

Align Technology, Inc.
2010 Annual Report





Welcome to the next generation of Align Technology and Invisalign. It's not coming soon – *it's happening right now.*

Align has always set the bar for what “next generation” means in our industry. In 1997 we made “next gen” a reality by creating the market for invisible orthodontics with the introduction of the Invisalign system. Since then, we’ve expanded and led that market through a continuous stream of innovation in our products and the way we market them. In 2010 we made “next generation” a reality again with the launch of Invisalign G3, the most significant set of product improvements and new features in Align’s history.

But we’re not just setting the bar high with our products – we’re creating a next generation company. One with an increasingly global presence, a fresh, contemporary brand that addresses the clinical and lifestyle needs of consumers of all ages, and new technology and partnerships to create more value and open new markets for our customers and shareholders.

We’re also at the forefront of a trend toward digitally enabled dentistry that is truly bringing next generation options to doctors and their patients. Adoption of the Invisalign system and this growing trend in the industry are converging to make what we do a more mainstream and integrated part of dental and orthodontic practices. And that’s exactly where we want to be.

DEAR FELLOW SHAREHOLDERS

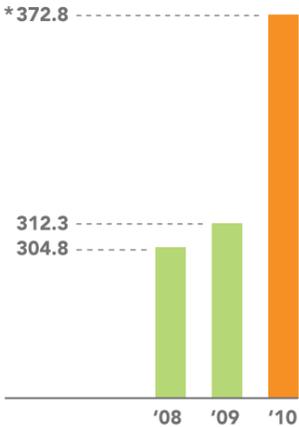
2010 was another year of progress and growth for Align Technology, and I’m very pleased with our performance and execution. We had many significant accomplishments, including the launch of Invisalign G3, the most significant set of innovations and new features in Align’s history. We continued to gain share in the very important teen orthodontic segment and expect to build on this early success, especially with the launch of Invisalign G3 features that make it easier to treat complex cases.

We continued to build consumer awareness and demand for Invisalign through an integrated consumer marketing platform, which is

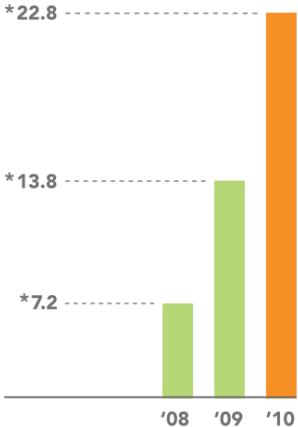
a significant differentiator for us from any competitor. On the international front, we added a third international distributor to cover the smaller countries in the Europe, Middle East, and Africa (EMEA) region and received regulatory approval for commercial launch in China, which is on track for the second half of 2011. As a result of good execution, higher volume and more tightly managed spending, the launch of innovative new products, and focused marketing campaigns, we had strong revenue growth and achieved record operating margins.

We’re optimistic about the recent trends in patient flow and the continuing evolution

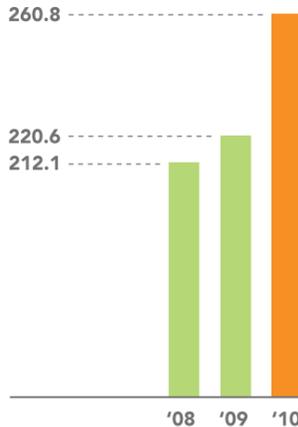
TOTAL REVENUE
\$ Millions (*non-GAAP)



OPERATING MARGIN
% (*non-GAAP)



CASE SHIPMENTS
Thousands



of the dental industry. The market opportunity and value proposition for Invisalign are tremendous, and we remain focused on our strategy to drive adoption worldwide. The key to our success — in the year past and in the year ahead — is our commitment to and execution of our core strategic initiatives:

- Accelerate product innovation and clinical effectiveness;
- Enhance the customer experience;
- Increase effectiveness of consumer demand creation;
- Drive international growth and expansion.

In 2011 we'll continue this focused execution with more product innovation to deliver great clinical outcomes; the launch of Invisalign G3 internationally in Q2; and expansion into important new markets, specifically China in the second half of the year and — through distributor partners — Turkey, Russia, and other attractive country markets by year-end. In addition, we'll increase manufacturing capacity in our Juarez fabrication facility to meet the demand of future initiatives and international growth.

Each of these priorities represents opportunities for us to gain a greater share of our existing customers' practices and to expand the size of our customer base. But an even bigger, new opportunity involves a different type of expansion — one that can help us drive greater adoption and gain entry into new markets.

The dental industry is evolving more rapidly than ever before, with digital imaging, diagnosis, treatment, and integrated practice management tools becoming an increasingly important part of modern dental, orthodontic, and other specialist practices. We call this the "digitization" of the dental industry, and believe it provides an opportunity for Invisalign to become more integrated into day-to-day practice. We believe intra-oral scanning systems in particular, with their strategic position at the treatment chair, provide a platform for delivering valuable chair-side treatment tools and improving the overall experience for patients.

Over the next decade, intra-oral scanners will become widely used in dental practices, with third-party sources such as iData Research, Inc.* suggesting that compound annual growth rates will exceed 20 percent over the next five years.

Over the next decade, intra-oral scanners will become widely used in dental practices, with third-party sources such as iData Research, Inc.* suggesting that compound annual growth rates will exceed 20 percent over the next five years.

During 2010 we began working on a strategic relationship with Cadent, Inc., an early leader in digital imaging and intra-oral scanning, to develop Invisalign applications to run on Cadent scanners. In March 2011, we announced our intent to acquire Cadent as a strategic investment in our long-term growth.

Cadent has expertise in orthodontics and restorative dentistry that is complementary to Align, including capabilities in digital impressions for fabrication of crown and bridge, veneers, implants, and other procedures, as well as a range of products and services that their customers love. Like Align, they also have expertise in advanced digital modeling and software development, as well as the drive and agility to quickly develop and deliver innovative solutions to customers.

The integration of Align's and Cadent's combined capabilities, markets, and

technologies will provide us with a significant opportunity to create growth and to continue to build value for our customers and our shareholders by:

- Driving incremental growth of Invisalign through interoperability with Cadent scanners and by using Cadent intra-oral scanning systems as a platform for chair-side applications for Invisalign treatment and other dental and orthodontic procedures;
- Accelerating adoption of intra-oral scanning in dental practices through Align's global sales and marketing reach and our large installed customer base;
- Providing an entry into the restorative market, where we believe our combined companies can offer valuable and innovative solutions in the future.

"Next gen now" is an apt theme for this year's report for shareholders. Align has always set the bar for innovation and progress in our industry.

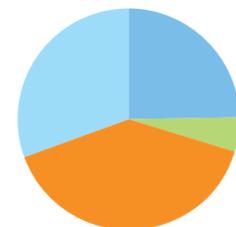
What truly distinguishes us is not just the ability to envision the future, but our ability to achieve it. The last few years we've worked hard to accelerate our ability to deliver on innovation, and as a result, we're making "next gen" a reality today — for our company and for our customers.

It's a great time to be part of Align Technology. Our opportunities and advantages are greater than ever before. I look forward to another year of exciting progress, and to sharing the next generation of our growth with our shareholders.



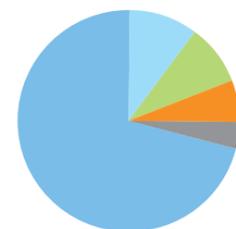
Thomas M. Prescott
President and
Chief Executive Officer

2010 REVENUE BY CHANNEL



- N.A. GP DENTISTS
- N.A. ORTHODONTISTS
- INTERNATIONAL
- NON-CASE

2010 REVENUE BY PRODUCT



- INVISALIGN FULL
- INVISALIGN TEEN
- INVISALIGN EXPRESS
- INVISALIGN ASSIST
- NON-CASE

practice next gen

Next generation dental practices use digital tools to enable more efficient treatment for doctors and a better experience for patients. The growing trend toward digitally enabled practices plays to Align's strengths, such as a significant online brand presence, 3D treatment planning, and online patient databases — just to name a few.

patient engagement

From a dental practice's website to their Facebook page, online marketing and social media help connect doctors with prospective patients, while text, email, and social media provide a new way to communicate appointment and treatment updates and word-of-mouth referrals.



Align's social media and online presence help drive patients to dental practices.

practice management

Open systems allow practices to integrate patient databases, accounting systems, and scheduling software for a more efficient and paperless approach to practice management.



The Invisalign Doctor Site serves as an online patient database and consolidates all of a practice's Invisalign treatment information, appointment scheduling, and digital records in one location.

diagnosis + clinical records

Increasingly, dental records are digital — from x-rays to 3D intra-oral scans that replace dental molds and impressions — enabling real-time evaluation, instant online information exchange, and digital records storage.



With 3D models taken from PVS impressions, digital treatment files, and records from more than 1.5 million patients, the Invisalign system is based on digital records.

treatment planning + management

In a digitally enabled practice, doctors bring treatment planning chair-side to discuss and decide on treatment options for the patient, such as comparing an Invisalign patient's ClinCheck 3D treatment plan to his or her current progress.



Doctors routinely share ClinCheck treatment setups chair-side; with Cadent intra-oral scanners, applications for Invisalign and other procedures will be available at the treatment chair in the future.

clinical collaboration

A digitally enabled practice makes it easier for doctors to collaborate on treatment, whether it's an orthodontist and cosmetic dentist sharing intra-oral scans for a smile makeover, a younger dentist getting a second opinion from a mentor, or associate doctors doing a consult together via Skype.



ClinCheck treatment plans are shared between doctors who are collaborating on treatment, and Align's robust professional education website provides peer-to-peer online education webcasts, blogs, and podcasts for easily accessible case studies and more.

lab interface

The use of intra-oral scans and other 3D images results in more precise records and quicker turnaround time when working with labs and manufacturers for fabrication of implants and veneers, aligners, bracket templates, and more.



Interoperability with Cadent intra-oral scanners will allow Invisalign doctors to submit intra-oral scans instead of PVS impressions for Invisalign treatment — more efficient for the doctor, more comfortable for the patient.



Align pop m o o

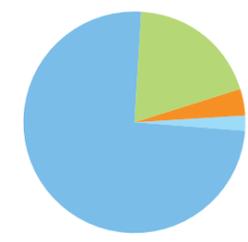
next gen

International expansion is bringing Invisalign to more countries and a wider range of patients than ever before.

OUR EVOLUTION CREATES NEW OPPORTUNITIES

In 1997, Align revolutionized orthodontic treatment by creating the market for invisible orthodontics, and since then we've worked to bring forward-thinking products, technology, and brands to our customers and their patients. We think constantly about what our doctors need clinically and about the impact of new technology and evolving consumer lifestyles on their practices and the way they treat their patients. That eye toward the future has paid off—today, with the help of our orthodontist and dentist customers, we lead the market in clear aligner therapy

**WORLDWIDE INVISALIGN
UNIT SHARE**
2.6 million annual case starts
applicable to Invisalign

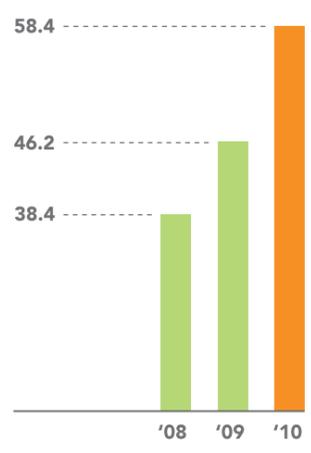


- TEENS
- ADULTS
- INVISALIGN ADULTS
- INVISALIGN TEENS

with over \$2 billion in cumulative sales and more than 1.5 million patients treated in 65 countries.

We're always looking for new ways to create and drive growth. We entered 2011 with specific initiatives in mind that will propel Align forward to the next generation: greater entry into teen orthodontic case starts, international expansion, and emerging trends in dentistry that play to Align's core competencies.

TOTAL TEENAGE SHIPMENTS
Thousands



TEENS TRULY ARE THE NEXT GEN OF INVISALIGN PATIENTS

A key element of our strategy is to gain share of the overall teenage orthodontic segment, as measured by the total number of teenagers using any Invisalign product. Teenagers, age 19 and under, represent 76 percent of applicable annual orthodontic case starts worldwide, and are one of our biggest opportunities for

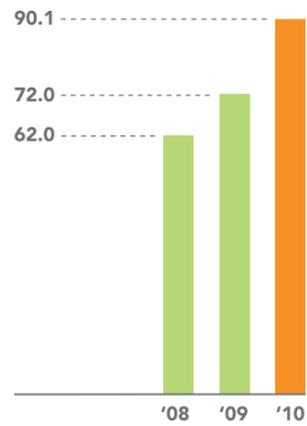
growth. In 2010, the number of teenagers starting treatment with Invisalign products was 58,450, up 27 percent from 2009. With Invisalign Teen®, a product designed specifically for teen orthodontic needs, and comprehensive marketing that targets teens and their parents, we have the right combination to help us gain a greater share of this important segment.

BRINGING NEXT GENERATION PRODUCTS TO NEW MARKETS AROUND THE WORLD

Our international business has been growing rapidly for several years and now makes up a quarter of our total revenues. Over the next three to five years, we expect international growth to continue to outpace growth in North America and ultimately account for one-third of our business. To support that growth, we are investing more in international growth and expansion through a combination of direct sales in Europe (UK, Germany, France, Spain, and Italy), Japan, and soon China, as well as distributor partners for Asia-Pacific, Latin America, and EMEA. By the end of 2011, we expect to have new doctors trained and prescribing Invisalign in Turkey, Russia, Saudi Arabia, United Arab Emirates, Chile, and Peru.

INTERNATIONAL REVENUE

\$ Millions



In 2010, the international team enhanced the direct sales organization with a new managing director for Europe and expanded sales coverage in targeted markets. We made incremental investments in consumer and professional marketing activity in preparation for the international launch of Invisalign G3 and the new Invisalign branding. The successful international launch of Invisalign G3 in 2011 is especially important given the complexity of cases in international markets and the Invisalign G3 features designed to address those complex treatment issues.

Outside of Europe, our biggest opportunity lies with China, thanks in part to an emerging middle class with increasing discretionary income. China is now the third largest market for luxury

goods and services, with an increasing awareness of dental health and its impact on personal appearance. There are more than 50,000 general dentists in China and nearly 500,000 orthodontic case starts each year — with case starts growing approximately 30 percent annually. Despite that strong growth, there is still up to a year waiting list to get orthodontic treatment. Doctors in China are ready for new technology and an esthetic option for treating the complex Class II and Class III cases that are common in that country.

After gaining regulatory approval in 2010, the launch of Invisalign in China is on track for the second half of 2011. We are currently working with key opinion leaders and university faculty to gain clinical acceptance and build a support base prior to commercial launch. Our initial focus will be on large public hospitals and the increasing number of private clinics in four key cities: Shanghai, Beijing, Shenzhen, and

2010 INTERNATIONAL REVENUE DIRECT VS. INDIRECT %



■ DIRECT
■ INDIRECT

Guangzhou. With a focused, gradual direct sales strategy, China provides us with strong growth potential for the future.

EVOLUTION OF THE DENTAL INDUSTRY CREATES NEW OPPORTUNITIES

Just as Align continues to grow and evolve, so does the dental industry. Today, the trend is toward greater use of digital tools in the practice. More and more practices are embracing digital solutions for integrated practice management, digital tools for diagnosis and treatment planning, new imaging modalities such as digital x-rays and intra-oral scanning that replace physical x-rays and impressions, and digitally enabled treatment options for orthodontics and restorative dentistry.

This increasingly widespread use of digital tools and solutions in dental practices provides an opportunity for Invisalign to become more integrated with other day-to-day procedures in the practice. After all, digitally enabled dentistry is at the heart of what we do — with an installed base of more than 55,000 users, we're one of the largest providers of digitally enabled treatment. Over 70 percent of current incoming Invisalign cases are transmitted to us

in completely digital form, including digital records such as x-rays and photos, as well as the treatment plans themselves. The only records we still receive in a physical form are PVS impressions — which we then turn into a digital 3D model. So in a way, the industry at large is now getting on board with us.

For example, intra-oral scanning is an emerging technology that promises to have a substantial impact on the future of dentistry. It enables the doctor to instantaneously create a precise 3D image of the patient's teeth using a handheld digital scanner inside the mouth, instead of creating a physical impression or mold. Not only does interoperability with intra-oral scanners provide a digital replacement for messy and sometimes inaccurate physical dental impressions, it provides an opportunity for Align to bring valuable Invisalign treatment tools chair-side in the dental practice. With a 3D image of the patient's teeth available instantaneously, doctors can assess the case and begin Invisalign treatment planning chair-side, rather than waiting for physical models to be converted into digital data.

In March 2011, Align announced its intent to acquire Cadent Holdings, Inc., an early leader in intra-oral

scanning and digital solutions for restorative dentistry and orthodontics. The acquisition of Cadent positions Align strategically as digital scanning becomes more of a day-to-day part of dental and orthodontic practices. With Cadent, Align will be able to provide the chair-side system for use with Invisalign and restorative treatment. The acquisition will also allow Align to help accelerate the adoption of intra-oral scanning in dental practices, and provides a greater entry into the market for restorative dentistry. We believe when combined, the companies can offer greater value together and continue to set the bar high with unique and innovative digital solutions for our customers.

Over the last few years, Align has worked with leading manufacturers of intra-oral scanning systems to evaluate and establish interoperability between their scanners and the Invisalign system. One of those companies is Cadent. In 2011 Align will achieve interoperability with Cadent's iOC and iTero scanners, allowing doctors to submit Cadent intra-oral scans in place of impressions for Invisalign treatment.

align + cadent

In March 2011, Align announced its intent to acquire Cadent, a company that has emerged as an early leader in the intra-oral scanning technology that will become a common part of dental practices over the next five years.

Like Align, Cadent has strong 3D software development capabilities and expertise in orthodontics. They lead the industry in digital optics and powderless scanning, and their technology overall is at the forefront of the industry trend toward digitization. Through our work together on interoperability, we recognized a strategic opportunity to combine each company's market-leading technology to bring innovative digital treatment tools chair-side, and to help increase adoption of intra-oral scanning. Cadent has areas of expertise that are complementary to Align, such as orthodontics and restorative dentistry, including capabilities in digital records storage and digital impressions, and scanning software for fabrication of crown and bridge, veneers, implants, and other restorative procedures.

The intersection of our combined markets and technologies will provide us with a significant opportunity to create leverage and growth and to build value for our customers and shareholders.



system

next gen

Next generation practices use digital tools to bring diagnosis and treatment planning chair-side.

NEXT GEN TREATMENT WITH INVISALIGN

Until recently, Invisalign was considered a first generation product. During Align's earlier years, we focused on understanding how the aligners could work, maximizing manufacturing efficiencies, and getting the best possible performance from the core product. After all, it was the first iteration of digitally enabled, mass-customized aligners — ever. But over the last few years we've moved beyond the first generation of the Invisalign system to one that incorporates shape-engineered aligners, biomechanical principles, intuitive software, and much more to address specific clinical needs and treatment approaches.

The current generation of Invisalign includes versions for almost every patient: Invisalign Full, our foundation product, used to treat a broad range of malocclusions; Invisalign Express (North America) or Invisalign Lite (International) for minor crowding/spacing at a lower cost; Invisalign Teen, with all the features of

Invisalign Full plus additional features designed to meet teen treatment needs; Invisalign Assist® with built-in case support and guidance for newly trained doctors; and Vivera® retainers for post-treatment retention.

Many things have helped drive and shape this evolution of the Invisalign system, including:

- Clinical and customer research — over the last three years we've invested more time in customer research to ensure that what we're delivering is what customers actually want and need;
- Day-to-day clinical use and adoption as doctors push the treatment envelope and do more with the product;
- A world-class professional education program that offers an extensive curriculum of live and online training, including 24/7 access to Invisalign educational content via the award-winning Aligntechinstitute.com and iTunes-accessible podcasts;
- Continuous product innovation, as we strive to help deliver great clinical outcomes with maximum predictability and efficiency.

invisalign quality

The Invisalign system may evolve and change, but our commitment to product quality never does. We're confident about the quality of our materials and our manufacturing processes. Invisalign aligners are made of a USP Class VI medical-grade, high molecular weight, proprietary, polyurethane resin. Polyurethanes are on the FDA list of approved materials that are routinely used for implantable devices, such as stent coatings and cochlear implants.

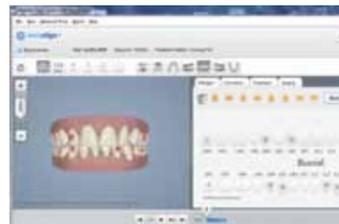
Once the aligners are formed, we laser-cut them for precision, machine-buff and polish them for patient comfort, disinfect them for safety, and package them using a system that creates minimal waste. We routinely test our processes and environmental factors to ensure that we're delivering the best possible products to our doctors and their patients.

Align has manufactured more than 70 million custom aligners for over 1.5 million patients to date, and we are proud to have a 96 percent satisfaction rate among treated patients. We never lose sight of the fact that we are manufacturing unique Class II medical devices for every patient — and patient safety is our top priority.

NEXT GENERATION FEATURES WITH INVISALIGN G3

In 2010, Align delivered the biggest and most exciting group of new features and product innovations since the initial launch of Invisalign. Invisalign G3 builds on features introduced to the Invisalign product line in late 2009, such as SmartForce™ features — attachments and features that are engineered into the shape of the aligner to deliver the forces needed to achieve specific, predictable tooth movements. The innovations packaged as Invisalign G3 and rolled out across the product line are designed to deliver even better clinical results, with:

- Precision Cuts aligner and software features that make it easier to use elastics with challenging Class II and Class III treatment;
- SmartForce attachment and aligner features designed to increase predictability of certain tooth movements;
- A more intuitive user interface and drag-and-drop features for ClinCheck 3.0 to enable more efficient treatment planning and better communication with Align;



TOP: Precision Cuts aligner and software features make it easier to use elastics with challenging Class II and Class III treatment.

MIDDLE: SmartForce attachment and aligner features are designed to increase predictability of certain tooth movements.

BOTTOM: The Invisalign Doctor Site with drag-and-drop features consolidates patient records and treatment tasks into one efficient and easy-to-use site.

- A significantly improved Invisalign Doctor Site that consolidates patient records and treatment tasks into one efficient and easy-to-use site.

The innovations in Invisalign G3 really get at the heart of what doctors have been asking for from Invisalign treatment: technology and tools that are designed to expand the clinical scope of Invisalign, deliver greater predictability across most clinical situations, and make treatment planning more efficient.

While Invisalign G3 was a tremendous leap forward in Invisalign functionality, we're already working on the next generation of Invisalign. Building on the success of Invisalign G3, the next wave of innovation will focus on bringing even greater predictability to specific types of treatment. By enhancing and expanding aligner features such as SmartForce features and optimized attachments, we can combine or "package" solutions for common tooth movements that apply to specific clinical conditions, such as the movements necessary for closing diastemas (the gap between a patient's front teeth).

INTEGRATION WITH INTRA-ORAL SCANNING SYSTEMS

Intra-oral scanning is an emerging technology that promises to have substantial impact on the future of dentistry. Its main advantage is that it enables the doctor to instantaneously create a 3D image of the patient's teeth using a handheld digital image scanner inside the mouth. Compared to the mess, discomfort, and subjective nature of taking physical impressions, intra-oral scans are more efficient and precise and more comfortable for patients.

In March 2011, Align announced its intent to acquire Cadent Holdings, Inc., an early leader in intra-oral scanning. Align and Cadent have worked together for some time on interoperability, and in 2011 doctors will be able to submit digital scans from Cadent scanners in place of PVS impressions for Invisalign treatment—ushering in a new era of efficiency and comfort for Invisalign and their patients.

Because doctors want to choose the digital imaging system that is best for their practice, Align favors an open systems approach to interoperability. We will continue to work with leading manufacturers of intra-oral scanning systems to evaluate their systems for future use with Invisalign treatment. Align has defined a robust validation process for scan quality and accuracy to ensure a specific scanning technology can successfully replace physical PVS impressions currently used in Invisalign case submissions.

BRINGING DIAGNOSIS AND TREATMENT PLANNING TO THE TREATMENT CHAIR

Interoperability with intra-oral scanning systems and Align's acquisition of Cadent will bring another benefit to Invisalign practices by giving Align a dedicated digital scanning platform for chair-side treatment applications. We believe we can increase efficiency of case evaluation and Invisalign treatment planning to the treatment chair — it's also a great way to engage patients more fully in their treatment process. Align plans to leverage Cadent's

best-in-class scanning systems to accelerate development of chair-side case assessment and treatment planning tools for Invisalign treatment and other mainstream dental and orthodontic procedures.



ABOVE: Cadent has a portfolio of best-in-class products and services for restorative dentistry and orthodontics, including the iTero and iOC intra-oral scanners.



next gen consumers

next gen consumers

Teens are the ultimate next generation consumers — online, trend-savvy, and well informed about their purchasing decisions.

NEXT GEN MARKETING TO TODAY'S CONSUMERS

Align was the first company in orthodontics to leverage the power of direct-to-consumer marketing, creating the first brand of orthodontic appliance that patients know and ask for by name. As our company has evolved, so have consumers — nothing is as “next gen” as our prospective patients. Today's consumers are better informed, more empowered, and highly engaged in their healthcare options. They research treatment options before they visit their doctor. And while traditional marketing vehicles such as print and TV advertising help build awareness, prospective patients are doing their real research online, in blogs, and via YouTube. Word-of-mouth patient experiences have gone viral, being shared through Facebook, Twitter, and YouTube video journals. Nowhere is this more noticeable than with today's teenagers — living active lives, fashion and trend focused, tech savvy, informed, and influential in purchasing decisions.

Align is uniquely positioned in dentistry and orthodontics to address the way consumers absorb information where they work and play. We're reaching potential patients through next generation marketing strategies,

including an emphasis on in-depth consumer research which allows us to market smarter and faster. We're able to get more insight into what consumers want to know about Invisalign and therefore influence them more effectively.

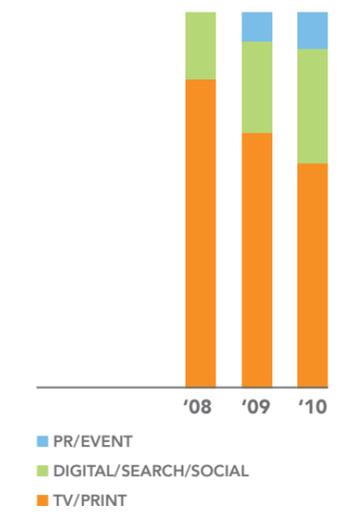
Our goals in consumer marketing are to extend our leadership in clear aligner therapy with adults, increase awareness and motivation with teens and their parents, and continue expansion of the clear aligner category overall. In 2010, we continued building awareness and demand through an integrated consumer marketing platform of traditional media, including a new Invisalign Teen commercial; PR and event marketing, such as our sponsorship of Fox's Teen Choice Awards; and digital and social media with YouTube and Facebook contests. Across all platforms, the ultimate call to action is to drive informed, enthusiastic patients to experienced Invisalign providers so that they have the best possible treatment experience.

MOM KNOWS BEST

Moms of teenage patients have emerged as one of the most influential groups for consumer marketing — they are this generation's opinion

leaders. In 2010, we kicked off our Mom Advisory Board and Invisalign Teen brand ambassadors to document their kids' treatment process online and through social media, and to help educate other moms about Invisalign Teen treatment. In January 2011, we launched a new online community for moms called MomsOnBraces.org, which will serve as a premier destination for moms researching braces and teeth straightening for their children, along with print and TV ads specifically focused on moms of treatment-age kids.

CONSUMER MARKETING MIX



ABOVE: Align continues to evolve its mix of consumer marketing media to increase focus and effectiveness.

FINANCIAL HIGHLIGHTS

(in thousands, except per share data)

Statement of Operations

	2010	2009	2008
Total net revenues	\$ 387,126	\$ 312,333	\$ 303,976
Gross profit	303,417	233,492	225,126
Total operating expenses	200,683	267,504	209,612
Profit (loss) from operations	102,734	(34,012)	15,514
Net profit (loss)	\$ 74,253	\$ (31,269)	\$ 79,987
Net profit (loss) per fully diluted share	\$ 0.95	\$ (0.45)	\$ 1.18
Shares used in computing net profit (loss) per diluted share	78,080	69,094	68,064

Reconciliation of GAAP to Non-GAAP Net Revenues

Net revenues	\$ 387,126	\$ 312,333	\$ 303,967
Teen deferred revenue release	(14,298)	-	-
Non-GAAP net revenues	\$ 372,828	\$ 312,333	\$ 303,967

Reconciliation of GAAP to Non-GAAP Gross Profit

GAAP gross profit	\$ 303,417	\$ 233,492	\$ 225,126
Teen deferred revenue release	(14,298)	-	-
Ormco royalties	827	6,165	-
Non-GAAP gross profit	\$ 289,946	\$ 239,657	\$ 25,126

Reconciliation of GAAP to Non-GAAP

Operating Expenses

GAAP operating expenses	\$ 200,683	\$ 267,504	\$ 209,612
Litigation settlement	(4,549)	(69,673)	-
Insurance settlement	8,666	-	-
Restructuring	-	(1,319)	(6,231)
Non-GAAP operating expenses	\$ 204,800	\$ 196,512	\$ 203,381

Reconciliation of GAAP to Non-GAAP

Profit from Operations

GAAP profit (loss) from operations	\$ 102,734	\$ (34,012)	\$ 15,514
Teen deferred revenue release	(14,298)	-	-
Ormco royalties	827	6,165	-
Litigation settlement	4,549	69,673	-
Insurance settlement	(8,666)	-	-
Restructuring	-	1,319	6,231
Non-GAAP profit from operations	\$ 85,146	\$ 43,145	\$ 21,745

Reconciliation of GAAP to Non-GAAP Net Profit

GAAP net profit (loss)	\$ 74,253	\$ (31,269)	\$ 79,987
Teen deferred revenue release	(14,298)	-	-
Ormco royalties	827	6,165	-
Litigation settlement	4,549	69,673	-
Insurance settlement	(8,666)	-	-
Restructuring	-	1,319	6,231
Release of tax valuation allowance	-	-	(64,608)
Tax effect on non-GAAP adjustments	5,631	(16,818)	(129)
Non-GAAP net profit	\$ 62,296	\$ 29,070	\$ 21,481
Non-GAAP net profit per fully diluted share	\$ 0.80	\$ 0.41	\$ 0.32
Shares used in computing non-GAAP net profit per diluted share	78,080	70,602	68,064

Balance Sheet

Cash, cash equivalents, and marketable securities	\$ 312,368	\$ 186,465	\$ 110,166
Working capital	295,637	180,056	117,335
Total assets	476,943	355,240	279,341
Total long-term liabilities	6,222	961	229
Stockholders' equity	\$ 377,747	\$ 273,036	\$ 218,540

EXECUTIVE TEAM

Thomas M. Prescott
Director, President, and
Chief Executive Officer

Kenneth B. Arola
Vice President, Finance and
Chief Financial Officer

Dana Cambra
Vice President, Research &
Development and
Information Technology

Dan S. Ellis
Vice President, North
American Sales

Roger E. George
Vice President, Legal and
Corporate Affairs General
Counsel and Corporate
Secretary

Len M. Hedge
Senior Vice President,
Business Operations

Sheila Tan
Vice President, Marketing
and Chief Marketing Officer

Richard Twomey
Vice President,
International

Emory M. Wright
Vice President, Operations

BOARD OF DIRECTORS

David E. Collins
Former Vice Chairman
Johnson & Johnson

Joseph Lacob
Partner
Kleiner Perkins
Caufield & Byers

C. Raymond Larkin, Jr.
Chairman of the Board
Align Technology, Inc.
Principal
Group Outcome L.L.C.

George J. Morrow
Former Executive Vice
President, Global Commer-
cial Operations
Amgen Inc.

David C. Nagel, Ph.D.
Former President and
Chief Executive Officer
PalmSource

Thomas M. Prescott
Director, President, and
Chief Executive Officer
Align Technology, Inc.

Greg J. Santora
Former Chief Financial
Officer
Shopping.com

Warren S. Thaler
President
Gund Investment
Corporation

SHAREHOLDER INFORMATION

**Online Annual Report,
Form 10-K, Proxy**
You can find our online Annual Report,
Form 10-K, and Proxy at:
<http://investor.aligntech.com>

Investor Relations
For additional information about Align,
additional copies of this Annual Report,
SEC filings, or other financial informa-
tion, please contact:
Investor Relations
Align Technology, Inc.
2560 Orchard Parkway
San Jose, CA 95131
408-470-1000
investorinfo@aligntech.com
<http://investor.aligntech.com>

Corporate Headquarters
Align Technology, Inc.
2560 Orchard Parkway
San Jose, CA 95131
408-470-1000
www.aligntech.com
www.invisalign.com
www.aligntechinstitute.com

Transfer Agent
Computershare Investor Services
P.O. Box 43023
Providence, RI 02940-3023
Shareholder Inquiries: 781-575-2879
www.computershare.com

**Independent Registered Public
Accounting Firm**
PricewaterhouseCoopers L.L.P.
Ten Almaden Blvd., Suite 1600
San Jose, CA 95113

Outside Legal Counsel
Wilson Sonsini Goodrich & Rosati P.C.
650 Page Mill Road
Palo Alto, CA 94304

Annual Meeting
Align Technology, Inc.
2560 Orchard Parkway
San Jose, CA 95131
Thursday, May 19, 2011
10:00 a.m. Pacific Time

Forward-Looking Statement: This Annual Report contains forward-looking statements, including statements regarding Align's ability to achieve international growth and expansion into new markets, the expected growth trends and opportunities in existing markets and market segments, Align's ability to enhance or expand the features of its existing products, the industry trend of digital tools and solutions becoming more widely used in dental practices, the anticipated benefits in relation to Align's acquisition of Cadent Holdings, Inc., including Align's ability to achieve interoperability with intra-oral scanning systems, drive adoption of intra-oral scanning, and gain entry into the market for restorative dentistry. Expectations about future events or results are based upon information available to Align as of the date hereof. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. As a result, actual results may differ materially and adversely from those expressed in any forward-looking statement. Factors that might cause such a difference include, but are not limited to, difficulties predicting customer and consumer purchasing behavior, the possibility that the development and release of new products does not proceed in accordance with the anticipated timeline, the possibility that the market for the sale of these new products may not develop as expected, the risks relating to Align's ability to sustain or increase profitability or revenue growth in future periods while controlling expenses, continued customer demand for Invisalign and new products, changes in consumer spending habits as a result of, among other things, prevailing economic conditions, levels of employment, salaries and wages and consumer confidence, the timing of case submissions from our doctors within a quarter, acceptance of Invisalign by consumers and dental professionals, Align's third-party manufacturing processes and personnel, foreign operational, political and other risks relating to Align's international manufacturing operations, Align's ability to protect its intellectual property rights, competition from manufacturers of traditional braces and new competitors, Align's ability to develop and successfully introduce new products and product enhancements, and the loss of key personnel. These and other risks are detailed from time to time in Align's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which was filed with the Securities and Exchange Commission on February 24, 2011. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

2560 Orchard Parkway
San Jose, California 95131

www.invisalign.com

