

AVID TECHNOLOGY INC
Form S-4
April 29, 2005

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As filed with the Securities and Exchange Commission on April 29, 2005

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AVID TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction
of incorporation or organization)*

3861
*(Primary Standard Industrial
Classification Code Number)*

04-2977748
*(I.R.S. Employer
Identification No.)*

**Avid Technology Park
One Park West
Tewksbury, Massachusetts 01876
(978) 640-6789**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**David A. Krall
President and Chief Executive Officer
Avid Technology, Inc.
Avid Technology Park
One Park West
Tewksbury, Massachusetts 01876
(978) 640-6789**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement and the effective time of the merger of Highest Mountain Corporation, a California corporation and a wholly owned subsidiary of Avid Technology, Inc., a Delaware corporation, with and into Pinnacle Systems, Inc., a California corporation, as described in the Agreement and Plan of Merger, dated as of March 20, 2005, attached as Annex A to the joint proxy statement/prospectus forming part of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

CALCULATION OF REGISTRATION FEE

<i>Title of Each Class of Securities to be Registered</i>	<i>Amount to be Registered(1)</i>	<i>Proposed Maximum Offering Price Per Share</i>	<i>Proposed Maximum Aggregate Offering Price(2)</i>	<i>Amount of Registration Fee</i>
Common Stock, \$.01 par value per share (including the associated preferred stock purchase rights)	6,750,000	\$44.76	\$302,157,652	\$35,563.96

(1) Based upon the estimated maximum number of shares of Avid common stock issuable in the merger described herein in respect of outstanding shares of Pinnacle common stock and options to purchase Pinnacle common stock.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rules 457(c) and 457(f) under the Securities Act of 1933, as amended, and based upon the average of the high and low prices of Pinnacle common stock as reported on the Nasdaq National Market on April 26, 2005, and computed based on the maximum number of shares of Pinnacle common stock that may be exchanged for Avid common stock being registered, including shares issuable upon exercise of outstanding options to purchase Pinnacle common stock.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Avid may not issue the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

Subject to Completion, Dated April 29, 2005

Joint Proxy Statement/Prospectus

Dear Avid Stockholders and Pinnacle Shareholders:

On behalf of the boards of directors of Avid Technology, Inc. and Pinnacle Systems, Inc., we are pleased to deliver our joint proxy statement/prospectus for the proposed merger of Avid and Pinnacle. Avid and Pinnacle believe the combined company will be a leader in the broadcast video and consumer video marketplaces that will be able to offer a full range of best-of-breed digital media solutions for professionals and consumers. We believe this merger will create a strong combined company that will deliver important benefits to its stockholders.

If the merger is completed, Pinnacle shareholders will receive for each share of Pinnacle common stock 0.0869 of a share of Avid common stock plus \$1.00 in cash. Based on the number of outstanding shares of Pinnacle common stock and options to purchase shares of Pinnacle common stock outstanding on March 18, 2005, Avid expects to issue approximately 6.2 million shares of Avid common stock in the merger. Avid stockholders will continue to own their existing shares of Avid common stock. Upon completion of the merger, Avid stockholders will own approximately 85% of the combined company, and Pinnacle's former shareholders and option holders will own approximately 15% of the combined company. The shares of the combined company will be traded on the Nasdaq National Market under the symbol "AVID".

Avid is asking its stockholders to approve an amendment to Avid's certificate of incorporation to increase the number of authorized shares of Avid common stock from 50,000,000 to 100,000,000, which will provide shares for Avid's future corporate needs and enable the issuance of shares of Avid common stock in the merger. Pinnacle is asking its shareholders to approve the terms of the merger. The accompanying joint proxy statement/prospectus provides important information regarding Avid, Pinnacle and the merger. **In particular, you should carefully consider the discussion in the section entitled "Risk Factors" beginning on page [] of the accompanying joint proxy statement/prospectus.**

Avid's board of directors unanimously recommends that Avid stockholders vote FOR the amendment to Avid's certificate of incorporation to increase the number of authorized shares of Avid common stock from 50,000,000 to 100,000,000.

Pinnacle's board of directors unanimously recommends that Pinnacle shareholders vote FOR the approval of the terms of the merger.

We cannot complete the merger unless Avid stockholders approve the amendment to Avid's certificate of incorporation and Pinnacle shareholders approve the terms of the merger. **Your vote is important.**

Avid stockholders are cordially invited to attend Avid's annual meeting of stockholders that will be held on [], [], 2005, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, at [:] a.m., local time. Pinnacle shareholders are cordially invited to attend Pinnacle's special meeting of shareholders that will be held on [], [], 2005, at [], [], California, at [:] a.m., local time.

At Avid's annual meeting, Avid stockholders will also be asked to elect two Class III Directors, approve Avid's 2005 Stock Incentive Plan and ratify the selection of PricewaterhouseCoopers LLP as Avid's independent registered public accounting firm for the current fiscal year.

David A. Krall
President and Chief Executive Officer
Avid Technology, Inc.

Patti S. Hart
President and Chief Executive Officer
Pinnacle Systems, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger or the securities of Avid to be issued in the merger, or determined if this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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This joint proxy statement/prospectus is dated [], 2005 and is expected to be first mailed to Avid stockholders and Pinnacle shareholders on or about [], 2005.

NOTICE OF 2005 ANNUAL MEETING OF STOCKHOLDERS

The 2005 Annual Meeting of Stockholders of Avid Technology, Inc. will be held on [], [], 2005, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, at [:] a.m., local time, to consider and act upon the following matters:

1. To approve an amendment to Avid's certificate of incorporation to increase the number of authorized shares of Avid common stock from 50,000,000 to 100,000,000, which will provide shares for Avid's future corporate needs and enable the issuance of shares of Avid common stock in the proposed merger of a wholly-owned subsidiary of Avid with and into Pinnacle Systems, Inc. pursuant to which Pinnacle will become a wholly-owned subsidiary of Avid and each outstanding share of Pinnacle common stock will be converted into the right to receive 0.0869 of a share of Avid common stock plus \$1.00 in cash.
2. To elect two Class III Directors to serve on Avid's board of directors for the ensuing three years.
3. To approve Avid's 2005 Stock Incentive Plan.
4. To ratify the selection of PricewaterhouseCoopers LLP as Avid's independent registered public accounting firm for the current fiscal year.
5. To approve adjournments or postponements of Avid's annual meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the amendment to Avid's certificate of incorporation.
6. To transact such other business as may properly come before Avid's annual meeting or any adjournment or postponement thereof.

Avid stockholders of record at the close of business on [], 2005 are entitled to notice of and to vote at Avid's annual meeting or any adjournment or postponement thereof. At the close of business on the record date, Avid had outstanding and entitled to vote [] shares of common stock. A copy of Avid's Annual Report to Stockholders for 2004, which contains information of interest to Avid stockholders, is being sent to Avid stockholders with this notice and the joint proxy statement/prospectus. All Avid stockholders are cordially invited to attend Avid's annual meeting.

By Order of the Board of Directors,

Ethan E. Jacks
Secretary

Tewksbury, Massachusetts
[], 2005

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU EXPECT TO ATTEND AVID'S ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO ENSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY IS MAILED IN THE UNITED STATES.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

A Special Meeting of Shareholders of Pinnacle Systems, Inc. will be held on [], [], 2005, at [], California, at [:] a.m., local time, to consider and act upon the following matters:

1. To approve the terms of the merger set forth in the Agreement and Plan of Merger, dated as of March 20, 2005, by and among Pinnacle, Avid Technology, Inc. and a wholly-owned subsidiary of Avid, included as Annex A to the joint proxy statement/prospectus accompanying this notice, and in the agreement of merger to be filed with the Secretary of State of the State of California on the effective date of the merger, included as Annex B to the joint proxy statement/prospectus accompanying this notice, pursuant to which Pinnacle will become a wholly-owned subsidiary of Avid and each outstanding share of Pinnacle common stock will be converted into the right to receive 0.0869 of a share of Avid common stock plus \$1.00 in cash.
2. To approve adjournments or postponements of Pinnacle's special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the terms of the merger.
3. To transact such other business as may properly come before Pinnacle's special meeting or any adjournment or postponement thereof.

Pinnacle shareholders of record at the close of business on [], 2005 are entitled to notice of and to vote at Pinnacle's special meeting or any adjournment or postponement thereof. At the close of business on the record date, Pinnacle had outstanding and entitled to vote [] shares of common stock. Holders of Pinnacle common stock are entitled to dissenters' rights under the California General Corporation Law in connection with the merger if specific conditions are met. All Pinnacle shareholders are cordially invited to attend Pinnacle's special meeting.

By Order of the Board of Directors,

Scott E. Martin
*Senior Vice President of Human Resources
and Legal and Corporate Secretary*

Mountain View, California
[], 2005

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU EXPECT TO ATTEND PINNACLE'S SPECIAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND MAIL IT PROMPTLY IN THE ENCLOSED ENVELOPE IN ORDER TO ENSURE REPRESENTATION OF YOUR SHARES. NO POSTAGE NEED BE AFFIXED IF THE PROXY IS MAILED IN THE UNITED STATES.

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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:

the possibility that the proposed merger will not close or that the closing will be delayed due to antitrust regulatory review or other factors;

the challenges and costs of assimilating the operations and personnel of Pinnacle into Avid;

the ability of Avid and Pinnacle to attract and retain highly qualified employees;

competitive factors, including pricing pressures;

reaction of customers of Pinnacle and Avid and related risks of maintaining pre-existing relationships of Pinnacle;

fluctuating currency exchange rates;

adverse changes in general economic or market conditions, particularly in the content-creation industry; and

other one-time events and other important factors.

For a discussion of some of these important factors, you should read carefully the section of this joint proxy statement/prospectus entitled "Risk Factors." Avid and Pinnacle disclaim any obligation to update any forward-looking statements after the date of this joint proxy statement/prospectus.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What will Pinnacle shareholders receive in the merger?

A: If the merger is completed, Pinnacle shareholders will receive for each share of Pinnacle common stock that they own 0.0869 of a share of Avid common stock plus \$1.00 in cash. Pinnacle shareholders will receive a cash payment, without interest, in lieu of any fractional share of Avid common stock that they would otherwise be entitled to receive.

Q: How will the merger affect outstanding options to purchase Pinnacle common stock?

A: Immediately prior to the effective time of the merger, each unvested outstanding option to purchase Pinnacle common stock will be accelerated in full, and each option holder will have the right to exercise his or her option in exchange for Pinnacle common stock. Shares of Pinnacle common stock issued in connection with any such exercise will be converted into the right to receive the merger consideration described above. Each option to purchase Pinnacle common stock that is "in-the-money" but not exercised at the effective time of the merger will be automatically converted into the right to receive merger consideration equal in value to the number of shares of Pinnacle common stock subject to such option multiplied by the difference between the value a holder of Pinnacle common stock would receive in exchange for one share of Pinnacle common stock and the exercise price of such option. Options to purchase Pinnacle common stock that are "out-of-the-money" and not exercised prior to the effective time of the merger will be canceled upon the effective time with no right to receive any merger consideration. For a more complete description of the treatment of options, see the section entitled "The Merger Agreement Treatment of Pinnacle Stock Options and ESPP" beginning on page [].

Q: When do you expect to complete the merger of Avid and Pinnacle?

A: We expect to complete the merger during the third calendar quarter of 2005, but neither Avid nor Pinnacle can predict the exact timing.

Q: Do the boards of directors of Avid and Pinnacle recommend approval of the proposals required to complete the merger?

A: Yes. For a more complete description of the recommendation of Avid's board of directors, see the sections entitled "The Merger Consideration of the Merger by Avid Avid's Reasons for the Merger and Board Approval" beginning on page [] and "Proposals for Avid's 2005 Annual Meeting Proposal 1: Amendment to Avid's Certificate of Incorporation Board Recommendation" beginning on page []. For a more complete description of the recommendation of Pinnacle's board of directors, see the sections entitled "The Merger Consideration of the Merger by Pinnacle Pinnacle's Reasons for the Merger and Board Recommendation" beginning on page [] and "Proposals for Pinnacle's Special Meeting Proposal 1: Approval of the Terms of the Merger Board Recommendation" beginning on page [].

Q: What vote of Avid stockholders is required in order for Avid to complete the merger?

A: In order to complete the merger, Avid must increase the number of shares of common stock authorized under its certificate of incorporation. Avid's board of directors voted unanimously to recommend to Avid stockholders that Avid's certificate of incorporation be amended to increase the number of shares of common stock authorized for issuance from 50,000,000 to 100,000,000. The purpose of this increase is to provide shares for future corporate needs, such as capital-raising transactions, stock dividends, stock splits, issuances under current or future stock plans and acquisitions, including the proposed merger with Pinnacle. In addition, Avid's board of directors voted unanimously to approve the merger. The affirmative vote of the holders of a majority of the

outstanding shares of Avid common stock is required to approve the amendment to Avid's certificate of incorporation. Certain executive officers and directors of Avid have agreed to vote the shares of Avid common stock owned by them in favor of the amendment to Avid's certificate of incorporation. As of [], 2005, the record date for Avid's annual meeting, these officers and directors beneficially owned approximately [] outstanding shares of Avid common stock, representing less than []% of the outstanding shares of Avid common stock.

Q: What vote of Pinnacle shareholders is required in order for Pinnacle to complete the merger?

A: The affirmative vote of the holders of a majority of the outstanding shares of Pinnacle common stock is required to approve the terms of the merger. Certain executive officers and directors of Pinnacle have agreed to vote the shares of Pinnacle common stock owned by them in favor of the approval of the terms of the merger. As of [], 2005, the record date for Pinnacle's special meeting, these officers and directors beneficially owned approximately [] outstanding shares of Pinnacle common stock, representing less than []% of the outstanding shares of Pinnacle common stock.

Q: What other proposals will be considered at Avid's annual meeting and Pinnacle's special meeting?

A: Avid stockholders will consider and act upon the election of two Class III Directors, the approval of Avid's 2005 Stock Incentive Plan, the ratification of PricewaterhouseCoopers LLP as Avid's independent registered public accounting firm for the current fiscal year and the approval of adjournments or postponements of Avid's annual meeting if there are not sufficient votes to approve the amendment to Avid's certificate of incorporation. For a more complete description of these proposals, see the section entitled "Proposals for Avid's 2005 Annual Meeting" beginning on page [].

Pinnacle shareholders will consider and act upon the approval of adjournments or postponements of Pinnacle's special meeting if there are not sufficient votes to approve the terms of the merger. For a more complete description of this proposal, see the section entitled "Proposals for Pinnacle's Special Meeting" beginning on page [].

Q: What do I need to do now?

A: Avid and Pinnacle urge you to carefully read this joint proxy statement/prospectus, including its annexes, and to consider how the merger will affect you. You also may want to review the documents referenced under the section entitled "Where You Can Find Additional Information" beginning on page []. You should then vote as soon as possible in accordance with the instructions provided in this joint proxy statement/prospectus and on the enclosed proxy card for your meeting.

Q: How do I vote?

A: If you are an Avid stockholder, you should indicate how you want to vote on your proxy card. You may also attend Avid's annual meeting and vote in person instead of submitting a proxy. **If you are an Avid stockholder and fail either to return your proxy card or to vote in person at Avid's annual meeting, or if you mark your proxy "abstain," it will have the same effect as a vote against the approval of the amendment to Avid's certificate of incorporation.** If you sign and mail in your proxy but fail to indicate your vote on your proxy, your proxy will be counted as a vote for the amendment to Avid's certificate of incorporation, unless your shares are held in street name. If your shares are held in street name, you will receive instructions from the holder of record that you must follow for your shares to be voted.

If you are a Pinnacle shareholder, you should indicate how you want to vote on your proxy card. You may also attend Pinnacle's special meeting and vote in person instead of submitting a proxy. **If you are a Pinnacle shareholder and fail either to return your proxy card or to vote in person at**

Pinnacle's special meeting, or if you mark your proxy "abstain," it will have the same effect as a vote against the approval of the terms of the merger for all purposes other than perfection of dissenters' rights. If you sign and mail in your proxy but fail to indicate your vote on your proxy, your proxy will be counted as a vote for the merger, unless your shares are held in street name. If your shares are held in street name, you will receive instructions from the holder of record that you must follow for your shares to be voted.

Q:

If my shares are held in a brokerage account, will my broker vote my shares for me?

A:

No, your broker cannot vote your shares on the proposal for Avid stockholders to approve the amendment to Avid's certificate of incorporation or the proposal for Pinnacle shareholders to approve the terms of the merger without instructions from you on how to vote. Therefore, it is important that you follow the directions provided by your broker regarding how to instruct your broker to vote your shares. **If you are an Avid stockholder and fail to follow the instructions provided by your broker, it will have the same effect as a vote against the amendment to Avid's certificate of incorporation. If you are a Pinnacle shareholder and fail to follow the instructions provided by your broker, it will have the same effect as a vote against the approval of the terms of the merger for all purposes other than perfection of dissenters' rights.**

Q:

May I change my vote after I have mailed in my signed proxy card?

A:

Yes, if you are an Avid stockholder, you may change your vote at any time before the vote takes place at Avid's annual meeting. To change your vote, you may either submit a later-dated proxy card or send a written notice to Ethan E. Jacks at Avid Technology, Inc., Avid Technology Park, One Park West, Tewksbury, Massachusetts 01876, stating that you would like to revoke your proxy. In addition, you may attend Avid's annual meeting and vote in person. However, if you elect to vote in person at Avid's annual meeting and your shares are held by a broker, bank or other nominee, you must bring to Avid's annual meeting a proxy from the broker, bank or other nominee authorizing you to vote the shares.

If you are a Pinnacle shareholder, you may change your vote at any time before the vote takes place at Pinnacle's special meeting. To change your vote, you may either submit a later-dated proxy card or send a written notice to Scott E. Martin at Pinnacle Systems, Inc., 280 North Bernardo Avenue, Mountain View, California 94043, stating that you would like to revoke your proxy. In addition, you may attend Pinnacle's special meeting and vote in person. However, if you elect to vote in person at Pinnacle's special meeting and your shares are held by a broker, bank or other nominee, you must bring to Pinnacle's special meeting a proxy from the broker, bank or other nominee authorizing you to vote the shares.

Q:

Should Pinnacle shareholders send in the certificates representing their shares of Pinnacle common stock?

A:

No, not at this time. After Avid and Pinnacle complete the merger, Avid's transfer agent will send instructions to Pinnacle shareholders regarding the exchange of shares of Pinnacle common stock for Avid common stock and cash. Avid stockholders should not submit their stock certificates at any time because their shares will not be converted in the merger.

Q:

What are the U.S. federal income tax consequences of the merger to Pinnacle shareholders?

A:

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. If the merger so qualifies, a Pinnacle shareholder will recognize gain, but not loss, for U.S. federal income tax purposes equal to the lesser of (a) the excess of the sum of the cash and the fair market value, as of the effective time of the merger, of the shares of Avid common stock the Pinnacle shareholder receives over the Pinnacle shareholder's adjusted tax basis in the shares of Pinnacle common stock surrendered in exchange therefor and (b) the amount of

cash the Pinnacle shareholder receives (excluding cash the Pinnacle shareholder receives in lieu of a fractional share of Avid common stock). In addition, a Pinnacle shareholder should recognize gain or loss for United States federal income tax purposes equal to the difference between the cash the Pinnacle shareholder receives in lieu of a fractional share of Avid common stock and the tax basis allocable to the fractional share. Pinnacle shareholders are urged to read the information regarding the material United States federal income tax consequences contained in the sections entitled "Summary The Merger and Merger Agreement Material United States Federal Income Tax Considerations" beginning on page [] and "The Merger Material United States Federal Income Tax Consequences of the Merger" beginning on page []. In certain circumstances, including if the fair market value of Avid common stock at the effective time is below approximately \$47 per share, the merger may not qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, in which event each Pinnacle shareholder will recognize gain or loss equal to the difference between (a) the sum of the cash and the fair market value, as of the effective time of the merger, of the shares of Avid common stock received by the Pinnacle shareholder in the merger and (b) the Pinnacle shareholder's tax basis in the shares of Pinnacle common stock exchanged therefor. On April 28, 2005, the last reported sale price for Avid common stock on the Nasdaq National Market was \$48.25 per share. The tax consequences to a Pinnacle shareholder of the merger will depend on the shareholder's particular circumstances. Each Pinnacle shareholder should consult his, her or its tax advisor for a full understanding of the tax consequences of the merger to the shareholder.

Q: What are the U.S. federal income tax consequences of the merger to holders of options to purchase Pinnacle common stock?

A: Each holder of an option to purchase shares of Pinnacle common stock will have compensation income equal to the sum of the cash and the fair market value, as of the effective time of the merger, of the shares of Avid common stock payable to the option holder in exchange for his or her option. Avid may withhold any taxes required by law to be withheld from any amounts payable to a holder of an option to purchase shares of Pinnacle common stock pursuant to the merger.

Q: Are Avid stockholders or Pinnacle shareholders entitled to dissenters' or appraisal rights in connection with the merger?

A: If you are an Avid stockholder, you have no dissenters' or appraisal rights in connection with the merger. If you are a Pinnacle shareholder, you are entitled to dissenters' rights under the California General Corporation Law in connection with the merger if the specific conditions set forth in the section entitled "The Merger Dissenters' Rights and Appraisal Rights," which begins on page [], are met.

Q: Whom may I contact with any additional questions?

A: Avid stockholders may call Dean Ridlon, Investor Relations Director, Avid Technology, Inc. at (978) 640-5309 or write to him at Avid Technology Park, One Park West, Tewksbury, Massachusetts 01876-1234.

Pinnacle shareholders may call Demer IR Counsel, Inc. at (925) 938-2678 extension 224 or write to Demer IR Counsel, Inc., 1981 North Broadway, Suite 265, Walnut Creek, California 94596-3827.

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire document and the documents to which we have referred you. See the section entitled "Where You Can Find Additional Information" beginning on page [].

The Companies

Avid Technology, Inc.
Avid Technology Park
One Park West
Tewksbury, Massachusetts 01876
(978) 640-6789

Avid develops, markets, sells and supports a wide range of software and hardware for digital media production, management and distribution. Digital media are video, audio or graphic elements in which the image, sound or picture is recorded and stored in digital values, as opposed to analog, or tape-based, signals. Avid's diverse range of product and service offerings enables customers to "Make, Manage and Move Media."

Pinnacle Systems, Inc.
280 North Bernardo Avenue
Mountain View, California 94043
(650) 526-1600

Pinnacle is a supplier of digital video products to a variety of customers, ranging from individuals with little or no video experience to broadcasters with specific and sophisticated requirements. Pinnacle's digital video products allow Pinnacle's customers to capture, edit, store, view and play video, and to burn that programming onto a compact disc or digital versatile disc. For broadcasters, Pinnacle offers products that provide solutions for live-to-air, play-out, editing and news broadcasts. For consumers, Pinnacle offers low-cost, easy-to-use home video editing and viewing solutions that allow consumers to edit their home videos using a personal computer and view television programming on their computers. In addition, Pinnacle provides products that allow consumers to view on their television sets video and other media content stored on their computers.

The Merger and Merger Agreement

Stockholder Approval Required by Avid (Page [])

In order to complete the merger, Avid must increase the number of shares of common stock authorized under its certificate of incorporation. On February 16, 2005, Avid's board of directors voted unanimously to recommend to Avid stockholders that Avid's certificate of incorporation be amended to increase the number of shares of common stock authorized for issuance from 50,000,000 to 100,000,000. The purpose of this increase is to provide shares for future corporate needs, such as capital-raising transactions, stock dividends, stock splits, issuances under current or future stock plans, including the proposed stock incentive plan, and acquisitions, including the proposed merger with Pinnacle. The affirmative vote of the holders of a majority of the outstanding shares of Avid common stock is required to approve the amendment to Avid's certificate of incorporation. Certain executive officers and directors of Avid have agreed to vote the shares of Avid common stock owned by them in favor of the amendment to Avid's certificate of incorporation. As of [], 2005, the record date for Avid's annual meeting, these officers and directors beneficially owned approximately []

outstanding shares of Avid common stock, representing less than []% of the outstanding shares of Avid common stock.

Shareholder Approval Required by Pinnacle (Page [])

The affirmative vote of the holders of a majority of the outstanding shares of Pinnacle common stock is required to approve the terms of the merger. Certain executive officers and directors of Pinnacle have agreed to vote the shares of Pinnacle common stock owned by them in favor of the approval of the terms of the merger. As of [], 2005, the record date for Pinnacle's special meeting, these officers and directors beneficially owned approximately [] outstanding shares of Pinnacle common stock, representing less than []% of the outstanding shares of Pinnacle common stock.

Avid's Board Recommendation to Stockholders (Page [])

Avid's board of directors has voted unanimously to approve the merger and to recommend to Avid stockholders that Avid's certificate of incorporation be amended to increase the number of shares of common stock authorized for issuance from 50,000,000 to 100,000,000, which will provide shares for Avid's future corporate needs and will enable the issuance of shares of Avid common stock in the merger. Avid's board of directors has determined that the merger is fair to, and in the best interests of, Avid. Avid's board of directors unanimously recommends that Avid stockholders vote FOR the amendment to Avid's certificate of incorporation.

Avid's board of directors considered a number of factors in determining to approve the merger agreement and the issuance of Avid common stock in the merger and to recommend the amendment to Avid's certificate of incorporation. These considerations are described below under the sections entitled "The Merger Consideration of the Merger by Avid Avid's Reasons for the Merger and Board Approval" beginning on page [] and "Proposals for Avid's 2005 Annual Meeting Proposal 1: Amendment to Avid's Certificate of Incorporation Board Recommendation" beginning on page [].

Pinnacle's Board Recommendation to Shareholders (Page [])

Pinnacle's board of directors has unanimously approved the merger agreement and the merger. Pinnacle's board of directors has determined that the merger and the transactions contemplated by the merger agreement are advisable and fair to, and in the best interests of, Pinnacle shareholders. Pinnacle's board of directors unanimously recommends that Pinnacle shareholders vote FOR the approval of the terms of the merger.

Pinnacle's board of directors considered a number of factors in determining to approve the merger agreement and the merger. These considerations are described below under the section entitled "The Merger Consideration of the Merger by Pinnacle Pinnacle's Reasons For The Merger and Board Recommendation" beginning on page [].

Structure of the Merger (Page [])

If all of the conditions to the merger are satisfied or waived, a wholly-owned subsidiary of Avid will merge with and into Pinnacle. After the merger, Pinnacle will become a wholly-owned subsidiary of Avid, and Pinnacle shareholders will become Avid stockholders.

What Holders of Pinnacle Common Stock Will Receive (Page [])

If the merger is consummated, each outstanding share of Pinnacle common stock will be converted into the right to receive 0.0869 of a share of Avid common stock plus \$1.00 in cash. Based on the closing price of Avid common stock and the number of shares of Pinnacle common stock outstanding on March 18, 2005 and assuming that no options to purchase shares of Pinnacle common stock are exercised prior to the effective time of the merger:

Avid would issue a total of approximately 6.2 million shares of Avid common stock as a result of the merger, including shares of Avid common stock that would be issued to former Pinnacle option holders; and

Avid would pay a total of approximately \$71.3 million in cash as a result of the merger, including cash that would be paid to former Pinnacle option holders.

The 0.0869 of a share of Avid common stock plus \$1.00 in cash that Pinnacle shareholders will receive for each share of Pinnacle common stock are fixed numbers. Regardless of fluctuations in the market prices of Avid or Pinnacle common stock, this number will not change between now and the effective date of the merger, but the value of the shares of Avid common stock to be received by Pinnacle shareholders will fluctuate with the market price of Avid common stock.

Avid will not issue fractional shares of Avid common stock in connection with the merger. Instead, Avid will pay cash, without interest, for any fractional shares.

Treatment of Pinnacle Stock Options (Page [])

Immediately prior to the effective time of the merger, each unvested outstanding option to purchase Pinnacle common stock will be accelerated in full, and each option holder will have the right to exercise his or her option in exchange for Pinnacle common stock. Shares of Pinnacle common stock issued in connection with any such exercise will be converted into the right to receive the merger consideration described above. Each option to purchase shares of Pinnacle common stock not exercised at or prior to the effective time with an exercise price per share that is less than the value a holder of Pinnacle common stock would receive in exchange for one share of Pinnacle common stock in the merger will be cancelled and converted into the right to receive cash plus shares of Avid common stock. The value of the cash plus shares of Avid common stock received by the holder of an option to purchase shares of Pinnacle common stock will equal the number of shares of Pinnacle common stock subject to such option multiplied by the difference between the value a holder of Pinnacle common stock would receive in exchange for one share of Pinnacle common stock in the merger and the exercise price of such option. Each option to purchase shares of Pinnacle common stock not exercised at or prior to the effective time with an exercise price per share that is equal to or greater than the value a holder of Pinnacle common stock would receive in exchange for one share of Pinnacle common stock will be cancelled without payment of any consideration. For the purposes of calculating the shares of Avid common stock and cash to be received by holders of options to purchase shares of Pinnacle common stock, the value of a share of Avid common stock will be based on the last reported sales price of Avid common stock on the Nasdaq National Market on the effective date.

Conditions to the Merger (Page [])

The completion of the merger depends on the satisfaction of a number of conditions, including:

Avid stockholders must have approved the amendment to Avid's certificate of incorporation increasing the number of authorized shares of Avid common stock;

Pinnacle shareholders must have approved the terms of the merger;

the waiting period applicable to the consummation of the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the Hart-Scott-Rodino Act, shall have expired or been terminated, and all other necessary approvals under applicable antitrust laws shall have been obtained, except with respect to jurisdictions in which neither Avid nor Pinnacle derives significant sales;

the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part must have become effective and not be the subject of a stop order, and no proceedings seeking a stop order shall have been threatened or initiated; and

other conditions specified in the merger agreement shall have been satisfied.

The party entitled to assert any condition to the merger may waive the condition.

No Solicitation by Pinnacle (Page [])

Pinnacle has agreed that until the effective time of the merger or the termination of the merger agreement, whichever occurs first, it will not, and will not authorize or permit any of its directors, officers, employees, affiliates or their representatives to, directly or indirectly:

solicit, initiate, knowingly or intentionally encourage, or take any other action to facilitate any inquiries, proposals or offers that constitute, or could reasonably be expected to lead to, any acquisition proposal, as defined in the merger agreement;

engage in any discussions or negotiations regarding, furnish to any person any information with respect to, or assist or participate in any effort or attempt by any person with respect to any acquisition proposal;

subject to applicable law and the satisfaction of certain conditions, withdraw or modify, or propose to withdraw or modify, the approval of the merger by Pinnacle's board of directors or the recommendation by Pinnacle's board of directors that Pinnacle shareholders approve the terms of the merger;

cause or permit Pinnacle to enter into any agreement, letter of intent, merger agreement or similar agreement constituting or relating to any acquisition proposal, except as specifically provided in the merger agreement; or

adopt, approve or recommend, or propose to adopt, approve or recommend, any acquisition proposal.

Notwithstanding the foregoing, Pinnacle and its board of directors may furnish non-public information to, and enter into discussions or negotiations with, a person or entity in connection with an acquisition proposal that is reasonably likely to lead to a superior proposal, as defined in the merger agreement, if Pinnacle's board of directors determines in good faith, after consultation with its outside counsel and financial advisor, that such action is necessary for it to comply with its fiduciary duties to shareholders.

Termination of the Merger Agreement (Page [])

Avid and Pinnacle can mutually agree to terminate the merger agreement without completing the merger. In addition, Avid and Pinnacle can each terminate the merger agreement under the circumstances set forth in the merger agreement and described below in this joint proxy statement/prospectus.

Termination Fees and Expenses (Page [])

Avid and Pinnacle generally will bear their own expenses related to the merger. Avid and Pinnacle are each obligated to pay the other a termination fee of \$15,000,000 if the merger agreement is terminated under specified circumstances set forth in the merger agreement and described below in this joint proxy statement/prospectus.

Opinion of Avid's Financial Advisor (Page [])

In connection with the merger, Piper Jaffray & Co., or Piper Jaffray, Avid's financial advisor, rendered a written opinion, dated March 19, 2005, to Avid's board of directors that, as of March 19, 2005 and based upon and subject to the assumptions, factors, qualifications and limitations set forth in its written opinion, the consideration proposed to be paid by Avid in the proposed merger was fair, from a financial point of view, to Avid. The full text of the written opinion of Piper Jaffray is included in this joint proxy statement/prospectus as Annex D. Avid urges its stockholders to read the opinion in its entirety to understand the procedures followed, the assumptions made, the matters considered and the limitations on the review undertaken by Piper Jaffray in providing its opinion. Piper Jaffray's opinion is directed to Avid's board of directors and relates only to the fairness of the consideration to be paid by Avid in the proposed merger from a financial point of view to Avid as of the date of the opinion. The written opinion does not constitute an opinion or recommendation to any Avid stockholder as to how the stockholder should vote with respect to the proposed amendment to Avid's certificate of incorporation.

Opinion of Pinnacle's Financial Advisor (Page [])

In connection with the merger, Lazard Frères & Co. LLC, or Lazard, Pinnacle's financial advisor, rendered a written opinion, dated March 20, 2005, to Pinnacle's board of directors that, as of March 20, 2005 and based upon and subject to the assumptions, factors and qualifications described in its written opinion, the consideration to be paid to Pinnacle shareholders in the merger is fair, from a financial point of view, to Pinnacle shareholders. The full text of the written opinion of Lazard is included in this joint proxy statement/prospectus as Annex E. Pinnacle encourages its shareholders to read the opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and the qualifications and limitations on the review undertaken by Lazard in connection with its opinion. Lazard's opinion is directed to Pinnacle's board of directors and only addresses the fairness to Pinnacle shareholders of the consideration to be paid to Pinnacle shareholders in the merger from a financial point of view as of the date of the opinion. The written opinion does not constitute an opinion or recommendation to any Pinnacle shareholder as to any matter relating to the merger.

Interests of Certain Persons in the Merger (Page [])

In considering the recommendation of Pinnacle's board of directors, Pinnacle shareholders should be aware of the interests that certain Pinnacle executive officers and directors have in the merger. These include:

severance payments, retention payments, acceleration of options and other potential benefits for certain executive officers and directors of Pinnacle that may be paid under pre-existing agreements, programs and stock option plans;

as of April 1, 2005, the executive officers and directors of Pinnacle held 198,157 shares of Pinnacle common stock and options to purchase 3,315,959 shares of Pinnacle common stock; and

customary rights to indemnification of directors and executive officers of Pinnacle against specified liabilities.

In considering the fairness of the merger to Pinnacle shareholders, Pinnacle's board of directors took into account these interests. Some of these interests are different from, or in addition to, the interests of Pinnacle shareholders generally in the merger.

Material United States Federal Income Tax Considerations (Page [])

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. If the merger so qualifies, a Pinnacle shareholder will recognize gain, but not loss, for United States federal income tax purposes equal to the lesser of (a) the excess of the sum of the cash and the fair market value, as of the effective time of the merger, of the shares of Avid common stock the Pinnacle shareholder receives over the Pinnacle shareholder's adjusted tax basis in the shares of Pinnacle common stock surrendered in exchange therefor and (b) the amount of cash the Pinnacle shareholder receives (excluding cash the Pinnacle shareholder receives in lieu of a fractional share of Avid common stock). In addition, a Pinnacle shareholder should recognize gain or loss for United States federal income tax purposes equal to the difference between the cash the Pinnacle shareholder receives in lieu of a fractional share of Avid common stock and the tax basis allocable to the fractional share. Pinnacle shareholders are urged to read the information regarding the material United States federal income tax consequences contained in this joint proxy statement/prospectus carefully. In certain circumstances, including if the fair market value of Avid common stock at the effective time is below approximately \$47 per share, the merger may not qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, in which event a Pinnacle shareholder will recognize gain or loss equal to the difference between (a) the sum of the cash and the fair market value, as of effective time of the merger, of the shares of Avid common stock received by the Pinnacle shareholder in the merger and (b) the Pinnacle shareholder's tax basis in the shares of Pinnacle common stock exchanged therefor. On April 28, 2005, the last reported sale price for Avid common stock on the Nasdaq National Market was \$48.25 per share.

Each holder of options to purchase shares of Pinnacle common stock will have compensation income equal to the sum of the cash and the fair market value, as of the effective time of the merger, of the shares of Avid common stock the option holder receives in exchange for his or her option. Avid may withhold any taxes required by law to be withheld from any amounts payable to a holder of an option to purchase shares of Pinnacle common stock pursuant to the merger.

This tax treatment may not apply to certain Pinnacle shareholders, and certain Pinnacle shareholders may be subject to taxes other than United States federal income taxes. Pinnacle shareholders are urged to consult their own tax advisors for a full understanding of the tax consequences of the merger to them.

Accounting Treatment (Page [])

Avid will account for the merger as a purchase of a business, which means that the assets and liabilities of Pinnacle, including intangible assets, will be recorded at their fair value and the results of operations of Pinnacle will be included in Avid's results from the effective date of the merger.

Dissenters' Rights (Page [])

Under applicable law:

Avid stockholders have no dissenters' or appraisal rights with respect to the merger; and

Pinnacle shareholders are entitled to dissenters' rights under the California General Corporation Law in connection with the merger if the specific conditions set forth in the section entitled "The Merger Dissenters' Rights and Appraisal Rights," which begins on page [], are met.

How the Rights of Pinnacle Shareholders Will Differ as Avid Stockholders (Page [])

The rights of Pinnacle shareholders as Avid stockholders after the merger will be governed by Avid's certificate of incorporation and bylaws and the laws of the State of Delaware. Those rights differ from the rights of Pinnacle shareholders under Pinnacle's articles of incorporation and bylaws and the laws of the State of California.

Avid Price Information (Page [])

Shares of Avid common stock are listed on the Nasdaq National Market. On March 18, 2005, the last full trading day prior to the public announcement of the proposed merger, Avid common stock closed at \$62.95 per share. On [], 2005, Avid common stock closed at \$[] per share.

Pinnacle Price Information (Page [])

Shares of Pinnacle common stock are listed on the Nasdaq National Market. On March 18, 2005, the last full trading day prior to the public announcement of the proposed merger, Pinnacle common stock closed at \$4.97 per share. On [], 2005, Pinnacle common stock closed at \$[] per share.

Avid's Recent Operating Results

On April 28, 2005, Avid announced the following operating results for its first quarter ended March 31, 2005:

Revenues for the quarter ended March 31, 2005 were \$166.0 million, compared to revenues of \$127.4 million for the corresponding quarter of 2004.

Operating income for the quarter ended March 31, 2005 was \$20.3 million, compared to \$14.8 million for the corresponding quarter of 2004. Net income for the quarter ended March 31, 2005 was \$19.7 million, or \$.53 per diluted share, compared to net income of \$14.7 million, or \$.44 per diluted share, for the corresponding quarter of 2004.

Net income for the quarter ended March 31, 2005 included acquisition-related amortization of \$1.9 million, related tax benefits of \$0.2 million and acquisition-related stock-based compensation of \$0.8 million.

At March 31, 2005, Avid's cash and marketable securities totaled \$176.2 million.

Pinnacle's Recent Operating Results

On April 27, 2005, Pinnacle announced the following operating results for its third fiscal quarter ended March 31, 2005:

Net sales for the quarter ended March 31, 2005 were \$65.2 million, compared to net sales of \$82.1 million for the corresponding quarter of fiscal 2004.

Net loss for the quarter ended March 31, 2005 was \$615,000, or \$.01 per share, compared to a net loss of \$292,000, or slightly less than break-even on a per-share basis for the corresponding quarter of fiscal 2004.

Net loss for the quarter ended March 31, 2005 included the net effect of \$848,000 for the amortization of other intangible assets, \$2.8 million for transaction costs, \$175,000 for the net reversal of accrued liabilities related to restructuring and \$6.5 million in income from discontinued operations, net of taxes. Income from discontinued operations reflected a \$7.9 million gain on Pinnacle's sales of its Steinberg and Sports businesses and a \$1.4 million operating loss for the Steinberg and Sports businesses.

At March 31, 2005, Pinnacle's cash, cash equivalents and marketable securities totaled \$133.4 million.

Pinnacle also announced that, based upon information currently available, it anticipated its net sales in the fourth fiscal quarter ending June 30, 2005 will be below its net sales for the third fiscal quarter ended March 31, 2005.

RISK FACTORS

Risks Relating to the Merger

Because Pinnacle shareholders will receive a fixed ratio of 0.0869 of a share of Avid common stock plus \$1.00 in cash for each share of Pinnacle common stock that they own at the closing of the merger, if Avid's stock price decreases for any reason, Pinnacle shareholders will receive less value for their Pinnacle common stock.

At the closing of the merger, each share of Pinnacle common stock will be converted in accordance with a fixed exchange ratio into the right to receive 0.0869 of a share of Avid common stock plus \$1.00 in cash. Accordingly, while the cash portion of the exchange ratio will not fluctuate, the then-current dollar value of Avid common stock that Pinnacle shareholders will receive upon the completion of the merger will depend entirely upon the market value of Avid common stock at the time the merger is completed, which may be lower than the closing price of Avid common stock on the last full trading day preceding the public announcement of the merger, the last full trading day prior to the date of this joint proxy statement/prospectus or the date of Avid's annual meeting and Pinnacle's special meeting. Moreover, the completion of the merger may occur some time after approvals from Avid stockholders and Pinnacle shareholders have been obtained. The market price of Avid common stock has experienced volatility in the past, with a trading high of \$68.35 and low of \$40.90 on the Nasdaq National Market between January 1, 2004 and the date of this joint proxy statement/prospectus, and neither Avid nor Pinnacle can predict or give any assurances as to the market price of Avid common stock at any time before or after the completion of the merger. Neither Avid nor Pinnacle may unilaterally terminate or renegotiate the merger agreement solely because of changes in the market price of Avid common stock or Pinnacle common stock. Any reduction in the price of Avid common stock will result in Pinnacle shareholders receiving less value in the merger at closing.

Avid may face challenges in integrating Avid and Pinnacle and, as a result, may not realize the expected benefits of the proposed merger.

The successful integration of Avid and Pinnacle will require, among other things, integration of Pinnacle's operations, policies and personnel into Avid. Avid may not achieve successful integration in a timely manner, or at all, and Avid may not realize the benefits and synergies of the merger to the extent, or in the timeframe, anticipated. The diversion of the attention of Avid's management and any difficulties encountered in the process of combining the companies could cause disruption of the activities of the combined company's business. The inability to integrate the operations, policies and personnel of Avid and Pinnacle successfully, or any significant delay in achieving integration, could have a material adverse effect on the combined company after the merger and, as a result, on the market price of Avid common stock.

Customer, supplier, distributor and partner uncertainty about the merger could harm the combined company, or the respective businesses of Avid and Pinnacle, whether or not the merger is completed.

Existing or potential customers of Avid or Pinnacle may, in response to the announcement or consummation of the merger, delay or defer their purchasing decisions. In addition, customers and prospective customers could choose not to purchase their respective products or to reduce or eliminate current products because of perceived or actual conflicts of interest or doubts about the combined company's ability to provide products in a satisfactory manner. Furthermore, Avid and Pinnacle's respective suppliers, distributors and partners may experience uncertainty about their future relationship with the combined company and may limit their involvement with either company until or after the merger is completed. As a result, revenues that may have ordinarily been received by Avid or Pinnacle may be delayed or not earned at all.