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Stratasys Expands Lead in the Additive Fabrication Industry for 2007, According to Industry Report

Direct Digital Manufacturing Applications Expanding

MINNEAPOLIS--(BUSINESS WIRE)--

Stratasys, Inc. (Nasdaq: SSYS) today announced it has expanded its market leadership position in units shipped within the additive fabrication (AF) industry, according to the recently issued Wohlers Report 2008. Published by Wohlers Associates, Inc., the report offers a detailed review and analysis of additive fabrication technologies, applications and markets.

According to the report, Stratasys shipped 44 percent of all systems worldwide in 2007 compared to 42 percent in 2006, and it maintains the highest global installed base of additive systems. The report also indicated that within the 3D printer segment of the AF industry, Stratasys shipped 53 percent of all 3D printers in 2007 compared to 52 percent in 2006.

"Once again, we strengthened our leadership position within the industry," says Stratasys CEO Scott Crump. "This reflects the ongoing success of our 3D printer strategy, which is focused on providing an affordable and reliable system to designers and engineers worldwide. We continue to believe the global market potential for 3D printers could exceed 500,000 systems.

The report indicated that direct digital manufacturing (DDM) -- the manufacture of end-use parts -- was one of the fastest growing industry applications in 2007, representing 14.9% of applications last year versus 11.7% the year before.

"In addition, new opportunities have emerged for applications within direct digital manufacturing. These applications are providing incremental sales opportunities for our high-end system business. We are increasingly optimistic about the potential of this emerging market.

"We are pleased that our company has grown its leadership position within the AF industry during 2007. Our success is a result of the dedication and hard work of our employees and strategic partners. We look forward to continued success in 2008," Crump concluded.

Stratasys Inc., Minneapolis, manufactures office-based rapid prototyping and direct digital manufacturing systems, 3D printers and offers rapid prototyping and manufacturing parts services. According to Wohlers Report 2008, Stratasys supplied 44 percent of all systems installed worldwide in 2007, making it the unit market leader, for the sixth consecutive year. Stratasys developed the rapid prototyping process known as fused deposition modeling

(FDM). The process creates functional models and end-use parts directly from any 3D CAD program using ABS plastic, polycarbonate, PPSF, and blends. The company holds over 180 granted or pending rapid prototyping patents globally. Stratasys products are used in the aerospace, defense, automotive, medical, education, electronic, architecture and consumer product industries. The company's systems are also used for direct digital manufacturing (DDM) and rapid tooling applications. For more information on the company, go to www.Stratasys.com; www.DimensionPrinting.com; or www.RedEyeRPM.com.

Forward Looking Statement

All statements herein that are not historical facts or that include such words as "expects", "anticipates", "projects", "estimates" or "believes" or similar words are forward-looking statements that we deem to be covered by and to qualify for the safe harbor protection covered by the Private Securities Litigation Reform Act of 1995. Our belief that we have the largest part-building service claim is based on the number of dedicated machines. Except for the historical information herein, the matters discussed in this news release are forward-looking statements that involve risks and uncertainties; these include the continued market acceptance and growth of our Dimension (TM)line, FDM 200mc(TM), 360mc(TM), 400mc(TM), 900mc(TM), and Maxum(TM) product lines; the size of the 3D printing market; our ability to penetrate the 3D printing market; our ability to maintain the growth rates experienced in this and preceding quarters; our ability to introduce and market new materials such as ABSplus and M30; the market acceptance of these and other materials; the impact of competitive products and pricing; the timely development and acceptance of new products and materials; the success of our recent R&D initiative to expand the direct digital manufacturing capabilities of our core FDM technology; the success of our RedEyeRPM(TM) and other parts services; and the other risks detailed from time to time in our SEC Reports, including the annual report filed on Form 10-K for the year ended December 31, 2007 and 10-Q filed throughout 2008.

This release is also available on the Stratasys Web site at www.Stratasys.com.

Source: Stratasys, Inc.