



### Company Background:

EFI (www.efi.com) is the world leader in digital imaging and print management solutions for commercial and enterprise printing. EFI's award-winning technologies offer document management tools from creation to print, including high fidelity color and black-and-white Fiery print servers that can output up to 2000 pages per minute; powerful production workflow and print management information software solutions for increased performance and cost efficiency; and an array of business-critical enterprise and mobile printing solutions. EFI maintains over 25 offices worldwide.

### Executive Officers:

Guy Gecht - CEO & Chairman of the Board  
 Fred Rosenzweig - President  
 Joseph Cutts - COO & CFO

### EFI Headquarters:

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 303 Velocity Way  
 Foster City, California 94404  
 Tel: 650.357.3500  
 Fax: 650.357.3598

### Worldwide Locations:

Australia	Germany	Mexico
Brazil	India	Netherlands
Canada	Italy	Singapore
China	Japan	Spain
Denmark	Korea	Sweden
France	Malaysia	United Kingdom

### World Wide Web:

www.efi.com

### Current Analyst Coverage:

#### Firm

Argus Research  
 C.E. Unterberg Towbin  
 Cross Research/Soleil Securities  
 Lehman Brothers  
 Merrill Lynch  
 Octagon  
 Oppenheimer & Co.  
 UBS Warburg

#### Analyst

Wendy Abramowitz  
 James McIlree  
 Shannon Cross  
 Caroline Sabbagha  
 Jay Vleeschouwer  
 Clarence Rebeiro  
 Sasa Zorovic  
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# Corporate Backgrounder

Q3.2004

### EFI Snapshot:

NASDAQ Ticker Symbol:	EFII
Recent Price (October 21, 2004):	\$17.18
52-Week Range:	\$28.81 - \$15.00
Common Shares Outstanding:	53.8M
Market Capitalization:	\$0.9B
Fiscal Year End:	December 31
Employees:	Approximately 1,400

### Financial Highlights:

#### About Pro Forma Adjustments

To supplement our consolidated financial results prepared under generally accepted accounting principles ("GAAP"), we use a pro forma measure of net income that is GAAP net income adjusted to exclude certain gains, charges, and losses. Our pro forma net income gives an indication of our baseline performance before gains, losses or other charges that are considered by management to be outside of our core operating results. In addition, pro forma net income is among the primary indicators management uses as a basis for planning and forecasting future periods. These measures are not in accordance with, or an alternative for, GAAP and may be materially different from pro forma measures used by other companies. We compute pro forma net income by adjusting GAAP net income with the impact of amortization of acquisition-related charges, and other non-recurring charges and gains. The presentation of this additional information should not be considered in isolation or as a substitute for net income prepared in accordance with GAAP.

	(unaudited) Three Months Ended 9/30/04	(unaudited) Three Months Ended 9/30/03	Year Ended 12/31/03
Revenue:	\$97.6M	\$97.3M	\$379.6M
GAAP Net Income	\$16.1M	\$12.2M	\$26.5M
GAAP Net Income Per Diluted Common Share	\$0.30	\$0.23	\$0.48
Shares used in per share calculation	54.3M	53.6M	54.8M
Reconciliation of reported GAAP results to Pro forma Net Income:			
Net Income	\$16.1M	\$12.2M	\$26.5M
Benefit from tax settlement	(\$18.9M)	—	—
Loss on real estate refinancing activities	\$11.4M	—	—
Loss on real estate asset impairment charge	\$3.0M	—	—
Headcount reduction expense	\$1.0M	—	—
Amortization of acquisition related intangibles	\$3.5M	\$1.3M	\$6.4M
In process research and development expense	—	—	\$13.2M
Loss on equity investment	—	\$0.7M	\$1.6M
Litigation settlement income & gain on sale of Unimobile assets	—	(\$1.5M)	(\$2.4M)
Tax effect of pro forma adjustments	(\$7.2M)	\$0.1M	(\$1.4M)
Pro forma net income	\$8.9M	\$12.8M	\$43.9M
Cash, Cash Equivalents and Short-Term Investments	\$649.3M	\$652.4M	\$624.1M
Total Assets	\$1,023.2M	\$971.5M	\$1,013.7M
Total Liabilities	\$358.8M	\$338.9M	\$358.9M
Shareholders' Equity	\$664.4M	\$632.6M	\$654.8M

# Q3 2004 Company Backgrounder



## EFI's Growth Strategy:

As the industry pioneer and market leader in the development of color imaging technology, EFI is well positioned to meet the growing demand for high quality digital color printing. EFI continues to generate strong demand for its digital imaging products across a broad base of OEM relationships as they recognize that our deep knowledge and specialization make us a valued partner in creating powerful, yet cost effective, solutions for their customers.

In addition to EFI's core server and controller business, EFI has diversified into new markets and distribution channels by developing and acquiring software solutions for the commercial printing and enterprise markets. EFI's solutions range from job submission to proofing, pre-press, output and print MIS. Our software products and services help customers automate their print processes and streamline their workflow to increase productivity and profits. Our strategy is to offer best of breed, end-to-end solutions that are interoperable and conform to open standards to allow customers to choose the most efficient solutions for their business.

### Initiatives include:

- Identify new applications for its core imaging technology;
- Develop end-to-end solutions to increase printing productivity, enhance customer satisfaction and expand the market for digital printing;
- Leverage significant R&D investment to expand technological expertise into complementary markets;
- Expand leadership through acquisitions. In the current economic environment EFI recognizes the opportunity to drive growth through strategic acquisitions of complementary technology companies.

## EFI's Products and Services:

**EFI Server & Controller Solutions:** Headlined by EFI's flagship Fiery® brand, the company's core business transforms digital copiers and printers into networked printing devices. Once networked, EFI-powered printers and copiers can be shared across workgroups, departments, the enterprise and the Internet to quickly and economically produce high-quality color and black & white documents. Today's most powerful Fiery servers can print up to 2,000 color pages per minute—50 times faster than just four years ago.

**EFI Production Workflow Solutions:** New EFI software enhances productivity across the production printing job cycle, from pre-press to digital or offset print production. EFI's consistent, intuitive user interfaces reduce the potential for operator error, streamline complex job cycles, and decrease job completion time—all leading to maximum productivity and profitability.

**EFI Proofing Solutions:** EFI's proofing software with Best® technology allows professional printers to accurately and affordably proof color documents before sending them to an offset printing press. By skipping traditional proofing methods, professional printers save time and reduce costs—without sacrificing the quality of their final printed output.

**EFI Print MIS Solutions:** EFI's Enterprise Resource Planning (ERP) and collaborative supply chain software solutions enable printers and print buyers to improve productivity and reduce costs. Our Web-based procurement applications for print buyers facilitate collaboration across the print supply chain.

**EFI Enterprise Solutions:** EFI is leveraging its printing, scanning and workflow technology to offer an array of print solutions for enterprises, including mobile printing technology, scan-to-email software, and remote monitoring and management of printer and consumables usage. Each solution offers enterprises ways to reduce costs and improve printing efficiency.

## Strategic Alliances:

EFI has established key strategic alliances with leading partners including 3Com, 3M, Adobe, Alphagraphics, Atlas, AT&T, Authentica, Axeda, Boone, Canon, Carlson Hospitality, Cisco Systems, DANKA, Datalogics, ENCAD, Enovation, Epson, Franchise Services, Fujifilm, Fuji Xerox, Garderos, GENICOM, Gestetner, Guest-Tek, Heidelberg, Hewlett-Packard, IBM, IKON, Indigo, Interlink Electronics, Kinko's, Konica Minolta, KPG, Lanier, Litho Supplies, Marriott, Microsoft, Mita, Mitsubishi, Nashuatec, Objectif Lune, Océ, OfficeMax, Oki Data, Pageflex, Panasonic, PictureTel, Pitman, Pitney Bowes, Presstek, Research in Motion, Rex Rotary, Ricoh, Savin, Scitex, Screen USA., Sharp, Sir Speedy, STSN, Toshiba, Troy Systems, Virgin Mobile USA, Wayport, XANTE, Xerox, and Yahoo!, with thousands of sales locations worldwide.

## Recent Developments:

On Oct. 12, 2004, EFI announced a strategic initiative to bring web-enabled variable data printing (VDP) solutions to ad agencies, designers, graphic arts professionals and commercial printers. VDP capabilities will be integrated across EFI's family of web-enabled digital printing products enabling complete Web-to-Print systems that streamline workflow and help printers provide value added services to their customers.

On August 23, 2004, EFI's Command WorkStation® software was honored for the second consecutive year in the BERTL's Best™ 2004 Awards for delivering the most useful job-management capabilities for print shop, CRD and high-level graphics users.

## New Products:

On Oct. 11, 2004, EFI announced PrinterSite Exchange, enabling printing companies to easily deploy branded storefront web sites and transact business with customers over the Internet. The new solution provides job submission, job ticketing and job status tracking, and integrates with back-end business management systems EFI Hagen™, Logic™ and PSI™.

On Oct. 11, 2004, EFI launched its next-generation Fiery System 6 Software, and the Fiery Q5000 color server, raising the bar on digital printing performance and image quality with the ultimate in workflow control, high-quality color management, and variable data printing (VDP) support.

On Oct. 11, 2004, EFI announced the Fiery Graphics Arts Package, Premium Edition, the industry's most comprehensive suite of color proofing and control tools, empowering graphic arts professionals to deliver superior color on advanced digital color presses.

On Oct. 7, 2004, EFI announced new features to PrintSmith, the market leading print management information system, to improve cost tracking, profitability analysis, and decision making for print and copy shops.

On July 12, 2004, EFI announced Colorproof XF, a new highly scalable and versatile client/server based proofing solution for commercial printers of all sizes, from newspaper publishers to creative agencies and photographers.

## New Business Relationships:

On Oct. 12, 2004, EFI joined forces with Manhattan Associates, the global leader in supply chain execution (SCE) and optimization solutions. The partnership will provide EFI clients with a powerful logistics solution with real-time integration to their EFI Print MIS systems.

On Oct. 12, 2004, EFI announced a relationship with Window Book, Inc., the leader in postal shipping, manifesting and mailing productivity software. EFI will integrate Window Book with its print MIS software to enable customers to more easily manage the logistics of mailing and postage documentation.

On Oct. 11, 2004, Mitsubishi Imaging announced it is combining its longstanding leadership in Computer-to-Polyester Plate technology with EFI's years of experience in digital workflows to bring EFI OneFlow 2.0 to small to mid-size commercial printers.

On Oct. 11, 2004, Enovation Graphic Systems, Inc. announced that its nationwide sales offices are now offering EFI OneFlow 2.0 for streamlining digital and offset printing and proofing for all levels of production capacity and output sizes.

On Sept. 14, 2004, EFI and Xerox announced the powerful Fiery EXP8000 color server for the new Xerox DocuColor 8000 Digital Press, delivering maximum speed and image quality to high-end production printing environments.