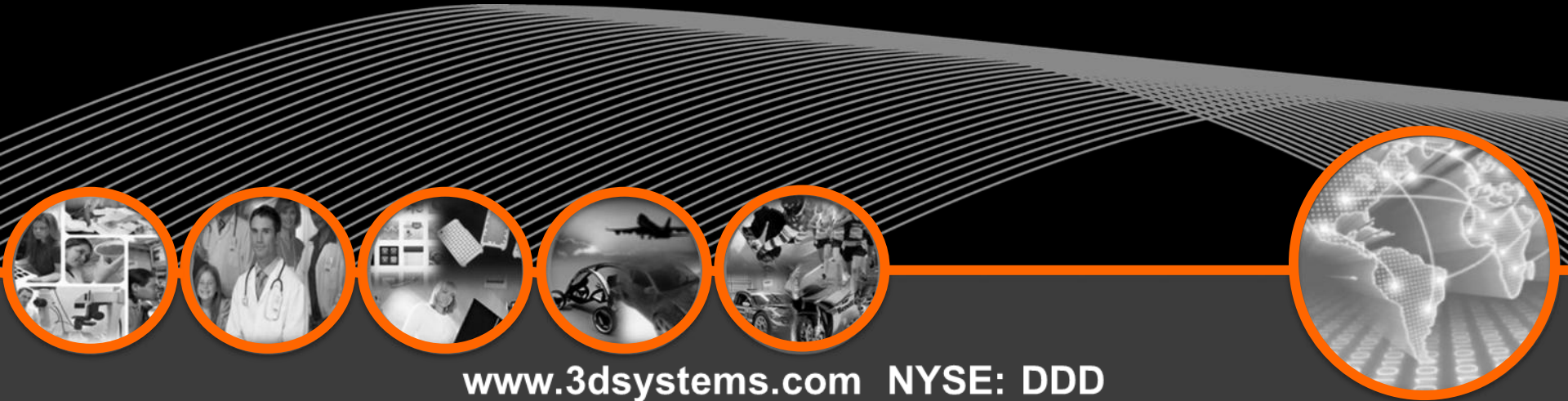




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3DSYSTEMS™

Conference Call and Webcast
Second Quarter and Six Months 2012



www.3dsystems.com NYSE: DDD

Presenters

Stacey Witten

- Investor Relations Manager

Abe Reichental

- President & Chief Executive Officer

Damon Gregoire

- Senior Vice President & Chief Financial Officer

Andrew Johnson

- Vice President & General Counsel

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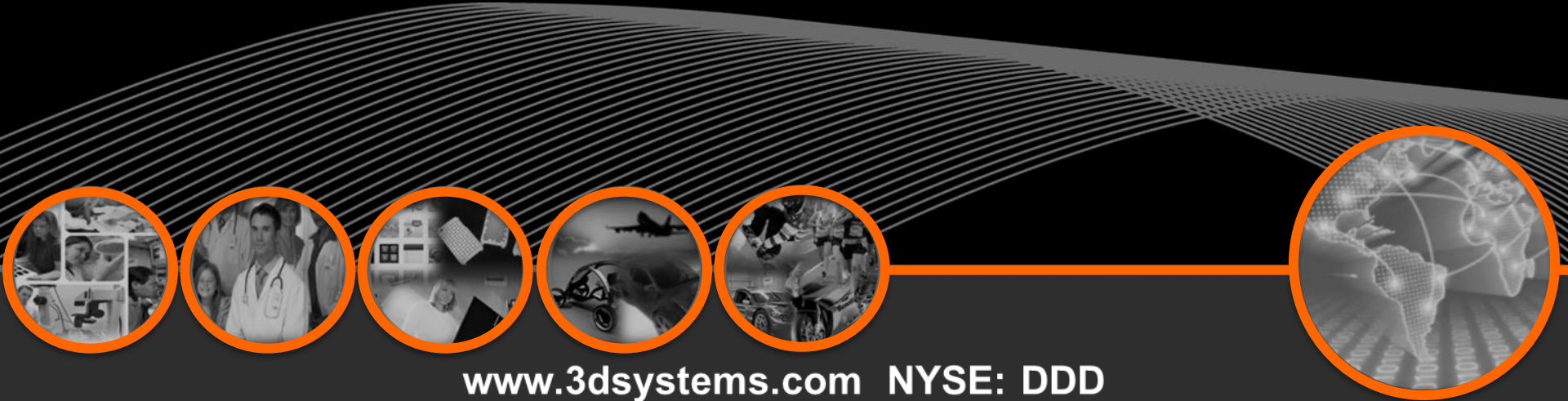
Forward-looking statements are only predictions that relate to future events or our future performance and are subject to known and unknown risks, uncertainties, assumptions, and other factors, many of which are beyond our control, that may cause actual results, outcomes, levels of activity, performance, developments, or achievements to be materially different from any future results, outcomes, levels of activity, performance, developments, or achievements expressed, anticipated, or implied by these forward-looking statements. As a result, we cannot guarantee future results, outcomes, levels of activity, performance, developments, or achievements, and there can be no assurance that our expectations, intentions, anticipations, beliefs, or projections will result or be achieved or accomplished. These forward-looking statements are made as of the date hereof and are based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. 3D System's actual results could differ materially from those stated or implied in forward-looking statements. Past performance is not necessarily indicative of future results. We do not intend to update these forward looking statements even though our situation may change in the future. Further, we encourage you to review the risks that we face and other information about us in our filings with the SEC, including our Annual Report on Form 10-K which was filed on February 23, 2012. These are available at www.SEC.gov.



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Operating Results

Abe Reichental, President & CEO



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Second Quarter 2012 Highlights

Revenue increased 52% over Q2 2011 on 112% printer unit growth and 20% organic growth across all categories

Backlog grew by 28% sequentially to \$12.3 million at the end of the quarter on continued strong demand

Gross profit up 71% on higher revenue and 570 basis points GPM expansion to 51.4% over Q2 2011, driven by significant on-demand parts and printers GPM improvement

Completed and integrated four acquisitions in support of our growth initiatives

Cube[®] home 3D printer commenced commercial shipment late May with orders topping the upper range of our expectations

Record Second Quarter Revenue

\$ in millions



52% total revenue growth

20% organic revenue growth

First Six Months Revenue

\$ in millions



57% total revenue growth

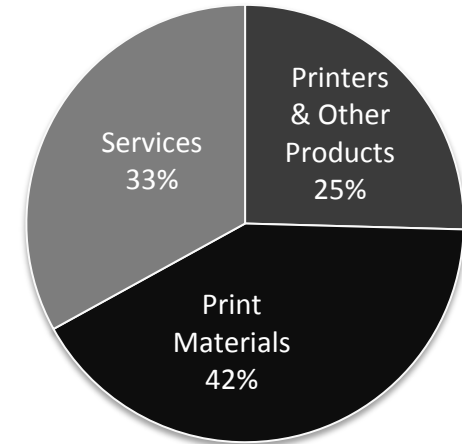
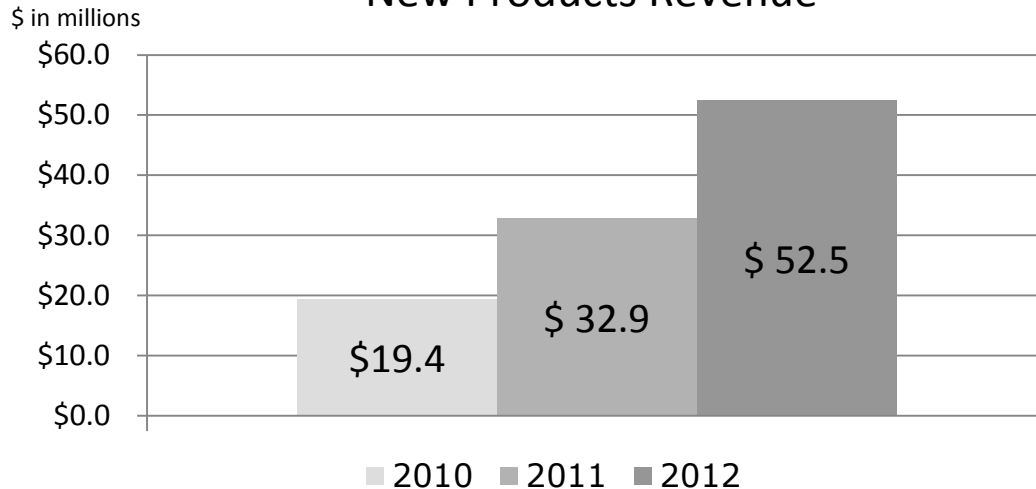
23% organic revenue growth

New Products Fuel Organic Growth & Earnings

Commercialized 9 new products during Six Months 2012

Six Months '12 Gross Profit by Category

New Products Revenue



Six Months 2012 Revenue Elements Comparison to 2011

New products revenue
up 60%

Integrated materials
revenue up 91%

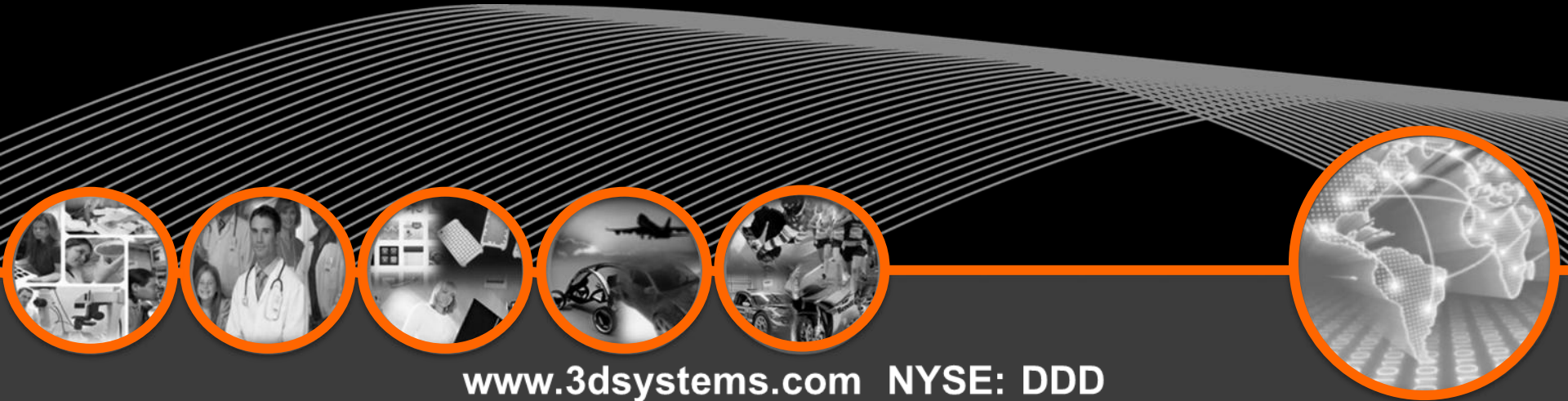
Integrated materials
amounted to 62% of total
materials revenue



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Financial Review

Damon Gregoire, Senior Vice President and CFO



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Second Quarter Operating Results

\$ in millions, except earnings per share

Second Quarter – Non-GAAP

Drivers	2011	2012	% Change Favorable/(Unfavorable)
Revenue	\$ 55.1	\$ 83.6	51.7%
Gross Profit	\$ 25.3	\$ 43.0	70.5%
<i>% of Revenue</i>	45.9%	51.5%	
Operating Expenses	\$ 14.7	\$ 24.3	(65.0%)
<i>% of Revenue</i>	26.7%	29.1%	
Net Income	\$ 9.7	\$ 13.9	43.5%
<i>% of Revenue</i>	17.6%	16.7%	
Depreciation & Amortization	\$ 1.5	\$ 2.5	(65.3%)
<i>% of Revenue</i>	2.7%	2.9%	
Diluted Earnings Per Share	\$0.19	\$ 0.27	42.1%

Six Months Quarter Operating Results

\$ in millions, except earnings per share

Six Months – Non-GAAP			
Drivers	2011	2012	% Change Favorable/(Unfavorable)
Revenue	\$ 103.0	\$ 161.5	56.8%
Gross Profit	\$ 48.5	\$ 81.9	68.7%
<i>% of Revenue</i>	47.1%	50.7%	
Operating Expenses	\$ 29.2	\$ 47.1	(61.1%)
<i>% of Revenue</i>	28.4%	29.2%	
Net Income	\$ 17.9	\$ 27.1	51.8%
<i>% of Revenue</i>	17.3%	16.8%	
Depreciation & Amortization	\$ 3.0	\$ 4.8	(58.4%)
<i>% of Revenue</i>	3.0%	3.0%	
Diluted Earnings Per Share	\$ 0.36	\$ 0.52	44.4%

Non-GAAP Reconciliation

<i>(in millions, except per share amounts)</i>	Quarter Ended June 30,		Six Months Ended June 30,	
	2011	2012	2011	2012
GAAP Net Income	\$ 13.4	\$ 8.3	\$ 20.2	\$ 14.5
Adjustments (tax effected):				
Stock-based compensation	\$ 0.8	\$ 1.2	\$ 1.2	\$ 2.3
Amortization of intangibles (a)	\$ 1.1	\$ 2.8	\$ 2.0	\$ 5.8
Acquisition and severance expense	\$ 0.6	\$ 0.6	\$ 0.7	\$ 2.7
Non-cash interest expenses	-	\$ 0.9	-	\$ 1.8
Release of valuation allowance on deferred tax assets	(\$ 6.2)	-	(6.2)	-
Non-GAAP adjusted net income	\$ 9.7	\$ 13.9	\$ 17.9	\$ 27.1
Non-GAAP adjusted income per share – basic	\$ 0.19	\$ 0.27	\$ 0.36	\$ 0.53
Non-GAAP adjusted income per share – diluted	\$ 0.19	\$ 0.27	\$ 0.36	\$ 0.52

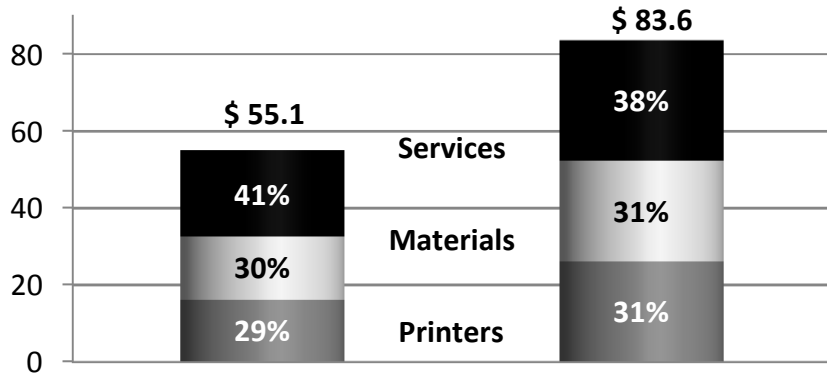
(a) Represents amortization expense for the quarters ended June 30, 2011 and 2012 of which \$0.1 million each quarter, is included in cost of sales and the remaining \$1.0 million and \$2.8 million, respectively, is included in operating expenses. Represents amortization expense for the six months ended June 30, 2011 and 2012 of which \$0.1 million each quarter, is included in cost of sales and the remaining \$1.8 million and \$5.7 million, respectively, is included in operating expenses.

-Columns may not foot due to rounding

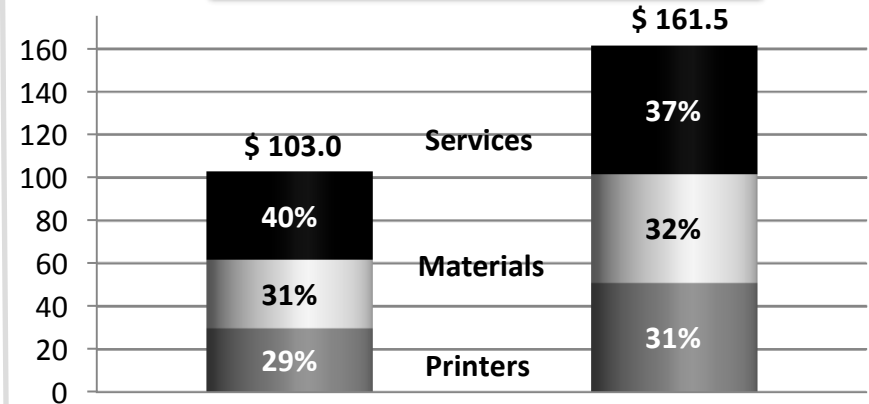
Revenue by Category & Geography

\$ in millions

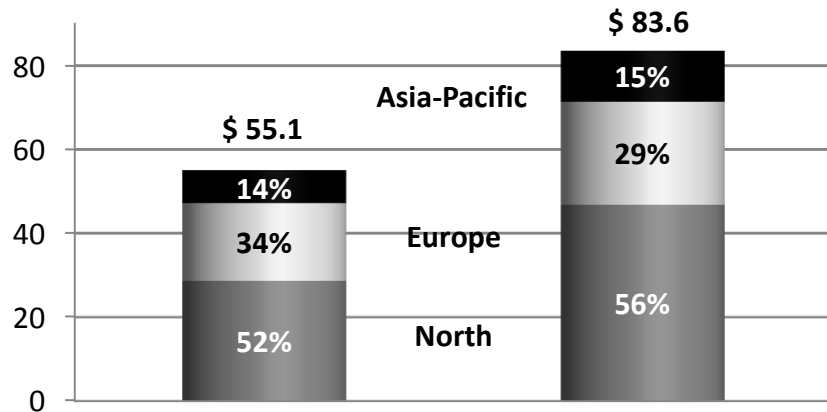
Second Quarter



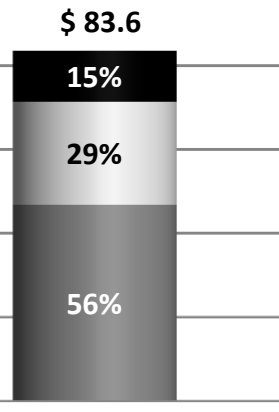
Six Months



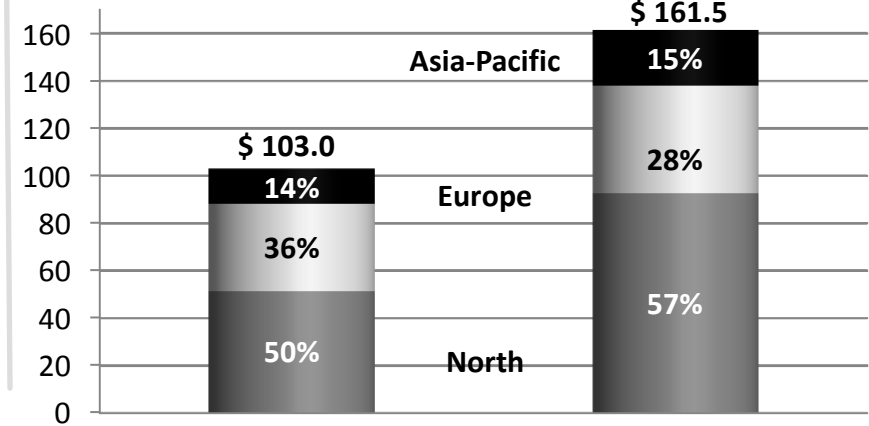
2011



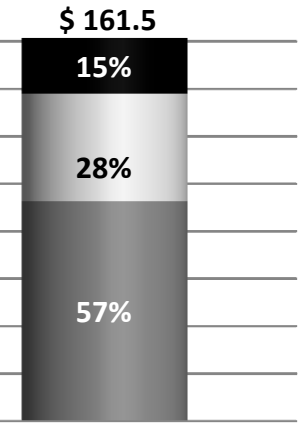
2012



2011



2012



Q2 and six months 2012 recurring revenue accounted for 69% of total revenue

Gross Profit and Margin

\$ in millions

Second Quarter						
Category	2011		2012		Yr-Yr%	
	\$ Millions	Gross Profit Margin	\$ Millions	Gross Profit Margin	\$	Margin
Printers	\$ 6.0	36.9%	\$ 11.2	43.1%	87.9%	16.8%
Print materials	\$ 10.7	64.9%	\$ 17.2	65.6%	61.3%	1.1%
Services	\$ 8.6	38.0%	\$ 14.5	46.4%	69.8%	22.1%
Total	\$ 25.2	45.7%	\$ 43.0	51.4%	70.5%	12.5%

Six Months						
Category	2011		2012		Yr-Yr%	
	\$ Millions	Gross Profit Margin	\$ Millions	Gross Profit Margin	\$	Margin
Printers	\$ 11.5	38.6%	\$ 20.8	41.0%	81.4%	6.2%
Print materials	\$ 20.6	64.2%	\$ 34.0	66.8%	65.2%	4.0%
Services	\$ 16.4	39.7%	\$ 27.0	45.2%	65.2%	13.9%
Total	\$ 48.4	47.0%	\$ 81.8	50.7%	69.1%	7.9%

-Columns may not foot due to rounding

Operating Expenses

\$ in millions

Second Quarter			
Category	2011	2012	% Change Favorable/(Unfavorable)
Selling, general & administrative	\$ 14.2	\$ 24.0	(69.8%)
Research and development	\$ 3.0	\$ 4.9	(61.7%)
Total Operating Expenses	\$ 17.2	\$ 29.0	(68.4%)
<i>% of Revenue</i>	31.2%	34.6%	-

Six Months			
Category	2011	2012	% Change Favorable/(Unfavorable)
Selling, general & administrative	\$ 27.1	\$ 48.0	(77.0%)
Research and development	\$ 5.9	\$ 9.9	(68.0%)
Total Operating Expenses	\$ 33.0	\$ 57.9	(75.4%)
<i>% of Revenue</i>	32.0%	35.8%	-

-Columns may not foot due to rounding

Working Capital

(\$ in millions)	December 2011	June 2012	% Change Favorable/(Unfavorable)
Cash	\$ 179.1	\$ 158.5	(11.5%)
Inventory	\$ 25.3	\$ 40.0	(58.2%)
Accounts Receivable	\$ 51.2	\$ 63.9	24.8%
Accounts Payable	\$ 25.9	\$ 34.2	(32.1%)
Working Capital	\$ 202.4	\$ 199.5	(1.4%)

- Cash on hand at June 30, 2012 included \$21.4 million generated from operations
- Cash decreased \$20.6 million from the end of 2011, primarily reflecting:
 - The \$141.3 million paid to close the acquisitions and complete the financing transaction, paid from the convertible notes proceeds included in the December 2011 cash balance, partially offset by \$106.9 net proceeds from the common stock offering in the second quarter
- Inventory increased \$14.7 million primarily from ZCorp and Vidar acquisitions, new product launch timing and higher backlog
- Working capital decreased \$2.9 million compared to the end of 2011, primarily due to use of cash to complete the acquisitions and the increase in accounts payable, partially offset by the proceeds from the common stock offering and increase in inventory and accounts receivable

Affirming 2012 Guidance



We expect revenue for full year 2012 to be in the range of \$330 million to \$360 million

We expect non-GAAP earnings per share for 2012 to be in the range of \$1.00 to \$1.25

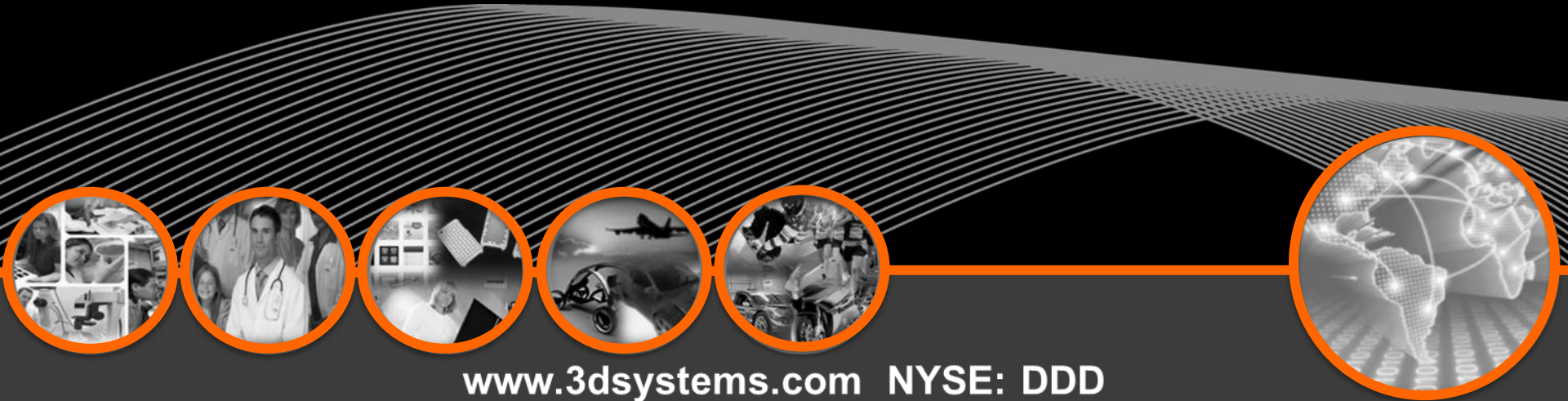


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Outlook and Progress

Abe Reichental, President and CEO



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Recent Developments

New Products

We launched Cube® 3D printer, Cubify.com & Cubify® Invent™

We launched ProJet 3500, ProJet™ 7000 & ZPrinter® 850

Healthcare

We acquired Bespoke Innovations

We acquired Paramount Industries

Consumer


We acquired My Robot Nation and Viztu, technology platforms for Cubify® app creation

We acquired Fresh Fiber, 3D printed consumer electronic accessories

Corporate Development

We completed a common stock offering with net proceeds of \$106.9 million for acquisitions and general corporate purposes

Outlook



We entered the third quarter with positive sales momentum reflecting continued strong demand and record \$12.3 million backlog

We expect continued strong organic and acquisition growth along with gross profit margin expansion

We believe that the addressable marketplaces for our professional and consumer products and services are underdeveloped and underpenetrated

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

We believe that we are extremely well positioned to monetize the expanding rapid manufacturing and emerging maker and consumer opportunities



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Thank You



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Q&A Session

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