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 July 2019

Commission File Number 001-35751

STRATASYS LTD.

(Translation of registrant's name into English)

c/o Stratasys, Inc.	**1 Holtzman Street, Science Park**
7665 Commerce Way	**P.O. Box 2496**
Eden Prairie, Minnesota 55344	**Rehovot, Israel 76124**

(Address of principal executive office)

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): ____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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): ____

The contents of this Report of Foreign Private Issuer on Form 6-K (this "Form 6-K"), including Exhibits 99.1, 99.2 and 101 annexed hereto, are incorporated by reference into the Registrant's registration statement on Form S-8, SEC file number 333-190963, filed by the Registrant with the SEC on September 3, 2013, and shall be a part thereof from the date on which this Form 6-K is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

CONTENTS

On July 31, 2019, Stratasys Ltd., or Stratasys, released its financial results for the three and six months ended June 30, 2019.

Attached hereto as Exhibit 99.1 are the unaudited, condensed consolidated financial statements of Stratasys for the three and six months ended June 30, 2019 (including the notes thereto) (the "Q2 2019 Financial Statements").

Attached hereto as Exhibit 99.2 is Stratasys' review of its results of operations and financial condition for the three and six months ended June 30, 2019, including the following:

(i) Operating and Financial Review and Prospects

(ii) Quantitative and Qualitative Disclosures About Market Risk

(iii) Legal Proceedings Update

Attached hereto as Exhibit 101 are the Q2 2019 Financial Statements, formatted in XBRL (eXtensible Business Reporting Language), consisting of the following sub-exhibits:

Exhibit Number	Document Description
EX-101.INS	XBRL Taxonomy Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema Document
EX-101.CAL	XBRL Taxonomy Calculation Linkbase Document
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
EX-101.LAB	XBRL Taxonomy Label Linkbase Document
EX-101.PRE	XBRL Taxonomy Presentation Linkbase Document

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: July 31, 2019	By: /s/ Lilach Payorski
	Name: Lilach Payorski
	Title: Chief Financial Officer

Exhibit 99.1

STRATASYS LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2019

(UNAUDITED)

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019
(UNAUDITED)

STRATASYS LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Consolidated Balance Sheets

(in thousands, except share data)

	June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 366,327	$ 393,167
Accounts receivable, net	131,546	138,146
Inventories	147,799	123,524
Prepaid expenses	8,117	6,398
Other current assets	29,686	22,936
Total current assets	683,475	684,171
Non-current assets		
Property, plant and equipment, net	189,794	188,150
Goodwill	385,803	385,849
Other intangible assets, net	96,001	107,274
Operating lease right-of-use assets	23,399	-
Other non-current assets	18,891	22,810
Total non-current assets	713,888	704,083
Total assets	$ 1,397,363	$ 1,388,254
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 54,662	$ 45,855
Current portion of long-term debt	-	5,143
Accrued expenses and other current liabilities	29,942	39,115
Accrued compensation and related benefits	29,572	31,703
Deferred revenues	54,298	53,965
Operating lease liabilities - short term	9,106	-
Total current liabilities	177,580	175,781
Non-current liabilities		
Long-term debt	-	22,000
Deferred revenues - long-term	16,652	18,422
Operating lease liabilities - long term	14,702	-
Other non-current liabilities	31,409	29,084
Total non-current liabilities	62,763	69,506
Total liabilities	$ 240,343	$ 245,287
Contingencies (see note 11)		
Redeemable non-controlling interests	742	852
Equity		
Ordinary shares, NIS 0.01 nominal value, authorized 180,000 thousands shares; 54,344 thousands shares and 53,881 thousands shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively	147	146
Additional paid-in capital	2,695,622	2,681,048
Accumulated other comprehensive loss	(7,047)	(7,753)
Accumulated deficit	(1,532,444)	(1,531,326)
Total equity	1,156,278	1,142,115
Total liabilities and equity	$ 1,397,363	$ 1,388,254

The accompanying notes are an integral part of these consolidated financial statements.

STRATASYS LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Consolidated Statements of Operations and Comprehensive Income (Loss)

	Three Months Ended June 30,		Six Months Ended June 30,	
in thousands, except per share data	**2019**	**2018**	**2019**	**2018**
Net sales				
Products	$ 110,341	$ 118,403	$ 215,432	$ 222,320
Services	52,822	51,833	103,031	101,749
	163,163	170,236	318,463	324,069
Cost of sales				
Products	47,095	53,262	91,264	98,480
Services	34,901	33,327	69,575	66,292
	81,996	86,589	160,839	164,772
Gross profit	81,167	83,647	157,624	159,297
Operating expenses				
Research and development, net	24,040	23,689	46,614	48,799
Selling, general and administrative	56,322	61,887	113,476	118,892
	80,362	85,576	160,090	167,691
Operating income (loss)	805	(1,929)	(2,466)	(8,394)
Financial income (expense), net	1,755	(83)	2,508	(75)
Income (loss) before income taxes	2,560	(2,012)	42	(8,469)
Income tax expenses	1,280	205	2,498	806
Share in profit (losses) of associated companies	(195)	(1,360)	1,228	(7,433)
Net income (loss)	$ 1,085	$ (3,577)	$ (1,228)	$ (16,708)
Net loss attributable to non-controlling interests	(67)	(26)	(110)	(116)
Net income (loss) attributable to Stratasys Ltd.	$ 1,152	$ (3,551)	$ (1,118)	$ (16,592)
Net income (loss) per ordinary share attributable to Stratasys Ltd.				
Basic	$ 0.02	$ (0.08)	$ (0.02)	$ (0.33)
Diluted	$ 0.02	$ (0.08)	$ (0.02)	$ (0.33)
Weighted average ordinary shares outstanding.				
Basic	54,231	53,722	54,102	53,689
Diluted	54,687	53,722	54,102	53,689
Comprehensive income (loss)				
Net income (loss)	1,085	(3,577)	(1,228)	(16,708)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(17)	(3,222)	(444)	(1,211)
Unrealized gains (losses) on derivatives designated as cash flow hedges	155	(544)	1,150	(869)
Other comprehensive income (loss), net of tax	138	(3,766)	706	(2,080)
Comprehensive income (loss)	1,223	(7,343)	(522)	(18,788)
Less: comprehensive loss attributable to non-controlling interests	(67)	(26)	(110)	(116)
Comprehensive income (loss) attributable to Stratasys Ltd.	$ 1,290	$ (7,317)	$ (412)	$ (18,672)

The accompanying notes are an integral part of these condensed consolidated financial statements.

STRATASYS LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Consolidated Statements of Changes in Equity

(in thousands)

Three and Six Months Ended June 30, 2019 and 2018

	Ordinary Shares		Additional		Accumulated Other	Equity		
	Number of shares	Par Value	Paid-In Capital	Accumulated Deficit	Comprehensive Loss	attributable to Stratasys Ltd.	Non-controlling Interests	Total Equity
Balance as of December 31, 2018	53,881	146	2,681,048	(1,531,326)	(7,753)	1,142,115	-	1,142,115
Issuance of shares in connection with stock-based compensation plans	167	*	2,222	-	-	2,222	-	2,222
Stock-based compensation	-	-	4,229	-	-	4,229	-	4,229
Comprehensive loss	-	-	-	(2,270)	568	(1,702)	-	(1,702)
Balance as of March 31, 2019	54,048	146	2,687,499	(1,533,596)	(7,185)	1,146,864	-	1,146,864
Issuance of shares in connection with stock-based compensation plans	296	1	2,030	-	-	2,031	-	2,031
Stock-based compensation	-	-	6,093	-	-	6,093	-	6,093
Comprehensive income	-	-	-	1,152	138	1,290	-	1,290
Balance as of June 30, 2019	54,344	147	2,695,622	(1,532,444)	(7,047)	1,156,278	-	1,156,278

	Ordinary Shares		Additional		Accumulated Other	Equity		
	Number of shares	Par Value	Paid-In Capital	Accumulated Deficit	Comprehensive Loss	attributable to Stratasys Ltd.	Non-controlling Interests	Total Equity
Balance as of December 31, 2017	53,631	145	2,663,274	(1,523,906)	(7,023)	1,132,490	17	1,132,507
Cumulative effect of changes in accounting principles	-	-	-	3,544	-	3,544	-	3,544
Issuance of shares in connection with stock-based compensation plans	79	*	334	-	-	334	-	334
Stock-based compensation	-	-	3,415	-	-	3,415	-	3,415
Comprehensive loss	-	-	-	(13,041)	1,686	(11,355)	(34)	(11,389)
Balance as of March 31, 2018	53,710	$ 145	$ 2,667,023	$ (1,533,403)	$ (5,337)	$ 1,128,428	$ (17)	$ 1,128,411
Issuance of shares in connection with stock-based compensation plans	19	1	38	-	-	39	-	39
Stock-based compensation	-	-	4,278	-	-	4,278	-	4,278
Purchase of redeemable non-controlling interests			(935)			(935)		(935)
Comprehensive loss	-	-	-	(3,551)	(3,766)	(7,317)	17	(7,300)
Balance as of June 30, 2018	53,729	$ 146	$ 2,670,404	$ (1,536,954)	$ (9,103)	$ 1,124,493	$ -	$ 1,124,493

* Represents an amount less than 0.5 thousand

STRATASYS LTD.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Consolidated Statements of Cash Flows

	Six Months Ended June 30,	
in thousands	**2019**	**2018**
Cash flows from operating activities		
Net loss	$ (1,228)	$ (16,708)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	25,063	30,612
Stock-based compensation	10,322	7,693
Foreign currency transaction loss (gain)	(1,603)	3,215
Deferred income taxes	(1,123)	(1,902)
Share in (profits) losses of associated companies	(1,228)	7,433
Gain from sale of unconsolidated entity	(3,578)	-
Other non-cash items, net	903	799
Change in cash attributable to changes in operating assets and liabilities:		
Accounts receivable, net	6,372	8,944
Inventories	(27,128)	(3,983)
Net investment in sales-type leases	1,801	4,262
Other current assets and prepaid expenses	(6,390)	(4,334)
Other non-current assets	3,875	(567)
Accounts payable	8,812	7,658
Other current liabilities	(12,798)	(2,046)
Deferred revenues	(1,357)	1,768
Other non-current liabilities	122	(2,746)
Net cash provided by operating activities	837	40,098
Cash flows from investing activities		
Purchase of property and equipment	(10,423)	(12,403)
Investment in unconsolidated entities	-	(7,862)
Purchase of intangible assets	(800)	(634)
Proceeds from sale of plant and property	129	4,105
Proceeds from sale of subsidiaries and unconsolidated entity	4,909	-
Other investing activities	(385)	(347)
Net cash used in investing activities	(6,570)	(17,141)
Cash flows from financing activities		
Repayment of debt	(27,293)	(2,572)
Proceeds from exercise of stock options	4,252	1,036
Acquisition of redeemable non-controlling interests	-	(1,500)
Net cash used in financing activities	(23,041)	(3,036)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,697	(2,001)
Net change in cash, cash equivalents and restricted cash	(27,077)	17,920
Cash, cash equivalents and restricted cash, beginning of period	393,734	329,359
Cash, cash equivalents and restricted cash, end of period	$ 366,657	$ 347,279
Supplemental disclosures of cash flow information:		
Transfer of fixed assets to inventory	127	156
Transfer of inventory to fixed assets	2,614	1,150

The accompanying notes are an integral part of these condensed consolidated financial statements.

Note 1. Business Description and Basis of Presentation

Stratasys Ltd. (collectively with its subsidiaries, the “Company”) is a global provider of applied additive technology solutions for a broad range of industries. The Company focuses on customers’ business requirements and seeks to create new value for its customers across their product lifecycle processes, from design prototypes to manufacturing tools and final production parts. The Company operates a 3D printing ecosystem of solutions and expertise, comprised of: 3D printers ranging from entry-level desktop 3D printers to systems for rapid prototyping (“RP”) and large production systems for direct digital manufacturing (“DDM”) based on precise fused deposition modeling (“FDM”) and PolyJet technologies; advanced materials for use with its 3D printers; software with voxel level control; application-based services; on-demand parts; and key partnerships.

The condensed consolidated interim financial statements include the accounts of Stratasys Ltd. and its subsidiaries. All intercompany accounts and transactions, including profits from intercompany sales not yet realized outside the Company, have been eliminated in consolidation.

The consolidated interim financial information herein is unaudited; however, such information reflects all adjustments (consisting of normal, recurring adjustments), which are, in the opinion of management, necessary for a fair statement of results for the interim period. The results of operations for the three and six months ended June 30, 2019 are not necessarily indicative of the results to be expected for the full year. Certain financial information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted. The reader is referred to the audited consolidated financial statements and notes thereto for the year ended December 31, 2018, filed with the U.S. Securities and Exchange Commission (the “SEC”) as part of the Company’s Annual Report on Form 20-F for such year on March 7, 2019.

Note 2. New Accounting Pronouncements

Accounting Pronouncements Adopted in the Current Period

In June 2018, the Financial Accounting Standards Board (“FASB”) issued a new Accounting Standards Update (“ASU”) which substantially aligns the measurement and classification guidance for share-based payments to non-employees with the guidance for share-based payments to employees. That ASU also clarifies that any share-based payment issued to a customer should be evaluated based upon the new revenue recognition standard. The new ASU required a modified retrospective transition approach. The Company adopted this guidance effective January 1, 2019, which has not had a material impact on its consolidated financial statements.

In August 2017, the FASB issued an ASU which simplifies the designation and measurement requirements of hedge accounting in certain situations and allows companies to better align their hedge accounting with their risk management activities. The ASU also eases certain hedge effectiveness assessment requirements, expands the eligibility of hedging strategies that may qualify for hedge accounting and modifies certain presentation and disclosure requirements. The Company adopted this guidance effective January 1, 2019, which has not had a material impact on its consolidated financial statements.

In February 2016, the FASB issued a new ASU which amended its lease accounting guidance. Under the new lease accounting guidance, lessees are required to recognize a right-of-use asset and a lease liability for all leases, including leases classified as operating leases. The lease liability and the right-of-use asset are measured based on the present value of the lease payments. In addition, disclosures of qualitative and quantitative information about leasing arrangements are required. The new lease accounting guidance also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and non-lease components of an arrangement.

The Company adopted the new lease accounting guidance on January 1, 2019, using a modified retrospective transition approach, with certain practical expedients, and as a result did not adjust prior periods. Following the adoption, the Company recognized right-of-use assets of $27.4 million and lease liabilities of $27.9 million for its operating leases. The Company does not have material finance leases. The new lease accounting guidance had no material impact on the Company's Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and no material impact on the Condensed Consolidated Statements of Cash Flows.

The Company determines whether an arrangement contains a lease at the inception of a contract. If an arrangement is a lease, the Company determines whether it is an operating lease or a finance lease. The Company's lease terms include all non-cancelable periods and may include options to extend the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term. The Company elected the short-term lease recognition exemption for all leases with terms shorter than twelve months.

The right-of-use assets represent the Company's right to control the use of an underlying asset for the lease term. The lease liabilities represent the present value of the Company's future lease payments over the expected lease term, which is determined using the Company's incremental borrowing rate at the lease commencement date. This rate is determined considering factors such as the lease term, credit standing and the economic environment of the location of the lease.

The Company's leases primarily relate to buildings for the Company's administrative, research and development, sales and marketing, and manufacturing activities, as well as vehicles leases.

As of June 30, 2019, the weighted average remaining lease term for the Company's leases was3.3 years, and weighted-average discount rate was4.7%.

Recently Issued Accounting Pronouncements Not Yet Adopted

In August 2018, the FASB issued an ASU that clarifies the accounting for implementation costs in cloud computing arrangements. This ASU requires the implementation costs incurred by customers in cloud computing arrangements to be deferred and recognized over the term of the arrangement, if those costs would be capitalized by the customers in a software licensing arrangement. The guidance will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company is currently evaluating the impact of the adoption of the new guidance on its consolidated financial statements.

In June 2016, the FASB issued an ASU that supersedes the existing impairment model for most financial assets to a current expected credit loss model. The new guidance requires an entity to recognize an impairment allowance equal to its current estimate of all contractual cash flows the entity does not expect to collect. The ASU also requires that credit losses relating to available-for-sale debt securities will be recorded through an allowance for credit losses. The new guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of the new guidance on its consolidated financial statements.

Note 3. Revenues

Disaggregation of Revenues

The following table presents the Company's revenues disaggregated by geographical region (based on the Company's customers' locations) and revenue type for the three and six months ended June 30, 2019 and 2018:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	(U.S. $ in thousands)		(U.S. $ in thousands)	
Americas				
Products	$ 67,137	$ 67,193	$ 125,191	$ 117,437
Service	40,888	39,597	79,332	77,267
Total Americas	**108,025**	**106,790**	**204,523**	**194,704**
EMEA				
Products	23,323	29,948	51,408	61,929
Service	6,826	7,279	13,524	14,269
Total EMEA	**30,149**	**37,227**	**64,932**	**76,198**
Asia Pacific				
Products	19,881	21,262	38,833	42,954
Service	5,108	4,957	10,175	10,213
Total Asia Pacific	**24,989**	**26,219**	**49,008**	**53,167**
Total Revenues	**$ 163,163**	**$ 170,236**	**$ 318,463**	**$ 324,069**

The following table presents the Company's revenues disaggregated based on the timing of revenue recognized for the threeand six months ended June 30, 2019 and 2018:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	(U.S. $ in thousands)		(U.S. $ in thousands)	
Revenues recognized in point in time from:				
Products	$ 110,341	$ 118,403	$ 215,432	$ 222,320
Services	10,747	11,059	21,374	21,137
Total revenues recognized in point in time	**121,088**	**129,462**	**236,806**	**243,457**
Revenues recognized over time from:				
Services	42,075	40,774	81,657	80,612
Total revenues recognized over time	**42,075**	**40,774**	**81,657**	**80,612**
Total Revenues	**$ 163,163**	**$ 170,236**	**$ 318,463**	**$ 324,069**

Contract Assets and Contract Liabilities

Contract assets are recorded when the Company's right to consideration is conditional on constraints other than the passage of time. The Company had no material contract assets as of June 30, 2019.

Contract liabilities include advance payments and billings in excess of revenue recognized, which are primarily related to advanced billings for service type warranty. Contract liabilities are presented under deferred revenues. The Company's deferred revenues as of June 30, 2019 and December 31, 2018 were as follows:

	June 30, 2019	December 31, 2018
	U.S. $ in thousands	
Deferred revenue*	70,950	72,387

*Includes $16.7 million and $18.4 million under long term deferred revenue in the Company's consolidated balance sheets as of June 30, 2019 and December 31, 2018, respectively.

Revenue recognized in 2019 that was included in deferred revenue balance as of January 1, 2019 was $14.1 million and $31.9 million for the three and six months ended June 30, 2019, respectively.

Remaining Performance Obligations

Remaining Performance Obligations ("RPO") represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. As of June 30, 2019, the total RPO amounted to 91.1 million. The Company expects to recognize $71.7 million of this RPO during the next 12 months, $13.6 million over the subsequent 12 months and $5.7 million in the remainder thereafter.

Incremental Costs of Obtaining a Contract

Sales commissions earned mainly by the Company’s sales agents are considered incremental costs of obtaining a contract with a customer, as the Company expects the benefit of those commissions to be longer than one year. The majority of the sales commissions are not subject to capitalization, as the commission expense is recognized as the related revenue is recognized. Sales commissions for initial contracts related to the service type warranty are deferred and then amortized on a straight-line basis over the expected customer relationship period if the Company expects to recover those costs. Amortization expense is included in selling, general and administrative expenses in the consolidated statements of operations. As of June 30, 2019 and December 31, 2018, the deferred commission amounted to $3.5 million and $3.1 million respectively

Note 4. Inventories

Inventories consisted of the following:

	June 30, 2019	December 31, 2018
	U.S. $ in thousands	
Finished goods	$ 73,852	$ 61,391
Work-in-process	3,600	2,616
Raw materials	70,347	59,517
	147,799	123,524

Note 5. Goodwill and Other Intangible Assets

Goodwill

Changes in the carrying amount of the Company's goodwill for the six-months ended June 30, 2019 were as follows:

	U.S. $ in thousands
Goodwill as of January 1, 2019	$ 385,849
Foreign currency translation adjustments	(46)
Goodwill as of June 30, 2019	$ 385,803

During the fourth quarter of 2018, the Company performed a quantitative assessment for goodwill impairment for its Stratasys-Objet reporting unit.

Following its quantitative assessment, the Company concluded that the fair value of its Stratasys-Objet reporting unit exceeded its carrying amount by approximately 8%, with a carrying amount of goodwill assigned to this reporting unit in an amount of $386 million.

When evaluating the fair value of its Stratasys-Objet reporting unit the Company used a discounted cash flow model which utilized Level 3 measures that represent unobservable inputs into the valuation method. Key assumptions used to determine the estimated fair value include: (a) expected cash flows for five years following the assessment date which were based on, among other factors, expected revenue growth, costs to produce, operating profit margins and estimated capital needs; (b) an estimated terminal value that utilized a terminal year growth rate of 3.1% that was determined based on the growth prospects of the reporting unit; and (c) a discount rate of 14.0% based on management's best estimate of the after-tax weighted average cost of capital. If any of these were to vary materially from the Company's estimates, the Company could face impairment of goodwill allocated to this reporting unit in the future.

Actual results may differ from those assumed in the Company's valuation method. It is reasonably possible that the Company's assumptions described above could change in future periods. If any of these were to vary materially from the Company's plans, it may record impairment of goodwill allocated to this reporting unit in the future.

A hypothetical decrease in the growth rate of 1% or an increase of 1% to the discount rate would have reduced the fair value of Stratasys-Objet reporting unit by approximately $48 million and $80 million, respectively.

Based on the Company's assessment as of December 31, 2018, no goodwill was determined to be impaired.

During the second quarter of 2019 the Company reaffirmed that no significant events or circumstances occurred that contradict the assumptions and data used in the annual impairment test performed in the fourth quarter of 2018.

Determining the fair value of the Stratasys-Objet reporting unit requires significant judgment, including judgments about the appropriate discount rates, terminal growth rates, weighted average costs of capital and the amount and timing of projected future cash flows. The Company will continue to monitor the fair value of its Stratasys-Objet reporting unit to determine whether events and changes in circumstances such as a deterioration in the business climate or operating results, significant decline in the Company's share price, changes in management's business strategy or downward changes of the Company's cash flows projections, warrant further interim impairment testing.

Other Intangible Assets

Other intangible assets consisted of the following:

	June 30, 2019			December 31, 2018		
	Carrying Amount, Net of Impairment	Accumulated Amortization	Net Book Value	Carrying Amount, Net of Impairment	Accumulated Amortization	Net Book Value
	U.S. $ in thousands					
Developed technology	$ 299,100	$ (244,256)	$ 54,844	$ 299,100	$ (236,375)	$ 62,725
Patents	11,022	(6,193)	4,829	10,127	(5,752)	4,375
Trademarks and trade names	26,239	(19,650)	6,589	26,212	(19,067)	7,145
Customer relationships	102,984	(73,473)	29,511	102,984	(70,353)	32,631
Capitalized software development costs	19,541	(19,313)	228	19,540	(19,142)	398
	$ 458,886	**$ (362,885)**	**$ 96,001**	**$ 457,963**	**$ (350,689)**	**$ 107,274**

Amortization expense relating to intangible assets for the three-month periods ended June 30, 2019 and 2018 was approximately $6.0 million and $8.0 million, respectively. Amortization expense relating to intangible assets for the six-month periods ended June 30, 2019 and 2018 was approximately $12.1 million and $16.1 million, respectively.

As of June 30, 2019, the estimated amortization expense relating to intangible assetsfor each of the following periods was as follows:

Remaining 6 months of 2019	$ 12,128
2020	23,983
2021	23,823
2022	23,730
Thereafter	12,337
Total	96,001

Note 6. Income (Loss) Per Share

The following table presents the numerator and denominator of the basic and diluted net income (loss) per share computations for the three and six months ended June 30, 2019 and 2018:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	In thousands, except per share amounts		In thousands, except per share amounts	
Numerator:				
Net income (loss) attributable to Stratasys Ltd.	$ 1,152	$ (3,551)	$ (1,118)	$ (16,592)
Adjustment of redeemable non-controlling interest to redemption amount	-	(935)	-	(935)
Net income (loss) attributable to Stratasys Ltd. for basic and diluted loss per share	1,152	(4,486)	(1,118)	(17,527)
Denominator:				
Weighted average shares				
Basic	54,231	53,722	54,102	53,689
Diluted	54,687	53,722	54,102	53,689
Net income (loss) per share attributable to Stratasys Ltd.				
Basic	$ 0.02	$ (0.08)	$ (0.02)	$ (0.33)
Diluted	$ 0.02	$ (0.08)	$ (0.02)	$ (0.33)

The computation of diluted net loss per share excluded share awards of 4.7 million shares and 4.1 million shares for the six months ended June 30, 2019 and 2018, respectively, because their inclusion would have had an anti-dilutive effect on the diluted net loss per share.

The computation of diluted net income (loss) per share excluded share awards of 3.5 million shares and 4.1 million shares for the three months ended June 30, 2019 and 2018, respectively, because their inclusion would have had an anti-dilutive effect on the diluted net income (loss) per share.

Note 7. Income Taxes

The Company had income tax expenses of $1.3 million for the three-month period ended June 30, 2019 comparedto income tax expenses of $0.2 million for the three-month period ended June 30, 2018, and income tax expenses of $2.5 million for the six-month period ended June 30, 2019 compared to income tax expenses of $0.8 million for the six-month period ended June 30, 2018. The Company's income tax expenses were primarily impacted by different geographic mix of earnings and losses, as well as a valuation allowance on losses of the Company's US subsidiaries.

Note 8. Fair Value Measurements

Financial instruments measured at fair value

The following tables summarize the Company's financial assets and liabilities that are carried at fair value on a recurring basis, in its consolidated balance sheets:

	June 30, 2019	December 31, 2018
	(U.S. $ in thousands)	
Assets:		
Foreign exchange forward contracts not designated as hedging instruments	$ 192	$ 374
Foreign exchange forward contracts designated as hedging instruments	522	-
Liabilities:		
Foreign exchange forward contracts not designated as hedging instruments	(160)	(196)
Foreign exchange forward contracts designated as hedging instruments	-	(628)
	$ 554	$ (450)

The Company's foreign exchange forward contracts are classified as Level 2, as they are not actively traded and are valued using pricing models that use observable market inputs, including interest rate curves and both forward and spot prices for currencies (Level 2 inputs).

Other financial instruments consist mainly of cash and cash equivalents, current and non-current receivables, net investment in sales-type leases, bank loan, accounts payable and other current liabilities. The fair value of these financial instruments approximates their carrying values.

Note 9. Derivative instruments and hedging activities

Since the Company conducts its operations globally, it is exposed to global market risks and to the risk that its earnings, cash flows and equity could be adversely impacted by fluctuations in foreign currency exchange rates. The Company enters into transactions involving foreign currency exchange derivative financial instruments. The Company manages its foreign currency exposures on a consolidated basis, which allows the Company to net exposures and take advantage of any natural hedging. The transactions are designed to manage the Company's net exposure to foreign currency exchange rates and to reduce the volatility of earnings and cash flows associated with changes in foreign currency exchange rates. The Company does not enter into derivative transactions for trading purposes.

The Company is primarily exposed to foreign exchange risk with respect to recognized assets and liabilities and forecasted transactions denominated in the New Israeli Shekel ("NIS"), Euro, Korean Won, Chinese Yuan and the Japanese Yen. The gains and losses on the hedging instruments partially offset losses and gains on the hedged items. Financial markets and currency volatility may limit the Company's ability to hedge these exposures.

The following table summarizes the consolidated balance sheets classification and fair values of the Company's derivative instruments:

		Fair Value		Notional Amount	
	Balance sheet location	**June 30, 2019**	**December 31, 2018**	**June 30, 2019**	**December 31, 2018**
		U.S. $ in thousands			
Assets derivatives -Foreign exchange contracts, not designated as hedging instruments	Other current assets	$ 192	$ 374	$ 27,397	$ 34,695
Assets derivatives -Foreign exchange contracts, designated as cash flow hedge	Other current assets	522	-	17,528	-
Liability derivatives -Foreign exchange contracts, not designated as hedging instruments	Accrued expenses and other current liabilities	(160)	(196)	74,367	54,425
Liability derivatives -Foreign exchange contracts, designated as hedging instruments	Accrued expenses and other current liabilities	-	(628)	-	41,303
		$ 554	$ (450)	$ 119,292	$ 130,423

As of June 30, 2019, the notional amounts of the Company's outstanding exchange forward contracts, not designated as hedging instruments, were $101.8 million, and were used to reduce foreign currency exposures. With respect to such derivatives, $0.0 million and gain of $3.3 million were recognized under financial income (expense), net for the three-month periods ended June 30, 2019 and 2018, respectively, and gain of $1.2 million and loss of $1.0 million were recognized under financial income (expense), net for the six-month periods ended June 30, 2019 and 2018, respectively. Such gains or losses partially offset the foreign currencies revaluation changes of the balance sheet items. These foreign currencies revaluation changes are also recognized under financial income (expense), net.

As of June 30, 2019, the Company had in effect foreign exchange forward contracts, designated as cash flow hedge for accounting purposes, for the conversion of $17.5 million into NIS. The Company uses short-term cash flow hedge contracts to reduce its exposure to variability in expected future cash flows resulting mainly from payroll costs denominated in NIS. The changes in fair value of those contracts are included in the Company's accumulated other comprehensive loss. These contracts mature through December 2019.

Note 10. Equity

a. Stock-based compensation plans

Stock-based compensation expenses for equity-classified stock options, restricted share units ("RSUs") and performance stock units ("PSUs") were allocated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	U.S $ in thousands		U.S $ in thousands	
Cost of sales	$ 541	$ 442	$ 895	$ 829
Research and development, net	1,511	938	2,270	1,680
Selling, general and administrative	4,041	2,898	7,157	5,184
Total stock-based compensation expenses	$ 6,093	$ 4,278	$ 10,322	$ 7,693

A summary of the Company's stock option activity for the six months ended June 30, 2019 is as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding as of January 1, 2019	2,551,743	$ 30.82
Exercised	(195,468)	21.75
Forfeited	(176,764)	24.63
Options outstanding as of June 30, 2019	2,179,511	$ 32.14
Options exercisable as of June 30, 2019	1,570,615	$ 36.69

During the six-month periods ended June 30, 2019 and 2018, the Company issued 195,468 shares and 20,596 shares, respectively, upon the exercise of stock options. This resulted in an increase in equity of $4.3 million and $0.4 million for the six-month periods ended June 30, 2019 and 2018, respectively.

As of June 30, 2019, the unrecognized compensation cost of $5.6 million related to all unvested, equity-classified stock options is expected to be recognized as an expense over a weighted-average period of 1.6 years.

A summary of the Company's RSUs and PSUs activity for the six months ended June 30, 2019 is as follows:

	Number of RSUs and PSUs	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2019	1,422,887	$ 20.17
Granted	1,541,482	26.58
Vested	(267,840)	20.43
Forfeited	(163,644)	21.02
Unvested as of June 30, 2019	**2,532,885**	**$ 23.99**

The fair value of RSUs and PSUs is determined based on the quoted price of the Company's ordinary shares on the date of the grant.

As of June 30, 2019, the unrecognized compensation cost of $51.3 million related to all unvested, equity-classified RSUs and PSUs is expected to be recognized as expense over a weighted-average period of 3.1 years.

b. Accumulated other comprehensive loss

The following tables present the changes in the components of accumulated other comprehensive income (loss), net of taxes, for the six months ended June 30, 2019 and 2018, respectively:

	Six months ended June 30, 2019		
	Net unrealized gain (loss) on cash flow hedges	Foreign currency translation adjustments	Total
		U.S. $ in thousands	
Balance as of January 1, 2019	$ (627)	$ (7,126)	$ (7,753)
Other comprehensive income (loss) before reclassifications	1,277	(444)	833
Amounts reclassified from accumulated other comprehensive loss	(127)	-	(127)
Other comprehensive income (loss)	1,150	(444)	706
Balance as of June 30, 2019	$ 523	$ (7,570)	$ (7,047)

	Six months ended June 31, 2018		
	Net unrealized gain (loss) on cash flow Hedges	Foreign currency translation adjustments	Total
		U.S. $ in thousands	
Balance as of January 1, 2018	$ 330	$ (7,353)	$ (7,023)
Other comprehensive income (loss) before reclassifications	(903)	(1,306)	(2,209)
Amounts reclassified from accumulated other comprehensive loss	34	95	129
Other comprehensive income (loss)	(869)	(1,211)	(2,080)
Balance as of June 30, 2018	$ (539)	$ (8,564)	$ (9,103)

Note 11. Contingencies

Patent Law-Based Claim

On November 23, 2017, a former employee, whose employment had been terminated by the Company in 2008 and who had previously unsuccessfully filed a suit against the Company, brought an additional proceeding against the Company under Section 134 of the Israeli Patent Law seeking compensation and royalties for service inventions he invented while he served as an employee of the Company. In this new proceeding, the former employee claims to be entitled to receive royalties in an amount equal to: (a) 20% of the benefits, revenues and /or savings generated by the Company in the past and in the future, including the rise in the value of the Company, as determined in the merger with Stratasys Inc., which took place in December 2012; (b) 20% of the gross profit generated by the Company in the past and 9% of the gross profit produced and that will be produced by the Company; (c) 20% of the gross profit generated by the Company in the past and the relative share of the former Objet entity of the Company in the total gross profit produced and that will be produced by the Company; or (d) 20% of the value of the service inventions at issue. The former employee further sought an order of accounts. The Company rejects the claims that serve as a basis for the proceeding and is defending against them vigorously.

The Company is a party to various other legal proceedings, the outcome of which, in the opinion of management, will not have a significant adverse effect on the financial position or profitability of the Company.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and the related notes included as Exhibit 99.1 to the Report of Foreign Private Issuer on Form 6-K to which this Operating and Financial Review and Prospects is attached, or the Form 6-K. The discussion below contains forward-looking statements (within the meaning of the United States federal securities laws) that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to inaccurate assumptions and known or unknown risks and uncertainties, including those identified in "Forward-Looking Statements and Factors that May Affect Future Results of Operations", below, as well in the "Risk Factors" in Item 3.D of our Annual Report on Form 20-F for the year ended December 31, 2018, or our 2018 Annual Report.

Overview of Business and Trend Information

We are a leading global provider of applied additive technology solutions for industries including aerospace, automotive, healthcare, consumer products and education. We focus on customers' business requirements and seek to create new value for our customers across their product lifecycle processes, from design prototypes to manufacturing tools and final production parts. We operate a 3D printing ecosystem of solutions and expertise, comprised of advanced materials; software with voxel level control; precise, repeatable and reliable fused deposition modeling 3D printers (utilizing proprietary FDM™ technology) and inkjet-based 3D printers (utilizing proprietary PolyJet™ technology); application-based services; on-demand parts and key partnerships. We strive to ensure that our solutions are integrated seamlessly into each customer's evolving workflow. Our applications are industry-specific and geared towards accelerating business processes, optimizing value chains and driving business performance improvements. Our customers range from individuals and smaller businesses to large, global enterprises, and we include a number of Fortune 100 companies among our customers.

Our 3D printers include systems ranging from entry-level desktop 3D printers to systems for rapid prototyping, or RP, and large production systems for direct digital manufacturing, or DDM. We also develop, manufacture and sell materials for use with our systems and provide related services offerings. We offer a powerful range of additive manufacturing materials, including clear, rubberlike and biocompatible photopolymers, and tough high-performance thermoplastics. We believe that the range of 3D printing consumable materials that we offer, consisting of 59 FDM™ cartridge-based materials, 44 PolyJet cartridge-based materials, 158 non-color digital materials, and over 500,000 color variations, is the widest in the industry. Our service offerings include Stratasys Direct Manufacturing printed parts services, as well as our professional services.

We conduct our business globally and provide products and services to our global customer base through our offices in North America and internationally, including: Baden-Baden, Germany; Shanghai, China; and Tokyo, Japan, as well as through our worldwide network of approximately 160 agents and resellers. Additionally, through our MakerBot subsidiary, we deploy an online sales channel. We have approximately 2,400 employees and hold more than 1,400 granted patents or pending patent applications worldwide.

Summary of Financial Results

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. In the opinion of our management, all adjustments considered necessary for a fair statement of the unaudited condensed consolidated financial statements have been included herein and are of a normal recurring nature. The following discussion compares the actual results, on a GAAP basis, for the three and six months ended June 30, 2019 with the corresponding periods in 2018.

Results of Operations

Comparison of Three Months Ended June 30, 2019 to Three Months Ended June 30, 2018

The following table sets forth certain statement of operations data for the periods indicated:

	Three Months Ended June 30,			
	2019		2018	
	U.S. $ in thousands	% of Revenues	U.S. $ in thousands	% of Revenues
Revenues	$ 163,163	100.0%	$ 170,236	100.0%
Cost of revenues	81,996	50.3%	86,589	50.9%
Gross profit	81,167	49.7%	83,647	49.1%
Research and development, net	24,040	14.7%	23,689	13.9%
Selling, general and administrative	56,322	34.5%	61,887	36.4%
Operating income (loss)	805	0.5%	(1,929)	-1.1%
Financial income (expense), net	1,755	1.1%	(83)	0.0%
Income (loss) before income taxes	2,560	1.6%	(2,012)	-1.2%
Income tax expenses	1,280	0.8%	205	0.1%
Share in losses of associated companies	(195)	-0.1%	(1,360)	-0.8%
Net loss attributable to non-controlling interests	(67)	0.0%	(26)	0.0%
Net income (loss) attributable to Stratasys Ltd.	1,152	0.7%	(3,551)	-2.1%

Discussion of Results of Operations

Revenues

Our products and services revenues for the three months ended June 30, 2019 and 2018, as well as the percentage change reflected thereby, were as follows:

	Three Months Ended June 30,		
	2019	2018	% Change
	U.S. $ in thousands		
Products	$ 110,341	$ 118,403	-6.8%
Services	52,822	51,833	1.9%
	$ 163,163	$ 170,236	-4.2%

Products Revenues

Revenues derived from products (including systems and consumable materials) decreased by $8.1 million, or 6.8%, for the three months ended June 30, 2019, as compared to the three months ended June 30, 2018. The decrease in products revenues was driven by a decrease in our systems and consumables revenues.

Systems revenues for the three months ended June 30, 2019 decreased by 9.9% as compared to the three months ended June 30, 2018. The decrease in systems revenues was driven primarily by a decrease in sales to the automotive and the industrial machinery markets in Europe andthe divestiture of our former subsidiary Solidscape.

Consumables revenues for the three months ended June 30, 2019 decreased by 3.7% as compared to the three months ended June 30, 2018. The decrease reflects a slight decrease in the European market, unfavorable exchange rates and the divestiture of our former subsidiary Solidscape.

Services Revenues

Services revenues (including SDM, maintenance contracts, spare parts and other services) increased by $1.0 million for the three months ended June 30, 2019, or 1.9%, as compared to the three months ended June 30, 2018. Within services revenues, customer support revenue, which includes revenue generated mainly by maintenance contracts on our systems, increased by 1.7%, driven primarily by growth in our installed base of systems.

Revenues by Region

Revenues and the percentage of revenues by region for the three months ended June 30, 2019 and 2018, as well as the percentage change in revenues in each such region reflected thereby, were as follows:

	Three Months Ended June 30,				
	2019		2018		% Change
	U.S.$ in thousands	% of Revenues	U.S.$ in thousands	% of Revenues	
Americas*	$ 108,025	66.2%	$ 106,790	62.7%	1.2%
EMEA	30,149	18.5%	37,227	21.9%	-19.0%
Asia Pacific	24,989	15.3%	26,219	15.4%	-4.7%
	$ 163,163	100.0%	$ 170,236	100.0%	-4.2%

* Represent the United States, Canada and Latin America

Revenues in the Americas region increased by $1.2 million, or 1.2%, to $108.0 million for the three months ended June 30, 2019, compared to $106.8 million for the three months ended June 30, 2018. The increase was in all revenue streams when excluding theimpact of the divestiture of our former subsidiary Solidscape

Revenues in the EMEA region decreased by $7.1 million, or 19.0%, to $30.1 million for the three months ended June 30, 2019, compared to $37.2 million for the three months ended June 30, 2018. The decrease was primarily driven by lower systems and consumables revenues as a result of weakness in the automotive and industrial machinery markets in Europe and due to the impact of the divestiture of our former subsidiary Solidscape. On a constant currency basis when using prior period's exchange rates, revenues decreased by $5.4 million, or 14.5%.

Revenues in the Asia Pacific region decreased by $1.2 million, or 4.7%, to $25.0 million for the three months ended June 30, 2019, compared to $26.2 million for the three months ended June 30, 2018. The decrease was primarily driven by lower systems revenues.

Gross Profit

Gross profit for our products and services for the three months ended June 30, 2019 and 2018, as well as the percentage change reflected thereby, were as follows:

	Three Months Ended June 30,		
	2019	2018	
	U.S. $ in thousands		Change in %
Gross profit attributable to:			
Products	$ 63,246	$ 65,141	-2.9%
Services	17,921	18,506	-3.2%
	$ 81,167	$ 83,647	-3.0%

Gross profit as a percentage of revenues for our products and services for the three months ended June 30, 2019 and 2018, were as follows:

	Three Months Ended June 30,	
	2019	2018
Gross profit as a percentage of revenues from:		
Products	57.3%	55.0%
Services	33.9%	35.7%
Total gross profit	49.7%	49.1%

Gross profit attributable to products revenues decreased by $1.9 million, or 2.9%, to $63.2 million for the three months ended June 30, 2019, compared to gross profit of $65.1 million for the three months ended June 30, 2018. Gross profit attributable to products revenues as a percentage of products revenues increased to 57.3% for the three months ended June 30, 2019, compared to gross profit of 55.0% for the three months ended June 30, 2018.

The increase in gross profit as a percentage of products revenue is attributable tooperational efficiency and product mix.

Gross profit attributable to services revenues decreased by $0.6 million, or 3.2%, to $17.9 million for the three months ended June 30, 2019, compared to $18.5 million for the three months ended June 30, 2018. Gross profit attributable to services revenues as a percentage of services revenues in the three months ended June 30, 2019 decreased to 33.9%, as compared to 35.7% for the three months ended June 30, 2018. Our gross profit from services revenues was impacted by the mix of services revenue sources.

Operating Expenses

The amount of each type of operating expense for the three months ended June 30, 2019 and 2018, as well as the percentage change reflected thereby, and total operating expenses as a percentage of our total revenues in each such quarter, were as follows:

	Three Months Ended June 30,		
	2019	2018	% Change
	U.S. $ in thousands		
Research and development, net	$ 24,040	$ 23,689	1.5%
Selling, general & administrative	56,322	61,887	-9.0%
	$ 80,362	$ 85,576	-6.1%
Percentage of revenues	49.3%	50.3%	

Research and development expenses, net increased by $0.4 million, or 1.5%, to $24.0 million for the three months ended June 30, 2019, compared to $23.7 million for the three months ended June 30, 2018. The amount of research and development expenses constituted 14.7% of our revenues for the three months ended June 30, 2019, as compared to 13.9% for the three months ended June 30, 2018.

Our research and development expenses were impacted by the timing of project spending and product launches. Our research and development expenses, net reflects our commitment to invest in long-term initiatives that include advancements in our core FDM and PolyJet technologies, as well as our new metal additive manufacturing platform, advanced composite materials, and software and application development.

Selling, general and administrative expenses decreased by $5.6 million, or 9.0%, to $56.3 million for the three months ended June 30, 2019, as compared to $61.9 million for the three months ended June 30, 2018. The amount of selling, general and administrative expenses constituted 34.5% of our revenues for the three months ended June 30, 2019, as compared to 36.4% for the three months ended June 30, 2018.

The decrease in our selling, general and administrative expenses was primarily driven by the impact of a gain from the sale of an unconsolidated entity as well as the impact of our divestiture of our former subsidiary Solidscape.

Operating Income (Loss)

Operating income (loss) and operating income (loss) as a percentage of our total revenues for the three months ended June 30,2019 and 2018, were as follows:

	Three Months Ended June 30,	
	2019	2018
	U.S. $ in thousands	
Operating income (loss)	$ 805	$ (1,929)
Percentage of revenues	0.5%	-1.1%

Operating income amounted to $0.8 million for the three months ended June 30, 2019 compared to an operating loss of $1.9 million for the three months ended June 30, 2018. The decrease in operating loss was primarily attributable to lower operating expenses for the three months ended June 30, 2019 compared to the three months ended June 30, 2018, as discussed above.

Financial Income (expense), net

Financial income, net, which was primarily comprised of foreign currencies effects, interest income and interest expense, amounted to $1.8 million, compared to financial expense, net of $0.1 million, for the three months ended June 30, 2019 and 2018, respectively. The increase in financial income, net is mainly due to lower financial expenses as a result of the full repayment of our loans in the previous quarter and due to higher interest yields on our cash investments.

Income Taxes

Income taxes and income taxes as a percentage of income (loss) before taxes for the three months ended June 30, 2019 and 2018, as well as the percentage change in each reflected thereby, were as follows:

	Three Months Ended June 30,		
	2019	2018	
	U.S. $ in thousands		Change in %
Income tax expense	$ 1,280	$ 205	524.4%
As a percent of income (loss) before income taxes	50.0%	-10.2%	

We had a positive effective tax rate of 50.0% for the three-month period ended June 30, 2019 compared to a negative effective tax rate of 10.2% for the three-month period ended June 30, 2018. Our effective tax rate was primarily impacted by different geographic mixes of earnings and losses as well as a valuation allowance on losses of our subsidiaries in the US.

Share in Losses of Associated Companies

Share in losses of associated companies reflects our proportionate share of the losses of unconsolidated entities accounted for by using the equity method of accounting. During the three months ended June 30, 2019, our proportionate share of the losses of our equity method investments was $0.2 million compared to $1.4 million in the three months ended June 30, 2018. The decrease in our share in the losses of unconsolidated entities is due to the sale of LPW during 2018.

Net Income (Loss) Attributable to Stratasys Ltd. and Net Income (Loss) Per Share

Net income (loss) attributable to Stratasys Ltd., and diluted net income (loss) per share, for the three months ended June 30, 2019 and 2018, were as follows:

	Three Months Ended June 30,	
	2019	2018
	U.S. $ in thousands	
Net income (loss) attributable to Stratasys Ltd.	$ 1,152	$ (3,551)
Percentage of revenues	0.7%	-2.1%
Diluted net income (loss) per share	$ 0.02	$ (0.08)

Net income attributable to Stratasys Ltd. was $1.2 million for the three months ended June 30, 2019 compared to net loss of $3.6 million for the three months ended June 30, 2018. The decrease in the net loss attributable to Stratasys Ltd. was primarily attributable to decreased operating expenses, as well as a decrease in share in losses of associated companies, as described above. In computing our loss per share for the three months ended June 30, 2018, we adjusted the net loss attributable to Stratasys Ltd. by $0.9 million due to an excess redemption amount of redeemable non-controlling interest.

Diluted net income per share was $0.02 and diluted net loss per share was $0.08 for the three months ended June 30, 2019 and 2018, respectively. The weighted average fully diluted share count was 54.7 million for the three months ended June 30, 2019, compared to 53.7 million for the three months ended June 30, 2018.

Results of Operations

Comparison of Six Months Ended June 30, 2019 to Six Months Ended June 30, 2018

The following table sets forth certain statement of operations data for the periods indicated:

	Six Months Ended June 30,			
	2019		2018	
	U.S. $ in thousands	% of Revenues	U.S. $ in thousands	% of Revenues
Revenues	$ 318,463	100.0%	$ 324,069	100.0%
Cost of revenues	160,839	50.5%	164,772	50.8%
Gross profit	157,624	49.5%	159,297	49.2%
Research and development, net	46,614	14.6%	48,799	15.1%
Selling, general and administrative	113,476	35.6%	118,892	36.7%
Operating loss	(2,466)	-0.8%	(8,394)	-2.6%
Financial income (expense), net	2,508	0.8%	(75)	0.0%
Income (loss) before income taxes	42	0.0%	(8,469)	-2.6%
Income tax expenses	2,498	0.8%	806	0.2%
Share in profit (losses) of associated companies	1,228	0.4%	(7,433)	-2.3%
Net loss attributable to non-controlling interests	(110)	0.0%	(116)	0.0%
Net loss attributable to Stratasys Ltd.	(1,118)	-0.4%	(16,592)	-5.1%

Discussion of Results of Operations

Revenues

Our products and services revenues for the six months ended June 30, 2019 and 2018, as well as the percentage change reflected thereby, were as follows:

	Six Months Ended June 30,		
	2019	2018	% Change
	U.S. $ in thousands		
Products	$ 215,432	$ 222,320	-3.1%
Services	103,031	101,749	1.3%
	$ 318,463	$ 324,069	-1.7%

Products Revenues

Revenues derived from products (including AM systems and consumable materials) decreased by $6.9 million, or 3.1%, for the six months ended June 30, 2019, as compared to the six months ended June 30, 2018. The decrease in products revenues was driven by a decrease in our systems and consumables revenues and was partially offset by an increase in our services revenues.

Systems revenues for the six months ended June 30, 2019 decreased by 5.2% as compared to the six months ended June 30, 2018. Consumables revenues for the six months ended June 30, 2019 decreased by 1.2% as compared to the six months ended June 30, 2018.

Services Revenues

Services revenues (including SDM, maintenance contracts, spare parts and other services) increased by $1.3 million for the six months ended June 30, 2019, or 1.3%, as compared to the six months ended June 30, 2018. Within services revenues, customer support revenue, which includes revenue generated mainly by maintenance contracts on our systems, increased by 1.6%, reflecting our growing installed base of systems and improvement in our service contract attach rate.

Revenues by Region

Revenues and the percentage of revenues by region for the six months ended June 30, 2019 and 2018, as well as the percentage change in revenues in each such region reflected thereby, were as follows:

	Six Months Ended June 30,				
	2019		2018		% Change
	U.S.$ in thousands	% of Revenues	U.S.$ in thousands	% of Revenues	
Americas*	$ 204,523	64.2%	$ 194,704	60.1%	5.0%
EMEA	64,932	20.4%	76,198	23.5%	-14.8%
Asia Pacific	49,008	15.4%	53,167	16.4%	-7.8%
	$ 318,463	100.0%	$ 324,069	100.0%	-1.7%

* Represent the United States, Canada and Latin America

Revenues in the Americas region increased by $9.8 million, or 5%, to $204.5 million for the six months ended June 30, 2019, compared to $194.7 million for the six months ended June 30, 2018. The increase was in all revenue streams.

Revenues in the EMEA region decreased by $11.3 million, or 14.8%, to $64.9 million for the six months ended June 30, 2019, compared to $76.2 million for the six months ended June 30, 2018. The decrease was primarily driven by the lower systems and consumables revenues as a result of the weakness in the automotive and industrial machinery markets in Europe and due to the impact of the divestiture of our former subsidiary Solidscape. On a constant currency basis when using prior period exchange rates, revenues decreased by $7.0 million or 9.2%.

Revenues in the Asia Pacific region decreased by $4.2 million, or 7.8%, to $49.0 million for the six months ended June 30, 2019, compared to $53.2 million for the six months ended June 30, 2018. The decrease was driven by lower systems and consumables revenues.

Gross Profit

Gross profit for our products and services for the six months ended June 30, 2019 and 2018, as well as the percentage change reflected thereby, were as follows:

	Six Months Ended June 30,		
	2019	2018	
	U.S. $ in thousands		Change in %
Gross profit attributable to:			
Products	$ 124,168	$ 123,840	0.3%
Services	33,456	35,457	-5.6%
	$ 157,624	$ 159,297	-1.1%

Gross profit as a percentage of revenues for our products and services for the six months ended June 30, 2019 and 2018, were as follows:

	Six Months Ended June 30,	
	2019	2018
Gross profit as a percentage of revenues from:		
Products	57.6%	55.7%
Services	32.5%	34.8%
Total gross profit	49.5%	49.2%

Gross profit attributable to products revenues increased by $0.3 million, or 0.3%, to $124.2 million for the six months ended June 30, 2019, compared to gross profit of $123.9 million for the six months ended June 30, 2018. Gross profit attributable to products revenues as a percentage of products revenues increased to 57.6% for the six months ended June 30, 2019, compared to gross profit of 55.7% for the six months ended June 30, 2018. The increase in gross profit margin for our productsrevenues was attributable to a favorable mix of products sold by us during the six months ended June 30, 2019.

Gross profit attributable to services revenues decreased by $2.0 million, or 5.6%, to $33.5 million for the six months ended June 30, 2019, compared to $35.5 million for the six months ended June 30, 2018. Gross profit attributable to services revenues as a percentage of services revenues in the six months ended June 30, 2019 decreased to 32.5%, as compared to 34.8% for the six months ended June 30, 2018.

Operating Expenses

The amount of each type of operating expense for the six months ended June 30, 2019 and 2018, as well as the percentage change reflected thereby, and total operating expenses as a percentage of our total revenues in each such period, were as follows:

	Six Months Ended June 30,		
	2019	2018	% Change
	U.S. $ in thousands		
Research and development, net	$ 46,614	$ 48,799	-4.5%
Selling, general & administrative	113,476	118,892	-4.6%
	$ 160,090	$ 167,691	-4.5%
Percentage of revenues	50.3%	51.7%	

Research and development expenses, net increased by $2.2 million, or 4.5%, to $46.6 million for the six months ended June 30, 2019, compared to $48.8 million for the six months ended June 30, 2018. The amount of research and development expenses constituted 14.6% of our revenues for the six months ended June 30, 2019, as compared to 15.1% for the six months ended June 30, 2018.

Selling, general and administrative expenses decreased by $5.4 million, or 4.6%, to $113.5 million for the six months ended June 30, 2019, as compared to $118.9 million for the six months ended June 30, 2018. The amount of selling, general and administrative expenses constituted 35.6% of our revenues for the six months ended June 30, 2019, as compared to 36.7% for the six months ended June 30, 2018.

The decrease in our selling, general and administrative expenses was primarily driven by the impact of the divestiture of certain entities as well as gainfrom sale of an unconsolidated entity.

Operating Loss

Operating loss and operating loss as a percentage of our total revenues for the six months ended June 30, 2019 and 2018, were as follows:

	Six Months Ended June 30,	
	2019	2018
	U.S. $ in thousands	
Operating loss	$ (2,466)	$ (8,394)
Percentage of revenues	-0.8%	-2.6%

Operating loss amounted to $2.5 million for the six months ended June 30, 2019 compared to an operating loss of $8.4 million for the six months ended June 30, 2018. The decrease in operating loss was primarily attributable to lower operating expenses for the six months ended June 30, 2019 compared to the six months ended June 30, 2018, as discussed above.

Financial Income (expense), net

Financial income (expense), net, which was primarily comprised of effects of foreign currencies, interest income and interest expense, amounted toincome of $2.5 million and expense of $0.1 million for the six months ended June 30, 2019 and 2018, respectively. The increase in financial income, net is mainly due to lower financial expenses as a result of the full repayment of our loans in the first quarter of 2019 and due to higher interest yields on our cash investments.

Income Taxes

Income taxes and income taxes as a percentage of income (loss) before taxes for the six months ended June 30, 2019 and 2018, as well as the percentage change in each reflected thereby, were as follows:

	Six Months Ended June 30,	
	2019	2018
	U.S. $ in thousands	
Income tax expense	$ 2,498	$ 806
As a percent of income (loss) before income taxes	5947.6%	-9.5%

We had a negative effective tax rate of5947.6% for the six-month period ended June 30, 2019 compared to a negative effective tax rate of 9.5% for the six-month period ended June 30, 2018. Our effective tax rate was primarily impacted by different geographic mixes of earnings and losses.

Share in Income (Losses) of Associated Companies

Share in income (losses) of associated companies reflects our proportionate share of the earningsor losses of unconsolidated entities accounted for by using the equity method of accounting. During the six months ended June 30, 2019, our proportionate share of the earnings of our equity method investments was $1.2 million compared to $7.4 million of losses in the six months ended June 30, 2018. The difference is primarily due to an in-process research and development (IPR&D) write-off recorded in 2018.

Net Loss Attributable to Stratasys Ltd and Net Loss Per Share

Net loss attributable to Stratasys Ltd., and diluted net loss per share, for the six months ended June 30,2019 and 2018, were as follows:

	Six Months Ended June 30,	
	2019	2018
	U.S. $ in thousands	
Net loss attributable to Stratasys Ltd.	$ (1,118)	$ (16,592)
Percentage of revenues	-0.4%	-5.1%
Diluted net loss per share	$ (0.02)	$ (0.33)

Net loss attributable to Stratasys Ltd. was $1.1 million for the six months ended June 30, 2019 compared to net loss of $16.6 million for the six months ended June 30, 2018. The decrease in the net loss attributable to Stratasys Ltd. was primarily attributable to decreased operating expenses, and a decrease in share in losses of associated companies, as described above. In computing our loss per share for the six months ended June 30, 2018, we adjusted the net loss attributable to Stratasys Ltd. by $0.9 million due to an excess redemption amount of redeemable non-controlling interest.

Diluted net loss per share was $0.02 and $0.33 for the six months ended June 30, 2019 and 2018, respectively. The weighted average fully diluted share count was 54.1 million for the six months ended June 30, 2019, compared to 53.7 million for the six months ended June 30, 2018.

Supplemental Operating Results on a Non-GAAP Basis

The following non-GAAP data, which excludes certain items as described below, are non-GAAP financial measures. Our management believes that these non-GAAP financial measures are useful information for investors and shareholders of our company in gauging our results of operations (x) on an ongoing basis after excluding merger and acquisition related expense and reorganization-related charges or gains, and (y) excluding non-cash items such as stock-based compensation expenses, acquired intangible assets amortization, including intangible assets amortization related to equity method investments, impairment of long-lived assets and the corresponding tax effect of those items. These non-GAAP adjustments either do not reflect actual cash outlays that impact our liquidity and our financial condition or have a non-recurring impact on the statement of operations, as assessed by management. These non-GAAP financial measures are presented to permit investors to more fully understand how management assesses our performance for internal planning and forecasting purposes. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of our results of operations without including all items indicated above during a period, which may not provide a comparable view of our performance to other companies in our industry. Investors and other readers should consider non-GAAP measures only as supplements to, not as substitutes for or as superior measures to, the measures of financial performance prepared in accordance with GAAP. Reconciliation between results on a GAAP and non-GAAP basis is provided in a table below.

Reconciliation of GAAP to Non-GAAP Results of Operations

The following tables present the GAAP measures, the corresponding non-GAAP amounts and related non-GAAP adjustments for the applicable periods:

	Three Months Ended June 30,					
	2019 GAAP	Non-GAAP Adjustments	2019 Non-GAAP	2018 GAAP	Non-GAAP Adjustments	2018 Non-GAAP
	U.S. dollars and shares in thousands (except per share amounts)					
Gross profit (1)	$ 81,167	$ 4,441	$ 85,608	$ 83,647	$ 5,708	$ 89,355
Operating income (loss) (1,2)	805	8,246	9,051	(1,929)	12,548	10,619
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	1,152	7,372	8,524	(3,551)	11,643	8,092
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	$ 0.02	$ 0.14	$ 0.16	$ (0.08)	$ 0.23	$ 0.15
(1) Acquired intangible assets amortization expense		3,900			5,220	
Non-cash stock-based compensation expense		541			442	
Reorganization and other related costs		-			46	
		4,441			5,708	
(2) Acquired intangible assets amortization expense		1,783			2,539	
Non-cash stock-based compensation expense		5,552			3,836	
Reorganization expenses and other		(3,530)			465	
		3,805			6,840	
		8,246			12,548	
(3) Corresponding tax effect		(874)			(1,119)	
Amortization of acquired intangibles related to equity method investments.		-			214	
		$ 7,372			$ 11,643	
(4) Weighted average number of ordinary shares outstanding- Diluted	54,687		54,687	53,722		53,745

	Six Months Ended June 30,					
	2019 GAAP	Non-GAAP Adjustments	2019 Non-GAAP	2018 GAAP	Non-GAAP Adjustments	2018 Non-GAAP
	U.S. dollars and shares in thousands (except per share amounts)					
Gross profit (1)	$ 157,624	$ 8,693	$ 166,317	$ 159,297	$ 11,307	$ 170,604
Operating income (loss) (1,2)	(2,466)	18,321	15,855	(8,394)	23,935	15,541
Net income (loss) attributable to Stratasys Ltd. (1,2,3)	(1,118)	15,299	14,181	(16,592)	27,406	10,814
Net income (loss) per diluted share attributable to Stratasys Ltd. (4)	$ (0.02)	$ 0.28	$ 0.26	$ (0.33)	$ 0.53	$ 0.20
(1) Acquired intangible assets amortization expense		7,798			10,424	
Non-cash stock-based compensation expense		895			829	
Reorganization and other related costs		-			54	
		8,693			11,307	
(2) Acquired intangible assets amortization expense		3,672			5,097	
Non-cash stock-based compensation expense		9,427			6,864	
Reorganization expenses and other		(3,471)			2,230	
Gain from sale of plant and property		-			(1,563)	
		9,628			12,628	
		18,321			23,935	
(3) Corresponding tax effect		(1,418)			(1,911)	
Gain from equity method divestment, related write-offs and amortization		(1,604)			5,382	
		$ 15,299			$ 27,406	
(4) Weighted average number of ordinary shares outstanding- Diluted	54,102		54,585	53,689		53,732

Liquidity and Capital Resources

A summary of our statement of cash flows is as follows:

	Six Months Ended June 30,	
	2019	2018
	U.S $ in thousands	
Net loss	$ (1,228)	$ (16,708)
Depreciation and amortization	25,063	30,612
Deferred income taxes	(1,123)	(1,902)
Stock-based compensation	10,322	7,693
Other non-cash item, net	(5,505)	11,447
Change in working capital and other items	(26,692)	8,956
Net cash provided by operating activities	837	40,098
Net cash used in investing activities	(6,570)	(17,141)
Net cash used by financing activities	(23,041)	(3,036)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,697	(2,001)
Net change in cash, cash equivalents and restricted cash	(27,077)	17,920
Cash, cash equivalents and restricted cash, beginning of period	393,734	329,359
Cash, cash equivalents and restricted cash, end of period	$ 366,657	$ 347,279

Our cash, cash equivalents and restricted cash balances decreased to $366.7 million on June 30, 2019 from $393.7 million on December 31, 2018. The decrease in cash and cash equivalents in the six months ended June 30, 2019 was primarily due to net cash used by financing activities in an amount of $23.0 million, and $6.6 million used in investing activities, as described below.

Our cash, cash equivalents and restricted cash balances increased to $347.3 million at June 30, 2018 from $329.4 million at December 31, 2017.

Cash flows from operating activities

We generated $0.8 million of cash from operating activities during the six months ended June 30, 2019. This cash generated by our operating activities reflects our $1.2 million net loss for this period, as adjusted to eliminate non-cash charges including depreciation and amortization of $25.1 million and stock-based compensation expense of $10.3 million partially offset by downwards adjustments to reflect the unfavorable changes in our working capital balances and to eliminate non-cash changes in our other assets and liabilities, in an aggregate amount of $26.7 million. The unfavorable impact of our working capital balances was driven by proactive steps to increase inventory levels in order to increase lead time and support product demand.

We generated $40.1 million of cash from operating activities during the six months ended June 30, 2018. That cash generated by our operating activities reflected our $16.7 million net loss for that period, as adjusted to eliminate non-cash charges such as $30.6 million of depreciation and amortization and $7.7 million of stock-based compensation expense and share in losses of associated companies of $7.4 million, as well as $9.0 million of changes in our working capital balances and other assets.

Cash flows used in investing activities

We used $6.6 million of cash in our investing activities during the six months ended June 30, 2019. Cash was primarily used to invest $10.4 million to purchase property and equipment which was offset mainly by proceeds of $3.9 million from the sale of unconsolidated entity. Our principal property and equipment purchases were for our new buildings complex under construction in Rehovot, Israel. The new facility in Rehovot, Israel, which will contain two buildings, houses our Israeli headquarters, research and development facilities and certain marketing activities.

We used $17.1 million of cash in our investing activities during the six months ended June 30, 2018. Cash was primarily used to invest $12.4 million to purchase property and equipment. (primarily for our new buildings complex under construction in Rehovot, Israel).

Cash flows used in financing activities

We used $23.0 million of cash in our financing activities during the six months ended June 30, 2019. Cash used for financing activities was mainly attributable to the early repayment of the full outstanding principal amount of our loans in an amount of $27.3 million. cash provided by financing activities was mainly attributable to proceeds of $4.3 million from the exercise of stock options.

We used $3.0 million of cash in our financing activities during the six months ended June 30, 2018. Cashused in financing activities was mainly attributable to the $2.6 million used for quarterly repayments of our long-term loan.

Capital resources and capital expenditures

Our total current assets amounted to $683.5 million as of June 30, 2019, of which $366.7 million consisted of cash, cash equivalents and restricted cash. Total current liabilities amounted to $177.6 million. Most of our cash and cash equivalents are held in banks in Israel and the U.S.

The credit risk related to our accounts receivable is limited due to the relatively large number of customers and their wide geographic distribution. In addition, we seek to reduce the credit exposure related to our accounts receivable by imposing credit limits, by conducting ongoing credit evaluation, and by implementing account monitoring procedures, as well as credit insurance for many of our customers.

We believe that we will have adequate cash and cash equivalents to fund our ongoing operations and that these sources of liquidity will be sufficient to satisfy our capital expenditure and debt requirements for the next twelve months.

Long-Term Bank Loan and Credit Line

In December 2016, our company entered into a secured loan agreement with Bank Hapoalim Ltd. in connection with our new office facility in Israel, which agreement we refer to as the Bank Loan Agreement. Pursuant to the Bank Loan Agreement, our company borrowed $26 million initially in December 2016, which we refer to as the Bank Loan, and secured a credit line for an additional $24 million, or the Credit Line. Any loans to be drawn upon the Credit Line were to be under similar terms as the Bank Loan. The Bank Loan was to mature in December 2023 and was payable in equal consecutive quarterly principal installments of principal and accrued interest. Any early repayment of the Bank Loan was subject to, within the initial three-year term of the Bank Loan, a maximum 1% penalty of the amount prepaid. The repayment of the Bank Loan was secured by a first-priority lien on all of our company’s rights in the property of our new office facility in Israel. The Bank Loan bore interest at the rate of LIBOR plus 3.35%. The Bank Loan Agreement contained customary representations and warranties, affirmative covenants and negative covenants, which included, without limitation, restrictions on indebtedness, liens, investments, and certain dispositions with respect to the property secured by the lien.

The Bank Loan Agreement also contained customary events of default that entitled the lender to cause any or all of our company's indebtedness to become immediately due and payable and to foreclose on the lien and included customary grace periods before certain events were to be deemed events of default. Borrowings under the Bank Loan Agreement were available mainly for the financing of our new facility in Israel.

As indicated above (under “Cash flows from financing activities”), in the first quarter of 2019, we repaid the full outstanding principal amount of the Bank Loan, in an aggregate amount of $27.3 million, plus all interest accrued thereon, thereby fulfilling all of our remaining obligations under the Bank Loan Agreement. In connection with the repayment, the first-priority lien on all of our rights with respect to the property of our new office facility in Israel was removed.

Critical Accounting Policies

We have prepared our consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America. This has required us to make estimates, judgments, and assumptions that affected the amounts we reported. Actual results may differ from those estimates. To facilitate the understanding of our business activities, certain accounting policies that are important to the presentation of our financial condition and results of operations and that require management's subjective judgments are described in our 2018 Annual Report. We base our judgments on our experience and various assumptions that we believe to be reasonable under the circumstances.

Forward-Looking Statements and Factors That May Affect Future Results of Operations

Certain information included in or incorporated by reference into the Report of Foreign Private Issuer on Form 6-K to which this Operating and Financial Review and Prospects is appended, or the Form 6-K, 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 those that predict or describe future events or trends and that do not relate solely to historical matters. You can generally identify forward-looking statements as statements containing the words "may," "will," "could," "should," "expect," "anticipate," "intend," "estimate," "believe," "project," "plan," "assume" or other similar expressions, or negatives of those expressions, although not all forward-looking statements contain these identifying words.

These forward-looking statements may include, but are not limited to, statements regarding our future strategy, future operations, projected financial position, proposed products, estimated future revenues, projected costs, future prospects, the future of our industry and results that might be obtained by pursuing management's current plans and objectives.

You should not place undue reliance on our forward-looking statements because the matters they describe are subject to certain risks, uncertainties and assumptions that are difficult to predict. Our forward-looking statements are based on the information currently available to us and speak only as of the date of this Form 6-K. Over time, our actual results, performance or achievements may differ from those expressed or implied by our forward-looking statements, and such difference might be significant and materially adverse to our shareholders. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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 extent of our success at introducing new or improved products and solutions that gain market share;
- the extent of growth of the 3D printing market generally;
- changes in our overall strategy, including as related to any reorganization activities and our capital expenditures;
- the impact of shifts in prices or margins of the products that we sell or services we provide;
- the impact of competition and new technologies;
- impairments of goodwill or other intangible assets in respect of companies that we acquire;
- the extent of our success at efficiently and successfully integrating the operations of various companies that we have acquired or may acquire;
- global market, political and economic conditions, and in the countries in which we operate in particular;

- government regulations and approvals;
- litigation and regulatory proceedings;
- infringement of our intellectual property rights by others (including for replication and sale of consumables for use in our systems), or infringement of others' intellectual property rights by us;
- the extent of our success at maintaining our liquidity and financing our operations and capital needs;
- impact of tax regulations on our results of operations and financial condition; and
- those factors referred to in Item 3.D, "Key Information - Risk Factors", Item 4, "Information on the Company", and Item 5, "Operating and Financial Review and Prospects" in our 2018 Annual Report, as well as in the 2018 Annual Report generally.

Readers are urged to carefully review and consider the various disclosures made throughout the Form 6-K, our 2018 Annual Report, and in our other reports filed with or furnished to the SEC, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Reference is made to Item 11, "Quantitative and Qualitative Disclosures about Market Risk" in our 2018 Annual Report.

LEGAL PROCEEDINGS

We are subject to various litigation and other legal proceedings. For a discussion of certain of these matters that we deem to be material to our company, see Note 11-"Contingencies" in the notes to our unaudited condensed consolidated financial statements attached as Exhibit 99.1 to the Form 6-K.