

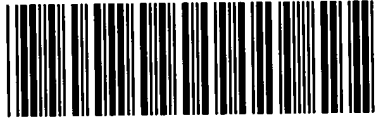
Company Registration No. 2540492

3D EUROPEAN HOLDINGS LIMITED

Report and Financial Statements

31 December 2014

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3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

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**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Langfield
A Johnson
D R Styka (appointed 9 June 2015)

SECRETARY

D J Langfield

REGISTERED OFFICE

Mark House
Mark Road
Hemel Hempstead
Hertfordshire
HP2 7UA

BANKERS

Barclays Bank plc
PO Box 87
22-24 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3HJ

AUDITORS

BDO LLP
55 Baker Street
London
W1U 7EU

3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

STRATEGIC REPORT

The directors present their strategic report and the audited financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The company has two principal activities:

- holding of the investments of the European subsidiaries, and
- collection and distribution of management fees between the parent and the European subsidiaries.

Holdings acquired Layerwise group on the 3 Sept 2014 for €31,949k, (see note 6)

Administrative expenses for the year, excluding exceptional items, increased by £1,158k. These were driven by an increase in global sales activities and roles. In 2013 the European Management charges were £1,545k, in 2014 these increased to £2,960k. The substantial increase is also a result of the increase in cross entity support, this is reflected in both income and corresponding expense.

REVIEW OF THE DEVELOPMENT, PERFORMANCE AND POSITION OF THE BUSINESS

As a result of the expansion of the European business and more cross entity activity we have an increase in management fees channelled through the European Holding company.

Our ultimate parent has made, and expect to continue to make strategic European acquisitions.

The results for the year are in line with director expectations.

The growth of the trading companies is a result of the increased product offering complimented by healthy industry growth rates. The directors believe that the company is well positioned to grow trading activity during 2015 while maintaining margin.

PRINCIPAL RISKS AND UNCERTAINTIES

We are exposed to market risk from changes in interest rates and foreign currency exchange rates and commodity prices which may adversely affect our results of operations and financial condition. We seek to minimise these risks through regular operating activities as appropriate.

KEY PERFORMANCE INDICATORS

The business uses various KPI's to monitor the results of the business on an ongoing basis. Financial measures include Turnover, Gross Margin and Profit before tax, which are all line items disclosed on the face of the profit and loss account.

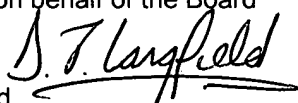
FUTURE PROSPECTS

The Holdings activity is determined by its continuation as the mechanism for management fee distribution. Its growth is therefore dependent on the growth of the wider 3D trading entities and any new acquisitions, along with an increase in the global and pan european roles within these subsidiary companies.

Approved by the Board of Directors
and signed on behalf of the Board

D J Langfield

Date:


22/09/15

3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

DIRECTORS REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2014.

DIVIDENDS

The directors are not recommending a dividend (2013 : £NIL)

STRATEGIC REPORT

A review of the business, future developments and principal risks and uncertainties of the company are included within the Strategic Report on page 4.

POST BALANCE SHEET EVENTS

There are no Post Balance Sheet Events

DIRECTORS

The directors who held office since 1 January 2014 were as follows:

D J Gregoire (resigned 12 December 2014)

D J Langfield

A Johnson

T Hull (appointed 12 December 2014 and resigned 9 June 2015)

FINANCIAL INSTRUMENTS

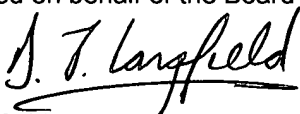
Details of the financial risk management objectives and policies, and details of the use of financial instruments are set out in note 1 to the financial statements.

AUDITORS

All the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have agreed to be reappointed as the company's auditors.

Approved by the Board of Directors
and signed on behalf of the Board



D J Langfield

Date:

22/09/15

3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3D EUROPEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 3D EUROPEAN HOLDINGS LIMITED

We have audited the financial statements of 3D European Holdings Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view, of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year which the financial statements are prepared is consistent with the financial statements.

**3D EUROPEAN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
United Kingdom**

Date: 22/09/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

3D EUROPEAN HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year Ended 31 December 2014

	Note	2014 £000's	2013 £000's
Operating Income		3,108	1,717
Administrative expenses			
- Impairment Expense		(2,650)	-
- Other expenses		(2,872)	(1,714)
		<u>(5,522)</u>	<u>(1,714)</u>
OPERATING PROFIT (LOSS)	2	<u>(2,414)</u>	<u>3</u>
Interest receivable & similar	4	8	-
Interest payable & similar	4	(239)	(29)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(2,645)</u>	<u>(26)</u>
Taxation on profit on ordinary activities	5	-	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>(2,645)</u></u>	<u><u>(26)</u></u>

All amounts relate to continuing operations.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 11 to 14 form part of these financial statements.

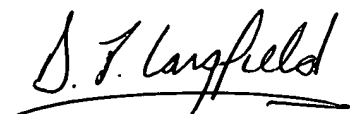
3D EUROPEAN HOLDINGS LIMITED

BALANCE SHEET as at 31 December 2014

Company number 2540492

	Note	2014 £000's	2013 £000's
FIXED ASSETS			
Investments	6	28,863	6,153
		<u>28,863</u>	<u>6,153</u>
CURRENT-ASSETS			
Debtors	7	5,219	2,238
Cash in hand and at Bank		929	2
		<u>6,148</u>	<u>2,240</u>
CREDITORS: Amounts falling due within one year	8	(2,184)	(1,911)
NET CURRENT (LIABILITIES) / ASSETS		<u>3,964</u>	<u>329</u>
CREDITORS: Amounts falling due more than one year	9	(30,453)	(1,463)
NET ASSETS		<u>2,374</u>	<u>5,019</u>
CAPITAL AND RESERVES			
Called up Share Capital	10	6,907	6,907
Profit and Loss Account	11	(4,533)	(1,888)
TOTAL SHAREHOLDERS' FUNDS		<u>2,374</u>	<u>5,019</u>

These financial statements were approved by the Board of Directors and authorised for issue on 04 September 2015.
Signed on behalf of the Board of Directors



Director

DJ LANGFIELD

The notes on pages 11 to 14 form part of these financial statements.

NOTES TO THE ACCOUNTS
Year Ended 31 December 2014

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more significant accounting policies, which have been applied consistently, are set out below.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

Operating Income

Operating income consists of management charges received from subsidiary companies, and is included on an accruals basis.

Foreign Currencies

Transactions in foreign currencies are recorded using the exchange rate at the date of the transaction.

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Foreign exchange differences are taken to the profit and loss account in the year in which they arise.

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in a obligation at the balance sheet date to pay tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders this is when they are paid by the company. In the case of final dividends this is when approved by the shareholders.

Investments

Investments are held at the lower of cost or net realisable value. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Consolidation

The company has taken the exemption conferred by Section 401 of the Companies Act 2006 not to produce consolidated accounts as it is a wholly-owned indirect subsidiary of 3D Systems Corporation. Copies of the consolidated accounts of 3D Systems Corporation are publicly available from 333 Three D Systems Circle, Rock Hill, SC 29730, USA or from the United States Securities and Exchange Commission website at www.sec.gov. These accounts therefore present the results of the company only.

Financial Instruments

The company holds or issues financial instruments to finance its operations and enters into contracts to manage risks arising from those operations and its sources of finance in accordance with its accounting policies.

Cash Flow Statement and Related Party Disclosures

The company is a wholly-owned subsidiary of 3D Systems Inc. (a company incorporated in California in the United States of America) and is included in the consolidated financial statements of 3D Systems Corporation, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the 3D Systems Corporation group.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2014

2 OPERATING PROFIT

	2014 £000's	2013 £000's
<u>Operating profit / (loss) is after charging:</u>		
Auditor's remuneration		
- Audit fees	6	6
- Impairment	2,650	-
- (Gain) / Loss on foreign exchange	(212)	(44)

3 EMPLOYEES AND DIRECTORS

The company had no employees in the current or prior year.
No director received any emoluments from the company in the current or prior year.

4 INTEREST AND SIMILAR

	2014 £000's	2013 £000's
Interest receivable from other group undertakings	8	-
Interest payable to other group undertakings	(239)	(29)
	<u>(231)</u>	<u>(29)</u>

5 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2014 £000's	2013 £000's
UK Corporation tax	-	-
Total taxation charge	<u>-</u>	<u>-</u>

The tax assessed for the current year is reconciled to the results from applying the standard rate of corporation tax in the UK.

Loss on ordinary activities before tax	<u>(2,645)</u>	<u>(26)</u>
Tax at 21.49% (2013 : 23.25%)	(568)	(6)
Expenses not assessable for tax purposes £2,650k (2013 nil)	569	-
Group relief surrendered	(1)	6
Total current taxation charge	<u>-</u>	<u>-</u>

Factors affecting the future tax charge

The Finance Act 2012, enacted on 17 July 2012, included provision for the main rate of corporation tax to reduce from 24% to 23% from 1 April 2013. Accordingly, deferred tax balances have been restated to reflect the lower rate at which timing differences are expected to reverse. It was also announced in the 2012 Autumn Statement that the main rate of corporation tax will reduce to 21% from 1 April 2014. In addition, the March 2013 Budget announced that the rate will further reduce to 20% in 2015. This will reduce the Company's future tax charge accordingly.

3D EUROPEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year Ended 31 December 2014

6 INVESTMENTS HELD AS FIXED ASSETS

Company	Shares at Cost £000's
Cost:	
At 1 January 2014	9,317
Additions	25,360
At 31 December 2014	<u>34,677</u>
Provision for impairment	
At 1 January 2014	3,164
Additions	2,650
At 31 December 2014	<u>5,814</u>
Net Book Value:	
At 31 December 2014	<u>28,863</u>
At 31 December 2013	<u>6,153</u>

The impairment provision is based on the guidance of FRS 11. Following the annual impairment review it was deemed that a full impairment provision of 3D Systems Benelux B.V. should be provided for.

The company owns 100% of the issued ordinary share capital of each of the following companies which are incorporated in the countries as shown:

Name	Country of Incorporation
3D Systems France SARL	France
3D Systems GmbH	Germany
3D Systems Italia SRL	Italy
3D Systems Europe Limited	UK
3D Systems Benelux B.V.	Netherlands
LayerWise NV	Belgium

On the 3 September 2014 3D Systems Holdings purchased 100% of the issue share capital of LayerWise NV, a manufacturer based in Belgium that exclusively focuses on the Additive Manufacturing (AM) process for metal parts.

The companies operate primarily in the country in which they are incorporated and the principal activity of the companies is to market and service rapid 3-D printing, prototyping and manufacturing systems, related products and material that enable complex three-dimensional objects to be produced directly from computer data without tooling, therefore greatly reducing the time and costs required to produce prototypes or customised production parts.

7 DEBTORS

	2014 £000's	2013 £000's
Amounts owed by parent undertaking	381	-
Amounts owed by other group undertakings	4,733	2,133
Other debtors	105	105
	<u>5,219</u>	<u>2,238</u>

All amounts shown under debtors are due for payment within one year.

8 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £000's	2013 £000's
Amounts owed to parent undertaking	-	1,302
Amounts owed to group undertakings	2,178	603
Accruals and deferred income	6	6
	<u>2,184</u>	<u>1,911</u>

NOTES TO THE ACCOUNTS
Year Ended 31 December 2014

9 CREDITORS : AMOUNTS FALLING DUE MORE THAN ONE YEAR

	2014 £000's	2013 £000's
Amounts owed to parent undertaking	30,453	1,463
	<u>30,453</u>	<u>1,463</u>

Under the Loan Agreement the whole or any part of the loan are repayable on demand but are long term in nature. 3D Syems Inc. has provided a letter of support declaring that intercompany balances due and payable from the Company to the 3D Syems Inc. under the Loan Agreement shall not be recalled during the period of 12 months from 31 December 2014. 3D Syems Inc. had determined the position prior to 31 December 2014.

The Intercompany Loan Interest is invoiced on a monthly basis with an interest rate of 2.00% during 2014.

10 CALLED UP SHARE CAPITAL

	2014 £000's	2013 £000's
Called up, allotted and fully paid: 6,906,553 ordinary shares of £1 each	6,907	6,907
	<u>6,907</u>	<u>6,907</u>

11 RESERVES

	Profit and Loss Account £000's
At 1 January 2014	(1,888)
Profit for the year	(2,645)
At 31 December 2014	<u>(4,533)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £000's	2013 £000's
Profit (loss) for the year	(2,645)	(26)
Opening shareholders' funds	5,019	5,045
Closing shareholders' funds	<u>2,374</u>	<u>5,019</u>

13 ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is 3D Systems Inc., a company incorporated in California, United States of America.

The ultimate parent and controlling party is 3D Systems Corporation, a public company incorporated in Delaware, United States of America. Copies of the 3D Systems Corporation consolidated financial statements may be obtained from 333 Three D Systems Circle, Rock Hill, SC 29730, USA or from the United States Securities and Exchange Commission website at www.sec.gov.

3D Systems Corporation and 3D Systems Inc. are the parent undertakings of respectively the largest and smallest groups to consolidate these financial statements.