



Electronics
for
Imaging, Inc.

2855 Campus Drive
San Mateo, CA 94403

415 286 8600
415 286-8686 fax

Press Release *for immediate release*

For more information contact:

Dave Warner
Vice President, Finance
415-286-7221

Electronics for Imaging, Inc. Announces Record Revenue and Earnings for the Third Quarter of 1996

SAN MATEO, CALIF. (OCTOBER 10, 1996) Electronics for Imaging, Inc. (NASDAQ:EFII), announced record financial results for its third quarter of 1996. Revenue for the third quarter was a record \$75.1 million, up 55% from \$48.5 million recorded in the third quarter last year, and up 9% from the second quarter of 1996. Net income increased 60% to a record \$15.6 million or \$0.57 per share for the third quarter of 1996, compared to \$9.7 million, or \$0.36 per share for the same period last year.

For the nine months ended September 30, 1996, revenue was \$207.8 million compared to \$133.7 million in the nine month period a year earlier, a 55% increase. Net income for the nine months ended September 30, 1996 increased 67% to \$42.1 million, or \$1.54 per share, compared to \$25.2 million and \$0.95 per share for the same period in 1995.

The company's balance sheet was further strengthened with cash and short term investments totaling \$180.8 million, up \$36.8 million from December 31, 1995. Total assets stood at \$262.2 million.

—more—

“This is our twenty-first consecutive quarter of revenue growth, due in large part to the Company's continued leadership in the short-run color printing marketplace,” said Dan Avida, President and Chief Executive Officer. “I am very pleased with our performance in the last quarter, as we continued to successfully execute our stated strategy of leveraging Fiery® technology to broader markets. These include our announcements of the Fiery XJ-W™ color server for wide format color inkjet printers, and the Fiery Driven™ Ricoh Aficio 2000 Series, the world's first digital color copier with a Fiery XJe™ embedded controller.”

About Electronics for Imaging

Electronics for Imaging, Inc. is the industry pioneer and market leader in products that enable high-quality color printing in short production runs. Fiery Color Servers incorporate hardware and software technologies that transform digital color copiers from all leading copier manufacturers into fast, high-quality networked color printers. Fiery XJe Controllers leverage these same technologies to increase the output speed and improve the print quality of Fiery Driven™ desktop color laser printers.

Fiery Color Servers are installed around the world in leading corporations, advertising agencies, graphic design studios and print-for-pay businesses. Founded in 1989, the company has its headquarters in San Mateo, Calif. EFI employs approximately 330 people and has 23 worldwide sales offices. Its stock is traded on the NASDAQ national market system under the symbol EFII.

More information regarding Electronics for Imaging may be obtained by calling the company directly at (415) 286-8600, or through public sources, including the company's SEC filings. Electronics for Imaging may also be reached on the World Wide Web at <http://www.efi.com>.

###

EFI, the EFI logo, Fiery and the Fiery Signature are registered in the U.S. Patent and Trademark Office. Fiery XJ, Fiery Color Server, Fiery XJ Color Server, Fiery XJ+, Fiery XJ+ Color Server, Fiery XJe, Fiery Driven, Fiery XJ-W, XJ RipChips, Rip-While-Print, Continuous Print, STARR Compression, Memory Multiplier, Fiery Scan, Fiery Print Calibrator, Fiery XJ Downloader, Fiery XJ Scan, Fiery XJ Spooler, and Command Workstation are trademarks of Electronics for Imaging, Inc. All other terms and product names may be trademarks or registered trademarks of their respective owners, and are hereby acknowledged.

Note to Editors:

Consolidated Statements of Income and Consolidated Balance Sheets to follow.

Electronics for Imaging, Inc.
Consolidated Statements of Income
(in thousands, except per share data - unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Revenue:	\$ 75,121	\$ 48,502	\$ 207,816	\$ 133,664
Cost of revenue	<u>36,422</u>	<u>24,269</u>	<u>104,220</u>	<u>67,058</u>
	38,699	24,233	103,596	66,606
Operating expenses:				
Research and development	5,806	3,243	15,052	8,983
Sales and marketing	7,695	5,425	20,538	16,930
General and administrative	<u>2,634</u>	<u>1,839</u>	<u>7,387</u>	<u>5,200</u>
	<u>16,135</u>	<u>10,507</u>	<u>42,977</u>	<u>31,113</u>
Income from operations	22,564	13,726	60,619	35,493
Other income	<u>1,738</u>	<u>1,463</u>	<u>5,087</u>	<u>3,853</u>
Income before income taxes	24,302	15,189	65,706	39,346
Provision for income taxes	<u>(8,749)</u>	<u>(5,468)</u>	<u>(23,655)</u>	<u>(14,164)</u>
Net income	<u>\$ 15,553</u>	<u>\$ 9,721</u>	<u>\$ 42,051</u>	<u>\$ 25,182</u>
Net income per share	\$ 0.57	\$ 0.36	\$ 1.54	\$ 0.95
Weighted average common shares and equivalents	27,514	26,662	27,324	26,386

Electronics for Imaging, Inc.
Consolidated Balance Sheets
(in thousands - unaudited)

	September 30, <u>1996</u>	December 31, <u>1995</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 39,328	\$ 46,006
Short-term investments	141,483	98,012
Accounts receivable	39,602	27,588
Inventories	13,446	7,809
Other current assets	<u>16,452</u>	<u>8,173</u>
Total current assets	250,311	187,588
Property and equipment, net	10,238	5,469
Other assets	<u>1,617</u>	<u>1,412</u>
	<u>\$ 262,166</u>	<u>\$ 194,469</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 14,448	\$ 10,630
Accrued and other liabilities	19,980	12,023
Income taxes payable	<u>17,088</u>	<u>7,876</u>
Total current liabilities	51,516	30,529
Stockholders' equity:		
Common stock	255	250
Additional paid-in-capital	94,333	89,679
Retained earnings	<u>116,062</u>	<u>74,011</u>
Total stockholders' equity	<u>210,650</u>	<u>163,940</u>
Total liabilities and stockholders' equity	<u>\$ 262,166</u>	<u>\$ 194,469</u>