



Electronics for Imaging Inc Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of Ananda Baruah with Banc of America.

Ananda Baruah - Banc of America

Hi, guys. Thanks for taking the question. Can you hear me?

John Ritchie

Yes. How are you doing Ananda?

Ananda Baruah - Banc of America

I am doing great. Thanks. Just a couple of things, if I could. I guess the first one is given that the controller business is a little bit better than we were anticipating and they are maybe not a whole lot better, but a little bit better. I probably was expecting a little bit more operating leverage from that business. Am I right in that line of thinking? Or was there something else going on there maybe some spending that maybe would have offset some of that incremental leverage?

John Ritchie

Well, I think what you saw in our Q2 results was a kind of significant move up. You won't see the leverage when we have the high trade show activity, Ananda. For Q2, it makes it hard to get significant leverage off the results.

Ananda Baruah - Banc of America

Got it. Okay, understood. And then, guys, if you could just quickly, I think you did it last quarter and did you part of it sort of in your prepared remarks, but just maybe walk through the deals and how each part of the business did in each deal? Just fill in the blanks there.

Guy Gecht.

Yes. In general, I think the U.S. was continued to be the most challenging environment for our OEM partners. You have heard probably from all of them by now. For Inkjet business as well as our software business that is very concentrated in North America. Europe was better, but we saw pockets

of issues in Europe, and in the emerging markets, it was pretty good in all fronts, obviously, very little software business. But both the Inkjet and Fiery were pretty good again on a lower basis.

If you look at just one comment just geographically the acquisition of Pace, although it's not in our numbers will allow us to take the software business beyond the North America. One of the things we were struggling with is the legacy software didn't allow us to make the modifications to take it to the international market without the significant investment in professional services support and product changes.

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