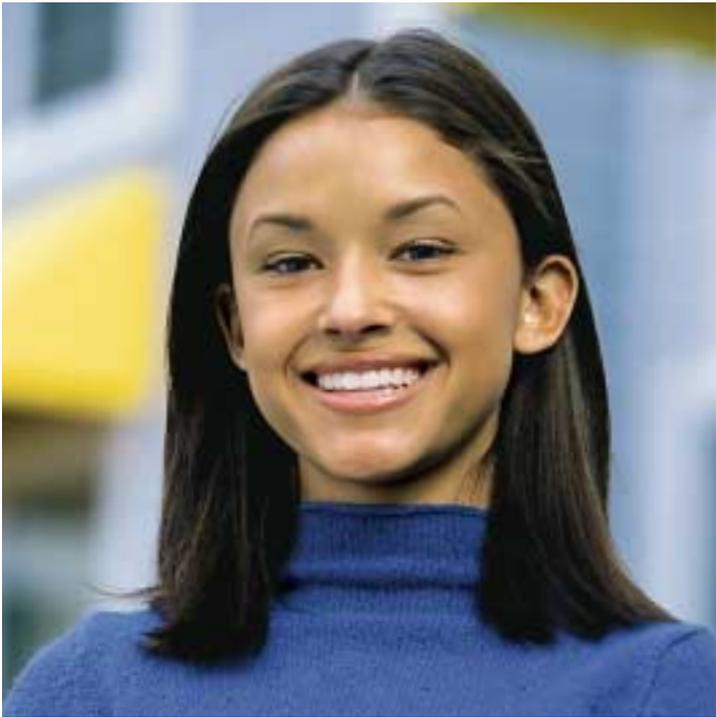
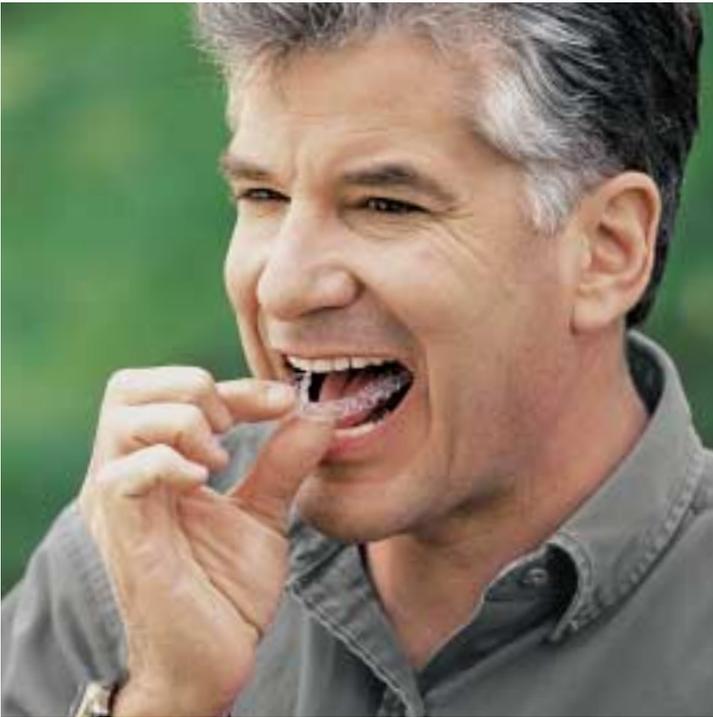


A YEAR OF VISIBLE RESULTS



Dear Fellow Shareholder:

DELIVERING ON COMMITMENTS

Over a year ago, I was asked to consider taking the helm of Align Technology — a rare company that had created a revolutionary product suited to bring fundamental change to an industry. As I assessed the products and opportunities at Align I came to the same conclusions that each of you did when you invested in this company: great product, vast market potential and proof of concept in the growing legion of successfully treated patients.

I accepted the position, along with the stewardship of your investment, knowing that the challenge was to align the resources of the Company with its enormous opportunity and lead the Company to near-term stability and long-term prosperity. During 2002, every aspect of our operation was analyzed, priorities were set, seasoned management hired, and new strategies adopted. A new structure emerged, and by year-end many of the necessary changes had taken place.

Streamlining operations. Operationally, we are a much leaner organization than we were a year ago. Our centralized manufacturing initiatives in Costa Rica are complete and have proven to be more successful and beneficial to our cost structure and quality control than we had anticipated. We have eliminated all operations in Pakistan and the United Arab Emirates and upgraded our diagnostic, treatment and manufacturing technologies substantially. Difficult decisions were made to make the company more focused and streamlined. The number of employees now stands at just over 650,

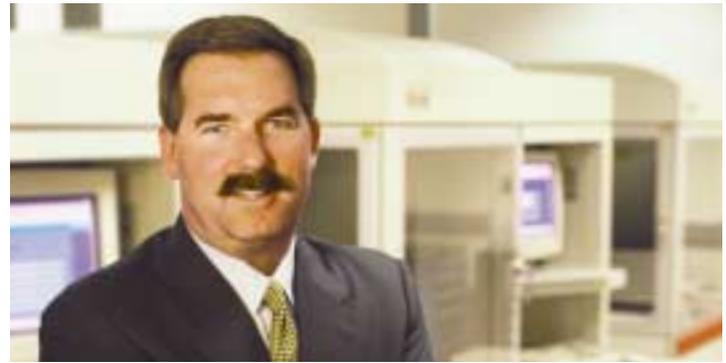
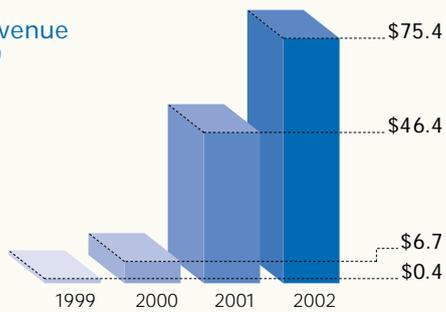
compared to more than 1100 at the beginning of 2002. All told, we eliminated more than \$12 million in our annual operating expenses.

Manufacturing advances. Significant technology injection into our manufacturing processes has decreased our product turnaround time to approximately three weeks. Technology improvements and increased case volume, coupled with management of spending, reduced product costs by nearly 50 percent during 2002. In summary, we have ensured operations match near-term profitability goals and sales projections while maintaining scalability.

Applying our marketing initiatives to this opportunity may have posed the greatest challenge in 2002. There was debate within both the academic and professional orthodontic communities about the offering of our product to dentists. Our answer is that through education and understanding of the appropriate application of Invisalign®, both orthodontic and dental practices can expand and prosper, and more patients will have access to and can benefit from orthodontic care and treatment.

Establishing priorities. Because of the opportunity and the richness of the U.S. market, we have adjusted our priorities to first focus on North America. Internationally, our challenge has been to invest appropriate resources into suitable regions. We have dramatically reduced the pace of expansion

Annual revenue
(\$ in millions)



into new countries and have rationalized our presence in core western European countries while focusing on supporting our existing customer base. We are building a foundation for future penetration in select Asian Pacific and Latin American markets at a measured pace until we generate the level of profits necessary to fund and accelerate those investments.

While the financial viability of the Company was not in question, more than streamlining and cost reductions were required to ensure a stable foundation. To that end, our management team substantially strengthened the balance sheet by completing important equity financing and credit facility transactions, which increased our cash balance and available funds by more than \$23 million. Eliminating the overhang of financing risk cleared the path for acceleration in our key business objectives: drive top line growth, increase gross margins, manage spending closely, ensure satisfied customers and achieve profitability.

While the changes in operations, strategy and capital structure during the past year have been difficult and complex, our goals for the future are straightforward. Our aim is to increase sales each quarter; foster a growing, cooperative and energized community of Invisalign orthodontists and dentists; continue to expand consumer recognition and understanding of the power of our product; and, perhaps most importantly, exit 2003 a profitable organization.

Parting thoughts. I would like to extend a special thanks to our customers for allowing us to become an important part of their practice and who, along with their patients, are helping us develop this market. And I thank our employees and their families for their commitment to our goal of outstanding customer service and for their passion to help our customers succeed. Every employee is energized by the clear goals in place and the urgent need to meet the commitments behind them.

And to all our shareholders, I thank you for your belief in our strategic vision and our unwavering commitment to build a great company and establish Invisalign as a highly valuable, unique global brand.

In closing, I am proud of our team, thankful for our great customers and appreciative of the investor support which is enabling our growth. I am confident we will deliver on the high expectations before us.

Sincerely,

Thomas M. Prescott
President and CEO

Visible Result

BUILDING ON SUCCESS FOCUSED ON THE FUTURE



A Solid Foundation for Success

We have the opportunity to tap into one of the largest consumer product markets on the planet. Our challenge is to take advantage of that position, translate the potential into a highly profitable enterprise with great customer satisfaction, and ultimately establish Invisalign as a global brand. The key to achieving these goals is aligning our plans, strategies and efforts with that opportunity. In 2002 we made substantial progress toward those goals — in 2003 we will see the benefits of those efforts and will prepare for continued corporate growth and drive toward profitability.

Visible Result

A NEW APPROACH A BETTER SOLUTION



A Revolution in Technology

When any of us first considered orthodontic treatment for ourselves or our children, key consumer needs like comfort, aesthetics and hygiene were rarely part of the discussion. Today, these are the very attributes behind Invisalign's significant and expanding presence in the market for straightening teeth. Invisalign is a revolutionary product that is providing thousands of people with an entirely new orthodontic experience, one that aligns their desire for comfort and aesthetics with demonstrable clinical effectiveness. Now, there is finally an alternative to traditional wires and brackets.

Visible Result

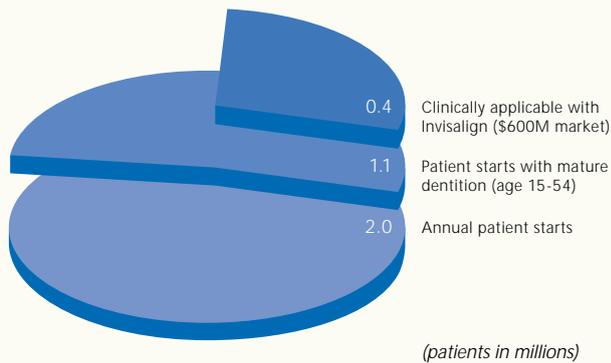
UNLOCKING AN ENORMOUS MARKET



Align is Focused Squarely on Our Customers

The key to unlocking this market potential is the understanding not only of how Invisalign benefits the patient, but of how the product ultimately benefits our customers — the orthodontist and general practice dentist. Far from mutually exclusive, the interests of these groups are coincident, and in fact, each will ultimately rely upon the other to maximize this new market: orthodontists, our core customers, will drive market penetration and establish the standard of care through their special expertise and clinical leadership, and GP dentists will contribute to overall growth of the market through daily interface with their patients.

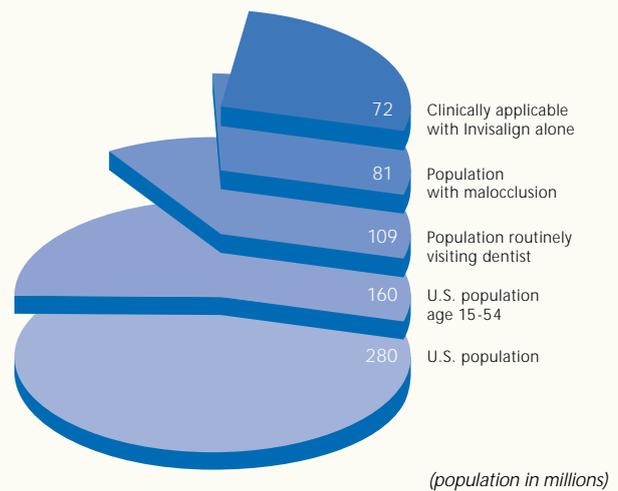
THE OPPORTUNITY



Existing U.S. Orthodontics Market

Every year, approximately 2 million American adults, teenagers and children make the decision to straighten their teeth. On a very conservative basis, we estimate that 400,000 of these patients have mature dentition and cases that are clinically applicable with Invisalign — translating to a potential U.S. market of more than \$600 million. This market presents the best opportunity to build a strong foundation for the company.

As Align establishes a meaningful share of this initial market, we expect to extend our application into mature teens and participate in the treatment of highly complex cases. This should expand our addressable market to over \$1 billion.



Enormous Additional U.S. Market Potential

The market for Invisalign is not limited to those patients currently seeking orthodontic treatment. Our potential extends far beyond these patients to the remaining population. In the U.S., over 70 million adults and teenagers visiting the dentist have bite problems and will not do anything about them due to a number of objections — “braces are unattractive,” “it hurts,” and so on — virtually all of which are addressable by Invisalign. If only one percent of this vast pool of potential patients determines that Invisalign is the solution for them, it would mean incremental revenues of more than \$1 billion.

Visible Result

ORTHODONTISTS AND DENTISTS WHO SEE THE POTENTIAL

“Invisalign is one of the most revolutionary advances in orthodontics that I have seen in my professional career. The benefits of Invisalign are very clear — happier patients, great treatment results and more demand for our services. Invisalign has been a great addition to our practice.”

— Dr. Michael Stewart



Orthodontists' Impact

Orthodontists have been and will continue to be the vanguard of education and acceptance of Invisalign as a recommended and often preferred treatment modality. More than 80 percent of North American orthodontists have become Invisalign certified, and more than 85 percent of the 89,000 cases submitted to date have come from orthodontic practices. These early and experienced Invisalign users have set the standard for clinical excellence and good patient care with Invisalign. In the future, orthodontists will have the greatest impact on the expanded use and development of our technology through academic research, professional programs and advanced techniques to treat even the most complex bite issues.

The Align Commitment

Our pledge to support the efforts of the orthodontic community is basic to our corporate success. In 2002 we demonstrated this commitment by supporting 11 clinical studies, which resulted in 18 published scientific articles. Additionally, we redesigned our continuing education initiative, provided new resources to help orthodontists grow their practices, and fostered cooperative programs to encourage orthodontists and dentists to work together. In cases of orthodontist-dentist collaborations, dentists and their staffs learn to better understand and identify potential Invisalign cases, resulting in a marked increase in qualified referrals to their orthodontist colleagues.



“I use Invisalign to treat aesthetic cases in my office. Finally, I can offer patients the smile they've always dreamed of. This has improved my reputation as a leading dentist and enhanced my relationship with my orthodontists — to whom I can refer more complex cases that I do not like to treat. It's really a great new mode of treatment for the patient, dentist and orthodontist alike.”

— Dr. Brian Gray

Dentists Understand They Make a Difference

As orthodontists continue to test and treat increasingly complex cases with Invisalign, general practice dentists will fuel the adoption of Invisalign by a larger portion of the population. In their role as primary dental care providers, general dentists reach millions of patients who would not otherwise seek orthodontic treatment.

In 2002, general practice dentists became committed to bringing the advantages of Invisalign to their patients. In turn, the Company has committed substantial resources to training and supporting their efforts. During 2002 we trained approximately 5,000 dentists in applying Invisalign. Of the thousands of dentists first trained, approximately 55 percent submitted Invisalign cases — an excellent early-stage adoption pattern. We are committed to training 5,000 more dentists this year, and we have created a support structure

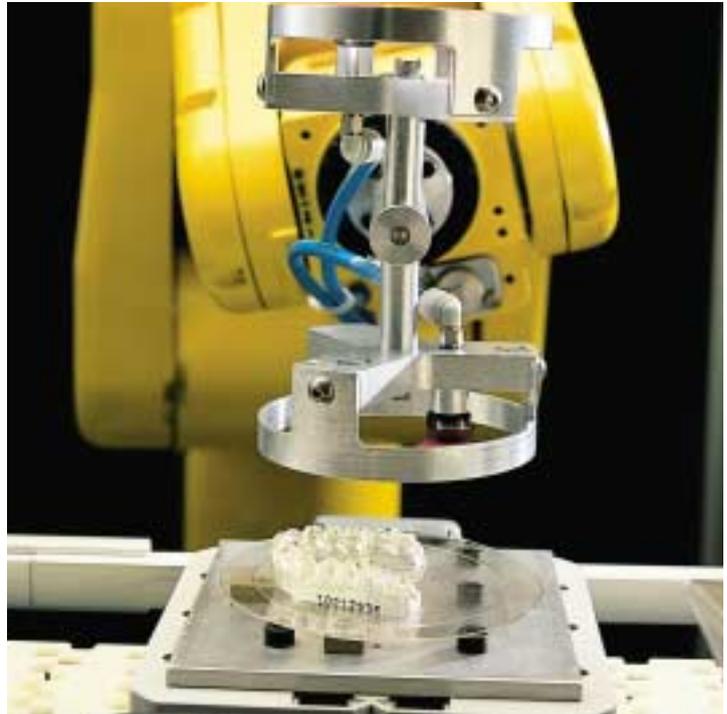
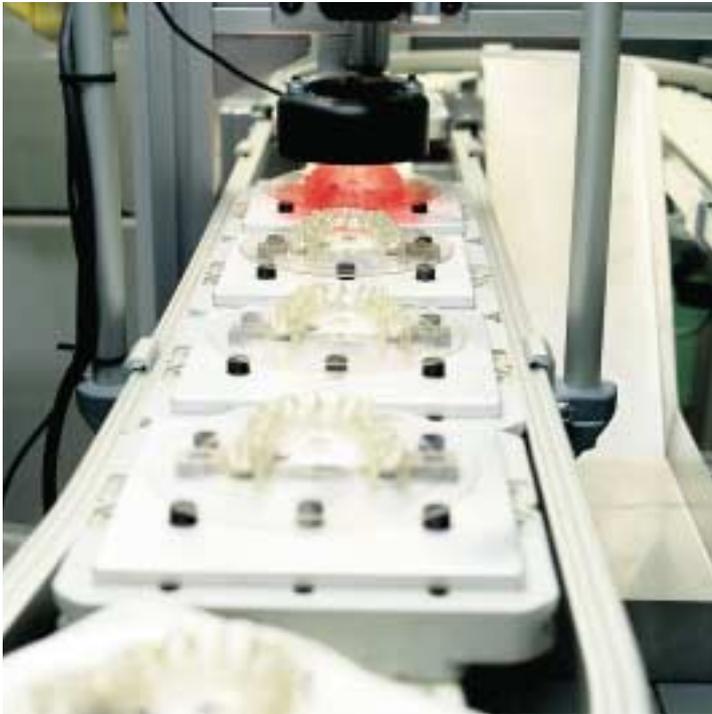
for these customers that provides the appropriate education, technology support and service necessary to better identify potential Invisalign patients and grow their practices using our product.

Align is Committed to Growing the Market

Targeting general practice dentists, we have deployed a committed sales force and enhanced our in-house training capacity, increasing our presence in each region of the country. We aim to energize and expand Invisalign use in that community by providing a high-quality service for their patients. Additionally, since dentists and their staff will be better at assessing and diagnosing malocclusion in their broad patient population, their referrals for more complex cases to their orthodontic partners will expand.

Visible Result

TECHNOLOGY DRIVES CAPACITY AND PROFITABILITY



Streamlined Operations

Our operational challenge was to align the Company's structure with both our vast opportunity and near-term profit objectives. To that end we have redesigned and simplified our operations, streamlining our call center and manufacturing operations. By year-end we closed down operations in Pakistan and the United Arab Emirates, centralizing those functions in Costa Rica, where the wealth of skilled employees has met the challenge to consolidate production capacity from the three former facilities.

We have significantly upgraded our manufacturing technology, eliminating a number of time-consuming manual procedures. These advances, including digital scanning, modeling and automated fabrication capabilities have been critical in reducing our manufacturing turnaround time to approximately three weeks in 2002 while cutting our average product cost by

approximately 50 percent. In total, structural and technology advances led to a marked increase in output while the manufacturing employee base was decreased by more than 400.

Improving Margins and Increasing Cash Resources

In making these structural and operational changes, Align has eliminated approximately \$12 million in costs, and our expenses and revenues are more closely matched. This, along with a \$23 million equity financing and bank credit facility, balances our resources with our goals and makes profitability a more near-term reality. With these changes in place, management and employees alike are now sharply focused on profitability and on getting there before the end of 2003. Today, confidence is high that the team and the foundations are in place to reach this goal and, more importantly, to take major steps towards our long-term objective of creating a leading global enterprise.

Executive Team

Thomas M. Prescott
President and CEO

Eldon M. Bullington
Vice President, Finance and CFO

Amir Abolfathi
Vice President, Research and Development

Jon Fjeld
Vice President, Engineering

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

Len Hedge
Vice President, Operations

David S. Thrower
Vice President, Global Marketing

Regional Leadership

Joe Breeland
Vice President, Sales
North America

Juan Salvador Gonzalez
Vice President, Managing Director
Latin America

Gil Laks
Vice President, Managing Director
Europe

Mark van Weelde
Vice President, Managing Director
Asia Pacific

Board of Directors

H. Kent Bowen
Bruce Rauner Professor of
Business Administration
Harvard University
Graduate School of
Business Administration

David E. Collins
Former Vice Chairman
Johnson & Johnson

Brian H. Dovey
Managing Partner
Domain Associates, LLC

Joseph S. Lacob
Partner
Kleiner Perkins Caufield & Byers

Thomas M. Prescott
President and CEO
Align Technology

Kelsey Wirth
Former President and Co-Founder
Align Technology

Corporate Headquarters

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www.aligntech.com

Investor Relations

For further information about Align, additional copies of this Annual Report, Align's Annual Report on Form 10-K as filed with the Securities and Exchange Commission, or other financial information, contact:

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Email: investorinfo@aligntech.com
408.470.1000

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Shareholder Inquiries 816.843.4299
Web site: www.EquiServe.com

Independent Auditors

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Ten Almaden Boulevard, Suite 1600
San Jose, California 95113

General Counsel

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, California 94304

Annual Meeting

May 15, 2003, 2:00 p.m.
Align Technology, Inc.
881 Martin Avenue
Santa Clara, California 95050

This Annual Report contains forward-looking statements about Align Technology's expectations, beliefs, plans, intentions, strategies and future results, including forward-looking statements regarding patient access to orthodontic care and treatment, the benefits of orthodontic care and treatment, Align's ability to meet its goals and objectives as well as investors' expectations, the role orthodontists and dentists may play in expanding and penetrating the market for Invisalign, and the potential market for Invisalign. Forward-looking statements contained in this Annual Report relating to expectations about future events or results are based upon information available to Align as of the publication date of this Annual Report. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statement. Readers are referred to Align's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission in March 2003 and which is part of this Annual Report. Align's Annual Report on Form 10-K identifies important risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, including risks related to: market acceptance of Invisalign, continued growth in the orthodontic care and treatment market, government regulation, economic and market conditions, and Align's limited operating history. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.



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