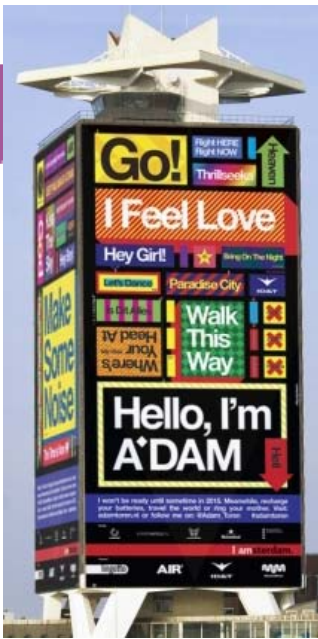




EFI Q2 2016 Earnings Call



July 25th, 2016



Safe Harbor For Forward-Looking Statements

Certain statements in this presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements other than statements of historical fact including words such as “anticipate”, “believe”, “consider”, “continue”, “develop”, “estimate”, “expect”, “look”, and “plan” and statements in the future tense are forward looking statements. The statements in this press release that could be deemed forward-looking statements include statements regarding EFI’s strategy, plans, expectations regarding its revenue growth, product portfolio, productivity, future opportunities for EFI and its customers, demand for products, and any statements or assumptions underlying any of the foregoing.

Forward-looking statements are subject to certain risks and uncertainties that could cause our actual future results to differ materially, or cause a material adverse impact on our results. Potential risks and uncertainties include, but are not necessarily limited to, intense competition in each of our businesses, including competition from products developed by EFI’s customers; unforeseen expenses; the difficulty of aligning expense levels with revenue; management’s ability to forecast revenues, expenses and earnings; our ability to successfully integrate acquired businesses; changes in the mix of products sold; the uncertainty of market acceptance of new product introductions; challenge of managing asset levels, including inventory and variations in inventory levels; the uncertainty of continued success in technological advances; the challenges of obtaining timely, efficient and quality product manufacturing and supply of components; any world-wide financial and economic difficulties and downturns; adverse tax-related matters such as tax audits, changes in our effective tax rate or new tax legislative proposals; the unpredictability of development schedules and commercialization of products by the leading printer manufacturers and declines or delays in demand for our related products; the impact of changing consumer preferences on demand for our textile products; litigation involving intellectual property rights or other related matters; the uncertainty regarding the amount and timing of future share repurchases by EFI and the origin of funds used for such repurchases; the market prices of EFI's common stock prior to, during and after the share repurchases; and any other risk factors that may be included from time to time in the Company’s SEC reports.

The statements in this presentation are made as of the date of this presentation (July 25, 2016). EFI undertakes no obligation to update information contained in this presentation. For further information regarding risks and uncertainties associated with EFI’s businesses, please refer to the section entitled “Risk Factors” in the Company’s SEC filings, including, but not limited to, its annual report on Form 10-K and its quarterly reports on Form 10-Q, copies of which may be obtained by contacting EFI’s Investor Relations Department by phone at 650-357-3828 or by email at investor.relations@efi.com or EFI’s Investor Relations website at www.efi.com.



Q2 2016 Financial Summary



- Record Q2 revenue of \$245.7M, +21% YoY
 - Industrial Inkjet revenue of \$140M, +47% YoY
 - Fiery revenue of \$69M, -6% YoY
 - Productivity Software revenue of \$36M, +8% YoY
 - Recurring revenue of \$78M, up 30% YoY; 32% of total revenue
 - Total Ink volume up 80% YoY
 - Non-GAAP Gross Margin of 51.1%, -270 bps YoY as expected with greater Inkjet mix
- Non-GAAP Operating Income of \$34M, up 16%, 13.8% of revenue
- Non-GAAP EBITDA of \$37M, up 16%; 15.2% of revenue
- Non-GAAP EPS of \$0.56 compared to \$0.48 in Q2 2015, +17% YoY
 - Using currency exchange rates in effect when we gave Q2 2016 guidance, revenue would have been \$247M and Non-GAAP EPS would have been \$0.58
- Cash flow from operating activities of \$23M for Q2 2016, -7% YoY
 - \$1.6M impact from Optitex acquisition announced on June 16th
 - \$68M Cash flow from operating activities over last twelve months

* Currency impact calculated by applying April 2016 foreign exchange rates to Q2 2016. See our description of our use of non-GAAP information for a more complete explanation of our determination of “ex currency” amounts.



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Non-GAAP Comparison To Guidance

	Guidance	Actual		
	Q2 2016 (Using April '16 FX Rates)	Q2 2016 Reported	Q2 2016 (Using April '16 FX Rates)	Q2 2016 (Using Q2 2015 FX Rates)
Revenue Guidance (\$M)				
Total Revenue YoY %	\$245-250 21-23%	\$246 21%	\$247 22%	\$245 21%
Industrial Inkjet YoY %	48-52%	47%	47%	46%
Productivity Software YoY %	Mid Single Digit Growth	8%	8%	8%
Fiery YoY %	Low Single Digit Decline	-6%	-6%	-6%
Non- GAAP Gross Margin	~50%	51%	51%	51%
Non- GAAP Operating Income	14-15%	14%	14%	14%
Non- GAAP EPS YoY %	\$.55-.60 15-25%	\$0.56 17%	\$0.58 21%	\$0.57 19%

* Currency impact calculated by applying Q2 2015 monthly foreign exchange rates to Q2 2016. See our description of our use of non-GAAP information for a more complete explanation of our determination of “ex currency” amounts.



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Revenue Impact from Currency

Revenue (\$M)	Q2 2016	Q2 2016 (Using Q2 2015 FX Rates*)	Currency Impact
Total Revenue	\$246	\$245	-0 pts
YoY %	21%	21%	
Industrial Inkjet	\$140	\$140	+1 pts
YoY %	47%	46%	
Productivity Software	\$36	\$37	-0 pts
YoY %	8%	8%	
Fiery	\$69	\$69	-0 pts
YoY %	-6%	-6%	
Americas	\$116	\$116	-0 pts
YoY %	7%	7%	
EMEA	\$96	\$95	+1 pts
YoY %	47%	46%	
APAC	\$34	\$35	-1 pts
YoY %	17%	18%	

* Currency impact calculated by applying Q2 2015 monthly foreign exchange rates to Q2 2016. See our description of our use of non-GAAP information for a more complete explanation of our determination of "ex currency" amounts.



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Non-GAAP P&L Impact from Currency

Non-GAAP (\$M)	Q2 2016	Q2 2016 (Using Q2 2015 FX Rates*)	Currency Impact
Total Revenue YoY %	\$246 21%	\$245 21%	0 pts
Gross Margin YoY Variance	51.1% -270 bps	51.2% -260 bps	-10 bps
Industrial Inkjet YoY Variance	35.0% 60 bps	35.0% 60 bps	0 bps
Productivity Software YoY Variance	74.9% 180 bps	74.8% 170 bps	+10 bps
Fiery YoY Variance	71.3% 90 bps	71.3% 90 bps	0 bps
Operating Income YoY %	\$34 16%	\$34 15%	+1 pts
EBITDA YoY %	\$37 16%	\$37 16%	0 pts
Non-GAAP EPS YoY %	\$0.56 17%	\$0.57 19%	-\$0.01

* Currency impact calculated by applying Q2 2015 monthly foreign exchange rates to Q2 2016. See our description of our use of non-GAAP information for a more complete explanation of our determination of "ex currency" amounts.



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Q3 2016 Guidance

Revenue Guidance (\$M)	Q3 2016 (Using Current FX Rates)	Q3 2016 (Using Q3 2015 FX Rates*)
Total Revenue YoY %	\$245-250 7-9%	8-11%
Industrial Inkjet YoY %	15-17%	16-19%
Productivity Software YoY %	16-19%	18-21%
Fiery YoY %	High Single Digit Decline	High Single Digit Decline

- Non-GAAP Gross Margin
 - Industrial Inkjet in the mid-30% range and Total EFI ~50-51%
- Non-GAAP Operating Income of approximately 13-14% of revenue
- Non-GAAP EPS of \$0.55-0.60, up 10-20%



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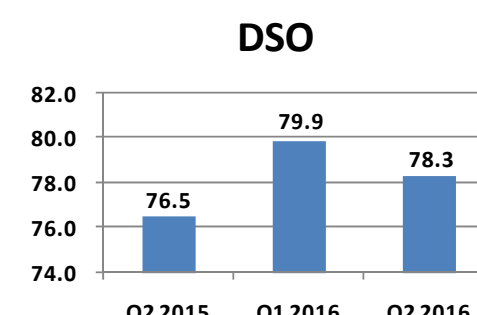
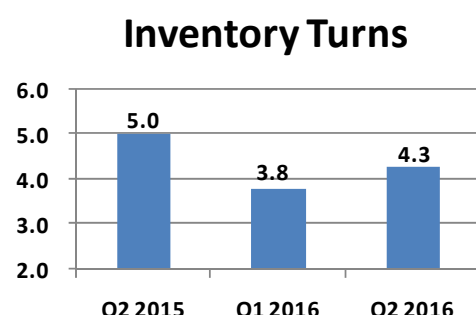
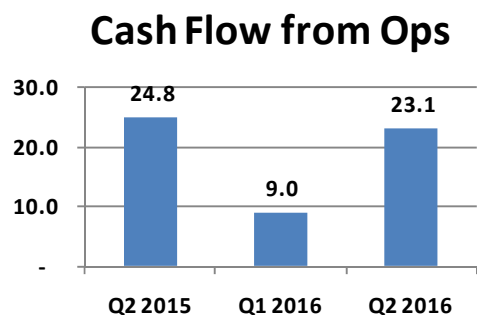
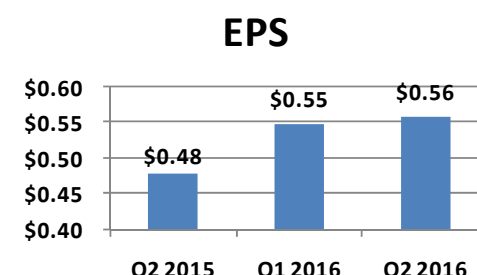
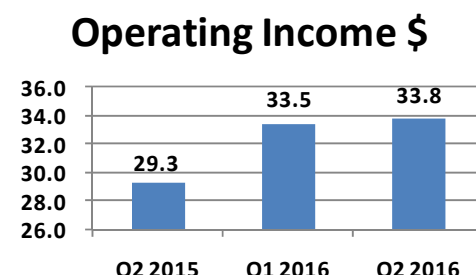
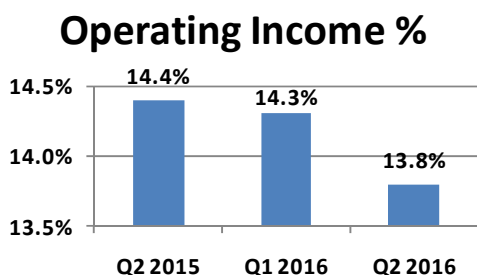
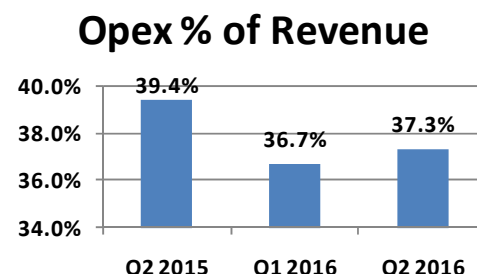
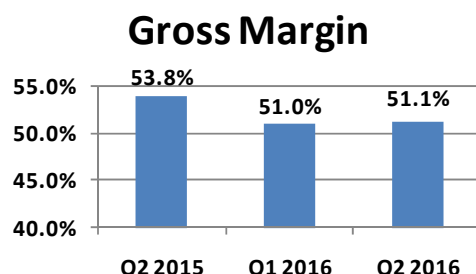
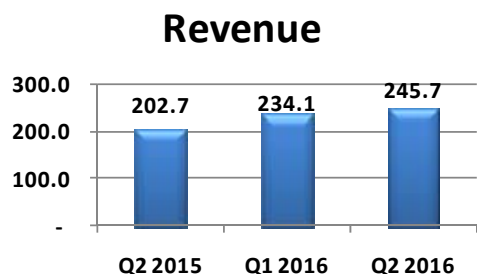
Reconciliation of GAAP to Non-GAAP Guidance

Guidance (\$M)	Q3 2016 (Using Current FX Rates)
Gross Margin	approx 50%
Non-GAAP Gross Margin	approx 50%
Operating Income	4% - 5% of revenue
Non-GAAP Operating Income	13% - 14% of revenue
GAAP net income per diluted common share	\$0.06 - \$0.11
Non-GAAP net income per diluted common share	\$0.55 - \$0.60
Shares used in diluted per share calculation	47,921



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Q2 2016 Non-GAAP Key Performance Metrics



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Revenue by Segment & Region

Revenue (\$M)	Q2 2016	Q1 2016	QoQ %	Q2 2015	YoY %
Industrial Inkjet	140.1	125.8	+11%	95.6	+47%
<i>% of Total</i>	<i>57%</i>	<i>54%</i>		<i>47%</i>	
Productivity Software	36.4	32.5	+12%	33.7	+8%
<i>% of Total</i>	<i>15%</i>	<i>14%</i>		<i>17%</i>	
Fiery	69.2	75.8	(9%)	73.4	(6%)
<i>% of Total</i>	<i>28%</i>	<i>32%</i>		<i>36%</i>	
Americas	115.5	120.2	(4%)	108.2	+7%
<i>% of Total</i>	<i>47%</i>	<i>51%</i>		<i>53%</i>	
EMEA	95.9	83.6	+15%	65.1	+47%
<i>% of Total</i>	<i>39%</i>	<i>36%</i>		<i>32%</i>	
APAC	34.3	30.3	+13%	29.4	+17%
<i>% of Total</i>	<i>14%</i>	<i>13%</i>		<i>15%</i>	
EFI	\$ 245.7	\$ 234.1	+5%	\$ 202.7	+21%



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LTM Revenue by Segment & Region

Revenue (\$M)	LTM* Jun 2016	LTM* Jun 2015	YoY %
Inkjet	530.3	380.6	+39%
<i>% of Total</i>	<i>55%</i>	<i>47%</i>	
Productivity Software	139.5	133.1	+5%
<i>% of Total</i>	<i>14%</i>	<i>17%</i>	
Fiery	295.2	292.4	+1%
<i>% of Total</i>	<i>31%</i>	<i>36%</i>	
Americas	493.2	451.8	+9%
<i>% of Total</i>	<i>51%</i>	<i>56%</i>	
EMEA	345.3	242.3	+43%
<i>% of Total</i>	<i>36%</i>	<i>30%</i>	
APAC	126.5	111.9	+13%
<i>% of Total</i>	<i>13%</i>	<i>14%</i>	
EFI	\$ 965.0	\$ 806.1	+20%

*Last twelve months ending June 30 of the year indicated



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LTM Consolidated P&L

Non-GAAP

Non-GAAP Consolidated P&L (\$M)	LTM* Jun 2016	LTM* Jun 2015	YoY %
Revenue	\$ 965.0	\$ 806.1	+20%
GM %	51.0%	54.6%	-360 bps
Operating Expenses	353.8	318.3	+11%
Operating Income	137.9	121.6	+13%
Operating Income %	14.3%	15.1%	-0.8 pts
EBITDA	151.6	132.1	+15%
Other Income/Expense	(6.5)	(10.4)	na
Tax Rate	19.0%	19.0%	- pts
Net Income	106.5	90.1	+18%
EPS	\$ 2.21	1.87	+18%
Diluted Sharecount (000's)	48,175	48,058	+0%

*Last twelve months ending June 30 of the year indicated



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Operating Expenses

Non-GAAP

Non-GAAP Operating Expenses (\$M)	Q2 2016	Q1 2016	QoQ %	Q2 2015	YoY %
Research & Development <i>% of Revenue</i>	35.8 14.6%	32.4 13.9%	+10% +70 bps	31.4 15.5%	+14% -90 bps
Sales & Marketing <i>% of Revenue</i>	41.2 16.8%	38.7 16.5%	+7% +30 bps	34.9 17.2%	+18% -40 bps
General & Administrative <i>% of Revenue</i>	14.7 6.0%	14.8 6.3%	(1%) -30 bps	13.6 6.7%	+9% -70 bps
EFI <i>% of Revenue</i>	91.7 37.3%	85.9 36.7%	+7% +60 bps	79.9 39.4%	+15% -210 bps



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Q2 2016 GAAP to Non-GAAP Opex Bridge

Operating Expenses (\$M)	GAAP	Stock Based Comp Exp	Amort of Identified Intangibles	Acquisition Related Transaction Costs	Restruct. & Other		Special Items*	Non-GAAP
					Personnel & Facilities	Restruct. & Other Integration		
Research & Development	37.7	(1.9)	-	-	-	-	-	35.8
<i>% of Revenue</i>	15.3%	(0.8%)	-	-	-	-	-	14.6%
Sales & Marketing	42.7	(1.5)	-	-	-	-	-	41.2
<i>% of Revenue</i>	17.4%	(0.6%)	-	-	-	-	-	16.8%
General & Administrative	21.5	(3.2)	-	(0.8)	-	-	(2.8)	14.7
<i>% of Revenue</i>	8.7%	(1.3%)	-	(0.3%)	-	-	(1.1%)	6.0%
Amortization of Intangibles	9.7	-	(9.7)	-	-	-	-	-
<i>% of Revenue</i>	4.0%	-	(3.9%)	-	-	-	-	-
Restructuring & Other	1.7	-	-	-	(1.0)	(0.7)	-	-
<i>% of Revenue</i>	0.7%	-	-	-	(0.4%)	(0.3%)	-	-
EFI	113.3	(6.6)	(9.7)	(0.8)	(1.0)	(0.7)	(2.8)	91.7
<i>% of Revenue</i>	46.1%	(2.7%)	(3.9%)	(0.3%)	(0.4%)	(0.3%)	(1.1%)	37.3%

Stock Based Compensation. As permitted by ASU 2016-09, Stock Compensation – Improvements to Employee Share Based Payment Accounting, which we have adopted in Q2 2016, we have elected to account for forfeitures when they occur instead of estimating the expected forfeiture rate. Adoption of this provision during the second quarter of 2016 resulted in a retroactive net income adjustment of \$0.2 million in the first quarter of 2016.

* Represents the change in fair value of contingent consideration and litigation settlements.



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Q1 2016 GAAP to Non-GAAP Opex Bridge

Operating Expenses (\$M)	GAAP	Stock Based Comp Exp	Amort of Identifited Intangibles	Acquisition Related Transaction Costs	Restruct. & Other Personnel & Facilities	Restruct. & Other Integration	Special Items*	Non-GAAP
Research & Development	37.2	(4.7)	-	-		-	-	32.4
<i>% of Revenue</i>	15.9%	(2.0%)	-	-		-	-	13.9%
Sales & Marketing	41.6	(2.9)	-	-		-	-	38.7
<i>% of Revenue</i>	17.8%	(1.2%)	-	-		-	-	16.5%
General & Administrative	20.7	(5.4)	-	(0.5)		-	(0.1)	14.8
<i>% of Revenue</i>	8.8%	(2.3%)	-	(0.2%)		-	(0.0%)	6.3%
Amortization of Intangibles	9.2	-	(9.2)	-		-	-	-
<i>% of Revenue</i>	3.9%	-	(3.9%)	-		-	-	-
Restructuring & Other	2.7	-	-	-	(2.6)	(0.1)	-	-
<i>% of Revenue</i>	1.2%	-	-	-	(1.1%)	(0.1%)	-	-
EFI	111.4	(13.0)	(9.2)	(0.5)	(2.6)	(0.1)	(0.1)	85.9
<i>% of Revenue</i>	47.6%	(5.6%)	(3.9%)	(0.2%)	(1.1%)	(0.1%)	(0.0%)	36.7%

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Consolidated P&L

Non-GAAP

Non-GAAP Consolidated P&L (\$M)	Q2 2016	Q1 2016	QoQ %	Q2 2015	YoY %
Revenue	\$ 245.7	\$ 234.1	+5%	\$ 202.7	+21%
GM %	51.1%	51.0%	+10 bps	53.8%	-270 bps
Operating Expenses	91.7	85.9	+7%	79.9	+15%
Operating Income	33.8	33.5	+1%	29.3	+16%
Operating Income %	13.8%	14.3%	-0.5 pts	14.4%	-0.6 pts
EBITDA	37.2	36.9	+1%	32.0	+16%
Other Income/Expense	(0.9)	(1.1)	na	(1.0)	na
Tax Rate	19.0%	19.0%	- pts	19.0%	- pts
Net Income	26.7	26.3	+1%	22.9	+16%
EPS	\$ 0.56	\$ 0.55	+2%	\$ 0.48	+17%
Diluted Sharecount (000's)	47,830	47,923	(0%)	48,073	(1%)



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Q2 2016 GAAP to Non-GAAP P&L Bridge

GAAP to Non-GAAP Bridge (\$M)	GAAP	Stock Based Comp Exp	Amort of Identified Intangibles	Acquisition Related Transaction Costs	Restruct. & Other		Special Items*	Non-GAAP
					Personnel & Facilities	Restruct. & Other Integration		
Revenue	\$ 245.7							\$ 245.7
Cost of Sales	120.6	(0.5)						120.0
GM %	50.8%							51.1%
Operating Expenses (Gains)	113.3	(6.6)	(9.7)	(0.8)	(1.0)	(0.7)	(2.8)	91.7
Operating Income %	4.8%							13.8%
Other Income/Expense	(4.0)						3.0	(0.9)
Pre-Tax Income	7.8	7.1	9.7	0.8	1.0	0.7	5.8	32.9
Tax Rate	31.7%							19.0%
Net Income	5.2							26.7
EPS	\$ 0.11							\$ 0.56
Diluted Sharecount (000's)	47,830							47,830

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* Consists of change in fair value of contingent consideration, litigation settlements, non-cash interest expense (other income/expense).



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Q1 2016 GAAP to Non-GAAP P&L Bridge

GAAP to Non-GAAP Bridge (\$M)	GAAP	Stock Based Comp Exp	Amort of Identified Intangibles	Acquisition Related Transaction Costs	Restruct. & Other Personnel & Facilities	Restruct. & Other Integration	Special Items*	Non-GAAP
Revenue	\$ 234.1	-	-	-		-	-	\$ 234.1
Cost of Sales	115.7	(1.0)	-	-		-	-	114.7
GM %	50.6%							51.0%
Operating Expenses (Gains)	111.4	(13.0)	(9.2)	(0.5)	(2.6)	(0.1)	(0.1)	85.9
Operating Income %	3.0%							14.3%
Other Income/Expense	(4.6)						3.5	(1.1)
Pre-Tax Income	2.4	14.0	9.2	0.5	2.6	0.1	3.6	32.4
Tax Rate	12.0%							19.0%
Net Income	2.1							26.3
EPS Diluted Sharecount (000's)	\$ 0.04 47,923							\$ 0.55 47,923

Stock Based Compensation. As permitted by ASU 2016-09, Stock Compensation – Improvements to Employee Share Based Payment Accounting, which we have adopted in Q2 2016, we have elected to account for forfeitures when they occur instead of estimating the expected forfeiture rate. Adoption of this provision during the second quarter of 2016 resulted in a retroactive net income adjustment of \$0.2 million in the first quarter of 2016.

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Appendix



Convertible Debt Offering Summary

Issuer:	Electronics For Imaging, Inc.
Security:	Convertible Senior Notes due 2019
Ranking:	Senior Unsecured
Maturity	5 years
Call Protection:	Non-Call 5 Years
Coupon:	0.75%
Conversion Premium:	22.5%
Size:	\$300MM
Greenshoe:	\$45MM
Approximate Conversion Price ⁽¹⁾	\$52.72
Approximate Shares Underlying Convertible	6.5MM
Bond Hedge Strike (%) / Bond Hedge Cost (\$)	22.5% / \$63.9MM
Warrant Strike (%) / Warrant Proceeds (\$)	60% / \$34.5MM
Net Premium / % of Proceeds	\$29.4MM / 8.52%
Net Proceeds	\$308MM
Effective Pre-tax Interest Rate on Proceeds (incl. BH+W Cost)	2.58%
Effective After-tax Interest Rate on Proceeds ⁽²⁾	1.50%
Offering:	144A / One-Day Marketed
Bookrunners:	Morgan Stanley and Goldman Sachs

Notes

1. Reference price of \$43.04 2. Assumes 23% tax rate



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Convertible Debt Share Count Impact

	Share Price	Cash Conversion (Principal)	GAAP Diluted Share Count Impact	Actual Share Count Dilution
		(millions)	(shares)	(shares)
Price at Offering Date	\$ 43.04	\$ 345	—	—
	45.00	345	—	—
	50.00	345	—	—
Conversion Price	52.72	345	—	—
	55.00	345	0.3	—
	60.00	345	0.8	—
Warrant Strike Price	65.00	345	1.2	—
	68.86	345	1.5	—
	75.00	345	2.4	0.5
	80.00	345	3.1	0.9
	85.00	345	3.7	1.2

We have elected cash conversion, which allows use of the treasury stock method to calculate the GAAP diluted share count impact (use of the if-converted method would have resulted in immediate GAAP dilution of 6.5M shares)

We have hedged the convertible debt dilution with a bond hedge.

As a result, there is no actual share count dilution from the convertible debt conversion

However, the impact of the bond hedge is considered to be antidilutive and must be ignored for purposes of determining the GAAP diluted share count impact

Actual share dilution begins at the warrant strike price of \$68.86 as the warrant is not hedged.



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2015 Revenue by Business Segment

Revenue (\$M)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
Industrial Inkjet	\$ 87.6	\$ 95.6	\$ 122.6	\$ 141.9	\$ 447.7
<i>YoY Change</i>	<i>0%</i>	<i>2%</i>	<i>28%</i>	<i>39%</i>	<i>18%</i>
Productivity Software	31.1	33.7	31.7	38.9	135.4
<i>YoY Change</i>	<i>-2%</i>	<i>10%</i>	<i>-6%</i>	<i>12%</i>	<i>4%</i>
Fiery	75.8	73.4	74.4	75.8	299.5
<i>YoY Change</i>	<i>10%</i>	<i>7%</i>	<i>9%</i>	<i>2%</i>	<i>7%</i>
Total Revenue	\$ 194.6	\$ 202.7	\$ 228.7	\$ 256.5	\$ 882.5
<i>YoY Change</i>	<i>3%</i>	<i>5%</i>	<i>16%</i>	<i>21%</i>	<i>12%</i>



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2014 Revenue by Business Segment

Revenue (\$M)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014
Industrial Inkjet	\$ 87.9	\$ 93.9	\$ 95.5	\$ 101.9	\$ 379.2
<i>YoY Change</i>	<i>10%</i>	<i>7%</i>	<i>10%</i>	<i>3%</i>	<i>7%</i>
Productivity Software	31.7	30.8	33.6	34.7	130.7
<i>YoY Change</i>	<i>14%</i>	<i>8%</i>	<i>18%</i>	<i>3%</i>	<i>10%</i>
Fiery	69.1	68.3	68.6	74.6	280.5
<i>YoY Change</i>	<i>9%</i>	<i>7%</i>	<i>9%</i>	<i>16%</i>	<i>10%</i>
Total Revenue	\$ 188.7	\$ 193.0	\$ 197.7	\$ 211.1	\$ 790.4
<i>YoY Change</i>	<i>10%</i>	<i>7%</i>	<i>11%</i>	<i>7%</i>	<i>9%</i>



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2013 Revenue by Business Segment

Revenue (\$M)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013
Industrial Inkjet	\$ 80.3	\$ 88.0	\$ 87.1	\$ 99.2	\$ 354.6
<i>YoY Change</i>	<i>7%</i>	<i>10%</i>	<i>10%</i>	<i>15%</i>	<i>11%</i>
Productivity Software	27.7	28.5	28.5	33.6	118.4
<i>YoY Change</i>	<i>15%</i>	<i>11%</i>	<i>18%</i>	<i>14%</i>	<i>14%</i>
Fiery	63.3	63.8	63.2	64.4	254.7
<i>YoY Change</i>	<i>4%</i>	<i>9%</i>	<i>25%</i>	<i>10%</i>	<i>11%</i>
Total Revenue	\$ 171.4	\$ 180.3	\$ 178.8	\$ 197.2	\$ 727.7
<i>YoY Change</i>	<i>7%</i>	<i>10%</i>	<i>16%</i>	<i>13%</i>	<i>12%</i>



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2012 Revenue by Business Segment

Revenue (\$M)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2012
Industrial Inkjet	\$ 75.1	\$ 79.8	\$ 79.1	\$ 86.2	\$ 320.2
<i>YoY Change</i>	<i>47%</i>	<i>39%</i>	<i>33%</i>	<i>19%</i>	<i>33%</i>
Productivity Software	24.1	25.7	24.3	29.4	103.5
<i>YoY Change</i>	<i>44%</i>	<i>33%</i>	<i>13%</i>	<i>24%</i>	<i>27%</i>
Fiery	60.9	58.4	50.7	58.5	228.4
<i>YoY Change</i>	<i>-16%</i>	<i>-10%</i>	<i>-24%</i>	<i>-12%</i>	<i>-15%</i>
Total Revenue	\$ 160.1	\$ 163.9	\$ 154.1	\$ 174.1	\$ 652.1
<i>YoY Change</i>	<i>14%</i>	<i>16%</i>	<i>5%</i>	<i>7%</i>	<i>10%</i>



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2015 Gross Margin by Business Segment

Non-GAAP

Non-GAAP Gross Margin %	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
Industrial Inkjet	33.8%	34.4%	34.6%	33.9%	34.2%
YoY Change	-350 bps	-410 bps	-490 bps	-280 bps	-380 bps
Productivity Software	72.1%	73.1%	73.0%	74.9%	73.3%
YoY Change	- bps	+100 bps	+70 bps	+160 bps	+80 bps
Fiery	71.7%	70.4%	69.2%	69.4%	70.2%
YoY Change	+240 bps	+300 bps	-20 bps	-50 bps	+120 bps
Total Gross Margin	54.7%	53.8%	51.2%	50.6%	52.4%
YoY Change	-20 bps	-30 bps	-420 bps	-380 bps	-230 bps



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2014 Gross Margin by Business Segment

Non-GAAP

Non-GAAP Gross Margin %	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014
Industrial Inkjet	37.3%	38.5%	39.5%	36.7%	38.0%
YoY Change	-250 bps	-150 bps	-30 bps	-190 bps	-150 bps
Productivity Software	72.1%	72.1%	72.3%	73.3%	72.5%
YoY Change	+20 bps	+110 bps	+80 bps	-10 bps	+50 bps
Fiery	69.3%	67.4%	69.4%	69.9%	69.0%
YoY Change	+230 bps	- bps	+190 bps	+210 bps	+160 bps
Total Gross Margin	54.9%	54.1%	55.4%	54.4%	54.7%
YoY Change	-10 bps	-50 bps	+80 bps	+40 bps	+10 bps



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2013 Gross Margin by Business Segment

Non-GAAP

Non-GAAP Gross Margin %	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2013
Industrial Inkjet	39.8%	40.0%	39.8%	38.6%	39.5%
YoY Change	+50 bps	-40 bps	-50 bps	-110 bps	-40 bps
Productivity Software	71.9%	71.0%	71.5%	73.4%	72.0%
YoY Change	+60 bps	-90 bps	- bps	+60 bps	+10 bps
Fiery	67.0%	67.4%	67.5%	67.8%	67.4%
YoY Change	-80 bps	- bps	+10 bps	+110 bps	+10 bps
Total Gross Margin	55.0%	54.6%	54.6%	54.0%	54.6%
YoY Change	- bps	-30 bps	+50 bps	-40 bps	- bps



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2012 Gross Margin by Business Segment

Non-GAAP

Non-GAAP Gross Margin %	Q1 2012	Q2 2012	Q3 2012	Q4 2012	2012
Industrial Inkjet	39.3%	40.4%	40.3%	39.7%	39.9%
YoY Change	+320 bps	+290 bps	+70 bps	-70 bps	+130 bps
Productivity Software	71.3%	71.9%	71.5%	72.8%	71.9%
YoY Change	+320 bps	+180 bps	+100 bps	+190 bps	+190 bps
Fiery	67.8%	67.4%	67.4%	66.7%	67.3%
YoY Change	-20 bps	-70 bps	-10 bps	-90 bps	-50 bps
Total Gross Margin	55.0%	54.9%	54.1%	54.4%	54.6%
YoY Change	-140 bps	-110 bps	-250 bps	-160 bps	-160 bps



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Q2 2016 P&L Summary

\$M	Q2 2016	Q1 2016	QoQ %	Q2 2015	YoY %
Revenue	\$ 245.7	\$ 234.1	+5%	\$ 202.7	+21%
NON-GAAP					
Operating Income	33.8	33.5	+1%	29.3	+16%
Operating Income %	13.8%	14.3%	-50 bps	14.4%	-60 bps
Net Income	26.7	26.3	+1%	22.9	+16%
EPS	\$ 0.56	\$ 0.55	+2%	\$ 0.48	+17%
GAAP					
GAAP Net Income	5.2	2.1	+150%	7.7	(32%)
GAAP EPS	\$ 0.11	\$ 0.04	+175%	\$ 0.16	(31%)

Stock Based Compensation. As permitted by ASU 2016-09, Stock Compensation – Improvements to Employee Share Based Payment Accounting, which we have adopted in Q2 2016, we have elected to account for forfeitures when they occur instead of estimating the expected forfeiture rate. Adoption of this provision during the second quarter of 2016 resulted in a retroactive net income adjustment of \$0.2 million in the first quarter of 2016.



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Q1 2016 P&L Summary

\$M	Q1 2016	Q4 2015	QoQ %	Q1 2015	YoY %
Revenue	\$ 234.1	\$ 256.5	(9%)	\$ 194.6	+20%
NON-GAAP					
Operating Income	33.5	38.5	(13%)	28.3	+18%
Operating Income %	14.3%	15.0%	-70 bps	14.6%	-30 bps
Net Income	26.3	29.4	(11%)	21.4	+23%
EPS	\$ 0.55	\$ 0.61	(10%)	\$ 0.45	+22%
GAAP					
GAAP Net Income	2.1	10.3	(80%)	5.2	(60%)
GAAP EPS	\$ 0.04	\$ 0.21	(81%)	\$ 0.11	(64%)

Stock Based Compensation. As permitted by ASU 2016-09, Stock Compensation – Improvements to Employee Share Based Payment Accounting, which we have adopted in Q2 2016, we have elected to account for forfeitures when they occur instead of estimating the expected forfeiture rate. Adoption of this provision during the second quarter of 2016 resulted in a retroactive net income adjustment of \$0.2 million in the first quarter of 2016.



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Gross Margin by Business Segment

Non-GAAP

Non-GAAP Gross Margin %	Q2 2016	Q1 2016	QoQ %	Q2 2015	YoY %
Industrial Inkjet	35.0%	33.7%	+130 bps	34.4%	+60 bps
Productivity Software	74.9%	72.8%	+210 bps	73.1%	+180 bps
Fiery	71.3%	70.3%	+100 bps	70.4%	+90 bps
EFI	51.1%	51.0%	+10 bps	53.8%	-270 bps



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Reconciliation of GAAP to Non-GAAP Gross Margin : 2015-2016

GAAP to Non-GAAP Reconciliation (\$M)	Q115	Q215	Q315	Q415	FY15 YTD	Q116	Q216	Q316	Q416	FY16 YTD
GAAP										
Gross Margin	105.4	108.4	116.3	129.3	459.3	118.4	125.0			243.4
ADJUSTMENTS										
COGS: Stock Based Compensation Expense	0.9	0.7	0.8	0.5	3.0	1.0	0.5			1.5
NON-GAAP										
Gross Margin	\$ 106.4	\$ 109.1	\$ 117.1	\$ 129.7	\$ 462.4	\$ 119.4	\$ 125.6	\$ -	\$ -	\$ 245.0



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Reconciliation of GAAP to Non-GAAP Operating Income: 2015-2016

GAAP to Non-GAAP Reconciliation (\$M)	Q115	Q215	Q315	Q415	FY15 YTD	Q116	Q216	Q316	Q416	FY16 YTD
GAAP										
Operating Income (Loss)	11.1	13.4	12.8	19.4	56.6	7.0	11.7	-	-	18.7
ADJUSTMENTS										
COGS: Stock Based Compensation Expense	0.9	0.7	0.8	0.5	3.0	1.0	0.5	-	-	1.5
OPEX: Stock Based Compensation Expense	9.4	9.0	8.7	5.4	32.4	13.0	6.6	-	-	19.6
OPEX: Amortization of Identified Intangibles	4.8	4.6	8.8	8.4	26.5	9.2	9.7	-	-	18.9
OPEX: Acquisition-Related Transaction Costs	0.7	2.0	1.6	1.3	5.5	0.5	0.8	-	-	1.3
OPEX: Litigation Settlement	0.5				0.5	0.3	0.5			0.8
OPEX: Change in FV of Contingent Consideration	-	(1.3)	(1.1)	0.3	(2.1)	(0.2)	2.3	-	-	2.1
OPEX: Restructuring & Other Personnel & Facilities	1.0	0.7	0.5	1.7	4.0	2.6	1.0	-	-	3.6
OPEX: Restructuring & Other Integration	(0.0)	0.2	0.1	1.5	1.7	0.1	0.7	-	-	0.9
NON-GAAP										
Non-GAAP Operating Income (Loss)	\$ 28.3	\$ 29.3	\$ 32.1	\$ 38.5	\$ 128.2	\$ 33.5	\$ 33.8	\$ -	\$ -	\$ 67.3



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Reconciliation of GAAP to Non-GAAP Net Income: 2015-2016

GAAP to Non-GAAP Reconciliation (\$M)	Q115	Q215	Q315	Q415	FY15 YTD	Q116	Q216	Q316	Q416	FY16 YTD
GAAP										
Net Income (Loss)	5.2	7.7	10.3	10.3	33.5	2.1	5.2	-	-	7.3
EPS	\$ 0.11	\$ 0.16	\$ 0.21	\$ 0.21	\$ 0.70	\$ 0.04	\$ 0.11	\$ -	\$ -	\$ 0.15
ADJUSTMENTS										
COGS: Stock Based Compensation Expense	0.9	0.7	0.8	0.5	3.0	1.0	0.5	-	-	1.5
OPEX: Stock Based Compensation Expense	9.4	9.0	8.7	5.4	32.4	13.0	6.6	-	-	19.6
OPEX: Amortization of Identified Intangibles	4.8	4.6	8.8	8.4	26.5	9.2	9.7	-	-	18.9
OPEX: Acquisition-Related Transaction Costs	0.7	2.0	1.6	1.3	5.5	0.5	0.8	-	-	1.3
OPEX: Litigation Settlement	0.5				0.5	0.3	0.5			0.8
OPEX: Change in FV of Contingent Consideration	-	(1.3)	(1.1)	0.3	(2.1)	(0.2)	2.3	-	-	2.1
OPEX: Restructuring & Other Personnel & Facilities	1.0	0.7	0.5	1.7	4.0	2.6	1.0	-	-	3.6
OPEX: Restructuring & Other Integration	(0.0)	0.2	0.1	1.5	1.7	0.1	0.7	-	-	0.9
OI&E: Non-cash Interest Expense	2.9	2.9	3.0	3.0	11.8	3.5	3.0	-	-	6.5
Tax Effect of Non-GAAP Adjustments	(4.0)	(3.6)	(8.6)	(3.0)	(18.9)	(5.8)	(3.7)	-	-	(9.5)
NON-GAAP										
Non-GAAP Net Income (Loss)	\$ 21.4	\$ 22.9	\$ 24.1	\$ 29.4	\$ 97.9	\$ 26.3	\$ 26.7	\$ -	\$ -	\$ 53.0
Non-GAAP EPS	\$ 0.45	\$ 0.48	\$ 0.50	\$ 0.61	\$ 2.03	\$ 0.55	\$ 0.56	\$ -	\$ -	\$ 1.11

Stock Based Compensation. As permitted by ASU 2016-09, Stock Compensation – Improvements to Employee Share Based Payment Accounting, which we have adopted in Q2 2016, we have elected to account for forfeitures when they occur instead of estimating the expected forfeiture rate. Adoption of this provision during the second quarter of 2016 resulted in a retroactive net income adjustment of \$0.2 million in the first quarter of 2016.



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Reconciliation of GAAP to Non-GAAP Net Income : 2013-2014

GAAP to Non-GAAP Reconciliation (\$M)	Q113	Q213	Q313	Q413	FY13	Q114	Q214	Q314	Q414	FY14
GAAP										
Net Income (Loss)	8.4	9.4	16.1	75.2	109.1	10.1	6.9	4.8	11.9	33.7
EPS	\$ 0.17	\$ 0.20	\$ 0.33	\$ 1.54	\$ 2.26	\$ 0.21	\$ 0.14	\$ 0.10	\$ 0.25	\$ 0.70
ADJUSTMENTS										
COGS: Stock Based Compensation Expense	0.4	0.4	0.5	0.5	1.8	0.5	0.6	0.8	0.7	2.6
OPEX: Stock Based Compensation Expense	6.2	5.4	5.8	6.6	24.0	8.0	7.1	8.2	10.2	33.5
OPEX: Amortization of Identified Intangibles	4.9	4.9	4.8	4.8	19.4	4.9	5.1	5.3	5.4	20.7
OPEX: Acquisition-Related Transaction Costs	-	0.7	0.1	0.6	1.4	0.5	0.2	0.6	0.3	1.5
OPEX: Litigation Settlement	-	-	(3.3)	0.2	(3.1)	0.1	0.1	0.6	-	0.9
OPEX: Change in FV of Contingent Consideration	(0.3)	(0.5)	0.4	(5.4)	(5.8)	(0.6)	(1.0)	(0.6)	(1.6)	(3.8)
OPEX: Restructuring & Other Personnel & Facilities	1.4	0.7	0.8	0.5	3.4	0.7	1.3	2.5	0.7	5.2
OPEX: Restructuring & Other Integration	0.5	0.5	0.2	0.2	1.4	0.4	0.2	0.5	0.2	1.4
OPEX: Building Sale Related	(0.3)	(0.6)	(0.6)	(0.2)	(1.7)	-	-	-	-	-
OPEX: Gain on Sale of Building and Land	0.1	-	0.2	(117.6)	(117.2)	-	-	-	-	-
OI&E: Non-cash Interest Expense	0.9	0.6	0.3	-	1.9	-	-	0.7	2.8	3.5
Tax Effect of Non-GAAP Adjustments	(6.4)	(3.2)	(6.6)	58.4	42.0	(4.2)	0.5	(2.8)	(5.5)	(12.1)
NON-GAAP										
Non-GAAP Net Income (Loss)	\$ 15.8	\$ 18.3	\$ 18.7	\$ 23.8	\$ 76.6	\$ 20.4	\$ 21.0	\$ 20.6	\$ 25.1	\$ 87.1
Non-GAAP EPS	\$ 0.33	\$ 0.38	\$ 0.39	\$ 0.49	\$ 1.58	\$ 0.42	\$ 0.44	\$ 0.43	\$ 0.52	\$ 1.80



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Key Balance Sheet Figures

Key Balance Sheet Figures (\$M)	Q2 2016	Q1 2016	Q2 2015
Total Cash & Investments	\$ 449	\$ 472	\$ 614
Cash Conversion Cycle (CCC)	83.5	88.5	75.9
Accounts Receivable (net)	\$ 211	\$ 205	\$ 170
DSO	78.3	79.9	76.5
Inventory (net)	\$ 111	\$ 122	\$ 75
Inventory Turns	4.3	3.8	5.0
Accounts Payable (net)	\$ 104	\$ 111	\$ 75
DPO	78.9	87.9	73.0
Total Assets	\$ 1,477	\$ 1,465	\$ 1,316
Convertible Debt	\$ 297.5	\$ 294.1	\$ 290.6



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Key Cash and Valuation Metrics

(\$M)	Q2 2016	Q1 2016	QoQ %	Q2 2015	YoY %
Cash Metrics					
Cash Flow From Operations	\$ 23.1	\$ 9.0	+158%	\$ 24.8	(7%)
LTM* Cash Flow From Operations	68.4	70.1	(2%)	84.2	(19%)
Valuation Metrics					
Enterprise Value (EV)**	\$ 1,907	\$ 1,854	+3%	\$ 1,768	+8%
<i>EV Multiple of LTM EBITDA</i>	<i>12.6</i>	<i>12.7</i>	<i>(1%)</i>	<i>13.4</i>	<i>(6%)</i>
<i>EV Multiple of LTM Revenue</i>	<i>2.0</i>	<i>2.0</i>	<i>(2%)</i>	<i>2.2</i>	<i>(10%)</i>
P/E Ratio	19.5	19.9	(2%)	23.2	(16%)

* Last 12 months ending the third calendar month of the quarter indicated

** Calculated using closing common stock share price on last trading day of the quarter indicated



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About our Non-GAAP Financial Measures and Adjustments

Use of Non-GAAP Financial Information

- To supplement our condensed consolidated financial results prepared in accordance with GAAP, we use non-GAAP measures of operating income, net income, and earnings per diluted share that are GAAP operating income, GAAP net income, and GAAP earnings per diluted share adjusted to exclude certain costs, expenses, and gains.
- We believe that the presentation of non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per diluted share provides important supplemental information regarding non-cash expenses and significant items that we believe are important to understanding financial and business trends relating to our financial condition and results of operations. Non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per diluted share are among the primary indicators used by management as a basis for planning and forecasting future periods and by management and our Board of Directors to determine whether our operating performance has met specified targets and thresholds. Management uses non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per diluted share when evaluating operating performance because it believes the exclusion of the items described below, for which the amounts and/or timing may vary significantly depending on our activities and other factors, facilitates comparability of our operating performance from period to period. We have chosen to provide this information to investors so they can analyze our operating results in the same way that management does and use this information in their assessment of our business and the valuation of our Company.
- **Use and Economic Substance of Non-GAAP Financial Measures**
- We compute non-GAAP operating income, non-GAAP net income, and non-GAAP earnings per diluted share by adjusting GAAP operating income, GAAP net income, and GAAP earnings per diluted share to remove the impact of amortization of acquisition-related intangibles, stock-based compensation expense, restructuring and other expenses, acquisition-related transaction expenses, costs to integrate such acquisitions into our business, changes in the fair value of contingent consideration, litigation settlement charges, and non-cash interest expense related to our 0.75% convertible senior notes (“Notes”). We use a constant non-GAAP tax rate of 19%, which we believe reflects the long term average tax rate based on our international structure and geographic distribution of revenue and profit.
- Ex-Currency. To better understand trends in our business, we believe it is helpful to adjust our statement of operations to exclude the impact of year-over-year changes in the translation of foreign currencies into U.S. dollars. This is a non-GAAP measure that is calculated by adjusting revenue, non-GAAP operating income, and non-GAAP net income by using historical exchange rates in effect during the comparable prior year period and removing the balance sheet currency remeasurement impact from interest income and other expense, net, including removal of any hedging gains and losses. We refer to these adjustments as “ex-currency.” Management believes the ex-currency measures provide investors with an additional perspective on year-over-year financial trends and enables investors to analyze our operating results in the same way management does. The year-over-year currency impact can be determined as the difference between year-over-year actual growth rates and year-over-year ex-currency growth rates.
- These excluded items are described below:
- Intangible assets acquired to date are being amortized on a straight-line basis.
- Stock-based compensation expense of \$21.1 and \$19.9 million during the Six months ended June 30, 2016 and 2015, respectively, consists of \$18.4 and \$18.5 million of stock-based compensation expense recognized in accordance with ASC 718, Stock Compensation, and the non-cash settlement of \$2.7 and \$1.4 million of vacation liabilities settled through the issuance of RSUs during the three months ended March 31, 2016 and 2015, which is not included in the GAAP presentation of our stock-based compensation expense.

About our Non-GAAP Financial Measures and Adjustments (continued)

- Restructuring and other expenses consist of:
 - Restructuring charges incurred as we consolidate the number and size of our facilities and, as a result, reduce the size of our workforce.
 - Expenses incurred to integrate businesses acquired of \$0.7 and \$0.9 million for the three and six months ended June 30, 2016, respectively, and \$0.2 million for the six months ended June 30, 2015.
- Acquisition-related transaction costs associated with businesses acquired and anticipated transactions of \$0.8 and \$1.3 million for the three and six months ended June 30, 2016, respectively, and \$0.7 and \$2.7 million for the three and six months ended June 30, 2015, respectively.
- Changes in fair value of contingent consideration. Our management determined that we should analyze the total return provided by the investment when evaluating operating results of an acquired entity. The total return consists of operating profit generated from the acquired entity compared to the purchase price paid, including the final amounts paid for contingent consideration without considering any post-acquisition adjustments related to changes in the fair value of the contingent consideration. Because our management believes the final purchase price paid for the acquisition reflects the accounting value assigned to both contingent consideration and to the intangible assets, we exclude the GAAP impact of any adjustments to the fair value of acquisition-related contingent consideration from the operating results of an acquisition in subsequent periods, including the related foreign exchange fluctuation impact. We believe this approach is useful in understanding the long-term return provided by our acquisitions and that investors benefit from a supplemental non-GAAP financial measure that excludes the impact of this adjustment.
- Non-cash interest expense on our Notes. Our Notes may be settled in cash on conversion. We are required to separately account for the liability (debt) and equity (conversion option) components of the Notes in a manner that reflects our non-convertible debt borrowing rate. Accordingly, for GAAP purposes, we are required to amortize a debt discount equal to the fair value of the conversion option as interest expense on our \$345 million of 0.75% convertible senior notes that were issued in a private placement in September 2014 over the term of the Notes.
- Litigation settlements. We settled or accrued reserves related several litigation claims of \$0.8 and \$0.6 million during the six months ended June 30, 2016 and 2015 respectively.
- We use a constant non-GAAP tax rate of 19%, which we believe reflects the long term average tax rate based on our international structure and geographic distribution of revenue and profit. The long-term average tax rate is calculated in accordance with the principles of ASC 740, Income Taxes, after excluding the tax effect of the non-GAAP items described above, to estimate the non-GAAP income tax provision in each jurisdiction in which we operate.

Usefulness of Non-GAAP Financial Information to Investors

These non-GAAP measures are not in accordance with or an alternative to GAAP and may be materially different from other non-GAAP measures, including similarly titled non-GAAP measures, used by other companies. The presentation of this additional information should not be considered in isolation from, as a substitute for, or superior to, net income or earnings per diluted share prepared in accordance with GAAP. Non-GAAP financial measures have limitations in that they do not reflect certain items that may have a material impact upon our reported financial results. We expect to continue to incur expenses of a nature similar to the non-GAAP adjustments described above, and exclusion of these items from our non-GAAP net income and non-GAAP earnings per diluted share should not be construed as an inference that these costs are unusual, infrequent, or non-recurring.