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3D Systems to Acquire a Portion of Xerox's Oregon Based Solid Ink Engineering and Development Teams

- Expanded partnership leverages both companies' capabilities
- Catapults 3DS' multijet printers powered by Xerox print heads
- Combination cements technology and marketplace leadership

Rock Hill, South Carolina and Norwalk, Connecticut–December 18, 2013 - [3D](#)

[Systems](#) (NYSE:DDD) and Xerox (NYSE: XRX) today announced a transaction designed to leverage both companies' 3D printing capabilities to accelerate growth and cement leadership positions. 3D Systems entered into a definitive agreement to acquire Xerox Corporation's Wilsonville, Oregon product design, engineering and chemistry group and related assets for \$32.5 million in cash. Both companies expect the transaction to close before the end of 2013, subject to fulfillment of certain customary conditions. This agreement expands the decade and a half long collaboration between the companies, that already produced 3DS' best selling ProJet® series 3D printers.

"We are pleased to expand our relationship with an innovative partner of the caliber of Xerox and expect that acquiring some of the Xerox Wilsonville engineering team, together with their state-of-the-art development labs and selected licensed IP, will catapult our 3D printers' development and manufacturing capabilities forward," said Avi Reichental, 3D Systems' President and CEO. "This bold step is consistent with our belief that we must act quickly and decisively to extend and cement our marketplace leadership position by taking full advantage of the window of unprecedented opportunity in front of us."

"This deal takes advantage of Xerox's world-class capabilities and expands our relationship with 3D Systems in the exciting and dynamic 3D printing industry," said Kevin Warren, President of Xerox Strategic Growth Initiatives. "It emphasizes how we

are leveraging our expertise while we continue to evolve our business model and pursue strategic growth opportunities.”

As part of this agreement, 3DS expects to add more than 100 experienced Xerox engineers and contractors specializing in product design and materials science to its global R&D team and immediately begin to operate its own facility within the Xerox Wilsonville campus. Xerox will maintain ink and print head development resources along with research relevant for digital printing and the 3D markets. In connection with this strategic investment, 3DS expects to progressively increase its annual R&D expenditures by approximately 75% to 100% over the next few years as it completes certain Xerox related engineering services commitments and fully leverages its expanded capabilities.

“The stronger our marketplace leadership, the more powerful our economic model becomes,” continued Reichental. “Simply put, a solidified position translates directly to higher revenue, higher profitability and greater earnings power over time and we are willing to sacrifice short term earnings to get there faster.”

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 or projections 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 3D printing centric design-to-manufacturing solutions including 3D printers, print materials and cloud sourced on-demand custom parts for professionals and consumers alike in materials including plastics, metals, ceramics and edibles. The company also provides integrated 3D scan-based design, freeform modeling and inspection tools. Its products and services replace and complement traditional methods and reduce the time and cost of designing new products by printing real parts directly from digital input. These solutions are used to rapidly design, create, communicate, prototype or produce real parts, empowering customers to *manufacture the future*.

More information on the company is available at www.3DSystems.com.

About Xerox

Since the invention of Xerography 75 years ago, the people of Xerox have helped businesses simplify the way work gets done. Today, we are the global leader in business process and document management, helping organizations of any size be more efficient so they can focus on their real business. Headquartered in Norwalk, Conn., more than 140,000 Xerox employees serve clients in 160 countries, providing business services, printing equipment and software for commercial and government organizations.

Learn more at www.xerox.com.