



News Release

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3D Systems Reports Operating Results for the Second Quarter and First Six Months of 2009

- Gross Profit Margin and Cash Position Improve on Lower Revenue -

ROCK HILL, South Carolina – August 3, 2009 - 3D Systems

Corporation (NASDAQ: TDSC), a leading provider of 3-D Printing, Rapid Prototyping and Manufacturing solutions, announced today its operating results for the second quarter and first six months of 2009.

The company reported improved gross profit margin and reduced net loss for the second quarter of 2009 on lower revenue and lower operating expenses compared to the second quarter of 2008.

The company reduced its net loss by 60% on a 33% revenue decline for the second quarter of 2009 compared to the 2008 quarter, reflecting the positive impact of its cost-control and profit-improvement initiatives. It reported a net loss of \$1.3 million, which included \$2.1 million of non-cash expenses primarily related to the company's ongoing depreciation and amortization expense.

The company reported that it had improved its cash position for the third consecutive quarter. For the first six months of 2009, it reported that it generated \$1.8 million of net cash and finished the period with \$24.0 million of available cash compared to \$22.2 million at December 31, 2008.

The table below summarizes the company's key financial results for the second quarters and first six months of 2009 and 2008.

Operating Highlights
Second Quarters and First Six Months
(\$ in millions except for per share amounts)

Operating Highlights	Second Quarter			First Six Months		
	2009	2008	% Change Favorable (Unfavorable)	2009	2008	% Change Favorable (Unfavorable)
Revenue	\$24.7	\$36.7	(33%)	\$48.7	\$68.4	(29%)
Gross profit % of Revenue	\$10.8 44%	\$13.6 37%	(20%)	\$21.3 44%	\$26.3 38%	(19%)
Operating expenses % of Revenue	\$11.7 47%	\$16.1 44%	28%	\$23.8 49%	\$32.8 48%	28%
Operating loss	(\$0.8)	(\$2.5)	67%	(\$2.5)	(\$6.5)	62%
Net loss	(\$1.3)	(\$3.3)	60%	(\$3.4)	(\$7.0)	52%
Diluted loss per share	(\$0.06)	(\$0.15)	60%	(\$0.15)	(\$0.31)	52%
Available cash	\$24.0	\$19.1	26%	\$24.0	\$19.1	26%
Depreciation & Amortization % of Revenue	\$1.4 6%	\$1.8 5%	20%	\$3.0 6%	\$3.1 5%	3%

"We are pleased that, amidst the continued unprecedented global slowdown that has led to the reduction in our revenue compared with the 2008 periods, sales of our systems and proprietary materials improved during the second quarter sequentially," said Abe Reichental, 3D Systems' President and Chief Executive Officer.

"Notwithstanding the challenging environment in which we are operating, our gross profit margin for the quarter increased and our operating expenses decreased compared to the second quarter of 2008. These

improvements have now demonstrated sustainability for three successive quarters," continued Reichental.

Systems' revenue increased sequentially by \$1.0 million led by an 89% rebound in large-frame systems but declined to \$5.9 million in the second quarter of 2009 from \$11.5 million in the 2008 quarter. 3-D Printer sales benefited from the launch of the new V-Flash[®] Desktop Printer and sustained demand for the ProJet[™] Professional Printer aided in part by continued growth in the dental applications' installed base.

Materials' sales grew by \$1.1 million sequentially, indicating a modest recovery across the installed base, but declined some 28% relative to the second quarter of 2008. This decrease was a result of the combined effect of lower demand from service providers and a decline in end-user consumption, reflecting the recessionary business conditions. Sales of integrated materials represented 30% of total materials revenue in the second quarter of 2009.

Service revenue decreased some 20% year over year to \$7.1 million for the quarter primarily as a result of a significant drop in maintenance and warranty revenue, reflecting the trailing 12-month cumulative impact of the decline in large-frame systems' revenue that began during the first quarter of 2008. The decrease in service revenue partially reflects the company's continued efforts to improve the profitability of its service revenue by culling less profitable components that resulted in a 22.1 percentage point improvement in Field Service gross profit margin from 15.7% to 37.8%.

Both foreign currency translation and weak global demand, particularly in the automotive sector, negatively impacted revenue in the second quarter of 2009. This negative impact was particularly strong in Japan.

The company ended the quarter with total backlog of approximately \$1.6 million, consistent with normal operating trends of its business.

“During the second quarter of 2009, we began commercial shipments of our V-Flash[®] Desktop Printer,” added Reichental. “We are very pleased with the initial marketplace reception that this sub-\$10,000 3-D Printer is enjoying, particularly within educational and MCAD applications due to its superior speed, part quality and durability. Consistent with our plan, we expect shipments of V-Flash[®] Desktop Printers to increase during the third quarter. Our V-Flash[®] activities during the second quarter negatively affected our total gross profit margin by 2.1 percentage points for the quarter, consistent with our prior comments regarding their anticipated short-term effects. More information on the V-Flash[®] Desktop Printer is available at www.modelin3d.com.

“While the near-term economic outlook remains uncertain, we believe that market conditions may have begun to stabilize and that our revenue decline may have bottomed out during the first quarter of this year.

“We remain committed to our long-term growth objectives and expect to benefit competitively from our new and expanded product portfolio and stronger financial position. Given the progress we have made over the past three quarters, we are confident in our ability to execute on our plan and provide value to our customers and stockholders,” concluded Reichental.

Conference Call and Audio Webcast Details

3D Systems will hold a conference call and audio webcast to discuss its operating results for the second quarter and first six months of 2009 on Tuesday, August 4, 2009 at 9:00 a.m., Eastern Time.

- To access this Conference Call, dial 1-888-336-3485 (or 706-634-0653 from outside the United States). The confirmation code is 208-633-98.
- To access the audio webcast, log onto 3D Systems' Web site at www.3dsystems.com/ir. To ensure timely participation and technical capability, we recommend logging on a few minutes prior to the conference call to activate your participation. The webcast will be available for replay beginning approximately three hours after completion of the call at: www.3dsystems.com/ir.

Forward-Looking Statements

Certain statements made in this release that are not statements of historical or current facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the company to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements that explicitly describe such risks and uncertainties, readers are urged to consider statements in the conditional or future tenses or that include terms such as "believes," "belief," "expects," "estimates," "intends," "anticipates" or "plans" to be uncertain and forward-looking. Forward-looking statements may include comments as to the company's beliefs and expectations as to future events and trends affecting its business and are necessarily subject to uncertainties, many of which are outside the control of the company. The factors described under the headings "Forward-Looking Statements," "Cautionary Statements and Risk Factors," and "Risk Factors" in the company's periodic filings with the Securities and Exchange Commission,

as well as other factors, could cause actual results to differ materially from those reflected or predicted in forward-looking statements.

About 3D Systems Corporation

3D Systems is a leading provider of 3-D Printing, Rapid Prototyping and Manufacturing solutions. Its systems and materials reduce the time and cost of designing products and facilitate direct and indirect manufacturing by creating actual parts directly from digital input. These solutions are used for design communication and prototyping as well as for production of functional end-use parts: *Transform your products.*

More information on the company is available at www.3dsystems.com, www.modelin3d.com, www.3dsystems.com/3dm, www.3dsystems.com/ir, www.toptobottomdental.com, www.mqast.com, <http://blog.3dsystems.com>, or via email at moreinfo@3dsystems.com.

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Tables Follow

3D SYSTEMS CORPORATION
Condensed Consolidated Statements of Operations
Quarters and Six Months Ended June 30, 2009 and 2008
(Unaudited)

<i>(in thousands, except per share amounts)</i>	Quarters Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenue:				
Products	\$ 17,584	\$ 27,713	\$ 33,073	\$ 50,478
Services	7,121	8,943	15,663	17,965
Total revenue	24,705	36,656	48,736	68,443
Cost of sales:				
Products	9,443	15,510	17,380	27,963
Services	4,432	7,541	10,047	14,175
Total cost of sales	13,875	23,051	27,427	42,138
Gross profit	10,830	13,605	21,309	26,305
Operating expenses:				
Selling, general and administrative	8,818	12,555	18,006	25,619
Research and development	2,855	3,578	5,753	7,175
Total operating expenses	11,673	16,133	23,759	32,794
Operating loss	(843)	(2,528)	(2,450)	(6,489)
Interest and other expense (income), net	260	485	487	(171)
Loss before provision for income taxes	(1,103)	(3,013)	(2,937)	(6,318)
Provision for income taxes	210	310	460	696
Net loss	(1,313)	(3,323)	(3,397)	(7,014)
Net income attributable to noncontrolling interest	4	-	4	-
Net loss attributable to 3D Systems	\$ (1,317)	\$ (3,323)	\$ (3,401)	\$ (7,014)
Shares used to calculate basic and diluted net loss	22,515	22,351	22,442	22,339
Basic and diluted net loss per share (1)	\$ (0.06)	\$ (0.15)	\$ (0.15)	\$ (0.31)

(1) See Schedule 1 for the calculation of basic and diluted net loss per share.

3D SYSTEMS CORPORATION
Condensed Consolidated Balance Sheets
June 30, 2009 and December 31, 2008
(Unaudited)

<i>(in thousands)</i>	June 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 24,029	\$ 22,164
Accounts receivable, net	16,214	25,276
Inventories, net	19,108	21,018
Prepaid expenses and other current assets	1,866	1,601
Deferred income tax assets	784	935
Restricted cash	107	3,309
Total current assets	62,108	74,303
Property and equipment, net	21,990	24,072
Goodwill	47,880	48,010
Other intangible assets, net	3,236	3,663
Other assets, net	3,017	2,954
	\$ 138,231	\$ 153,002
LIABILITIES AND EQUITY		
Current liabilities:		
Industrial development bonds related to assets held for sale	\$ -	\$ 3,085
Current portion of capitalized lease obligations	203	195
Accounts payable	11,414	17,133
Accrued liabilities	6,941	8,057
Customer deposits	587	1,136
Deferred revenue	8,107	9,418
Total current liabilities	27,252	39,024
Long-term portion of capitalized lease obligations	8,364	8,467
Other liabilities	3,364	3,277
Total liabilities	38,980	50,768
Stockholders' equity:		
Common stock, authorized 60,000 shares, issued and outstanding 22,698 shares (2009) and 22,424 shares (2008)	23	22
Additional paid-in capital	177,157	176,180
Treasury stock, at cost; 72 shares (2009) and 59 shares (2008)	(133)	(120)
Accumulated deficit in earnings	(81,958)	(78,557)
Accumulated other comprehensive income	4,158	4,709
Total 3D Systems stockholders' equity	99,247	102,234
Noncontrolling interest	4	-
Total Equity	99,251	102,234
	\$ 138,231	\$ 153,002

3D SYSTEMS CORPORATION
Condensed Consolidated Statements of Cash Flows
Six Months Ended June 30, 2009 and 2008
(Unaudited)

<i>(in thousands)</i>	Six Months Ended June 30,	
	2009	2008
Cash flows from operating activities:		
Net loss attributable to 3D Systems	\$ (3,401)	\$ (7,014)
Net income attributable to noncontrolling interest	4	-
Net loss	(3,397)	(7,014)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities :		
Deferred income taxes	140	110
Depreciation and amortization	3,019	3,123
Provision for bad debts	879	287
Stock-based compensation	731	856
Gain on the disposition of property and equipment	(21)	-
Changes in operating accounts:		
Accounts receivable	7,725	4,404
Inventories	1,827	(7,589)
Prepaid expenses and other current assets	(144)	848
Accounts payable	(5,335)	(1,616)
Accrued liabilities	(1,161)	(2,749)
Customer deposits	(553)	1,961
Deferred revenue	(1,448)	(783)
Other operating assets and liabilities	55	(219)
Net cash provided by (used in) operating activities	2,317	(8,381)
Cash flows used in investing activities:		
Purchases of property and equipment	(654)	(3,244)
Additions to license and patent costs	(83)	(230)
Proceeds from disposition of property and equipment	26	-
Net cash used in investing activities	(711)	(3,474)
Cash flows provided by financing activities:		
Restricted stock proceeds and stock options, net	232	1,091
Repayment of long-term debt	(96)	(210)
Repayment of short-term borrowings	(3,085)	-
Restricted cash	3,204	-
Net cash provided by financing activities	255	881
Effect of exchange rate changes on cash	4	394
Net increase (decrease) in cash and cash equivalents	1,865	(10,580)
Cash and cash equivalents at the beginning of the period	22,164	29,689
Cash and cash equivalents at the end of the period	\$ 24,029	\$ 19,109
Supplemental Cash Flow Information:		
Interest payments	\$ 324	\$ 483
Income tax (receipts) payments	(480)	408
Non-cash items:		
Transfer of equipment from inventory to property and equipment	47	3,944
Transfer of equipment to inventory from property and equipment	230	1,518

**Schedule 1
(Unaudited)**

Following is a reconciliation of the numerator and denominator of the basic and diluted net earnings (loss) per share computations:

<i>(in thousands, except per share amounts)</i>	<u>Quarter Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Basic and diluted earnings (loss) per share:				
Basic earnings (loss) per share:				
Numerator:				
Net loss	<u>\$ (1,317)</u>	<u>\$ (3,323)</u>	<u>\$ (3,401)</u>	<u>\$ (7,014)</u>
Denominator:				
Weighted average common shares outstanding	<u>22,515</u>	<u>22,351</u>	<u>22,442</u>	<u>22,339</u>
Basic net loss per share	<u>\$ (0.06)</u>	<u>\$ (0.15)</u>	<u>\$ (0.15)</u>	<u>\$ (0.31)</u>
Diluted earnings (loss) per share:				
Numerator:				
Net loss	<u>\$ (1,317)</u>	<u>\$ (3,323)</u>	<u>\$ (3,401)</u>	<u>\$ (7,014)</u>
Denominator:				
Weighted average common shares outstanding	22,515	22,351	22,442	22,339
Effect of dilutive securities:				
Stock options and restricted stock awards	-	-	-	-
Diluted weighted average shares outstanding	<u>22,515</u>	<u>22,351</u>	<u>22,442</u>	<u>22,339</u>
Diluted net loss per share	<u>\$ (0.06)</u>	<u>\$ (0.15)</u>	<u>\$ (0.15)</u>	<u>\$ (0.31)</u>