

AVID TECHNOLOGY INC  
Form 10-Q  
May 09, 2008

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

(Mark One)

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

For the quarterly period ended **March 31, 2008**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **0-21174**

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**Avid Technology, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**04-2977748**

(I.R.S. Employer  
Identification No.)

**Avid Technology Park, One Park West**

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**Tewksbury, Massachusetts 01876**

(Address of Principal Executive Offices, Including Zip Code)

**(978) 640-6789**

(Registrant's Telephone Number, Including Area Code)

\_\_\_\_\_

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares outstanding of the registrant's Common Stock as of May 1, 2008 was 37,007,888.

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AVID TECHNOLOGY, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2008

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This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Section 27A of the Securities Act of 1933, as amended. For this purpose, any statements contained herein regarding our strategy, future plans or operations, financial position, future revenues, projected costs, prospects and objectives of management, other than statements of historical facts, may be deemed to be forward-looking statements. Without limiting the foregoing, the words believes, anticipates, plans, expects and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we actually will achieve the plans, intentions or expectations expressed or implied in forward-looking statements. There are a number of factors that could cause actual events or results to differ materially from those indicated or implied by such forward-looking statements, many of which are beyond our control, including the factors discussed in Part I - Item 1A under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2007, and as referenced in Part II - Item 1A of this report. In addition, the forward-looking statements contained herein represent our estimates only as of the date of this filing and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, whether to reflect actual results,

changes in assumptions, changes in other factors affecting such forward-looking statements or otherwise.

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**PART I. FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****AVID TECHNOLOGY, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands except per share data, unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2007</b>
<b>Net revenues:</b>		
Products	\$ 168,176	\$ 192,443
Services	30,090	26,455
Total net revenues	198,266	218,898
<b>Cost of revenues:</b>		
Products	85,073	92,712
Services	17,387	15,979
Amortization of intangible assets	3,254	4,472
Total cost of revenues	105,714	113,163
<b>Gross profit</b>	92,552	105,735
<b>Operating expenses:</b>		
Research and development	38,510	37,742
Marketing and selling	50,327	51,694
General and administrative	21,943	17,852
Amortization of intangible assets	3,387	3,432
Restructuring costs, net	1,063	258
Total operating expenses	115,230	110,978
<b>Operating loss</b>	(22,678 )	(5,243 )
Interest income	1,563	1,989
Interest expense	(136 )	(124 )
Other income (expense), net	54	30
<b>Loss before income taxes</b>	(21,197 )	(3,348 )
Benefit from income taxes, net	(49 )	(3,368 )
<b>Net income (loss)</b>	\$(21,148 )	\$20
Net income (loss) per common share basic	\$(0.54 )	\$0.00
Net income (loss) per common share diluted	\$(0.54 )	\$0.00
Weighted-average common shares outstanding basic	39,362	41,154
Weighted-average common shares outstanding diluted	39,362	41,763

*The accompanying notes are an integral part of the condensed consolidated financial statements.*



**AVID TECHNOLOGY, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, unaudited)

	<b>March 31, 2008</b>	<b>December 31, 2007</b>
<b>ASSETS</b>		
Current assets:		