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## 3D Systems Corp. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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**Operator**

(Operator Instructions). Your first question comes from the line of Jay Harris.

**Jay Harris - Goldsmith & Harris**

Hello.

**Abe Reichental**

Hello.

**Operator**

Mr. Harris, your line is opened.

**Jay Harris - Goldsmith & Harris**

Can you here me.

**Operator**

Yes.

**Jay Harris - Goldsmith & Harris**

Alright. Abe, can you discuss a little and tell us what your priorities are at this point in time between generating free cash flow, generating profits, positioning the company for growth?

**Abe Reichental**

I heard -- let me repeat your questions, Jay, because it was a little bit garbled. You would like me to discuss the priorities between cash conservation, reducing expenses and positioning the company for revenue growth?

**Jay Harris - Goldsmith & Harris**

No. Not cash conservation, growth in cash.

**Abe Reichental**

I'm sorry. Can you please -- okay, to generate cash?

**Jay Harris - Goldsmith & Harris**

To generate cash.

**Abe Reichental**

Yes. Okay.

**Jay Harris - Goldsmith & Harris**

Generating profits and positioning the company for growth. I'd like you to discuss your priorities.

**Abe Reichental**

Okay. Thank you. I can hear you much better now. The way that we are prioritizing our activities right now, and I think it's reflected somewhat in the results that we already announced and what we introduced in the last, say, six weeks, we are balancing three key priorities. The first is to drive additional revenue generation from the new products that we have introduced and are introducing this period and well into the first quarter, trying to create additional revenue opportunities on price points, and at the same time, mitigate the elongated selling cycles that we experienced over the last few quarters, which, as I mentioned earlier today, the good news is we're getting those orders. The not so good news is that it's taking much longer to get those orders to come in.

The second thing that we're doing to obviously generate additional incremental cash above and beyond increasing our revenues is to continuously manage our working capital much better. And I think that if you look at the progress that we have made in the last three quarters, it's clear that we are beginning to, not only close the gap, but to come very close to actually generating cash, as evidenced by the sequential progress that we've been making, and also as evidenced by the point that we believe that we have adequate cash as indicated by our quick snapshot of the November 4th cash balances.

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