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Stratasys Takes Its Largest FDM Titan Order for a Direct Digital Manufacturing Application

Six Machines Added to Existing Installation for Total of 12 Machines

MINNEAPOLIS--(BUSINESS WIRE)--

(NASDAQ:SSYS) Stratasys today announced it's largest FDM Titan(TM) order to date -- six FDM Titan systems sold to a Fortune 500 company in June, which will employ them for direct digital manufacturing. The company will add them to its existing six Titans at the same location, bringing its total to 12 systems.

The 12 systems are being evaluated and results documented in preparation for the company's migration to direct digital manufacturing.

"This installation by a global manufacturer reaffirms industry observers' and our belief that DDM is here now, and that progressive companies are taking it seriously," says FDM product manager Patrick Robb. "Fortune 500 companies don't make this kind of investment unless they are serious about capitalizing on the opportunities for DDM. Some of the benefits of DDM include reduced or eliminated tooling costs, no waiting time for tooling, and a more cost efficient process when production runs are small."

In a 2006 survey, 42 percent of Stratasys machine owners say they use their additive fabrication ("rapid prototyping") system for at least some manufacturing of end-use parts.

Stratasys Inc., Minneapolis, manufactures prototyping and direct digital manufacturing systems, and it offers prototype and part manufacturing 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 prototypes 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. On the Web: www.Stratasys.com.

Forward Looking Statements

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 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 ABS-Plus 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 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 on Form 10-K for the year ended December 31, 2006 and our quarterly reports which will be filed on Form 10-Q throughout 2007.

FDM Titan is a trademark, and FDM is a registered trademark, of Stratasys, Inc.

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