efi™
essential to print™

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 end to end, integrated document management tools from creation to print, including high fidelity color Fiery® print servers that can output up to 2000 ppm; VUTEk superwide digital inkjet printers and UV and solvent inks capable of printing on flexible and rigid substrates; powerful print production workflow and management information software solutions for increased performance and cost efficiency; and an array of corporate printing solutions. EFI's integrated solutions connect seamlessly, delivering unbeatable performance, cost savings and increased productivity. EFI maintains 23 offices worldwide.

Executive Officers:

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

EFI Headquarters:

EFI
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	Analyst
Argus Research	Wendy Abramowitz
C.E. Unterberg, Towbin	James McIlree
Citigroup	Matthew Troy
Cross Research/ Soleil Securities	Shannon Cross
JP Morgan Securities	Sameer Doctor
Lehman Brothers	Caroline Sabbagha
Merrill Lynch	Jay Vleeschhouwer
Oppenheimer & Co.	Sasa Zorovic
UBS Warburg	Benjamin Reitzes

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efi™ | Corporate Backgrounder
Q3.2005

EFI Snapshot:

NASDAQ Ticker Symbol:	EFII
Recent Price (November 8, 2005):	$24.98
52-Week Range:	$25.37 - $15.91
Common Shares Outstanding:	54.8M
Market Capitalization:	$1.3B
Fiscal Year End:	December 31
Employees:	Approximately 1,650

Financial Highlights:

About Pro Forma Adjustments

To supplement our consolidated financial results prepared under generally accepted accounting principles, or GAAP, we use a pro forma measure of net income that is GAAP net income adjusted to exclude certain costs, expenses, and gains. 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 intangibles, stock–based compensation 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.

	Three Months Ended 09/30/05	Three Months Ended 09/30/04	Year Ended 12/31/04
Revenue:	$142.1M	$97.6M	$394.6M
GAAP Net Income	$18.5M	$16.1M	$38.0M
Dilutive EPS Calculation:			
Net income	$18.5M	$16.1M	$38.0M
After tax adjustment of convertible debt related costs	$0.7M	$0.7M	$3.0M
Income for purpose of computing diluted net income per share	$19.2M	$16.8M	$41.0M
Shares used in diluted share calculation	64.7M	63.4M	64.0M
Net income per diluted common share	$0.30	$0.27	$0.64
Reconciliation of reported GAAP results to Pro forma Net Income:			
Net Income	$18.5M	$16.1M	$38.0M
In process research and development expense	–	–	$1.0M
Amortization of acquisition related intangibles	$9.8M	$3.5M	$13.7M
Settlement of IRS audit	–	($18.9)M	($18.9)M
Loss on real estate refinancing activities	–	$11.4M	$11.3M
Real estate impairment charge	–	$3.0M	$3.1M
Severance expense	–	$1.0M	$1.0M
Stock based compensation expense	$0.7M	–	–
Litigation settlements and sale of product line	–	–	($3.0)M
Tax effect of pro forma adjustments	($7.2)M	($7.2)M	($9.3)M
Pro forma net income	$21.8M	$8.9M	$36.9M
After tax adjustment of convertible debt related interest	$0.7M	$0.7M	$3.0M
Income for purposes of computing diluted pro forma net income per share	$22.5M	$9.6M	$39.9M
Shares used in per share calculation	64.7M	63.4M	64.0M
Pro forma net income per diluted common share	$0.35	$0.15	$0.62
Cash, Cash Equivalents and Short-Term Investments	$422.1M	$649.3M	$659.6M
Total Assets	$1,044.7M	$1,023.2M	$1,017.9M
Total Liabilities	$375.1M	$358.8M	$350.3M
Shareholders' Equity	$669.6M	$664.4M	$667.6M

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.

VUTEk: VUTEk, a division of EFI, delivers the industry's leading digital printers and inks for the fast growing superwide segment of the professional print market. VUTEk's customers include commercial printers, screen printers, photo labs, sign shops and reprographic houses that print on a variety of grand format surfaces, including paper, vinyl, corrugated, textile, glass, plastic and nearly any other flexible and rigid substrate up to two inches thick.

Strategic Alliances:

EFI has established key strategic alliances with leading partners including 3Com, 3M, Adobe, Alphagraphics, Atlas, AT&T, Authentica, Axeda, BEI Services, Boone, Canon, Carlson Hospitality, Cisco Systems, DANKA, Datalogics, Digital Gateway, ENCAD, Enovation, Epson, Equitrac, 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, Manhattan Associates, 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.

New Products:

On July 13, 2005, Ricoh Corporation and EFI announced the release of MicroPress ProSeries 7.0 production print software for multi-printer digital environments. It helps a variety of customers, from corporate workgroups to high volume Print-on-Demand operations, realize greater workflow productivity and profits.

On July 25, 2005, EFI announced it is shipping version 2.5 of Digital StoreFront with new Remote Print Center workflow integration, JDF-based job tickets and visual job ticket wizards, stronger VDP capabilities, and more robust PrintMessenger Drivers.

On Aug. 3, 2005, EFI and Konica Minolta Business Solutions U.S.A., Inc. announced the availability of the IC-402 Image Controller, embedded Fiery technology for the new bizhub C351, a 35 page-per-minute (ppm) color printer/scanner/copier/fax. The EFI IC-402 equips 'power' PDF and Microsoft Office users with productivity features to greatly improve business efficiency while its innovative color capabilities make the IC-402 ideal for graphics-intensive, creative environments.

On Aug. 3, 2005, Canon U.S.A., and EFI announced that the Fiery-based ColorPASS-Z800 color server for Canon's CLC1140/1180 has earned the publishing industry's demanding SWOP certification.

On Aug. 15, 2005, EFI announced its Executive Information System (EIS), a breakthrough business "workspace" for its Print MIS customers. EIS is a powerful, interactive data analysis command center that instantly recaps the state-of-the-business and links to other key data, enabling new levels of business intelligence. The web-based EIS will be integrated with the foundation suite of EFI Hagen, Logic and PSI print management information systems.

On Aug. 23, 2005, EFI and IKON Office Solutions announced the availability of the S300 Version 2 color server for the IKON CPP 500, built on the most advanced EFI Fiery technology to date. The IKON CPP 500 is an ideal solution for high-demand color and black-and-white printing needs.

On Aug. 29, 2005, EFI announced it is shipping version 8.5 of the Hagen OA management information system. In addition to JDF compatibility and a new mailing module, key improvements have been made in accounts receivables, estimating and integration with EFI add-on products.

On Aug. 31, 2005, EFI announced the new and enhanced features of Colorproof XF 2.6, including manual nesting, support for a wider variety of printers and file formats, and breakthrough Dot Creator and Fiery options.

On Sept. 1, 2005, EFI and Konica Minolta Business Solutions U.S.A., Inc. announced the availability of the newest, most advanced Fiery server for the bizhub PRO C500. The unique modularity of the powerful Fiery IP-901 External Image Controller makes the 50-ppm bizhub PRO C500 an ideal solution in every production print environment.

On Sept. 7, 2005, EFI launched its next-generation Fiery System 7 Software, optimizing Fiery Q- and S-Series servers to deliver higher levels of digital printing performance and image quality for mission-critical production environments. Fiery System 7 sets a higher industry standard in color print functionality and efficiency, with the ultimate in performance, workflow control, precision color management and variable data printing support.

On Sept. 9, 2005, EFI announced that the Fiery EXP250 color server, which sets-up, processes and directs print jobs to printing systems, is immediately available for Xerox Corporation's DocuColor 240/250 printer. The EXP250 color server delivers high levels of productivity and advanced control for precise printing.

On Sept. 9, 2005, EFI and Xerox Corporation announced the availability of the Fiery EXP4110, stand-alone server for Xerox's 4110(TM) Digital Copier/Printer -- an award-winning, 110 page-per-minute, black-and-white light-production digital system. Providing advanced print functionality, the EXP4110, which sets-up, processes and directs print jobs to printers, is based on next-generation Fiery System 7 Software.

Sept 9, 2005, VUTEk announced the U.S. debut of the new 3.2 meter, PressVu® UV 320/400 UV-curing flatbed and roll-to-roll printer – the most productive printer in its class. The printer is designed for digital image providers who want to increase their productivity and expand their capabilities.

On Sept. 10, 2005, EFI announced JDF connectivity between its award-winning Fiery digital servers, its powerful print management information systems and Adobe Creative Suite 2, Premium Edition, using the industry standard Job Definition Format (JDF).

On Sept. 12, 2005, EFI announced that Digital Color Graphics (DCG), working closely with experts from Enovation Graphic Systems, Inc, will be installing an EFI Fiery-driven Xerox iGen3 digital production press.

On Sept. 12, 2005, EFI announced that many core PrinterSite web submission capabilities will become standard features in its Hagen, Logic and PSI print management systems. The new "PrinterSite Foundation" gives printers robust web-to-print functionality that their customers can use for job submission, request for quote, review of quotes and orders, and to check on the status of their jobs.