

Stratasys to Transition out of Arcam Distribution in Wake of High Demand for FDM Products

MINNEAPOLIS -- (BUSINESS WIRE) --

After two years of distributing Arcam additive fabrication systems in North America, Stratasys (Nasdaq: SSYS) says it will transition out of distributing the product line.

Arcam and Stratasys mutually agreed to terminate the distribution agreement. Since January 2006, Stratasys has been responsible for marketing and sales for Arcam in North America. Both companies are working together to create a smooth transition of operations from Stratasys to Arcam.

Arcam sales represent a small percentage of Stratasys revenues, and this change will not materially impact Stratasys revenue plans or strategy.

"Arcam's product was a complement to our high-end FDM product group," says Woody Frost, Stratasys VP of sales and marketing for high-end FDM systems. "However, with a thriving demand for our high-end FDM line and a better-than-anticipated response to our new FDM 900mc direct digital manufacturing system, we have decided to concentrate on growing our organic business."

Effective January 4, 2008, Arcam will assume full responsibility for all its marketing and sales operations in North America. The sales activities will be coordinated with Arcam's current direct service and support operations, Arcam CAD to Metal Inc., established in North America in 2005. As they have in the past, North American Arcam customers will continue to order consumables and request service support from Arcam CAD to Metal Inc.

Stratasys Inc., Minneapolis, manufactures additive fabrication machines for prototyping, 3 D printing, and direct digital manufacturing. It also offers prototype and part manufacturing services. According to Wohlers Report 2007, Stratasys supplied 41 percent of all additive fabrication systems installed worldwide in 2006, making it the unit market leader for the fifth consecutive year. Stratasys patented and owns the rapid prototyping process known as fused deposition modeling (FDM(R)). The process creates functional prototypes and end-use parts directly from any 3D CAD program, using ABS plastic, polycarbonate, PPSF, and blends. The company holds more than 180 granted or pending additive fabrication patents globally. Stratasys products are used in the aerospace, defense, automotive, medical, education, electronic, and consumer product industries. On the Web: www.Stratasys.com; www.Stratasys.com

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