

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): July 22, 2004

AVID TECHNOLOGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	0-21174	04-2977748
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

Avid Technology Park, One Park West, Tewksbury, MA 01876
(Address of Principal Executive Offices) (zip code)

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

This is Page 1 of 4 pages
Exhibit Index is on Page 4

Item 12. Disclosure of Results of Operations and Financial Condition

On July 22, 2004, the Registrant announced its financial results for the quarter ended June 30, 2004. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934 (the "Exchange Act"), 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.

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: July 22, 2004

AVID TECHNOLOGY, INC.
(Registrant)

By: /s/Paul Milbury

Paul Milbury
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit

Description

99.1 Press release of the Registrant dated July 22, 2004.

Contact: Dean Ridlon, Investor Relations Director
Phone: 978.640.5309
Email: Investor_Relations@avid.com

Avid Reports Record Second Quarter Revenues and Net Income

Tewksbury, MA - July 22, 2004 - Avid Technology, Inc. (NASDAQ: AVID) today reported record second quarter revenues and net income. Revenues for the three months ended June 30, 2004 were \$139.9 million, a 23% increase over the \$113.3 million in the corresponding quarter in 2003. Net income for the quarter nearly doubled from a year ago and was \$15.5 million, or \$0.45 per diluted share compared to net income of \$7.8 million, or \$0.25 per diluted share, for the corresponding quarter in 2003.

Net income for the six months ended June 30, 2004 was \$30.2 million, or \$0.89 per diluted share, on revenues of \$267.3 million. This compares to net income of \$13.3 million, or \$0.43 per diluted share, on revenues of \$225.5 million for the first half of 2003.

Gross margin for the second quarter was 56.4%, up 1.1 percentage points from the same quarter last year. As expected, operating expenses rose sequentially to \$63.3 million including costs associated with the company's participation in the National Association of Broadcasters trade show in April.

"We continue to achieve strong results from each of our segments," said David Krall, Avid's president and chief executive officer. "Revenues in our video segment grew by 25% year over year, driven by solid performance in both our postproduction and broadcast businesses. Our audio segment revenues increased 21% year-over-year, boosted by the initial shipments of the D-Control(TM) tactile work surface that is part of the Digidesign(R) ICON integrated audio production environment.

"Avid's strategic plan in digital content creation, management and distribution is right on track," continued Krall. "We've posted double-digit, year-over-year revenue growth for the last four quarters, and record revenues for the past two quarters, and we're looking forward to growing Avid's business in our core markets and the new areas that we've targeted for expansion."

Conference Call

A conference call to discuss Avid's second quarter 2004 financial results and the company's outlook for the balance of 2004 will be held today, July 22 at 5:00 p.m. EDT. The call will be open to the public. The conference call can be accessed by dialing (719) 457-2637 and referencing confirmation code 576792. The call and subsequent replay will also be available on Avid's Web site. To listen via this alternative, go to the Investors page under the Company menu at www.avid.com for complete details 10-15 minutes prior to the start of the conference call.

The above release includes a forward-looking statement, as defined by the Private Securities Litigation Reform Act of 1995, about Avid's future performance. There are a number of factors that could cause actual events or results to differ materially from that indicated by such forward-looking statement, such as the competitive market in which Avid operates, market acceptance of Avid's existing and new products, Avid's ability to anticipate customers' needs and the other factors set forth under the caption "Certain Factors That May Affect Future Results" in Avid's Form 10-Q for the quarter ended March 31, 2004, and other filings with the Securities and Exchange Commission. In addition, the forward-looking statement contained herein represents Avid's estimate only as of today and should not be relied upon as representing the company's estimate as of any subsequent date. While Avid may elect to update this forward-looking statement at some point in the future, Avid specifically disclaims any obligation to do so, even if the estimate changes.

About Avid Technology, Inc.

Avid Technology, Inc. is the world leader in digital nonlinear media creation, management and distribution solutions, enabling film, video, audio, animation, games, and broadcast professionals to work more efficiently, productively, and creatively. For more information about the company's Oscar(R), Grammy(R), and Emmy(R) award-winning products and services, please visit: www.avid.com.

(C) 2004 Avid Technology, Inc. All rights reserved. Avid, D-Control, Digidesign, Film Composer, and Pro Tools are either registered trademarks or trademarks of Avid Technology, Inc. in the United States and/or other countries. Avid received an Oscar statuette representing the 1998 Scientific and Technical Award for the concept, design, and engineering of the Avid(R) Film Composer(R) system for motion picture editing. Digidesign, Avid's audio division, received an Oscar statuette representing the 2003 Scientific and Technical Award for the design,

development, and implementation of its Pro Tools(R) digital audio workstation. Oscar is a trademark and service mark of the Academy of Motion Picture Arts and Sciences. Emmy is a registered trademark of ATAS/NATAS. Grammy is a trademark of the National Academy of Recording Arts and Sciences, Inc. All other trademarks contained herein are the property of their respective owners.

AVID TECHNOLOGY, INC.
Condensed Consolidated Statements of Operations
(unaudited in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net revenues	\$139,886	\$113,317	\$267,260	\$225,494
Cost of revenues	60,995	50,608	115,098	102,835
Gross profit	78,891	62,709	152,162	122,659
Operating expenses:				
Research and development	22,924	21,428	45,216	43,127
Marketing and selling	33,656	27,748	63,510	53,012
General and administrative	6,184	5,617	12,070	10,962
Restructuring and other costs, net				1,783
Amortization of intangible assets	549	341	988	634
Total operating expenses	63,313	55,134	121,784	109,518
Operating income	15,578	7,575	30,378	13,141
Interest and other income, net	595	507	35	738
Income before income taxes	16,173	8,082	30,413	13,879
Provision for income taxes	700	300	200	600
Net income	\$15,473	\$7,782	\$30,213	\$13,279
Net income per common share - basic	\$0.49	\$0.27	\$0.96	\$0.47
Net income per common share - diluted	\$0.45	\$0.25	\$0.89	\$0.43
Weighted average common shares outstanding - basic	31,623	28,494	31,413	28,052
Weighted average common shares outstanding - diluted	34,134	31,673	33,912	30,904

AVID TECHNOLOGY, INC.
Condensed Consolidated Balance Sheets
(unaudited in thousands)

	June 30, 2004	December 31, 2003
	-----	-----
ASSETS:		
Current assets:		
Cash and marketable securities	\$190,697	\$196,309
Accounts receivable, net of allowances of \$8,816 and \$9,161 at June 30, 2004 and December 31, 2003, respectively	78,702	69,230
Inventories	34,475	38,292
Prepaid and other current assets	13,922	13,181
	-----	-----
Total current assets	317,796	317,012
Property and equipment, net	24,441	23,223
Acquisition-related intangible assets	49,719	5,150
Other assets	5,887	2,734
	-----	-----
Total assets	\$397,843	\$348,119
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$19,953	\$15,755
Accrued expenses and other current liabilities	55,497	59,709
Deferred revenue and deposits	54,546	44,943
	-----	-----
Total current liabilities	129,996	120,407
Long term liabilities, less current portion	351	607
Total stockholders' equity	267,496	227,105
	-----	-----
Total liabilities and stockholders' equity	\$397,843	\$348,119
	=====	=====