



Avid Acquires NXN and Expands Leadership in Digital Asset Management

TEWKSBURY, Mass.--(BUSINESS WIRE)--Jan. 26, 2004--

Company Plans to Integrate Market-Leading Technology across Film and Video Postproduction, Broadcast News, and 3D Animation Product Lines to Offer Seamless Management of Digital Assets

Avid Technology, Inc. (NASDAQ: AVID) today announced that it has acquired Munich-based NXN Software AG - the leading provider of asset and production management systems specifically targeted for the entertainment and computer graphics industries - in a cash transaction valued at approximately EUR35 million. The acquisition expands Avid's leadership in digital asset management by enabling the company's film and video postproduction, broadcast, and 3D animation customers to leverage the revolutionary workflow capabilities of the acclaimed NXN[®] alienbrain[®] product line.

"Professional content creators continue to look for ways to simplify the extremely complex process of managing large volumes of digital assets, and NXN's ground-breaking software has rapidly become the media management tool of choice for leading content creation companies, including Sony Pictures Imageworks, China Central Television, and Electronic Arts," said David Krall, Avid's president and chief executive officer. "Alienbrain systems will enhance the asset and production management features of Avid's industry-leading content creation tools, making it easy for customers to track, store, and control virtually every version and type of file in a digital project. As we integrate this powerful technology, we look forward to extending our reach in the increasingly important digital asset management market, while continuing to serve the thousands of NXN customers currently using alienbrain systems."

Gregor vom Scheidt, founder and CEO of NXN, who will be staying on as a managing director for Avid, commented, "There is tremendous synergy between Avid's 'make manage and move media' strategy and NXN's core philosophy of enabling customers to manage and track all of the media assets they create. We're extremely pleased to join a world-class company like Avid, which will now be able to deliver the most comprehensive digital asset management systems on the market. Whether working on film, video, broadcast news, or 3D animation projects, customers using alienbrain software will always know that they are working with the most current files, and can forget about accidentally overwriting or losing valuable project data."

NXN's market-leading products - NXN alienbrain VFX, NXN alienbrain Studio, and NXN alienbrain Engineer - extend Avid's current media asset management offerings with revolutionary capabilities that include infrastructure, configuration, project, and workflow management, as well as complete version control. Designed to work with any file format associated with 3D models, textures, video, audio, source code and office documents, NXN systems enable users to easily manage assets throughout all phases of a digital project. A wide range of 3D, graphics, source code, and administrative applications support the alienbrain product family directly in the application menu, including SOFTIMAGE[®]XSI[®], Alias Maya, Alias StudioTools, Discreet 3ds max, Adobe Photoshop, and Metrowerks CodeWarrior, as well as Microsoft PowerPoint, Excel, Word, Windows Explorer, and Visual Studio.

For more information, please visit the Investors page under the Company menu at www.avid.com.

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 news professionals to work more efficiently, productively, and creatively. For more information about the company's Oscar[®], Grammy[®], and Emmy[®] award-winning products and services, please visit: www.avid.com.

About NXN Software AG

NXN Software AG (<http://www.nxn-software.com>) is the leading supplier of asset management systems for the digital entertainment and computer graphics industries. NXN products provide designers, programmers, and project managers with a powerful framework to manage all assets throughout the development process. Companies using NXN software include many of the world's most renowned entertainment studios, such as Sony, Electronic Arts, LucasArts, and Atari. NXN has offices in Los Angeles, Paris, London, Munich, and Tokyo.

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subject to change without notice. Avid, Film Composer, SOFTIMAGE, XSI, and Make, Manage and Move Media are either registered trademarks or trademarks of Avid Technology, Inc. in the United States and/or other countries. NXN and alienbrain are trademarks of NXN Software AG 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 Film Composer® system for motion picture editing. 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.

Some statements in this announcement may be "forward-looking statements" for the purposes of the Private Securities Litigation Reform Act of 1995. Avid cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements, including but not limited to: (i) the challenges and costs of assimilating the operations and personnel of NXN, integrating the technology of the two companies and achieving anticipated synergies; (ii) the ability to attract and retain highly qualified employees; (iii) competitive factors, including pricing pressures; (iv) maintaining pre-existing relationships of NXN; (v) fluctuating currency exchange rates; (vi) adverse changes in general economic or market conditions, particularly in the content-creation industry; and (vii) other one-time events and other important factors disclosed previously and from time to time in Avid's filings with the U.S. Securities and Exchange Commission. Avid disclaims any obligation to update any forward-looking statements after the date of this release.

NOTE TO EDITORS: In the name SOFTIMAGE®XSI® noted in this news release, there is a pipe symbol between Avid and DS. This symbol may not appear properly in some systems.

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