

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): April 28, 2005

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

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

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))

Item 2.02 Results of Operations and Financial Condition

On April 28, 2005, Avid Technology, Inc. announced its financial results for the quarter ended March 31, 2005. 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.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

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

99.1 Press Release issued by the Registrant on April 28, 2005.

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: April 28, 2005

AVID TECHNOLOGY, INC.
(Registrant)

By: /s/ Paul Milbury

Paul Milbury
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit - - - - -	Description - - - - -
99.1	Press release issued by the Registrant dated April 28, 2005.

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

Avid Reports Best-Ever First Quarter Revenues and Net Income

Tewksbury, MA - April 28, 2005 - Avid Technology, Inc. (NASDAQ: AVID) today reported revenues of \$166.0 million for the three months ended March 31, 2005 - a 30% increase over the \$127.4 million generated in the corresponding quarter in 2004. GAAP operating income for the first quarter of 2005 was \$20.3 million, compared to \$14.8 million for the same quarter in 2004. GAAP net income for the quarter was \$19.7 million, or \$.53 per diluted share, compared to GAAP net income of \$14.7 million, or \$.44 per diluted share, for the corresponding quarter in 2004. Excluding acquisition-related amortization and related tax benefits, acquisition-related stock-based compensation, non-recurring tax benefits, and expenses in the first quarter of 2004 related to the settlement of a lawsuit, pro forma non-GAAP net income for the first quarter of 2005 was \$22.2 million, or \$.60 per diluted share, compared to pro forma non-GAAP net income of \$15.0 million, or \$.45 per diluted share, in the first quarter of 2004.

"We've started 2005 with strong results from both our video and audio businesses," said David Krall, Avid's president and chief executive officer. "Video revenues grew by 14%, on the strength of our broadcast and postproduction offerings - particularly the Avid DNA(TM) product family, which we recently upgraded to support a wide range of HD formats and resolutions. Our audio revenues were also up significantly, with a 74% increase over the first quarter of 2004 reflecting solid performance from Digidesign and from M-Audio following its addition to our audio business in the third quarter of 2004.

Krall added, "We just returned from the National Association of Broadcasters convention in Las Vegas, where we had a great week. We made major announcements across our postproduction, broadcast, shared storage, and audio businesses, including the highly anticipated Avid(R) Symphony(TM) Nitris(R) finishing system and the new Avid iNEWS(R) Instinct(TM) journalist editor, both of which were recognized with awards at the show. All told, Avid won eleven industry awards, making it our most-decorated show in recent years."

Use of Non-GAAP Financial Measures

The pro forma operating results listed above are "non-GAAP financial measures" under the rules of the Securities and Exchange Commission. We have included this information because we believe it is a meaningful measure of our normalized operating performance and will assist investors in understanding our results of

operations on a comparative basis. This pro forma information supplements, and is not intended to represent a measure of performance in accordance with, disclosures required by generally accepted accounting principles, or GAAP. We use this information internally to help our management more accurately assess the ongoing nature of our operations and measure our performance on a comparative basis.

Conference Call

A conference call to discuss Avid's first quarter 2005 financial results and the company's outlook for the balance of 2005 will be held today, April 28, at 5:00 p.m. EDT. The call will be open to the public. The conference call can be accessed by dialing (719) 457-2665 and referencing confirmation code 6477695. 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-K for the year ended December 31, 2004, and other filings with the SEC. 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) 2005 Avid Technology, Inc. All rights reserved. Avid, Avid DNA, Digidesign, Film Composer, Instinct, M-Audio, Nitris, Pro Tools and Symphony are either registered trademarks or trademarks of Avid Technology, Inc. in the United States and/or other countries. iNEWS is a registered trademark of iNews, LLC. Avid received an Oscar statuette representing the 1998 Scientific and Technical Award for the concept, design, and engineering of the Avid 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 for share data)

	GAAP		NON - GAAP	
	Three Months Ended March 31st,		Three Months Ended March 31st,	
	2005	2004	2005	2004
Revenue				
Product	\$147,378	\$113,584	\$147,378	\$113,584
Service	18,623	13,790	18,623	13,790
Total Revenue	166,001	127,374	166,001	127,374
Cost of Revenue				
Product	60,897	46,514	60,897	46,514
Service	10,070	7,589	10,070	7,589
Amortization of intangible assets	281			
Total Cost of Revenue	71,248	54,103	70,967	54,103
Gross Profit	94,753	73,271	95,034	73,271
Operating Expenses				
Research and development	24,624	22,292	24,624	22,292
Marketing and selling	39,455	29,854	39,455	29,854
General and administrative	7,973	5,886	7,973	5,886
Stock-based compensation (Note A)	771			
Amortization of intangible assets	1,592	439		
Total Operating Expense	74,415	58,471	72,052	58,032
Operating income	20,338	14,800	22,982	15,239
Interest and other (expense) income, net	837	490	837	490
Legal Settlement		(1,050)		
Income before income taxes	21,175	14,240	23,819	15,729
Provision for income taxes	1,602	700	1,602	700
Non-recurring tax benefits	(173)	(1,200)		
Net Income	\$19,746	\$14,740	\$22,217	\$15,029
Net income per common share - basic	\$0.56	\$0.47	\$0.64	\$0.48
Net income per common share - diluted	\$0.53	\$0.44	\$0.60	\$0.45
Weighted average common shares outstanding - basic	34,987	31,202	34,987	31,202
Weighted average common shares outstanding - diluted	37,263	33,740	37,263	33,740

Note

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A. Stock based compensation, related to stock options issued as part of the acquisition of M-Audio is comprised of \$55 of Research and development expense, \$192 of Marketing and selling expense, and \$524 of General and administrative expense, based on the departmental classification of the option holders.

Reconciliation of Non-GAAP net income to GAAP net income: Three months ended March 31,

	2005	2004
Non-GAAP net income	\$22,217	\$15,029
Stock-based compensation	(771)	-
Amortization of intangible assets	(1,873)	(439)
Non-recurring tax benefit	-	1,200

Tax benefit related to amortization	173	-
Legal settlement	-	(1,050)
	-----	-----
GAAP net income	\$19,746	\$14,740
	=====	=====

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

	March 31, 2005	December 31, 2004
	-----	-----
ASSETS:		
Current assets:		
Cash and marketable securities	\$ 176,191	\$ 155,419
Accounts receivable, net of allowances of \$8,860 and \$9,334 at March 31, 2005 and December 31, 2004, respectively	97,182	97,536
Inventories	55,150	53,946
Prepaid and other current assets	16,439	19,407
	-----	-----
Total current assets	344,962	326,308
Property and equipment, net	29,523	29,092
Goodwill	166,473	165,803
Other intangible assets	45,010	46,884
Other assets	8,450	8,147
	-----	-----
Total assets	\$ 594,418	\$ 576,234
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 25,877	\$ 26,517
Accrued expenses and other current liabilities	61,572	74,727
Deferred revenue and deposits	55,742	48,680
	-----	-----
Total current liabilities	143,191	149,924
Long term liabilities, less current portion	1,569	1,689
	-----	-----
Total liabilities	144,760	151,613
Stockholders' equity:		
Common stock	351	348
Additional paid-in capital	552,494	546,849
Accumulated deficit	(103,030)	(122,775)
Deferred compensation	(3,547)	(4,392)
Accumulated other comprehensive income	3,390	4,591
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Total stockholders' equity	449,658	424,621
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Total liabilities and stockholders' equity	\$ 594,418	\$ 576,234
	=====	=====