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Electronics for Imaging, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Shannon Cross – Cross Research.

Shannon Cross – Cross Research

Can you talk a little bit about what you've done in terms of the, you talked about cutting expense across the board, I'm trying to figure out the amount of variable versus fixed costs and opportunity to be more aggressive if things warrant?

John Ritchie

You look at the cost cuts that we've been put in place, the 100 person headcount reduction is clearly a permanent attempt to change the cost structure, the facilities closures, things like salary freezes, hiring freezes, mandatory company shutdowns. Those are the levers we can pull on the variable side to scale the business down if the economic environment changes.

Shannon Cross – Cross Research

I apologize because I just was able to jump on the call, any more details you can give us in term of cash usage and thoughts you have on the current environment?

Guy Gecht

What I mentioned specifically regarding the process of the real estate transaction that we were very happy to complete in this environment, that now that the uncertainty is behind us shortly the Board is going to meet once again to conclude the discussions around that. As we said before we look to use a portion of that to buy back shares.

Of course in this environment the quantity and the speed with which we buy back shares is something that they will have to discuss. Beyond that we see a couple of a few strategic acquisitions opportunity at potentially attractive valuations. Of course we're very far from concluding on this but we're seeing more and more opportunities and we're looking into this. All of that will be taken into account.

Shannon Cross – Cross Research

My final question is if you can talk a little bit about what you've seen with Canon, Ricoh, IKON, how that's going, the opportunity to pick up shares, Xerox is better. Just the competitive landscape as it impacts you.

Guy Gecht

On the Canon, IKON, I'll start with that, actually we're pleased to see that we got very little impact especially on the production side. I think Canon did a good job as far as ramping up their distribution and I think on the IKON Ricoh we are excited about the opportunity for IKON to sell the high end Ricoh. It seems like so far on the production side we didn't lose much. On the office side it's tough to say what is economic and what is the IKON Ricoh transaction.

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