

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
ELECTRONICS FOR IMAGING (EUROPE) LIMITED**

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for the Year Ended 31 December 2008**

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ELECTRONICS FOR IMAGING (EUROPE) LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2008

DIRECTORS:

F S Rosenzweig
H Wessel
J Richie

SECRETARY:

H Wessel

REGISTERED OFFICE:

26 Lower Kings Road
Berkhamsted
Hertfordshire
HP4 2AE

REGISTERED NUMBER:

2672991

AUDITORS:

COLIN GRAY & CO. LIMITED
Chartered Accountants
Registered Auditor,
26 Lower Kings Road
Berkhamsted
Hertfordshire
HP4 2AE

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31 December 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing technical and marketing support for Electronics for Imaging BV in the colour connectivity market.

REVIEW OF BUSINESS

The Directors are pleased with the full integration of the new businesses and the first half year was promising. Unfortunately our company also felt the economic and financial crisis although not as dramatically as many other companies. In anticipation of lower revenues the directors have looked for cost savings and it was decided to close our offices and have our employees working from their homes. This cost saving should help us in the near future.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

F S Rosenzweig
H Wessel
J Richie

Other changes in directors holding office are as follows:

J R Cutts - resigned 20 March 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2008**

AUDITORS

The auditors, COLIN GRAY & CO. LIMITED, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


H Wessel - Secretary

12 October 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ELECTRONICS FOR IMAGING (EUROPE) LIMITED**

We have audited the financial statements of Electronics for Imaging (Europe) Limited for the year ended 31 December 2008 on pages five to thirteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Colin Gray & Co Limited

COLIN GRAY & CO. LIMITED
Registered Auditor,
26 Lower Kings Road
Berkhamsted
Hertfordshire
HP4 2AE

Date: 12 October 2009

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2008

	Notes	2008 £	2007 £
TURNOVER	2	3,983,159	3,662,988
Administrative expenses		2,784,518	3,411,504
OPERATING PROFIT	4	1,198,641	251,484
Cost of reorganisation	5	636,245	-
		562,396	251,484
Interest receivable and similar income		14,476	23,244
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		576,872	274,728
Tax on profit on ordinary activities	6	191,889	122,446
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		384,983	152,282
PROFIT FOR THE YEAR		384,983	152,282
Retained profit brought forward		808,209	655,927
		1,193,192	808,209
RETAINED PROFIT CARRIED FORWARD		1,193,192	808,209

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

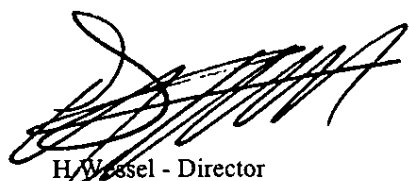
The company has no recognised gains or losses other than the profits for the current year or previous year.

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

BALANCE SHEET 31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	12,247	34,332
CURRENT ASSETS			
Debtors	8	1,463,022	910,621
Cash at bank		805,802	395,011
		<u>2,268,824</u>	<u>1,305,632</u>
CREDITORS			
Amounts falling due within one year	9	<u>733,095</u>	<u>481,753</u>
NET CURRENT ASSETS		<u>1,535,729</u>	<u>823,879</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,547,976</u>	<u>858,211</u>
CREDITORS			
Amounts falling due after more than one year	10	<u>304,782</u>	<u>-</u>
NET ASSETS		<u><u>1,243,194</u></u>	<u><u>858,211</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Share premium	13	50,000	50,000
Profit and loss account		<u>1,193,192</u>	<u>808,209</u>
SHAREHOLDERS' FUNDS	16	<u><u>1,243,194</u></u>	<u><u>858,211</u></u>

The financial statements were approved by the Board of Directors on 12 October 2009 and were signed on its behalf by:



H. Wessel - Director

The notes form part of these financial statements

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

**CASH FLOW STATEMENT
for the Year Ended 31 December 2008**

	Notes	2008 £	2007 £
Net cash inflow from operating activities	1	509,525	164,298
Returns on investments and servicing of finance	2	14,476	23,244
Taxation		(98,954)	(84,993)
Capital expenditure	2	<u>(14,256)</u>	<u>(23,424)</u>
Increase in cash in the period		<u><u>410,791</u></u>	<u><u>79,125</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>410,791</u>	<u>79,125</u>
Change in net funds resulting from cash flows		<u>410,791</u>	<u>79,125</u>
Movement in net funds in the period		410,791	79,125
Net funds at 1 January		<u>395,011</u>	<u>315,886</u>
Net funds at 31 December		<u><u>805,802</u></u>	<u><u>395,011</u></u>

The notes form part of these financial statements

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2008**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008	2007
	£	£
Operating profit	1,198,641	251,484
Depreciation charges	36,026	19,793
Loss on disposal of fixed assets	316	31
Reorganisation costs	(636,246)	-
Increase in debtors	(552,401)	(162,448)
Increase in creditors	463,189	55,438
Net cash inflow from operating activities	<u><u>509,525</u></u>	<u><u>164,298</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	14,476	23,244
Net cash inflow for returns on investments and servicing of finance	<u><u>14,476</u></u>	<u><u>23,244</u></u>
 Capital expenditure		
Purchase of tangible fixed assets	(68,110)	(23,424)
Sale of tangible fixed assets	53,854	-
Net cash outflow for capital expenditure	<u><u>(14,256)</u></u>	<u><u>(23,424)</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.08	Cash flow	At
	£	£	31.12.08
			£
Net cash:			
Cash at bank	395,011	410,791	805,802
	<u>395,011</u>	<u>410,791</u>	<u>805,802</u>
 Total	<u><u>395,011</u></u>	<u><u>410,791</u></u>	<u><u>805,802</u></u>

The notes form part of these financial statements

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 33% on cost and Straight line over 7 years
Computer equipment	- 50% on cost and 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Where assets are no longer used in the business but the company still holds the (onerous) lease then the rentals over the remaining term of the lease are written off in full as soon as the onerous lease is recognised.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2008 £	2007 £
European	3,983,159	3,662,988
	<u>3,983,159</u>	<u>3,662,988</u>

ELECTRONICS FOR IMAGING (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

3. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	1,759,155	1,970,759
Social security costs	213,412	224,342
Other pension costs	108,994	113,541
	<u>2,081,561</u>	<u>2,308,642</u>

The average monthly number of employees during the year was as follows:

2008	2007
<u>30</u>	<u>35</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	36,026	19,793
Loss on disposal of fixed assets	316	31
Auditors remuneration	9,000	9,000
Rentals under operating leases	<u>173,160</u>	<u>146,864</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5. EXCEPTIONAL ITEMS

During the year the company undertook a reorganisation of its activities by closing its UK offices. Employees are now working out of their homes. These costs arise from the closure of the UK office and the ongoing leases in respect of the UK properties.

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2008	2007
	£	£
Current tax:		
UK corporation tax	191,889	94,437
Underprovision in prior year	<u>-</u>	<u>28,009</u>
Tax on profit on ordinary activities	<u>191,889</u>	<u>122,446</u>

UK corporation tax was charged at 30% in 2007.

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>576,872</u>	<u>274,728</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.480% (2007 - 30%)	164,293	82,418
Effects of:		
Depreciation	10,260	5,947
Capital Allowances	(15,253)	(14,814)
Disallowable expenses and income	32,589	20,886
Underprovision in prior year	-	28,009
Current tax charge	<u>191,889</u>	<u>122,446</u>

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2008	116,318	95,415	66,562	278,295
Additions	27,521	31,671	8,918	68,110
Disposals	<u>(143,839)</u>	<u>(127,086)</u>	<u>(28,280)</u>	<u>(299,205)</u>
At 31 December 2008	-	-	47,200	47,200
DEPRECIATION				
At 1 January 2008	108,616	85,372	49,974	243,962
Charge for year	11,891	11,684	12,451	36,026
Eliminated on disposal	<u>(120,507)</u>	<u>(97,056)</u>	<u>(27,472)</u>	<u>(245,035)</u>
At 31 December 2008	-	-	34,953	34,953
NET BOOK VALUE				
At 31 December 2008	-	-	12,247	12,247
At 31 December 2007	<u>7,702</u>	<u>10,043</u>	<u>16,588</u>	<u>34,333</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Other debtors	16,808	36,957
Amounts owed by group undertakings	1,411,735	809,310
Prepayments	34,479	64,354
	<u>1,463,022</u>	<u>910,621</u>

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2008

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	34,850	62,626
Corporation tax	142,372	49,437
Social security and other taxes	67,166	48,387
Other creditors	242,984	192,143
Accrued expenses	245,723	129,160
	<u>733,095</u>	<u>481,753</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Other creditors	<u>304,782</u>	<u>-</u>

The amount payable of £304,782 is payable within five years by monthly instalments.

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2008	2007	2008	2007
	£	£	£	£
Expiring:				
Within one year	-	-	9,210	-
Between one and five years	-	-	61,595	75,808
In more than five years	95,171	95,171	-	-
	<u>95,171</u>	<u>95,171</u>	<u>70,805</u>	<u>75,808</u>

The land and buildings commitments of £95,971 relate to an onerous lease that has been provided for and is shown in other creditors.

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2008	2007
			£	£
1,000	Ordinary shares	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008	2007
			£	£
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

ELECTRONICS FOR IMAGING (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2008

13. RESERVES

	Share premium £
At 1 January 2008	50,000
At 31 December 2008	<u>50,000</u>

14. ULTIMATE PARENT COMPANY

The ultimate parent company is Electronics for Imaging Inc., a company registered in the United States.

The largest and smallest group in which the results of the company are consolidated is that headed by Electronics for Imaging Inc., the ultimate parent company. The consolidated accounts of this group are available to the public from 303 Velocity Way, Foster City, California, 94404, United States of America.

Electronics for Imaging (Europe) Limited is controlled by the shareholders of the ultimate parent company.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	384,983	152,282
Net addition to shareholders' funds	<u>384,983</u>	<u>152,282</u>
Opening shareholders' funds	858,211	705,929
Closing shareholders' funds	<u><u>1,243,194</u></u>	<u><u>858,211</u></u>