

AVID TECHNOLOGY, INC.
Form 10-Q
August 09, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2012

OR

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

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.)

75 Network Drive

Burlington, Massachusetts 01803

(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 has submitted and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 the definitions of "large accelerated filer," "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 August 6, 2012 was 38,852,646.

AVID TECHNOLOGY, INC.
 FORM 10-Q
 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012

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This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained in this quarterly report that relate to future results or events are forward-looking statements. Forward-looking statements may be identified by use of forward-looking words, such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “confidence,” “may,” “plan,” “should,” “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. There are a number of factors that could cause actual events or results to differ materially from those expressed or implied by forward-looking statements, many of which are beyond our control, including the risk 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, 2011, and as referenced in Part II - Item 1A of this report. In addition, the forward-looking statements contained in this quarterly report 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.

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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011 (Revised)	2012	2011 (Revised)
Net revenues:				
Products	\$125,874	\$129,488	\$245,812	\$266,234
Services	34,405	32,295	66,607	61,301
Less allowances related to divestitures	(2,848)	—	(2,848)	—
Total net revenues	157,431	161,783	309,571	327,535
Cost of revenues:				
Products	66,642	64,024	127,850	127,888
Services	14,325	14,706	27,042	28,760
Amortization of intangible assets	644	685	1,294	1,351
Restructuring costs	2,633	—	2,633	—
Total cost of revenues	84,244	79,415	158,819	157,999
Gross profit	73,187	82,368	150,752	169,536
Operating expenses:				
Research and development	26,896	30,453	54,377	60,426
Marketing and selling	43,454	45,867	89,380	90,917
General and administrative	13,905	14,219	28,796	29,219
Amortization of intangible assets	1,105	2,161	2,717	4,306
Restructuring costs (recoveries), net	15,841	162	16,009	(1,314)
Loss on sale of assets	9,951	597	9,699	597
Total operating expenses	111,152	93,459	200,978	184,151
Operating loss	(37,965)	(11,091)	(50,226)	(14,615)
Interest income	14	9	115	68
Interest expense	(405)	(594)	(720)	(1,016)
Other income (expense), net	12	(60)	32	3
Loss before income taxes	(38,344)	(11,736)	(50,799)	(15,560)
Provision for (benefit from) income taxes, net	903	(590)	1,426	367
Net loss	\$(39,247)	\$(11,146)	\$(52,225)	\$(15,927)