Participants

- Amanda Molbert
  Coordinator, Investor Relations

- Abe Reichental
  President & Chief Executive Officer

- Damon Gregoire
  Vice President & Chief Financial Officer

- Bob Grace
  Vice President & General Counsel
Welcome Webcast Viewers

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- 1-888-336-3485 in the United States
- 1-706-634-0653 from outside the United States
- Participant Code: 70048832
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First Quarter 2010 Overview

- Improved business conditions resulted in revenue growth from all revenue buckets.
- We expanded gross margin and lowered operating expenses driven in part by our ongoing operational and quality improvements.
- We continued to expand our 3Dproparts™ service organically and through acquisitions.
- We believe that our marketplace conditions have stabilized.
- We expect to be able to preserve and expand the operating leverage in our P&L.

Our improved performance resulted in $2.0 million net income.
Financial Review

Damon Gregoire, Vice President & CFO
### First Quarter 2010 Operating Results

($ Millions except per share amounts)

<table>
<thead>
<tr>
<th>Operating Results</th>
<th>2010</th>
<th>2009</th>
<th>% Change Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 31.6</td>
<td>$ 24.0</td>
<td>32%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$ 14.3</td>
<td>$ 10.5</td>
<td>37%</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>45%</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$ 11.7</td>
<td>$ 12.1</td>
<td>3%</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>37%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$ 2.0</td>
<td>($2.1)</td>
<td>NM</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$ 1.5</td>
<td>$ 1.6</td>
<td>6%</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>5%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Fully Diluted Earnings (Loss) Per Share</td>
<td>$0.09</td>
<td>($0.09)</td>
<td>NM</td>
</tr>
</tbody>
</table>
Factors Shaping First Quarter Results

($ Millions)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>Growth</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systems</td>
<td>$8.8</td>
<td>$4.9</td>
<td>$3.9</td>
<td>81%</td>
</tr>
<tr>
<td>Materials</td>
<td>13.6</td>
<td>10.6</td>
<td>3.0</td>
<td>28%</td>
</tr>
<tr>
<td>Services</td>
<td>9.2</td>
<td>8.5</td>
<td>0.7</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>31.6</td>
<td>24.0</td>
<td>7.6</td>
<td>32%</td>
</tr>
</tbody>
</table>

- **Systems revenue in Q1 2010 consisted of:**
  - 25% large-frame systems (9% in Q1 2009)
  - 21% mid-frame systems (37% in Q1 2009)
  - 54% 3-D printers (54% in Q1 2009)

- **Services revenue includes:**
  - Maintenance and warranty contract revenue
  - Sales of system upgrades
  - Installation of and training on machines
  - 3Dproparts™ sales

Q1-10 vs. Q1-09 Revenue Growth

<table>
<thead>
<tr>
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</table>
Healthcare Solutions First Quarter Revenue

- Healthcare Solutions represented 12% of total revenue.
- Recurring revenue from materials and services amounted to 68% of total Healthcare Solutions revenue.
- Healthcare Solutions revenue consists of sales of systems, materials and services into:
  - Hearing aid applications,
  - Dental applications,
  - Medical device applications and
  - Other healthcare applications.
- Given its early development stage, Healthcare Solutions revenue may fluctuate due to timing of Production Systems sales within a reporting period.

Recurring materials and services revenue amounted to 68% of total Healthcare Solutions sales.
## Factors Shaping First Quarter Results

<table>
<thead>
<tr>
<th></th>
<th>Q1-09</th>
<th>Q2-09</th>
<th>Q3-09</th>
<th>Q4-09</th>
<th>Q1-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>$ 12.1</td>
<td>$ 11.7</td>
<td>$ 11.2</td>
<td>$ 11.7</td>
<td>$ 11.7</td>
</tr>
<tr>
<td>Gross Profit Margin</td>
<td>44%</td>
<td>44%</td>
<td>45%</td>
<td>44%</td>
<td>45%</td>
</tr>
<tr>
<td>Cash</td>
<td>$ 23.4</td>
<td>$ 24.0</td>
<td>$ 24.0</td>
<td>$ 24.9</td>
<td>$ 26.6</td>
</tr>
<tr>
<td>Inventory</td>
<td>$ 19.9</td>
<td>$ 19.1</td>
<td>$ 20.3</td>
<td>$ 18.4</td>
<td>$ 20.3</td>
</tr>
</tbody>
</table>

- Gross margin and operating expenses both improved compared to the first quarter of 2009.
- Net income of $2.0 million included $1.8 million of non-cash expenses.
- Cash position improved from the previous quarter to $26.6 million, even after funding our acquisition of Moeller Design.
- Inventory increased due in part to the timing of sales and revenue recognition at quarter-end.
First Quarter Revenue Composition by Category and Region

($ Millions)

Recurring revenue represents nearly three-quarters of total revenue.
First Quarter 2010 Gross Profit and Margin

<table>
<thead>
<tr>
<th></th>
<th>First Quarter 2010</th>
<th>First Quarter 2009</th>
<th>Yr-Yr %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ Millions</td>
<td>% Revenue</td>
<td>$ Millions</td>
</tr>
<tr>
<td>Systems</td>
<td>$ 3.1</td>
<td>36%</td>
<td>$ 0.9</td>
</tr>
<tr>
<td>Materials</td>
<td>$ 8.3</td>
<td>61%</td>
<td>$ 6.7</td>
</tr>
<tr>
<td>Services</td>
<td>$ 2.9</td>
<td>32%</td>
<td>$ 2.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 14.3</strong></td>
<td><strong>45%</strong></td>
<td><strong>$10.5</strong></td>
</tr>
</tbody>
</table>

**Systems gross profit margin benefited from:**
- The continued favorable impact of operational and cost improvements and
- Better overhead absorption over a larger revenue base.
First Quarter Working Capital Update

Days Inventory On Hand

Days Sales Outstanding


Days Inventory On Hand:
- Q4 2007: 64
- Q1 2008: 121
- Q2 2008: 102
- Q3 2008: 101
- Q4 2008: 100
- Q1 2009: 132
- Q2 2009: 125
- Q3 2009: 122
- Q4 2009: 83
- Q1 2010: 105

Days Sales Outstanding:
- Q4 2007: 64
- Q1 2008: 73
- Q2 2008: 70
- Q3 2008: 63
- Q4 2008: 66
- Q1 2009: 63
- Q2 2009: 60
- Q3 2009: 63
- Q4 2009: 60
- Q1 2010: 62
## First Quarter Working Capital Update

($ Thousands)

<table>
<thead>
<tr>
<th>Inventory</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 12/31/09</td>
<td>$ 18,378</td>
</tr>
<tr>
<td>Q1 2010 Increase</td>
<td>1,900</td>
</tr>
<tr>
<td>Balance at 3/31/10</td>
<td>$ 20,278</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 12/31/09</td>
<td>$ 24,913</td>
</tr>
<tr>
<td>Q1 2010 Increase</td>
<td>1,723</td>
</tr>
<tr>
<td>Balance at 3/31/10</td>
<td>$ 26,636</td>
</tr>
</tbody>
</table>
Progress & Outlook

Abe Reichental, President & CEO
Recent Developments

- We launched the ProJet™ MP 3000 dental production system.
- We continued to expand our 3Dproparts™ services by:
  - Acquiring Moeller Design (Q1 2010)
  - Acquiring Design Prototyping Technologies (Q2 2010)
Growth Drivers

- We entered the second quarter of 2010 with a strong sales funnel.
- We expect sales of our expanding lineup of 3-D printers to continue to grow, helped by our V-Flash® and new ProJet™ printers.
- We are pleased with the progress we are making on 3Dproparts™ and expect to continue to grow this activity globally.
- We expect sales of our Healthcare Solutions to increase, benefiting from our expanding portfolio and technology leadership.
Revenue Outlook

- We are optimistic about our ability to continue to make progress even though economic conditions remain uncertain.
- We expect continued revenue growth during 2010 given our strengthened portfolio of products and services.
- We expect 3Dproparts™ revenue to reach 15-20% of our ongoing total revenue by the end of 2010 from continued organic growth and through additional strategic acquisitions globally.

We expect to benefit competitively from our new products and expanded services portfolio and stronger financial position.
We believe that we can further enhance our operational effectiveness and optimize our operating costs.

Gross Profit and Operating Expenses Outlook

- We expect our gross profit margin to remain stable despite:
  - Potential adverse systems mix in favor of lower margin printers and integration period of acquired businesses and
  - Continued negative 2-4 percentage point drag from V-Flash® through the first half of 2010.

- We expect SG&A to be in the range of $27.5-31.5 million for the remainder of 2010:
  - Inclusive of our anticipated litigation expenses as we currently understand them and
  - Increased operating costs associated with 3Dproparts™ acquisitions we made thus far.

- We expect R&D spending for the remainder of 2010 to be in the range of $7.5-9.0 million while keeping pace with our planned new product introductions.
Bottom Line

- Our sales funnel remains robust.
- Our Parts, Printers and Production Systems are expected to generate increased OEM demand.
- Our business model is built around significant, recurring revenue components that generate improved contribution margins.

We remain committed to our long-term growth objectives and confident in our ability to provide value to our customers and stockholders.
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Please direct all questions through the teleconference portion of this call.

To ask questions:
• Phone: 1-888-336-3485
• International: 1-706-634-0653
• Participant code: 70048832
Thank You for Participating

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