



Avid Announces Preliminary First-Quarter Results; Earnings Release and Conference Call Scheduled for April 28, 2005

TEWKSBURY, Mass.--(BUSINESS WIRE)--April 15, 2005--Avid Technology, Inc. (NASDAQ: AVID) today announced that its results for the first quarter ended March 31, 2005, are expected to be in line with the expectations the company provided during its fourth-quarter earnings conference call on February 3, 2005. Revenue for the first quarter is expected to be approximately \$165 million, and GAAP earnings per share are expected to be approximately \$0.51 per diluted share. Excluding acquisition-related stock-based compensation expense representing \$0.02 per diluted share and amortization expense and related tax benefits representing \$0.05 per diluted share, pro forma earnings per share for the first quarter are expected to be approximately \$0.58 per diluted share.

Paul Milbury, Avid's chief financial officer, commented, "We are taking this unusual step of pre-announcing an estimate of our first quarter results in light of Pinnacle Systems, Inc.'s announcement on Wednesday of a lower-than-expected sales outlook for its quarter ended March 31, 2005."

Avid previously announced its agreement to acquire Pinnacle Systems on March 21, 2005. The transaction is expected to close in the second or third quarter of 2005, subject to shareholder and regulatory approvals.

Avid will hold a conference call to review its first quarter results on Thursday, April 28, 2005, at 5:00 p.m. EDT, following the dissemination of its press release on those results.

The dial-in number is: 719.457.2665

The replay number is: 719.457.0820 (available 4/28 - 5/5)

The confirmation code and replay passcode are: 6477695

The call will also be available via live audio Webcast and subsequent replay on the company's Web site. To listen via this alternative, go to the Investors page under the Company menu at www.avid.com.

Use of Non-GAAP Financial Measures

The expected pro forma earnings per share listed above are "non-GAAP financial measures" under the rules of the Securities and Exchange Commission ("SEC"). 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.

The above release includes forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995, including statements about Avid's financial outlook for the quarter ended March 31, 2005. There are a number of factors that could cause actual events or results of operations to differ materially from those indicated by such forward-looking statements, such as final GAAP closing entries for the quarter ended March 31, 2005, the possibility that the acquisition will not close or that the closing will be delayed due to antitrust regulatory review or other factors, 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, any forward-looking statements contained herein represent Avid's estimates only as of today and should not be relied upon as representing the company's estimates as of any subsequent date. While Avid may elect to update forward-looking statements at some point in the future, Avid specifically disclaims any obligation to do so, even if the estimates change.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Avid plans to file with the SEC a Registration Statement on Form S-4 in connection with the transaction and Avid and Pinnacle plan to file with the SEC and mail to their respective stockholders a Joint Proxy Statement/Prospectus in connection with the transaction. The Registration Statement and the Joint Proxy Statement/Prospectus will contain important information about Avid, Pinnacle, the transaction and related matters. Investors and security holders are urged to read the Registration Statement and the Joint Proxy Statement/Prospectus carefully when they are available.

Investors and security holders will be able to obtain free copies of the Registration Statement and the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC by Avid and Pinnacle through the web site maintained by the SEC at www.sec.gov.

In addition, investors and security holders will be able to obtain free copies of the Registration Statement and the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC from Avid by contacting Dean Ridlon, Investor Relations Director for Avid at telephone number 978.640.5309, or from Pinnacle by contacting Deborah B. Demer of Demer IR Counsel, Inc. at telephone number 925.938.2678, extension 224.

Avid and Pinnacle, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the transactions contemplated by the merger agreement. Information regarding Avid's directors and executive officers is contained in Avid's Form 10-K for the year ended December 31, 2004 and its proxy statement dated April 16, 2004, which are filed with the SEC and available free of charge as indicated above. Information regarding Pinnacle's directors and executive officers is contained in Pinnacle's Form 10-K for the year ended June 30, 2004 and its proxy statement dated September 30, 2004, which are filed with the SEC and available free of charge as indicated above. The interests of Avid's and Pinnacle's respective directors and executive officers in the solicitations with respect to the transactions in particular will be more specifically set forth in the Registration Statement and the Joint Proxy Statement/Prospectus filed with the SEC, which will be available free of charge as indicated above.

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®, Grammy®, and Emmy® award-winning products and services, please visit: www.avid.com.

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