

ALIGN TECHNOLOGY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share data)

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	YTD 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	YTD 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YTD 2011
N.A. Ortho Revenue (1)	\$ 21,087	\$ 21,574	\$ 22,722	\$ 25,036	\$ 90,419	\$ 28,195	\$ 29,143	\$ 31,169	\$ 28,911	\$ 117,418	\$ 35,017	\$ 39,905	\$ 42,630	\$ 43,222	\$ 160,774
YOY % growth	-6.5%	-6.2%	3.5%	20.2%	33.7%	33.7%	35.1%	37.2%	15.5%	24.2%	36.9%	36.9%	36.8%	49.5%	49.5%
QOQ % growth	1.3%	2.3%	5.9%	10.2%	12.6%	12.6%	3.4%	7.0%	-7.2%	21.1%	14.0%	14.0%	6.8%	1.4%	6.8%
N.A. GP Revenue (1)	30,916	31,756	33,908	36,172	132,752	37,200	37,374	36,780	33,800	145,154	39,241	45,091	46,146	48,178	178,656
YOY % growth	-8.9%	-10.7%	0.1%	12.7%	20.2%	20.2%	17.7%	8.5%	-6.6%	5.5%	20.6%	20.6%	25.5%	42.5%	42.5%
QOQ % growth	-3.7%	2.7%	6.8%	6.7%	2.8%	2.8%	0.5%	-1.6%	-8.1%	16.1%	14.9%	2.3%	4.4%	4.4%	4.4%
International (1)	14,267	18,058	18,460	21,259	72,044	20,027	22,006	23,221	24,831	90,085	25,179	29,096	30,864	30,416	115,555
YOY % growth	0.5%	9.9%	22.0%	30.8%	40.4%	40.4%	17.9%	25.8%	16.8%	25.7%	32.2%	32.9%	22.5%	22.5%	22.5%
QOQ % growth	-12.2%	26.6%	2.2%	15.2%	5.9%	5.9%	9.9%	5.5%	6.9%	1.4%	15.6%	6.1%	-1.5%	6.1%	6.1%
Teen Deferred Revenue Release	-	-	-	-	-	-	14,298	-	-	14,298	-	-	-	-	-
Non-case Revenue(2)	3,862	4,928	4,179	4,149	17,118	4,668	5,375	4,777	5,351	20,171	5,419	5,994	6,254	7,089	24,756
Total Invisalign Revenue	70,132	76,316	79,269	86,616	312,333	90,090	108,196	95,947	92,893	387,126	104,856	113,647	114,278	118,932	451,713
Total Scanner and CAD/CAM Revenue	-	-	-	-	-	-	-	-	-	-	6,439	6,439	11,616	9,973	28,028
Revenues	70,132	76,316	79,269	86,616	312,333	90,090	108,196	95,947	92,893	387,126	104,856	120,086	125,894	128,905	479,741
YOY % growth	-6.2%	-4.5%	5.4%	16.9%	26.5%	26.5%	41.8%	21.0%	7.2%	16.4%	11.0%	31.2%	38.6%	38.6%	38.6%
QOQ % growth	-5.4%	8.8%	3.9%	9.3%	4.0%	4.0%	20.1%	-11.3%	-3.2%	12.9%	14.5%	4.8%	2.4%	2.4%	2.4%
Cost of revenues Invisalign	17,425	18,338	20,268	22,810	78,841	20,380	21,178	21,014	21,137	83,709	22,630	24,600	24,408	25,375	97,013
Cost of revenues Scanner and CAD/CAM Services	-	-	-	-	-	-	-	-	-	-	4,349	9,116	7,980	7,980	21,445
Cost of revenues	17,425	18,338	20,268	22,810	78,841	20,380	21,178	21,014	21,137	83,709	22,630	28,949	33,524	33,355	118,458
Gross Profit	52,707	57,978	59,001	63,806	233,492	69,710	87,018	74,933	71,756	303,417	82,226	91,137	92,370	95,550	361,283
Operating Expenses:															
Sales and marketing	27,854	29,108	27,687	27,893	112,542	27,946	28,939	26,905	30,223	114,013	32,821	38,586	34,655	36,112	142,174
General and administrative	13,468	16,539	16,224	15,487	61,718	14,951	15,005	16,203	18,631	64,790	18,992	26,094	21,609	22,457	89,152
Research and development	5,191	5,669	5,611	5,781	22,252	6,116	6,396	6,592	6,893	25,997	9,390	9,270	8,926	9,568	37,154
Restructuring Charges	910	409	-	-	1,319	-	-	-	-	-	-	-	-	-	-
Litigation settlement costs	-	-	69,673	-	69,673	-	-	3,310	1,239	4,549	-	-	-	-	-
Insurance settlement	-	-	-	-	-	-	(8,666)	-	-	(8,666)	-	-	-	-	-
Amortization of acquired intangible assets	-	-	-	-	-	-	-	-	-	-	-	592	868	983	2,443
Total operating expenses	47,423	51,725	119,195	49,161	267,504	49,013	41,674	53,010	56,986	200,683	61,203	74,542	68,058	69,120	270,923
Profit (loss) from operations	5,284	6,253	(60,194)	14,645	(34,012)	20,697	45,344	21,923	14,770	102,734	21,023	16,595	26,312	26,430	90,360
Interest and other income (expense), net	148	557	(271)	(315)	119	(553)	156	(83)	(251)	(731)	89	(306)	(118)	(84)	(419)
Profit (loss) before provision for income taxes	5,432	6,810	(60,465)	14,330	(33,893)	20,144	45,500	21,840	14,519	102,003	21,112	16,289	26,194	26,346	89,941
Provision for (benefit from) income taxes	2,796	2,265	(10,523)	2,838	(2,624)	5,214	12,897	5,025	4,614	27,750	5,271	5,127	6,930	5,897	23,225
Net profit (loss)	\$ 2,636	\$ 4,545	\$ (49,942)	\$ 11,492	\$ (31,269)	\$ 14,930	\$ 32,603	\$ 16,815	\$ 9,905	\$ 74,253	\$ 15,841	\$ 11,162	\$ 19,264	\$ 20,449	\$ 66,716
Net profit (loss) per share															
- basic	\$ 0.04	\$ 0.07	\$ (0.72)	\$ 0.15	\$ (0.45)	\$ 0.20	\$ 0.43	\$ 0.22	\$ 0.13	\$ 0.98	\$ 0.21	\$ 0.14	\$ 0.25	\$ 0.26	\$ 0.86
- diluted	\$ 0.04	\$ 0.07	\$ (0.72)	\$ 0.15	\$ (0.45)	\$ 0.19	\$ 0.42	\$ 0.22	\$ 0.13	\$ 0.95	\$ 0.20	\$ 0.14	\$ 0.24	\$ 0.25	\$ 0.83
Shares used in computing net profit (loss) per share															
- basic	65,983	66,285	69,528	74,482	69,094	75,166	75,703	76,081	76,333	75,825	76,844	77,888	78,455	78,737	77,988
- diluted	66,447	67,373	69,528	76,831	69,094	77,597	77,607	78,109	78,724	78,080	79,361	80,321	80,266	80,849	80,294
Margin Analysis:															
Gross Margin	75.2%	76.0%	74.4%	73.7%	74.8%	77.4%	80.4%	78.1%	77.2%	78.4%	78.4%	75.9%	73.4%	74.1%	75.3%
- Invisalign	75.2%	76.0%	74.4%	73.7%	74.8%	77.4%	80.4%	78.1%	77.2%	78.4%	78.4%	75.9%	73.4%	74.1%	75.3%
- Scanner and CAD/CAM Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	32.5%	21.5%	20.0%	23.5%
Sales and Marketing	39.7%	38.1%	34.9%	32.2%	36.0%	31.0%	26.7%	28.0%	32.5%	29.5%	31.3%	32.1%	27.5%	28.0%	29.6%
General and administrative	19.2%	21.7%	20.5%	17.9%	19.8%	16.8%	13.9%	16.9%	20.1%	16.7%	18.1%	21.7%	17.2%	17.4%	18.6%
Research and development	7.4%	7.4%	7.1%	6.7%	7.1%	6.8%	5.9%	6.9%	7.4%	6.7%	9.0%	7.7%	7.1%	7.4%	7.7%
Restructuring	1.3%	0.5%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Margin	7.5%	8.2%	-75.9%	16.9%	-10.9%	23.0%	41.9%	22.8%	15.9%	26.5%	20.0%	13.8%	20.9%	20.5%	18.8%
Litigation settlement costs	0.0%	0.0%	87.9%	0.0%	22.3%	0.0%	0.0%	3.4%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance settlement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-8.0%	0.0%	0.0%	-2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization of acquired intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.8%	0.5%
Net Margin	3.8%	6.0%	-63.0%	13.3%	-10.0%	16.6%	30.1%	17.5%	10.7%	19.2%	15.1%	9.3%	15.3%	15.9%	13.9%
Year Over Year Analysis															
Revenue	-6.2%	-4.5%	5.4%	16.9%	2.7%	28.5%	41.8%	21.0%	7.2%	23.9%	16.4%	11.0%	31.2%	38.8%	23.9%
Profit (Loss) from Operations	14.2%	61.5%	-1157.7%	1005.3%	-319.2%	466.4%	625.2%	-136.4%	0.9%	-402.1%	1.6%	-63.4%	20.0%	78.9%	-12.0%
Operating Expense	-6.2%	-7.3%	135.0%	-6.5%	27.8%	3.4%	-19.4%	-55.5%	15.9%	-25.0%	24.9%	78.9%	24.6%	21.3%	35.0%
Net Profit (Loss)	-50.3%	12.8%	-1068.4%	-82.5%	-139.1%	466.4%	617.3%	-133.7%	-13.8%	-337.5%	6.1%	-65.8%	14.6%	106.5%	-10.2%
Quarter Over Quarter Analysis (Sequential)															
Revenue	-5.4%	8.8%	3.9%	9.3%	-	4.0%	20.1%	-11.3%	-3.2%	-	12.9%	14.5%	4.8%	2.4%	
Profit (Loss) from Operations	298.8%	18.3%	-1062.6%	-124.3%	-	29.9%	119.1%	-51.7%	-32.6%	-	42.3%	-21.1%	58.6%	0.4%	
Operating Expense	-9.8%	9.1%	130.4%	-58.8%	-	-0.3%	-15.0%	27.2%	7.5%	-	7.4%	21.8%	-11.4%	4.6%	
Net Profit (Loss)	-96.0%	72.4%	-1198.8%	-123.0%	-	29.9%	118.4%	-48.4%	-41.1%	-	59.9%	-29.5%	72.6%	6.2%	

(1) Q3 2011 and YTD 2011 North America and International revenues include the scanner and services product line as a result of the Cadent acquisition on April 29, 2011.

(2) Non-case revenue includes the retainer business, training revenues, and ancillary offerings under our Invisalign product lines

ALIGN TECHNOLOGY
NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share data)

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	YTD 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	YTD 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YTD 2011
N.A. Ortho Revenue (1)	\$ 21,087	\$ 21,574	\$ 22,722	\$ 25,036	\$ 90,419	\$ 28,195	\$ 29,143	\$ 31,169	\$ 28,911	\$ 117,418	\$ 35,017	\$ 39,905	\$ 42,630	\$ 43,222	\$ 160,774
YOY % growth	-6.5%	-6.2%	3.5%	20.2%	37.2%	33.7%	35.1%	37.2%	15.5%	36.9%	36.9%	36.8%	36.8%	49.5%	
QOQ % growth	1.3%	2.3%	5.3%	10.2%	12.6%	3.4%	7.0%	-7.2%	21.1%	14.0%	6.8%	1.4%	42.5%		
N.A. GP Revenue (1)	30,916	31,756	33,908	36,172	132,752	37,200	37,374	36,780	33,800	145,154	39,241	45,091	46,146	48,178	178,656
YOY % growth	-8.9%	-10.7%	0.1%	12.7%	20.3%	17.7%	8.5%	-6.6%	5.5%	20.6%	25.5%	42.5%			
QOQ % growth	-3.7%	6.7%	6.8%	6.7%	2.8%	0.5%	-1.6%	-1.1%	16.1%	14.9%	2.3%	4.4%			
International	14,267	18,058	18,460	21,259	72,044	20,027	22,005	23,221	24,831	90,085	25,179	29,096	30,864	30,416	115,555
YOY % growth	0.5%	9.9%	22.0%	30.8%	40.4%	21.9%	25.8%	16.8%	25.7%	32.2%	32.9%	22.5%			
QOQ % growth	-12.2%	26.6%	2.2%	15.2%	-5.8%	9.9%	5.5%	6.9%	1.4%	15.6%	6.1%	-1.5%			
Non-case Revenue (2)	3,862	4,928	4,179	4,149	17,118	4,668	5,375	4,777	5,351	20,171	5,419	5,994	6,254	7,089	24,756
Total Invisalign Revenue	70,132	76,316	79,269	86,616	312,333	90,090	93,898	95,947	92,893	372,828	104,856	113,647	114,278	118,932	451,713
Total Scanner and CAD/CAM Revenue	-	-	-	-	-	-	-	-	-	-	104,856	113,647	114,278	118,932	451,713
Revenues	70,132	76,316	79,269	86,616	312,333	90,090	93,898	95,947	92,893	372,828	104,856	120,086	125,894	128,905	479,741
Cost of revenues Invisalign	17,425	18,338	18,362	18,551	72,676	19,553	21,178	21,014	21,137	82,882	22,630	24,601	24,408	25,375	97,014
Cost of revenues Scanner and CAD/CAM Services	-	-	-	-	-	-	-	-	-	-	4,108	8,472	8,472	8,472	19,557
Cost of revenues	17,425	18,338	18,362	18,551	72,676	19,553	21,178	21,014	21,137	82,882	22,630	28,709	32,880	32,352	116,571
Gross Profit	52,707	57,978	60,907	68,065	239,657	70,537	72,720	74,933	71,756	289,946	82,226	91,377	93,014	96,553	363,170
Operating Expenses:															
Sales and marketing	27,854	29,108	27,687	27,893	112,542	27,946	28,939	26,905	30,223	114,013	32,821	38,454	34,433	35,769	141,477
General and administrative	13,468	16,539	16,224	15,487	61,718	14,951	15,005	16,203	18,631	64,790	17,511	20,515	20,685	21,747	80,458
Research and development	5,191	5,669	5,611	5,781	22,252	6,116	6,396	6,203	6,893	25,997	9,390	9,131	8,704	9,360	36,585
Total operating expenses	46,513	51,316	49,522	49,161	196,512	49,013	50,340	49,700	55,747	204,800	59,722	68,100	63,822	66,876	258,520
Profit from operations	6,194	6,662	11,385	18,904	43,145	21,524	22,380	25,233	16,009	85,146	22,504	23,277	29,192	29,677	104,650
Interest and other income (expense), net	148	557	(271)	(315)	119	(553)	156	(83)	(251)	(731)	89	(306)	(118)	(84)	(419)
Profit before provision for income taxes	6,342	7,219	11,114	18,589	43,264	20,971	22,536	25,150	15,758	84,415	22,593	22,971	29,074	29,593	104,231
Provision for income taxes	3,151	2,392	2,208	6,443	14,194	5,430	6,081	5,815	4,793	22,119	5,650	6,692	7,133	6,612	26,087
Net profit	\$ 3,191	\$ 4,827	\$ 8,906	\$ 12,146	\$ 29,070	\$ 15,541	\$ 16,455	\$ 19,335	\$ 10,965	\$ 62,296	\$ 16,943	\$ 16,279	\$ 21,941	\$ 22,981	\$ 78,144
Net profit per share															
- basic	\$ 0.05	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.42	\$ 0.21	\$ 0.22	\$ 0.25	\$ 0.14	\$ 0.82	\$ 0.22	\$ 0.21	\$ 0.28	\$ 0.29	\$ 1.00
- diluted	\$ 0.05	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.41	\$ 0.20	\$ 0.21	\$ 0.25	\$ 0.14	\$ 0.80	\$ 0.21	\$ 0.20	\$ 0.27	\$ 0.28	\$ 0.97
Shares used in computing net profit per share															
- basic	65,983	66,285	69,528	74,482	69,094	75,166	75,703	76,081	76,333	75,825	76,844	77,888	78,455	78,737	77,988
- diluted	66,447	67,373	70,926	76,831	70,602	77,597	77,607	78,109	78,724	78,080	79,361	80,321	80,266	80,849	80,294
Margin Analysis:															
Gross Margin	75.2%	76.0%	76.8%	78.6%	76.7%	78.3%	77.4%	78.1%	77.2%	77.8%	78.4%	76.1%	73.9%	74.9%	75.7%
- Invisalign	75.2%	76.0%	76.8%	78.6%	76.7%	78.3%	77.4%	78.1%	77.2%	77.8%	78.4%	78.4%	78.6%	78.7%	78.5%
- Scanner and CAD/CAM Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36.2%	27.1%	30.0%	30.2%
Operating Margin	8.8%	8.7%	14.4%	21.8%	13.8%	23.9%	23.8%	26.3%	17.2%	22.8%	21.5%	19.4%	23.2%	23.0%	21.8%
Net Margin	4.5%	6.3%	11.2%	14.0%	9.3%	17.3%	17.5%	20.2%	11.8%	16.7%	16.2%	13.6%	17.4%	17.8%	16.3%
Year Over Year Analysis															
Revenue	-6.2%	-4.5%	5.4%	16.9%	2.7%	28.5%	23.0%	21.0%	7.2%	19.4%	16.4%	27.9%	31.2%	38.8%	28.7%
Profit from Operations	33.9%	72.1%	44.5%	252.2%	98.4%	247.5%	235.9%	121.6%	-15.3%	97.3%	4.6%	4.0%	15.7%	85.4%	22.9%
Net Profit	-39.8%	19.8%	22.7%	148.5%	35.3%	387.0%	240.9%	117.1%	-9.7%	114.3%	9.0%	-1.1%	13.5%	109.6%	25.4%
Quarter Over Quarter Analysis (Sequential)															
Revenue	-5.4%	8.8%	3.9%	9.3%	-	4.0%	4.2%	2.2%	-3.2%	-	12.9%	14.5%	4.8%	2.4%	
Gross Profit	-2.2%	10.0%	5.1%	11.8%	-	3.6%	3.1%	3.0%	-4.2%	-	14.6%	11.1%	1.8%	3.8%	
Operating Expense	-4.1%	10.3%	-3.5%	-0.7%	-	-0.3%	2.7%	-1.3%	12.2%	-	7.1%	14.0%	-6.3%	4.8%	
Net Profit	-34.7%	51.3%	84.5%	36.4%	-	28.0%	5.9%	17.5%	-43.3%	-	54.5%	-3.9%	34.8%	4.7%	
Reconciliation of GAAP Net Profit (Loss) to non-GAAP Net Profit:															
GAAP Net profit (loss)	\$ 2,636	\$ 4,545	\$ (49,942)	\$ 11,492	\$ (31,269)	\$ 14,930	\$ 32,603	\$ 16,815	\$ 9,905	\$ 74,253	\$ 15,841	\$ 11,162	\$ 19,264	\$ 20,449	\$ 66,716
Teen deferred revenue release	-	-	-	-	-	-	(14,298)	-	-	(14,298)	-	-	-	-	-
Ormoc royalties	-	-	1,906	4,259	6,165	827	-	-	-	827	-	-	-	-	-
Acquisition and integration related costs related to cost of revenues	-	-	-	-	-	-	-	-	-	-	-	57	202	139	398
Amortization of acquired intangibles related to cost of revenues	-	-	-	-	-	-	-	-	-	-	-	183	267	285	735
Severance and benefit costs related to cost of revenues	-	-	-	-	-	-	-	-	-	-	-	175	579	579	754
Litigation settlement costs	-	-	69,673	-	69,673	-	-	3,310	1,239	4,549	-	-	-	-	-
Restructuring	910	409	-	-	1,319	-	-	-	-	-	-	-	-	-	-
Insurance settlement	-	-	-	-	-	-	(8,666)	-	-	(8,666)	-	-	-	-	-
Acquisition and integration related costs related to operating expenses	-	-	-	-	-	-	-	-	-	-	1,481	5,850	1,296	1,005	9,632
Amortization of acquired intangibles related operating expenses	-	-	-	-	-	-	-	-	-	-	-	592	868	983	2,443
Severance and benefit costs related to operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	72	256	328
Tax impact on non GAAP adjustments	(355)	(127)	(12,731)	(3,605)	(16,818)	(216)	6,816	(790)	(179)	5,631	(379)	(1,565)	(203)	(715)	(2,862)
Non-GAAP net profit	\$ 3,191	\$ 4,827	\$ 8,906	\$ 12,146	\$ 29,070	\$ 15,541	\$ 16,455	\$ 19,335	\$ 10,965	\$ 62,296	\$ 16,943	\$ 16,279	\$ 21,941	\$ 22,981	\$ 78,144

(1) Q3 2011 and YTD 2011 North America and International revenues include the scanner and services product line as a result of the Cadent acquisition on April 29, 2011.

(2) * Non-case revenue includes the retainer business, training revenues, and ancillary offerings.