

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

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	YTD 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YTD 2011	Q1 2012
<b>Revenues</b>											
<i>Clear Aligner:</i>											
North America	\$ 65,395	\$ 66,517	\$ 67,949	\$ 62,711	\$ 262,572	\$ 74,258	\$ 79,755	\$ 79,678	\$ 81,789	\$ 315,480	\$ 86,871
North America Ortho	28,195	29,143	31,169	28,911	117,418	35,017	37,112	37,450	37,939	147,518	41,688
North America GP	37,200	37,374	36,780	33,800	145,154	39,241	42,643	42,228	43,850	167,962	45,183
International	20,027	22,006	23,221	24,831	90,085	25,179	27,898	28,346	30,054	111,477	29,700
Teen Deferred Revenue Release	-	14,298	-	-	14,298	-	-	-	-	-	-
Non-case (1)	4,668	5,375	4,777	5,351	20,171	5,419	5,994	6,254	7,089	24,756	6,757
Total Clear Aligner Revenue	90,090	108,196	95,947	92,893	387,126	104,856	113,647	114,278	118,932	451,713	123,328
<i>Scanner and CAD/CAM Services:</i>											
North America Scanner and CAD/CAM Services	-	-	-	-	-	-	5,241	9,098	9,611	23,950	11,120
International Scanner and CAD/CAM Services	-	-	-	-	-	-	1,198	2,518	362	4,078	631
Scanner	-	-	-	-	-	-	2,735	5,420	5,228	13,383	5,361
CAD/CAM Services	-	-	-	-	-	-	3,704	6,196	4,745	14,645	6,390
Total Scanner and CAD/CAM Revenue	-	-	-	-	-	-	6,439	11,616	9,973	28,028	11,751
<b>Total Revenue</b>											
Total North America Revenue	65,395	78,688	67,949	62,711	274,743	74,258	84,996	88,776	91,400	339,430	97,991
Total International Revenue	20,027	22,006	23,221	24,831	90,085	25,179	29,096	30,864	30,416	115,555	30,331
Total Non-case Revenue	4,668	5,375	4,777	5,351	20,171	5,419	5,994	6,254	7,089	24,756	6,757
Total Worldwide Revenue	90,090	108,196	95,947	92,893	387,126	104,856	120,086	125,894	128,905	479,741	135,079
<b>Cost of Revenue</b>											
Cost of revenue Clear Aligner	20,380	21,178	21,014	21,137	83,709	22,630	24,600	24,408	25,375	97,013	25,939
Cost of revenue Scanner and CAD/CAM Services	-	-	-	-	-	-	4,349	9,116	7,980	21,445	8,380
Total cost of revenue	20,380	21,178	21,014	21,137	83,709	22,630	28,949	33,524	33,355	118,458	34,319
Gross profit	69,710	87,018	74,933	71,756	303,417	82,226	91,137	92,370	95,550	361,283	100,760
<b>Operating Expenses:</b>											
Sales and marketing	27,946	28,939	26,905	30,223	114,013	32,821	38,586	34,655	36,112	142,174	38,717
General and administrative	14,951	15,005	16,203	18,631	64,790	18,992	26,094	21,609	22,457	89,152	22,626
Research and development	6,116	6,396	6,592	6,893	25,997	9,390	9,270	8,926	9,568	37,154	10,526
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-
Litigation settlement costs	-	-	3,310	1,239	4,549	-	-	-	-	-	-
Insurance settlement	-	(8,666)	-	-	(8,666)	-	-	-	-	-	-
Amortization of acquired intangible assets	-	-	-	-	-	-	592	868	983	2,443	885
Total operating expenses	49,013	41,674	53,010	56,986	200,683	61,203	74,542	66,058	69,120	270,923	72,754
Profit from operations	20,697	45,344	21,923	14,770	102,734	21,023	16,595	26,312	26,430	90,360	28,006
Interest and other income (expense), net	(553)	156	(83)	(251)	(731)	89	(306)	(118)	(84)	(419)	(812)
Profit before provision for income taxes	20,144	45,500	21,840	14,519	102,003	21,112	16,289	26,194	26,346	89,941	27,194
Provision for income taxes	5,214	12,897	5,025	4,614	27,750	5,271	5,127	6,930	5,897	23,225	6,210
Net profit	\$ 14,930	\$ 32,603	\$ 16,815	\$ 9,905	\$ 74,253	\$ 15,841	\$ 11,162	\$ 19,264	\$ 20,449	\$ 66,716	\$ 20,984
Net profit per share											
- basic	\$ 0.20	\$ 0.43	\$ 0.22	\$ 0.13	\$ 0.98	\$ 0.21	\$ 0.14	\$ 0.25	\$ 0.26	\$ 0.86	\$ 0.26
- diluted	\$ 0.19	\$ 0.42	\$ 0.22	\$ 0.13	\$ 0.95	\$ 0.20	\$ 0.14	\$ 0.24	\$ 0.25	\$ 0.83	\$ 0.26
Shares used in computing net profit (loss) per share											
- basic	75,166	75,703	76,081	76,333	75,825	76,844	77,888	78,455	78,737	77,988	79,235
- diluted	77,597	77,607	78,109	78,724	78,080	79,361	80,321	80,266	80,849	80,294	81,856
<b>Margin Analysis:</b>											
Gross margin	77.4%	80.4%	78.1%	77.2%	78.4%	78.4%	75.9%	73.4%	74.1%	75.3%	74.6%
-Clear Aligner	77.4%	80.4%	78.1%	77.2%	78.4%	78.4%	78.4%	78.6%	78.7%	78.5%	79.0%
-Scanner and CAD/CAM Services	-	-	-	-	-	-	32.5%	21.5%	20.0%	23.5%	28.7%
Sales and marketing	31.0%	26.7%	28.0%	32.5%	29.5%	31.3%	32.1%	27.5%	28.0%	29.6%	28.7%
General and administrative	16.6%	13.9%	16.9%	20.1%	16.7%	18.1%	21.7%	17.2%	17.4%	18.6%	16.8%
Research and development	6.8%	5.9%	6.9%	7.4%	6.7%	9.0%	7.7%	7.1%	7.4%	7.7%	7.8%
Restructuring	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Litigation settlement costs	0.0%	0.0%	3.4%	1.3%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance settlement	0.0%	-8.0%	0.0%	0.0%	-2.2%	0.0%	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%	0.5%	0.7%	0.8%	0.5%	0.7%
Operating margin	23.0%	41.9%	22.8%	15.9%	26.5%	20.0%	13.8%	20.9%	20.5%	18.8%	20.7%
Net margin	16.6%	30.1%	17.5%	10.7%	19.2%	15.1%	9.3%	15.3%	15.9%	13.9%	15.5%
<b>Year Over Year Analysis</b>											
Revenue	28.5%	41.8%	21.0%	7.2%	23.9%	16.4%	11.0%	31.2%	38.8%	23.9%	28.8%
-Clear Aligner	28.5%	41.8%	21.0%	7.2%	23.9%	16.4%	5.0%	19.1%	28.0%	16.7%	17.6%
-Scanner and CAD/CAM Services	-	-	-	-	-	-	-	-	-	-	-
Gross profit	32.3%	50.1%	27.0%	12.5%	29.9%	18.0%	4.7%	23.3%	33.2%	19.1%	22.5%
Operating expense	3.4%	-19.4%	-55.5%	15.9%	-25.0%	78.9%	78.9%	24.6%	21.3%	35.0%	18.9%
Profit from operations	466.4%	625.2%	-136.4%	0.9%	-402.1%	1.6%	-63.4%	20.0%	78.9%	-12.0%	33.2%
Net profit	466.4%	617.3%	-133.7%	-13.8%	-337.5%	6.1%	-65.8%	14.6%	106.5%	-10.2%	32.5%
<b>Quarter Over Quarter Analysis (Sequential)</b>											
Revenue	4.0%	20.1%	-11.3%	-3.2%		12.9%	14.5%	4.8%	2.4%		4.8%
-Clear Aligner	4.0%	20.1%	-11.3%	-3.2%		12.9%	8.4%	0.6%	4.1%		3.7%
-Scanner and CAD/CAM Services	-	-	-	-		-	-	80.4%	-14.1%		17.8%
Gross profit	9.3%	24.8%	27.2%	-4.2%		14.6%	10.8%	1.4%	3.4%		5.5%
Operating expense	-0.3%	-15.0%	27.2%	7.5%		7.4%	21.8%	-11.4%	4.6%		5.3%
Profit from operations	29.9%	119.1%	-51.7%	-32.6%		42.3%	-21.1%	58.6%	0.4%		6.0%
Net profit	29.9%	118.4%	-48.4%	-41.1%		59.9%	-29.5%	72.6%	6.2%		2.6%

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

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**NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
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	Q1 2010	Q2 2010	Q3 2010	Q4 2010	YTD 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	YTD 2011	Q1 2012
<b>Revenues</b>											
<b>Clear Aligner:</b>											
North America	\$ 65,395	\$ 66,517	\$ 67,949	\$ 62,711	\$ 262,572	\$ 74,258	\$ 79,755	\$ 79,678	\$ 81,789	\$ 315,480	\$ 366,871
North America Ortho	28,195	29,143	31,169	28,911	117,418	35,017	37,112	37,450	37,939	147,518	\$ 41,688
North America GP	37,200	37,374	36,780	33,800	145,154	39,241	42,643	42,228	43,850	167,962	45,183
International	20,027	22,006	23,221	24,831	90,085	25,179	27,898	28,346	30,054	111,477	29,700
Non-case Revenue (1)	4,668	5,375	4,777	5,351	20,171	5,419	5,994	6,254	7,089	24,756	6,757
Total Clear Aligner Revenue	90,090	93,898	95,947	92,893	372,828	104,856	113,647	114,278	118,932	451,713	123,328
<b>Scanner and CAD/CAM Services:</b>											
North America Scanner and CAD/CAM Services	-	-	-	-	-	-	5,241	9,098	9,611	23,950	11,120
International Scanner and CAD/CAM Services	-	-	-	-	-	-	1,198	2,518	362	4,078	631
Scanners	-	-	-	-	-	-	2,735	5,420	5,228	13,383	5,361
CAD/CAM Services	-	-	-	-	-	-	3,704	6,196	4,745	14,645	6,390
Total Scanner and CAD/CAM Revenue	-	-	-	-	-	-	6,439	11,616	9,973	28,028	11,751
<b>Total Revenue</b>											
Total North America Revenue	65,395	66,517	67,949	62,711	262,572	74,258	84,996	88,776	91,400	339,430	97,991
Total International Revenue	20,027	22,006	23,221	24,831	90,085	25,179	29,096	30,864	30,416	115,555	30,331
Total Non-case Revenue	4,668	5,375	4,777	5,351	20,171	5,419	5,994	6,254	7,089	24,756	6,757
Total Worldwide Revenue	90,090	93,898	95,947	92,893	372,828	104,856	120,086	125,894	128,905	479,741	135,079
<b>Cost of Revenues</b>											
Cost of revenue Clear Aligner	19,553	21,178	21,014	21,137	82,882	22,630	24,601	24,408	25,375	97,014	25,939
Cost of revenue Scanner and CAD/CAM Services	-	-	-	-	-	-	4,108	8,472	6,977	19,557	7,685
Cost of revenues	19,553	21,178	21,014	21,137	82,882	22,630	28,709	32,880	32,352	116,571	33,624
Gross profit	70,537	72,720	74,933	71,756	289,946	82,226	91,377	93,014	96,553	363,170	101,455
Operating expenses:											
Sales and marketing	27,946	28,939	26,905	30,223	114,013	32,821	38,454	34,433	35,769	141,477	38,429
General and administrative	14,951	15,005	16,203	18,631	64,790	17,511	20,515	20,685	21,747	80,458	22,397
Research and development	6,116	6,396	6,592	6,893	25,997	9,390	9,131	6,704	9,360	36,585	10,321
Total operating expenses	49,013	50,340	49,700	55,747	204,800	59,722	68,100	63,822	66,876	258,520	71,147
Profit from operations	21,524	22,380	25,233	16,009	85,146	22,504	23,277	29,192	29,677	104,650	30,308
Interest and other income (expense), net	(553)	156	(83)	(251)	(731)	89	(306)	(118)	(84)	(419)	(812)
Profit before provision for income taxes	20,971	22,536	25,150	15,758	84,415	22,593	22,971	29,074	29,593	104,231	29,496
Provision for income taxes	5,430	6,081	5,815	4,793	22,119	5,650	6,692	7,133	6,612	26,087	7,374
Net profit	\$ 15,541	\$ 16,455	\$ 19,335	\$ 10,965	\$ 62,296	\$ 16,943	\$ 16,279	\$ 21,941	\$ 22,981	\$ 78,144	\$ 22,122
Net profit per share											
- basic	\$ 0.21	\$ 0.22	\$ 0.25	\$ 0.14	\$ 0.82	\$ 0.22	\$ 0.21	\$ 0.28	\$ 0.29	\$ 1.00	\$ 0.28
- diluted	\$ 0.20	\$ 0.21	\$ 0.25	\$ 0.14	\$ 0.80	\$ 0.21	\$ 0.27	\$ 0.28	\$ 0.28	\$ 0.97	\$ 0.27
Shares used in computing net profit per share											
- basic	75,166	75,703	76,081	76,333	75,825	76,844	77,888	78,455	78,737	77,988	79,235
- diluted	77,597	77,607	78,109	78,724	78,080	79,361	80,321	80,266	80,849	80,294	81,856
<b>Margin Analysis:</b>											
Gross margin	78.3%	77.4%	78.1%	77.2%	77.8%	78.4%	76.1%	73.9%	74.9%	75.7%	75.1%
- Clear Aligner	78.3%	77.4%	78.1%	77.2%	77.8%	78.4%	78.4%	78.6%	78.7%	78.5%	79.0%
- Scanner and CAD/CAM Services	-	-	-	-	-	-	36.2%	27.1%	30.0%	30.2%	34.6%
Operating Margin	23.9%	23.8%	26.3%	17.2%	22.8%	21.5%	19.4%	23.2%	23.0%	21.8%	22.4%
Net Margin	17.3%	17.5%	20.2%	11.8%	16.7%	16.2%	13.6%	17.4%	17.8%	16.3%	16.4%
<b>Year Over Year Analysis</b>											
Revenue	28.5%	23.0%	21.0%	7.2%	19.4%	16.4%	27.9%	31.2%	38.8%	28.7%	28.8%
Gross profit	33.8%	25.4%	23.0%	5.4%	21.0%	16.6%	25.7%	24.1%	34.6%	25.3%	23.4%
Operating expense	5.4%	-1.9%	0.4%	13.4%	4.2%	21.8%	35.3%	29.4%	23.0%	29.2%	19.1%
Profit from operations	247.5%	235.9%	121.6%	-15.3%	97.3%	4.6%	-4.0%	15.7%	85.4%	22.9%	34.7%
Net Profit	387.0%	240.9%	117.1%	-9.7%	114.3%	9.0%	-1.1%	13.5%	109.6%	25.4%	30.6%
<b>Quarter Over Quarter Analysis (Sequential)</b>											
Revenue	4.0%	4.2%	2.2%	-3.2%		12.9%	14.5%	4.8%	2.4%		4.8%
Gross profit	3.6%	3.1%	3.0%	-4.2%		14.8%	11.1%	1.8%	3.8%		5.1%
Operating expense	-0.3%	2.7%	-1.3%	12.2%		7.1%	14.0%	-6.3%	4.8%		6.4%
Profit from operations	13.9%	4.0%	12.7%	-36.6%		40.6%	3.4%	25.4%	1.7%		2.1%
Net profit	28.0%	5.9%	17.5%	-43.3%		54.5%	-3.9%	34.8%	4.7%		-3.7%
<b>Reconciliation of GAAP Net Profit (Loss) to non-GAAP Net Profit:</b>											
GAAP Net profit (loss)	\$ 14,930	\$ 32,603	\$ 16,815	\$ 9,905	\$ 74,253	\$ 15,841	\$ 11,162	\$ 19,264	\$ 20,449	\$ 66,716	\$ 20,984
Teen deferred revenue release	-	(14,298)	-	-	(14,298)	-	-	-	-	-	-
Ormcro royalties	827	-	-	-	827	-	-	-	-	-	-
Acquisition and integration related costs related to cost of revenues	-	-	-	-	-	-	57	202	139	398	134
Amortization of acquired intangibles related to cost of revenues	-	-	-	-	-	-	183	267	285	735	261
Severance and benefit costs related to cost of revenues	-	-	-	-	-	-	-	175	579	754	300
Litigation settlement costs	-	-	3,310	1,239	4,549	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-	-	-	-
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	570
Amortization of acquired intangibles related operating expenses	-	-	-	-	-	-	592	868	983	2,443	885
Severance and benefit costs related to operating expenses	-	-	-	-	-	-	-	72	256	328	152
Tax impact on non GAAP adjustments	(216)	6,816	(790)	(179)	5,631	(379)	(1,565)	(203)	(715)	(2,862)	(1,164)
Non-GAAP net profit	\$ 15,541	\$ 16,455	\$ 19,335	\$ 10,965	\$ 62,296	\$ 16,943	\$ 16,279	\$ 21,941	\$ 22,981	\$ 78,144	\$ 22,122

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