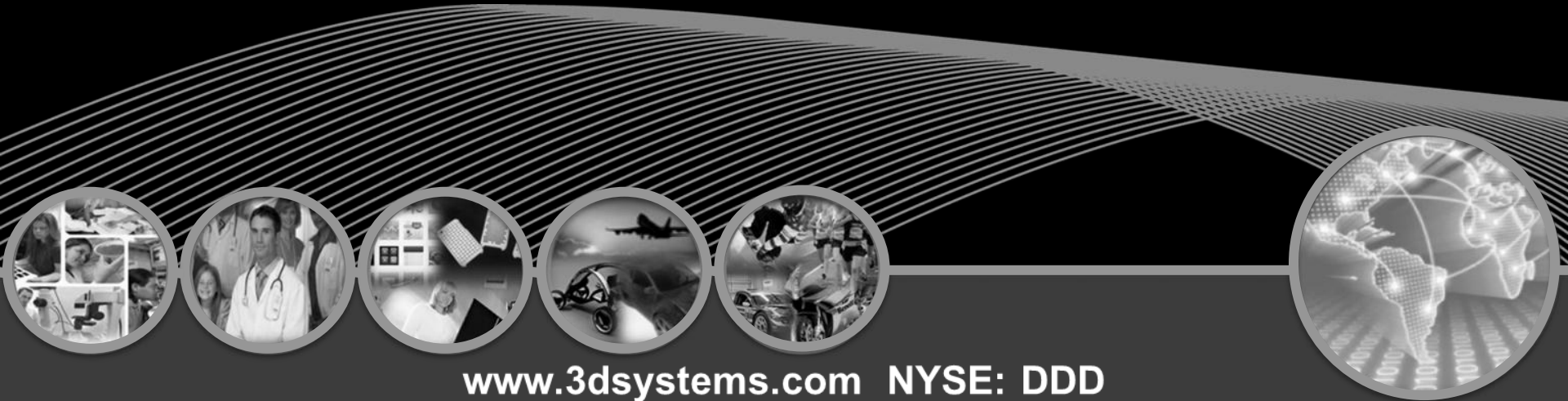




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**Conference Call and Webcast
Third Quarter and Nine Months 2013**



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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via phone and to ask
questions during our Q&A
session, please dial:

- **1-800-706-7745 in the United States**
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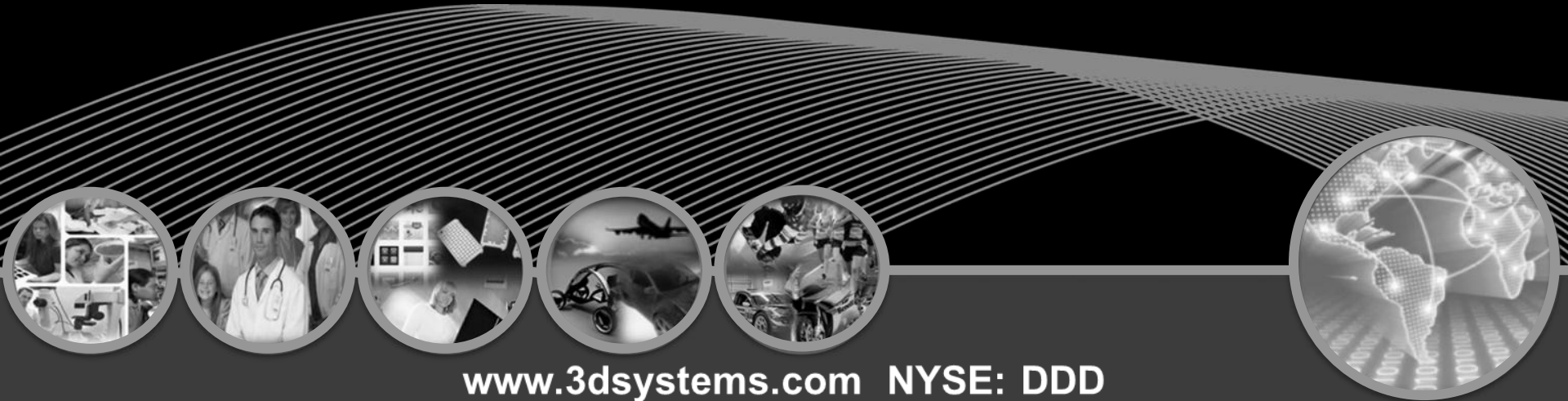


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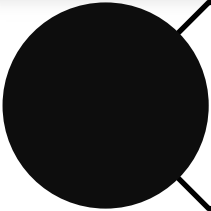
Operating Results

Avi Reichental, President & CEO

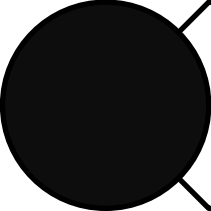


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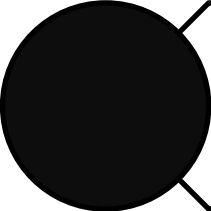
Third Quarter 2013 Highlights



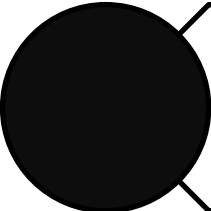
Revenue grew 49.9%, to a record \$135.7 million on a 75.6% increase in printers & other products revenue and 29.7% overall organic growth



Gross profit increased 52.4% on higher revenue and gross profit margin expansion to 52.6% even as printers continued to make up a higher portion of total revenue



We launched new SW products including Geomagic 2014 software for design, scan, measure & sculpt and Bespoke Modeling software, a cloud converting, viewing and printing of full color medical models directly from CT scan data



We acquired CRDM, Team Platform, The Sugar Lab and 82% of Phenix Systems, extending our Quickparts global operations, adding online collaboration platform capabilities and expanding our printing portfolio to metals and food

Record Quarterly Revenue

\$ in millions

Third Quarter

Printers &
Other



76%

Materials



30%

Services



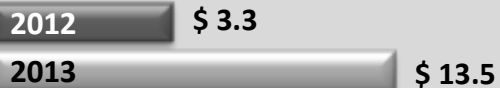
38%

Healthcare



39%

Consumer

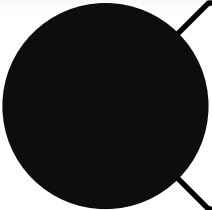


305%

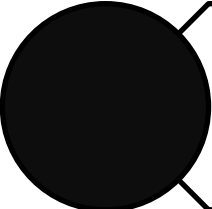
49.9% overall revenue growth

29.7% organic revenue growth

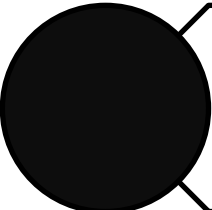
Consumer Products Preview



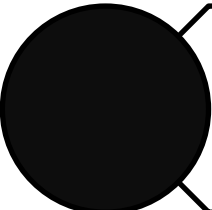
Compared to the first half of 2013, third quarter consumer revenue nearly doubled and for the first nine months of 2013 amounted to \$25.8 million, driven primarily by sales of printers



In-store retail operations expanding to about 400 retail stores before the holiday season, including Staples and Office Depot



Significant brand licensing progress with CBS, Manchester United and the NBA

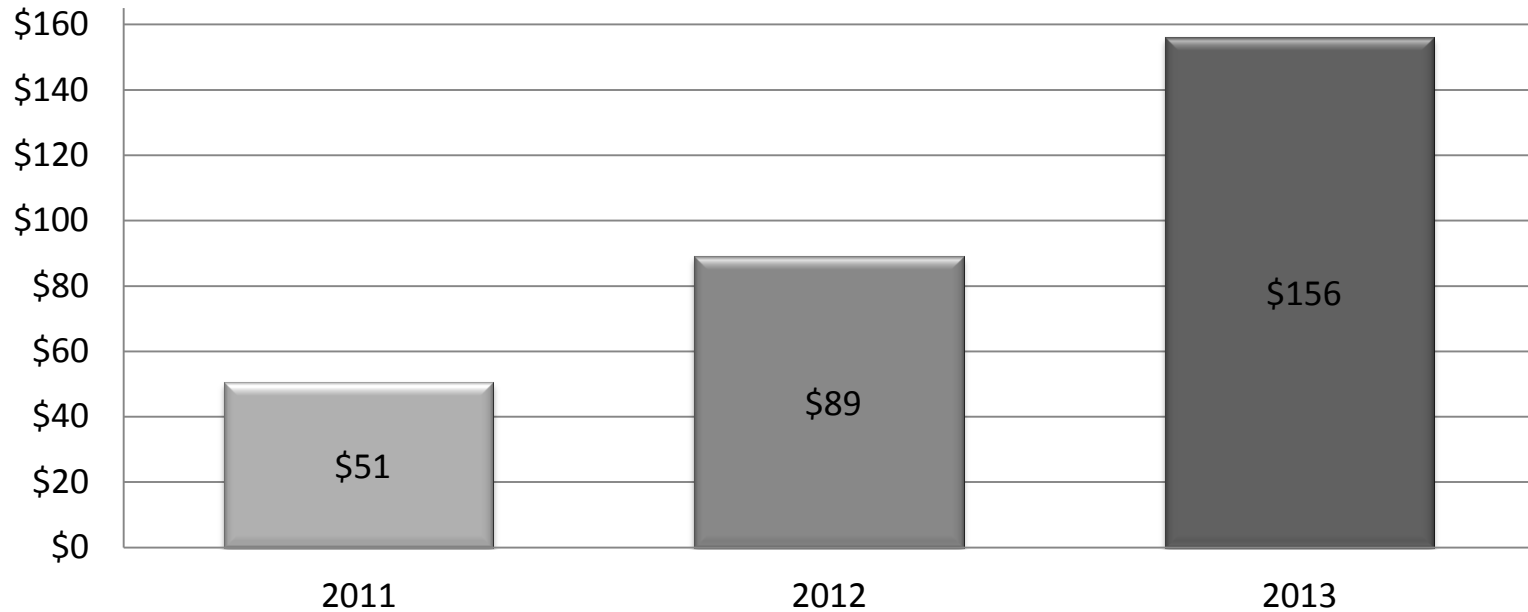


We expect to announce exciting new products and partnerships leading up to CES 2014

New Products Fuel Our Growth

\$ in millions

Nine Months New Products Revenue



New Products Revenue Performance 2013

Launched 12 new products
in the first 9 months 2013

New products revenue rose
79% over Q3 2012

New products revenue rose
75% compared to the first
nine months of 2012

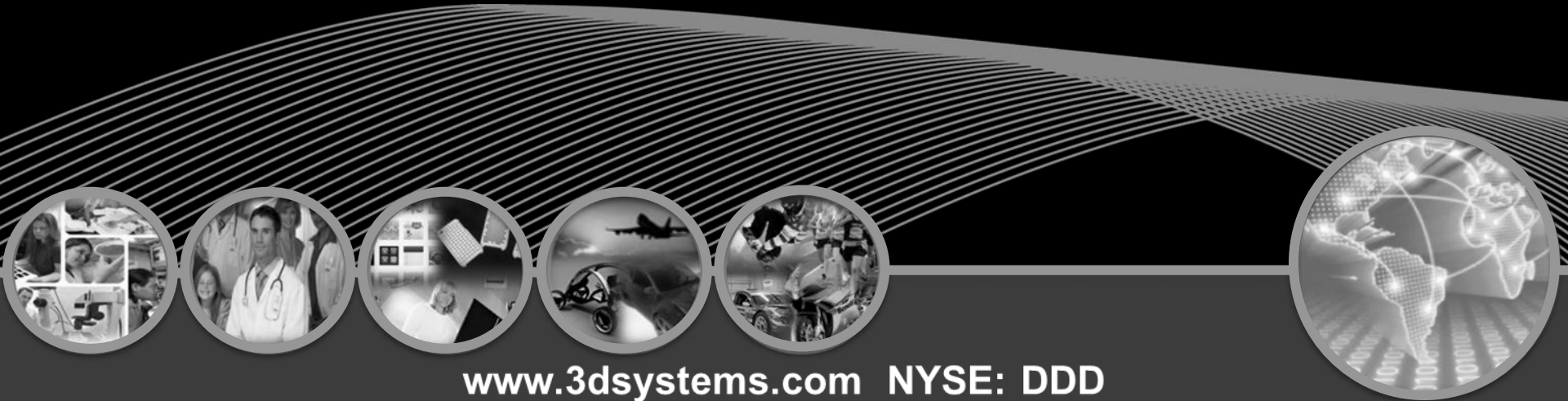


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Financial Review

Damon Gregoire, Senior Vice President and CFO



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Third Quarter GAAP Operating Results

\$ in millions, except earnings per share

Drivers	2012	2013	% Change Favorable/ (Unfavorable)
Revenue	\$ 90.5	\$ 135.7	49.9%
Gross Profit	\$ 46.9	\$ 71.4	52.4%
<i>Gross Profit Margin</i>	<i>51.8%</i>	<i>52.6%</i>	
Operating Expenses	\$ 28.4	\$ 42.9	(50.7%)
<i>% of Revenue</i>	<i>31.4%</i>	<i>31.6%</i>	
Operating Income	\$ 18.4	\$ 28.6	55.0%
<i>% of Revenue</i>	<i>20.4%</i>	<i>21.1%</i>	
Net Income	\$ 13.5	\$ 17.7	30.6%
<i>% of Revenue</i>	<i>14.9%</i>	<i>13.0%</i>	
Diluted Earnings Per Share	\$ 0.16	\$ 0.17	6.3%

First Nine Months GAAP Operating Results

\$ in millions, except earnings per share

Drivers	2012	2013	% Change Favorable/ (Unfavorable)
Revenue	\$ 252.1	\$ 358.6	42.3%
Gross Profit	\$ 128.7	\$ 187.5	45.7%
<i>Gross Profit Margin</i>	<i>51.1%</i>	<i>52.3%</i>	
Operating Expenses	\$ 86.3	\$ 124.6	(44.4%)
<i>% of Revenue</i>	<i>34.2%</i>	<i>34.8%</i>	
Operating Income	\$ 42.4	\$ 62.9	48.3%
<i>% of Revenue</i>	<i>16.8%</i>	<i>17.5%</i>	
Net Income	\$ 28.0	\$ 32.9	17.3%
<i>% of Revenue</i>	<i>11.1%</i>	<i>9.2%</i>	
Diluted Earnings Per Share	\$ 0.35	\$ 0.34	(2.9%)

Non-GAAP Reconciliation

(\$ in millions, except per share amounts)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2012	2013	2012	2013
GAAP net income	\$ 13.5	\$ 17.7	\$ 28.0	\$ 32.9
Cost of sales adjustments:				
Amortization of intangibles	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Operating expense adjustments:				
Amortization of intangibles	\$ 3.0	\$ 6.1	\$ 9.4	\$ 14.9
Acquisition and severance expenses	\$ 0.3	\$ 0.7	\$ 3.3	\$ 5.4
Non-cash stock-based compensation expense	\$ 1.2	\$ 3.1	\$ 3.7	\$ 8.5
Other expense adjustments:				
Non-cash interest expense	\$ 1.0	\$ 0.1	\$ 2.9	\$ 0.9
Loss on convertible notes	\$ 1.2	\$ 2.0	\$ 1.2	\$ 11.3
(Gain) loss on litigation and tax settlements	(\$ 1.5)	\$ 0.5	(\$ 1.5)	\$ 2.5
Tax effect	(\$ 0.6)	(\$ 4.0)	(\$ 1.9)	(\$ 12.4)
Non-GAAP net income	\$ 18.2	\$ 26.2	\$ 45.3	\$ 64.0
Non-GAAP diluted earnings per share	\$ 0.21	\$ 0.26	\$ 0.57	\$ 0.66

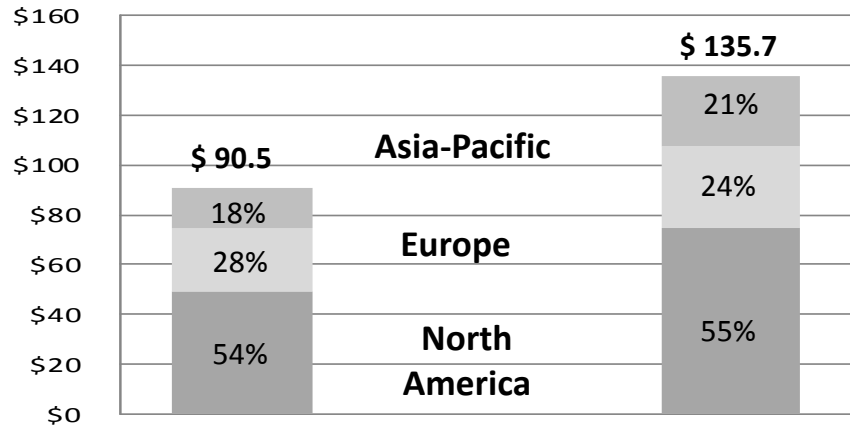
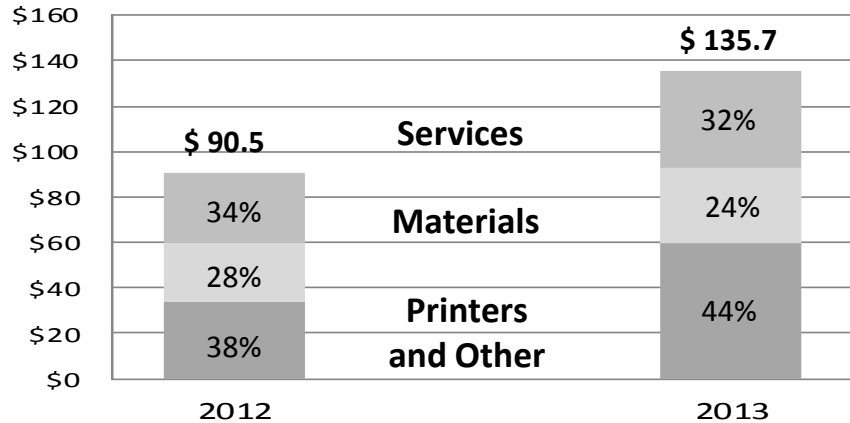
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We use non-GAAP financial measures of adjusted net income and adjusted earnings per share to supplement our unaudited condensed consolidated financial statements presented on a GAAP basis to facilitate a better understanding of the impact that several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

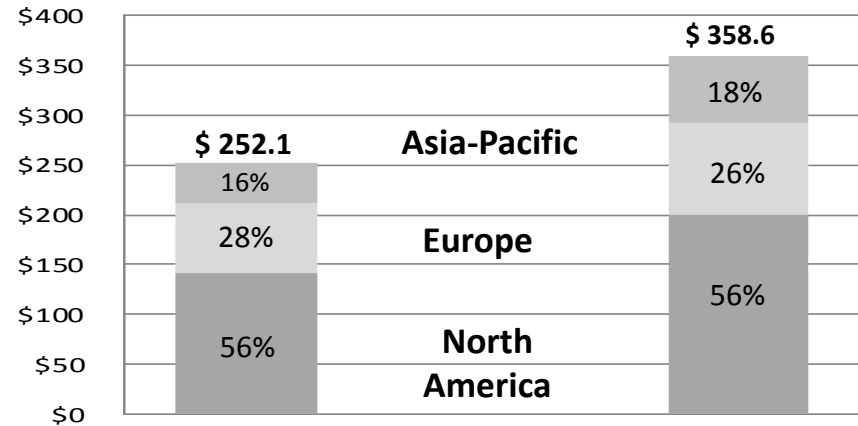
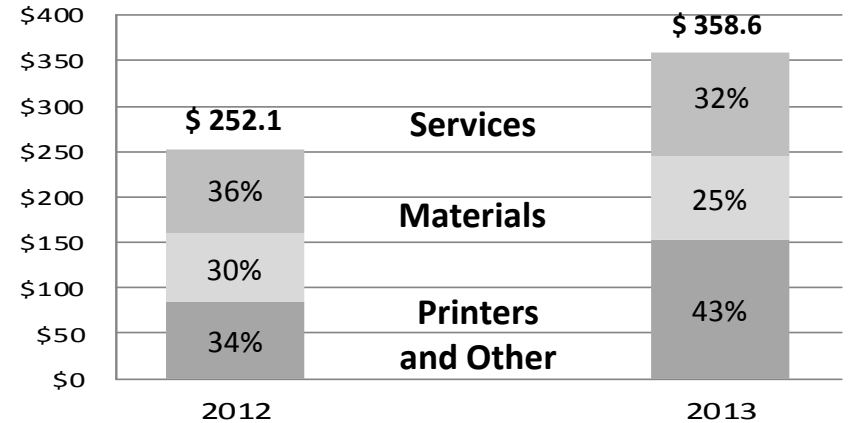
Revenue by Category & Geography

\$ in millions

Third Quarter



Nine Months



Q3 and nine months 2013 recurring revenue accounted for 56% and 57% of total revenue

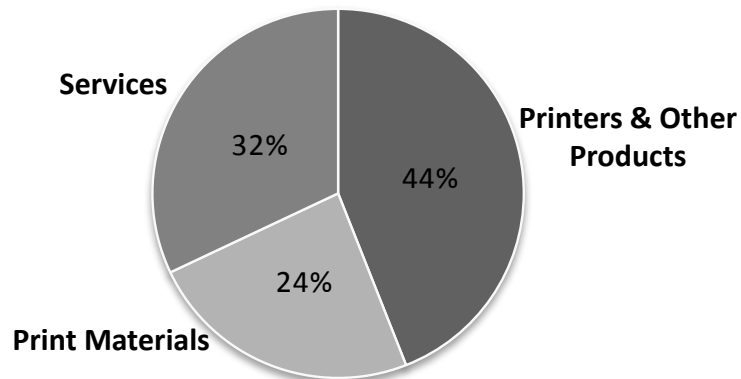
Third Quarter Gross Profit and Margin

\$ in millions

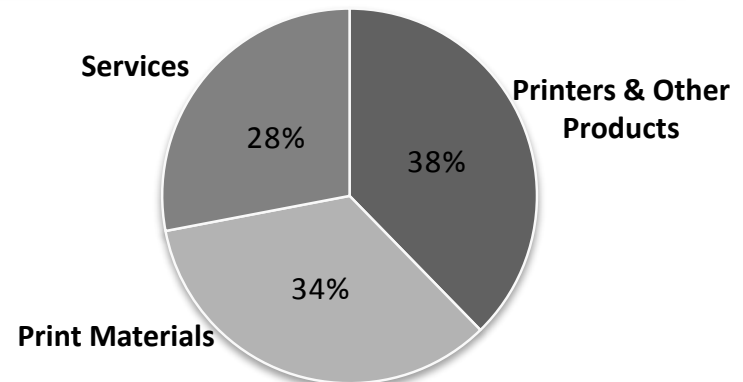
Third Quarter						
Category	2012		2013		Yr-Yr%	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Printers & other products	\$ 15.4	45.2%	\$ 26.9	45.0%	74.8%	(0.4%)
Print materials	\$ 17.4	68.3%	\$ 24.5	73.8%	40.6%	8.1%
Services	\$ 14.1	45.4%	\$ 20.0	46.9%	42.4%	3.3%
Total	\$ 46.9	51.8%	\$ 71.4	52.6%	52.4%	1.5%

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Q3 2013 Revenue by Category



Q3 2013 Gross Profit by Category



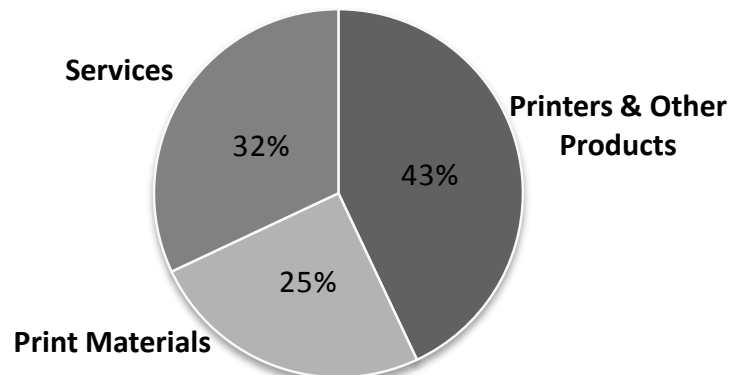
Nine Months Gross Profit and Margin

\$ in millions

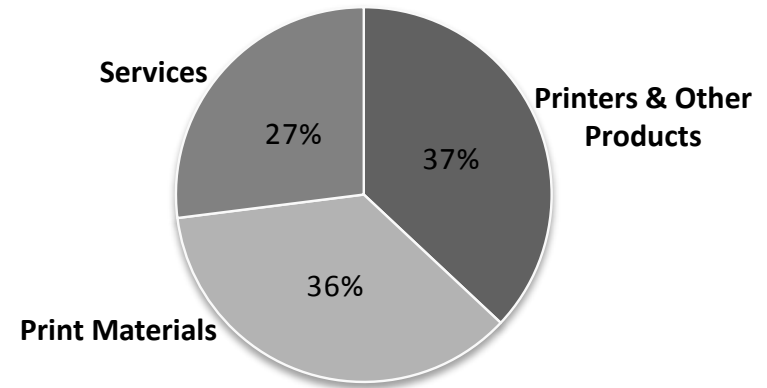
Nine Months						
Category	2012		2013		Yr-Yr%	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
Printers & other products	\$ 36.2	42.7%	\$ 69.5	45.2%	91.8%	5.9%
Print materials	\$ 51.4	67.3%	\$ 66.9	73.4%	30.2%	9.1%
Services	\$ 41.1	45.2%	\$ 51.1	45.0%	24.4%	(0.4%)
Total	\$ 128.7	51.1%	\$ 187.5	52.3%	45.7%	2.3%

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Nine Months 2013 Revenue by Category



Nine Months 2013 Gross Profit by Category



Operating Expenses

\$ in millions						
Third Quarter						
Category	GAAP			Non-GAAP		
	2012	2013	% Change Favorable/ (Unfavorable)	2012	2013	% Change Favorable/ (Unfavorable)
SG&A	\$ 22.9	\$ 32.1	(40.0%)	\$ 18.4	\$ 22.1	(20.1%)
R&D	\$ 5.5	\$ 10.8	(95.1%)	\$ 5.5	\$ 10.8	(95.1%)
Total Operating Expenses	\$ 28.4	\$ 42.9	(50.7%)	\$ 24.0	\$ 33.0	(37.4%)
<i>% of Revenue</i>	<i>31.4%</i>	<i>31.6%</i>		<i>26.5%</i>	<i>24.3%</i>	

Nine Months						
Category	GAAP			Non-GAAP		
	2012	2013	% Change Favorable/ (Unfavorable)	2012	2013	% Change Favorable/ (Unfavorable)
SG&A	\$ 70.9	\$ 97.7	(37.8%)	\$ 54.6	\$ 69.0	(26.4%)
R&D	\$ 15.4	\$ 26.9	(74.8%)	\$ 15.4	\$ 26.9	(74.8%)
Total Operating Expenses	\$ 86.3	\$ 124.6	(44.4%)	\$ 70.0	\$ 95.9	(37.1%)
<i>% of Revenue</i>	<i>34.2%</i>	<i>34.8%</i>		<i>27.8%</i>	<i>26.7%</i>	

-Columns may not foot due to rounding

Working Capital

\$ in millions

	December 2012	September 2013	% Change Favorable/(Unfavorable)
Cash	\$ 155.9	\$ 345.4	121.6%
Inventory	\$ 41.8	\$ 66.1	(58.1%)
Accounts Receivable	\$ 79.9	\$ 114.0	42.7%
Accounts Payable	\$ 32.1	\$ 46.5	(45.0%)
Working Capital	\$ 212.3	\$ 436.8	105.8%

- Cash on hand at end of September 2013 compared to the end of 2012 increased \$189 million after \$272 million of net proceeds from our common stock offering, generating \$44 million of cash from operations and paying \$113 million of cash for acquisitions

Updating FY 2013 Guidance



We are increasing our revenue guidance range:

>Was in the range of \$485 million to \$510 million

>Expected to be in the range of \$500 million to \$530 million



We are decreasing our non-GAAP earnings per share range:

>Was in the range of \$1.05 to \$1.20

>Expected to be in the range of \$0.93 to \$1.03



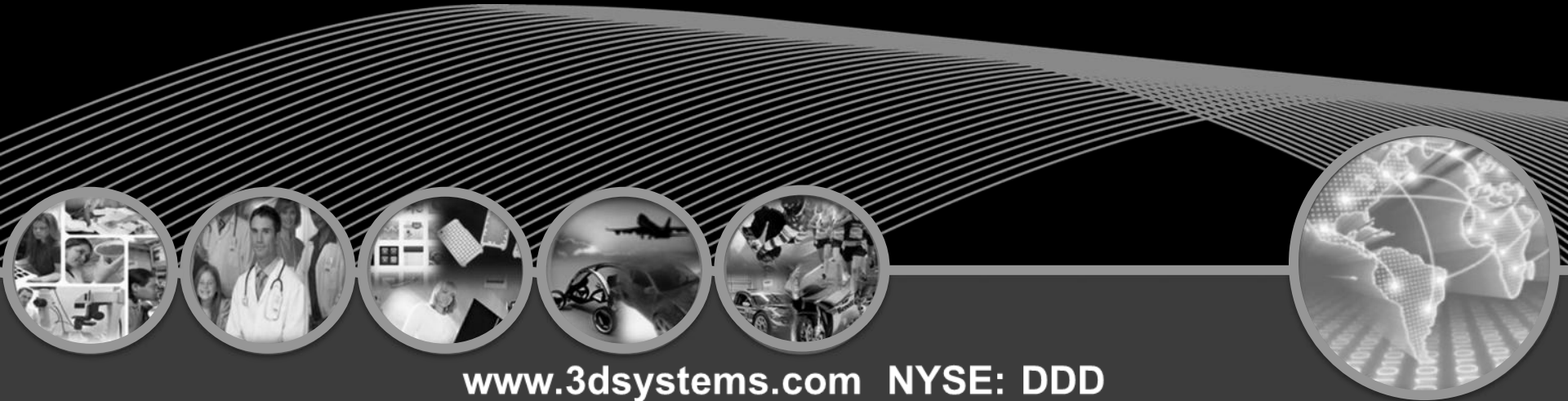
Our non-GAAP adjusted earnings guidance is fully tax-effected and inclusive of all acquisitions completed to date



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Outlook and Progress
Avi Reichental, President and CEO



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Strategic Growth Initiatives Update

- Unprecedented demand for our professional and consumer printers continues to drive our growth
- New materials, expanded manufacturing use cases and new SW products set the stage for further margin expansion
- *Phenix Systems* enhances our direct metals printing capabilities and positions us at the heart of the rapidly unfolding advanced manufacturing opportunity
- *CRDM* expands our Quickparts' global footprint and enhances our presence in the UK
- The addition of leading technology distributor *Midwich* in the UK serves as a force multiplier for our education growth plan
- China's *Tianjin Real Estate Development Company* multiplexes our consumer and professional printers reach in China with reach into hospitality, technology, property and retail
- *Team Platform* strengthens our consumer and professional design and communications capabilities with unique and powerful online collaboration tools
- *The Sugar Lab* accelerates our food printing development and marketing initiatives

Outlook



We entered the fourth quarter of 2013 with positive sales momentum, driven by increased demand from advanced manufacturing and consumer activities



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



We expect to launch breakthrough products including several advanced manufacturing printers and professional scanners at Euromold in December 2013 and cutting edge consumer printers and scanners at CES in early January 2014

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:

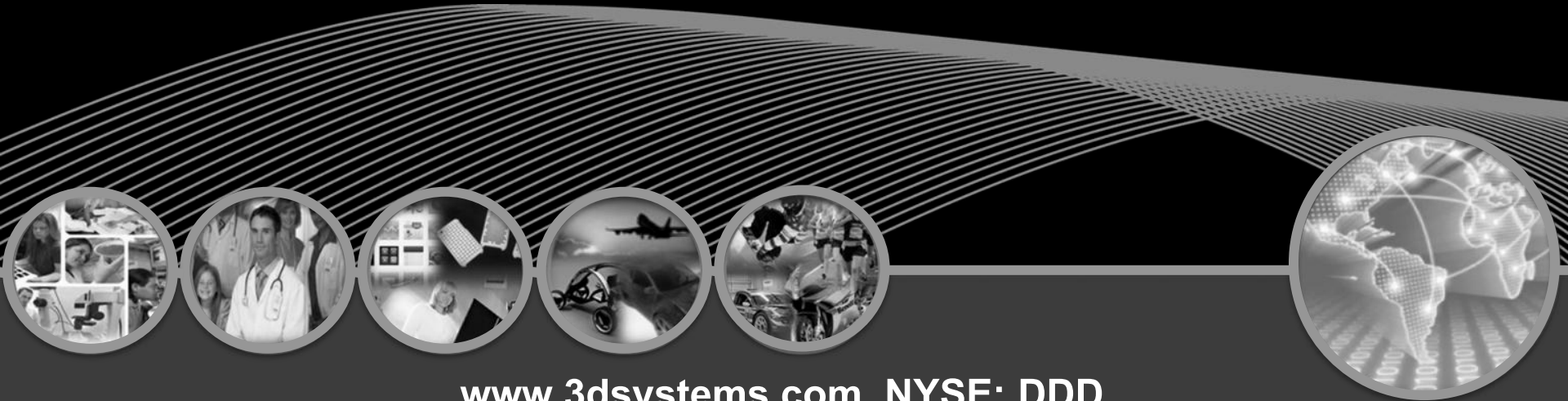
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Thank You



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