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): February 26, 2016

AVID TECHNOLOGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**1-36254**	**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 1.01. Entry into a Material Definitive Agreement.

On February 26, 2016 (the "Closing Date"), Avid Technology, Inc. (the "Company"), together with the Company's subsidiary, Avid Technology Worldwide, Inc. ("Avid Worldwide"), as guarantor, entered into a Financing Agreement (the "Financing Agreement") with Cerberus Business Finance, LLC, as collateral and administrative agent, and the lenders party thereto (the "Lenders"). Pursuant to the Financing Agreement, the Lenders agreed to provide the Company with (a) a term loan in the aggregate principal amount of $100,000,000 (the "Term Loan") and (b) a revolving credit facility (the "Credit Facility") of up to a maximum of $5,000,000 in borrowings outstanding at any time. All outstanding loans under the Financing Agreement will become due and payable, on the earlier of February 26, 2021 and the date that is 30 days prior to June 15, 2020, the scheduled maturity date of the Company's outstanding 2.00% convertible senior notes due 2020. Prior to the maturity of the Credit Facility, any amounts borrowed under the Credit Facility may be repaid and, subject to the terms and conditions of the Financing Agreement, reborrowed in whole or in part without penalty. The Company borrowed the full amount of the Term Loan, or $100,000,000, as of the Closing Date, but did not borrow any amount under the Credit Facility as of the Closing Date.

Interest accrues on outstanding borrowings under the Credit Facility and the Term Loan at a rate of either the LIBOR Rate (as defined in the Financing Agreement) plus 5.75% or a Reference Rate (as defined in the Financing Agreement) plus 6.75%, at the option of the Company. The Company must also pay to the Lenders, on a monthly basis, an unused line fee at a rate of 0.5% per annum on an amount equal to (1) the total lending commitments under the Credit Facility less (2) the average daily amount of the outstanding borrowings plus the undrawn amount of any outstanding letters of credit under the Credit Facility during the immediately preceding month. During the term of the Credit Facility, the Company is entitled to reduce the maximum amounts of the Lenders' commitments under the Credit Facility, subject to the payment of certain fees based on the amount of any reduction. The Company may prepay all or any portion of the Term Loan prior to its stated maturity, subject to the payment of certain fees based on the amount repaid. The term loan is subject to a 1.25% mandatory principle amortization per quarter.

The Company and Avid Worldwide granted a security interest on substantially all of their assets to secure the obligations of all obligors under the Credit Facility and the Term Loan. Avid Worldwide provided a guarantee of all the Company's obligations under the Financing Agreement. Future subsidiaries of the Company (other than certain foreign and immaterial subsidiaries) are also required to become a party to the applicable security agreements and guarantee the obligations under the Financing Agreement.

The Financing Agreement contains customary representations and warranties, covenants, mandatory prepayments, and events of default under which the Company's payment obligations may be accelerated. The Financing Agreement includes covenants requiring the Company to maintain a Leverage Ratio (defined to mean the ratio of (a) consolidated total funded indebtedness to (b) consolidated EBITDA) of no greater than 4.35:1.00 for the four quarters ending June 30, 2016, 5.40:1.00 for the four quarters ending September 30, 2016, 4.20:1.00 for the four quarters ending December 31, 2016 and thereafter declining over time from 3.50:1.00 to 2.50:1.00. The Financing Agreement also restricts the Company from making capital expenditures in excess of $20,000,000 in any fiscal year.

The Financing Agreement contains restrictive covenants that are customary for an agreement of this kind, including, for example, covenants that restrict the Company from incurring additional indebtedness, granting liens, making investments and restricted payments, making acquisitions, and engaging in transactions with affiliates.

The foregoing description of the Financing Agreement is not intended to be complete and is qualified in its entirety by reference to the full text of the Financing Agreement.

Item 1.02 Termination of a Material Definitive Agreement

Concurrently with the entry into the Financing Agreement, on February 26, 2016 the Company terminated its existing Credit Agreement, dated June 22, 2015, among the Company and certain of its subsidiaries, as borrowers, KeyBank National Association, as Administrative Agent and the other lender parties thereto, and repaid all outstanding borrowings, in the amount of $30.1 million under such agreement. There were no penalties paid by the Company in connection with this termination.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 2.05 Costs Associated with Exit or Disposal Activities

On February 26, 2016, the Company committed to a restructuring plan that encompasses a series of actions intended to more efficiently operate in a leaner, and more directed cost structure. The actions include reductions in our workforce, facility consolidation, transferring resources to lower cost regions and reducing other third-party services costs. In connection with this restructuring plan, the Company expects to incur incremental cash expenditures of approximately $25 million relating to termination benefits, facility costs, employee overlap expenses and related actions. The Company expects approximately $14 million of the expenditures will be recorded as restructuring expenses in the quarters ending December 31, 2015 through June 30, 2017. The Company anticipates that the restructuring plan will be substantially complete by the end of the second quarter of 2017 and will result in annualized costs savings of appropriately $68 million.

Item 7.01 Regulation FD Disclosure

On February 29, 2016, the Company issued a press release announcing the Company's commitment to the cost reductions and efficiency initiatives discussed in Item 2.05 of this Current Report Report and the Financing Agreement announced in Item 1.01 of this Current Report. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

***Limitation on Incorporation by Reference*.** The information furnished in this Item 7.01 and Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (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, 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 Exhibit 99.1 hereto, the Form 8-K and exhibits 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 regarding these forward-looking statements.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit Number	Description
99.1	Press Release, dated February 29, 2016.

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: February 29, 2016

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

Exhibit 99.1

Avid Technology Announces Next Milestone in Company Transformation

Growing Maturation of Avid Media Central Platform Enables Additional Annualized Efficiency Gains of up to $68 Million

New $105 Million Senior Secured Credit Facility Strengthens Balance Sheet

Company Transformation on Track to be Completed by Mid-2017

BURLINGTON, MA- February 29, 2016- Avid® (Nasdaq: AVID) ("Avid" or "the Company"), a leading technology provider for the creation, distribution and monetization of media assets for global media organizations, enterprise users and individual creative professionals, today announced actions estimated to yield up to $68 million of annualized efficiency gains and the closing of a new $105 million senior secured credit facility as the Company continues to execute on its multi-year strategic, financial and operational transformation, on track and scheduled for completion by Mid-2017.

"Since we began Avid's transformation, the Avid Everywhere vision - to build our portfolio of products as applications on a single platform, the Avid Media Central platform- has been central to our strategy to solve the industry's most important issues with greater innovation, flexibility and efficiency. Avid is in the final stretches of its dramatic transformation and we're pleased that the growing adoption, stability and maturation of the Media Central Platform will now allow us to fully realize its potential to drive a more efficient operating model by eliminating components and processes that are no longer required with a single global platform." said Louis Hernandez, Jr, Chairman, President, and CEO of Avid. "Our clients and community are fully supportive of our vision as demonstrated by the hundreds of large and sophisticated global media companies who have purchased over 32,000 Media Central licenses, punctuated by the record contract with Sinclair Broadcast Group signed in December 2015. Clients everywhere are enjoying the benefits of the platform as they look to capitalize on major industry shifts in the media landscape. For Avid, 2016 will be marked by a focus on additional platform-enabled growth and efficiency initiatives, which will demonstrate our ability to generate a meaningful financial return for our shareholders."

Platform Enabled Efficiency Gains Accelerate in 2016

As a direct result of Avid's platform strategy, the Company expects to realize more efficient operations and achieve annualized efficiency gains of up to $68 million. It is expected that these efficiencies will be fully reflected in the Company's full-year 2017 results, with $40-$45 million reflected in the Company's 2016 results. The efficiency gains are expected to use approximately $25 million of cash to be paid out throughout 2016 and the first half of 2017 with the corresponding expense recognized throughout 2016. The main drivers of the efficiency gains are:

- **A new level of maturation of the Avid Media Central platform** - Because Avid can now share common technology tools across its portfolio and third-party products, it is able to reduce or eliminate the need for stand alone, siloed processes and redundant workflows.
- **Complete final phase of talent alignment and facilities rationalization program** - Avid is putting the right people in the right roles in the right locations with the right cost structure which will position Avid for the end of its transformation in 2017. In connection with this effort, redundant offices will also be closed or downsized.

Personnel related savings account for two-thirds of overall efficiency gains. Many of the personnel related actions have already been completed with savings expected to be realized on an accelerated basis with each successive quarter. The remainder of the efficiencies will be achieved through consolidating and darkening underutilized facilities and further rationalizing spend on external vendors.

"We are on track to complete Avid's transformation by the middle of 2017 and position the Company for long-term sustainable and profitable growth," added Mr. Hernandez.

Strengthened Balance Sheet

In connection with the announced cost efficiency program, the Company has entered into a new five-year, $105 million senior secured credit facility, which consists of a $100 million term loan and an undrawn $5 million revolver. Proceeds from the term loan will be used to replace the Company's existing $35 million revolving credit facility, finance the Company's efficiency program and other transformation initiatives, and provide operating flexibility throughout the remainder of the transformation in this period of heightened market volatility. The Company estimates that after paying for both debt issuance costs and the efficiency program, the new financing will provide approximately $70 million of available liquidity, about half of which replaces the existing revolving credit facility with the remainder providing incremental liquidity to strengthen the Company's balance sheet.

"The new debt facility further strengthens our liquidity position and supports the execution of the last leg of our transformation, including the efficiency program," said John Frederick, Chief Financial and Administrative Office of Avid. "We continue to expect positive adjusted free cash flow generation in 2016, although we do anticipate using cash in the first half of the year as we execute on the cost initiatives. We look forward to updating the investor community on our 2015 results and 2016 guidance, as well as sharing more details behind the 2016 growth and efficiency initiatives, in our fourth quarter and full-year 2015 earnings and business update call, scheduled for March 15th, 2016. We now have a capital structure that we believe allows us to make the investments necessary and finish executing on our plan."

The credit facility matures in February 2021, but is subject to an earlier maturity date in May 2020 if the Company has not refinanced its Senior Unsecured Convertible Notes by that time. The credit facility accrues interest at LIBOR plus 6.75%, with a 100 basis point floor, a 1% annual anniversary, excess cash flow sweep requirements and customary maintenance financial covenants, including maximum total leverage. The term loan is subject to a 1.25% mandatory principle amortization per quarter.

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. Media organizations and creative professionals use Avid solutions to create the most listened to, most watched and most loved media in the world-from the most prestigious and award-winning feature films, to the most popular television shows, news programs and televised sporting events, as well as a majority of today's most celebrated music recordings and live concerts. Industry leading solutions include Pro Tools®, Media Composer®, ISIS®, Interplay®, ProSet and RealSet, Maestro, PlayMaker, and Sibelius®. For more information about Avid solutions and services, visit www.avid.com, connect with Avid on Facebook, Instagram, Twitter, YouTube, LinkedIn, or subscribe to Avid Blogs.

Cautionary Note Regarding Forward-Looking Statements

The information provided in this press release includes forward-looking statements that involve risks and uncertainties, including statements about our anticipated expectations, plans, and operational results. Such statements are made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include, without limitation, statements regarding future financial performance, strategy and business plans as well as transformation. These forward-looking statements are based on current expectations as of the date of this press 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 including the effect on our sales, operations and financial performance resulting from, among other things, our liquidity; our ability to execute our strategic plan, including cost savings initiatives, and meet customer needs; our ability to retain and hire key personnel; 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 and risks in particular geographies or markets; our higher indebtedness and ability to service it and meet the obligations thereunder; restrictions in our credit facilities; our move to a subscription model and related effect on our revenues and ability to predict future revenues; elongated sales cycles; fluctuations in foreign currency exchange rates; seasonal factors; adverse changes in economic conditions; variances in our revenue backlog and the realization thereof; the identified material weaknesses in our internal control over financial reporting; and the possibility of legal proceedings adverse to our company. 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.

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