



News Release

3D Systems Corporation
333 Three D Systems Circle
Rock Hill, SC 29730
Phone: 803-326-3900

www.3dsystems.com
NASDAQ: TDSC

Investor Contact: Chanda Hughes
803-326-4010
Email: HughesC@3dsystems.com

Media Contact: Katharina Hayes
803-326-3941
Email: HayesK@3dsystems.com

3D Systems Reports Improved Operating Results for First-Quarter 2009

- Reports higher cash and improved gross profit margin on lower revenue -

ROCK HILL, South Carolina – May 6, 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 first quarter of 2009. The company also filed its first-quarter 2009 Form 10-Q with the SEC today.

The company will hold a conference call to discuss these results tomorrow morning, May 7, 2009 at 9:00 a.m., Eastern Time. Additional information relating to that call is provided below.

The company reported improved gross profit margin and reduced net loss for the first quarter of 2009 with lower revenue and lower operating expenses.

Largely reflecting improvements in working capital management, at March 31, 2009 unrestricted cash increased to \$23.4 million, a \$1.3 million increase from December 31, 2008.

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

Operating Highlights
First Quarter of 2009
(\$ in millions except for per share amounts)

Operating Highlights	First Quarter		
	2009	2008	% Change Favorable (Unfavorable)
Revenue	\$24.0	\$31.8	(24%)
Gross profit	\$10.5	\$12.7	(17%)
% of Revenue	44%	40%	
Operating expenses	\$12.1	\$16.7	27%
% of Revenue	50%	52%	
Operating loss	(\$1.6)	(\$4.0)	59%
% of Revenue	(7%)	(12%)	
Net loss	(\$2.1)	(\$3.7)	44%
Diluted loss per share	(\$0.09)	(\$0.17)	47%
Unrestricted cash	\$23.4	\$21.9	7%
Depreciation and amortization	\$1.6	\$1.4	(19%)
% of Revenue	7%	4%	

"The unprecedented global slowdown that we experienced during the first quarter of 2009 adversely impacted revenue from all parts of our business worldwide, as our customers halted their capital spending and curtailed their operating expenses," said Abe Reichental, 3D Systems' President and Chief Executive Officer.

"Notwithstanding this challenging operating environment, our gross profit margin for the quarter increased and our operating expenses decreased compared to the first quarter of 2008," continued Reichental.

"We believe that the cost control measures that we have implemented thus far strengthen our operations and provide us with the resources to weather this downturn, while leaving us better positioned for the economic recovery ahead," continued Reichental.

Total revenue declined in the first quarter of 2009 primarily due to the continuing decline in large-frame systems' sales as customers continued to postpone significant capital investments and to manage their existing capacity for rapid prototyping and rapid manufacturing equipment. Nevertheless, during the first quarter, revenue from 3-D Printers increased by 57% over the first quarter of 2008.

Total systems' revenue fell by 38% to \$4.9 million in the first quarter of 2009 from \$7.8 million in the 2008 quarter. Large-frame systems declined to 9% of total systems' revenue from 57% in the first quarter of 2008. Sales of small-frame systems and 3-D Printers accounted for the remaining 91% of systems' sales for the 2009 quarter, increasing from 43% in the first quarter of 2008.

While total sales of materials fell in the first quarter of 2009 by 29%, sales of integrated materials increased to 35% of total materials' revenue compared to 22% in the first quarter of 2008 and 28% in the fourth quarter of 2008. Sales of these materials in the first quarter of 2009 increased by 17% compared to the overall 29% decline for all materials' sales.

Service revenue decreased by 5% to \$8.5 million for the 2009 quarter.

Revenue was negatively impacted by both foreign currency translation and weak global demand in the first quarter of 2009, particularly in the automotive sector. Continued revenue growth from dental applications and 3-D Printer sales growth were not enough to mitigate the decline in large-frame systems' sales and reduced materials' consumption during the quarter. The company ended the first quarter with backlog of less than \$1 million, consistent with the normal operating trends of its business.

“Despite the anticipated difficult and uncertain market conditions ahead, we remain committed to our goal of accelerating the adoption of 3-D Printers worldwide. Accordingly, we are moving ahead with two of our previously announced 3-D Printer commercial programs. During the second quarter of 2009, we expect to commence with commercial shipments of our V-Flash[®] Desktop Modeler and, in the third quarter, we plan to begin shipping the ProJet[™] 5000, our new large-format 3-D Printer,” added Reichental.

“While, the near-term economic outlook continues to suggest challenging global market conditions, the continued operating and cash management improvements that we have achieved give us confidence that we have the people, products and the discipline to weather the current economic storm.”

“We remain committed to our long-term growth objectives and are confident in our ability to 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 first-quarter of 2009 on Thursday, May 7, 2009 at 9:00 a.m., Eastern Time.

- To access the May 7, 2009 Conference Call, dial 1-888-336-3485 (or 706-634-0653 from outside the United States). The confirmation code is 95902470.
- To access the audio webcast on May 7, 2009, 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, or via email at moreinfo@3dsystems.com.

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Tables Follow

3D SYSTEMS CORPORATION
Condensed Consolidated Statements of Operations
Three Months Ended March 31, 2009 and March 31, 2008
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2009	2008
	(Unaudited)	
Revenue:		
Products	\$ 15,489	\$ 22,765
Services	8,542	9,022
Total revenue	<u>24,031</u>	<u>31,787</u>
Cost of sales:		
Products	7,937	12,453
Services	5,615	6,634
Total cost of sales	<u>13,552</u>	<u>19,087</u>
Gross profit	<u>10,479</u>	<u>12,700</u>
Operating expenses:		
Selling, general and administrative	9,188	13,064
Research and development	2,898	3,597
Total operating expenses	<u>12,086</u>	<u>16,661</u>
Loss from operations	(1,607)	(3,961)
Interest and other expense (income), net	<u>227</u>	<u>(656)</u>
Loss before income taxes	(1,834)	(3,305)
Provision for income taxes	250	386
Net loss	<u>(2,084)</u>	<u>(3,691)</u>
Shares used to calculate basic and diluted net loss ⁽¹⁾	<u>22,369</u>	<u>22,327</u>
Basic and diluted net loss per share ₍₁₎	<u>\$ (0.09)</u>	<u>\$ (0.17)</u>

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

3D SYSTEMS CORPORATION
Condensed Consolidated Balance Sheets
March 31, 2009 and December 31, 2008
(in thousands)

	March 31, 2009	December 31, 2008
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 23,417	\$ 22,164
Accounts receivable, net	16,819	25,276
Inventories, net	19,895	21,018
Prepaid expenses and other current assets	2,354	1,601
Deferred income tax assets	995	935
Restricted cash	111	3,309
Total current assets	63,591	74,303
Property and equipment, net	22,890	24,072
Intangible assets, net	3,378	3,663
Goodwill	47,364	48,010
Other assets, net	2,962	2,954
	\$ 140,185	\$ 153,002
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Industrial development bonds	-	3,085
Current portion of capitalized lease obligations	199	195
Accounts payable	13,716	17,133
Accrued liabilities	6,259	8,057
Customer deposits	764	1,136
Deferred revenue	8,851	9,418
Total current liabilities	29,789	39,024
Long-term portion of capitalized lease obligations	8,416	8,467
Other liabilities	3,158	3,277
Total liabilities	41,363	50,768
Stockholders' equity:		
Preferred Stock, authorized 5,000 shares, none issued	-	-
Common stock, authorized 60,000 shares, issued 22,484 (2009) and 22,424 (2008)	22	22
Additional paid-in capital	176,608	176,180
Treasury stock, at cost; 65 shares (2009) and 59 shares (2008)	(126)	(120)
Accumulated deficit	(80,641)	(78,557)
Accumulated other comprehensive income	2,959	4,709
Total stockholders' equity	98,822	102,234
	\$ 140,185	\$ 153,002

3D SYSTEMS CORPORATION
Condensed Consolidated Statements of Cash Flows
Three Months Ended March 31, 2009 and March 31, 2008
(in thousands)

	Three Months Ended March 31,	
	2009	2008
	(Unaudited)	
Cash flows from operating activities:		
Net loss	\$ (2,084)	\$ (3,691)
Adjustments to reconcile net income to net cash used in operating activities :		
Deferred income taxes	(121)	(108)
Depreciation and amortization	1,607	1,350
Provision for bad debts	703	421
Stock-based compensation expense	389	480
Loss on disposition of property and equipment	-	14
Changes in operating accounts:		
Accounts receivable	6,449	7,544
Inventories	472	(6,862)
Prepaid expenses and other current assets	(827)	(140)
Accounts payable	(2,520)	(5,139)
Accrued liabilities	(1,612)	(2,014)
Customer deposits	(350)	1,188
Deferred revenue	(395)	(505)
Other operating assets and liabilities	(29)	369
Net cash provided by (used in) operating activities	<u>1,682</u>	<u>(7,093)</u>
Cash flows used in investing activities:		
Purchase of property and equipment	(285)	(1,882)
Additions to license and patent costs	(37)	(173)
Net cash used in investing activities	<u>(322)</u>	<u>(2,055)</u>
Cash flows provided by financing activities:		
Stock options and restricted stock proceeds	33	1,081
Repayment of long-term debt	(49)	(165)
Repayment of short-term borrowings	(3,085)	-
Restricted cash	3,198	-
Net cash provided by financing activities	<u>97</u>	<u>916</u>
Effect of exchange rate changes on cash	(204)	475
Net increase (decrease) in cash and cash equivalents	<u>1,253</u>	<u>(7,757)</u>
Cash and cash equivalents at the beginning of the period	22,164	29,689
Cash and cash equivalents at the end of the period	<u>\$ 23,417</u>	<u>\$ 21,932</u>
Supplemental Cash Flow Information:		
Interest payments	\$ 161	\$ 217
Income tax payments	67	240
Non-cash items:		
Transfer of equipment from inventory to property and equipment, net	32	3,572
Transfer of equipment to inventory from property and equipment, net	33	218

Schedule 1

Following is a reconciliation of the numerator and denominator of the basic and diluted net loss available to common stockholders per share computations:

	<u>Three Months Ended March 31,</u>	
	<u>2009</u>	<u>2008</u>
	(Unaudited)	
Basic and diluted⁽¹⁾ net loss available to common stockholders per share:		
Numerator:		
Net loss available to common stockholders	<u>\$ (2,084)</u>	<u>\$ (3,691)</u>
Denominator:		
Weighted average common shares outstanding	<u>22,369</u>	<u>22,327</u>
Basic and diluted net loss available to common stockholders, per share	<u>\$ (0.09)</u>	<u>\$ (0.17)</u>

- (1) No dilutive securities were included in the diluted weighted average shares outstanding for the three months ended March 31, 2009 and 2008 because the effect of their inclusion would have been anti-dilutive; that is, they would have reduced net loss per share.