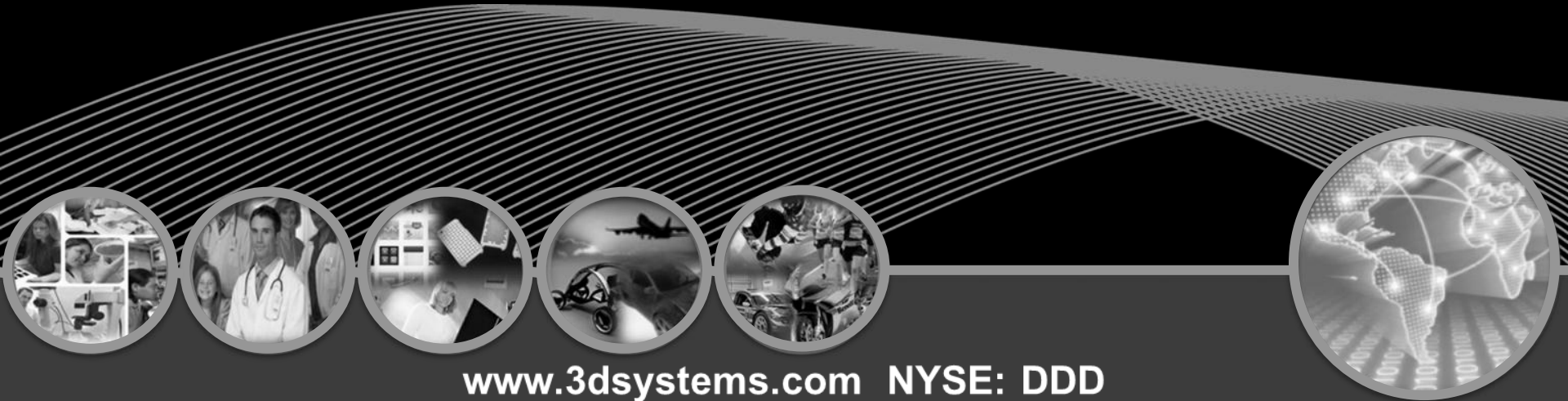




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3DSYSTEMS™

**Conference Call and Webcast
Second Quarter and Six Months 2013**



www.3dsystems.com NYSE: DDD

Presenters

Stacey Witten

- Director Investor Relations

Avi Reichental

- President & Chief Executive Officer

Damon Gregoire

- Senior Vice President & Chief Financial Officer

Andrew Johnson

- Vice President & General Counsel

Welcome Webcast Viewers

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questions during our Q&A
session, please dial:

- **1-877-474-9505 in the
United States**
- **1-857-244-7558 from
outside the United States**
- **Participant Code: 62870047**

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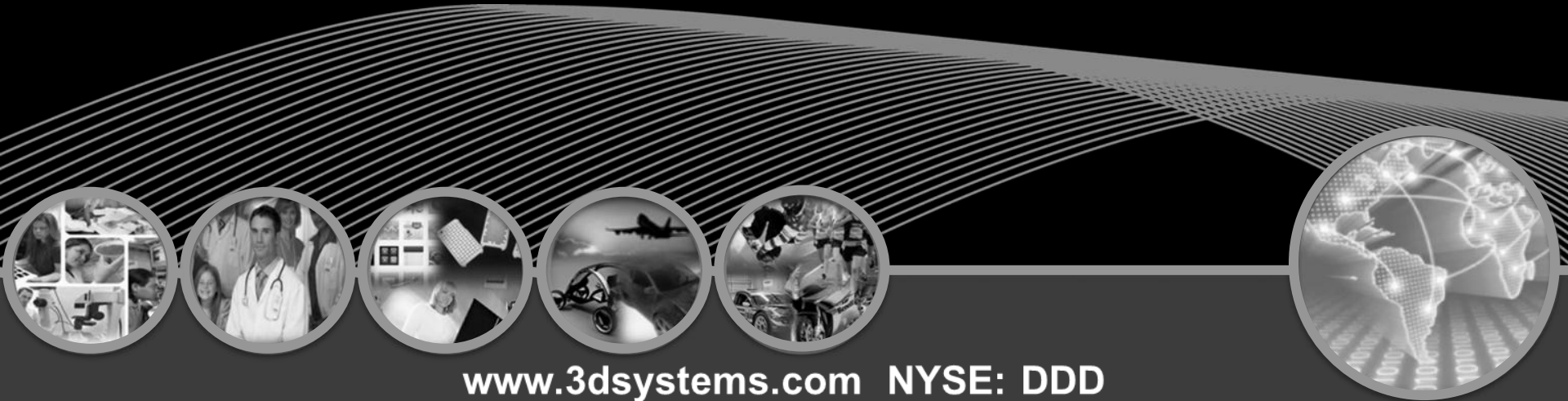


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Operating Results

Avi Reichental, President & CEO



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Second Quarter 2013 Highlights



Revenue grew 44.5%, to a record \$120.8 million on a 107.9% increase in printers & other products revenue and 30.1% overall organic growth



Gross profit increased 45.7% on higher revenue and gross profit margin expanded to 51.8%



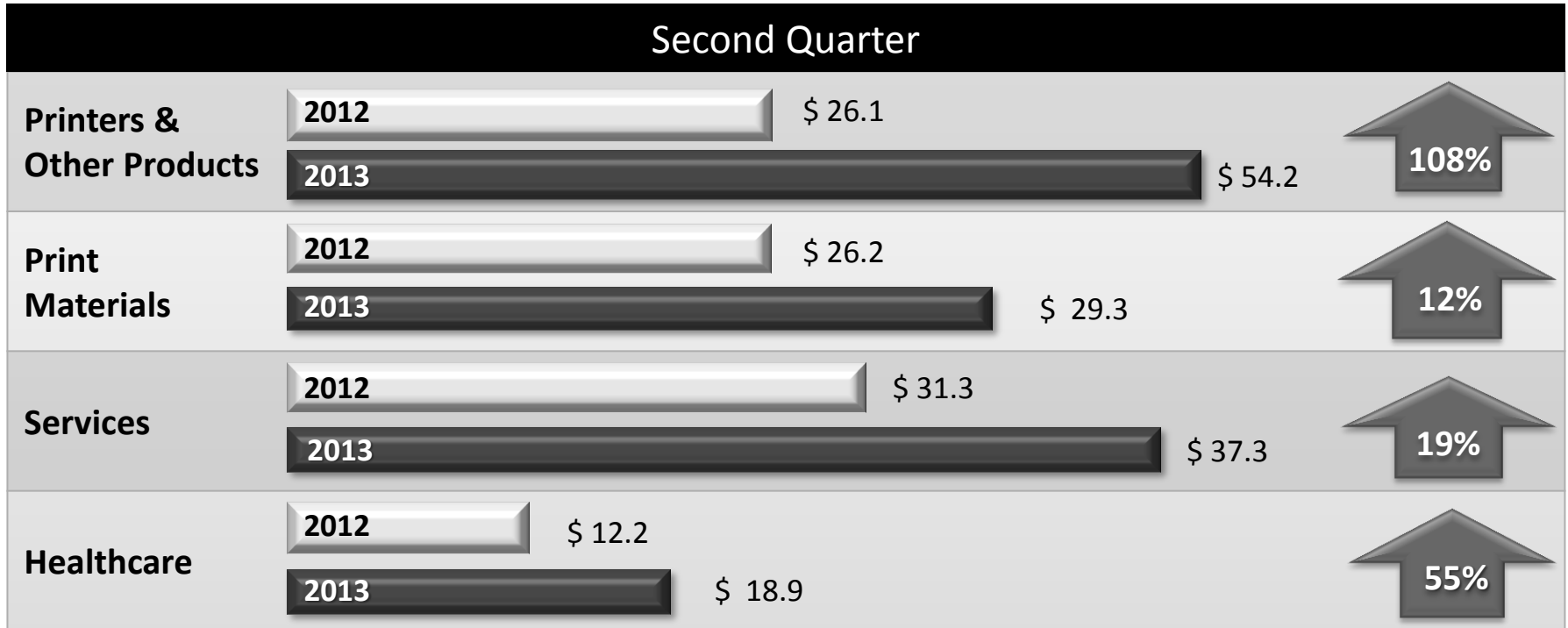
We introduced significant new products including several 3D printers, materials and powerful designer software packages



We acquired RPDG extending our services portfolio and direct sales channel

Record Quarterly Revenue

\$ in millions



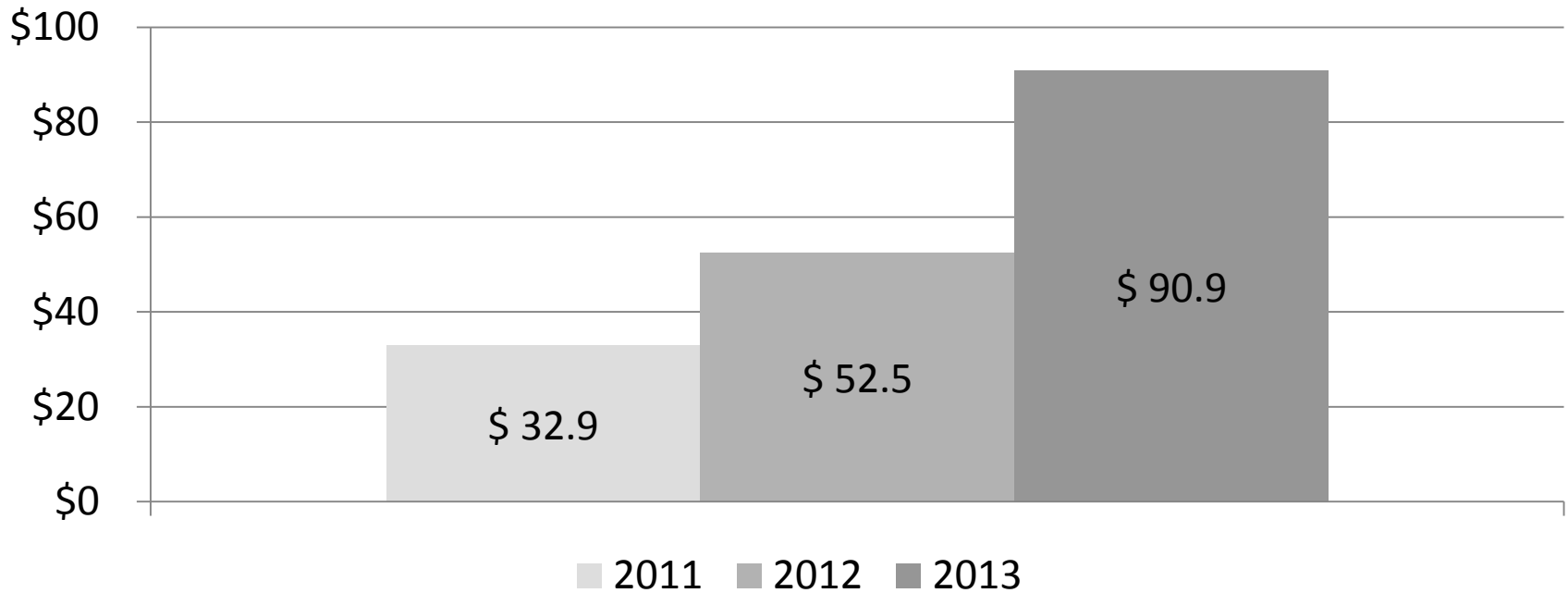
44.5% total revenue growth

30.1% organic revenue growth

New Products Fuel Our Growth

\$ in millions

New Products Revenue



New Products 2013

Launched 9 new products in the first six months 2013

New products revenue up 80% over Q2 2012

New products revenue up 73% compared to the first six months of 2012

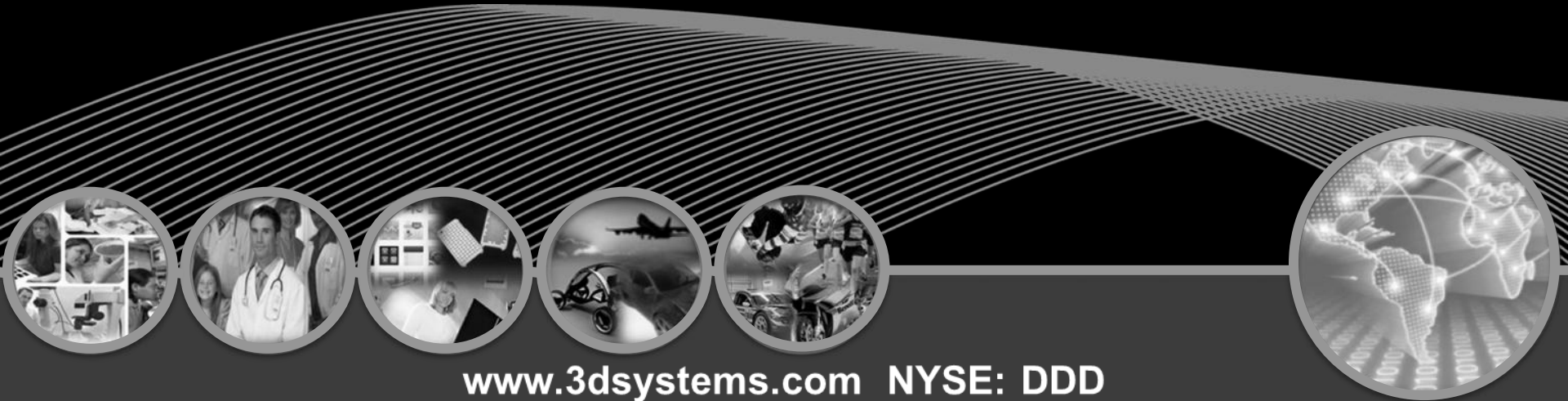


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Financial Review

Damon Gregoire, Senior Vice President and CFO



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Second Quarter GAAP Operating Results

\$ in millions, except earnings per share

Drivers	2012	2013	% Change Favorable/ (Unfavorable)
Revenue	\$ 83.6	\$ 120.8	44.5%
Gross Profit	\$ 43.0	\$ 62.6	45.7%
<i>% of Revenue</i>	<i>51.4%</i>	<i>51.8%</i>	
Operating Expenses	\$ 29.0	\$ 45.8	(58.1%)
<i>% of Revenue</i>	<i>34.6%</i>	<i>37.9%</i>	
Operating Income	\$ 14.0	\$ 16.8	20.0%
<i>% of Revenue</i>	<i>16.7%</i>	<i>13.9%</i>	
Net Income	\$ 8.3	\$ 9.3	12.2%
<i>% of Revenue</i>	<i>10.0%</i>	<i>7.7%</i>	
Diluted Earnings Per Share	\$ 0.11	\$0.10	(9.1%)

First Six Months GAAP Operating Results

\$ in millions, except earnings per share

Drivers	2012	2013	% Change Favorable/ (Unfavorable)
Revenue	\$ 161.5	\$ 222.9	38.0%
Gross Profit	\$ 81.8	\$ 116.1	41.8%
<i>% of Revenue</i>	<i>50.7%</i>	<i>52.1%</i>	
Operating Expenses	\$ 57.9	\$ 81.7	(41.3%)
<i>% of Revenue</i>	<i>35.8%</i>	<i>36.7%</i>	
Operating Income	\$ 24.0	\$ 34.3	43.2%
<i>% of Revenue</i>	<i>14.8%</i>	<i>15.4%</i>	
Net Income	\$ 14.5	\$ 15.2	4.9%
<i>% of Revenue</i>	<i>9.0%</i>	<i>6.8%</i>	
Diluted Earnings Per Share	\$ 0.19	\$0.16	(15.8%)

Non-GAAP Reconciliation

<i>\$ in millions, except per share amounts)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2012	2013	2012	2013
GAAP net income	\$ 8.3	\$ 9.3	\$ 14.5	\$ 15.2
Cost of sales adjustments:				
Amortization of intangibles	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Operating expenses adjustments:				
Amortization of intangibles	\$ 3.0	\$ 5.0	\$ 6.3	\$ 8.7
Acquisition and severance expenses	\$ 0.7	\$ 2.5	\$ 3.1	\$ 4.7
Non-cash stock based compensation expense	\$ 1.3	\$ 3.1	\$ 2.5	\$ 5.3
Other expense adjustments:				
Non-cash interest expense	\$ 1.0	\$ 0.3	\$ 1.9	\$ 0.8
Loss on conversion of convertible notes	-	\$ 3.5	-	\$ 9.2
Loss on litigation settlement	-	-	-	\$ 2.0
Tax effect	<u>(\$ 0.4)</u>	<u>(\$ 4.9)</u>	<u>(\$ 1.3)</u>	<u>(\$ 8.4)</u>
Non-GAAP net income	\$ 13.9	\$ 19.0	\$ 27.1	\$ 37.8
Non-GAAP diluted earnings per share	\$ 0.18	\$ 0.20	\$ 0.35	\$ 0.40

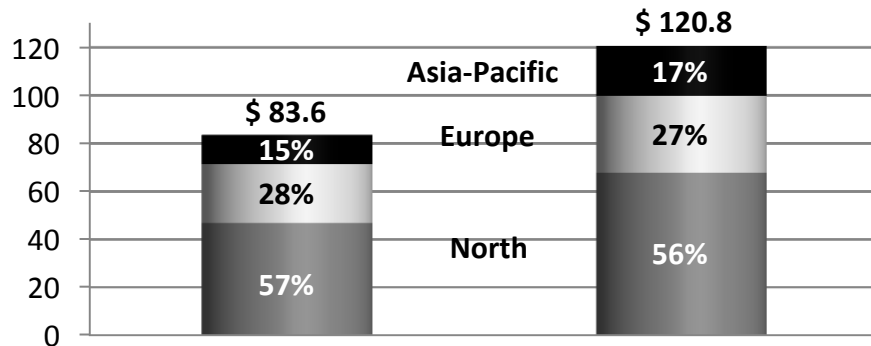
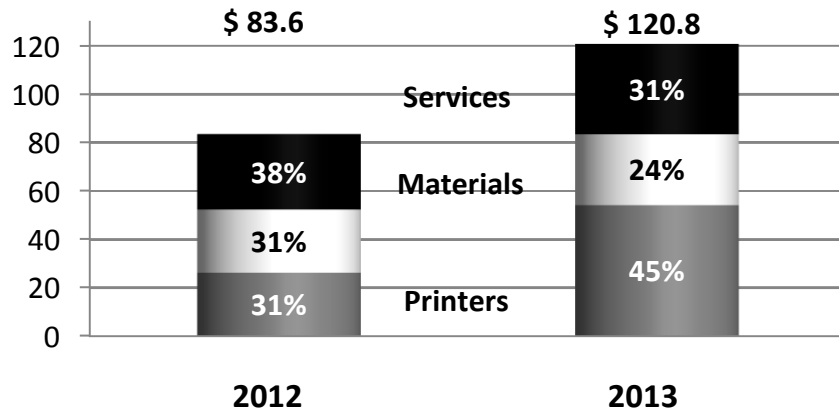
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We use non-GAAP financial measures of adjusted net income and adjusted earnings per share to supplement our unaudited condensed consolidated financial statements presented on a GAAP basis to facilitate a better understanding of the impact that several strategic acquisitions had on our financial results.

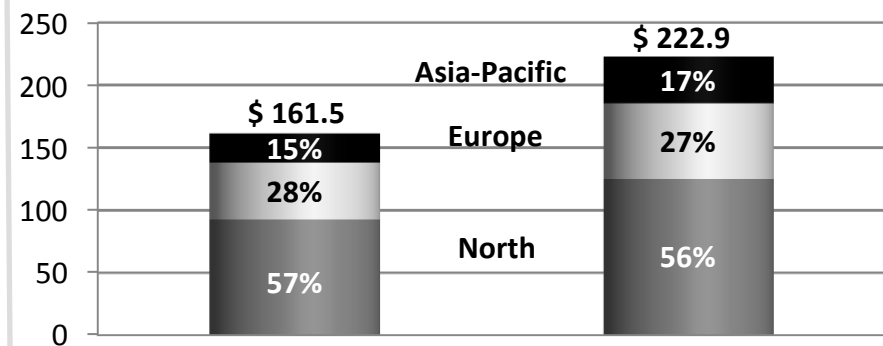
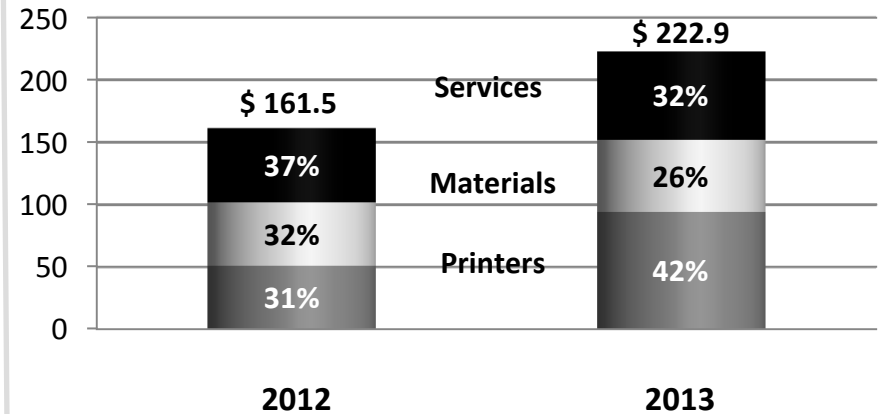
Revenue by Category & Geography

\$ in millions

Second Quarter



Six Months



Q2 and six months 2013 recurring revenue accounted for 55% and 58% of total revenue

Second Quarter Gross Profit and Margin

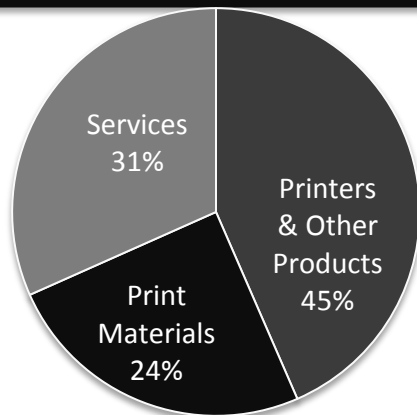
\$ in millions

Second Quarter

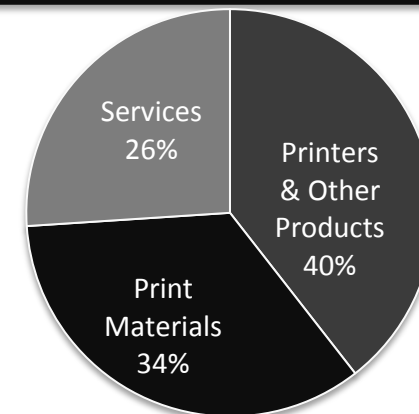
Category	2012		2013		Yr-Yr%	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Printers & other products	\$ 11.2	43.1%	\$ 24.7	45.6%	119.8%	5.8%
Print materials	\$ 17.2	65.6%	\$ 21.6	73.6%	25.3%	12.2%
Services	\$ 14.5	46.4%	\$ 16.3	43.8%	12.4%	(5.7%)
Total	\$ 43.0	51.4%	\$ 62.6	51.8%	45.7%	0.8%

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Q2 2013 Revenue by Category



Q2 2013 Gross Profit by Category



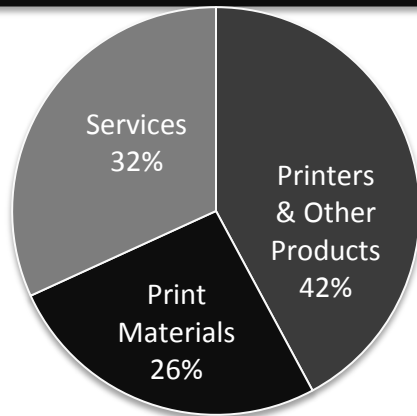
Six Months Gross Profit and Margin

\$ in millions

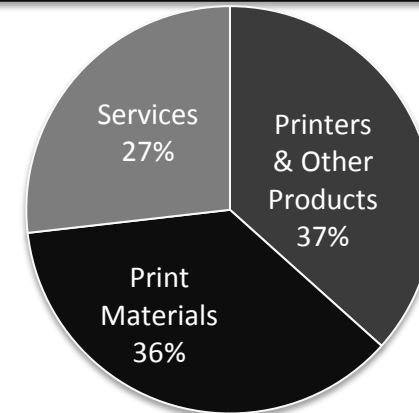
Six Months

Category	2012		2013		Yr-Yr%	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Printers & other products	\$ 20.8	41.0%	\$ 42.5	45.3%	104.4%	10.5%
Print materials	\$ 34.0	66.8%	\$ 42.4	73.1%	24.9%	9.5%
Services	\$ 27.0	45.2%	\$ 31.1	43.8%	15.0%	(3.0%)
Total	\$ 81.8	50.7%	\$ 116.1	52.1%	41.8%	2.8%

Six Months 2013 Revenue by Category



Six Months 2013 Gross Profit by Category



Second Quarter Operating Expenses

\$ in millions

Second Quarter

Category	GAAP			Non-GAAP		
	2012	2013	% Change Favorable/ (Unfavorable)	2012	2013	% Change Favorable/ (Unfavorable)
SG&A	\$ 24.0	\$ 36.2	(50.5%)	\$ 19.1	\$ 25.5	(33.7%)
R&D	\$ 4.9	\$ 9.6	(95.0%)	\$ 4.9	\$ 9.6	(95.0%)
Total Operating Expenses	\$ 29.0	\$ 45.8	(58.1%)	\$ 24.0	\$ 35.1	(46.3%)
<i>% of Revenue</i>	<i>34.6%</i>	<i>37.9%</i>		<i>28.7%</i>	<i>29.1%</i>	

-Columns may not foot due to rounding

Six Months Operating Expenses

\$ in millions

Six Months

Category	GAAP			Non-GAAP		
	2012	2013	% Change Favorable/ (Unfavorable)	2012	2013	% Change Favorable/ (Unfavorable)
SG&A	\$ 48.0	\$ 65.6	(36.8%)	\$ 36.1	\$ 46.8	(29.6%)
R&D	\$ 9.9	\$ 16.1	(63.4%)	\$ 9.9	\$ 16.1	(63.4%)
Total Operating Expenses	\$ 57.9	\$ 81.7	(41.3%)	\$ 46.0	\$ 62.9	(36.9%)
<i>% of Revenue</i>	<i>35.8%</i>	<i>36.7%</i>		<i>28.5%</i>	<i>28.2%</i>	

-Columns may not foot due to rounding

Working Capital

(\$ in millions)	December 2012	June 2013	% Change Favorable/(Unfavorable)
Cash	\$ 155.9	\$ 349.3	124.1%
Inventory	\$ 41.8	\$ 49.8	(19.0%)
Accounts Receivable	\$ 79.9	\$ 111.5	39.6%
Accounts Payable	\$ 32.1	\$ 35.1	(9.4%)
Working Capital	\$ 212.3	\$ 432.0	103.5%

- Cash on hand at end of June 2013 compared to the end of 2012 increased \$193.4 million after \$272.1 million of net proceeds from our common stock offering, generating \$12.8 million of cash from operations and paying \$86.2 million of cash for acquisitions

Reiterating 2013 Guidance



We expect revenue to be in the range of \$485 million to \$510 million



We expect our non-GAAP earnings per share to be in the range of \$1.05 to \$1.20



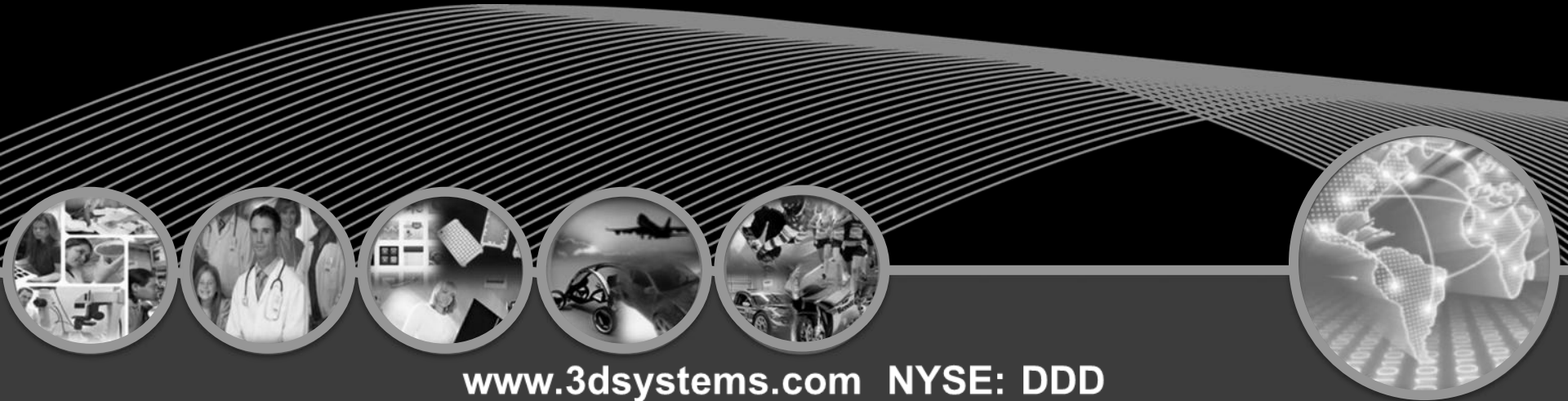
Our non-GAAP adjusted earnings guidance is fully tax-effected and inclusive of all acquisitions completed to date



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Outlook and Progress
Avi Reichental, President and CEO



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Strategic Growth Initiatives Update

New ProJet® x60 series full color professional 3D printers added to our sales momentum

Heavier demand for our award winning Cube consumer printers contributed to our backlog

Two new materials with injection molded-like properties expanded manufacturing use cases

Phenix Systems enhances our direct metals and expands our advanced manufacturing reach

Top tier resellers like Seiko-Infotech, Hawk Ridge and SYNEX broaden our coverage

Staples is expanding in-store roll-out from a couple dozen to a couple hundred stores

Japan's largest consumer and electronics retailer, Yamada Denki, started selling Cubes

Geomagic Solutions 2014 is available immediately

RPDG enhances our Quickparts' capabilities and expands direct sales force coverage

Phenix Systems Expands Metals Capabilities

Robust manufacturing grade printers

Wide range of standard metal alloys and ceramics with over 15 materials including reactive metals & ceramics

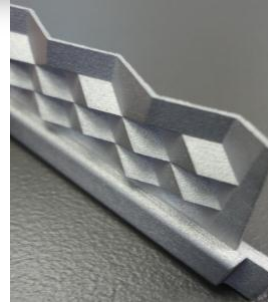
Outstanding output quality

Excellent surface finish & resolution

Exceptional accuracy & repeatability critical for manufacturing

Superior mechanical properties

20% faster build speeds than competitive systems



MEDICAL | AEROSPACE | AUTOMOTIVE | DEFENSE | METALS | CERAMICS

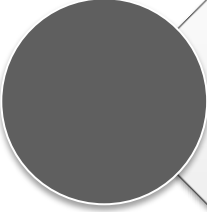
Exclusive Deloitte/3DS Alliance

- We inked an exclusive, multi-year alliance with Deloitte Consulting to accelerate user adoption and integration of 3D printing design and manufacturing solutions for sustainable competitive advantage
- Deloitte and 3D Systems plan to jointly launch and operate a series of solution centers in key locations to deliver joint training, education and implementation services
- We expect this exclusive alliance to become a significant demand generation platform for our future growth

Outlook



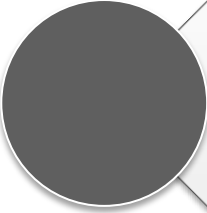
We entered the third quarter of 2013 with positive sales momentum, driven by increased demand primarily from advanced manufacturing and consumer activities and continued robust R&D and manufacturing spending



We expect consumer solutions revenue to reach meaningful levels in the second half of 2013 and we expect to begin providing additional information on the category when we report our Q3 2013 results



We expect ongoing portfolio diversification, expanded channels and focused growth initiatives to deliver continued success



We expect to launch exciting new products spanning our entire portfolio that we believe will make 2013 our best ever new products year

Q&A Session

Out of respect for other conference call participants, please ask one question and then return to the queue to ask additional questions

Please direct all questions through the teleconference portion of this call

To ask questions:

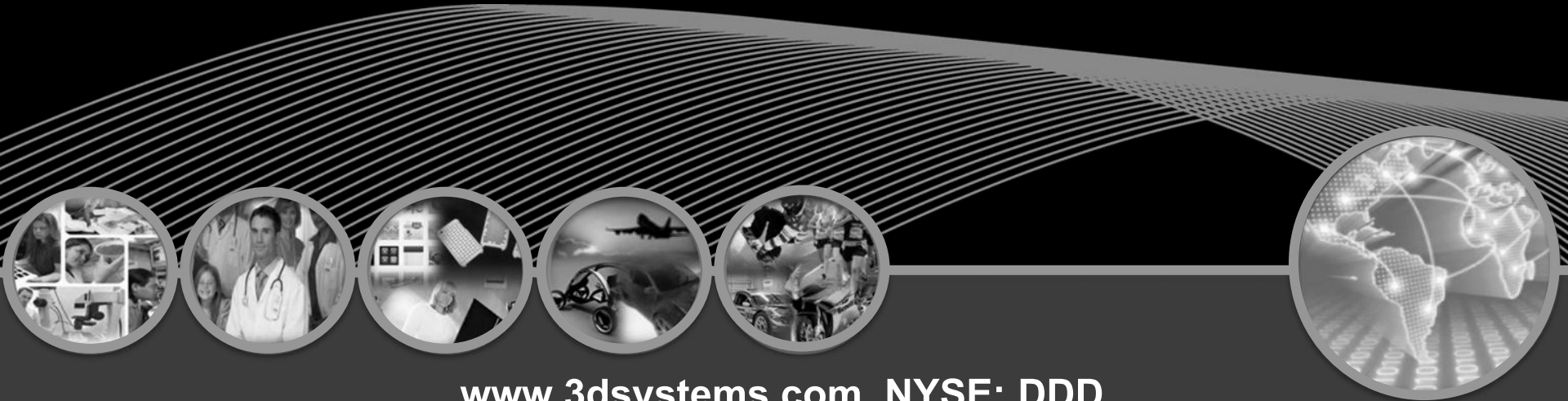
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- Conference ID: 62870047



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Thank You



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