Avid Second Quarter 2012 Earnings

July 30, 2012

Safe Harbor Statement

This presentation may contain non-GAAP financial measures, such as non-GAAP revenue, which are not intended to represent a measure of performance in accordance with disclosures required by generally accepted accounting principles, or GAAP. Non-GAAP financial measures are provided to assist in an understanding of our business and our performance and should be considered in addition to, and not as a substitute for or superior to, financial measures determined in accordance with GAAP. Non-GAAP financial measures should always be considered in conjunction with comparable GAAP measures.

The primary limitations associated with our use of non-GAAP financial measures are that they may not include all items of income and expense that affect our operations and that the non-GAAP financial measures we use may not be directly comparable to those reported by other companies. We seek to compensate for this by providing a detailed reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures, which are included in our quarterly press releases available at www.ir.avid.com.

Statements in this presentation may include forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. Statements in this press release that relate to future results or events are forward-looking statements and are based on Avid's current estimates and assumptions. Forward-looking statements may be identified by the use of forward-looking words, such as “anticipate,” “believe,” “should,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “feel,” “could,” “will,” and “would,” or similar expressions. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including: adjustments that may be made to Avid's preliminary financial results provided in this presentation as a result of the review of certain estimates associated with the sale of Avid's consumer audio and video product lines and restructuring cost and costs and allowances related to divestitures; Avid's ability to execute its strategic plan and meet customer needs; Avid's ability to realize operational and financial benefits from the sale of its consumer audio and video product lines and the reduction in workforce announced earlier this month; Avid's ability to sell its professional products through retail sales channels following the divestiture of consumer products sold through those sales channels; its ability to produce innovative products in response to changing market demand, particularly in the media industry; competitive factors; fluctuations in its revenue, based on, among other things, Avid's performance in particular geographies or markets, fluctuations in foreign currency exchange rates, and seasonal factors; adverse changes in economic conditions; Avid's liquidity; and other risk factors and uncertainties disclosed previously and from time to time in Avid's filings with the U.S. Securities and Exchange Commission. In addition, the forward-looking statements contained herein represent Avid's estimates only as of today and should not be relied upon as representing the company's estimates as of any subsequent date. While Avid may elect to update these forward-looking statements at some point in the future, Avid specifically disclaims any obligation to do so, even if the estimates change.

The company continues to review certain estimates associated with the divestiture of consumer product lines and estimates related to the restructuring cost and costs and allowances related to divestitures. A change in those estimates could result in adjustments to the company's financial statements in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, which could be material.

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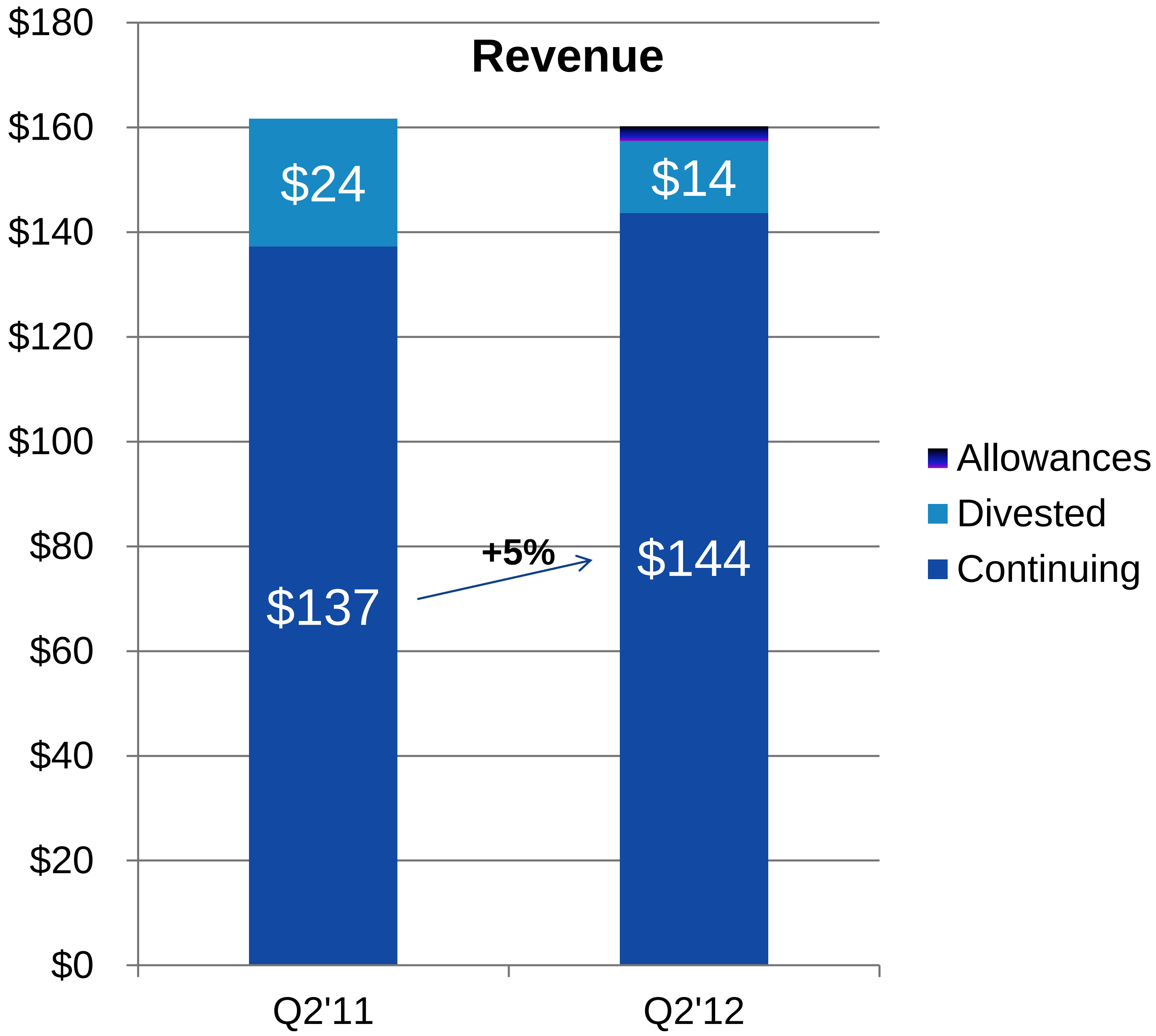
Financial Highlights

- Q2 2012 GAAP revenue of $157 million
- Q2 YoY revenue growth for on-going business of 5%
- Quarter-end cash at $59 million, with no bank borrowings
- Executing on strategic actions announced July 2nd, 2012

GAAP Results



Q2 2012

- GAAP revenue $157.4m
  - Net of $2.8m allowance related to divestiture
  - Currency translation impacted 2012
  - Divested product lines revenue decreased
  - Ongoing business up 5% YoY
- GAAP gross margin = 46.9%
  - Divestiture adjustments, currency and product mix
- OpEx up YoY → restructure + divestiture
  - $10m loss on sale of consumer lines
  - Restructuring charge for 2012 action
- Taxes → intercompany loans reset
- GAAP net loss = $39m

GAAP to Non-GAAP Items

$ Millions	Revenue	COGs	Operating Expense	Tax	Total
Restructuring costs and costs and allowances related to divestitures	2.8	1.9	15.8	0.0	20.6
Loss on Assets Held for Sale			10.0		10.0
Acquisition and other costs			1.0		1.0
Amortization of intangible Assets		0.7	1.1		1.8
Stock Based Compensation		0.3	2.0		2.2
Tax Adjustment				-0.7	-0.7
Total	**2.8**	**2.8**	**29.9**	**-0.7**	**34.9**

Note: Totals may not foot due to rounding

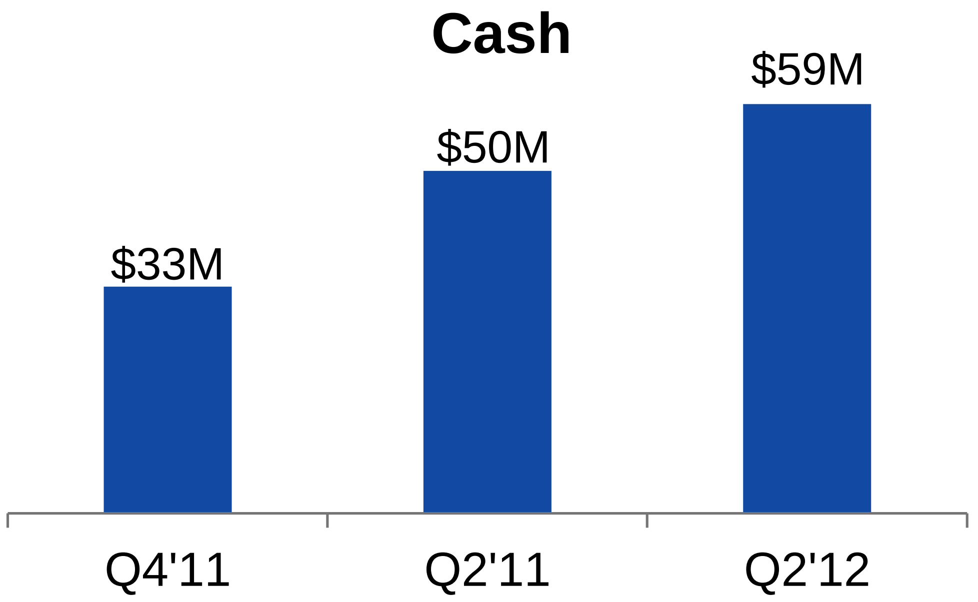
Non-GAAP Results

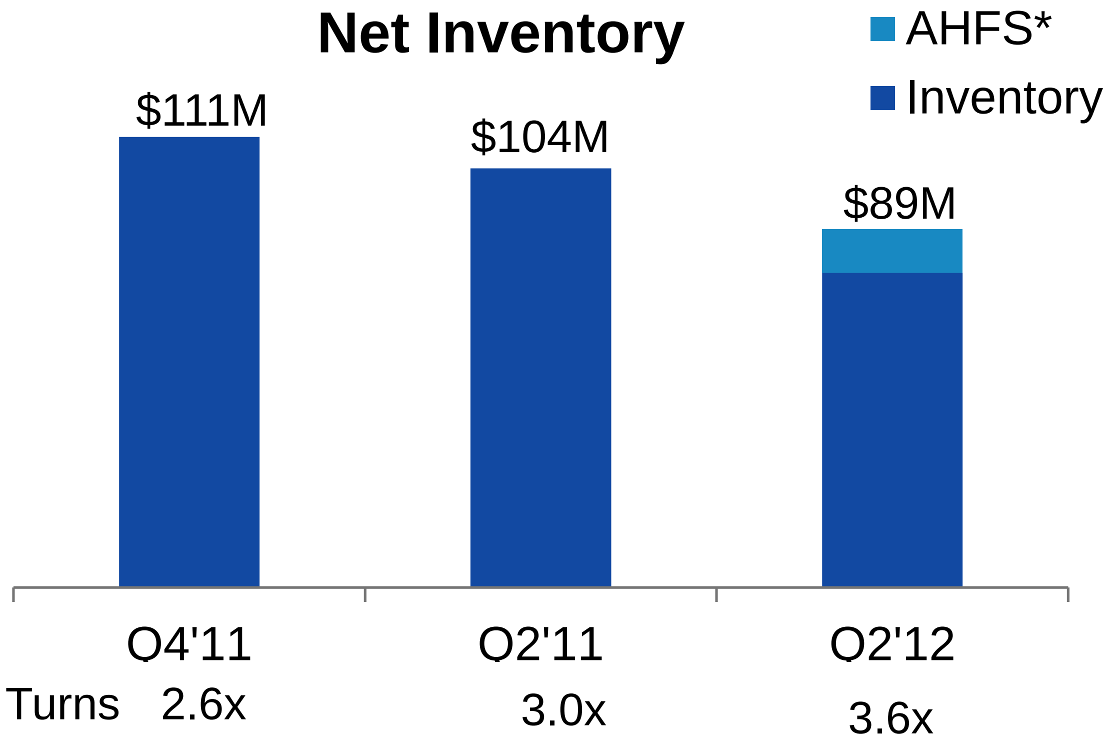
$ Millions (Except EPS)	**Q2 2011**	**Q2 2012**
Revenue	**$161.8**	**$160.3**
Gross Margin	83.4	79.6
% Revenue	51.6%	49.6%
Operating Expense	86.5	81.7
Operating Profit	**(3.1)**	**(2.1)**
% Revenue	**-1.9%**	**-1.3%**
OIE/Tax	(0.3)	(2.0)
Net Income	**(3.4)**	**(4.1)**
EPS	**($0.09)**	**($0.11)**

Q2 2012

- Non-GAAP revenue of $160.3m
  - Excludes $2.8m allowance related to divestitures
- Revenue for ongoing business
  - Up 5% year-on-year, 7% without currency effect
  - Video up 9% year-on-year, Audio down 3%
- Non-GAAP gross margin = 49.6%
  - Low margin on divested product lines
  - Adverse impact of currency exchange rates
  - YoY improvement in service gross margins
- Non-GAAP operating expense down YoY
  - Primarily related to lower compensation cost
- Non-GAAP operating loss reduced YoY

Balance Sheet





** AHFS – Assets held for sales*

Q2 2012

- Cash of $59m, no draw on LoC
- Inventory of $89m including $11m of inventory held for sale
- Days sales outstanding of 51

Growing multi-billion market opportunity

Media Enterprise

Enterprises which acquire, create, process, and/or distribute content to large audiences

- Primarily video
- Majority of service revenue
- 6-8% CAGR market growth
- Managing media assets
- SD to HD, analog to digital conversion

Post & Professional

Professionals and businesses focused on creating and distributing entertainment media

- 2/3 audio / 1/3 video
- 2-3% CAGR market growth
- High quality professional content exploding
- Powerful & open solutions

Focused on the greatest opportunity

Source: Avid management estimates.

July 2nd Actions

FOCUSING media enterprise and post & professional customers

DIVESTING exit lower growth, lower margin consumer market

SIMPLIFYING streamlining company to capture core opportunity

The leader in professional content creation solutions

2012 Financial Perspective as of July 30, 2012

- Operating margin % guidance, not revenue guidance
- Historical revenue trends for ongoing business included in press release
- 2nd half non-GAAP gross margin to be 55% or greater
- 2nd half 2012 non-GAAP operating expense to decline 17% to 20% from H2 2011
- **<u>If</u>** 2nd half 2012 revenue flat with 2nd half of 2011:
  - Full year non-GAAP operating margin of 5% of revenue
  - 2nd half 2011 non-GAAP operating margin in low teens
- Taxes and interest expense to be $5 to $7 million for full year of 2012
- GAAP to non-GAAP adjustments to be $55 to $60 million for full year of 2012