- Determined many of our software updates represented implied post-contract customer support or PCS and that revenue accounting needed to be correctec
- Could not establish fair value for software updates, therefore, some or all of transaction value had to be recognized ratably over the periods the updates w provided
- We found no evidence that our previous revenue accounting was the result of intentional misconduct
- Our internal control over financial reporting was found not to be effective

Our Process

- Retained big four accounting firm to review our historical accounting prac and advise management on acceptability of accounting application
- Reviewed historical practices around upgrades and updates
- Implemented a methodical, comprehensive process for analyzing and assessing accounting impact of multiple bundled offerings
- Initiated a special purpose team to review, address and remediate intern control deficiencies

Our Process

- Developed and documented new accounting framework
- Went back to 2005 and reprocessed over five million transaction lines to determine appropriate accounting treatment for five year period
- Implemented new revenue accounting sub-ledger system to apply appropriate accounting treatment for all customer sales arrangements
- Because prior periods had been reopened—evaluated certain other historical accounting decisions

Internal Controls over Financial Reporting

- As part of restatement process, we reviewed our internal control structur related to our financial reporting and identified material weaknesses whic are discussed in more detail in our Form 10-K for fiscal year 2013
- Nearly all efforts have been toward regaining current filing status
- As a result, we have not yet addressed all of the underlying internal cont deficiencies but have initiated remediation measures in the interim
- We've invested in the accounting and internal audit functions as it relates people, process and technology and expect to see incremental improvements over the next 12-24 months

Key Financial Metrics*

…leading indicators of revenue growth and liquidity

Bookings

Adjusted EBITDA

Free Cash Flo

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation for Adjusted EBITDA and Free Cash Flow

Targeted Timeline

- **Today:** Filed 2013 10-K and associated 10-Qs
- **Approximately + One Week:** File Q1 2014 10-Q
- **Approximately + 40 Days:** File Q2 2014 10-Q
- **After Q2 2014 10-Q Filed:** Relisting on NASDAQ
- **Before Year End 2014:** Annual Shareholder Meeti
- **After Q3 2014 10-Q Filed:** Avid 2014 Inve

Major Restatement Items

1. Revenue Recognition
2. Impairment of Goodwill
3. Discontinued Operations Classification
4. Restructuring Reserves

1. Major Restatement Items – Revenue Recogn

- Existence of implied post-contract customer support requires Comp
defer and amortize a significant portion of revenue
- Impacts the timing but not the total amount of revenue earned
- Revenue accounting treatment different for pre-2011 as compared
2010
- Cash flow characteristics of transactions unchanged by change in
accounting

2.

Major Restatement Items – Impairment of Go

- Restated financial statements impacted historical assessment of goodwill
- Recorded a full goodwill impairment charge in the year ended December 31, 2011

3. Major Restatement Items – Discontinued Op

- The divestiture of consumer product lines in July 2012 should have been presented as discontinued operations

- Reclassification of all historical revenues and expenses to income or loss from discontinued operations

4.

Major Restatement Items – Restructuring Re

- Revised accruals of restructuring charges in fiscal year 2009 and 2012 in a cumulative amount of $1.6 million

- Related to lease obligations and other exit activities

Impact of Restatement on Previously Issued Results

(in millions)	GAAP Revenue			GAAP Net Income (Loss)		
	Year Ended December 31, 2010	Year Ended December 31, 2011	Nine-Months Ended September 30, 2012	Year Ended December 31, 2010	Year Ended December 31, 2011	Nine-M Septer
As Previously Reported	**$ 678.5**	**$ 677.9**	**$ 436.7**	**$ (37.0)**	**$ (23.8)**	**$**
Revenue Recognition	(137.7)	244.8	84.6	(137.7)	244.8	
Discontinued Operations	(137.3)	(155.9)	(46.1)	-	-	
Restructuring Costs, net	-	-	-	0.3	2.7	
Other Adjustments (a)	-	-	-	(13.1)	2.7	
Total Restatement Adjustments	(275.0)	89.0	38.5	(150.5)	250.2	
As Restated	**$ 403.5**	**$ 766.9**	**$ 475.2**	**$ (187.5)**	**$ 226.4**	**$**

(a) Primarily related to changes in stock-based compensation and inventory valuation

Change in accounting principles resulted in significant shift in revenue from pre-2011 to

Financial Results

Safe Harbor

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expressed or implied by such statements, including but not limited to: the effect on our sales, operations and financial
resulting from: the identified material weaknesses in our internal control over financial reporting; the delisting of our st
NASDAQ; the previously disclosed ongoing SEC and Department of Justice inquiries; pending litigation, including the
disclosed class action and possibility of further legal proceedings adverse to our company resulting from the restatem
matters; the costs associated with the restatement; as well as our ability to have our shares relisted on the NASDAQ
our liquidity; our ability to execute our strategic plan and meet customer needs; our ability to produce innovative produ
to changing market demand, particularly in the media industry; our ability to successfully accomplish our product deve
competitive factors; history of losses; fluctuations in our revenue, based on, among other things, our performance in p
geographies or markets, fluctuations in foreign currency exchange rates and seasonal factors; adverse changes in ec
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Moving Forward

Growth

Profitability

Culture

Moving Forward

Growth

Profitability

Culture

Comm
Platfo

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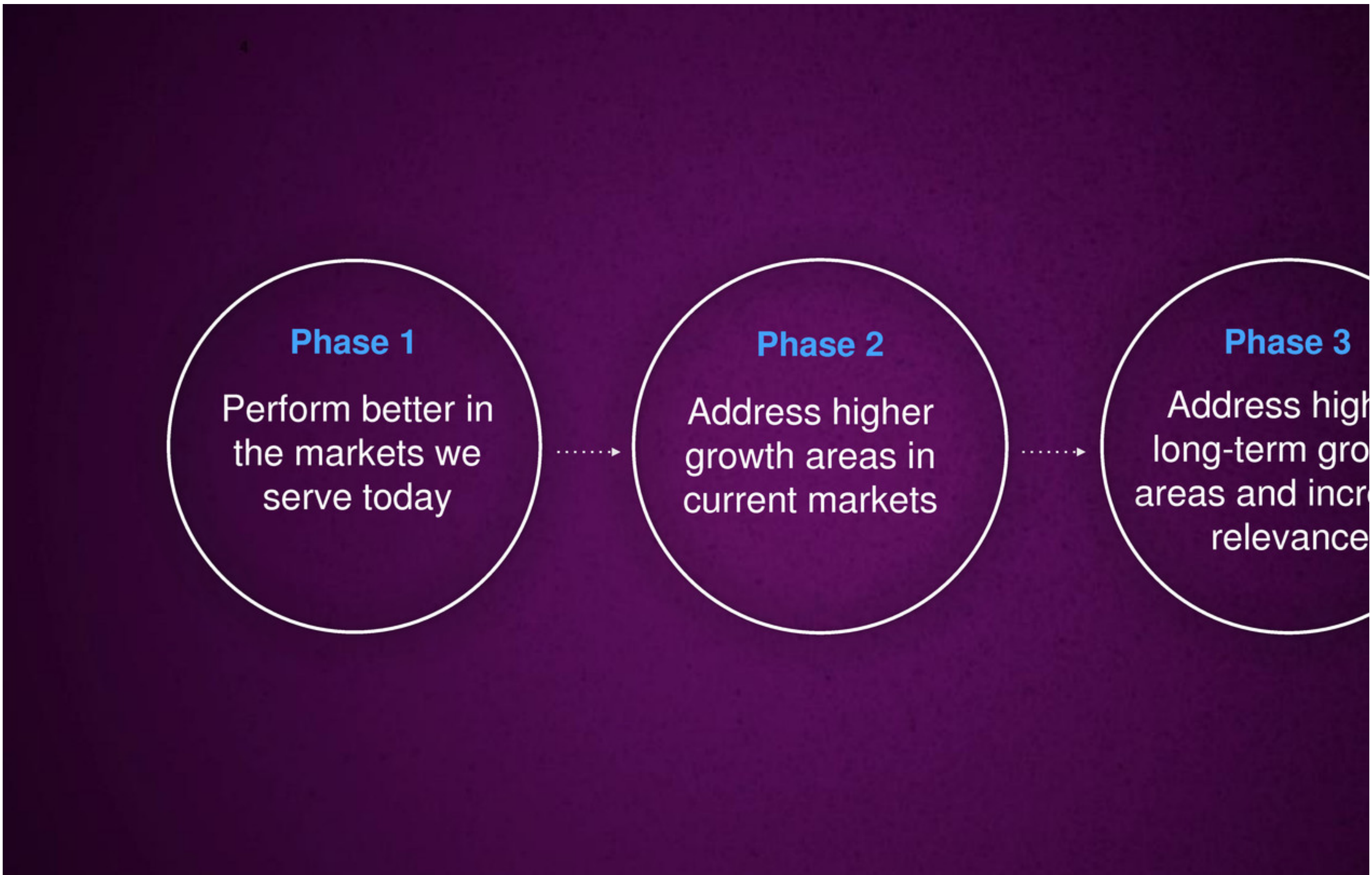
Phase 1
Perform better in the markets we serve today
Phase 2
Address higher growth areas in current markets
Phase 3
Address high
long-term gro
areas and incr
relevance

2014 Strategic Goals

Drive Growth	▪ Focus investment in highest growth areas ▪ Maximize wallet share within existing custom ▪ Expand penetration of anchor products
Improve Profitability	▪ Maximize procurement cost savings ▪ Extend labor arbitrage to all organizations ▪ Improve software mix and direct material ma
Continue Cultural Transformation	▪ Create culture of urgency and accountability ▪ Minimize legacy cultural issues ▪ Align rewards and recognition to desired cult
Establish Community Platform	▪ Reestablish Avid as thought and technology l ▪ Avid Customer Association (ACA) ▪ Partners participate in Avid Everywhere Platf

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Operational Measure Definition

Bookings

- Bookings represents the total amount of revenue that we expect to earn over the of the agreement between Avid and a customer for goods and /or services over t course of the agreement
- To count as a booking, we expect there to be persuasive evidence of an agreem between us and our customer and that collectability of the amounts payable und arrangement to be reasonably assured
- Bookings are subject to cancellations, changes and adjustments and are based certain assumptions. Bookings may not reflect final revenue earned for a particu arrangement. Bookings do not reflect adjustments related to rebates or other sal incentive programs
- The material weaknesses in our internal control environment may impact the acc of recorded bookings

Key Non-GAAP Financial Definitions*

Free Cash Flow

- Free cash flow represents GAAP operating cash flow less capital expenditures and excludes payments or receipts related to M&A, significant legal settlements, restructuring, restatement or other non-operational or non-recurring events

* Please reference appendix for additional detail on definition of these metrics, including a GAAP to non-GAAP reconciliation

Key Non-GAAP Financial Definitions*

Adjusted EBITDA

- Adjusted EBITDA is defined as Non-GAAP operating profit or loss* excluding all depreciation and amortization expense

* Please reference appendix for additional detail on definition of these metrics, including a GAAP to non-GAAP reconciliation

Key Financial Metrics – 2014 Targets*

Bookings

Targeting year over year improvement of approximately **3%**

Adjusted EBITDA

Targeting **significant** yea
year improvement excludi
2011 revenue amortiza

Free Cash Flow Generation

Targeting FCF of $20 million

…earnings and bookings growth should convert to higher enterprise
reflecting the value our community places on us

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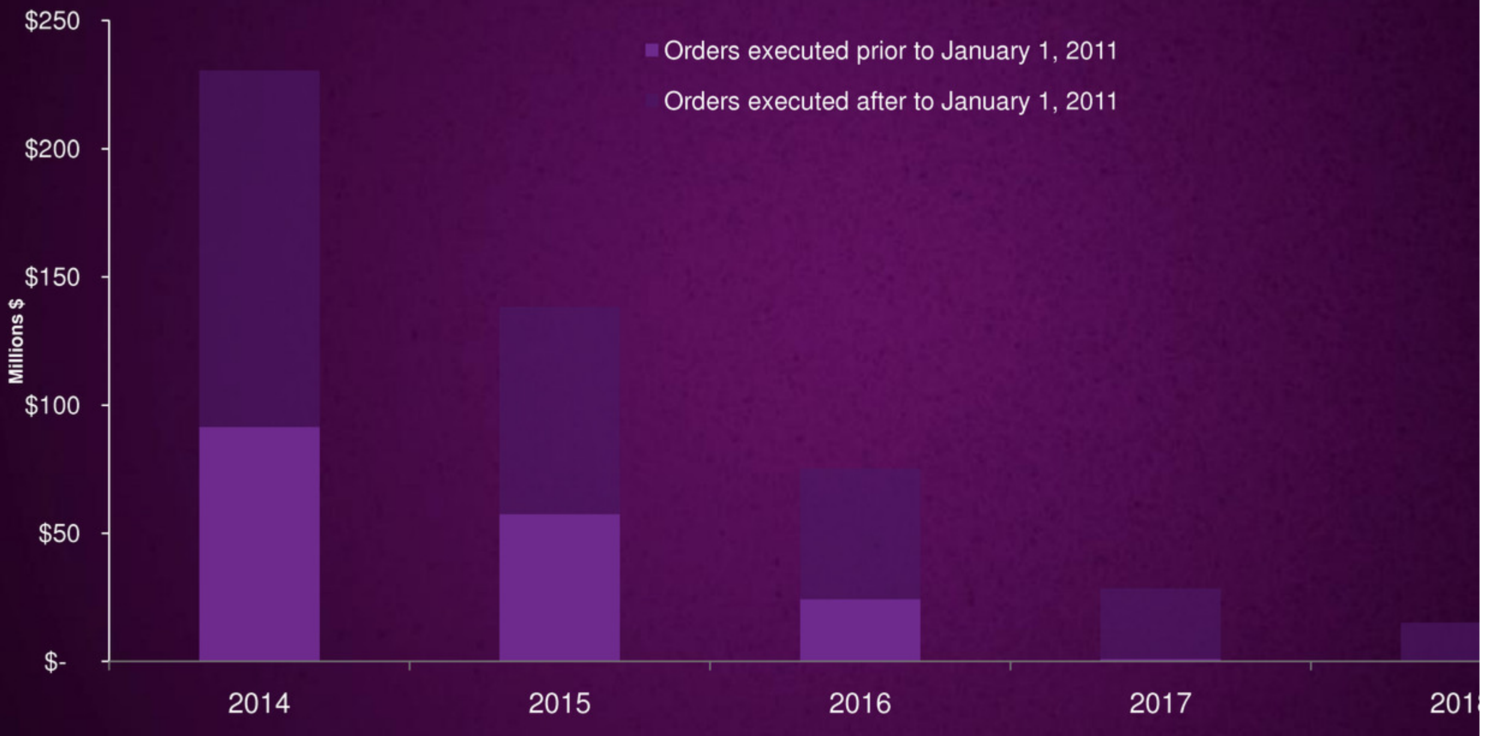
Expected Deferred Revenue Amortization as of December



GAAP Results

(in millions, except per share data)	Twelve Months Ended December 31, 2012	2013
Revenues	**635.7**	**563.4**
Gross Margin	**386.7**	**339.5**
% Revenue	60.8%	60.3%
Operating Expenses	**333.5**	**314.7**
Operating Profit	**53.2**	**24.8**
Interest and other expense, net	(2.0)	(0.7)
Provision for income taxes, net	4.0	2.9
Income from discontinued operations, net of tax	45.8	-
Net income	**$ 92.9**	**$ 21.2**
Net income per common share - diluted	$ 2.39	$ 0.54

Pre-2011 revenue amortization can mask underlying performance

Non-GAAP Methodology

Non-GAAP results remove unusual or non-operational events

Standard exclusions

- Restructuring costs
- Stock-based compensation
- Amortization of intangible assets
- Impairment of intangibles
- Associated impact on taxes

Examples of non-recurring ever

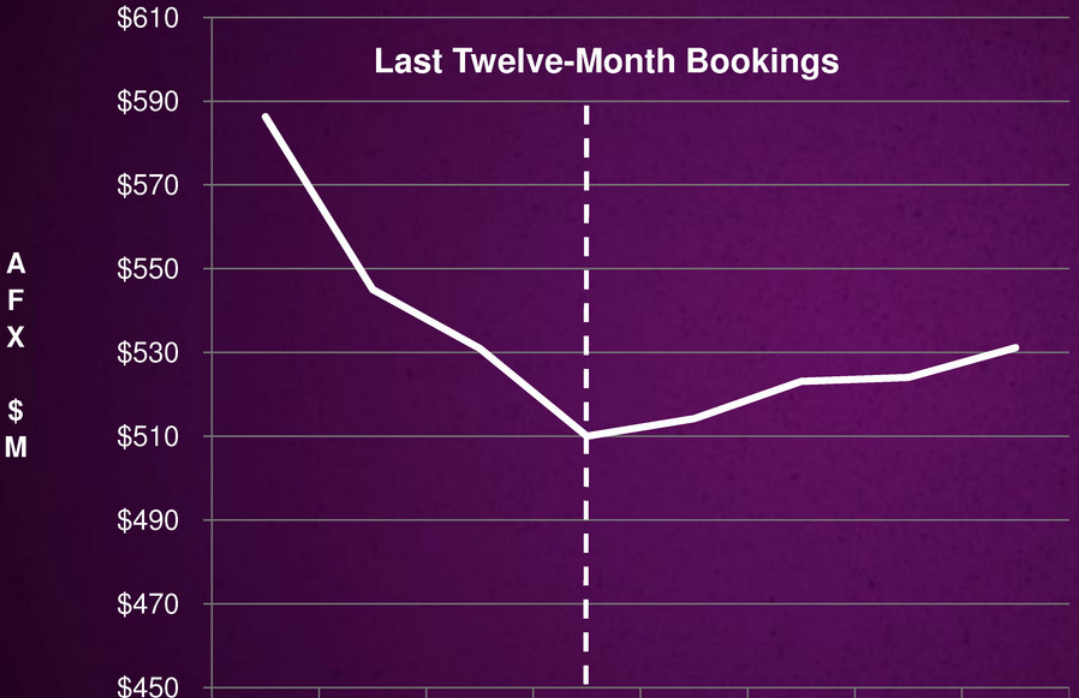
- Restatement costs
- Proceeds / loss on M&A activity
- Significant legal settlements
- Gain / loss on asset sales

GAAP and Non-GAAP Results*

(in millions)	2012 GAAP	2012 Adj	2012 Non-GAAP	2013 GAAP	2013 Adj	2013 Non-GAAP	Gu
Bookings			**$ 545.1**			**$ 523.1**	+
Revenue	$ 635.7	$ -	$ 635.7	$ 563.4	$ -	$ 563.4	Down App
Gross Margin	386.7	3.6	390.3	339.5	2.3	341.8	
% Revenue	60.8%		61.4%	60.3%		60.7%	Aproxi
Operating Expense	333.5	(40.3)	293.2	314.7	(34.6)	280.1	$26
Operating Profit	$ 53.2	$ 43.9	$ 97.1	$ 24.8	$ 36.9	$ 61.6	
% Revenue	8.4%		15.3%	4.4%		10.9%	
Adjusted EBITDA			**$ 117.7**			**$ 80.3**	**$5**
Free Cash Flow			**$ 44.4**			**$ 5.5**	

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation for Adjusted EBTIDA and Free Cash Flow

Resumption of Bookings Growth



	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14
LTM Bookings	$586	$545	$531	$510	$514	$523	$524	$531
Quarterly Bookings	$123	$141	$125	$121	$127	$150	$126	$128

- 4 consecutive
YoY growth
- Believe third q
represented in
return to growt
- Growth relative
consistent
- We expect con
growth as we t
higher growth

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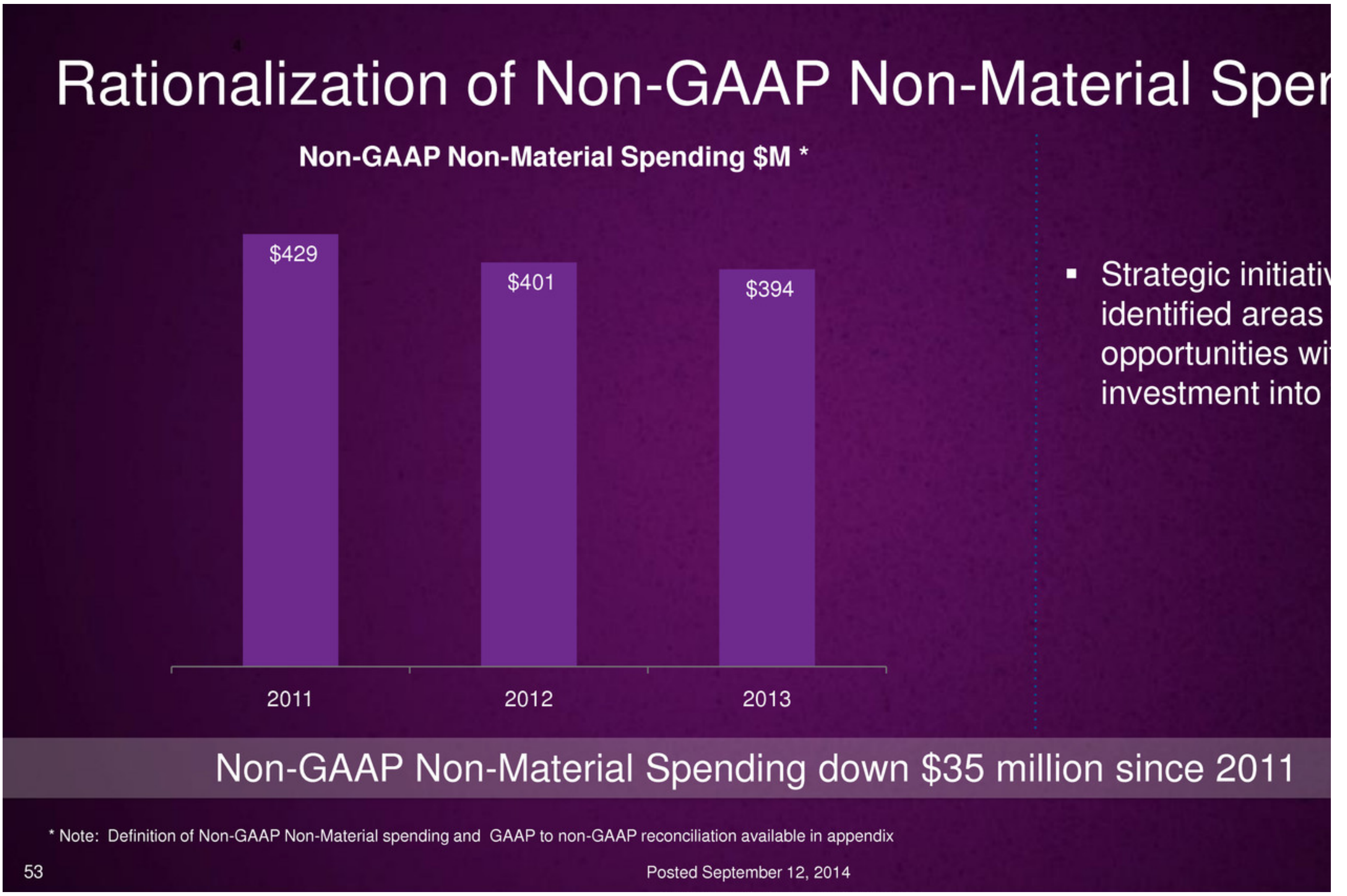

Rationalization of Non-GAAP Non-Material Sper
Non-GAAP Non-Material Spending $M *
$429
$401
$394
2011
2012
2013
Strategic initiati
identified areas
opportunities wi
investment into
Non-GAAP Non-Material Spending down $35 million since 2011
* Note: Definition of Non-GAAP Non-Material spending and GAAP to non-GAAP reconciliation available in appendix
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Net Cash Bridge ($M)

Avid has generated cash from operations over the past seven-quarter pe

* Results for six-month period ended June 30, 2014 are preliminary and subject to change

Balance Sheet

(in millions)	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013
Cash	$ 42.8	$ 32.9	$ 70.4	$ 48.2
Account receivable	92.3	94.7	68.0	56.8
Inventory	103.2	106.5	69.1	60.1
Other current assets	24.3	23.0	29.6	25.8
Total current assets	262.6	257.1	237.1	190.9
Property and equipment, net	62.5	53.4	41.4	35.2
Other assets	459.6	30.1	15.8	9.1
Total assets	$ 784.6	$ 340.6	$ 294.4	$ 235.1
Accounts payable	47.1	42.5	35.4	34.0
Accrued expenses and other current liabilities	89.2	74.1	67.4	78.5
Deferred revenues	440.0	368.0	230.3	211.4
Total current liabilities	576.4	484.6	333.1	323.9
Long-term deferred revenues	497.5	329.2	328.2	255.4
Other long-term liabilities	21.0	17.7	18.7	15.1
Total liabilities	1,094.9	831.5	680.0	594.5
Stockholders' deficit	(310.3)	(490.9)	(385.6)	(359.4)
Total liabilities and stockholders' deficit	$ 784.6	$ 340.6	$ 294.4	$ 235.1
Current and long-term deferred revenue	$ 937.5	$ 697.2	$ 558.5	$ 466.8

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Financial Model

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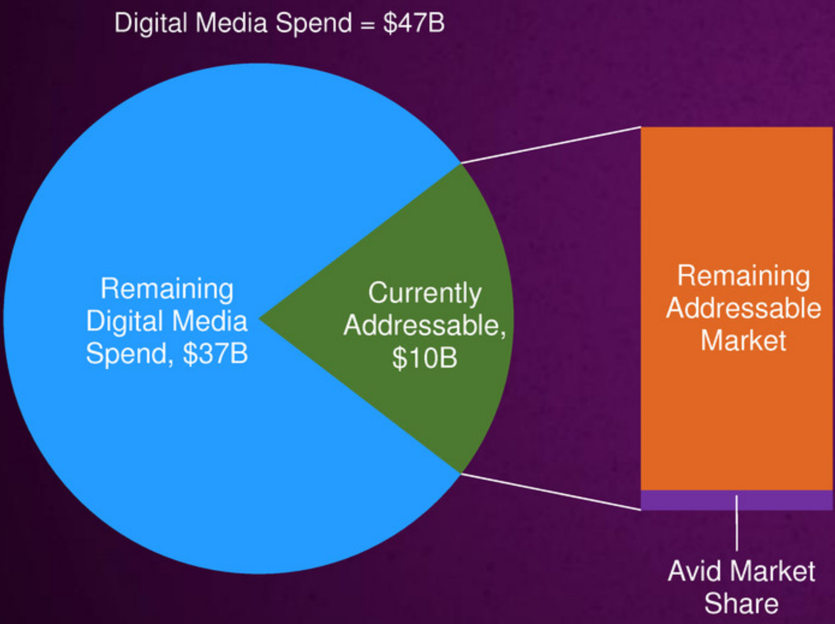
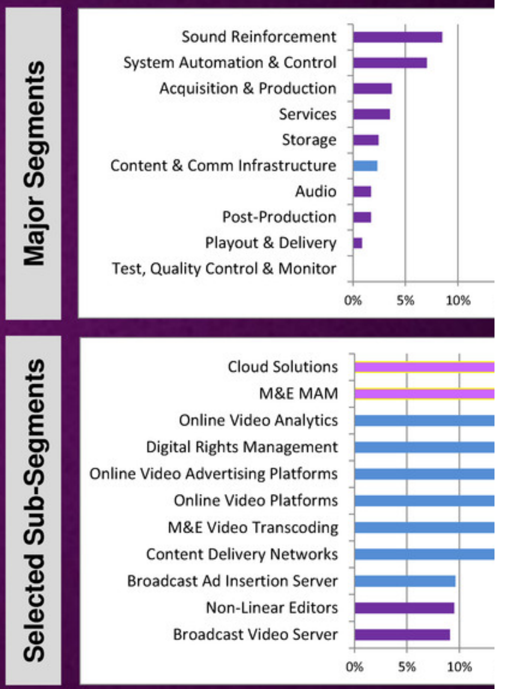
Room to Grow

Avid Operates in a Significant Portion of a Massive Technology Market



Projected Multi-Year CAGRs of In and Sub-Segments Vary

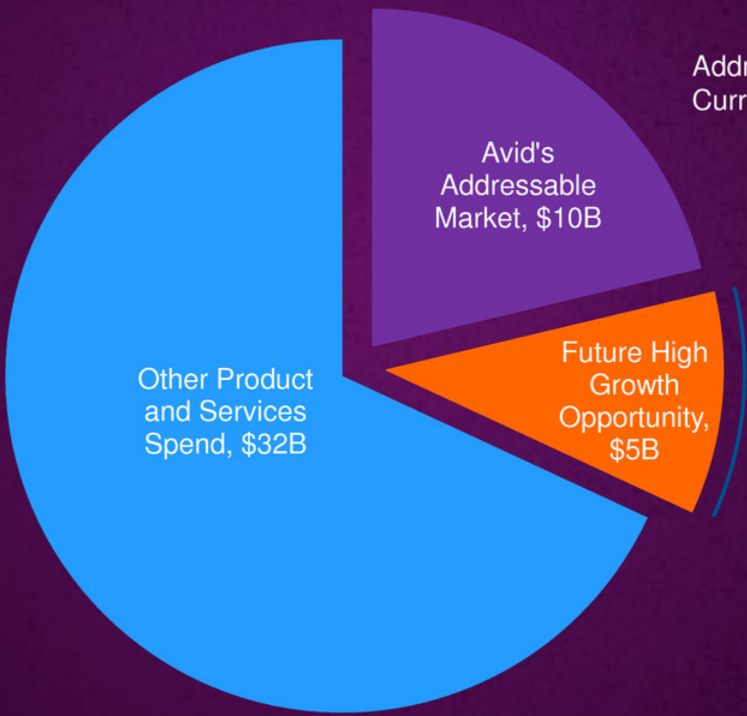


Source: IABM, NAMM, Frost & Sullivan, InfoComm studies as well as internal AVID management estimates

Market Potential and Customer Value

This is a $47 billion/year market where relationships extend for 5 or more years

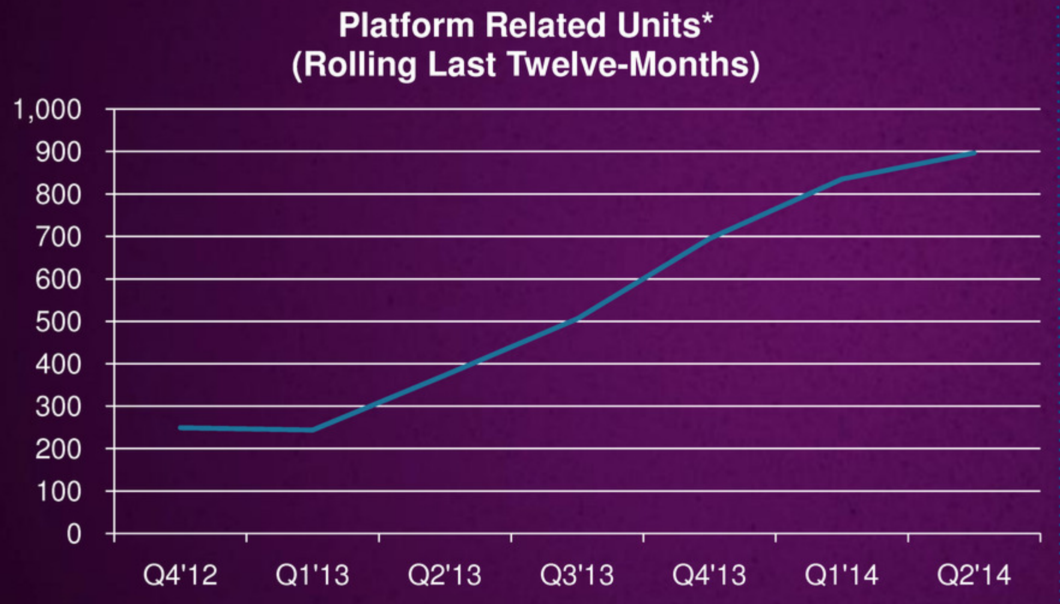
Addressable by Avid today
Current penetration is ~6%



Includes solutions f
- Distribution, mon
- Multi-platform dis
- Cloud-based tec
- Live events
- Non-media segm

Low and moderate growth segments not addressable by Avid

Early Progress on Platform Unit Sales



* - Includes MediaCentral, Interplay Production and Interplay MAM

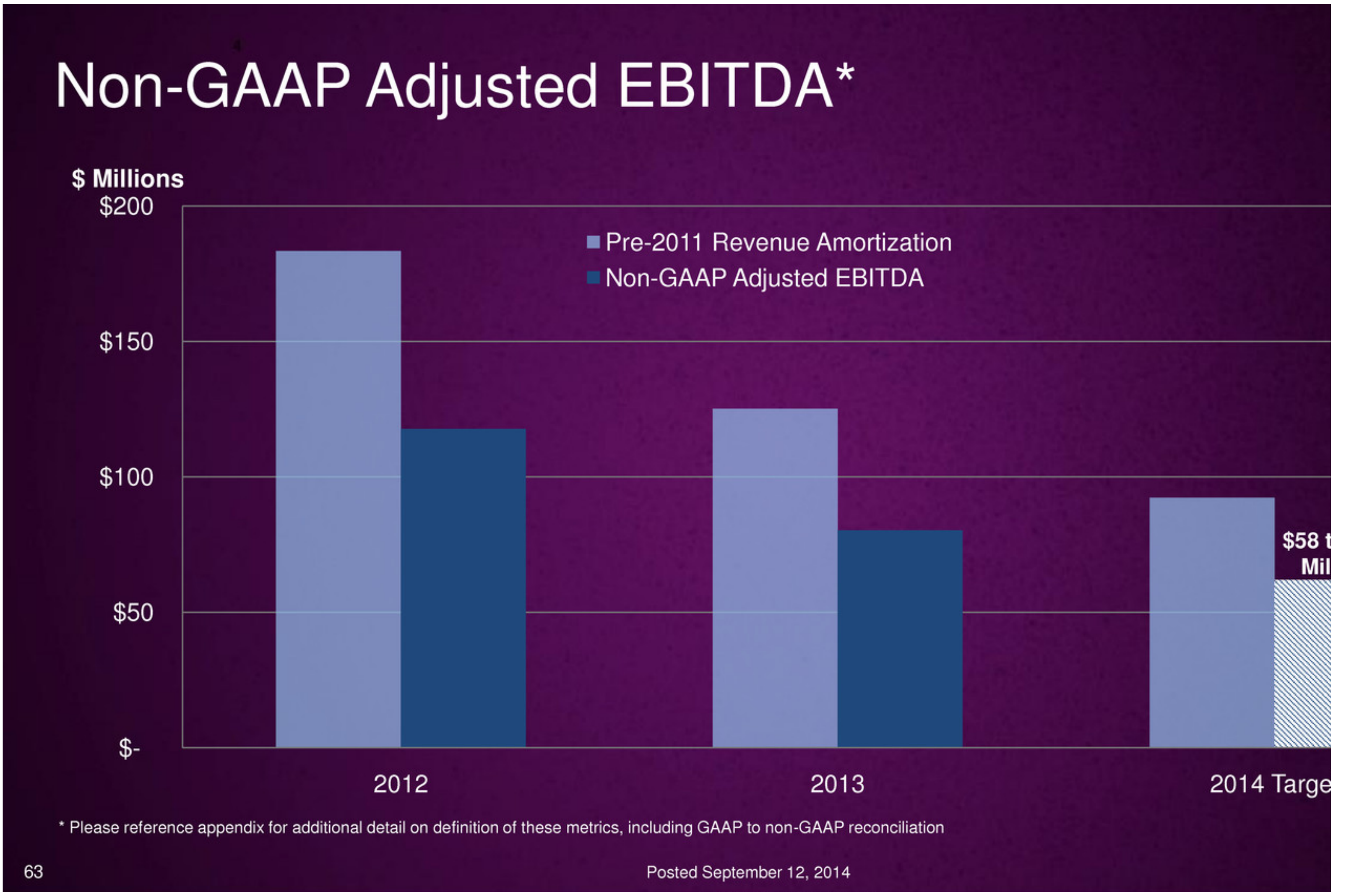
- Platform sales of future cross opportunity
- Platform mess resonating ev early phases launch
- MediaCentral demonstrated pronounced g

2014 Guidance

Process began with our initial 100-day research, customer wallet share assessment and a run-rate cost analysis and we determined …

1. We were financially lagging our peer group
2. We had significant cost opportunities arising from lack of alignment with our ke
strategies which led to inefficient operations and misaligned investments
3. We needed more effective strategic-based sales planning programs to drive incremental sales through our existing customer accounts

…and, with learnings in hand, we established a market based pro


Non-GAAP Adjusted EBITDA*
$ Millions
$200
$150
$100
$50
$-
Pre-2011 Revenue Amortization
Non-GAAP Adjusted EBITDA
$58 t
Mil
2012
2013
2014 Targe
* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation
63
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Key Financial Metrics – 2014 Targets*

Bookings

Targeting year over year improvement of approximately **3%**

Adjusted EBITDA

Targeting $58 to $65 m

Free Cash Flow Generation

Targeting FCF of $20 million

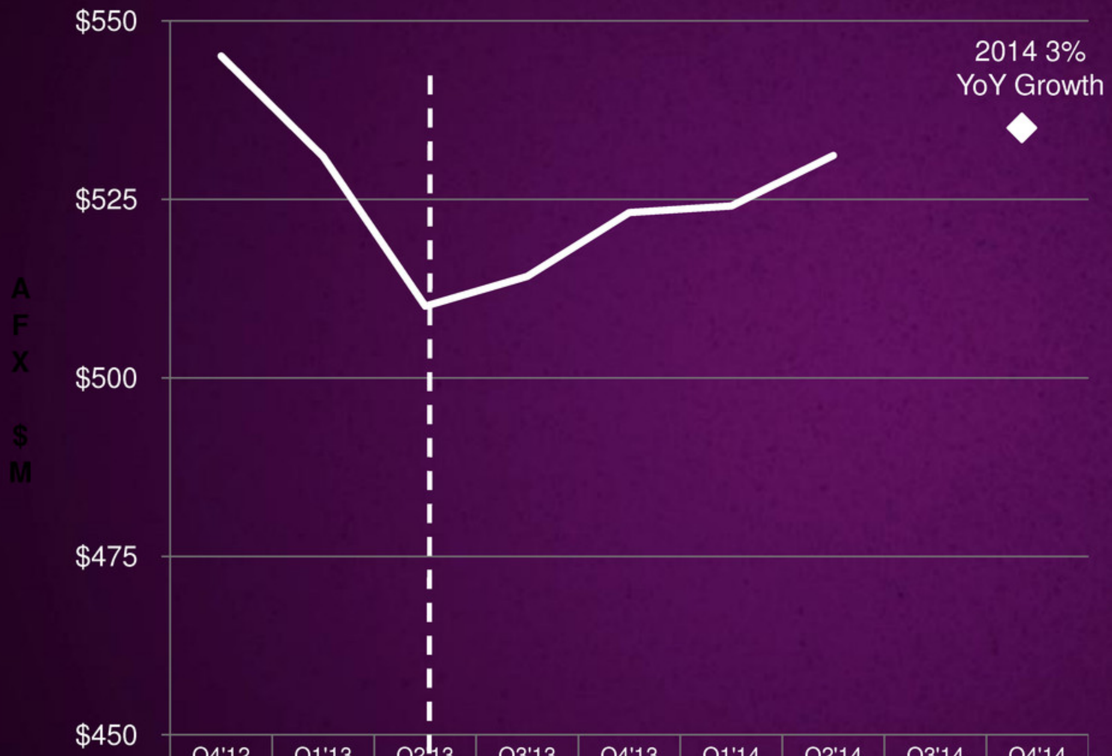
…earnings and bookings growth should convert to higher enterprise reflecting the value our community places on us

* Please reference appendix for additional detail on definition of these metrics, including GAAP to non-GAAP reconciliation

Financial Modeling Fundamentals

- Bookings growth should, subject to inherent limitations, convert to Adjusted EBITDA
- The portion of Adjusted EBITDA that converts to cash should increa each year until 2017
- We believe GAAP revenue and Adjusted EBITDA will continue to be challenged due to restatement deferred revenue run-off
- We are working on strategic projects that should drive a decline in operating costs

Last 12 Months (LTM) Bookings



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LTM Booking	$545	$531	$510	$514	$523	$524	$531		

- Believe third q 2013 represe inflection poin to growth
- Growth relativ modest but co
- Slower growtl transition to h growth marke

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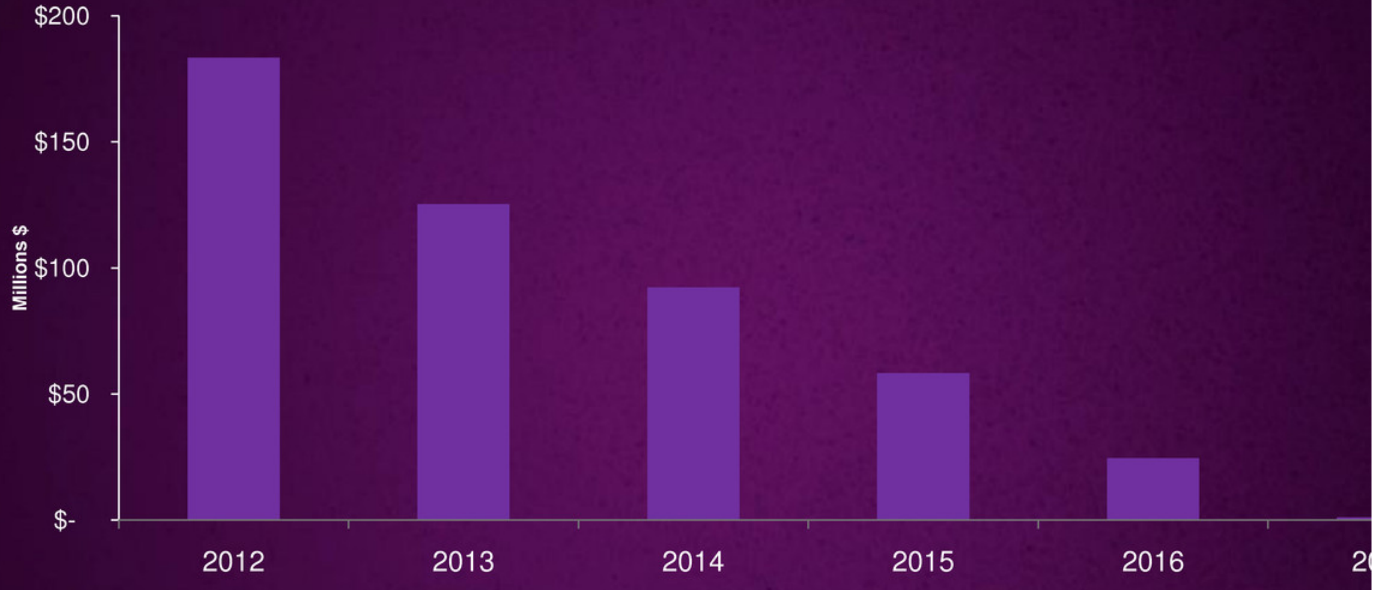
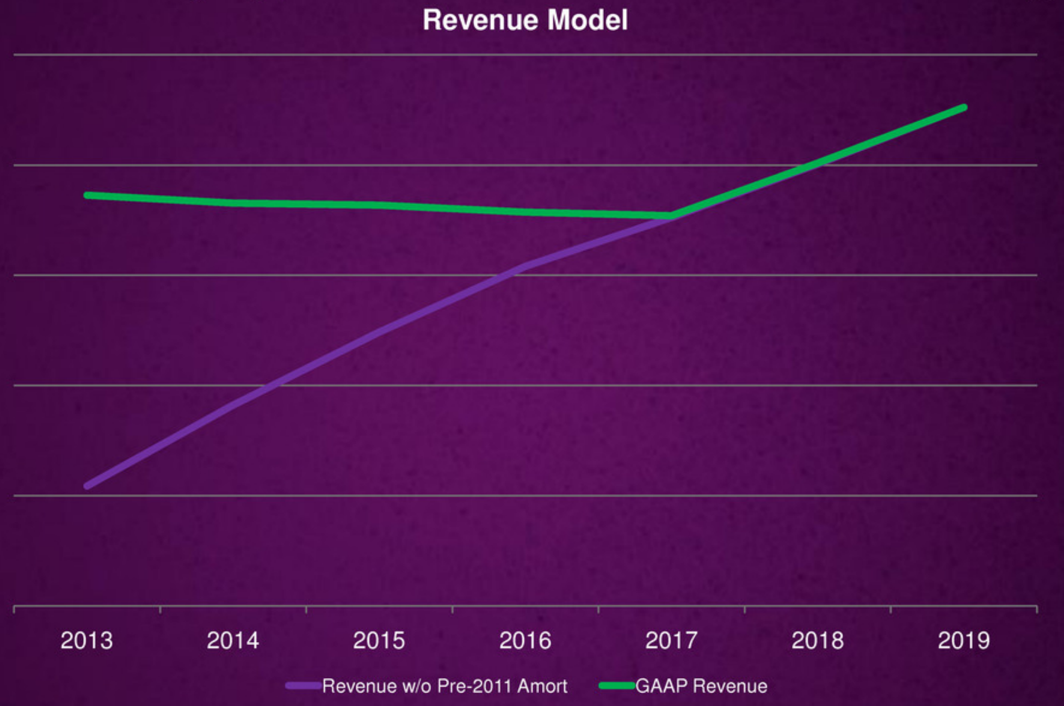
Expected Pre-2011 Related Revenue Amortizati



As Pre-2011 Deferred Revenue amortizes it will create meaning
annual accounting related headwinds for the next few years

Revenue Model (Hypothetical – not intended as guida



We believe the amortization of pre-2011 restatement related deferred revenue will be impactful through 2017 at which point the impact of the restatement will no longer be reflected in our fin

Appendix – Non-GAAP

Posted September 12, 2014

Non-GAAP Financial Definitions

Free Cash Flow

- Free cash flow represents GAAP operating cash flow less capital expenditures and excludes payments or receipts related to M&A, significant le settlements, restructuring, restatement or other non-operational or non-recurring events

Adjusted EBITDA

- Adjusted EBITDA is defined as non-GAAP operating profit or loss excluding all depreciation and amortization expense

Non-GAAP Operating Profit or Loss

- Non-GAAP operating profit or loss in GAAP operating profit excluding restructuring costs, stock based compensation, amortization and impairm intangibles as well as other unusual items such as costs related to the restatement; M&A related activity; or impact of significant legal settlemen

Non-GAAP Non-Material Spending

- Non-GAAP Non-Material Spending is Non-GAAP operating expense plus Non-GAAP cost of sales less direct product material cost

GAAP to Non-GAAP Reconciliation

(unaudited - in thousands, except per share data)

		December 31,		
		2013	2012	2011 (Restated)
GAAP	**Net Revenues**	**$ 563,412**	**$ 635,703**	**$ 766,885**
	Cost of revenues	223,909	249,008	261,718
	Gross Profit	339,503	386,695	505,167
	Operating Expenses	314,735	333,518	340,127
	Operating Income	24,768	53,177	165,040
	Interest and other expense, net	(676)	(2,041)	(1,945)
	Provision for income taxes, net	2,939	4,049	635
	Income from continuing operations, net of tax	$ 21,153	$ 47,087	$ 162,460
	Weighted-average common shares outstanding - diluted	39,070	38,836	38,534
	Income per share from continuing operations, net of tax - diluted	**$ 0.54**	**$ 1.21**	**$ 4.22**
Adjustments to GAAP Results	**Cost of Revenues**			
	Amortization of intangible assets	1,468	2,574	2,693
	Stock-based compensation	796	992	1,200
	Operating Expenses			
	Amortization of intangible assets	2,648	4,254	8,528
	Restructuring costs, net	5,370	24,838	6,534
	Restatement costs	20,591	-	-
	Acquisition and other costs	-	1,048	556
	(Gain) loss on sale of assets	(125)	(252)	597
	Stock-based compensation			
	R&D	581	985	1,638
	Sales & Marketing	1,786	3,754	4,349
	G&A	3,752	5,700	5,421
	Other			
	Tax adjustment	(860)	(965)	(1,579)
Non-GAAP	**Net revenues**	**563,412**	**635,703**	**766,885**
	Cost of revenues	221,645	245,441	257,824
	Gross Profit	341,767	390,262	509,061
	Operating Expenses	280,132	293,190	312,504
	Operating Income	**61,635**	**97,071**	**196,557**
	Interest and other expense, net	(676)	(2,041)	(1,945)
	Provision for income taxes, net	3,799	5,014	2,214
	Income from continuing operations, net of tax	57,160	90,016	192,398
	Income per share from continuing operations, net of tax - diluted	**$ 1.46**	**$ 2.32**	**$ 4.99**

GAAP to Non-GAAP Reconciliation

(unaudited - in thousands, except per share data)

		December 31,		
		2013	2012	2
				(Re
Adjusted EBITDA	**Non-GAAP Operating Income (from above)**	**61,635**	**97,071**	
	Depreciation	17,837	19,846	
	Amortization of capitalized software development costs	815	846	
	Adjusted EBITDA	**$ 80,286**	**$ 117,763**	**$**
Free Cash Flow	**GAAP net cash (used in) provided by operating activities**	**(9,145)**	**34,709**	
	Capital Expenditures	(11,625)	(9,703)	
	Restructuring Payments	(13,151)	(19,420)	
	Restatement Payments	(13,161)	-	
	Free Cash Flow	**$ 5,542**	**$ 44,426**	**$**
Non-GAAP Non-Mat'l Spd	Non-GAAP Cost of Revenues	221,645	245,441	
	Non-GAAP Operating Expense	280,131	293,190	
	Total	**501,776**	**538,631**	
	Product Material Cogs	107,634	137,690	
	Non-GAAP Non-Material Spending	**$ 394,142**	**$ 400,941**	**$**

Appendix – Definitions

Posted September 12, 2014

Operational Measures

Bookings

- Bookings represents the total amount of revenue that we expect to earn over the
  of the agreement between Avid and a customer for goods and /or services over t
  course of the agreement
- To count as a booking, we expect there to be persuasive evidence of an agreem
  between us and our customer and that collectability of the amounts payable und
  arrangement to be reasonably assured
- Bookings are subject to cancellations, changes and adjustments and are based
  certain assumptions. Bookings may not reflect final revenue earned for a particu
  arrangement. Bookings do not reflect adjustments related to rebates or other sal
  incentive programs
- The material weaknesses in our internal control environment may impact the acc
  of recorded bookings

Bookings & Expected Revenue Timing

(unaudited - in millions)

Bookings	For the Period Ended June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Quarterly	$ 127.7	$ 126.1	$ 150.4	$ 127.0	$ 120.7	$ 125.1	$ 141.5
Last twelve months (LTM)	$ 531.1	$ 524.1	$ 523.1	$ 514.2	$ 510.0	$ 531.0	$ 545.0

Revenue Backlog	December 31, 2013	December 31, 2012
Deferred Revenue	$ 466.8	$ 558.5
Other Backlog	$ 92.2	$ 51.2
Total Revenue Backlog	$ 559.0	$ 609.7

The expected timing of recognition of revenue backlog as of December 31, 2013 is as follows:

	Twelve Months Ended December 31, 2014	2015	2016	2017	2018	Thereafter	Total
Orders executed prior to January 1, 2011	$ 92.3	$ 58.2	$ 24.5	$ 1.0	$ 0.1	$ -	$ 176.1
Orders executed or materially modified on or after January 1, 2011	$ 200.9	$ 86.7	$ 53.0	$ 27.5	$ 14.7	$ 0.1	$ 382.9
	$ 293.2	$ 144.9	$ 77.5	$ 28.5	$ 14.8	$ 0.1	$ 559.0