

**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 March 2014.

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 March 3, 2014, Stratasys Ltd. ("we," "us" or the "Company") announced our financial results for the fourth quarter and fiscal year ended December 31, 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 March 3, 2014, 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: March 3, 2014

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:

<u>Exhibit</u>	<u>Description</u>
99.1	Press release dated March 3, 2014.

99.2 Script for the Company's conference call held on March 3, 2014.

99.3 PowerPoint presentation with additional information.

**PRESS RELEASE**

FOR: STRATASYS LTD.

CONTACT: Shane Glenn, VP Investor Relations
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STRATASYS REPORTS RECORD FOURTH QUARTER AND FISCAL YEAR 2013 FINANCIAL RESULTS

Company generates 36% organic revenue growth, and 62% total revenue growth, in the fourth quarter over the fourth quarter of last year, driven by strong demand across all product lines

MakerBot contributes \$24.9 million in revenue during the fourth quarter

Strong revenue growth combined with margin expansion drives record quarterly earnings

MINNEAPOLIS, MN & REHOVOT, ISRAEL, March 3, 2014 — Stratasys Ltd. (NASDAQ: SSSY) today announced record financial results for the fourth quarter and fiscal year 2013.

Driven by the realization of Stratasys-Objet merger synergies and the rapidly expanding market for 3D printing and additive manufacturing solutions, the company observed strong demand across all product lines during the fourth quarter.

Hardware and consumable revenue in the fourth quarter, excluding the revenue contribution made by MakerBot, grew by 38% and 33%, respectively, over the pro forma results for the same quarter last year. Total non-GAAP revenue (excluding MakerBot's contribution) increased by 36% for the fourth quarter over last year's pro forma revenue.

MakerBot made a significant contribution of \$24.9 million to fourth quarter revenue, as its highly affordable and functional desktop 3D printers continued strong positive sales momentum within the rapidly growing desktop category.

The company generated record non-GAAP profits in the fourth quarter, as strong sales of higher margin products contributed to a non-GAAP gross margin of 60.2% for the period compared to 57.8% for the pro forma period last year; and non-GAAP

operating margin grew to 20.2% compared to 19.1% on a pro forma basis for the same period last year.

Q4-2013 Financial Results Summary:

- GAAP revenue for the fourth quarter of 2013 was \$155.1 million. Non-GAAP revenue of \$155.8 million for the fourth quarter of 2013 represents a 61.6% increase over the \$96.4 million combined non-GAAP pro forma revenue (giving effect to the Stratasys-Objet merger as though it had closed on January 1, 2012) for the same period last year.
- GAAP net loss for the fourth quarter was \$2.0 million, or (\$0.04) per basic share, compared to a pro forma loss of \$3.5 million, or (\$0.09) per basic share, for the same period last year.
- Non-GAAP net income was \$25.8 million for the fourth quarter, or \$0.50 per diluted share, compared to pro forma non-GAAP net income of \$16.3 million, or \$0.40 per diluted share, reported for the same period last year.
- Fourth quarter per share calculations were impacted by the public issuance of approximately 5.2 million new ordinary shares in September which raised approximately \$463 million; and the approximately 3.9 million new ordinary shares issued in consideration for the acquisition of MakerBot.
- The company invested a net amount of \$15.5 million in R&D projects (non-GAAP basis) during the fourth quarter, representing 9.9% of net sales.
- The company generated \$15.6 million in cash from operations during the fourth quarter, and finished the year with \$616.1 million in cash, investments and bank deposits, amounting to \$12.50 per share.
- EBITDA for the fourth quarter amounted to \$36.0 million.
- Backlog at the end of 2013 amounted to \$28.0 million, versus \$28.6 million at the end of 2012.
- The company sold 10,963 3D printing and additive manufacturing systems during the quarter, and on a combined pro forma basis, a cumulative 75,818 systems worldwide as of December 31, 2013.

“Our fourth quarter results reflect the ongoing realization of revenue synergies from the Stratasys-Objet merger, as well as the rapidly growing demand for additive manufacturing and 3D printing solutions we are observing worldwide,” said David Reis, chief executive officer of Stratasys. “We experienced strong organic growth driven by demand across multiple product lines, as well as an impressive contribution from MakerBot. In addition, a favorable product mix benefited margins, and helped contribute to our record profits. We are very pleased with our fourth quarter and overall annual results.”

Business Highlights:

- Introduced the Objet500 Connex3 Color Multi-material 3D Printer, as well as multiple new desktop 3D printers, including the MakerBot Replicator, MakerBot Replicator Z18, and MakerBot Replicator Mini.
- Expanded premium material offerings to address a wider range of applications with the introduction of Digital ABS2, Nylon 12, VeroCyan, VeroMagenta, and VeroYellow.
- Further developed the MakerBot 3D Ecosystem with the introduction of the MakerBot Digital Store, MakerBot Desktop software, and the MakerBot Mobile and MakerBot Printshop applications.
- Continued to invest aggressively in global sales, marketing and channel infrastructure, including the establishment of Stratasys Korea and Stratasys Singapore to enhance the presence in the Asia Pacific region.
- Entered multiple strategic partnerships, including a distribution agreement with Dell to provide MakerBot Replicator 3D Printers bundled with Dell Precision Workstations for small and medium-sized businesses.
- Continued to target unique verticals such as education, with the launch of MakerBot Academy, a program aimed to provide MakerBot Replicator 3D Printers to U.S. public

schools.

Completed the sales, marketing and service team integration initiatives that resulted from the Stratasys-Objet merger, and began processes to better align the functions of R&D and operations.

“We believe Stratasys is well positioned within our rapidly growing industry as we begin 2014,” continued Reis. “We have positive momentum, driven by the ongoing demand for our industry-leading products and services. We are pleased with our many recent new product introductions and channel initiatives, which we believe will greatly improve 3D printing accessibility and drive expanded usage for our products. And finally, we are excited about our many internal projects that we believe will further our objective of market leadership and long-term growth, as we continue to evaluate additional acquisition opportunities to accelerate our growth.”

Financial Guidance:

Stratasys reiterated the following information regarding the company’s projected revenue and net income for the fiscal year ending December 31, 2014:

- Revenue guidance of \$660 to \$680 million.
- Non-GAAP net income of \$113 to \$119 million, or \$2.15 to \$2.25 per diluted share.
- GAAP net income of \$10.5 to \$19.9 million, or a \$0.20 to \$0.38 per diluted share.
- The company expects organic sales, excluding MakerBot sales, to grow at least 25% over 2013, with additional growth coming from MakerBot, which is expected to grow at a higher rate.

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Stratasys provided the following additional information regarding the company’s performance and strategic plans for 2014:

- Operating expenses are projected to expand materially in 2014 driven by investments in sales and marketing programs to drive future market adoption, as well as by increased R&D investments to fund technology innovation and new product development.
- Incremental sales and marketing investments will focus on expanding sales channels, enhancing regional infrastructure, as well as building unique go-to-market programs targeting certain market verticals and customer applications.
- Non-GAAP operating margins in 2014 are projected to remain relatively consistent with levels recognized in 2013, as margin expansion in the company’s core business is offset by a full-year contribution from MakerBot, which maintains lower operating margins.
- Projected Non-GAAP net income is expected to be derived disproportionately from the second half of fiscal 2014, driven by the projected timing of operating expenses, as well as the projected timing and success of new product introductions and their corresponding ramp in sales.
- Capital expenditures are projected at \$50 to \$70 million, which includes significant investments in manufacturing capacity in anticipation and support of future growth.

Non-GAAP earnings guidance excludes \$64.8 million of projected amortization of intangible assets; \$25.1 million to \$28.2 million of share-based compensation expense; and \$8.8 million to \$9.8 million in non-recurring expenses related to acquisitions.

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.

Stratasys Ltd. Q4-2013 Conference Call Details

Stratasys will hold a conference call to discuss its fourth quarter and 2013 annual financial results on Monday, March 3, 2014 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/p4rtw67g>.

To participate by telephone, the domestic dial-in number is 866-318-8617 and the international dial-in is 617-399-5136. The access code is 37260413. 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 (including, with respect to the MakerBot acquisition) 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 as well as MakerBot after its acquisition and to successfully put in place and execute an effective post-merger integration plans; 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, 2013 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

excluding 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 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 merger-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), headquartered in Minneapolis, Minn. and Rehovot, Israel, manufactures 3D printers and materials for prototyping and production. The company's patented FDM® and PolyJet™ 3D Printing technologies produce prototypes and manufactured goods directly from 3D CAD files or other 3D content. Systems include 3D printers for idea development, prototyping and direct digital manufacturing. Stratasys subsidiaries include MakerBot and Solidscape, and the company operates the RedEye digital-manufacturing service. Stratasys has more than 1800 employees, holds over 550 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>.

Stratasys Ltd.
Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013 (unaudited)	2012 (unaudited)	2013	2012
Net sales				
Products	\$ 134,943	\$ 59,461	\$ 414,853	\$ 179,762
Services	20,142	11,690	69,550	35,482
	<u>155,085</u>	<u>71,151</u>	<u>484,403</u>	<u>215,244</u>
Cost of sales				
Products	65,088	32,138	213,427	86,742
Services	12,195	6,175	44,803	18,591
	<u>77,283</u>	<u>38,313</u>	<u>258,230</u>	<u>105,333</u>
Gross profit	77,802	32,838	226,173	109,911
Operating expenses				
Research and development, net	17,669	7,083	52,310	19,659
Selling, general and administrative	64,462	30,764	202,040	73,130
Change in fair value of earn-out obligations	(853)	—	754	—
	<u>81,278</u>	<u>37,847</u>	<u>255,104</u>	<u>92,789</u>
Operating income (loss)	(3,476)	(5,009)	(28,931)	17,122
Other income (expense)	(650)	871	(450)	1,388
Income (loss) before income taxes	(4,126)	(4,138)	(29,381)	18,510
Income taxes (benefit)	(2,137)	(239)	(2,474)	9,687
Net income (loss)	\$ (1,989)	\$ (3,899)	\$ (26,907)	\$ 8,823
Net income (loss) attributable to non-controlling interest	\$ —	\$ 332	\$ 47	\$ 332
Net income (loss) attributable to Stratasys Ltd.	<u>\$ (1,989)</u>	<u>\$ (4,231)</u>	<u>\$ (26,954)</u>	<u>\$ 8,491</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.				
Basic	\$ (0.04)	\$ (0.16)	\$ (0.64)	\$ 0.37
Diluted	(0.07)	(0.16)	(0.68)	0.36
Weighted average ordinary shares outstanding				
Basic	48,955	27,261	42,079	22,812
Diluted	49,036	27,261	42,099	23,776

Stratasys Ltd.
Consolidated Balance Sheets
(in thousands)

	December 31, 2013	December 31, 2012
ASSETS		

Current assets			
Cash and cash equivalents	\$	414,088	\$ 133,826
Short-term bank deposits		200,370	20,063
Accounts receivable less allowance for doubtful accounts of \$1,804 at December 31, 2013 and \$654 at December 31, 2012		99,200	64,678
Inventories		88,406	67,995
Net investment in sales-type leases, net for doubtful accounts of \$183 at December 31, 2013 and \$301 at December 31, 2012		6,696	5,134
Prepaid expenses		5,470	2,751
Deferred income taxes		16,501	4,968
Other current assets		21,398	23,863
Total current assets		852,129	323,278
Non-current assets			
Goodwill		1,195,891	822,475
Other intangible assets, net		622,330	510,372
Net investment in sales-type leases		11,219	7,872
Amounts funded in respect of employees rights upon retirement		3,166	2,628
Property, plant and equipment, net		91,005	62,070
Other non-current assets		6,481	2,818
Total non-current assets		1,930,092	1,408,235
Total assets	\$	2,782,221	\$ 1,731,513
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	\$	35,375	\$ 35,235
Accrued expenses and other current liabilities		32,849	22,197
Accrued compensation and related benefits		21,441	16,849
Earn-out obligation		12,027	—
Unearned revenues		36,033	18,068
Total current liabilities		137,725	92,349
Non-current liabilities			
Employee rights upon retirement		4,683	4,188
Earn-out obligation - long-term		16,998	—
Deferred tax liabilities		105,901	54,693
Unearned revenues - long-term		3,315	3,181
Other non-current liabilities		13,812	4,946
Total liabilities		282,434	159,357
Commitments and contingencies			
Equity			
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 shares; 49,211 and 38,372 shares issued and outstanding at December 31, 2013 and 2012, respectively		133	101
Additional paid-in capital		2,412,197	1,459,294
Retained earnings		85,549	112,503
Accumulated other comprehensive income (loss)		1,908	(238)
Equity attributable to Stratasys Ltd.		2,499,787	1,571,660
Non-controlling interest		—	496
Total equity		2,499,787	1,572,156
Total liabilities and equity	\$	2,782,221	\$ 1,731,513

Stratasys Ltd.
Reconciliation of Pro Forma GAAP to Pro Forma Non-GAAP Results of Operations
(in thousands, except per share data)

	Three Months Ended December 31, 2013			Three Months Ended December 31, 2012		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	Pro Forma Including Object GAAP (unaudited)	Adjustments*	Pro Forma Including Object Non-GAAP (unaudited)
Net sales						
Products	\$ 134,943	\$ 668	\$ 135,611	\$ 81,651	\$ —	\$ 81,651
Services	20,142	—	20,142	14,711	—	14,711
	155,085	668	155,753	96,362	—	96,362
Cost of sales						

Products	65,088	(14,765)	50,323	41,641	(10,936)	30,705
Services	12,195	(495)	11,700	10,329	(397)	9,932
	<u>77,283</u>	<u>(15,260)</u>	<u>62,023</u>	<u>51,970</u>	<u>(11,333)</u>	<u>40,637</u>
Gross profit	77,802	15,928	93,730	44,392	11,333	55,725
Operating expenses						
Research and development, net	17,669	(2,207)	15,462	10,210	(988)	9,222
Selling, general and administrative	64,462	(17,633)	46,829	38,200	(10,059)	28,141
Change in fair value of earn-out obligations	(853)	853	—	—	—	—
	<u>81,278</u>	<u>(18,987)</u>	<u>62,291</u>	<u>48,410</u>	<u>(11,047)</u>	<u>37,363</u>
Operating income (loss)	(3,476)	34,915	31,439	(4,018)	22,380	18,362
Other income (expenses)	(650)	—	(650)	1,408	—	1,408
Income (loss) before income taxes	(4,126)	34,915	30,789	(2,610)	22,380	19,770
Income taxes (benefit)	(2,137)	7,133	4,996	747	2,606	3,353
Net income (loss)	\$ (1,989)	\$ 27,782	\$ 25,793	\$ (3,357)	\$ 19,774	\$ 16,417
Net income attributable to non-controlling interest	\$ —	\$ —	\$ —	\$ 158	\$ —	\$ 158
Net income (loss) attributable to Stratasy Ltd.	\$ (1,989)	\$ 27,782	\$ 25,793	\$ (3,515)	\$ 19,774	\$ 16,259
Net income (loss) per ordinary share attributable to Stratasy Ltd.						
Basic	\$ (0.04)		\$ 0.53	\$ (0.09)		\$ 0.43
Diluted	(0.07)		0.50	(0.09)		0.40
Weighted average ordinary shares outstanding						
Basic	48,955		48,964	37,557		37,557
Diluted	49,036		51,429	37,557		40,327

Stratasy Ltd.
Reconciliation of Pro Forma GAAP to Pro Forma Non-GAAP Results of Operations
(in thousands, except per share data)

	Twelve Months Ended December 31, 2013			Twelve Months Ended December 31, 2012		
	GAAP	Adjustments*	Non-GAAP (unaudited)	Pro Forma Including Objet GAAP (unaudited)	Adjustments*	Pro Forma Including Objet Non-GAAP (unaudited)
Net sales						
Products	\$ 414,853	\$ 2,316	\$ 417,169	\$ 306,043	\$ —	\$ 306,043
Services	69,550	—	69,550	53,011	—	53,011
	<u>484,403</u>	<u>2,316</u>	<u>486,719</u>	<u>359,054</u>	<u>—</u>	<u>359,054</u>
Cost of sales						
Products	213,427	(58,826)	154,601	158,828	(42,964)	115,864
Services	44,803	(1,575)	43,228	36,303	(1,475)	34,828
	<u>258,230</u>	<u>(60,401)</u>	<u>197,829</u>	<u>195,131</u>	<u>(44,439)</u>	<u>150,692</u>
Gross profit	226,173	62,717	288,890	163,923	44,439	208,362
Operating expenses						
Research and development, net	52,310	(5,490)	46,820	36,923	(3,597)	33,326
Selling, general and administrative	202,040	(57,652)	144,388	141,232	(40,354)	100,878
Change in fair value of earn-out obligations	754	(754)	—	—	—	—
	<u>255,104</u>	<u>(63,896)</u>	<u>191,208</u>	<u>178,155</u>	<u>(43,951)</u>	<u>134,204</u>
Operating income (loss)	(28,931)	126,613	97,682	(14,232)	88,390	74,158
Other income (expenses)	(450)	—	(450)	2,124	—	2,124
Income (loss) before income taxes	(29,381)	126,613	97,232	(12,108)	88,390	76,282
Income taxes (benefit)	(2,474)	17,575	15,101	9,407	7,225	16,632
Net income (loss)	\$ (26,907)	\$ 109,038	\$ 82,131	\$ (21,515)	\$ 81,165	\$ 59,650
Net income attributable to non-controlling interest	\$ 47	\$ 125	\$ 172	\$ 62	\$ —	\$ 62
Net income (loss) attributable to Stratasy Ltd.	\$ (26,954)	\$ 108,913	\$ 81,959	\$ (21,577)	\$ 81,165	\$ 59,588

Net income (loss) per ordinary share attributable to Stratasy Ltd.								
Basic	\$	(0.64)	\$	1.95	\$	(0.58)	\$	1.61
Diluted		(0.68)		1.84		(0.58)		1.49
Weighted average ordinary shares outstanding								
Basic		42,079		42,079		36,987		36,987
Diluted		42,099		44,511		36,987		39,970

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Net sales, products				
Deferred revenue step-up	668	—	2,316	—
Cost of sales, products				
Intangible assets amortization expense	(14,233)	(10,260)	(57,027)	(41,038)
Non-cash stock-based compensation expense	(496)	(361)	(1,535)	(1,190)
Merger related expense	(36)	(315)	(264)	(736)
	(14,765)	(10,936)	(58,826)	(42,964)
Cost of sales, services				
Non-cash stock-based compensation expense	(424)	(397)	(1,445)	(1,475)
Merger related expense	(71)	—	(130)	—
	(495)	(397)	(1,575)	(1,475)
Research and development, net				
Non-cash stock-based compensation expense	(925)	(988)	(3,491)	(3,597)
Performance bonus expense	(1,282)	—	(1,999)	—
	(2,207)	(988)	(5,490)	(3,597)
Selling, general and administrative				
Intangible assets amortization expense	(5,319)	(2,375)	(17,066)	(9,500)
Non-cash stock-based compensation expense	(4,954)	(5,187)	(17,791)	(21,592)
Merger related expense	(2,724)	(2,497)	(15,681)	(9,262)
Performance bonus expense	(4,636)	—	(7,114)	—
	(17,633)	(10,059)	(57,652)	(40,354)
Change in fair value of earn-out obligation				
Change in Earn-out obligation	853	—	(754)	—
Income taxes				
Tax expense related to non-GAAP adjustments	7,133	2,606	17,575	7,225
Net income attributable to non-controlling interest				
Depreciation and amortization expense attributable to non-controlling interest	—	—	125	—
Net income	\$ 27,782	\$ 19,774	\$ 108,913	\$ 81,165

Stratasy Ltd.

Reconciliation of GAAP to Non-GAAP Forward Looking Guidance

Fiscal Year 2014

(in millions, except per share data)

GAAP net income	\$10.5 to \$19.9
Adjustments	
Stock-based compensation expense	\$25.1 to \$28.2
Intangible assets amortization expense	\$64.8
Merger related expense	\$8.8 to \$9.8
Non-GAAP net income	\$113.3 to \$118.6
GAAP diluted earnings per share	\$0.20 to \$0.38
Non-GAAP diluted earnings per share	\$2.15 to \$2.25

Q4-2013 CONFERENCE CALL SCRIPT: FINAL**SLIDE#1: CONFERENCE CALL TITLE SLIDE****SPEAKER: OPERATOR****SLIDE#2: CONFERENCE CALL DETAILS****SPEAKER: SHANE GLENN**

Thank you, [OPERATOR]. Good morning everyone, and thank you for joining us to discuss our fourth quarter and full year 2013 financial results. On the call with us today are David Reis, CEO; and Erez Simha, CFO and COO of Stratasys. Bre Pettis, CEO of MakerBot, will join us later in the call to answer questions regarding MakerBot products and strategy. 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 also be available, and can be accessed within the Investor Section of our web site.

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 (including, with respect to the MakerBot acquisition) 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 as well as the ability to successfully put in place and execute an effective post-acquisition integration plan for MakerBot; 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 2013 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 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 David Reis, Chief Executive Officer of Stratasys. David.

SLIDE#4: SUMMARY & OUTLOOK**SPEAKER: DAVID REIS**

Thank you, Shane, and good morning everyone. Thank you for joining today's call.

We are very pleased with our record fourth quarter and full year financial results.

The company observed strong demand across all product categories during the fourth quarter, driven by the merger revenue synergies and our rapidly growing industry.

Organic revenue growth was an impressive 36% during the fourth quarter over the fourth quarter of last year, with hardware and consumables revenue, excluding sales of MakerBot products, growing by 38% and 33%, respectively.

MakerBot also performed impressively, contributing approximately \$25 million to the fourth quarter, as the rapidly growing desktop category sustained strong positive sales momentum.

Our gross margins increased both year-over-year AND quarter-over-quarter, driven by the sales of our higher margin products and operational improvements.

This margin expansion, combined with our strong sales performance, contributed to a record quarter in terms of profits and earnings per share.

In addition to our strong fourth quarter financial performance, we continued to aggressively expand our global market presence through channel expansion and strategic partnerships;

AND we introduced several new systems and materials that are the result of our focused investments in R&D and product development.

Finally, with the first phase of the Stratasys-Objet merger integration complete, we are now focusing our attention on better aligning additional functional areas within our company, including R&D and operations.

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

SLIDE#5: FINANCIAL RESULTS**SPEAKER: EREZ SIMHA**

Thank you, David, and good morning everyone.

As in previous quarters, our focus on today's call will be on the non-GAAP financial results of the combined company for the fourth quarter of 2013, and pro forma non-GAAP financial results in the fourth quarter of 2012 giving effect to the Stratasys-Objet merger as if it had occurred on January 1, 2012.

These non-GAAP financial measures should be read in combination with our GAAP metrics to evaluate our performance.

We should also note that we are not providing any pro forma financial results for the MakerBot acquisition.

MakerBot results were included in the GAAP and non-GAAP results commencing August 15, 2013.

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

Quarterly Highlights

As David mentioned in his opening remarks, we are very pleased with our fourth quarter performance.

We generated \$156 million in revenue in the fourth quarter, an impressive 62% increase over the pro forma results for the same period last year.

Our organic revenue growth was an impressive 36% over the same period last year, driven by Stratasys-Objet merger synergies and the rapidly expanding market for 3D printing and additive manufacturing solutions worldwide.

MakerBot also made a significant revenue contribution of \$24.9 million to the fourth quarter, sustaining its strong positive sales momentum within the rapidly growing desktop category.

Driven by our strong sales, and combined with a favorable sales mix of higher margin products, we generated record profits in the fourth quarter.

Although MakerBot product margins are slightly lower than our corporate average, we were pleased to see our margins move higher for the quarter.

Net profit grew by 59% to \$25.8 million, or \$0.50 per diluted share, over the \$16.3 million, or \$0.40 per diluted share on a pro forma basis for the same period last year.

SLIDE#6: REVENUE

Product revenue in the fourth quarter of 2013 increased by 66% to \$135.6 million, as compared to pro forma combined product revenue in the fourth quarter of 2012.

System revenue increased by 80% in fourth quarter over the pro forma results for the same period last year, driven in part by MakerBot's impressive contribution to system revenue during the period.

Hardware revenue, excluding MakerBot products, was also impressive for the period, growing by 38% over last year.

This strong organic growth was a result of broad-based demand across our entire product line, including the Production Series, Design Series and Idea Series of 3D printers.

The demand for manufacturing and high-end prototyping applications continue to drive this growth.

Consumables revenue in the fourth quarter increased by 40%, or 33% excluding MakerBot revenue, compared to the pro forma results for the same period last year.

Consumables revenue continues to be driven by an acceleration in customer usage, our growing installed base of systems, and our efforts surrounding application training and materials education.

In addition, the strong sales of our Production and Design Series systems in prior periods contributed to strong consumables sales growth in the fourth quarter, given their relatively higher consumable utilization rates.

We believe that the continued strength in the Production and Design Series system sales are positive indicators of consumables revenue growth in future periods.

Revenues from our service offerings in the fourth quarter of 2013 increased by 37% to \$20.2 million, as compared to the pro forma results for the same period last year.

The growth in service revenues is attributable to increased revenue from maintenance contracts and service parts, reflecting our growing base of installed systems.

In addition, revenue from our RedEye paid parts service increased by 22% for the fourth quarter over last year, primarily due to an increasing demand for large and complex production parts, as well as the ongoing development of the RedEye sales channel.

SLIDE#7: UNIT SALES

The number of 3D printers and additive manufacturing systems shipped in the fourth quarter was 10,963 units as compared to 1,136 units shipped in the fourth quarter of 2012 on a pro forma combined basis.

The significant increase in unit shipments resulted primarily from the inclusion of MakerBot products.

We also observed strong unit sales growth across our other product lines, with organic unit sales increasing by 44% for the fourth quarter, as compared to sales on a pro forma basis for the same period last year.

Including all systems sold by Stratasys, Objet, Solidscape and MakerBot since their inception, the company has now sold 75,818 units worldwide on a pro forma combined basis, as of December 31, 2013.

SLIDE#8: GROSS PROFIT

Driven by sales of our higher margin systems and consumables, the company's gross margin percentage improved to 60.2% in the fourth quarter over the 57.8% on a pro forma basis for the same period last year.

Gross margin percentage also improved over the level recognized in the third quarter of 2013.

As we mentioned earlier, we believe that this is very impressive when you consider the impact of MakerBot on the quarter, given that MakerBot systems inherently maintains lower margins.

SLIDE#9: OPERATING PROFIT

Net research and development expenses increased by 67.7% to \$15.5 million in the fourth quarter as compared to pro forma amounts for the same period last year, driven by the inclusion of MakerBot R&D expenses, as well as higher spending on new projects.

SG&A expenses increased by 66.4% for the fourth quarter as compared to pro forma amounts for the same period last year, driven by the inclusion of MakerBot SG&A expenses, as well as:

- Expanded headcount to support our growth plans;
- higher commission expenses due to increased sales;
- and more important, incremental sales, marketing and infrastructure investments.

SLIDE#10: GROWTH DRIVERS

Slide #10 provides you with an overview of the major growth drivers we have discussed for the period.

SLIDE#11: GEOGRAPHIC MIX

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

We witnessed strong growth in North America, driven in part by MakerBot's strong focus on the US market.

The Asia-Pacific region was our fastest growing region on an organic basis, driven by our ramp in sales and marketing investments in that 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 the slides appearing at the end of our presentation, as well as in our earnings release.

SLIDE#12: BALANCE SHEET SUMMARY

We maintain approximately \$616 million in cash, cash equivalents, and short term deposits and investments on our balance sheet, amounting to \$12.50 per share, which was relatively unchanged versus the balance at the end of the third quarter of 2013.

Net operating cash flow from operations in the fourth quarter was \$15.6 million, and capital expenditures amounted to approximately \$13 million in facility and equipment investments.

Our significant cash balance, combined with our available \$250 million revolving credit facility provides us flexibility to fund our internal growth plans, as well as future M&A projects and investments.

Inventories increased to \$88.4 million in the fourth quarter compared to \$79.8 million at the end of the third quarter, in anticipation of our company-wide Oracle implementation in January.

Accounts receivable increased to \$99.2 million in the fourth quarter compared to \$86.6 million at the end of the third quarter, while days-sales-outstanding, on 12-month trailing revenue, was 74 for both periods.

SLIDE#13: FINANCIAL RESULTS & PROJECTIONS

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

1. We generated impressive organic sales growth;
2. Observed a strong contribution from MakerBot;
3. Experienced impressive margin expansion;
4. And generated record profits and earnings per share.

We have a strong balance sheet, and continue to position the company for future growth through strategic investments in R&D and channel development, as well as additional acquisitions.

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#14: GUIDANCE

SPEAKER: SHANE GLENN

Thank you Erez.

Stratasys reiterated the following information regarding the company's projected revenue and net income for the fiscal year ending December 31, 2014:

- Revenue guidance of \$660 to \$680 million.
- Non-GAAP net income of \$113 to \$119 million, or \$2.15 to \$2.25 per diluted share.
- GAAP net income of \$10.5 to \$19.9 million, or a \$0.20 to \$0.38 per diluted share.
- We expect organic sales, which exclude MakerBot sales, to grow at least 25% over 2013, with additional growth coming from MakerBot, which is expected to grow at a

higher rate.

Stratasys provided the following additional information regarding the company's performance and strategic plans for 2014:

- Operating expenses are projected to grow materially in 2014 driven by investments in sales and marketing programs to drive future market adoption, as well as by higher R&D investments to fund technology innovation and new product development.
-

- Incremental sales and marketing investments will focus on expanding sales channels, enhancing regional infrastructure, as well as building unique go-to-market programs targeting certain market verticals and customer applications.
- Non-GAAP operating margins in 2014 are projected to remain relatively consistent with levels recognized in 2013, as margin expansion in the company's core business is offset by a full year contribution from MakerBot, which maintains lower operating margins.
- Projected Non-GAAP net income is expected to be derived disproportionately from the second half of fiscal 2014, driven by the projected timing of operating expenses, as well as the projected timing and success of new product introductions and their corresponding ramp in sales. All of the new 5th generation MakerBot systems are expected to have begun shipment by the middle of 2014.
- Capital expenditures are projected at \$50 to \$70 million, which includes significant investments in manufacturing capacity in anticipation of future growth.

Non-GAAP earnings guidance excludes \$64.8 million of projected amortization of intangible assets; \$25.1 million to \$28.2 million of share-based compensation expense; and \$8.8 million to \$9.8 million in non-recurring expenses related to M&A transactions.

SLIDE#15: TARGET OPERATING MODEL

Our long-term target operating model remains:

- Annual organic 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#16: STRATEGIC IMPERATIVES

SPEAKER: DAVID REIS

Thank you Shane.

The revenue synergies that are resulting from the Stratasys-Objet successful merger, combined with the rapidly growing marketplace, are once again reflected in the strong organic revenue growth that we generated during the fourth quarter.

We are very pleased with the results of our sales, marketing and service team integration, which is now complete.

We now turn our integration focus to aligning the other functional areas within the company, including R&D and operations.

We continue to invest efforts in building and implementing the scale and infrastructure needed to execute broad growth strategies in the following areas:

1. We will seek to maintain our Leadership in the Prototyping Market by expanding the functionality and affordability of our products.
2. We will seek to expand the Direct Digital Manufacturing business, by building on proven opportunities, as well as developing exciting new applications and technologies.
3. We will seek to introduce new Niche Vertical Applications, like we are currently doing in the education and dental markets.
4. We will seek to accelerate New Solutions to the Market, with an unmatched commitment to product development and innovation.
5. We will seek to continue to improve on 3D Printing Accessibility, with our market-leading desktop 3D printing solutions.
6. And, we will seek to improve Customer Intimacy, by developing an ecosystem around which we can strengthen our competitive position, and create new business opportunities.

SLIDE#17, 18 &19: INNOVATION & NEW PRODUCTS

Critical to our success is a focus on innovation.

This is visible in our strong commitment to technology development and our industry-leading investments in R&D.

This commitment resulted in several recent new product introductions that we believe will help us build on proven opportunities; as well as drive expansion into new markets and applications.

Objet500 Connex3

A great example of how we are transforming the way our customers can innovate, design and manufacture new products is the new Objet500 Connex3 Color Multi-material 3D Printer.

The printer is the first and ONLY printer to combine colors with multi-material 3D printing.

The system features a unique triple-jet technology that allows the user to combine color with virtually unlimited combinations of rigidity, flexibility, and transparency.

The ability to produce the characteristics of an assembled part, including matching the look and feel of the finished product, is a unique capability that we believe will empower manufacturers to accelerate the design process.

MakerBot at CES

In addition, at CES last January, we launched a new 3D Printing Platform designed to improve system affordability, reliability, ease-of-use, and user connectivity.

The new MakerBot Replicator Platform is an app-enabled platform that includes three new 5th generation MakerBot Replicator 3D printers:

1. The [MakerBot Replicator Desktop 3D Printer](#);
2. The [MakerBot Replicator Mini Compact 3D Printer](#); and
3. The [MakerBot Replicator Z18 3D Printer](#).

The new platform includes an advanced microprocessor, a common component set, and on-board 3D file storage.

It also includes user-friendly online access to MakerBot's Thingiverse file sharing web site and to social networks; as well as a full-color LCD display, and an on-board camera for print monitoring.

Compared to existing desktop 3D printers, we believe this enhanced capability is similar to the evolution in going from basic mobile telephones to smartphones.

Further enhancing the MakerBot 3D Printing Ecosystem, we also launched a suite of apps for the MakerBot Replicator Platform, which I will discuss in more detail later in the call.

We believe the new MakerBot platform provides unmatched speed, reliability, quality, and connectivity; and delivers easy-to-use and reliable desktop 3D printing to a full range of consumer, prosumer, and professional users.

Desktop 3D printing remains one of the fastest growing opportunities within our industry and Stratasys is leading the category.

Materials

As we advance the capabilities of our 3D printers, accelerating the development of new materials is becoming more critical.

Simply stated, better materials make our systems more functional, which expand their usage.

For example, we recently released Nylon 12 for our Fortus FDM platform at Euromold in December.

We believe Nylon 12 is ideal for applications that require functionality and endurance, and believe the new material will appeal to customers that require custom production tools, jigs, fixtures, functional prototypes, and low-volume production parts.

In addition to Nylon 12, we recently announced several new PolyJet materials for the Connex platform, including Digital ABS2, which creates realistic, precise prototypes that are also tough and heat resistant.

Combined with the three new color-enabling materials we recently introduced for the new Connex3 Color 3D Printer, our investment in materials R&D for the PolyJet platform is resulting in an impressive expansion of the platform's capabilities.

SLIDE#20, 21 & 22: CHANNEL & GO TO MARKET

Our growth in sales depends highly on the continued development of our channels.

This includes the regional expansion of our global presence, as well as the development of strategic partnerships.

To support the marketing and sales of our growing portfolio, we remain aggressive in expanding our global customer reach.

Following our third quarter expansion into Singapore, Japan, and China, we recently established Stratasys Korea as an indirect wholly owned subsidiary of Stratasys Ltd.

Stratasys Korea provides a localized and expanded presence that will support our local channels and the rapidly growing demand in that region.

In addition, we recently announced two important expansions of our distribution strategy.

The first was a distribution agreement with Dell to provide MakerBot Replicator 3D Printers bundled with Dell Precision Workstations for small and medium-sized businesses.

Dell is now selling the full portfolio of MakerBot Replicator 3D printers, the MakerBot Digitizer Desktop 3D Scanner, and MakerBot Filament.

We believe this partnership can expand our access to more engineers, architects, and designers in the small-to-medium-sized business market.

Additionally, we recently entered into a distribution agreement for MakerBot products with Mirco Center, a U.S. technology retailer with national reach that caters to tech-savvy customers.

We believe our new channel development programs, combined with a growing commitment from our existing channel partners to broaden their reach, will help drive rapid growth in markets that are underpenetrated and ripe for expansion.

SLIDE#23, 24 & 25: VERTICALS

Another component of our go-to-market strategy is the expansion into unique industry verticals and applications, such as the education and dental markets, as well as the rapidly growing opportunity for manufacturing applications.

Education

Building on our company's success in targeting teaching institutions, we recently launched MakerBot Academy, a program that aims to put a 3D printer in every school in the

United States.

The program gives students better access to a technology that is reshaping the future of design and manufacturing.

We have already placed over 854 Replicator 2 3D printers in schools as a result of the program.

Both higher education and corporate clients are increasingly looking to jump-start innovation within their institutions and organizations.

To meet this demand, we recently launched MakerBot Innovation Centers at two universities in the U.S.

The centers, built in partnership with us, are large 3D printing hubs equipped with MakerBot 3D printers and scanners.

Dental

In addition to education, the dental vertical is one of the fastest growing medical applications within 3D printing.

During the last quarter we observed accelerated adoption of the Objet30 OrthoDesk 3D Printer, our affordable, simple-to-use desktop system designed to provide a cost-effective entry point for digital dentistry.

We have seen strong global demand for this unit from small dental labs that are looking to significantly shorten delivery times, increase production capacity, and eliminate bulky model storage.

Adding to our portfolio of dental solutions, we also recently announced the Objet Eden260V Dental Advantage 3D Printer and VeroGlaze dental material for use with Objet EdenV and OrthoDesk printers.

Manufacturing

Direct Digital Manufacturing applications continue to expand rapidly and are driving strong demand for our Fortus, Connex, Solidscape and Eden lines of additive manufacturing systems.

A great example of the value that we provide in manufacturing is the success of Spring SRL, a major Italian service bureau, that recently purchased a second Stratasys Fortus 900mc, their seventh Stratasys system overall.

The company uses the Fortus systems to produce jigs, fixtures, and end-use components for industrial clients.

The Stratasys FDM systems have enabled the company to cut turnaround times for their customers by 66%, and achieve 50% cost savings compared to traditional manufacturing techniques.

We view the Fortus line, with its proprietary technology and thermoplastic materials, as uniquely positioned to capture the market for jigs, fixtures and fabrication tools.

We believe the application is a proven, and that the market is significant in size and very underpenetrated.

These applications have been instrumental in driving the strong growth we are observing within the Fortus line in recent quarters.

We also believe our recent introduction of Nylon 12 will expand our DDM opportunities within the Fortus line, given the material's highly-functional and durable characteristics.

In addition to Education, Dental and DDM, we will continue to identify other opportunities and vertical markets.

Our strategy will be to identify multiple opportunities and strive to deliver the platforms and solutions that will allow us to be the market leader in those areas.

SLIDE#26 & 27: CUSTOMER & ECOSYSTEM

In parallel with expanding into new markets and applications, and growing our market reach, we are making our technology more accessible and connective with our customers.

To that end, we are broadening our 3D printing ecosystem and expanding our reach with customers across all levels of the 3D printing experience.

Thingiverse Update

For example, we continue to observe impressive growth for Thingiverse.com, our loyal and dynamic 3D design community for discovering, sharing, and printing 3D models.

Usage trends for the site reflect a vibrant and engaged community of users that reinforce the MakerBot brand and nurture future customers.

Key data points include the following:

- The site has over 178,000 total users, with over 36,000 added in Q4.
- It has more than 218,000 downloadable Things, with more than 21,000 uploaded in December alone.
- In 2013, Thingiverse was visited nearly 16 million times, with more than 6 million unique visitors.
- For the quarter, Thingiverse had a monthly average of approximately 600,000 unique visitors.

Building on the remarkable growth of Thingivers.com, at CES we announced new additions to the MakerBot 3D Printing Ecosystem, including:

1. MakerBot Desktop;
2. MakerBot Mobile;
3. MakerBot PrintShop; and
4. The MakerBot Digital Store

MakerBot Desktop and MakerBot Mobile apps provide a complete 3D printing solution to discover, manage, and share 3D prints from a desktop computer or a mobile device.

MakerBot PrintShop is a tablet-based app for creating and 3D printing content that requires no 3D design skills. The simple interfaces allow users to quickly and intuitively create and print 3D models, without prior experience.

The MakerBot Digital Store allows users to purchase high-quality, printable and paintable 3D models and collections. The models are available as both individual purchases and as collections.

The development of our ecosystem adds rich functionality to our 3D printing platforms, and lowers the barriers to entry for customers.

We also believe that enhancing the user experience and providing a full 3D printing solution for users of the desktop products will drive future sales of our higher-priced systems.

We encourage you to check out these exciting new offerings by visiting the MakerBot web site.

SLIDE#28: SUMMARY & OUTLOOK

In summary:

1. We are extremely pleased with our record fourth quarter results.
2. The organic growth rate we enjoyed in the quarter highlights the success of the first stage in the Stratasys and Objet integration, as well as the favorable market conditions that persist within our industry.
3. We believe Stratasys is well positioned within our rapidly growing industry as we begin 2014.
4. We have positive momentum, driven by the ongoing demand for our industry-leading products and services.
5. We are pleased with our many recent new product introductions and channel initiatives, that we believe will greatly improve 3D printing accessibility and drive expanded usage for our products.
6. And finally, we are excited about the many internal projects that we believe will further our objective of market leadership and long-term growth, as we continue to evaluate additional acquisition opportunities to accelerate our growth.

Operator, please open the call for questions.

SLIDE#29: Q&A

Thank you for joining today's call. We look forward to speaking with you again next quarter. Goodbye.

SLIDE#30 & 31: RECONCILIATION TABLES

March 3rd 2014

Q4-2013 Financial Results
Conference Call



Q4-2013

Conference and webcast details

Speakers

- David Reis • CEO
- Erez Simha • CFO & COO
- Shane Glenn • VP, Investor Relations
- Bre Pettis • CEO, MakerBot

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Forward looking statement

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 (including, with respect to the MakerBot acquisition) 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 as well as the ability to complete the MakerBot acquisition and to successfully put in place and execute an effective post-merger integration plan; 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, 2013 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.



Summary & Outlook

Record results include organic growth of 36% driven by Stratasys-Objet revenue synergies and broad-based demand for products and services

Impressive contribution from MakerBot of \$25 million for the fourth quarter as the desktop segment continues rapid expansion

Increase in gross margins driven by sales of higher-margin systems and consumables

Strong non-GAAP net income growth of 59% to \$25.8 million, or \$0.50 per diluted share

Launched multiple new systems and materials resulting from focused product development and industry-leading R&D investments

Completed the first phase of the Stratasys-Objet integration and began alignment of R&D and operations

Financial Results

Stratasys Ltd.

Non-GAAP

(\$ in millions unless noted otherwise)

	Q4-12 Pro forma	Q4-13	Change YOY
Unit Sales	1,136	10,963	865.1%
Total Revenue	\$96.4	\$155.8	+61.6%
Revenue/ Employee	0.083	0.086	+2.6%
Gross Profit % margin	55.7 57.8%	93.7 60.2%	+68.2%
Operating Expenses % of sales	37.4 38.8%	62.3 40.0%	+66.7%
Operating Profit % margin	18.4 19.1%	31.4 20.2%	+71.2%
Pre-tax Profit % margin	19.8 20.5%	30.8 19.8%	+55.7%
Tax Rate	17.0%	16.2%	-4.3%
EBITDA	22.7	36.0	+58.4%
Net Income % margin	16.3 16.9%	25.8 16.6%	+58.6%
EPS (Diluted)	\$0.40	\$0.50	+24.4%
Diluted Shares	40.3	51.4	+27.5%

Quarter Highlights:

- Revenue growth of 61.6% YOY
- Organic revenue growth of 36%
- MakerBot contribution of \$24.9 M
- GM rose to 60.2% from 57.8%
- Net income growth of 58.6% YOY
- EPS of \$0.50 versus \$0.40

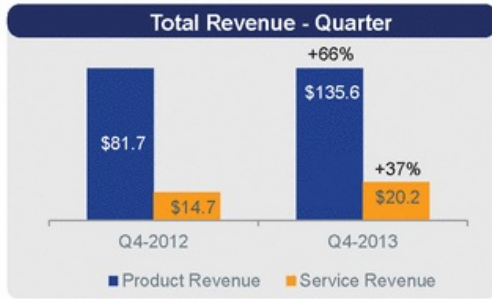
Financial Results

Revenue

Stratasys Ltd.

Non-GAAP

(\$ in millions)



Quarter Highlights:

- System revenue +80% YOY
- Consumable revenue +40% YOY
- Customer Service revenue +37% YOY
- RedEye revenue +22% YOY

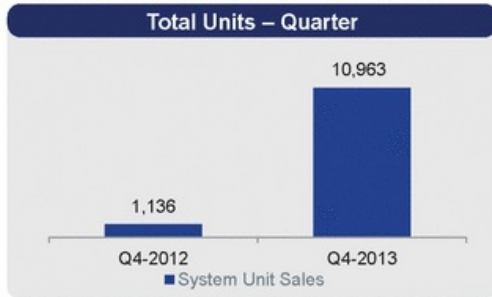


* Periods prior to 2013 are pro forma including Objet, Ltd.

Financial Results

System Unit Sales¹

Stratasys Ltd.



Quarter Highlights:

- MakerBot impact
- Strong growth across all product lines
- Organic unit sales +44%



(1) Includes systems sold by Stratasys, Inc., Objet Ltd., and Solidscape Inc. in all periods; and units for Makerbot starting only on August 15, 2013

Financial Results

Gross Profit

Stratasys Ltd.

Non-GAAP

(\$ in millions unless noted otherwise)	Q4-12	Q4-13	% Change YOY
Product Revenue	\$81.7	\$135.6	+66.1%
% of sales	84.7%	87.1%	
Service Revenue	14.7	20.2	+36.9%
% of sales	15.3%	12.9%	
Product Gross Profit % margin	50.9	85.3	+67.4%
	62.4%	62.9%	
Service Gross Profit % margin	4.8	8.4	+76.6%
	32.5%	41.9%	
Total Gross Profit % margin	55.7	93.7	+68.2%
	57.8%	60.2%	

Quarter Highlights:

- Higher-margin system and consumable sales
- Service margin improvement
- Better overhead coverage

Gross Margin – Quarterly Trend



* Periods prior to 2013 are pro forma including Objet, Ltd.

Financial Results

Operating Profit

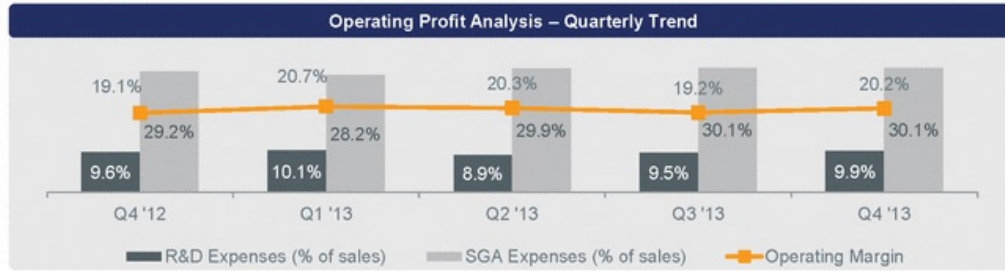
Stratasys Ltd.

Non-GAAP

(\$ in millions unless noted otherwise)	Q4-12	Q4-13	% Change YOY
R&D Expense % of sales	9.2 9.6%	15.5 9.9%	+67.7%
SG&A Expense % of sales	28.1 29.2%	46.8 30.1%	+68.4%
Total Operating Exp. % of sales	37.4 38.8%	62.3 40.0%	+66.7%
Total Operating Profit % margin	18.4 19.1%	31.4 20.2%	+71.2%

Quarter Highlights:

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



* Periods prior to 2013 are pro forma including Objet, Ltd.



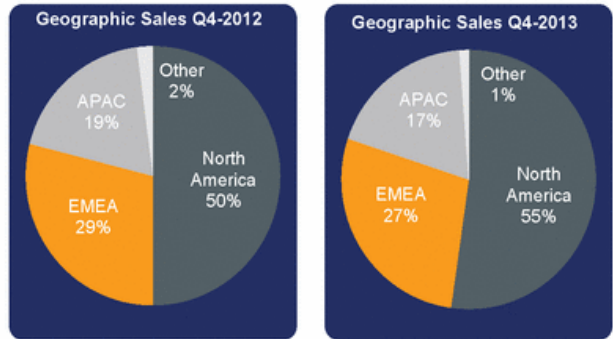
	Q4-2013 (YOY)	
	Units	Dollars
Financial Results		
System Revenue	+865%	+80%
Growth Drivers		
Consumable Revenue	--	+40%
Stratasys Ltd.		
Customer Service Revenue	--	+37%
Non-GAAP		
RedEye Parts Services	--	+22%

Financial
Results

Revenue
Geographic Mix

Stratasys Ltd.

Non-GAAP



* Periods prior to 2013 are pro forma including Objet, Ltd.

Financial Results**Balance Sheet Summary****Stratasys Ltd.**

(\$ in millions unless noted otherwise)

Selected balance sheet items (\$mm)	Q3-13	Q4-13
Cash , Bank Deposits & Investments	\$616.5	\$616.1
Accounts Receivable	86.6	99.2
Inventories	79.8	88.4
Net Working Capital	709.5	714.4

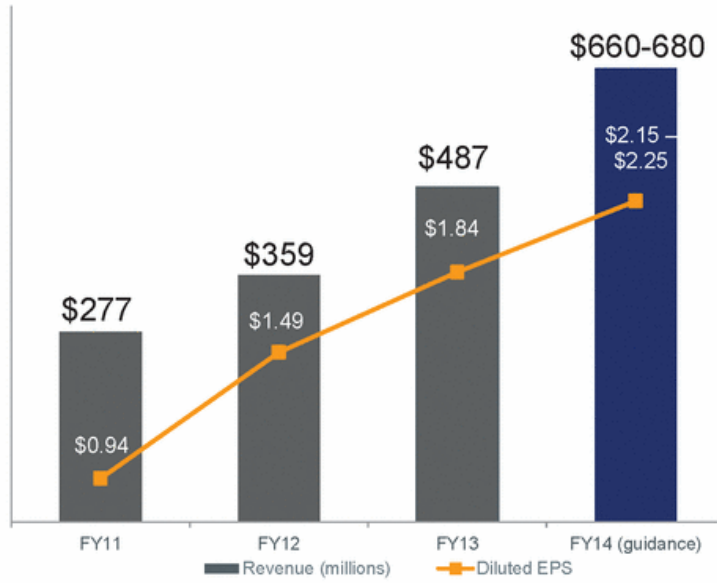
Highlights

- \$616.1 M in cash, bank deposits & investments
- Cash flow from operations was \$15.6 M
- Additional flexibility with \$250 M credit facility

Financial Results & Projections

Stratasys Ltd.

Non-GAAP



* Periods prior to 2013 are pro forma including Objet, Ltd.

Financial
Guidance

Fiscal 2014 Financial Guidance

Revenue and
Earnings
Guidance

Revenue (M)

\$660 - 680

Stratasys Ltd.

Non-GAAP

Non-GAAP Diluted EPS

\$2.15 - \$2.25

Reconciliation of GAAP to
Non-GAAP Guidance

(\$ in millions unless noted otherwise)

Revenue	\$660 to \$680
Non-GAAP Net Income	\$113.3 to \$118.6
(1) Stock-Based Compensation Exp.	\$25.1 - \$28.2
(2) Amortization of Intangibles	\$64.8
(3) Merger-Related Expenses	\$8.8 - \$9.8
GAAP Net Income	\$10.5 - \$19.9
GAAP Diluted EPS	\$0.20 - \$0.38
Non-GAAP Diluted EPS	\$2.15 - \$2.25



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.

Stratasys Strategic Imperatives

Lead the Prototyping Market

Expand Direct Digital Manufacturing

Introduce New Niche Vertical Applications

Accelerate New Solutions to the Market

Improve on 3D Printing Accessibility

Improve Customer Intimacy

Stratasys**Objet
Connex3
Color
Multi-material
3D Printer****Multi-material, color 3D printer**

- Simultaneously jets **three base materials**
- Each combination creates a **vibrant color palette** up to 46 tints – with a total of 10 palettes
- **More than 500 material options**, including rigid, rubber-like and clear
- **New materials cabinet** allows for long unattended builds
- **Build envelope:** 490×390×200 mm (19.3×15.4×7.9 in)



MAKERBOT REPLICATOR 3D PRINTERS

FIFTH GENERATION

Stratasys

CES Product
Launches



MAKERBOT
REPLICATOR MINI



MAKERBOT
REPLICATOR



MAKERBOT
REPLICATOR Z18



Stratasys**Materials****Nylon 12**

- Flexible: elongation-at-break surpasses other 3D printed Nylon 12 material by up to 100%
- Tough: First semi-crystalline material and the toughest Stratasys material
- Specifically engineered for Fortus Systems
- Targets: aerospace, automotive, home appliance and consumer electronics

**Digital ABS2**

- Second generation of Digital ABS
- Produces thin-walled models with high dimensional stability
- Designed for PolyJet 3D Printers
- Available in ivory and green



Stratasys

**Channel
Expansion
and Go-to-
Market**



Americas ■ Europe ■ Asia Pacific ■ Middle East

Stratasys

**Channel
Expansion
and Go-to-
Market**



Americas ■ Europe ■ Asia Pacific ■ Middle East

Stratasys

Channel
Expansion
and Go-to-
Market



MICRO CENTER
computers & electronics

MakerBot® Academy

Stratasys

Vertical
Expansion:

Education

We are on a mission to put a
MakerBot Desktop 3D Printer
in every school in the
United States of America

Projects Funded:
854

Students Impacted:
200,000



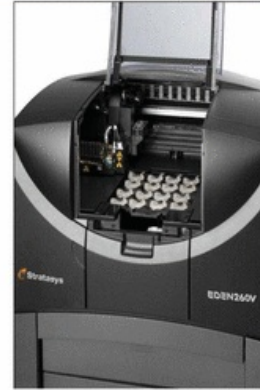
Stratasys

Vertical
Expansion:

Dental

Objet Eden260V Dental Advantage 3D Printer

- Produces highly accurate dental and orthodontic models, and surgical guides
- Affordable access to digital dentistry
- Target: Dental labs



VeroGlaze (MED620) Dental Material

- Natural color - A2 teeth shade
- Accurate detail visualization with high dimensional stability
- For use with Objet EdenV and OrthoDesk 3D Printers



Stratasys Fortus Production Line Driving DDM

Stratasys

Vertical
Expansion:

Manufacturing

- Italian service bureau *Spring SLR* added second Fortus 900mc to support DDM applications
- Stratasys FDM technology leading to **66% faster turnaround times** and **50% cost savings**, compared to traditional manufacturing techniques
- Use of Stratasys materials has led to **60% reduction in weight** of an airline armrest



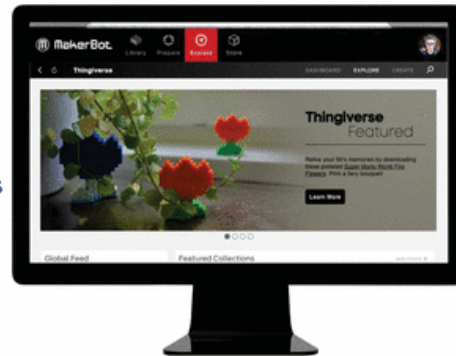
MakerBot Thingiverse

Stratasys

MakerBot 3D Printing Ecosystem:

Thingiverse

- 3D Design Community for discovering, printing, and sharing 3D models
- Easiest and largest place to browse 3D models
- Over **178,000** total users
- Over **218,000** downloadable Things
- In December alone, **21,000** Things uploaded
- In 2013, the site was visited nearly **16 million** times, with **600,000** unique visitors



Stratasys

MakerBot
3D Printing
Ecosystem:

MakerBot Apps

MakerBot
Digital Store



MAKERBOT MOBILE



MAKERBOT DIGITAL STORE



MAKERBOT DESKTOP



MAKERBOT PRINTSHOP



Summary & Outlook

- Record fourth quarter results with positive momentum across all product lines
- Strong organic growth driven by merger synergies and robust market demand
- MakerBot product sales growing rapidly
- Multiple new product introductions that address broad customer needs
- Expanding reach through new channel initiatives and strategic partnerships
- Multiple new internal projects and evaluating acquisitions to drive future growth

We are Stratasy

We shape lives by revolutionizing the way things are made

- ✓ *We are innovation*
- ✓ *We are fearless leaders*
- ✓ *We are customer driven*
- ✓ *Our quality matters*
- ✓ *Our people make the difference*



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

Stratasys Ltd.
Combined

(\$ in thousands
except per
share data)

	Q4-12 Pro Forma GAAP	Adjustments	Q4-12 Pro Forma Non-GAAP	Q4-13 GAAP	Adjustments	Q4-13 Non-GAAP
Net sales						
Products	\$ 81,651	\$ -	\$ 81,651	\$ 134,943	\$ 668	\$ 135,611
Services	14,711	-	14,711	20,142	-	20,142
Cost of sales						
Products	41,641	(10,936)	30,705	65,088	(14,765)	50,323
Services	10,329	(397)	9,932	12,195	(495)	11,700
Gross profit	44,392	11,333	55,725	77,802	15,928	93,730
Operating expenses						
Research and development, net	10,210	(988)	9,222	17,669	(2,207)	15,462
Selling, general and administrative	38,200	(10,059)	28,141	64,462	(17,633)	46,829
Change in fair value of earn-out obligations	-	-	-	(853)	853	-
Operating income (loss)	(4,018)	22,380	18,362	(3,476)	34,915	31,439
Other expense (income)	1,408	-	1,408	(650)	-	(650)
Income (loss) before income taxes	(2,610)	22,380	19,770	(4,126)	34,915	30,789
Income taxes (benefit)	747	2,606	3,353	(2,137)	7,133	4,996
Net income (loss)	(3,357)	19,774	16,417	(1,989)	27,782	25,793
Net income attributable to non-controlling interest	158	-	158	-	-	-
Net income (loss) attributable to Stratasys Ltd.	\$ (3,515)	\$ 19,774	\$ 16,259	\$ (1,989)	\$ 27,782	\$ 25,793
EPS (Diluted)	\$ (0.09)		\$ 0.40	\$ (0.07)		\$ 0.50

Reconciliation of Non-GAAP Adjustments

Stratasys Ltd. Combined

	Q4-12	Q4-13
Net sales, products		
Deferred revenue step-up	\$ -	\$ 668
Cost of sales, products		
Intangible assets amortization expense	(10,260)	(14,233)
Non-cash stock-based compensation expense	(361)	(496)
Merger related expense	(315)	(36)
	(10,936)	(14,765)
Cost of sales, services		
Non-cash stock-based compensation expense	(397)	(424)
Merger related expense	-	(71)
	(397)	(495)
Research and development, net		
Non-cash stock-based compensation expense	(988)	(925)
Performance bonus expense	-	(1,282)
	(988)	(2,207)
Selling, general and administrative		
Intangible assets amortization expense	(2,375)	(5,319)
Non-cash stock-based compensation expense	(5,187)	(4,954)
Merger related expense	(2,497)	(2,724)
Performance bonus expense	-	(4,636)
	(10,059)	(17,633)
Change in fair value of earn-out obligation		
Earn-out obligation expense	-	653
Income taxes		
Tax expense related to non-GAAP adjustments	2,606	7,133
Net income	\$ 19,774	\$ 27,782