
**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 August 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

(Address of principal executive offices)

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

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 August 7, 2014, Stratasys Ltd. (“we,” “us” or the “Company”) announced its financial results for the second quarter of 2014. 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 August 7, 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: August 7, 2014

By: /s/ Erez Simha
Name: Erez Simha
Title: Chief Financial Officer and Chief Operating 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 August 7, 2014.

99.2 Script for the Company's conference call held on August 7, 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 SECOND QUARTER FINANCIAL RESULTS*Company reports \$178.5 million in revenue, including 35% organic revenue growth over the same period last year**MakerBot contributes \$33.6 million in revenue**Company reports non-GAAP net income growth of 51% over the same period last year to \$28.0 million, or \$0.55 per diluted share; GAAP net loss was \$173,000, or (\$0.00) per basic share**Company raises 2014 financial guidance and updates long-term operating model to reflect favorable business environment and impact of recent acquisitions*

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MINNEAPOLIS, MN & REHOVOT, ISRAEL, August 7, 2014 — Stratasys Ltd. (NASDAQ: SSYS) today announced record second quarter financial results.

Total revenue for the second quarter of 2014 was \$178.5 million, an increase of 67% compared to the same period last year; or an increase of 35% when excluding the impact of acquisitions. Non-GAAP net income for the second quarter increased by 51% over the same period last year to \$28.0 million, or \$0.55 per diluted share. GAAP net loss for the period was \$173,000, or (\$0.00) per basic share.

MakerBot branded products and services contributed \$33.6 million to second quarter revenue, driven by channel expansion initiatives and the successful introductions of new products within the rapidly expanding segment for desktop 3D printers.

The company raised its financial guidance for fiscal 2014 to account for an improved outlook for the remainder of the year, as well as to account for the recent acquisitions of Solid Concepts and Harvest Technologies. The company raised its organic revenue growth forecast for 2014 to at least 30%, versus a previous forecast of at least 25%.

Revenue guidance for 2014 increased to \$750 — \$770 million; versus previous guidance of \$660 — \$680 million. Non-GAAP net income guidance increased to \$2.25 — \$2.35 per diluted share, versus previous guidance of \$2.15 — \$2.25 per diluted share.

The company also updated its long-term operating model, which included raising its long-term annual organic revenue growth forecast to at least 25%, versus previous guidance of at least 20%.

In the second quarter the company announced agreements to acquire Solid Concepts and Harvest Technologies, which will be combined with RedEye, its existing digital manufacturing service business, to establish a single additive manufacturing services business unit. Both transactions closed in the third quarter, prior to the date of this release.

Q2-2014 Financial Results Summary:

- Revenue for the second quarter of 2014 was \$178.5 million, representing a 67% increase over the \$106.7 million non-GAAP revenue and the \$106.5 million GAAP revenue for the same period last year.
- GAAP net loss for the second quarter was \$173,000, or (\$0.00) per basic share, compared to a loss of \$2.8 million, or (\$0.07) per basic share, for the same period last year.
- Non-GAAP net income was \$28.0 million for the second quarter, or \$0.55 per diluted share, compared to non-GAAP net income of \$18.6 million, or \$0.45 per diluted share, for the same period last year.
- Second quarter per share calculations relative to last year were impacted by the issuance of approximately 5.2 million new ordinary shares in the September 2013 public offering which raised a net amount of approximately \$463 million and the approximately 3.9 million new ordinary shares issued in consideration for the acquisition of MakerBot in August of 2013.
- Operating expenses expanded materially in the second quarter over last year driven by the addition of MakerBot operating expenses, as well as from significant incremental investments in sales and marketing programs to support overall growth.
- The company invested a net amount of \$17.6 million in R&D projects (non-GAAP basis) during the second quarter, representing 10% of non-GAAP net sales; R&D expense was \$19.0 million on a GAAP basis.
- The company generated \$4.8 million in cash from operations during the second quarter, and currently holds \$577.9 million in cash and cash equivalents, and short term bank deposits, amounting to \$11.7 per share.
- Non-GAAP EBITDA for the second quarter amounted to \$34.6 million.
- The company sold 14,909 3D printing and additive manufacturing systems during the quarter, and on a combined pro forma basis, a cumulative 99,529 systems worldwide through June 30, 2014.

“We continue to observe strong positive sales momentum for our higher-performance systems and materials, which is reflected in the impressive 35% organic revenue growth we generated during the second quarter,” said David Reis, chief executive officer of Stratasys. “Equally impressive were the sales of MakerBot products and services, which contributed \$33.6 million of revenue during the period, driven by our expanding

distribution network and the successful launch of three MakerBot branded 3D printers in the first half of the year. We are very pleased with our second quarter results, which represent quarterly records in revenue, non-GAAP net income and non-GAAP earnings per share.”

Recent Business Highlights:

- Completed the acquisitions of Solid Concepts and Harvest Technologies, which are intended to create a leading strategic platform to meet customers’ additive

- manufacturing needs through an expanded technology and business offering.
- Recognized strong demand for high-end systems, driven by manufacturing applications, as well as ongoing strong demand for the Objet500 Connex3 Color Multi-material 3D Printer.
- Began shipping the MakerBot Replicator Mini Compact Desktop 3D Printer and MakerBot Replicator Z18 Desktop 3D Printer; and announced multiple new software tools and content agreements for the MakerBot 3D Printing Ecosystem.
- Expanded the MakerBot sales channel to include Home Depot and Tech Data, as well as Stratasys Japan in Asia and the creation of MakerBot Europe.
- Observed strong growth for dental solutions, supported by the establishment of a Dental Advisory Board, as well as the introduction of two low-cost entry-level systems targeting dental applications.

“We expect our positive momentum to continue as we begin the second half of 2014,” continued Reis. “Reflecting our favorable outlook, we are increasing our projection for organic revenue growth in 2014 to at least 30%, and we are raising our financial guidance accordingly. In addition, we are adjusting our outlook to account for the recent acquisitions of Solid Concepts and Harvest Technologies, acquisitions that we now believe will be modestly accretive to non-GAAP earnings per share in 2014. Longer term, we believe these acquisitions will enable us to better serve our customers, ultimately providing synergies for our combined organization. We are excited about our many opportunities, and believe we are well positioned within our rapidly growing industry.”

Financial Guidance:

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

- Revenue guidance was increased to \$750 — \$770 million; versus previous guidance of \$660 — \$680 million.

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- Non-GAAP net income guidance was increased to \$117 — \$122 million, or \$2.25 — \$2.35 per diluted share; versus previous guidance of \$113 — \$119 million, or \$2.15 — \$2.25 per diluted share.
- The acquisitions of Solid Concepts and Harvest Technologies are expected to be modestly accretive to Stratasys’ non-GAAP earnings per share in 2014.
- The company expects organic revenue growth, excluding acquisitions, of at least 30% in 2014 over 2013; versus the previous guidance of at least 25% growth.

GAAP financial guidance is not provided in this release given the initial accounting for the business combination of Solid Concepts and Harvest Technologies is incomplete, thus making the supplemental information required to calculate GAAP earnings unavailable. GAAP financial guidance will be calculated and communicated upon the completion of that analysis.

Stratasys updated the following information regarding the company’s long-term operating model:

- Annual organic revenue growth of at least 25%; versus the previous projection of at least 20%.
- Non-GAAP operating income as a percent of sales of 18% to 23%, versus the previous projection of 20% to 25%.
- Non-GAAP effective tax rate of 10% to 15%; versus the previous projection of 15% to 20%.
- Non-GAAP net income as a percent of sales projection remains unchanged at 16% to 21%.

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 compared to 2013, driven by significant investments to support MakerBot product development and sales expansion; other investments in sales and marketing to drive future market adoption; and increased R&D investments to fund technology innovation and new product development.
- Growth in operating expenses in 2014 will include significant investments to support the integration and alignment of the recent acquisitions of Solid Concepts and Harvest Technologies.
- Capital expenditures are projected at \$50 million to \$70 million, which includes significant investments in manufacturing capacity in anticipation and support of future growth.

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.

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Stratasys Ltd. Q2-2014 Conference Call Details

Stratasys will hold a conference call to discuss its second quarter financial results on Thursday, August 7, 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/aeagor6k>.

To participate by telephone, the domestic dial-in number is 877-415-3180 and the international dial-in is 857-244-7323. The access code is 84391755. 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.

(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 acquisitions) 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, Solid Concepts, and Harvest Technologies after their acquisitions 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 (the "SEC"), in the "Risk Factors" attached as Exhibit 99.3 to the Report of Foreign Private Issuer on Form 6-K furnished by

the company to the SEC on the date hereof, and in other reports that the company has furnished to, or 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 of America (GAAP). In addition, certain non-GAAP financial measures have been provided 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 included 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, Minnesota and Rehovot, Israel, is a leading global provider of 3D printing and additive and additive manufacturing solutions. The company's patented FDM®, PolyJet™ and WDM™ 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 a digital-manufacturing service comprising RedEye, Solid Concepts and Harvest Technologies. Stratasys has more than 2,500 employees, holds over 560 granted or pending additive manufacturing patents globally, and has received more than 25 awards for its technology and leadership. Online at: www.stratasys.com or <http://blog.stratasys.com>.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
Net sales				
Products	\$ 154,090	\$ 90,213	\$ 283,342	\$ 172,023
Services	24,375	16,272	46,064	31,669
	<u>178,465</u>	<u>106,485</u>	<u>329,406</u>	<u>203,692</u>
Cost of sales				
Products	73,394	45,731	134,416	94,774
Services	13,437	10,349	25,628	21,139
	<u>86,831</u>	<u>56,080</u>	<u>160,044</u>	<u>115,913</u>
Gross profit	91,634	50,405	169,362	87,779
Operating expenses				
Research and development, net	18,957	10,337	35,728	21,126
Selling, general and administrative	77,929	42,665	145,546	85,990
Change in fair value of earn-out obligations	628	—	(6,867)	—
	<u>97,514</u>	<u>53,002</u>	<u>174,407</u>	<u>107,116</u>
Operating loss	(5,880)	(2,597)	(5,045)	(19,337)
Other income (loss)	337	138	(999)	652
Loss before income taxes	(5,543)	(2,459)	(6,044)	(18,685)
Income taxes (benefit)	(5,370)	326	(9,958)	(417)
Net income (loss)	\$ (173)	\$ (2,785)	\$ 3,914	\$ (18,268)
Net income attributable to non-controlling interest	\$ —	\$ 15	\$ —	\$ 68
Net income (loss) attributable to Stratasys Ltd.	<u>\$ (173)</u>	<u>\$ (2,800)</u>	<u>\$ 3,914</u>	<u>\$ (18,336)</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.				
Basic	\$ (0.00)	\$ (0.07)	\$ 0.08	\$ (0.47)
Diluted	(0.00)	(0.07)	0.08	(0.47)
Weighted average ordinary shares outstanding				
Basic	49,373	38,781	49,323	38,637
Diluted	49,373	38,781	51,238	38,637

Stratasys Ltd.
Consolidated Balance Sheets
(in thousands)

	June 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 502,314	\$ 414,088
Short-term bank deposits	75,622	200,370
Accounts receivable, net	113,583	99,200
Inventories	114,346	88,406
Investment in sales-type leases, net	6,651	6,696
Prepaid expenses	7,966	5,470
Deferred income taxes	22,448	16,501
Other current assets	25,325	21,398
Total current assets	868,255	852,129
Non-current assets		
Goodwill	1,203,296	1,195,891
Other intangible assets, net	587,566	622,330
Investment in sales-type leases	13,007	11,219
Amounts funded in respect of employee rights upon retirement	3,369	3,166
Property, plant and equipment, net	110,848	91,005
Other non-current assets	4,827	6,481
Total non-current assets	1,922,913	1,930,092
Total assets	\$ 2,791,168	\$ 2,782,221
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 38,856	\$ 35,375
Accrued expenses and other current liabilities	32,919	32,849
Accrued compensation and related benefits	27,427	21,441
Earn-out obligation	11,458	12,027
Unearned revenues	41,895	36,033
Total current liabilities	152,555	137,725
Non-current liabilities		
Employee rights upon retirement	4,999	4,683
Earn-out obligation - long-term	—	16,998
Deferred tax liabilities	97,955	105,901
Unearned revenues - long-term	4,618	3,315
Other non-current liabilities	10,870	13,812
Total liabilities	270,997	282,434
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 shares; 49,436 and 49,211 shares issued and outstanding at June 30, 2014 and December 31, 2013, respectively	134	133
Additional paid-in capital	2,428,978	2,412,197
Retained earnings	89,463	85,549
Accumulated other comprehensive income	1,596	1,908
Total equity	2,520,171	2,499,787
Total liabilities and equity	\$ 2,791,168	\$ 2,782,221

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

	Three Months Ended June 30, 2014			Three Months Ended June 30, 2013		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
Net sales						
Products	\$ 154,090	\$ —	\$ 154,090	\$ 90,213	\$ 199	\$ 90,412
Services	24,375	—	24,375	16,272	—	16,272

	178,465	—	178,465	106,485	199	106,684
Cost of sales						
Products	73,394	(14,739)	58,655	45,731	(12,171)	33,560
Services	13,437	(340)	13,097	10,349	(343)	10,006
	<u>86,831</u>	<u>(15,079)</u>	<u>71,752</u>	<u>56,080</u>	<u>(12,514)</u>	<u>43,566</u>
Gross profit	91,634	15,079	106,713	50,405	12,713	63,118
Operating expenses						
Research and development, net	18,957	(1,318)	17,639	10,337	(846)	9,491
Selling, general and administrative	77,929	(17,617)	60,312	42,665	(10,748)	31,917
Change in fair value of earn-out obligations	628	(628)	—	—	—	—
	<u>97,514</u>	<u>(19,563)</u>	<u>77,951</u>	<u>53,002</u>	<u>(11,594)</u>	<u>41,408</u>
Operating income (loss)	(5,880)	34,642	28,762	(2,597)	24,307	21,710
Other income	337	—	337	138	—	138
Income (loss) before income taxes	(5,543)	34,642	29,099	(2,459)	24,307	21,848
Income taxes (benefit)	<u>(5,370)</u>	<u>6,475</u>	<u>1,105</u>	<u>326</u>	<u>2,916</u>	<u>3,242</u>
Net income (loss)	\$ (173)	\$ 28,167	\$ 27,994	\$ (2,785)	\$ 21,391	\$ 18,606
Net income attributable to non-controlling interest	\$ —	\$ —	\$ —	\$ 15	\$ 25	\$ 40
Net income (loss) attributable to Stratasys Ltd.	<u>\$ (173)</u>	<u>\$ 28,167</u>	<u>\$ 27,994</u>	<u>\$ (2,800)</u>	<u>\$ 21,366</u>	<u>\$ 18,566</u>
Net income (loss) per ordinary share attributable to Stratasys Ltd.						
Basic	\$ (0.00)		\$ 0.57	\$ (0.07)		\$ 0.48
Diluted	(0.00)		0.55	(0.07)		0.45
Weighted average ordinary shares outstanding						
Basic	49,373		49,373	38,781		38,781
Diluted	49,373		51,196	38,781		41,146

Stratasys Ltd.

Reconciliation of GAAP to Non-GAAP Results of Operations

(in thousands, except per share data)

	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013		
	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)	GAAP (unaudited)	Adjustments*	Non-GAAP (unaudited)
Net sales						
Products	\$ 283,342	\$ 235	\$ 283,577	\$ 172,023	\$ 1,214	\$ 173,237
Services	46,064	—	46,064	31,669	—	31,669
	<u>329,406</u>	<u>235</u>	<u>329,641</u>	<u>203,692</u>	<u>1,214</u>	<u>204,906</u>
Cost of sales						
Products	134,416	(28,468)	105,948	94,774	(31,348)	63,426
Services	25,628	(774)	24,854	21,139	(685)	20,454
	<u>160,044</u>	<u>(29,242)</u>	<u>130,802</u>	<u>115,913</u>	<u>(32,033)</u>	<u>83,880</u>
Gross profit	169,362	29,477	198,839	87,779	33,247	121,026
Operating expenses						
Research and development, net	35,728	(2,813)	32,915	21,126	(1,745)	19,381
Selling, general and administrative	145,546	(31,140)	114,406	85,990	(26,356)	59,634
Change in fair value of earn-out obligations	(6,867)	6,867	—	—	—	—
	<u>174,407</u>	<u>(27,086)</u>	<u>147,321</u>	<u>107,116</u>	<u>(28,101)</u>	<u>79,015</u>
Operating income (loss)	(5,045)	56,563	51,518	(19,337)	61,348	42,011
Other income (loss)	(999)	—	(999)	652	—	652
Income (loss) before income taxes	(6,044)	56,563	50,519	(18,685)	61,348	42,663
Income taxes (benefit)	<u>(9,958)</u>	<u>11,884</u>	<u>1,926</u>	<u>(417)</u>	<u>6,802</u>	<u>6,385</u>
Net income (loss)	\$ 3,914	\$ 44,679	\$ 48,593	\$ (18,268)	\$ 54,546	\$ 36,278
Net income attributable to non-controlling interest	\$ —	\$ —	\$ —	\$ 68	\$ 65	\$ 133

Net income (loss) attributable to Stratasys Ltd.	\$ 3,914	\$ 44,679	\$ 48,593	\$ (18,336)	\$ 54,481	\$ 36,145
Net income (loss) per ordinary share attributable to Stratasys Ltd.						
Basic	\$ 0.08		\$ 0.99	\$ (0.47)		\$ 0.94
Diluted	0.08		0.95	(0.47)		0.88
Weighted average ordinary shares outstanding						
Basic	49,323		49,323	38,637		38,637
Diluted	51,238		51,221	38,637		41,111

Stratasys Ltd.

Reconciliation of Non-GAAP Adjustments

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net sales, products				
Deferred revenue step-up	\$ —	\$ 199	\$ 235	\$ 1,214
Cost of sales, products				
Acquired intangible assets amortization	(14,029)	(11,780)	(27,254)	(30,542)
Non-cash stock-based compensation expense	(710)	(314)	(1,214)	(633)
Merger related expense	—	(77)	—	(173)
	(14,739)	(12,171)	(28,468)	(31,348)
Cost of sales, services				
Non-cash stock-based compensation expense	(324)	(318)	(732)	(633)
Merger related expense	(16)	(25)	(42)	(52)
	(340)	(343)	(774)	(685)
Research and development, net				
Non-cash stock-based compensation expense	(885)	(846)	(1,823)	(1,745)
Performance bonus expense	(347)	—	(904)	—
Merger related expense	(86)	—	(86)	—
	(1,318)	(846)	(2,813)	(1,745)
Selling, general and administrative				
Acquired intangible assets amortization	(5,507)	(2,425)	(10,871)	(7,886)
Non-cash stock-based compensation expense	(5,159)	(3,881)	(10,045)	(7,839)
Merger and acquisition related expense	(4,352)	(4,442)	(5,836)	(10,631)
Performance bonus expense	(2,599)	—	(4,388)	—
	(17,617)	(10,748)	(31,140)	(26,356)
Change in fair value of earn-out obligation				
Change in Earn-out obligation	(628)	—	6,867	—
Income taxes				
Tax expense related to non-GAAP adjustments	6,475	2,916	11,884	6,802
Net income attributable to non-controlling interest				
Depreciation and amortization expense attributable to non-controlling interest	—	25	—	65
Net income	\$ 28,167	\$ 21,366	\$ 44,679	\$ 54,481

Q2-2014 CONFERENCE CALL SCRIPT:**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 second quarter financial results. On the call with us today are David Reis, CEO; and Erez Simha, CFO and COO 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 also be available, and can be accessed through the Investor Section of our web site.

SLIDE#3: FORWARD LOOKING STATEMENTS

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, Solid Concepts and Harvest Technologies acquisitions) 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, Solid Concepts, Harvest Technologies and the Company's other acquisitions; 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 SEC, including the "Risk Factors" described in our Report of Foreign Private Issuer on Form 6-K furnished to the SEC on August 7, 2014. 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.

As in previous quarters, our focus on today's call will be on non-GAAP financial results. These non-GAAP financial measures should be read in combination with our GAAP metrics to evaluate our performance. We 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. Certain non-GAAP to GAAP reconciliations are provided in a table contained in our slide presentation and press release.

Now I would like to turn the call over to our CEO, David Reis. 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 second quarter results, which represent quarterly records for revenue, non-GAAP net income and non-GAAP earnings per share.

We continued to observe strong positive sales momentum for our higher-performance systems and materials, which is reflected in the impressive 35% organic revenue growth we generated during the period compared to last year.

Equally impressive were the sales of MakerBot products and services, which contributed \$33.6 million of revenue during the second quarter, a 100% increase over the revenue MakerBot generated as an independent company during the same period last year.

As we begin the second half of 2014, we expect our positive momentum to continue. Accordingly, we have raised our financial guidance and long-term revenue growth target.

In addition, we continue to position Stratasys for long term growth, through improvements in our organizational structure; as well as additional investments in channel and product development.

We will also look for additional strategic acquisitions, such as our recent acquisition of Solid Concepts and Harvest Technologies — two companies that we believe will contribute exciting new growth opportunities for Stratasys.

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

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. Erez.

Thank you, David, and good morning everyone.

As David mentioned in his opening remarks, we are very pleased with our second quarter performance. Financial highlights include:

1. Total revenue for the second quarter increasing by 67% over last year to \$178.5 million.
2. Impressive year-over-year organic revenue growth of 35%, an acceleration over the rate observed in the first quarter
3. Gross margin coming in at a strong 60% for the quarter.
4. Non-GAAP net income for the second quarter increasing by 51% over last year to \$28.0 million, or \$0.55 per diluted share.
5. MakerBot branded products and services contributing \$33.6 million to second quarter revenue, a 100% increase over the revenue MakerBot generated as an independent company during the same period last year.
6. The company significantly raising its financial guidance for fiscal 2014 to account for our improved outlook, as well as to account for the recent acquisitions of Solid Concepts and Harvest Technologies.
7. The company raising its organic revenue growth forecast for 2014 to at least 30%, versus a previous forecast of at least 25%.
8. And the company updating its long-term operating model, which included raising its long-term annual organic revenue growth projection to at least 25%, versus the company's previous projection of 20%.

SLIDE#6: REVENUE

Product revenue in the second quarter increased by 70% to \$154.1 million, as compared to \$90.4 million for the same period last year.

Within product revenue, system revenue increased by 108% in the second quarter over the same period last year, driven in large part by MakerBot's impressive contribution to the quarter.

System revenue growth excluding MakerBot products was impressive, growing by 51% over last year.

This included strong growth for all our 3D printer lines, driven by their ongoing adoption for a broad range of applications from prototypes to direct digital manufacturing.

A few notable areas of strength included:

-
1. Sales of high-end Fortus systems, driven by increased demand for manufacturing applications.
 2. Sales of the Objet500 Connex3 Color Multi-material 3D Printer, driven by applications for multi-material, color 3D printing.
 3. And sales of entry-level Mojo and uPrint 3D printers.

Within product revenue, consumables revenue increased by 35% in the second quarter compared to the same period last year, or 24% when excluding MakerBot consumables.

The growth in consumables is driven primarily by our growing installed base of 3D printers, and the relatively higher usage of our high-end systems.

In addition, we are observing favorable results from our efforts surrounding application training and materials education.

We believe that our growing installed base, and specifically the installed base of the Production Series and high-end Design Series systems, is a positive indicator of consumables revenue growth in future periods.

Service revenue in the second quarter increased by 50% to \$24.4 million, as compared to \$16.3 million for the same period last year.

Within service revenue, customer support revenue increased by 59%. The increase in customer support revenue was driven primarily by the inclusion of MakerBot revenue, as well as the increased revenue from maintenance contracts and service parts, reflecting our growing installed base of 3D printers.

Within service revenue, revenue from our RedEye paid parts service increased by 9% during the second quarter over last year. RedEye performance improved compared to the first quarter, and we expect sales growth will continue to improve moving forward.

SLIDE#7: UNIT SALES

We shipped 14,909 3D printers and additive manufacturing systems in the second quarter, as compared to 1,261 systems shipped in the second quarter last year.

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

However, we also observed strong unit sales growth across our other product lines during the second quarter, including our higher-end Fortus and Connex systems, as well as our entry-level Mojo and uPrint 3D printers.

Including all systems sold by Stratasys, Objet, Solidscape and MakerBot since their respective inceptions, the company has now sold 99,529 units worldwide on a combined basis, as of June 30, 2014.

SLIDE#8: GROSS PROFIT

Gross margin of 59.8% for the second quarter expanded when compared to 59.2% for the same period last year.

Sales of the company's higher-margin products, as well as improvements in service gross margin, more than offset the impact of the relatively lower gross margin currently generated by MakerBot and other entry level products.

The strong revenue contribution of MakerBot products makes the gross margin expansion even more impressive.

SLIDE#9: OPERATING PROFIT

Operating expenses increased materially in the second quarter compared to last year, driven by the inclusion of MakerBot, as well as from increased sales, marketing, and R&D investments to fund growth and new product development.

In addition, we continue to make significant incremental sales and marketing investments that target primarily MakerBot product expansion.

Net R&D expenses increased by 86% to \$17.6 million in the second quarter as compared to the same period last year.

R&D expenses, as a percentage of sales, were 9.9%, a slight increase from 8.9% for the same period last year.

SG&A expenses increased by 89% to \$60.3 million for the second quarter as compared to \$31.9 million for the same period last year, driven primarily by the inclusion of MakerBot, as well as:

- Changes in our product distribution strategy involving an increased use of independent sales agents, which resulted in increased agent commissions;
- Incremental expenses for strategic and marketing initiatives; and
- An increase in headcount and infrastructure to support our growth.

Our effective tax rate was 3.8% for the second quarter compared to the effective tax rate of 14.8% for the same period last year.

Our tax expense was impacted by the unique mix of taxable income that favored lower effective tax rate regions.

SLIDE#10: GEOGRAPHIC MIX

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

As in prior quarters, the Asia Pacific region remains one of our faster growing regions.

However, sales in all regions increased significantly in the second quarter of 2014 as compared to the same period last year, driven by the inclusion of MakerBot revenue, as well as from the strong demand we are experiencing in all regions.

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#11: BALANCE SHEET SUMMARY

We maintain approximately \$577.9 million in cash and cash equivalents, and short term bank deposits on our balance sheet, amounting to \$11.7 per share, compared to \$607.5 million at the end of the first quarter.

The decrease in cash is a result primarily of the 2013 MakerBot earn out and performance bonus payment; as well as from investments in working capital, expansion projects and acquisitions.

Net cash flow from operations in the second quarter was \$4.8 million. Capital expenditures amounted to approximately \$12.6 million in facility and equipment investments.

Our strong cash balance, combined with our available \$250 million revolving credit facility provides us flexibility to fund our current growth plans.

Inventories increased to \$114.3 million in the second quarter compared to \$99.8 million at the end of the first quarter, primarily due to planned inventory increases to allow for increased supply flexibility, as well to support new product introductions and increased demand.

Accounts receivable increased to \$113.6 million in the second quarter compared to \$106.0 million at the end of the first quarter, while DSO, on 12-month trailing revenue, was 68, compared to 72 in the first quarter.

SLIDE#12: FINANCIAL RESULTS & PROJECTIONS

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

1. We generated impressive organic sales growth; combined with a strong revenue contribution from MakerBot.

-
2. We reported record financial results, driven by broad-based demand across our product lines.
 3. We should also highlight that our business, excluding MakerBot, experienced an expansion in margins over last year; which was offset by significant investments in MakerBot development projects to drive future growth.
 4. We believe that we are making the appropriate investments in strategic initiatives and infrastructure to accelerate our growth moving forward, and that we are on the leading edge of our exciting industry.
 5. We have a strong balance sheet and we continue to position the company for future growth through strategic investments, as well as additional acquisitions.
 6. And finally, we have raised financial guidance for 2014 and increased our long-term revenue growth target based on our favorable outlook.

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

SLIDE#13: GUIDANCE

SPEAKER: SHANE GLENN

Thank you Erez.

To reflect our improved outlook for 2014, as well as the recently closed acquisitions of Solid Concepts and Harvest Technologies, Stratasys updated the following information regarding the company's projected revenue and net income for the fiscal year ending December 31, 2014:

1. Revenue guidance was increased to \$750 — \$770 million; versus previous guidance of \$660 — \$680 million.
2. The increase in revenue guidance includes \$35 — \$40 million in revenue attributable to the recent acquisitions of Solid Concepts and Harvest Technologies; with the balance related to our improved outlook.
3. Non-GAAP net income guidance was increased to \$117 — \$122 million, or \$2.25 — \$2.35 per diluted share; versus previous guidance of \$113 — \$119 million, or \$2.15 — \$2.25 per diluted share.

4. The acquisitions of Solid Concepts and Harvest Technologies are expected to be modestly accretive to Stratasys' Non-GAAP earnings per share in 2014.
5. The company expects organic sales growth, excluding acquisitions, of at least 30% in 2014 over 2013; an increase over the previous guidance of at least 25% growth.

GAAP financial guidance is not being provided at this time given that the initial accounting for the business combination of Solid Concepts and Harvest Technologies is incomplete. This makes the supplemental information required to calculate GAAP earnings unavailable. GAAP financial guidance will be calculated and communicated upon the completion of that analysis.

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

1. Operating expenses are projected to expand materially in 2014 compared to 2013, driven by: significant investments to support MakerBot product development and sales expansion; other investments in sales and marketing to drive future market adoption; and increased R&D investments to fund technology innovation and new product development.
2. Growth in operating expenses in the second half of 2014 will include significant investments to support the integration and alignment of the recent acquisitions of Solid Concepts and Harvest Technologies.
3. We also expect significant non-recurring integration cost related to the Solid Concepts and Harvest Technologies integration.
4. Capital expenditures are projected at \$50 million to \$70 million, which include significant investments in manufacturing capacity in anticipation and support of future growth.

SLIDE#14: LONG TERM TARGET OPERATING MODEL

Additionally, Stratasys updated the following information regarding the company's long-term operating model:

1. Annual organic revenue growth of at least 25%; versus the previous projection of at least 20%.
2. Non-GAAP operating income as a percent of sales of 18% to 23%, versus the previous projection of 20% to 25%.
3. Non-GAAP effective tax rate of 10% to 15%; versus the previous projection of 15% to 20%.
4. Non-GAAP net income as a percent of sales projection remains unchanged at 16% to 21%.

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#15-16: MARKET OPPORTUNITY & STRATEGIC IMPERATIVES

SPEAKER: DAVID REIS

Thank you, Shane.

We are extremely pleased with our second quarter results. We begin the second half of the year with significant positive momentum, as our markets continue in their rapid growth.

According to the 2014 Wohlers Report, revenue for additive manufacturing products and services in 2013 grew by 35% to approximately \$3.0 billion

Wohlers projects that the market will more than quadruple by 2018, to \$12.5 billion, and then will exceed \$21 billion by 2020.

Additive manufacturing and 3D printing solutions are disrupting enterprise processes, and empowering the creativity and innovation of individuals around the globe, by changing or enhancing many traditional product development and manufacturing processes.

Opportunities are developing rapidly, and we are focused on investing in projects that support our core strategic imperatives. These include:

1. Leadership in prototyping;
2. The continued expansion into direct digital manufacturing;
3. The introduction of new niche vertical applications;
4. The acceleration of new solutions to the market;
5. Improvements in 3D printing accessibility;
6. And improvements in customer intimacy.

Our strategy has always been to pursue leadership in every area in which we operate, execute our growth strategies to deliver shareholder value, and invest aggressively to capture future growth.

We remain focused on those objectives.

SLIDE #17-18: SOLID CONCEPTS, HARVEST & REDEYE

I would like to take a moment to highlight the completion of our acquisitions of Solid Concepts and Harvest Technologies, and the opportunities we see developing from these exciting acquisitions.

With both transactions now closed, we will begin the process of combining the companies with RedEye, our existing parts services business, to establish a leading strategic platform focused on meeting our customers' additive manufacturing needs.

We have an integration team composed of leaders from Stratasys, RedEye, Solid Concepts and Harvest Technologies, that has been working hard on integration planning since we announced the acquisitions.

The integration will be an ongoing process for a period of approximately 18 months, with our plan to first combine the sales, marketing and business development teams into one unified group. Final branding is yet to be determined, but we are undergoing a disciplined process to ensure the best positioning within our corporate structure.

Looking at the strategic rationale of these acquisitions, we see the parts services business as a growing and profitable business, which supports our strategic imperative to lead in end-use-parts production, and niche vertical market applications.

Additionally, our market analysis suggests that once Solid Concepts and Harvest Technologies have been integrated, Stratasys will have opportunities for the synergistic selling of systems and services across our larger combined customer base.

In short, these transactions are fundamentally about growth and being able to provide the best solutions to our customers, and we are excited to have both Solid Concepts and Harvest Technologies as part of the Stratasys family.

SLIDE #19: DISRUPTING ENTERPRISE PROCESSES — DDM

Stratasys has a growing suite of products and services that address enterprise development and manufacturing processes across many industries and markets.

Our solutions have the ability to significantly disrupt a growing number of business processes by enhancing or replacing traditional techniques.

Manufacturing is one area where we continue to observe a growing number of opportunities, and ongoing strong demand for our higher-end systems.

We believe our leadership in direct digital manufacturing is driven by the unique capabilities of many of our system and material offerings, combined with our ongoing efforts to better educate the market around solutions and applications.

Our technology disrupts the manufacturing process in the following ways:

- 1.) Additive manufacturing eliminates the restrictions that subtractive methods impose.
- 2.) Additive manufacturing significantly disrupts the economic formulas associated with shorter-run and customized production; and
- 3.) Additive manufacturing requires significantly fewer processing steps, less assembly, and generates minimum waste.

SLIDE #20: DISRUPTING ENTERPRISE PROCESSES — AUGMENTED MANUFACTURING

One area of increased utilization for our systems is for augmented manufacturing applications. These include the production of molds, patterns, jigs and fixtures used throughout the manufacturing and product assembly process.

From surveying our customers, we have learned that approximately 80 percent of Fortus system owners in the U.S. are using the technology for these types of manufacturing applications.

This continues a positive trend of customers discovering new applications for 3D printing after they have brought the technology into their organization.

In addition, these types of applications typically drive higher system utilization, which has a positive impact on consumables sales.

We have learned further from our surveys that organizations can realize between 40 and 90 percent reductions in lead-times for producing jigs and fixtures; and between 70 and 90 percent cost savings for the finished part, by utilizing our additive manufacturing and 3D printing solutions.

We believe the ROI for organizations is clear.

The rising demand for these types of applications, combined with our capabilities to address the opportunity, is a major driver behind the positive momentum that we carry into the second half of 2014.

SLIDE #21: SOLUTIONS & APPLICATIONS - PROTOTYPING

Stratasys has multiple solutions that address new product design, and we believe we continue to lead the market in addressing those types of applications.

According to Wohlers Associates, modeling and prototyping applications account for more than one third of 3D printing use cases.

We believe the strong demand we are observing in our MakerBot, Idea and Design Series systems reflect the value that organizations are deriving from being able to produce functional parts, high-quality models, and visual aids.

We are also pleased with the success of the new Objet500 Connex3 Color Multi-material 3D Printer, a system that produces high-detail, color, multi-material concept models and prototypes.

Customer feedback has been very positive, with many noting that the ability to combine color and multiple-materials in a single build enables them to produce fully functional parts that are closer to the final product than any other technology.

To support the strong demand for multi-material and color 3D printing, in the second quarter we added new flexible, rigid and opaque color palettes.

The color options are ideal for creating medical, automotive and consumer product components that offer true-to-life aesthetics. This helps product designers to validate designs and make decisions in advance of tooling; improving design quality and reducing tooling costs and time-to-market.

We believe product design and direct digital manufacturing are two additional areas where Stratasys presents a clear ROI and is able to meet the needs of customers with innovative solutions.

SLIDE #22: DENTAL APPLICATIONS

Our strategy includes targeting niche verticals where we believe traditional processes can be disrupted.

The dental market is an area where we believe we can address multiple applications.

To support our effort, we recently announced the establishment of the Stratasys Dental Advisory Board to help advance digital dentistry.

The Stratasys Dental Advisory Board will provide thought leadership and direction to the Stratasys dental business unit by developing research and content that supports the evolution of Stratasys dental products; and supports the introduction of initiatives aimed to encourage dental education, clinical cases, and future innovation.

Adding to our already extensive line of solutions that support the dental market, we recently introduced two new 3D printers for the dental lab community, the Stratasys CrownWorx and FrameWorx.

The new systems allow dental laboratories to produce wax-ups for crowns, bridges and denture frameworks.

With the new additions, Stratasys now offers six systems for the dental market that utilize five innovative materials.

SLIDE #23: EDUCATION

The education business is another area where we see significant opportunities, and are observing strong growth.

Helping to drive this success are teaching institutions that increasingly use 3D printing technology as a competitive advantage to attract the best and brightest students.

We are also observing a favorable trend in the sale of multiple units, as school districts adopt a 3D printing curriculum, and equip several schools simultaneously.

Concurrently, we are seeing a healthy product mix trend with MakerBot and Idea Series systems performing well, but balanced out by orders for our higher-end systems, particularly in higher education.

Several second quarter success stories are highlighted on Slide #23.

We believe our broad portfolio of products, combined with our dedicated channel strategy for education, makes us well positioned to address the needs of this significant market opportunity.

SLIDE #24-26: 3D PRINTING ACCESSIBILITY - MAKERBOT

We were very pleased with the performance of MakerBot during the second quarter, which contributed \$33.6 million in revenue during the period — a very impressive achievement.

All of the new MakerBot 5th generation products are now shipping, and we are observing strong demand across the entire product line.

While our FDM, PolyJet and Solidscape product offerings enable the disruption of enterprise processes, we believe our MakerBot products empower individuals by making 3D printing highly accessible.

In an effort to further improve that accessibility, and lower the barriers often associated with 3D printing, we continue to improve MakerBot's 3D Printing Ecosystem.

During the second quarter this included the launch of the previously announced MakerBot PrintShop, as well as the addition of the MakerBot Developer Program to provide resources for developers to integrate 3D printing into apps and games.

We also announced multiple content agreements for the MakerBot Digital Store.

Within the channel, we have made several significant additions to our distribution network for MakerBot products that include:

1. Home Depot, which is now carrying MakerBot 5th Generation 3D Printers in several stores as a pilot program;
2. TechData which has been added as a North American master distributor.
3. Anatek has been added as MakerBot's first reseller in Central America, and Stratasys Japan is now acting as a distributor for MakerBot products in the Asia-Pacific region.
4. We also recently created MakerBot Europe, the result of the successful acquisition of our Germany-based MakerBot partner, HAFNER'S BÜRO.

Our goal with MakerBot is to empower the individual with easy-to-use, affordable 3D printing technology — no matter the location or application.

We remain excited about the many opportunities within this rapidly growing segment, and believe with MakerBot we are well positioned to lead the category.

SLIDE #27: ORGANIZATIONAL INVESTMENTS

To support our aggressive growth goals, we will continue to invest aggressively in product and channel development; as well as building the necessary corporate infrastructure that can support our growth.

As Stratasys grows, we must build a scalable foundation that allows an ongoing emphasis on innovation and product development, while providing the necessary tools to fully leverage new products and services into the marketplace.

We believe we are leading the industry in building such an infrastructure.

SLIDE#28: SUMMARY & OUTLOOK

In summary:

1. We are extremely pleased with our second quarter financial results that include record revenue, non-GAAP net income, and non-GAAP earnings per share, as well as strong organic growth and expanded gross margins.
2. We continue to enjoy strong positive sales momentum for our higher-performance systems and materials, as well as impressive contributions from MakerBot supported by our investments in sales, marketing and product development initiatives.
3. We continue to disrupt enterprise processes and expand market adoption in key areas, including manufacturing, prototyping, dental, and education, as well as lead the market in empowering individuals with affordable, reliable desktop 3D printing.
4. We recently closed the acquisitions of Solid Concepts and Harvest Technologies, allowing us to begin the post-merger integration process, which we believe will lead to many exciting opportunities as we develop a broad set of solutions to address our customer's evolving needs.

5. We continue to position the company for future growth through enhancements to our organizational structure, and through strategic investments in channel, product, and technology development; as well as a focused M&A strategy.
6. And finally, we continue to observe a favorable market environment and have raised our financial guidance for the year as well as our long term revenue growth projection.

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

August 7th 2014

Q2-2014 Financial Results Conference Call



Q2-2014**Conference
and webcast
details****Speakers****David
Reis**

• CEO

**Erez
Simha**

• CFO & COO

**Shane
Glenn**• VP, Investor
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84391755**Replay Dial-in
Information**PRIMARY DIAL-IN:
(877) 415-3180INTERNATIONAL
DIAL-IN: (857) 244-7323AVAILABLE FROM:
5/09/2014 12:30 PM ETAVAILABLE TO:
5/16/2014 11:59 PM ETPARTICIPANT
PASSCODE:
84391755**ONLINE LIVE WEBCAST AND REPLAY:**<http://www.media-server.com/m/p/aeagor6k>

Stratasys

Forward looking statement

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, Solid Concepts and Harvest Technologies acquisitions) 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, Solid Concepts, Harvest Technologies and the Company's other acquisitions; 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 SEC, including the "Risk Factors" described in our Report of Foreign Private Issuer on Form 6-K furnished to the SEC on August 7, 2014. 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.



Q2 Summary & Outlook

Reported record revenue, non-GAAP net income and EPS

Strong 35% organic revenue growth driven by demand for higher-end systems and materials

Impressive MakerBot contribution of \$33.6 million driven by new product launches and strong demand in the desktop segment

Significant investments in market development and improvements to organizational structure to support future growth

Completed acquisitions of Solid Concepts and Harvest Technologies to significantly enhance parts services offering

Raised 2014 financial guidance and updated long-term operating model to reflect favorable outlook

Financial Results

Stratasys Ltd.

Non-GAAP

(\$ in millions unless noted otherwise)

	Q2-13	Q2-14	Change YOY
Unit Sales	1,261	14,909	1,082.3%
Total Revenue	\$106.7	\$178.5	+67.3%
Revenue/Employee	0.087	0.084	-3.1%
Gross Profit % margin	63.1 59.2%	106.7 59.8%	+69.1%
Operating Expenses % of sales	41.4 38.8%	78.0 43.7%	+88.2%
Operating Profit % margin	21.7 20.3%	28.8 16.1%	+32.5%
Pre-tax Profit % margin	21.8 20.5%	29.1 16.3%	+33.2%
Tax Rate	14.8%	3.8%	-74.4%
EBITDA	24.8	34.6	+39.5%
Net Income % margin	18.6 17.4%	28.0 15.7%	+50.8%
EPS (Diluted)	\$0.45	\$0.55	+21.2%
Diluted Shares	41.1	51.2	+24.4%

Quarter Highlights:

- Revenue growth of 67% YOY
- Organic revenue growth of 35% YOY
- Non-GAAP gross margin increased to 59.8%
- Non-GAAP net income growth of 51% YOY
- MakerBot contributed \$33.6 million in revenue
- Raised 2014 financial guidance and long-term revenue growth projection

Financial Results

Revenue

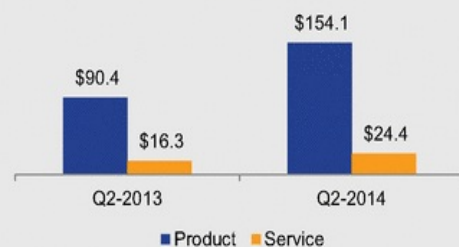
Stratasys Ltd.

Non-GAAP

(\$ in millions)



Total Revenue - Quarter



Quarter Highlights:

- System revenue +108% YOY
- Consumable revenue +35% YOY
- Customer Support Revenue +59% YOY

Total Revenue – Quarterly Trend



Financial Results

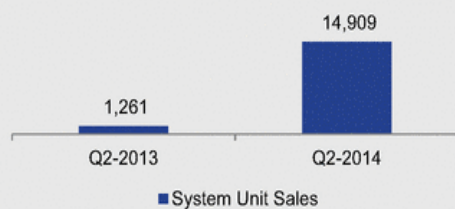
System Unit Sales¹

Stratasys Ltd.



Total Units – Quarter

System Unit Sales

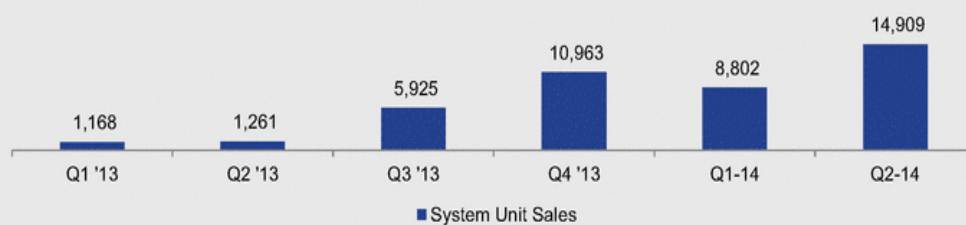


Quarter Highlights:

- MakerBot impact, including launch of Replicator Mini & Z18
- Continued growth of the Objet500 Connex3 Color Multi-Material 3D Printer
- Production, Idea and Design Series strength

Total Units – Quarterly Trend

System Unit Sales



(1) Includes systems sold by Stratasys, 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)	Q2-13	Q2-14	% Change YOY
Product Revenue	\$90.4	\$154.1	+70.4%
% of sales	84.7%	86.3%	
Service Revenue	16.3	24.4	+49.8%
% of sales	15.3%	13.7%	
Product Gross Profit % margin	56.9	95.4	+67.9%
	62.9%	61.9%	
Service Gross Profit % margin	6.3	11.3	+80.0%
	38.5%	46.3%	
Total Gross Profit % margin	63.1	106.7	+69.1%
	59.2%	59.8%	

Quarter Highlights:

- Strong sales of higher-margin products and services
- Improved overhead coverage on services business



Financial Results

Operating Profit

Stratasys Ltd.

Non-GAAP



(\$ in millions unless noted otherwise)	Q2-13	Q2-14	% Change YOY
R&D Expense	9.5	17.6	+85.9%
% of sales	8.9%	9.9%	
SG&A Expense	31.9	60.3	+89.0%
% of sales	29.9%	33.8%	
Total Operating Exp. % of sales	41.4	78.0	+88.2%
Total Operating Profit % margin	21.7	28.8	+32.5%

Quarter Highlights:

- Significant investments in MakerBot product development
- Investing for future growth



Financial Results

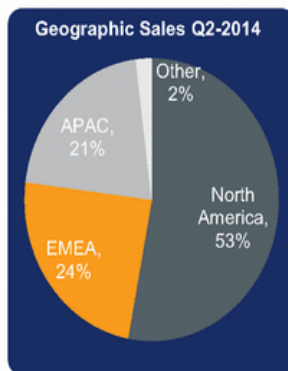
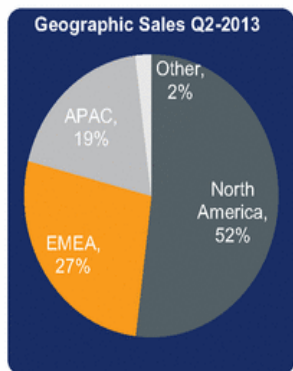
Revenue Geographic Mix

Stratasys Ltd.

Non-GAAP

Quarter Highlights:

- Strong growth in all regions
- Majority of MakerBot revenue generated in North America



Financial Results

Balance Sheet Summary

Stratasys Ltd.

(\$ in millions unless noted otherwise)

Selected balance sheet items (\$ in millions)	Q1-14	Q2-14
Cash , Cash Equivalents & Inv.	\$607.5	\$577.9
Accounts Receivable	106.0	113.6
Inventories	99.8	114.3
Net Working Capital	712.8	717.2

Highlights

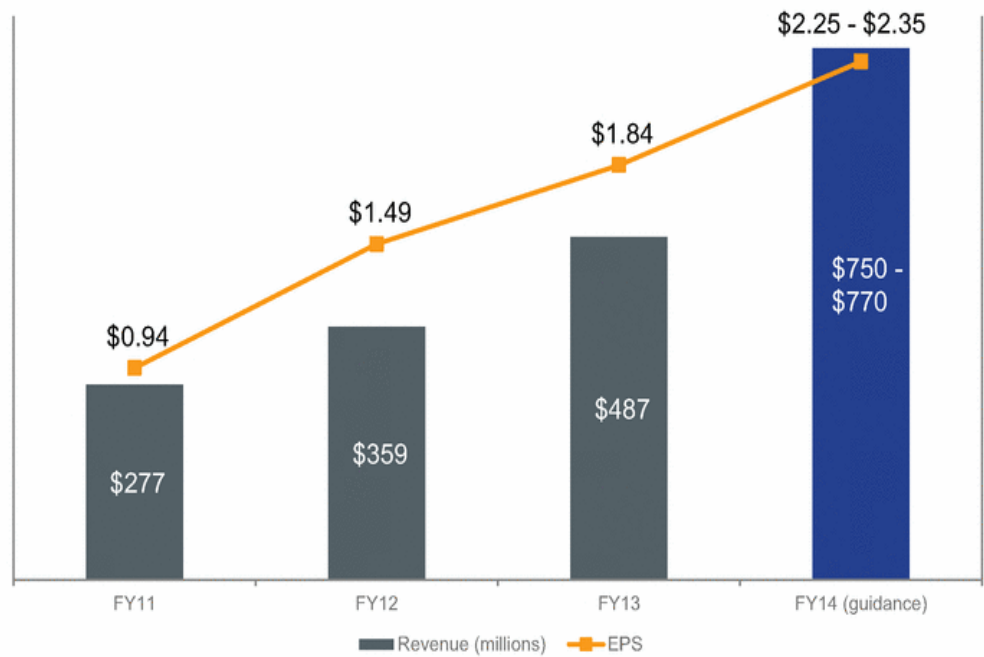
- \$577.9 M in cash and cash equivalents & bank deposits
- \$4.8 M net operating cash flow for Q2 2014
- Increased inventory for supply flexibility and new product introductions

Financial Results & Projections

Stratasys Ltd.

Non-GAAP

(\$ in millions unless noted otherwise)



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

Financial Guidance

Revenue and Earnings Guidance

Stratasys Ltd.

Non-GAAP

Fiscal 2014 Financial Guidance

Revenue (M)

\$750 - \$770

Non-GAAP Diluted EPS

\$2.25 - \$2.35

**Financial
Guidance****Long-Term
Target
Operating
Model****Stratasys Ltd.****Non-GAAP**

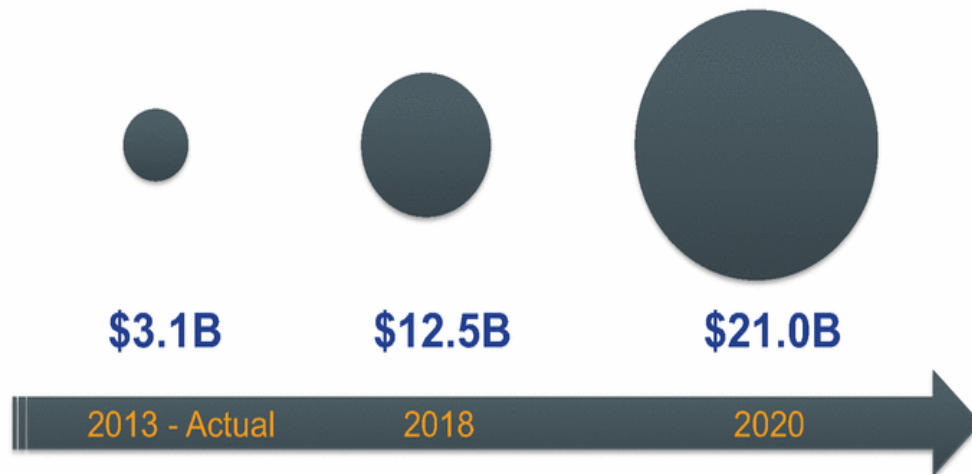
Revenue growth

+25%Operating margin¹**18% – 23%**
of salesEffective tax rate¹**10% – 15%**Net income margin¹**16% - 21%**
of sales¹ Non-GAAP.

Estimated Global Market for Additive Manufacturing Products and Services

Stratasys

Market Opportunity



Stratasys**Strategic
Imperatives**

Lead in Prototyping

Expand the Direct Digital Manufacturing (DDM) Business

Introduce Niche Vertical Applications

Accelerate New Solutions to the Market

Improve 3D Printing Accessibility

Improve Customer Intimacy

Stratasys**Solid
Concepts &
Harvest
Technologies
Update****Creates Leading Strategic Platform**

- ✓ Integration will occur over approximately 18 months
 - ✓ **Phase 1:** Sales, marketing, and business development into one unified group
 - ✓ **Phase 2:** Create single, unified company with one brand and cohesive, fully-integrated operation
- ✓ Transactions are expected to be modestly accretive to non-GAAP EPS in 2014



Provides Stratasys with Significant Additive Manufacturing and End-Use Parts Production Capabilities, Infrastructure, Capacity and Process Knowhow

Stratasys

Solid
Concepts &
Harvest
Technologies
Update

Operate as a Growing, Profitable Business Unit Within SSYS



Establish a Fulfillment Platform for Expanding EUP Strategy



Cross Selling Synergies

Parts Sell 3D
Printers



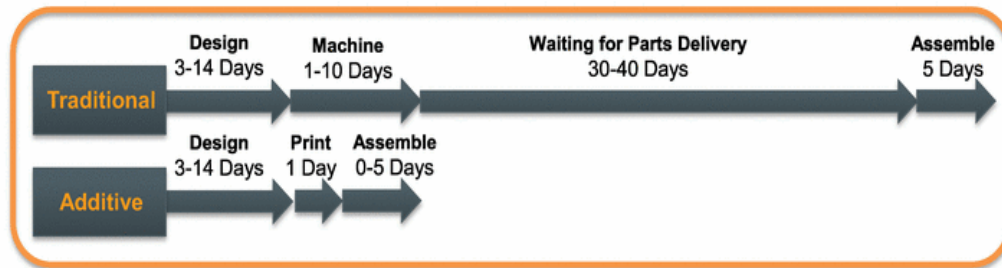
3D Printers Sell
Parts

Stratasys products and solutions disrupt business processes

Disrupting Enterprise Processes:

Direct Digital Manufacturing

- ✓ Additive manufacturing eliminates the restrictions that subtractive methods impose
- ✓ Additive Manufacturing significantly disrupts the economic formulas associated with Mass Production
- ✓ Additive manufacturing also requires significantly fewer processing steps, less assembly, and minimizes waste



Solutions and Applications:

Augmented Manufacturing

Stratasys Augmented Manufacturing Solutions Provide Clear ROI:

- ✓ Approximately **80%** of Fortus system owners produce molds, patterns, jigs and fixtures
- ✓ Customers have ability to reduce lead times by **40-90%**
- ✓ Cost savings for final part can be up to **70-90%**



Assembly Jigs



Sheet Metal Forming



Injection Molding



Assembly Guides



Production Line Jigs



Inspection Jigs



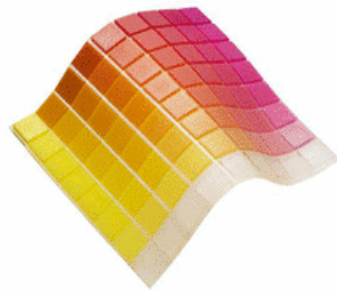
Source: Company Estimates

Objet500 Connex3 Color Multi-material 3D Printer

Solutions and Applications:

Prototyping

- ✓ Positive Customer Feedback
- ✓ Strong Demand
- ✓ Unmatched ability to combine color and multiple-materials in a single build
- ✓ Expanded color and material range



Solutions and Applications:

Dental

The Stratasys Dental Advisory Board will pursue the following objectives:

- ✓ Support research and development of Stratasys dental technologies and materials
- ✓ Promote education and development for digital dental and orthodontic lab professionals
- ✓ Forge relationships with industry organizations and allied dental technology
- ✓ Promote Stratasys to relevant industry groups, service providers and labs
- ✓ Share best practices that enable 3D printing technologies to take on a wider role



CrownWorx



FrameWorx

Stratasys Dental Solutions: 6 specialized systems and 5 advanced materials

Second Quarter Education Highlights:

Solutions and Applications:

Education

- ✓ Major U.S. school district: **Eight uPrint Plus** systems to equip local high schools
- ✓ Public university biomedical department: **Connex 350, Fortus 400mc** and **Fortus 250mc** to add to lab that already has **six Mojos, a Fortus 250mc, Dimension Elite, and Objet 30**
- ✓ Florida Polytechnic University: **over 55 MakerBot 3D printers and scanners**, as well as a **Dimension SST 1200es** as part of the largest MakerBot Innovation Center installation to date



MAKERBOT REPLICATOR 3D PRINTERS**FIFTH GENERATION**

MakerBot
Update:

New Products



MAKERBOT
REPLICATOR MINI



MAKERBOT
REPLICATOR



MAKERBOT
REPLICATOR Z18

MakerBot Update:

Additions to 3D Printing Ecosystem

MakerBot PrintShop

- ✓ Easy-to-use iPad app with intuitive interface for creating custom 3D prints

MakerBot Developer Program

- ✓ Tools and resources for developers to integrate with the expanding MakerBot 3D Ecosystem

MakerBot Digital Store Content

- ✓ Content agreements providing branded premium content that is print-verified and available for purchase



MakerBot Update:

Distribution and Channel

Home Depot

- ✓ MakerBot 5th Generation 3D Printers pilot test in several stores

TechData

- ✓ Master distributor for North America

Anatek

- ✓ MakerBot's first reseller in Central America

Stratasys Japan

- ✓ Distributor for MakerBot products in Asia

MakerBot Europe

- ✓ Result of the acquisition of German partner, HAFNER'S BÜRO.



The Difference in Distribution™



Stratasys:*New products and channel development***Investing in
Organizational
Structure***Investments in innovation**Scalable corporate infrastructure**Positioning to lead the market*

Summary & Outlook

- Record Q2 results as market demand remains strong
- Continue to observe strong demand for higher-performance systems and materials, as well as impressive contribution from MakerBot products
- Observed increased adoption in key markets including manufacturing, prototyping, dental and education
- Successfully closed acquisitions to create comprehensive parts services offering for customers and drive incremental growth opportunities
- Enhancing organizational structure through strategic investments including channel development, and targeted M&A activity
- Raised 2014 financial guidance and long term revenue growth projection to reflect favorable business environment and long term outlook



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 GAAP to Non-GAAP Results of Operations

Stratasys Ltd.
Combined

(\$ in thousands
except per
share data)

	Q2-13 GAAP	Adjustments	Q2-13 Non-GAAP	Q2-14 GAAP	Adjustments	Q2-14 Non-GAAP
Net sales						
Products	\$ 90,213	\$ 199	\$ 90,412	\$ 154,090	\$ -	\$ 154,090
Services	16,272	-	16,272	24,375	-	24,375
Cost of sales						
Products	45,731	(12,171)	33,560	73,394	(14,739)	58,655
Services	10,349	(343)	10,006	13,437	(340)	13,097
Gross profit	50,405	12,713	63,118	91,634	15,079	106,713
Operating expenses						
Research and development, net	10,337	(846)	9,491	18,957	(1,318)	17,639
Selling, general and administrative	42,665	(10,748)	31,917	77,929	(17,617)	60,312
Change in fair value of earn-out obligations	-	-	-	628	(628)	-
Operating income (loss)	(2,597)	24,307	21,710	(5,880)	34,642	28,762
Other income	138	-	138	337	-	337
Income (loss) before income taxes	(2,459)	24,307	21,848	(5,543)	34,642	29,099
Income taxes (benefit)	326	2,916	3,242	(5,370)	6,475	1,105
Net income (loss)	(2,785)	21,391	18,606	(173)	28,167	27,994
Net income attributable to non-controlling interest	15	25	40	-	-	-
Net income (loss) attributable to Stratasys Ltd.	\$ (2,800)	\$ 21,366	\$ 18,566	\$ (173)	\$ 28,167	\$ 27,994
EPS (Diluted)	\$ (0.07)		\$ 0.45	\$ (0.00)		\$ 0.55

Reconciliation of Non-GAAP Adjustments

Stratasys Ltd. Combined

	Q2-13	Q2-14
Net sales, products		
Deferred revenue purchase price	\$ 199	\$ -
Cost of sales, products		
Acquired intangible assets amortization	(11,780)	(14,029)
Non-cash stock-based compensation expense	(314)	(710)
Merger related expense	(77)	-
	(12,171)	(14,739)
Cost of sales, services		
Non-cash stock-based compensation expense	(318)	(324)
Merger related expense	(25)	(16)
	(343)	(340)
Research and development, net		
Non-cash stock-based compensation expense	(846)	(885)
Performance bonus expense	-	(347)
Merger related expense	-	(86)
	(846)	(1,318)
Selling, general and administrative		
Acquired intangible assets amortization	(2,425)	(5,507)
Non-cash stock-based compensation expense	(3,881)	(5,159)
Merger and acquisition related expense	(4,442)	(4,352)
Performance bonus expense	-	(2,599)
	(10,748)	(17,617)
Change in fair value of earn-out obligation		
Change in Earn-out obligation	-	(628)
Income taxes		
Tax expense related to non-GAAP adjustments	2,916	6,475
Net income attributable to non-controlling interest		
Depreciation and amortization expense attributable to non-controlling interest	25	-
Net income	\$ 21,366	\$ 28,167