

AVID TECHNOLOGY INC
Form 8-K
October 23, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): October 23, 2008

AVID TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

0-21174

(Commission File Number)

04-2977748

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

Avid Technology Park, One Park West, Tewksbury, MA
(Address of Principal Executive Offices)

01876

(Zip Code)

Registrant's telephone number, including area code **(978) 640-6789**

(Former Name or Former Address, if Changed Since Last Report)

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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 (*see* General Instruction A.2. below):

- 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))
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This Current Report on Form 8-K contains a number of forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995, about the performance of Avid Technology, Inc. (the Company). For this purpose, any statements contained herein that are not statements of historical fact 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. There are a number of factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements, many of which are beyond the Company's control, including the risk factors disclosed previously and from time to time in the Company's filings with the U.S. Securities and Exchange Commission. In addition, the forward-looking statements contained herein represent the Company's estimate only as of the date of this filing and should not be relied upon as representing the Company's estimate as of any subsequent date. While the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Item 2.02. Results of Operations and Financial Condition.

On October 23, 2008, the Company announced its financial results for the quarter ended September 30, 2008. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in Item 2.02 of this Form 8-K (including 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 it 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.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On October 20, 2008, the Company committed to a restructuring plan that includes a reduction in force of approximately 500 positions. The restructuring plan is intended to improve operational efficiencies. The Company anticipates that it will complete the restructuring by December 31, 2008. In connection with the restructuring, the Company expects to incur total expenses relating to termination benefits of \$21 million to \$24 million, all of which represent cash expenditures. The Company expects to record the majority of these restructuring charges in the quarter ending December 31, 2008.

Item 2.06. Material Impairments.

During the quarter ended September 30, 2008, as part of the Company's ongoing strategic review of the business, an impairment analysis was performed on the Consumer Video segment goodwill and intangible assets. On October 17, 2008 the Company concluded that non-cash goodwill and intangible asset impairment charges of \$51 million were required and such charges were recorded in the quarter ended September 30, 2008.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

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99.1 Press Release issued by the Company on October 23, 2008.

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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.

Date: October 23, 2008

AVID TECHNOLOGY, INC.
(Registrant)

By: /s/ Ken Sexton

Ken Sexton

Executive Vice President, Chief Financial Officer and Chief
Administrative Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|---|
| 99.1 | Press release issued by the Company dated October 23, 2008. |