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Stratasys Expands Lead in the Rapid Prototyping Industry for 2006, According to Industry Report

Direct Digital Manufacturing Applications Continue to Grow

MINNEAPOLIS--(BUSINESS WIRE)--

Stratasys, Inc. (Nasdaq:SSYS) today announced it has expanded its market leadership position in units shipped within the rapid prototyping and manufacturing (RP&M) industry, according to the recently issued Wohlers Report 2007.

Published by Wohlers Associates, Inc. and released yesterday at the annual RAPID Conference & Expo in Detroit, Mich. (formerly called RP&M Show), the report offers a detailed review and analysis of the RP&M industry.

According to the report, Stratasys shipped 41 percent of all systems worldwide in 2006 compared to 34 percent in 2005. The report also states that as of the end of 2006, Stratasys maintains the highest global installed base of additive systems.

"Clearly our leadership position within the industry was strengthened in 2006," says Stratasys CEO Scott Crump. "We're reaping the rewards of our successful 3D printing strategy that provides designers and engineers with a low-cost device that produces durable prototypes easily and reliably. We continue to believe the market potential for 3D printers could exceed 500,000 worldwide.

The report indicated that direct digital manufacturing (DDM) -- the manufacture of end-use parts -- was one of the fastest growing industry applications in 2006, representing 11.7% of applications last year versus 9.6% the year before.

"New opportunities are emerging within our industry. Specifically, applications for DDM could provide incremental growth opportunities going forward. We're excited about our new product initiatives planned for this year that target these applications," Crump concluded.

Stratasys Inc., Minneapolis, manufactures office-based rapid prototyping and manufacturing systems and 3D printers and offers rapid prototyping and manufacturing parts services. According to Wohlers Report 2007, Stratasys supplied 41 percent of all systems installed worldwide in 2006, making it the unit market leader, for the fifth consecutive year. Stratasys owns 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, 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.RedEyeRPM.com; or www.DimensionPrinting.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, Prodigy Plus, FDM Maxum(TM), FDM Vantage(TM), and Titan(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 PC-ABS and the market acceptance of this and other materials; the impact of competitive products and pricing; the timely development and acceptance of new products and materials; our ability to effectively and profitably market and distribute the Arcam product line; the success of our recent R&D initiative to expand the rapid 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 on Form 10-K for the year ended December 31, 2006 and 10-Q filed throughout 2007.

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

Source: Stratasys, Inc.