File formats in Photoshop

	data type or Photoshop "Mode"								
	RGB	CMYK	Indexed RGB	Grayscale	Bitmap	advantages	disadvantages	uses	3-ltr. extension
EPS	yes	yes	yes	yes	yes	clipping paths, custom screens, etc.	requires a Postscript printer	print	eps
PhotoShop	yes	yes	yes	yes	yes	saves all photoshop features i.e. layers, etc.	import difficulties not understood by many programs; big files	for further editing in Photoshop	psd
JPEG	yes	yes	NO	yes	NO	highly compressed file size	"lossy" compression, possible import difficulties; no layers	web, on-screen presentations, some print	jpg
TIFF	yes	yes*	yes	yes	yes	trouble-free, near universally understood format - but not for the web	large file sizes; not for use on the web	print	tif
GIF	NO	NO	yes	yes	yes	compact files, good for screen & web use, animation	limited to 256 colors or grays, only fair in print	web, on-screen presentations	gif
PNG	yes	NO	yes	yes	yes	better transparency than GIF, lossless compression	new format is not widely supported yet, especially within older browsers	web	png

Photoshop can save to other file formats, but the formats listed above are the most widespread. Avoid the lesser used formats unless you have a good reason to use them.

^{*} CMYK is preferred mode for separations when printing on a press - RGB mode can cause problems with imagesetters.

Save as a pre-separated DCS EPS file when you want Photoshop separations to remain untouched by outside color management.