



**Electronics
for
Imaging, Inc.**

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Press Release
for immediate release

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**Electronics for Imaging, Inc. Announces Record
Revenue and Earnings For Q4 and 1996**

SAN MATEO, CALIF. (JANUARY 16, 1997) Electronics for Imaging, Inc. (NASDAQ: EFII) announced record financial results for its fourth quarter and year ended December 31, 1996.

Revenue for the fourth quarter was \$90.2 million, compared to \$56.8 million in the fourth quarter of 1995, a fifty-nine percent increase. Income from operations for the fourth quarter of 1996 was \$29.2 million, compared to \$17.6 million in the fourth quarter of 1995, a sixty-six percent increase. Net income increased sixty-three percent to \$20.1 million or \$0.73 per share for the fourth quarter of 1996, compared to \$12.3 million or \$0.46 per share for the same period in 1995.

For the year ended December 31, 1996, revenue was \$298.0 million, compared to \$190.5 million for 1995, a fifty-six percent increase. Income from operations increased sixty-nine percent to \$89.8 million for the year ended December 31, 1996, compared to \$53.1 million for 1995. Net income for the year ended December 31, 1996 increased sixty-six percent to \$62.2 million or \$2.27 per share, compared to \$37.5 million and \$1.41 per share for the year ended December 31, 1995.

The balance sheet strengthened with cash and cash equivalents and short-term investments totaling \$212.1 million as of December 31, 1996, compared to \$144.0 million at December 31, 1995. Total assets increased to \$299.0 million from \$194.5 million.

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“We are delighted with the Company’s record achievements in 1996. The fourth quarter was our twenty-second consecutive quarterly increase in revenue, and the year-end results show our continued strong growth,” said Dan Avida, president and chief executive officer. “In 1996 we executed successfully on our previously-stated strategy of product and market expansion: while maintaining and building momentum in our core Fiery markets, we aggressively expanded to the color desktop with our Fiery Driven partners Canon Inc., Digital Equipment Corporation and IBM. We made a major move to the rapidly growing wide-format inkjet market with the launch of the Fiery XJ-W for plotters from ENCAD, Hewlett-Packard Company and Xerox Corporation. And we set a new standard for performance with the Fiery Production Color Server for the latest production-class digital color printers from Canon, Indigo and Xerox.”

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 more than 350 people and has 22 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>.

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Note to Editors:

Income Statement and Consolidated Balance Sheets to follow.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Revenue	\$90,197	\$56,787	\$298,013	\$190,451
Cost of revenue	<u>41,179</u>	<u>28,393</u>	<u>145,399</u>	<u>95,451</u>
	<u>49,018</u>	<u>28,394</u>	<u>152,614</u>	<u>95,000</u>
Operating expenses:				
Research and development	7,388	3,939	22,440	12,922
Sales and marketing	9,683	5,008	30,221	21,938
General and administrative	<u>2,720</u>	<u>1,823</u>	<u>10,107</u>	<u>7,023</u>
	<u>19,791</u>	<u>10,770</u>	<u>67,768</u>	<u>41,883</u>
Income from operations	29,227	17,624	89,846	53,117
Other income	<u>2,231</u>	<u>1,624</u>	<u>7,318</u>	<u>5,476</u>
Income before income taxes	31,458	19,248	97,164	58,593
Provision for income taxes	<u>11,325</u>	<u>6,929</u>	<u>34,980</u>	<u>21,093</u>
Net income	<u>\$20,133</u>	<u>\$12,319</u>	<u>\$ 62,184</u>	<u>\$ 37,500</u>
Net income per share	<u>\$ 0.73</u>	<u>\$ 0.46</u>	<u>\$ 2.27</u>	<u>\$ 1.41</u>
Weighted average common shares and equivalents	<u>27,748</u>	<u>26,991</u>	<u>27,414</u>	<u>26,550</u>

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

	December 31, <u>1996</u>	December 31, <u>1995</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 71,946	\$ 46,006
Short-term investments	140,154	98,012
Accounts receivable	40,875	27,588
Inventories	11,004	7,809
Other current assets	<u>22,970</u>	<u>8,173</u>
Total current assets	286,949	187,588
Property and equipment, net	10,640	5,469
Other assets	<u>1,364</u>	<u>1,412</u>
Total assets	<u>\$298,953</u>	<u>\$194,469</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 16,355	\$ 10,630
Accrued and other liabilities	25,980	12,023
Income taxes payable	<u>7,248</u>	<u>7,876</u>
Total current liabilities	<u>49,583</u>	<u>30,529</u>
Stockholders' equity:		
Common Stock	257	250
Additional paid-in-capital	112,918	89,679
Retained earnings	<u>136,195</u>	<u>74,011</u>
Total stockholders' equity	<u>249,370</u>	<u>163,940</u>
Total liabilities and stockholders' equity	<u>\$298,953</u>	<u>\$194,469</u>