



Avid Provides Preliminary First Quarter 2012 Results

BURLINGTON, Mass.--(BUSINESS WIRE)-- Avid® ([NASDAQ: AVID](http://nasdaq.com/quote/AVID)) today reported certain preliminary financial results for the fiscal quarter ended March 31, 2012. Avid's first quarter results are preliminary and subject to change. Avid currently plans to announce final results for the first quarter on April 26, 2012.

The company currently expects revenues for the three-month period ended March 31, 2012 to be approximately \$152 million. First quarter revenues were negatively impacted by weaker demand in the creative enthusiast portion of the company's business, with revenues down approximately 30 percent compared to the first quarter of 2011. Revenues for the remainder of the business were down modestly compared to last year.

The GAAP operating loss for the first quarter of 2012 is currently expected to be approximately \$15 million. The GAAP operating loss includes charges for amortization of intangible assets, stock-based compensation, restructuring and acquisition-related costs totaling approximately \$7 million. Excluding these charges, the company currently expects to report a non-GAAP operating loss of approximately \$8 million for the first quarter of 2012.

The company also reported that it ended the March 31, 2012 quarter with a cash balance of approximately \$50 million and no bank debt outstanding.

Avid will hold a conference call on April 26 at 4:30 p.m. (EDT) to review its financial results in more detail for the first quarter of 2012. The call will follow the dissemination of the company's press release on those results.

- The dial-in number is: 719.457.2617
- The replay number is: 719.457.0820
- The confirmation code and replay passcode is: 4569475
- Proceedings will also be available via live audio Webcast and subsequent replay on the company's website. To listen online, please visit <http://ir.avid.com>.

Use of Non-GAAP Financial Measures

This press release contains "non-GAAP financial measures" under the rules of the U.S. Securities and Exchange Commission. 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.

Management considers both GAAP and non-GAAP financial results in managing our business. Non-GAAP financial measures are used internally, for example, in establishing annual operating budgets, in assessing operating performance and for measuring performance under incentive compensation plans. Non-GAAP financial measures are also used in operating and financial decision-making because we believe these measures reflect our ongoing business and allow meaningful period-to-period comparisons. We believe it is useful for investors and others to also review both GAAP and non-GAAP measures in order to understand and evaluate our current operating performance and future prospects in the same manner as management and to compare in a consistent manner the company's current financial results with past financial performance. 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. For example, terms referring to non-GAAP financial measures used in this press release, such as non-GAAP operating loss, do not have standardized meanings. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of our performance in relation to other companies.

Use of Forward-Looking Statements

The financial results included in this release are unaudited. The contents of this release are preliminary and subject to change. This release 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 and for the quarter ended March 31, 2012 may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors, including: accounting and other adjustments that may be made to the preliminary financial results; Avid's ability to execute its strategic plan and meet customer needs; 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, fluctuations in foreign currency exchange rates, and seasonal factors, such as higher consumer demand at year-end; 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.

About Avid

Avid creates the digital audio and video technology used to make the most listened to, most watched and most loved media in the world — from the most prestigious and award-winning feature films, music recordings, television shows, live concert tours and news broadcasts, to music and movies made at home. Some of Avid's most influential and pioneering solutions include Media Composer®, Pro Tools, Interplay®, ISIS®, VENUE, Sibelius®, System 5, and Avid® Studio. For more information about Avid solutions and services, visit www.avid.com, [Flickr](#), [Twitter](#) and [YouTube](#); connect with Avid on [Facebook](#); or subscribe to Avid [Industry Buzz](#).

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