

**Condensed Consolidated Statements of Operations**
**For the Three Months Ended March 31, 2011, June 30, 2011, September 30, 2011, December 31, 2011**
**and Twelve Months Ended December 31, 2011**

(in thousands except per share data, unaudited)

	Three Months Ended March 31, 2011		Three Months Ended June 30, 2011		Three Months Ended September 30, 2011		Three Months Ended December 31, 2011		Twelve Months Ended December 31, 2011		Three Months Ended March 31, 2012
	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	
Net revenues:											
Products	\$137,335	\$136,765	\$129,190	\$129,629	\$131,875	\$131,608	\$147,971	\$147,468	\$546,371	\$545,470	\$119,938
Services	28,988	28,988	32,154	32,154	33,090	33,090	37,333	37,333	131,565	131,565	32,201
Total net revenues	166,323	165,753	161,344	161,783	164,965	164,698	185,304	184,801	677,936	677,035	152,139
Cost of revenues:											
Products (a)	64,651	63,867	62,964	64,024	60,048	60,063	66,221	66,568	255,735	254,522	61,208
Services (a)	14,387	14,054	15,312	14,706	16,497	15,585	18,137	18,137	62,482	62,482	12,717
Amortization of intangible assets	666	666	685	685	685	685	657	657	2,693	2,693	650
Total cost of revenues	79,704	78,587	78,961	79,415	77,230	76,333	85,015	85,362	320,910	319,697	74,575
Gross profit	86,619	87,166	82,383	82,368	87,735	88,365	100,289	99,439	357,026	357,338	77,564
Operating expenses:											
Research and development	29,973	29,973	30,453	30,453	28,960	28,960	28,722	28,722	118,108	118,108	27,482
Marketing and selling	44,810	45,050	46,052	45,867	45,411	45,395	47,592	47,976	183,865	184,288	45,927
General and administrative	15,298	15,000	14,920	14,219	13,240	13,518	14,393	13,759	57,851	56,496	14,638
Amortization of intangible assets	2,145	2,145	2,161	2,161	2,159	2,159	2,063	2,063	8,528	8,528	1,611
Restructuring costs (recoveries), net	(2,216)	(1,476)	(163)	162	2,707	2,707	8,530	8,770	8,858	10,163	168
Loss on sale of assets	—	—	597	597	—	—	—	—	597	597	—
Total operating expenses	90,010	90,692	94,020	93,459	92,477	92,739	101,300	101,290	377,807	378,180	89,826
Operating loss	(3,391)	(3,526)	(11,637)	(11,091)	(4,742)	(4,374)	(1,011)	(1,851)	(20,781)	(20,842)	(12,626)
Interest income	59	59	9	9	10	10	66	66	144	144	129
Interest expense	(422)	(422)	(717)	(594)	(556)	(556)	(358)	(358)	(2,053)	(1,930)	(343)
Other income (expense), net	63	63	(60)	(60)	43	43	(205)	(205)	(159)	(159)	20
Loss before income taxes	(3,691)	(3,826)	(12,405)	(11,736)	(5,245)	(4,877)	(1,508)	(2,348)	(22,849)	(22,787)	(12,456)
Provision for (benefit from) income taxes, net	1,426	957	(543)	(590)	2,774	2,672	(2,715)	(2,318)	942	721	521
Net (loss) income	<u>\$ (5,117)</u>	<u>\$ (4,783)</u>	<u>\$ (11,862)</u>	<u>\$ (11,146)</u>	<u>\$ (8,019)</u>	<u>\$ (7,549)</u>	<u>\$ 1,207</u>	<u>\$ (30)</u>	<u>\$ (23,791)</u>	<u>\$ (23,508)</u>	<u>\$ (12,977)</u>
Net (loss) income per common share – basic	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.31)</u>	<u>\$ (0.29)</u>	<u>\$ (0.21)</u>	<u>\$ (0.20)</u>	<u>\$ 0.03</u>	<u>\$ -</u>	<u>\$ (0.62)</u>	<u>\$ (0.61)</u>	<u>\$ (0.34)</u>
Net (loss) income per common share – diluted	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.31)</u>	<u>\$ (0.29)</u>	<u>\$ (0.21)</u>	<u>\$ (0.20)</u>	<u>\$ 0.03</u>	<u>\$ -</u>	<u>\$ (0.62)</u>	<u>\$ (0.61)</u>	<u>\$ (0.34)</u>
Weighted-average common shares outstanding – basic	38,228	38,228	38,413	38,413	38,511	38,511	38,580	38,580	38,435	38,435	38,662
Weighted-average common shares outstanding – diluted	38,228	38,228	38,413	38,413	38,511	38,511	38,584	38,580	38,435	38,435	38,662

(a) The "As Reported" products and services cost of revenues amounts do not sum to the annual "As Reported" products and services cost of revenues amounts due to a reclassification made to the financial statements for the year ended December 31, 2011.

**AVID TECHNOLOGY, INC.**

(unaudited - in thousands, except per share data)

**Reconciliations of GAAP financial measures to Non-GAAP financial measures:****Three Months Ended March 31, 2012**

	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>Operating Loss</b>	<b>Tax Provision</b>	<b>Net Loss</b>
<b>GAAP</b>	<b>\$77,564</b>	<b>\$89,826</b>	<b>(\$12,262)</b>	<b>\$521</b>	<b>(\$12,977)</b>
Amortization of intangible assets	650	(1,611)	2,261		2,261
Restructuring costs, net		(168)	168		168
Acquisition and other costs (a)		(231)	231		231
Tax adjustment				253	(253)
Stock-based compensation included in:					
Cost of products revenues	94		94		94
Cost of services revenues	157		157		157
Research and development expenses		(306)	306		306
Marketing and selling expenses		(1,261)	1,261		1,261
General and administrative expenses		(1,315)	1,315		1,315
<b>Non-GAAP</b>	<b>\$78,465</b>	<b>\$84,934</b>	<b>(\$6,469)</b>	<b>\$774</b>	<b>(\$7,437)</b>
<b>Weighted-average shares outstanding - diluted</b>					<b>38,662</b>
<b>Non-GAAP net loss per share - diluted</b>					<b>(\$0.19)</b>

**Twelve Months Ended December 31, 2011 (Revised)**

	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>Operating (Loss) Income</b>	<b>Tax Provision</b>	<b>Net (Loss) Income</b>
<b>GAAP</b>	<b>\$357,338</b>	<b>\$378,180</b>	<b>(\$20,842)</b>	<b>\$721</b>	<b>(\$23,508)</b>
Amortization of intangible assets	2,693	(8,528)	11,221		11,221
Restructuring costs, net		(10,163)	10,163		10,163
Legal settlement and acquisition-related costs (a)		(555)	555		555
Loss on sales of assets		(597)	597		597
Tax adjustment				2,058	(2,058)
Stock-based compensation included in:					
Cost of products revenues	419		419		419
Cost of services revenues	764		764		764
Research and development expenses		(1,634)	1,634		1,634
Marketing and selling expenses		(4,730)	4,730		4,730
General and administrative expenses		(6,837)	6,837		6,837
<b>Non-GAAP</b>	<b>\$361,214</b>	<b>\$345,136</b>	<b>\$16,078</b>	<b>\$2,779</b>	<b>\$11,354</b>
<b>Weighted-average shares outstanding - diluted</b>					<b>38,584</b>
<b>Non-GAAP net income per share - diluted</b>					<b>\$0.29</b>

(a) Represents costs included in general and administrative expenses

**Three Months Ended December 31, 2011 (Revised)**

	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>Operating (Loss) Income</b>	<b>Tax Benefit</b>	<b>Net (Loss) Income</b>
<b>GAAP</b>	<b>\$99,439</b>	<b>\$101,290</b>	<b>(\$1,851)</b>	<b>(\$2,318)</b>	<b>(\$30)</b>
Amortization of intangible assets	657	(2,063)	2,720		2,720
Restructuring costs, net		(8,770)	8,770		8,770
Tax adjustment				750	(750)
Stock-based compensation included in:					
Cost of products revenues	2		2		2
Cost of services revenues	156		156		156
Research and development expenses		(300)	300		300
Marketing and selling expenses		(1,105)	1,105		1,105
General and administrative expenses		(985)	985		985
<b>Non-GAAP</b>	<b>\$100,254</b>	<b>\$88,067</b>	<b>\$12,187</b>	<b>(\$1,568)</b>	<b>\$13,258</b>
<b>Weighted-average shares outstanding - diluted</b>					<b>38,584</b>
<b>Non-GAAP net income per share - diluted</b>					<b>\$0.34</b>

**Three Months Ended September 30, 2011 (Revised)**

	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>Operating (Loss) Income</b>	<b>Tax Provision</b>	<b>Net (Loss) Income</b>
<b>GAAP</b>	<b>\$88,365</b>	<b>\$92,739</b>	<b>(\$4,374)</b>	<b>\$2,672</b>	<b>(\$7,549)</b>
Amortization of intangible assets	685	(2,159)	2,844		2,844
Restructuring costs, net		(2,707)	2,707		2,707
Legal settlement and acquisition-related costs (a)		(163)	163		163
Tax adjustment				1,008	(1,008)
Stock-based compensation included in:					
Cost of products revenues	168		168		168
Cost of services revenues	63		63		63
Research and development expenses		(435)	435		435
Marketing and selling expenses		(1,051)	1,051		1,051
General and administrative expenses		(1,970)	1,970		1,970
<b>Non-GAAP</b>	<b>\$89,281</b>	<b>\$84,254</b>	<b>\$5,027</b>	<b>\$3,680</b>	<b>\$844</b>
<b>Weighted-average shares outstanding - diluted</b>					<b>38,530</b>
<b>Non-GAAP net income per share - diluted</b>					<b>\$0.02</b>

(a) Represents costs included in general and administrative expenses

**Three Months Ended June 30, 2011 (Revised)**

	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>Operating Loss</b>	<b>Tax Benefit</b>	<b>Net Loss</b>
<b>GAAP</b>	<b>\$82,368</b>	<b>\$93,459</b>	<b>(\$11,091)</b>	<b>(\$590)</b>	<b>(\$11,146)</b>
Amortization of intangible assets	685	(2,161)	2,846		2,846
Restructuring recoveries, net		(162)	162		162
Legal settlement and acquisition-related costs (a)		(392)	392		392
Loss on sales of assets		(597)	597		597
Tax adjustment				245	(245)
Stock-based compensation included in:					
Cost of products revenues	110		110		110
Cost of services revenues	277		277		277
Research and development expenses		(427)	427		427
Marketing and selling expenses		(1,356)	1,356		1,356
General and administrative expenses		(1,846)	1,846		1,846
<b>Non-GAAP</b>	<b>\$83,440</b>	<b>\$86,518</b>	<b>(\$3,078)</b>	<b>(\$345)</b>	<b>(\$3,378)</b>
<b>Weighted-average shares outstanding - diluted</b>					<b>38,413</b>
<b>Non-GAAP net loss per share - diluted</b>					<b>(\$0.09)</b>

(a) Represents costs included in general and administrative expenses

**Three Months Ended March 31, 2011 (Revised)**

	<b>Gross Profit</b>	<b>Operating Expenses</b>	<b>Operating (Loss) Income</b>	<b>Tax Provision</b>	<b>Net (Loss) Income</b>
<b>GAAP</b>	<b>\$87,166</b>	<b>\$90,692</b>	<b>(\$3,526)</b>	<b>\$957</b>	<b>(\$4,783)</b>
Amortization of intangible assets	666	(2,145)	2,811		2,811
Restructuring costs, net		1,476	(1,476)		(1,476)
Tax adjustment				55	(55)
Stock-based compensation included in:					
Cost of products revenues	139		139		139
Cost of services revenues	268		268		268
Research and development expenses		(472)	472		472
Marketing and selling expenses		(1,218)	1,218		1,218
General and administrative expenses		(2,036)	2,036		2,036
<b>Non-GAAP</b>	<b>\$88,239</b>	<b>\$86,297</b>	<b>\$1,942</b>	<b>\$1,012</b>	<b>\$630</b>
<b>Weighted-average shares outstanding - diluted</b>					<b>38,686</b>
<b>Non-GAAP net income per share - diluted</b>					<b>\$0.02</b>