
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

For the month of May 2013.

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

c/o Stratasys, Inc.
7665 Commerce Way
Eden Prairie, Minnesota 55344

2 Holtzman Street, Science Park
P.O. Box 2496
Rehovot, Israel 76124

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

CONTENTS

On May 13, 2013, Stratasys Ltd. (“we,” “us” or the “Company”) announced our financial results for the first quarter of 2013. A copy of our press release announcing our results is furnished as Exhibit 99.1 to this Report on Form 6-K (“**Form 6-K**”) and is incorporated herein by reference.

In conjunction with the conference call held on May 13, 2013, to discuss our results, we are also furnishing a copy of the script used for the conference call to provide additional information regarding our business and our financial results (attached to this Form 6-K as Exhibit 99.2 and incorporated herein by reference) and a PowerPoint presentation with additional information (attached to this Form 6-K as Exhibit 99.3 and incorporated herein by reference).

The information in this Form 6-K, including Exhibits 99.1, 99.2 and 99.3, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

STRATASYS LTD.

Dated: May 13, 2013

By: /s/ Erez Simha
Name: Erez Simha
Title: Chief Financial Officer

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EXHIBIT INDEX

The following exhibits are filed as part of this Form 6-K:

| Exhibit | Description |
|---------|-------------|
|---------|-------------|

| | |
|------|-----------------------------------|
| 99.1 | Press release dated May 13, 2013. |
|------|-----------------------------------|

99.2 Script for the Company's conference call held on May 13, 2013.

99.3 PowerPoint presentation with additional information.

PRESS RELEASE

FOR: STRATASYS LTD.

CONTACT: Shane Glenn, Vice President of Investor Relations
(952) 294-3416, shane.glenn@stratasys.com

STRATASYS REPORTS RECORD FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2013

*First quarter non-GAAP earnings increase 40% over last year to \$0.43 per share
Company reports a first quarter GAAP loss of (\$0.40) per share
Stratasys reaffirms 2013 Revenue and EPS Guidance*

MINNEAPOLIS, MN & REHOVOT, ISRAEL, May 13, 2013 — Stratasys Ltd. (NASDAQ: SSYS) today announced record financial results for the first quarter of 2013.

Q1 Financial Results Summary:

- Non-GAAP revenue of \$98.2 million for the first quarter of 2013 represents an 18% organic increase over the \$83.0 million pro forma revenue recorded for the same period last year after giving effect to our merger as though it closed on January 1, 2012.
- GAAP revenue for the first quarter was \$97.2 million, which includes the impact of amortization expense on deferred revenue intangible assets related to the merger.
- Non-GAAP net income of \$17.6 million for the first quarter, or \$0.43 per diluted share, represents a 40% increase over the pro forma non-GAAP \$12.6 million, or \$0.32 per diluted share, reported for the same period last year.
- GAAP net income for the first quarter was a loss of \$15.5 million, or (\$0.40) per share, versus a pro forma loss of \$8.4 million, or (\$0.23) per share, for the same period last year.
- Non-GAAP gross margins improved to 59% for the first quarter from a pro forma non-GAAP 56.7% in the first quarter last year.
- GAAP gross margins declined to 38.4% for the first quarter from a pro forma 43.6% in the first quarter last year.
- The Company invested a net amount of \$10.8 million in R&D expense during the first quarter, representing 11% of sales.
- On a combined basis, the Company has shipped a cumulative 30,984 systems worldwide as of March 31, 2013.

“Our record first quarter results reflect a continuation of the strong worldwide demand we are observing for our innovative products and services,” said David Reis, chief executive officer of Stratasys. “Strong sales of our higher-margin products help drive a significant

increase in non-GAAP gross margin, and a 40% increase in non-GAAP net income in the first quarter over last year. We are pleased with our strong start to 2013.”

Q1 Business Highlights:

- Completed the second phase of Stratasys reseller cross-training ahead of schedule, with 112 channel partners now cross-trained, representing approximately 80% of the Company’s potential worldwide revenue.
- Progressed according to plan in the sales, marketing and service team integration that resulted from the merger of Stratasys, Inc. and Objet Ltd.
- Launched a combined post-merger web and social media strategy that includes an integrated web site and social media channels.
- Initiated a merger-related re-branding campaign to increase the awareness and value proposition of Stratasys among “C” level business professionals.
- Launched the first 3D printer designed especially for smaller orthodontic labs and clinics - Objet30 OrthoDesk.

Following completion of the merger between Stratasys, Inc. and Objet Ltd., Stratasys benefits from a global network of more than 260 resellers and independent sales agents that sell Stratasys products and services worldwide. In addition, Stratasys is continuing to implement a comprehensive integration plan, which includes a cross-training program to enable its resellers and sales agents network to market and sell the combined product and service portfolio.

“Our plan to integrate the combined sales and marketing organization that resulted from our game-changing merger is ahead of schedule,” continued Reis. “Channel partners representing the vast majority of our potential revenue have been cross-trained and are now selling the Company’s combined product and service portfolio. New customer and cross-selling opportunities have begun to result from this initiative.”

Financial Guidance

Stratasys confirmed the following financial guidance for the fiscal year ending December 31, 2013:

- Revenue guidance of \$430 million to \$445 million.
- Non-GAAP earnings guidance of \$1.80 to \$1.95 per diluted share.
- GAAP earnings guidance of a (\$0.41) to (\$0.16) per share loss.

Non-GAAP earnings guidance excludes \$60.5 million of projected amortization of intangible assets; \$20.5 million to \$23.0 million of share-based compensation expense;

and \$7.2 million to \$8.8 million in merger-related expenses. Stratasys also expects to record significant one-time integration expenses as a result of infrastructure alignment and brand unification in 2013.

Revenue growth is expected to be relatively stronger toward the end of the year as Stratasys progresses with its integration plan and realizes revenue synergies from selling the combined product portfolio.

Appropriate reconciliations between GAAP and non-GAAP financial measures are provided in a table at the end of this press release. The table provides itemized detail of the non-GAAP financial measures.

“We are thrilled by our record results for the first quarter. Although merger-related integration will remain a focus in 2013, our leading priorities remain serving our customers and investing in future growth. We remain excited about the many opportunities we see developing for Stratasys and our innovative products,” Reis concluded.

Stratasys Ltd. Q1-2013 Conference Call Details

Stratasys will hold a conference call to discuss its first quarter financial results on Monday, May 13, 2013 at 8:30 a.m. (ET).

The investor conference call will be available via live webcast on the Stratasys Web site at www.stratasys.com under the "Investors" tab; or directly at the following web address: <http://www.media-server.com/m/p/usbmvg9b>.

To participate by telephone, the domestic dial-in number is 877-415-3182 and the international dial-in is 857-244-7325. The access code is 29258434. Investors are advised to dial into the call at least ten minutes prior to the call to register.

The webcast will be available for 90 days on the "Investors" page of the Stratasys Web site or by accessing the provided web address.

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(Financial tables follow)

Cautionary Statement Regarding Forward-Looking Statements

Certain information included or incorporated by reference in this press may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "believe," "should," "intend," "project" or other similar words, but are not the only way these statements are identified. These forward-looking statements may include, but are not limited to, statements relating to the Company's objectives, plans and strategies, statements that contain projections of results of operations or of financial condition and all statements (other than statements of historical facts) that address activities, events or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the Company's ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger; the overall global economic environment; the impact of competition and new technologies; general market, political and economic conditions in the countries in which the Company operates; projected capital expenditures and liquidity; changes in the Company's strategy; government regulations and approvals; changes in customers' budgeting priorities; litigation and regulatory proceedings; and those factors referred to under "Risk Factors", "Information on the Company", "Operating and Financial Review and Prospects", and generally in the Company's annual report on Form 20-F for the year ended December 31, 2012 filed with the U.S. Securities and Exchange Commission and in other reports that the Company has filed with the SEC. Readers are urged to carefully review and consider the various disclosures made in the Company's SEC reports, which are designed to advise interested parties of the risks and factors that may affect its business, financial condition, results of operations and prospects. Any forward-looking statements in this press release are made as of the date hereof, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Discussion Disclosure

The information discussed within this release includes financial results and projections that are in accordance with accounting principles generally accepted in the United States (GAAP). In addition, certain non-GAAP financial measures have been provided that exclude certain charges, expenses and income. The non-GAAP measures should be read in conjunction with the corresponding GAAP measures and should be considered in addition to, and not as an alternative or substitute for, the measures prepared in

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accordance with GAAP. The non-GAAP financial measures are provided in an effort to provide information that investors may deem relevant to evaluate results from the Company's core business operations and to compare the Company's performance with prior periods. The non-GAAP financial measures primarily identify and exclude certain discrete items, such as transaction-related expenses, amortization expenses and expenses associated with share-based compensation required under ASC 718. The Company uses these non-GAAP financial measures for evaluating comparable financial performance against prior periods.

This release is available on the Stratasys web site at www.stratasys.com

Stratasys Ltd. (Nasdaq: SSYS) is the corporate entity formed in 2012 by the merger of 3D printing companies Stratasys Inc. and Objet Ltd., based in Minneapolis, Minn. and Rehovot, Israel. Stratasys manufactures 3D printers and materials for prototyping and production. The company's patented FDM® and PolyJet® processes produce prototypes and manufactured goods directly from 3D CAD files or other 3D content. Systems include affordable desktop 3D printers for idea development, a range of systems for prototyping, and large production systems for direct digital manufacturing. Since June 2012, the company's range of over 130 3D printing materials has been the widest in the industry and includes more than 120 proprietary inkjet-based photopolymer materials and 10 proprietary FDM-based thermoplastic materials. Stratasys also manufactures Solidscape 3D Printers and operates the RedEye On Demand digital-manufacturing service. The company has more than 1100 employees, holds more than 500 granted or pending additive manufacturing patents globally, and has received more than 20 awards for its technology and leadership. Online at: www.stratasys.com or <http://blog.stratasys.com>

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Stratasys Ltd.

Consolidated Statements of Operations

(in thousands, except per share data)

| | Three Months Ended March 31, | |
|------------------|------------------------------|---------------------|
| | 2013 (unaudited) | 2012 (unaudited) |
| Net sales | | |
| Products | \$ 81,810 | \$ 37,546 |
| Services | 15,397 | 7,418 |
| | <u>97,207</u> | <u>44,964</u> |

| | | |
|--|--------------------|-----------------|
| Cost of sales | | |
| Products | 49,043 | 17,811 |
| Services | 10,790 | 4,199 |
| | <u>59,833</u> | <u>22,010</u> |
| Gross profit | 37,374 | 22,954 |
| Operating expenses | | |
| Research and development, net | 10,789 | 4,352 |
| Selling, general and administrative | 43,325 | 11,375 |
| | <u>54,114</u> | <u>15,727</u> |
| Operating income (loss) | (16,740) | 7,227 |
| Other income (expense) | 514 | 296 |
| Income (loss) before income taxes | (16,226) | 7,523 |
| Income taxes (benefit) | (743) | 3,001 |
| Net income (loss) | \$ (15,483) | \$ 4,522 |
| Net income attributable to non-controlling interest | \$ 53 | \$ — |
| Net income (loss) attributable to Stratasys Ltd. | <u>\$ (15,536)</u> | <u>\$ 4,522</u> |
| Net income (loss) per ordinary share attributable to Stratasys Ltd. | | |
| Basic | \$ (0.40) | \$ 0.21 |
| Diluted | (0.40) | 0.21 |
| Weighted average ordinary shares outstanding | | |
| Basic | 38,494 | 21,266 |
| Diluted | 38,494 | 21,802 |

Stratasys Ltd.

Consolidated Balance Sheets

(in thousands)

| | March 31, 2013 (unaudited) | December 31, 2012 |
|---|----------------------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 65,505 | \$ 133,826 |
| Short-term bank deposits | 75,370 | 20,063 |
| Restricted deposits | 820 | 929 |
| Accounts receivable: | | |
| Trade, net | 72,375 | 64,678 |
| Other | 20,979 | 22,934 |
| Inventories | 66,395 | 67,995 |
| Net investment in sales-type leases, net | 5,082 | 5,134 |
| Prepaid expenses | 2,894 | 2,751 |
| Deferred income taxes | 7,777 | 4,968 |
| | <u>317,197</u> | <u>323,278</u> |
| Property, plant and equipment, net | <u>63,842</u> | <u>62,070</u> |
| Other assets | | |
| Goodwill | 822,450 | 822,475 |
| Other intangible assets, net | 497,508 | 510,372 |
| Net investment in sales-type leases | 7,990 | 7,872 |
| Long-term investments | 1,634 | 1,634 |
| Amounts funded in respect of employees rights upon retirement | 2,740 | 2,628 |
| Other non-current assets | 1,728 | 1,184 |
| | <u>1,334,050</u> | <u>1,346,165</u> |
| Total assets | <u>\$ 1,715,089</u> | <u>\$ 1,731,513</u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 24,587 | \$ 35,235 |
| Other current liabilities | 36,964 | 40,179 |

| | | |
|--|---------------------|---------------------|
| Deferred tax liabilities | 137 | 945 |
| Unearned revenues | 21,961 | 18,068 |
| Total current liabilities | 83,649 | 94,427 |
| Non-current liabilities | | |
| Employee rights upon retirement | 4,238 | 4,188 |
| Deferred tax liabilities | 54,436 | 54,693 |
| Unearned revenues - long-term | 3,137 | 3,181 |
| Other non-current liabilities | 3,178 | 2,868 |
| Total liabilities | 148,638 | 159,357 |
| Commitments and contingencies | | |
| Equity | | |
| Ordinary shares, NIS 0.01 nominal value, authorized 60,000 shares; 38,669 and 38,372 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively | 101 | 101 |
| Additional paid-in capital | 1,469,379 | 1,459,294 |
| Retained earnings | 96,966 | 112,503 |
| Accumulated other comprehensive loss | (606) | (238) |
| Equity attributable to Stratasy Ltd. | 1,565,840 | 1,571,660 |
| Non-controlling interest | 611 | 496 |
| Total equity | 1,566,451 | 1,572,156 |
| Total liabilities and equity | \$ 1,715,089 | \$ 1,731,513 |

Stratasy Ltd.

Reconciliation of Pro Forma GAAP to Pro Forma Non-GAAP Results of Operations

(in thousands, except per share data)

| | Three Months Ended March 31, 2013 | | | Three Months Ended March 31, 2012 | | |
|---|-----------------------------------|--------------|-------------------------|-----------------------------------|--------------|--------------------------------------|
| | GAAP (unaudited) | Adjustments* | Non-GAAP (unaudited) | Pro Forma GAAP (unaudited) | Adjustments* | Pro Forma Non-GAAP (unaudited) |
| Net sales | | | | | | |
| Products | \$ 81,810 | \$ 1,015 | \$ 82,825 | \$ 71,241 | \$ — | \$ 71,241 |
| Services | 15,397 | — | 15,397 | 11,798 | — | 11,798 |
| | 97,207 | 1,015 | 98,222 | 83,039 | — | 83,039 |
| Cost of sales | | | | | | |
| Products | 49,043 | (19,177) | 29,866 | 38,426 | (10,522) | 27,904 |
| Services | 10,790 | (343) | 10,447 | 8,386 | (347) | 8,039 |
| | 59,833 | (19,520) | 40,313 | 46,812 | (10,869) | 35,943 |
| Gross profit | 37,374 | 20,535 | 57,909 | 36,227 | 10,869 | 47,096 |
| Operating expenses | | | | | | |
| Research and development, net | 10,789 | (899) | 9,890 | 9,072 | (871) | 8,201 |
| Selling, general and administrative | 43,325 | (15,608) | 27,717 | 33,112 | (10,675) | 22,437 |
| | 54,114 | (16,507) | 37,607 | 42,184 | (11,546) | 30,638 |
| Operating income (loss) | (16,740) | 37,042 | 20,302 | (5,957) | 22,415 | 16,458 |
| Other income (expense) | 514 | — | 514 | 193 | — | 193 |
| Income (loss) before income taxes | (16,226) | 37,042 | 20,816 | (5,764) | 22,415 | 16,651 |
| Income taxes | (743) | 3,886 | 3,143 | 2,610 | 1,453 | 4,063 |
| Net income (loss) | \$ (15,483) | \$ 33,156 | \$ 17,673 | \$ (8,374) | \$ 20,962 | \$ 12,588 |
| Net income attributable to non-controlling interest | \$ 53 | \$ 40 | \$ 93 | \$ — | \$ — | \$ — |
| Net income (loss) attributable to Stratasy Ltd. | \$ (15,536) | \$ 33,116 | \$ 17,580 | \$ (8,374) | \$ 20,962 | \$ 12,588 |
| Net income (loss) per ordinary share attributable to Stratasy Ltd. | | | | | | |
| Basic | \$ (0.40) | | \$ 0.46 | \$ (0.23) | | \$ 0.34 |
| Diluted | (0.40) | | 0.43 | (0.23) | | 0.32 |
| Weighted average ordinary shares outstanding | | | | | | |
| Basic | 38,494 | | 38,494 | 36,710 | | 36,710 |
| Diluted | 38,494 | | 41,057 | 36,710 | | 39,857 |

Stratasys Ltd.**Reconciliation of Non-GAAP Adjustments***(in thousands)*

| | Three Months Ended March 31, | |
|--|------------------------------|------------------|
| | 2013 | 2012 |
| Net sales, products | | |
| Deferred revenue step-up | 1,015 | — |
| Cost of sales, products | | |
| Objet intangible assets amortization expense | (18,295) | (9,824) |
| Solidscape intangible assets amortization expense | (436) | (436) |
| Non-cash stock-based compensation expense | (318) | (262) |
| Merger related expense | (97) | — |
| Fasotech Co., Ltd intangible assets amortization expense | (31) | — |
| | (19,177) | (10,522) |
| Cost of sales, services | | |
| Non-cash stock-based compensation expense | (316) | (347) |
| Merger related expense | (27) | — |
| | (343) | (347) |
| Research and development, net | | |
| Non-cash stock-based compensation expense | (899) | (871) |
| Selling, general and administrative | | |
| Objet intangible assets amortization expense | (5,276) | (2,242) |
| Solidscape intangible assets amortization expense | (133) | (133) |
| Fasotech Co., Ltd intangible assets amortization expense | (52) | — |
| Non-cash stock-based compensation expense | (3,957) | (5,113) |
| Solidscape acquisition expense | — | (130) |
| Merger related expense | (6,190) | (3,057) |
| | (15,608) | (10,675) |
| Income taxes | | |
| Tax expense related to non-GAAP adjustments | 3,886 | 1,453 |
| Net income attributable to non-controlling interest | | |
| Depreciation and amortization expense attributable to non-controlling interest | 40 | — |
| Net income | <u>\$ 33,116</u> | <u>\$ 20,962</u> |

Stratasys Ltd.**Reconciliation of GAAP to Non-GAAP Forward Looking Guidance**

| Fiscal Year 2013 | Earnings (loss) Per Diluted Share Range |
|--|---|
| U.S. GAAP measure | \$(0.41) to \$(0.16) |
| Adjustments | |
| Stock-based compensation expense | \$0.49 to \$0.55 |
| Intangible assets amortization expense | \$1.45 |
| Merger related expense | \$0.17 to \$0.21 |
| Non-GAAP estimate | \$1.80 to \$1.95 |

SLIDE#1: CONFERENCE CALL TITLE SLIDE**SLIDES#2: CALL DETAILS****SPEAKER: SHANE GLENN**

Thank you, []. Good morning everyone, and thank you for joining us to discuss our first quarter financial results. On the call with us today are David Reis, CEO; Erez Simha, CFO and COO-Israel; and Scott Crump, Chairman and Chief Innovation Officer of Stratasys. A reminder that access to today's call, including the prepared slide presentation, is available online at the web address provided in our press release. In addition, a replay of today's call, including access to the slide presentation, will be made available on the Investor Section of our web site later today.

SLIDE#3: FORWARD LOOKING STATEMENT

A reminder that certain information included or incorporated in this presentation may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are often characterized by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "believe," "should," "intend," "project" or other similar words, but are not the only way these statements are identified. These forward-looking statements may include, but are not limited to, statements relating to the Company's objectives, plans and strategies, statements that contain projections of results of operations or of financial condition and all statements (other than statements of historical facts) that address activities, events or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. The Company has based these forward-looking statements on assumptions and assessments made by its management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Important factors that could cause actual results, developments and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things: the Company's ability to efficiently and successfully integrate the operations of Stratasys, Inc. and Objet Ltd. after their merger; the overall global economic environment; the impact of competition and new technologies; general market, political and economic conditions in the countries in which the Company operates; projected capital expenditures and liquidity; changes in the Company's strategy; government regulations and approvals; changes in customers' budgeting priorities; litigation and regulatory proceedings; and those factors referred to under "Risk Factors", "Information on the Company", "Operating and Financial Review and Prospects", and generally in the Company's annual report for 2012 filed on Form 20-F and in other reports that the Company files with the U.S. Securities and Exchange Commission. Readers are urged to carefully review and consider the various disclosures made in the Company's SEC reports, which are designed to advise interested parties of

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the risks and factors that may affect its business, financial condition, results of operations and prospects. Any forward-looking statements in this presentation are made as of the date hereof, and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Now I'd like to turn the call over to Scott Crump, Chairman and Chief Innovation Officer of Stratasys. Scott.

SLIDE#4: SCOTT CRUMP TITLE**SPEAKER: SCOTT CRUMP**

Thank you, Shane. I would like to welcome you to our first quarter conference call.

In addition to our strong financial performance, we are very pleased with our many other accomplishments in the quarter.

I am pleased with how our team has come together since completing our game-changing merger.

The past 5 months have provided me with additional confirmation that we truly have a world class organization that is well positioned to lead the way within our rapidly growing industry.

I believe interest in additive manufacturing solutions has never been higher globally, and the game-changing combination between Stratasys and Objet is well timed.

I believe we have only begun to meet our potential.

Now, I would like to turn the call over to our CEO, David Reis.

David.

SLIDE#5: DAVID REIS TITLE**SPEAKER: DAVID REIS**

Thank you, Scott, and good morning everyone. I would also like to thank you for joining today's call. As Scott mentioned, this is an exciting day for all of us, and we are very pleased with the results we have released today.

SLIDE#6: HIGHLIGHTS

We generated record revenue and earnings during the first quarter, reflecting a continuation of the strong demand for our innovative products and services worldwide.

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We are pleased to report that our plan to integrate the combined sales and marketing organization that resulted from our merger is proceeding as planned.

The hard work of integration is being accomplished while we remain focused on our customers and core business.

In addition, we introduced an exciting new product in the first quarter for the dental market, and have been investing in new marketing campaigns to raise brand awareness and drive future growth.

And finally, following our strong first quarter, we remain confident in our growth plans for 2013.

I will return later in the call to provide more details on our first quarter developments and strategy, but first I would like to turn the call over to our CFO and COO-Israel, Erez Simha, who will provide you details on our financial results.

Erez.

SLIDE#7 EREZ SIMHA TITLE

SPEAKER: EREZ SIMHA

Thank you, David, and good morning everyone.

We have provided you a significant amount of financial information in today's press release and conference call presentation.

Our focus on today's call will be on the non-GAAP financial results of the combined company — Stratasy Ltd. — for the first quarter of 2013 and pro forma non-GAAP financial results for the first quarter of 2012.

These non-GAAP financial measures should be used in combination with our GAAP metrics to evaluate our performance. Note that when we refer to GAAP metrics in respect of periods prior to January 1, 2013, we are referring to pro forma GAAP numbers prepared in accordance with Article 11 of SEC Article SX, which give effect to the merger as though it had occurred on January 1 of the relevant year with one-time merger related costs excluded from the numbers.

The non-GAAP to GAAP reconciliations are provided in a table contained in our slide presentation and press release.

SLIDE#8: FINANCIALS — QUARTER OVERVIEW

Our first quarter results were impressive.

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We generated \$98.2 million in non-GAAP revenue in the first quarter, an organic increase of 18% over the same period last year.

GAAP revenue for the first quarter of 2013 was \$97.2 million, which includes \$1.0 million of amortization expense on deferred revenue intangible assets, which resulted from our recent merger.

Our margins during the period benefited from our overall sales growth and the relatively stronger sales of our higher-margin systems and consumables.

Non-GAAP operating margin improved to 20.7% from 19.8%, and Non-GAAP net margin improved to 17.9% from 15.2%.

Non-GAAP net profit increased by an impressive 40% in the first quarter over the prior year to \$17.6 million, or \$0.43 per diluted share. GAAP net profit was a loss of \$15.5 million in the first quarter, or (\$0.40) per share.

Overall, we are pleased with our first quarter results which were in line with our plan.

SLIDE#9: REVENUE DETAILS

Non-GAAP product revenues in the first quarter of 2013 increased by \$11.6 million, or 16%, as compared to pro forma combined product revenues in the first quarter of 2012.

Our product revenue in the first quarter of 2013 was reduced by approximately \$2.0 million resulting from a unification of business practices surrounding the recognition of system warranty revenue and its associated warranty expense. The pro forma results provided for the first quarter of last year do not reflect this change in business practices.

Hardware revenue increased by 15% in the first quarter over last year, driven by sales of our higher-priced systems. Applications driving this growth include direct digital manufacturing and the continued adoption of Polyjet systems for complex prototyping applications.

As we indicated last quarter, our channel cross-training program includes the sale of demo units to our channel partners.

The demo unit program is an essential part of our plan in 2013 to achieve revenue synergies by combining the channel and promoting the complementary product line.

We were able to ship most of those demo units in the first quarter, which contributed approximately \$6.0 million in revenue during the period.

This was part of our plan, and we do not expect demo unit sales to be a material portion of our overall 2013 results.

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Consumables revenue in the first quarter of 2013 increased by 18% as compared to pro forma combined consumables revenues in the first quarter of 2012, driven by an acceleration in customer usage and our growing installed base of systems.

We believe that the continued strength in the Production series and high-end Design series system sales, and our growing installed base of systems, are positive indicators of consumables revenue growth in future periods.

Revenues from our service offerings in the first quarter of 2013 increased by \$3.6 million, or 31%, as compared to pro forma combined service revenues in the first quarter of 2012. The increase in service revenues was driven by an increase in revenue from maintenance contracts and service parts, reflecting our growing base of installed systems.

Revenue from our RedEye paid parts service in the first quarter of 2013 increased by 41% as compared to the first quarter of 2012 primarily due to an increased demand for large and complex production parts and the continued development of our sales channels.

SLIDE#10: SYSTEM SALES

The number of system units shipped in the first quarter increased to 1,168 units as compared to 1,115 units shipped in 2012 on a pro forma combined basis.

We should note, that the units shipped in 2012 benefited from units shipped surrounding our OEM agreement with HP, which was terminated effective December 31, 2012. Excluding the HP units, we shipped 877 units during the first quarter of last year.

SLIDE#11: GROSS PROFIT

Pro forma non-GAAP gross margin improved to 59.0% in first quarter over the 56.7% for the same pro forma period last year.

Pro forma non-GAAP product gross margin benefited during the quarter from the relatively strong growth in sales of the company's higher-margin systems and consumables.

SLIDE#12: OPERATING PROFIT

Non-GAAP net research and development expenses increased by 21% to \$9.9 million for the first quarter over last year, driven by new systems and material development initiatives.

Non-GAAP SG&A expenses increased by 24% for the first quarter over last year, driven by higher sales commissions and increased marketing expenses.

As a result of the merger, we have begun to realize some tax synergies that will lower our effective tax rate compared to the pro forma rate for 2012.

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The effective non-GAAP tax rate decreased by approximately 9 percentage points in Q1 as compared to Q1 2012.

Non-GAAP operating income increased by 23% for the first quarter over last year's pro forma results, driven by the strong growth in our relatively higher margin products.

SLIDE#13: GROWTH DRIVERS

Slide #13 provides you with an overview of the major growth drivers we have discussed for the period.

SLIDE#14: GEOGRAPHIC MIX

The following slide provides you a breakdown of our geographic sales.

Sales growth in the North America and Asia Pacific regions continue to outpace the EMEA region.

NON-GAAP APPENDIX REMINDER

I won't be reviewing the specific reconciliations to GAAP for the non-GAAP measures we have discussed throughout our presentation today.

This information is provided in slides at the end our presentation, as well as in our press release.

SLIDE#15: BALANCE SHEET & CASH FLOW

Our cash and cash equivalents balance, including short term deposits and restricted cash, decreased by \$13.1 million to \$141.7 million at the end of the first quarter, as compared to \$154.8 million on December 31, 2012.

This decrease is primarily due to the payment of non-recurring merger-related expenses of \$15 million, a planned increase in finished goods inventory, an increase in AR primarily due to significant order flow at the end of the quarter, and capital expenditures.

DSO at 67.0 remains very reasonable, and comparable to the 61.0 days at end of 2012.

SLIDE#16: SUMMARY & CHART

In summary, we are very pleased with our first quarter results.

We generated strong growth on a pro forma non-GAAP basis in both revenue and net income; and experienced expansion in our gross margin driven by sales of our higher margin products.

6

And finally, we are positioning the company for strong growth in the future through strategic investments in R&D and channel development.

I would now like to turn the call over to our VP of Investor Relations, Shane Glenn, who will update you on our financial guidance, Shane.

SLIDE#17: SHANE GLENN TITLE GUIDANCE

Thank you, Erez.

SLIDE#18: GUIDANCE

SPEAKER: SHANE GLENN

Non-GAAP revenue guidance of \$430 million to \$445 million for 2013 indicates growth of 20% to 24% over the \$359.0 million in pro forma revenue reported for fiscal 2012.

The market environment for the company's products has improved substantially in recent months, driven in part by the significant attention that 3D printing is receiving from the trade and mainstream media. We expect this favorable environment will continue in 2013.

Revenue growth is expected to be relatively stronger toward the second half of the year as we progress through our integration plan and revenue synergies from selling the combined product portfolio begin to ramp.

Guidance assumes that the merger integration plan will be a major focus in 2013, and that the company will make significant investments to fund growth, including incremental sales, marketing and R&D expenses.

Non-GAAP earnings per share guidance of \$1.80 to \$1.95 per share represents growth of 21% to 31% over the \$1.49 in pro forma non-GAAP earnings per share reported for fiscal 2012.

Our guidance assume relatively stable gross margins relative to the levels observed in the pro forma non-GAAP fiscal 2012 results, as well as the partial realization of some merger-related synergies — the most significant cost synergy in 2013 coming from income tax expense.

Non-GAAP earnings guidance excludes the estimated impact of some additional merger-related expenses; the impact of share-based compensation expense; and the significant expense associated with the amortization of acquired intangibles.

The reconciliation to GAAP is provided in the slide presentation and our press release.

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SLIDE#19: GUIDANCE — TARGET MODEL

Our long-term target operating model includes:

- Annual revenue growth of at least 20 percent;
- Non-GAAP operating income as a percent of sales of between 20 and 25 percent;
- An effective tax rate of between 15 and 20 percent; and
- Non-GAAP net income as a percent of sales of between 16 and 21 percent.

Now I would like to turn the call back over to David Reis, who will provide you with a more detailed strategic overview.

David.

SLIDE#20: DAVID REIS TITLE STRATEGIC OVERVIEW

SPEAKER: DAVID REIS

Thank you Shane.

SLIDE#21: MERGER UPDATE

I will first provide you a quick update on where we stand on the merger integration process between Stratasys and Objet.

As Scott mentioned in his opening remarks, we are very pleased with the progress we are making in bringing our team together.

The process is requiring us to invest a significant amount of time and resources across our entire organization and sales channel.

In addition to integrating our sales, marketing and service team, we are in the process of:

1. cross-training our own employees;
2. integrating our service and support functions;
3. combining physical facilities outside the U.S.
4. and integrating our IT, ERP and CRM systems

At the same time, we held four channel partner meetings during the first quarter to keep our partners informed and focused on sales.

As you can see, we have been very busy.

Despite this major undertaking, our plan to integrate the combined sales channel is ahead of schedule.

We have now cross-trained 112 channel partners to sell the combined product portfolio. These partners represent approximately 80% of the company's potential revenue.

8

As a result, we are now beginning to see opportunities with new customers, as well as for opportunities to cross-sell the complementary product portfolio into the company's large installed base of systems.

SLIDE#22: 3D PRINTING GOES MAINSTREAM

In conjunction with the merger, we initiated a significant re-branding campaign in the first quarter.

This campaign aims to raise the awareness of the new Stratasys and our value proposition with C-level executives and decision makers.

This included an ad campaign targeting readers of business and financial media and trade publications worldwide.

The goal of the campaign was to increase the brand awareness of Stratasys and our value proposition following the merger, and included ads like the one you see here.

This is the first time Stratasys has done a branding campaign to media outlets of this magnitude. Our ultimate goal is to make Stratasys synonymous with 3D printing.

In support of this campaign, we also launched a combined post-merger web and social media strategy that includes an integrated web site and social media channels.

These efforts to raise brand awareness and improve upon the go-to-market capabilities of our channel should help us capitalize on the rapidly growing interest we are observing for additive manufacturing solutions worldwide.

This interest has been driven, in part, by the mainstream media and their expanding coverage of our industry.

SLIDE#23: ORTHO30:

In addition to developing our channel and growing our brand awareness, we continue to invest aggressively in new product development.

We invested approximately \$10 million in R&D projects during the first quarter; a level we believe is unmatched within the industry.

These investments will produce products that expand the functionality of existing platforms, as well as products that address totally new applications.

The Objet30 OrthoDesk, introduced in March, is one example.

The OrthoDesk is a 3D printer specially designed for smaller orthodontic labs and clinics.

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3D dental applications are growing rapidly given their many business advantages, including the ability to significantly shorten delivery times, increase production capacity, and eliminate bulky model storage.

The affordability of the OrthoDesk makes 3D dental applications more practical for facilities of all sizes.

We have identified the dental market as an attractive vertical that we will target through innovative product and channel development strategies.

SLIDE#24: SUMMARY

In summary:

1. We are pleased with our record first quarter results. We generated strong revenue growth, while continuing to focus on the major task of merger integration.
2. We continue to integrate our sales and marketing organization, and we are ahead of schedule in cross-training our combined reseller channel and dealer network.
3. We are observing heightened market interest from mainstream sources, and we initiated a marketing campaign to raise brand awareness among decision makers and C-level executives.
4. We continue to invest aggressively in the future through innovative product and channel development programs; and we are looking to grow through strategic acquisitions.
5. And last, we maintain a positive outlook for 2013, and continue to expect strong growth for the year.

SLIDE#25: Q&A

In closing, I would like to say that all of us at Stratasys are passionate believers in the value and power of 3D printing, and we are here to lead the development of this industry.

Q&A TO TAKE PLACE

SPEAKER: DAVID REIS

I want to thank everyone for joining this call. We look forward to speaking with you again next quarter. Goodbye.

SLIDE#26: RECONCILIATION TABLES

SLIDE#27: RECONCILIATION TABLES

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May 13th 2013

Q1-2013 Financial Results Conference Call



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Q1-2013 Conference and webcast details

Speakers

David
Reis

• CEO

Erez
Simha

• CFO & COO (IL)

Scott
Crump

• Chairman & Chief
Innovation Officer

Shane
Glenn

• Director, Investor
Relations

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Stratasys

Forward looking statement

Statements in this presentation about Stratasys' beliefs, intentions and expectations, including statements regarding the management of Stratasys, Inc. and Objet Ltd. as a combined company, the benefits of the proposed combination of the companies, and the future financial performance of the combined company after their merger, are forward-looking statements. The statements involve risks and uncertainties, both known and unknown, that may cause actual results to differ materially from those projected in this presentation. Actual results may differ materially due to a number of factors, including the risk and uncertainty that the businesses of the two companies may not be integrated successfully; the risk that the merger may involve unexpected costs or unexpected liabilities; the risk that synergies from the merger may not be fully realized or may take longer to realize than expected; the risk that management's focus on and disruptions arising from the merger make it more difficult to maintain relationships with customers, employees, or suppliers. Stratasys' ability to achieve the results presented in any forward-looking statement will depend on numerous factors, including its ability to penetrate the 3D printing market; its ability to achieve the growth rates experienced in preceding quarters; its ability to introduce, produce and market both existing and new consumable materials, and the market acceptance of these materials; the impact of competitive products and pricing; its timely development of new products and materials and market acceptance of those products and materials; the success of Stratasys' recent R&D initiative to expand the DDM capabilities of its core FDM technology; and the success of Stratasys' RedEyeOn Demand™ and other paid parts services. These and other applicable factors are discussed in this presentation and in Stratasys' filings with the Securities and Exchange Commission. These filings include the definitive proxy statement/prospectus filed with the SEC on August 8, 2012, as well as the filings that Stratasys, Inc. has made with the SEC and that Stratasys Ltd. has made and will make with the SEC in the future, including its report on Form 20-F to be filed for the year ended 12/31/2012. Any forward-looking statements included in this presentation are as of the date they are given, and Stratasys does not intend to update them if its views later change, except as may be required by law. These forward-looking statements should not be relied upon as representing Stratasys' views as of any date subsequent to the date they are given.



May 13th 2013

Opening Remarks

Scott Crump,
Chairman &
Chief Innovation
Officer



Opening Remarks

David Reis,
CEO



Q1-2013 Conference Call Highlights

Released record financial results in Q1.

Advanced our sales and marketing integration plan.

Introduced an exciting new product targeting the dental market.

Initiated a comprehensive marketing campaign to broaden brand awareness.

Maintain positive outlook and strong growth expectations.

Discussion of First Quarter Financials

Erez Simha,
CFO & COO (IL)



Financial Results

Stratasys Ltd.

Non-GAAP

(\$ in millions
unless noted
otherwise)

| | Q1-12 Pro forma | Q1-13 | Change YOY |
|-------------------------------------|--------------------|---------------|---------------|
| Unit Sales | 1,115 | 1,168 | +5% |
| Total Revenue | \$83.0 | \$98.2 | +18% |
| Revenue/ Employee | 0.086 | 0.084 | -2% |
| Gross Profit % margin | 47.1 56.7% | 57.9 59.0% | +23% |
| Operating Expenses % of sales | 30.6 36.9% | 37.6 38.3% | +23% |
| Operating Profit % margin | 16.5 19.8% | 20.3 20.7% | +23% |
| Pre-tax Profit % margin | 16.7 20.1% | 20.8 21.2% | +25% |
| Tax Rate | 24.4% | 15.1% | |
| EBITDA | 19.2 | 25.1 | +30% |
| Net Income % margin | 12.6 15.2% | 17.6 17.9% | +40% |
| EPS (Diluted) | \$0.32 | \$0.43 | +36% |
| Diluted Shares | 39.9M | 41.1M | |

Quarter Highlights:

- Revenue growth of 18% YOY
- Non-GAAP GM expansion to 59.0% from 56.7%
- Non-GAAP net income growth of 40% YOY
- Non-GAAP EPS of \$0.43 versus \$0.32

Financial Results

Revenue

Stratasys Ltd.

Non-GAAP

(\$ in millions)



Quarter Highlights:

- Hardware revenue +15% YOY
- Consumable revenue +18% YOY
- Customer Service revenue +25% YOY
- RedEye revenue +42% YOY
- Drivers: Fortus and Polyjet systems, DDM applications, RedEye



* Periods prior to 2013 are pro forma



Financial Results

System Unit Sales¹

Stratasys Ltd.



Quarter Highlights:

- Fortus
- Polyjet
- Idea Series



(1) Includes all systems sold by Stratasys, Inc., Objet Ltd., and Solidscape Inc.; periods prior to 2013 are pro forma



Financial Results

Gross Profit

Stratsys Ltd.

Non-GAAP

| (\$ in millions unless noted otherwise) | Q1-12 | Q1-13 | % Change YOY |
|---|--------|--------|--------------|
| Product Revenue | \$71.2 | \$82.8 | +16.3% |
| % of sales | 85.8% | 84.3% | |
| Service Revenue | 11.8 | 15.4 | +30.5% |
| % of sales | 14.2% | 15.7% | |
| Product Gross Profit | 43.3 | 53.0 | +22.2% |
| Profit % margin | 60.8% | 63.9% | |
| Service Gross Profit | 3.8 | 4.9 | +31.7% |
| Profit % margin | 31.9% | 32.1% | |
| Total Gross Profit | 47.1 | 57.9 | +23.0% |
| Profit % margin | 56.7% | 59.0% | |

Quarter Highlights:

- High-margin system and consumable sales
- Better overhead coverage



*Periods prior to 2013 are pro forma



Financial Results

Operating Profit

Stratsys Ltd.

Non-GAAP

| (\$ in millions unless noted otherwise) | Q1-12 | Q1-13 | % Change YOY |
|---|-------|-------|--------------|
| R&D Expense | 8.2 | 9.9 | +20.6% |
| % of sales | 9.9% | 10.1% | |
| SG&A Expense | 22.4 | 27.7 | +23.5% |
| % of sales | 27.0% | 28.2% | |
| Total Operating Exp. | 30.6 | 37.6 | +22.7% |
| % of sales | 36.9% | 38.3% | |
| Total Operating Profit | 16.5 | 20.3 | +23.4% |
| Profit % margin | 19.8% | 20.7% | |

Quarter Highlights:

- Strong system, consumables and service sales
- Investing for future growth



*Periods prior to 2013 are pro forma



Financial
Results

Growth Drivers

Stratasys Ltd.

Non-GAAP

| | Q1-2013 (YOY) | |
|--------------------------|---------------|---------|
| | Units | Dollars |
| Systems | +5% | +15% |
| Consumable Revenue | -- | +18% |
| Customer Service Revenue | -- | +25% |
| RedEye Parts Services | -- | +42% |

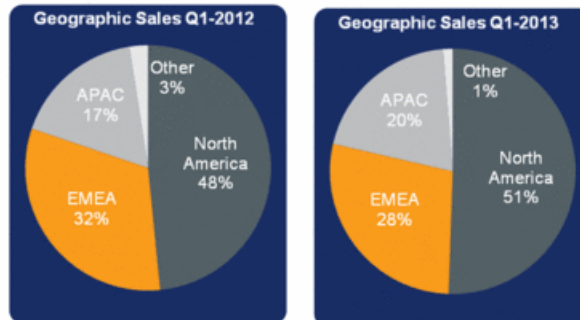


Financial
Results

Revenue
Geographic Mix

Stratasys Ltd.

Non-GAAP



* Periods prior to 2013 are pro forma

Financial Results

Balance Sheet Summary

Stratasys Ltd.

(\$ in millions unless noted otherwise)

| Selected balance sheet items (\$mm) | FY-12 | Q1-13 |
|-------------------------------------|---------|---------|
| Cash, Cash Equivalents & Inv. | \$155.5 | \$142.5 |
| LT Debt | 2.9 | 3.2 |
| Accounts Receivable | 64.7 | 72.4 |
| Inventories | 68.0 | 66.4 |
| Net Working Capital | 228.9 | 233.5 |

Highlights

- \$142.5 M in cash & investments
- Q1 DSO = 67.0

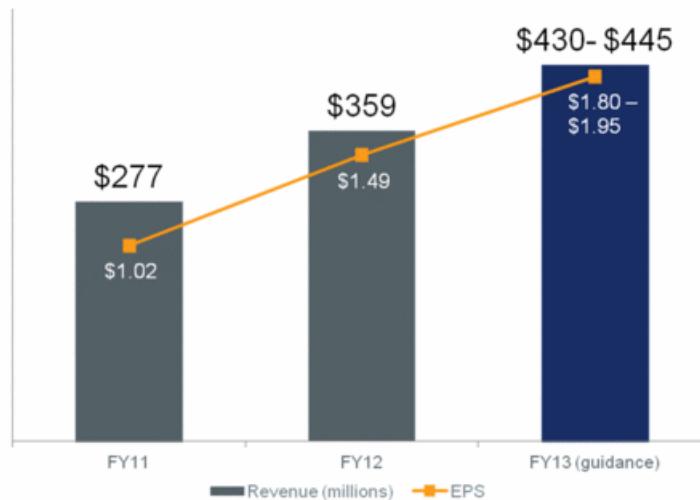


Financial Results & Projections

Stratasys Ltd.

Non-GAAP

(\$ in millions unless noted otherwise)



* Periods prior to 2013 are pro forma

Guidance Overview

Shane Glenn
VP Investor Relations



Financial Guidance

Fiscal 2013 Financial Guidance

Revenue and Earnings Guidance

Revenue (M)

\$430 - 445

Stratasys Ltd.

Non-GAAP

Non-GAAP EPS

\$1.80 - \$1.95

Reconciliation of GAAP to Non-GAAP Guidance

(\$ in millions unless noted otherwise)

| | |
|-----------------------------------|---------------------|
| Revenue | \$430 to \$445 |
| Non-GAAP Net Income | \$74.5 to \$81.0 |
| (1) Stock-Based Compensation Exp. | \$20.5 - \$23.0 |
| (2) Amortization of Intangibles | \$60.5 |
| (3) Merger-Related Expenses | \$7.2 - \$8.8 |
| GAAP Net Income | (\$16.0) - (\$6.3) |
| GAAP EPS | (\$0.41) - (\$0.16) |
| Non-GAAP EPS | \$1.80 - \$1.95 |



Financial
Guidance

Long-Term
Target
Operating
Model

Stratasys Ltd.
Non-GAAP

Revenue growth

+20%

Operating margin¹

20% – 25%
of sales

Effective tax rate¹

15% – 20%

Net income margin¹

16% - 21%
of sales



¹ Non-GAAP.

May 13th 2013

Strategic Overview

David Reis, CEO



Stratasys

Merger Update



- Sales and marketing team integration is complete.
- Cross-trained 112 resellers, representing 54% of dealers and 80% of revenue.



3D Printing Goes Mainstream



Financial media:

- Wall Street Journal
- Financial Times
- The Economist (Worldwide)
- Fortune
- Forbes



Ortho30

The First Professional Desktop 3D Printer Exclusively Designed for Smaller Orthodontic Labs and Clinics

- **Professional**—High Quality Models, Cutting Edge Technology
- **Desktop**— Accessible and Affordable
- **Specially Designed for Orthodontics**
 - Unique Materials
 - Highest Versatility



Summary

Strong record first quarter results.

Continued sales, marketing and service team integration, and are ahead of schedule in cross-training channel partners.

Observing heightened market interest and initiated a marketing campaign to raise market awareness among decision makers.

Continuing to invest for the future through new product and channel develop programs.

Maintaining and extending our technology lead and growing through strategic acquisitions.

Maintain positive outlook and strong growth expectations.



Stratasys

Q&A



We are passionate believers in the value and power of 3D printing, and in the change it can bring to the world.

And we're here to lead it.



Reconciliation of Pro Forma GAAP to Pro Forma Non-GAAP Results of Operations

Stratasys Ltd. Combined

(\$ in thousands except per share data)

| | Q1-12 Pro Forma GAAP | Adjustments | Q1-12 Pro Forma Non-GAAP | Q1-13 GAAP | Adjustments | Q1-13 Non-GAAP |
|---|----------------------------|-------------|--------------------------------|---------------|-------------|-------------------|
| Revenue | \$ 83,039 | \$ - | \$ 83,039 | \$ 97,207 | \$ 1,015 | \$ 98,222 |
| Cost of sales | | | | | | |
| Products | 38,428 | (10,522) | 27,904 | 49,043 | (19,177) | 29,866 |
| Services | 8,386 | (347) | 8,039 | 10,790 | (343) | 10,447 |
| Gross profit | 36,227 | 10,869 | 47,096 | 37,374 | 20,535 | 57,909 |
| Operating expenses | | | | | | |
| Research and development, net | 9,072 | (871) | 8,201 | 10,789 | (899) | 9,890 |
| Selling, general and administrative | 33,112 | (10,675) | 22,437 | 43,325 | (15,608) | 27,717 |
| Operating income (loss) | (5,957) | 22,415 | 16,458 | (16,740) | 37,042 | 20,302 |
| Other income (expense) | 193 | - | 193 | 514 | - | 514 |
| Income (loss) before income taxes | (5,764) | 22,415 | 16,651 | (16,226) | 37,042 | 20,816 |
| Income taxes | 2,610 | 1,453 | 4,063 | (743) | 3,886 | 3,143 |
| Net income (loss) | (8,374) | 20,962 | 12,588 | (15,483) | 33,156 | 17,673 |
| Net income attributable to non-controlling interest | - | - | - | 53 | 40 | 93 |
| Net income (loss) attributable to Stratasys Ltd. | \$ (8,374) | \$ 20,962 | \$ 12,588 | \$ (15,536) | \$ 33,116 | \$ 17,680 |
| EPS (Diluted) | \$ (0.23) | | \$ 0.32 | \$ (0.40) | | \$ 0.43 |
| Diluted Shares | 36,710 | | 39,857 | 38,494 | | 41,057 |



Reconciliation of Non-GAAP Adjustments

Stratasys Ltd. Combined

| | Q1-12 | Q1-13 |
|--|------------------|------------------|
| Net sales, products | | |
| Deferred revenue step-up | \$ - | \$ 1,015 |
| Cost of sales, products | | |
| Objet intangible assets amortization expense | (9,824) | (18,295) |
| Soldscape intangible assets amortization expense | (438) | (436) |
| Non-cash stock-based compensation expense | (263) | (318) |
| Merger related expense | - | (87) |
| Fasotech Co., Ltd intangible assets amortization expense | - | (31) |
| | <u>(10,525)</u> | <u>(19,177)</u> |
| Cost of sales, services | | |
| Non-cash stock-based compensation expense | (347) | (316) |
| Merger related expense | - | (27) |
| | <u>(347)</u> | <u>(343)</u> |
| Research and development, net | | |
| Non-cash stock-based compensation expense | (871) | (899) |
| Selling, general and administrative | | |
| Objet intangible assets amortization expense | (2,242) | (5,276) |
| Soldscape intangible assets amortization expense | (133) | (133) |
| Fasotech Co., Ltd intangible assets amortization expense | - | (82) |
| Non-cash stock-based compensation expense | (5,113) | (3,967) |
| Soldscape acquisition expense | (130) | - |
| Merger related expense | (3,057) | (8,190) |
| | <u>(10,675)</u> | <u>(15,608)</u> |
| Income taxes | | |
| Tax expense related to non-GAAP adjustments | 1,423 | 3,886 |
| Net income attributable to non-controlling interest | | |
| Depreciation and amortization expense attributable to non-controlling interest | - | 40 |
| Net income | \$ 20,962 | \$ 33,118 |