

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

| | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | FY 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | FY 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | YTD 2009 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| N.A. Ortho Revenue | \$ 21,323 | \$ 24,733 | \$ 22,257 | \$ 21,204 | \$ 89,517 | \$ 22,551 | \$ 22,994 | \$ 21,951 | \$ 20,826 | \$ 88,322 | \$ 21,087 | \$ 21,574 | \$ 22,722 | \$ 25,036 | \$ 90,419 |
| YOY % growth | 23.9% | 39.8% | 37.2% | 21.6% | 30.5% | 5.8% | -7.0% | -1.4% | -1.8% | -1.3% | -6.5% | -6.2% | 3.5% | 20.2% | |
| QOQ % growth | 22.3% | 16.0% | -10.0% | -4.7% | | 6.4% | 2.0% | -4.5% | -5.1% | | 1.3% | 2.3% | 5.3% | 10.2% | |
| N.A GP Revenue | 29,248 | 35,727 | 34,129 | 32,694 | 131,798 | 33,935 | 35,577 | 33,861 | 32,095 | 135,468 | 30,916 | 31,756 | 33,908 | 36,172 | 132,752 |
| YOY % growth | 29.7% | 48.2% | 50.4% | 33.3% | 40.4% | 16.0% | -0.4% | -0.8% | -1.8% | 2.8% | -8.9% | -10.7% | 0.1% | 12.7% | |
| QOQ % growth | 19.2% | 22.2% | -4.5% | -4.7% | | 3.8% | 4.8% | -4.8% | -5.2% | | -3.7% | 2.7% | 6.8% | 6.7% | |
| International | 9,178 | 11,635 | 11,539 | 14,202 | 46,554 | 14,196 | 16,436 | 15,128 | 16,248 | 62,008 | 14,267 | 18,058 | 18,460 | 21,259 | 72,044 |
| Non-case Revenue* | 4,012 | 4,508 | 3,526 | 4,417 | 16,463 | 4,094 | 4,895 | 4,233 | 4,956 | 18,178 | 3,862 | 4,928 | 4,179 | 4,149 | 17,118 |
| Revenues | 63,761 | 76,603 | 71,451 | 72,517 | 284,332 | 74,776 | 79,902 | 75,173 | 74,125 | 303,976 | 70,132 | 76,316 | 79,269 | 86,616 | 312,333 |
| YOY % growth | 30.4% | 43.9% | 45.7% | 31.4% | 37.8% | 17.3% | 4.3% | 5.2% | 2.2% | 6.9% | -6.2% | -4.5% | 5.4% | 16.9% | |
| QOQ % growth | 15.5% | 20.1% | -6.7% | 1.5% | | 3.1% | 6.9% | -5.9% | -1.4% | | -5.4% | 8.8% | 3.9% | 9.3% | |
| Cost of revenues | 17,529 | 20,247 | 18,132 | 19,127 | 75,035 | 19,608 | 20,243 | 18,766 | 20,233 | 78,850 | 17,425 | 18,338 | 20,268 | 22,810 | 78,841 |
| Gross Profit | 46,232 | 56,356 | 53,319 | 53,390 | 209,297 | 55,168 | 59,659 | 56,407 | 53,892 | 225,126 | 52,707 | 57,978 | 59,001 | 63,806 | 233,492 |
| Operating Expenses: | | | | | | | | | | | | | | | |
| Sales and marketing | 23,150 | 24,353 | 24,226 | 26,502 | 98,231 | 28,059 | 32,464 | 28,214 | 26,325 | 115,062 | 27,854 | 29,108 | 27,687 | 27,893 | 112,542 |
| General and administrative | 12,185 | 11,880 | 13,949 | 15,266 | 53,280 | 15,188 | 16,322 | 14,395 | 16,249 | 62,154 | 13,468 | 16,539 | 16,224 | 15,487 | 61,718 |
| Research and development | 5,693 | 6,675 | 6,749 | 6,610 | 25,727 | 7,295 | 7,001 | 5,918 | 5,951 | 26,165 | 5,191 | 5,669 | 5,611 | 5,781 | 22,252 |
| Restructuring Charges | - | - | - | - | - | - | - | 2,189 | 4,042 | 6,231 | 910 | 409 | - | - | 1,319 |
| Patient first program | (1,796) | - | - | - | (1,796) | - | - | - | - | - | - | - | - | - | - |
| Litigation settlement costs | - | - | - | - | - | - | - | - | - | - | - | - | 69,673 | - | 69,673 |
| Total operating expenses | 39,232 | 42,908 | 44,924 | 48,378 | 175,442 | 50,542 | 55,787 | 50,716 | 52,567 | 209,612 | 47,423 | 51,725 | 119,195 | 49,161 | 267,504 |
| Profit (loss) from operations | 7,000 | 13,448 | 8,395 | 5,012 | 33,855 | 4,626 | 3,872 | 5,691 | 1,325 | 15,514 | 5,284 | 6,253 | (60,194) | 14,645 | (34,012) |
| Interest and other income (expense), net | 455 | 680 | 1,108 | 852 | 3,095 | 966 | 443 | 264 | (111) | 1,562 | 148 | 557 | (271) | (315) | 119 |
| Profit (loss) before provision for income taxes | 7,455 | 14,128 | 9,503 | 5,864 | 36,950 | 5,592 | 4,315 | 5,955 | 1,214 | 17,076 | 5,432 | 6,810 | (60,465) | 14,330 | (33,893) |
| Provision for (benefit) from income taxes | 477 | 510 | 43 | 196 | 1,226 | 288 | 285 | 798 | (64,282) | (62,911) | 2,796 | 2,265 | (10,523) | 2,838 | (2,624) |
| Net profit (loss) | 6,978 | 13,618 | 9,460 | 5,668 | 35,724 | 5,304 | 4,030 | 5,157 | 65,496 | 79,987 | 2,636 | 4,545 | (49,942) | 11,492 | (31,269) |
| Net profit (loss) per share | | | | | | | | | | | | | | | |
| - basic | \$ 0.11 | \$ 0.20 | \$ 0.14 | \$ 0.08 | \$ 0.53 | \$ 0.08 | \$ 0.06 | \$ 0.08 | \$ 0.99 | \$ 1.20 | \$ 0.04 | \$ 0.07 | \$ (0.72) | \$ 0.15 | \$ (0.45) |
| - diluted | \$ 0.10 | \$ 0.19 | \$ 0.13 | \$ 0.08 | \$ 0.50 | \$ 0.07 | \$ 0.06 | \$ 0.08 | \$ 0.98 | \$ 1.18 | \$ 0.04 | \$ 0.07 | \$ (0.72) | \$ 0.15 | \$ (0.45) |
| Shares used in computing net profit (loss) per share | | | | | | | | | | | | | | | |
| - basic | 65,433 | 66,696 | 67,970 | 68,567 | 67,176 | 69,053 | 68,581 | 67,367 | 66,440 | 66,812 | 65,983 | 66,285 | 69,528 | 74,482 | 69,094 |
| - diluted | 69,331 | 71,207 | 72,230 | 71,864 | 71,444 | 70,860 | 69,916 | 68,704 | 66,816 | 66,064 | 66,447 | 67,373 | 69,528 | 76,831 | 69,094 |
| Margin Analysis: | | | | | | | | | | | | | | | |
| Gross Margin | 72.5% | 73.6% | 74.6% | 73.6% | 73.6% | 73.8% | 74.7% | 75.0% | 72.7% | 74.1% | 75.2% | 76.0% | 74.4% | 73.7% | 74.8% |
| Sales and Marketing | 36.3% | 31.8% | 33.9% | 36.5% | 34.5% | 37.5% | 40.6% | 37.5% | 35.5% | 37.9% | 39.7% | 38.1% | 34.9% | 32.2% | 36.0% |
| General and administrative | 19.1% | 15.5% | 19.5% | 21.1% | 18.7% | 20.3% | 20.4% | 19.1% | 21.9% | 20.4% | 19.2% | 21.7% | 20.5% | 17.9% | 19.8% |
| Research and development | 8.9% | 8.7% | 9.4% | 9.1% | 9.0% | 9.8% | 8.8% | 7.9% | 8.0% | 8.6% | 7.4% | 7.4% | 7.1% | 6.7% | 7.1% |
| Restructuring | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.9% | 5.5% | 2.0% | 1.3% | 0.5% | 0.0% | 0.0% | 0.4% |
| Patients First Program and Settlement Costs (credits) | -2.8% | 0.0% | 0.0% | 0.0% | -0.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 87.9% | 0.0% | 0.0% |
| Operating Margin | 11.0% | 17.6% | 11.7% | 6.9% | 11.9% | 6.2% | 4.8% | 7.6% | 1.8% | 5.1% | 7.5% | 8.2% | -75.9% | 16.9% | -10.9% |
| Net Margin | 10.9% | 17.8% | 13.2% | 7.8% | 12.6% | 7.1% | 5.0% | 6.9% | 88.4% | 26.3% | 3.8% | 6.0% | -63.0% | 13.3% | -10.0% |
| Year Over Year Analysis | | | | | | | | | | | | | | | |
| Revenue | 30.4% | 43.9% | 45.7% | 31.4% | 37.8% | 17.3% | 4.3% | 5.2% | 2.2% | 6.9% | -6.2% | -4.5% | 5.4% | 16.9% | 2.7% |
| Profit (Loss) from Operations | -234.3% | -508.6% | -176.6% | -127.7% | -190.2% | -33.9% | -71.2% | -32.2% | -73.6% | -54.2% | 14.2% | 61.5% | -1157.7% | 1005.3% | -319.2% |
| Operating Expense | -1.5% | 7.2% | 4.0% | -13.7% | -2.1% | 28.8% | 30.0% | -12.9% | 8.7% | 19.5% | -6.2% | -7.3% | 135.0% | -6.5% | 27.6% |
| Net Profit (Loss) | -246.5% | -621.7% | -191.7% | -132.8% | -202.2% | -24.0% | -70.4% | -45.5% | 1055.5% | 123.9% | -50.3% | 12.8% | -1068.4% | -82.5% | -139.1% |
| Quarter Over Quarter Analysis (Sequential) | | | | | | | | | | | | | | | |
| Revenue | 15.5% | 20.1% | -6.7% | 1.5% | | 3.1% | 6.9% | -5.9% | -1.4% | | -5.4% | 8.8% | 3.9% | 9.3% | |
| Profit (Loss) from Operations | -138.7% | 92.1% | -37.8% | -40.3% | | -7.7% | -16.3% | 47.0% | -76.7% | | 298.8% | 18.3% | -1062.6% | -124.3% | |
| Operating Expense | -30.0% | 9.4% | 4.7% | 7.7% | | 4.5% | 10.4% | -9.1% | 3.6% | | -9.8% | 9.1% | -130.4% | -58.8% | |
| Net Profit (Loss) | -140.4% | 95.2% | -30.5% | -40.1% | | -6.4% | -24.0% | 28.0% | 1170.0% | | -96.0% | 72.4% | -1198.8% | -123.0% | |

* Non-case revenue includes the retainer business, training revenues, and ancillary offerings

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

| | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | FY 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | FY 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | YTD 2009 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| N.A. Ortho Revenue | \$ 21,323 | \$ 24,733 | \$ 22,257 | \$ 21,204 | \$ 89,517 | \$ 22,551 | \$ 22,994 | \$ 21,951 | \$ 20,826 | \$ 88,322 | \$ 21,087 | \$ 21,574 | \$ 22,722 | \$ 25,036 | \$ 90,419 |
| YOY % growth | 23.6% | 39.8% | 37.2% | 21.6% | 30.5% | 5.8% | -7.0% | -1.4% | -1.8% | -1.3% | -6.5% | -6.2% | 3.5% | 20.2% | |
| QOQ % growth | 22.3% | 16.0% | -10.0% | -4.7% | | 6.4% | 2.0% | -4.5% | -5.1% | | 1.3% | 2.3% | 5.3% | 10.2% | |
| N.A GP Revenue | 29,248 | 35,727 | 34,129 | 32,694 | 131,798 | 33,935 | 35,577 | 33,861 | 32,095 | 135,468 | 30,916 | 31,756 | 33,908 | 36,172 | 132,752 |
| YOY % growth | 29.7% | 48.2% | 50.4% | 33.3% | 40.4% | 16.0% | -0.4% | -0.8% | -1.8% | 2.8% | -8.9% | -10.7% | 0.1% | 12.7% | |
| QOQ % growth | 19.2% | 22.2% | -4.5% | -4.7% | | 3.8% | 4.8% | -4.8% | -5.2% | | -3.7% | 2.7% | 6.8% | 6.7% | |
| International | 9,178 | 11,635 | 11,539 | 14,202 | 46,554 | 14,196 | 16,436 | 15,128 | 16,248 | 62,008 | 14,267 | 18,058 | 18,460 | 21,259 | 72,044 |
| Non-case Revenue* | 4,012 | 4,508 | 3,526 | 4,417 | 16,463 | 4,094 | 4,895 | 4,233 | 4,956 | 18,178 | 3,862 | 4,928 | 4,179 | 4,149 | 17,118 |
| Revenues | 63,761 | 76,603 | 71,451 | 72,517 | 284,332 | 74,776 | 79,902 | 75,173 | 74,125 | 303,976 | 70,132 | 76,316 | 79,269 | 86,616 | 312,333 |
| Cost of revenues | 17,529 | 20,247 | 18,132 | 19,127 | 75,035 | 19,608 | 20,243 | 18,766 | 20,233 | 78,850 | 17,425 | 18,338 | 18,362 | 18,551 | 72,676 |
| Gross Profit | 46,232 | 56,356 | 53,319 | 53,390 | 209,297 | 55,168 | 59,659 | 56,407 | 53,892 | 225,126 | 52,707 | 57,978 | 60,907 | 68,065 | 239,657 |
| Operating Expenses: | | | | | | | | | | | | | | | |
| Sales and marketing | 23,150 | 24,353 | 24,226 | 26,502 | 98,231 | 28,059 | 32,464 | 28,214 | 26,325 | 115,062 | 27,854 | 29,108 | 27,687 | 27,893 | 112,542 |
| General and administrative | 12,185 | 11,880 | 13,949 | 15,266 | 53,280 | 15,188 | 16,322 | 14,395 | 16,249 | 62,154 | 13,468 | 16,539 | 16,224 | 15,487 | 61,718 |
| Research and development | 5,893 | 6,675 | 6,749 | 6,610 | 25,727 | 7,295 | 7,001 | 5,918 | 5,951 | 26,165 | 5,191 | 5,669 | 5,611 | 5,781 | 22,252 |
| Total operating expenses | 41,028 | 42,908 | 44,924 | 48,378 | 177,238 | 50,542 | 55,787 | 48,527 | 48,525 | 203,381 | 46,513 | 51,316 | 49,522 | 49,161 | 196,512 |
| Profit from operations | 5,204 | 13,448 | 8,395 | 5,012 | 32,059 | 4,626 | 3,872 | 7,880 | 5,367 | 21,745 | 6,194 | 6,662 | 11,385 | 18,904 | 43,145 |
| Interest and other income (expense), net | 455 | 680 | 1,108 | 852 | 3,095 | 966 | 443 | 264 | (111) | 1,562 | 148 | 557 | (271) | (315) | 119 |
| Profit before provision for income taxes | 5,659 | 14,128 | 9,503 | 5,864 | 35,154 | 5,592 | 4,315 | 8,144 | 5,256 | 23,307 | 6,342 | 7,219 | 11,114 | 18,589 | 43,264 |
| Provision for income taxes | 434 | 510 | 43 | 196 | 1,183 | 288 | 285 | 884 | 369 | 1,826 | 3,151 | 2,392 | 2,208 | 6,443 | 14,194 |
| Net profit | 5,225 | 13,618 | 9,460 | 5,668 | 33,971 | 5,304 | 4,030 | 7,260 | 4,887 | 21,481 | 3,191 | 4,827 | 8,906 | 12,146 | 29,070 |
| Net profit per share | | | | | | | | | | | | | | | |
| - basic | \$ 0.08 | \$ 0.20 | \$ 0.14 | \$ 0.08 | \$ 0.51 | \$ 0.08 | \$ 0.06 | \$ 0.11 | \$ 0.07 | \$ 0.32 | \$ 0.05 | \$ 0.07 | \$ 0.13 | \$ 0.16 | \$ 0.42 |
| - diluted | \$ 0.08 | \$ 0.19 | \$ 0.13 | \$ 0.08 | \$ 0.48 | \$ 0.07 | \$ 0.06 | \$ 0.11 | \$ 0.07 | \$ 0.32 | \$ 0.05 | \$ 0.07 | \$ 0.13 | \$ 0.16 | \$ 0.41 |
| Shares used in computing net profit per share | | | | | | | | | | | | | | | |
| - basic | 65,433 | 66,696 | 67,970 | 68,562 | 67,176 | 69,053 | 68,581 | 67,367 | 66,440 | 66,812 | 65,983 | 66,285 | 69,528 | 74,482 | 69,094 |
| - diluted | 69,331 | 71,207 | 72,230 | 71,864 | 71,444 | 70,860 | 69,916 | 68,704 | 66,816 | 68,064 | 66,447 | 67,373 | 70,926 | 76,831 | 70,602 |
| Margin Analysis: | | | | | | | | | | | | | | | |
| Gross Margin | 72.5% | 73.6% | 74.6% | 73.6% | 73.6% | 73.8% | 74.7% | 75.0% | 72.7% | 74.1% | 75.2% | 76.0% | 76.8% | 78.6% | 76.7% |
| Operating Margin | 8.2% | 17.6% | 11.7% | 6.9% | 11.3% | 6.2% | 4.8% | 10.5% | 7.2% | 7.2% | 8.8% | 8.7% | 14.4% | 21.8% | 13.8% |
| Net Margin | 8.2% | 17.8% | 13.2% | 7.8% | 11.9% | 7.1% | 5.0% | 9.7% | 6.6% | 7.1% | 4.5% | 6.3% | 11.2% | 14.0% | 9.3% |
| Year Over Year Analysis | | | | | | | | | | | | | | | |
| Revenue | 30.4% | 43.9% | 45.7% | 31.4% | 37.8% | 17.3% | 4.3% | 5.2% | 2.2% | 6.9% | -6.2% | -4.5% | 5.4% | 16.9% | 2.7% |
| Profit from Operations | -273.0% | -1412.0% | -196.6% | -420.9% | -324.5% | -11.1% | -71.2% | -6.1% | 7.1% | -32.2% | 33.9% | 72.1% | 44.5% | 252.2% | 98.4% |
| Net Profit | -353.5% | 4058.7% | 217.6% | 841.4% | 389.4% | 3.2% | -70.4% | 23.2% | 13.8% | -36.8% | -39.8% | 19.8% | 22.7% | 148.5% | 35.3% |
| Quarter Over Quarter Analysis (Sequential) | | | | | | | | | | | | | | | |
| Revenue | 15.5% | 20.1% | -6.7% | 1.5% | | 3.1% | 6.9% | -5.9% | -1.4% | | -5.4% | 8.8% | 3.9% | 9.3% | |
| Gross Profit | 21.1% | 21.9% | -5.4% | 0.1% | | 3.1% | 8.1% | -5.5% | -1.4% | | -2.2% | 10.0% | 5.1% | 11.8% | |
| Operating Expense | 3.2% | 4.6% | 4.7% | 7.7% | | 4.5% | 10.4% | -13.0% | 0.0% | | -4.1% | 10.3% | -3.5% | -0.7% | |
| Net Profit | 772.6% | 160.6% | -30.5% | -40.1% | | -6.4% | -24.0% | 80.1% | 32.7% | | -34.7% | 51.3% | 84.5% | 36.4% | |
| Reconciliation of GAAP Net Profit (Loss) to non-GAAP Net Profit: | | | | | | | | | | | | | | | |
| GAAP Net profit (loss) | 6,978 | 13,618 | 9,460 | 5,668 | 35,724 | 5,304 | 4,030 | 5,157 | 65,496 | 79,987 | 2,636 | 4,545 | (49,942) | 11,492 | (31,269) |
| Patient first program | (1,796) | - | - | - | (1,796) | - | - | - | - | - | - | - | - | - | - |
| Ormcoc royalties | - | - | - | - | - | - | - | - | - | - | - | - | 1,906 | 4,259 | 6,165 |
| Litigation settlement costs | - | - | - | - | - | - | - | - | - | - | - | - | 69,673 | - | 69,673 |
| Restructuring | - | - | - | - | - | - | - | 2,189 | 4,042 | 6,231 | 910 | 409 | - | - | 1,319 |
| Release of tax valuation allowance | - | - | - | - | - | - | - | - | (64,608) | (64,608) | - | - | - | - | - |
| Tax impact on non GAAP adjustments | 43 | - | - | - | 43 | - | - | (86) | (43) | (129) | (355) | (127) | (12,731) | (3,605) | (16,818) |
| Non-GAAP net profit | 5,225 | 13,618 | 9,460 | 5,668 | 33,971 | 5,304 | 4,030 | 7,260 | 4,887 | 21,481 | 3,191 | 4,827 | 8,906 | 12,146 | 29,070 |

* Non-case revenue includes the retainer business, training revenues, and ancillary offerings