

ALIGN TECHNOLOGY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except per share data)

| | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Fiscal 2014 | Q1 2015 | Q2 2015 | Q3 2015 | Q4 2015 | Fiscal 2015 | Q1 2016 |
|--|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| Net Revenues | | | | | | | | | | | |
| <i>Clear Aligner Net Revenues:</i> | | | | | | | | | | | |
| North America | \$ 107,910 | \$ 111,648 | \$ 113,349 | \$ 113,670 | \$ 446,577 | \$ 118,844 | \$ 126,137 | \$ 124,085 | \$ 129,663 | \$ 498,729 | \$ 135,699 |
| International | 49,848 | 55,988 | 53,439 | 60,467 | 219,742 | 55,920 | 61,896 | 61,265 | 70,980 | 250,061 | 69,850 |
| Non-case (1) | 10,481 | 12,099 | 11,350 | 12,300 | 46,230 | 12,265 | 12,784 | 12,942 | 13,405 | 51,396 | 14,149 |
| Total Clear Aligner Net Revenues | 168,239 | 179,735 | 178,138 | 186,437 | 712,549 | 187,029 | 200,817 | 198,292 | 214,048 | 800,186 | 219,698 |
| <i>Scanner and Services Net Revenues</i> | 12,407 | 12,796 | 11,738 | 12,163 | 49,104 | 11,057 | 8,671 | 9,344 | 16,228 | 45,300 | 19,022 |
| Total Worldwide Net Revenues | 180,646 | 192,531 | 189,876 | 198,600 | 761,653 | 198,086 | 209,488 | 207,636 | 230,276 | 845,486 | 238,720 |
| Cost of Net Revenues: | | | | | | | | | | | |
| Cost of net revenues Clear Aligner | 35,156 | 38,032 | 37,021 | 39,451 | 149,660 | 39,069 | 43,480 | 42,087 | 47,363 | 171,999 | 47,631 |
| Cost of net revenues Scanner and Services | 8,239 | 9,023 | 7,801 | 8,487 | 33,550 | 7,927 | 7,374 | 7,973 | 10,103 | 33,377 | 10,462 |
| Total cost of net revenues | 43,395 | 47,055 | 44,822 | 47,938 | 183,210 | 46,996 | 50,854 | 50,060 | 57,466 | 205,376 | 58,093 |
| Gross profit | 137,251 | 145,476 | 145,054 | 150,662 | 578,443 | 151,090 | 158,634 | 157,576 | 172,810 | 640,110 | 180,627 |
| Operating Expenses: | | | | | | | | | | | |
| Selling, general and administrative | 82,067 | 83,455 | 80,653 | 85,893 | 332,068 | 88,281 | 100,625 | 101,751 | 99,582 | 390,239 | 112,210 |
| Research and development | 13,380 | 13,289 | 12,854 | 13,276 | 52,799 | 13,885 | 15,684 | 17,779 | 13,889 | 61,237 | 15,083 |
| Total operating expenses | 95,447 | 96,744 | 93,507 | 99,169 | 384,867 | 102,166 | 116,309 | 119,530 | 113,471 | 451,476 | 127,293 |
| Operating Profit (loss): | 41,804 | 48,732 | 51,547 | 51,493 | 193,576 | 48,924 | 42,325 | 38,046 | 59,339 | 188,634 | 53,334 |
| Interest and other income (expense), net | 601 | (93) | (1,999) | (1,716) | (3,207) | (1,452) | 174 | (1,568) | 313 | (2,533) | (427) |
| Profit before provision for income taxes | 42,405 | 48,639 | 49,548 | 49,777 | 190,369 | 47,472 | 42,499 | 36,478 | 59,652 | 186,101 | 52,907 |
| Provision for income taxes | 9,961 | 13,039 | 11,301 | 10,236 | 44,537 | 11,295 | 11,149 | 8,862 | 10,775 | 42,081 | 12,361 |
| Net profit (loss) | \$ 32,444 | \$ 35,600 | \$ 38,247 | \$ 39,541 | \$ 145,832 | \$ 36,177 | \$ 31,350 | \$ 27,616 | \$ 48,877 | \$ 144,020 | \$ 40,546 |
| Net profit (loss) per share | | | | | | | | | | | |
| - basic | \$ 0.40 | \$ 0.44 | \$ 0.47 | \$ 0.49 | \$ 1.81 | \$ 0.45 | \$ 0.39 | \$ 0.35 | \$ 0.61 | \$ 1.80 | \$ 0.51 |
| - diluted | \$ 0.39 | \$ 0.43 | \$ 0.47 | \$ 0.48 | \$ 1.77 | \$ 0.44 | \$ 0.39 | \$ 0.34 | \$ 0.60 | \$ 1.77 | \$ 0.50 |
| Shares used in computing net profit (loss) per share | | | | | | | | | | | |
| - basic | 81,120 | 81,027 | 80,629 | 80,266 | 80,754 | 80,459 | 80,257 | 79,808 | 79,481 | 79,998 | 79,831 |
| - diluted | 82,817 | 82,341 | 82,014 | 81,691 | 82,283 | 81,824 | 81,394 | 81,092 | 81,051 | 81,521 | 81,320 |
| Margin Analysis: | | | | | | | | | | | |
| Gross margin | 76.0% | 75.6% | 76.4% | 75.9% | 75.9% | 76.3% | 75.7% | 75.9% | 75.0% | 75.7% | 75.7% |
| -Clear Aligner | 79.1% | 78.8% | 79.2% | 78.8% | 79.0% | 79.1% | 78.3% | 78.8% | 77.9% | 78.5% | 78.3% |
| -Scanner and Services | 33.6% | 29.5% | 33.5% | 30.2% | 31.7% | 28.3% | 15.0% | 14.7% | 37.7% | 26.3% | 45.0% |
| Selling, general and administrative | 45.4% | 43.3% | 42.5% | 43.2% | 43.6% | 44.6% | 48.0% | 49.0% | 43.2% | 46.2% | 47.0% |
| Research and development | 7.4% | 6.9% | 6.8% | 6.7% | 6.9% | 7.0% | 7.5% | 8.6% | 6.0% | 7.2% | 6.3% |
| Operating margin | 23.1% | 25.3% | 27.1% | 25.9% | 25.4% | 24.7% | 20.2% | 18.3% | 25.8% | 22.3% | 22.3% |
| Net margin | 18.0% | 18.5% | 20.1% | 19.9% | 19.1% | 18.3% | 15.0% | 13.3% | 21.2% | 17.0% | 17.0% |
| Year Over Year Analysis: | | | | | | | | | | | |
| Net Revenues | 17.6% | 17.5% | 15.4% | 11.4% | 15.4% | 9.7% | 8.8% | 9.4% | 15.9% | 11.0% | 20.5% |
| -Clear Aligner | 18.8% | 17.2% | 16.0% | 12.2% | 15.9% | 11.2% | 11.7% | 11.3% | 14.8% | 12.3% | 17.5% |
| -Scanner and Services | 3.3% | 21.6% | 7.1% | 0.8% | 7.8% | -10.9% | -32.2% | -20.4% | 33.4% | -7.7% | 72.0% |
| Gross profit | 21.6% | 17.6% | 16.0% | 10.4% | 16.1% | 10.1% | 9.0% | 8.6% | 10.7% | 19.5% | 19.5% |
| Operating expense | -36.8% | 12.8% | 11.8% | 18.7% | -4.7% | 7.0% | 20.2% | 27.8% | 14.4% | 17.3% | 24.6% |
| Operating profit (loss) | -209.8% | 28.6% | 24.3% | -2.7% | 105.5% | 17.0% | -13.1% | -26.2% | 15.2% | -2.6% | 9.0% |
| Net profit (loss) | -177.3% | 21.4% | 10.7% | -6.8% | 126.8% | 11.5% | -11.9% | -27.8% | 23.6% | -1.2% | 12.1% |
| Quarter Over Quarter Analysis (Sequential): | | | | | | | | | | | |
| Net Revenues | 1.3% | 6.6% | -1.4% | 4.6% | | -0.3% | 5.8% | -0.9% | 10.9% | | 3.7% |
| -Clear Aligner | 1.2% | 6.8% | -0.9% | 4.7% | | 0.3% | 7.4% | -1.3% | 7.9% | | 2.6% |
| -Scanner and Services | 2.8% | 3.1% | -8.3% | 3.6% | | -9.1% | -21.6% | 7.8% | 73.7% | | 17.2% |
| Gross profit | 0.6% | 6.0% | -0.3% | 3.9% | | 0.3% | 5.0% | -0.7% | 9.7% | | 4.5% |
| Operating expense | 14.2% | 1.4% | -3.3% | 6.1% | | 3.0% | 13.8% | 2.8% | -5.1% | | 12.2% |
| Operating profit (loss) | -21.0% | 16.6% | 5.8% | -0.1% | | -5.0% | -13.5% | -10.1% | 56.0% | | -10.1% |
| Net profit (loss) | -23.5% | 9.7% | 7.4% | 3.4% | | -8.5% | -13.3% | -11.9% | 77.0% | | -17.0% |

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

ALIGN TECHNOLOGY
NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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| North America | \$ 107,910 | \$ 111,648 | \$ 113,349 | \$ 113,670 | \$ 446,577 | \$ 118,844 | \$ 126,137 | \$ 124,085 | \$ 129,663 | \$ 498,729 | \$ 135,699 |
| International | 49,848 | 55,988 | 53,439 | 60,467 | 219,742 | 55,920 | 61,896 | 61,265 | 70,980 | 250,061 | 69,850 |
| Non-case Net Revenues (1) | 10,481 | 12,099 | 11,350 | 12,300 | 46,230 | 12,265 | 12,784 | 12,942 | 13,405 | 51,396 | 14,149 |
| Total Clear Aligner Net Revenues | 168,239 | 179,735 | 178,138 | 186,437 | 712,549 | 187,029 | 200,817 | 198,292 | 214,048 | 800,186 | 219,698 |
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| Total Worldwide Net Revenues | 180,646 | 192,531 | 189,876 | 198,600 | 761,653 | 198,086 | 209,488 | 207,636 | 230,276 | 845,486 | 238,720 |
| Cost of Net Revenues: | | | | | | | | | | | |
| Cost of net revenues Clear Aligner | 35,156 | 38,032 | 37,021 | 39,451 | 149,660 | 39,069 | 43,480 | 42,087 | 47,363 | 171,999 | 47,631 |
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| Total cost of net revenues | 43,395 | 47,055 | 44,822 | 47,938 | 183,210 | 46,996 | 50,854 | 50,060 | 57,466 | 205,376 | 58,093 |
| Gross profit | 137,251 | 145,476 | 145,054 | 150,662 | 578,443 | 151,090 | 158,634 | 157,576 | 172,810 | 640,110 | 180,627 |
| Operating Expenses: | | | | | | | | | | | |
| Selling, general and administrative | 82,067 | 83,455 | 80,653 | 85,893 | 332,068 | 88,281 | 100,625 | 101,751 | 99,582 | 390,239 | 112,210 |
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| Total operating expenses | 95,447 | 96,744 | 93,507 | 99,169 | 384,867 | 102,166 | 116,309 | 119,530 | 113,471 | 451,476 | 127,293 |
| Operating Profit: | 41,804 | 48,732 | 51,547 | 51,493 | 193,576 | 48,924 | 42,325 | 38,046 | 59,339 | 188,634 | 53,334 |
| Interest and other income (expense), net | 601 | (93) | (1,999) | (1,716) | (3,207) | (1,452) | 174 | (1,568) | 313 | (2,533) | (427) |
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| Provision for income taxes | 9,961 | 13,039 | 11,301 | 10,236 | 44,537 | 11,295 | 11,149 | 8,862 | 10,775 | 42,081 | 12,361 |
| Net profit | \$ 32,444 | \$ 35,600 | \$ 38,247 | \$ 39,541 | \$ 145,832 | \$ 36,177 | \$ 31,350 | \$ 27,616 | \$ 48,877 | \$ 144,020 | \$ 40,546 |
| Net profit per share | | | | | | | | | | | |
| - basic | \$ 0.40 | \$ 0.44 | \$ 0.47 | \$ 0.49 | \$ 1.81 | \$ 0.45 | \$ 0.39 | \$ 0.35 | \$ 0.61 | \$ 1.80 | \$ 0.51 |
| - diluted | \$ 0.39 | \$ 0.43 | \$ 0.47 | \$ 0.48 | \$ 1.77 | \$ 0.44 | \$ 0.39 | \$ 0.34 | \$ 0.60 | \$ 1.77 | \$ 0.50 |
| Shares used in computing net profit per share | | | | | | | | | | | |
| - basic | 81,120 | 81,027 | 80,629 | 80,266 | 80,754 | 80,459 | 80,257 | 79,808 | 79,481 | 79,998 | 79,831 |
| - diluted | 82,817 | 82,341 | 82,014 | 81,691 | 82,283 | 81,824 | 81,394 | 81,092 | 81,051 | 81,521 | 81,320 |
| Margin Analysis: | | | | | | | | | | | |
| Gross margin | 76.0% | 75.6% | 76.4% | 75.9% | 75.9% | 76.3% | 75.7% | 75.9% | 75.0% | 75.7% | 75.7% |
| -Clear Aligner | 79.1% | 78.8% | 79.2% | 78.8% | 79.0% | 79.1% | 78.3% | 78.8% | 77.9% | 78.5% | 78.3% |
| -Scanner and Services | 33.6% | 29.5% | 33.5% | 30.2% | 31.7% | 28.3% | 15.0% | 14.7% | 37.7% | 26.3% | 45.0% |
| Operating Margin | 23.1% | 25.3% | 27.1% | 25.9% | 25.4% | 24.7% | 20.2% | 18.3% | 25.8% | 22.3% | 22.3% |
| Net Margin | 18.0% | 18.5% | 20.1% | 19.9% | 19.1% | 18.3% | 15.0% | 13.3% | 21.2% | 17.0% | 17.0% |
| Year Over Year Analysis: | | | | | | | | | | | |
| Net Revenues | 17.6% # | 17.5% | 15.4% | 11.4% | 15.4% | 9.7% | 8.8% | 9.4% | 15.9% | 11.0% | 20.5% |
| Gross profit | 21.6% | 17.6% | 16.0% | 10.4% | 16.1% | 10.1% | 9.0% | 8.6% | 14.7% | 10.7% | 19.5% |
| Operating expense | 13.7% | 12.8% | 11.8% | 18.7% | 14.2% | 7.0% | 20.2% | 27.8% | 14.4% | 17.3% | 24.6% |
| Operating profit | 44.5% | 28.6% | 24.3% | -2.7% | 20.1% | 17.0% | -13.1% | -26.2% | 15.2% | -2.6% | 9.0% |
| Net Profit | 52.7% | 21.4% | 10.7% | -6.8% | 14.4% | 11.5% | -11.9% | -27.8% | 23.6% | -1.2% | 12.1% |
| Quarter Over Quarter Analysis (Sequential): | | | | | | | | | | | |
| Net Revenues | 1.3% # | 6.6% | -1.4% | 4.6% | | -0.3% | 5.8% | -0.9% | 10.9% | | 3.7% |
| Gross profit | 0.6% | 6.0% | -0.3% | 3.9% | | 0.3% | 5.0% | -0.7% | 9.7% | | 4.5% |
| Operating expense | 14.2% | 1.4% | -3.3% | 6.1% | | 3.0% | 13.8% | 2.8% | -5.1% | | 12.2% |
| Operating profit (loss) | -21.0% | 16.6% | 5.8% | -0.1% | | -5.0% | -13.5% | -10.1% | 56.0% | | -10.1% |
| Net profit | -23.5% | 9.7% | 7.4% | 3.4% | | -8.5% | -13.3% | -11.9% | 77.0% | | -17.0% |

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