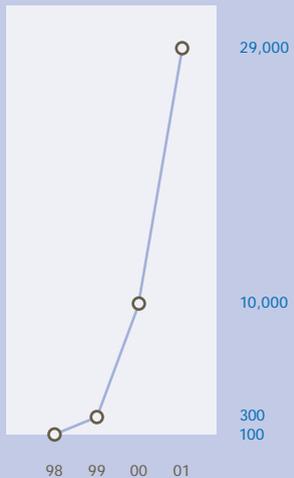


YOU'LL HAVE
TO LOOK
CLOSELY TO SEE
WHAT MAKES
US DIFFERENT.

You'll have to look closely to see what makes us different. That's because Invisalign provides an almost invisible way to straighten teeth.

Invisalign is a proprietary new system for treating malocclusion ("bad bite"). Aligners™ are nearly invisible, removable, plastic devices that offer a revolutionary new way to straighten teeth without braces. Aligners are worn for consecutive two-week periods. After two weeks, the patient discards each set of Aligners and replaces them with the next in the series.

Number of patients entering treatment with Invisalign



INVISALIGN
AS THE PATIENT'S
PREFERRED
ALTERNATIVE
OVER BRACES
MEANS EXPLOSIVE
MARKET
POTENTIAL.

Invisalign as the patient's preferred alternative over braces means explosive market potential.

Over 200 million Americans and millions more worldwide suffer from malocclusion, making it more prevalent than vision impairment, hypertension, hearing impairment or just about any other medical condition. The fact is that most adults, while dissatisfied with their smiles, hesitate to get braces. In turn, while it is more socially acceptable for teens to have braces, most prefer an invisible alternative.

Annual revenue
(in millions)

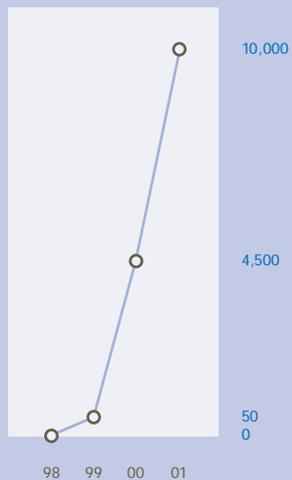


POWERFUL
ECONOMIC
INCENTIVES ARE
TRANSFORMING
THE CLINICIAN'S
PRACTICE.

Powerful economic incentives are transforming the clinician's practice.

Invisalign is a breakthrough therapy that can reshape and transform an orthodontist's or dentist's practice — it attracts new patients, provides additional treatment options for existing patients and creates significant incremental revenue opportunities. With only about one million of the 130 million people in the U.S. who could benefit from straightening their teeth with Invisalign choosing to do so with conventional braces, the economics and practice building potential of Invisalign are compelling.

Total dental professionals trained
by end of year



BUT THAT'S
ONLY PART
OF THE STORY.
THE OTHER SIDE
THAT YOU MIGHT
NOT SEE IS OUR
REVOLUTIONARY
MANUFACTURING
PROCESS.

THE INVISALIGN MANUFACTURING PROCESS

We have become one of the largest mass manufacturers of a custom product in the world.



Step 1. Capturing tooth anatomy with impressions

To ensure a high degree of accuracy throughout the manufacturing process, impressions of teeth are taken by the dental professional. The dental professional sends the impressions to our Invisalign laboratory in Santa Clara to make a plaster model of the teeth.



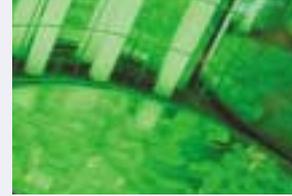
Step 2. Creating a 3-D image

Using highly sophisticated imaging technology, the plaster model is put through high precision scanning equipment to create an extremely accurate digital 3-D image.



Step 3. Planning virtual treatment

Using Align's proprietary software, technicians create a computerized movie, called ClinCheck®, depicting the movement of teeth from their current position to the final position. Over the internet, the dental professional reviews the patient's ClinCheck file and makes immediate adjustments to the treatment plan.



Step 4. Creating SLA models

From the approved ClinCheck file, a laser on a stereolithography (SLA) machine transforms liquid resin into a set of solid models that reflect each stage of the patient's treatment plan.



Step 5. Creating Aligners

Aligners are made from the models. On average, each patient receives 40 custom-made Aligners. Each one is trimmed, polished, ultrasonically cleaned and disinfected, and inspected rigorously for quality control.



Step 6. Ready to ship

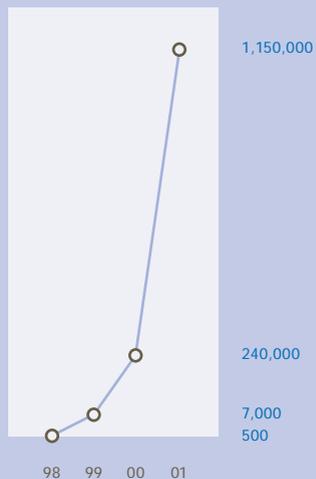
Two weeks after the ClinCheck plan has been approved, the full set of Aligners is shipped to the dental professional.

○ For more information on our manufacturing process, please visit www.invisalign.com.

MASS CUSTOMIZATION

What does it take to produce a small plastic Aligner? You'd be surprised. The big story behind the concept of straightening teeth with Invisalign is harnessing all of today's available technology to create an average of nearly 40 unique customized products (Aligners) for each patient. The challenge we faced at the outset was how to turn the art of making custom products into the science of mass customization.

Number of Aligners manufactured per year



ALIGN HAS ACHIEVED IMPORTANT MILESTONES

March 1997 Align is founded.

August 1997 Completed first round of financing (\$2.2 million).

September 1998 Received FDA clearance. 100 patients in treatment and 25 employees. Throughput capacity of one patient per day.

July 1999 Began commercial sales of Invisalign.

September 1999 300 patients in treatment and 260 employees. Throughput capacity of 25 patients per day.

September 2000 Launched national advertising campaign. 10,000 patients in treatment and 900 employees. Throughput capacity of 100 patients per day, with 5,000 orthodontists trained and certified.

January 2001 Raised \$128 million in initial public offering.

July 2001 Reached positive gross margin profitability (net of non-cash charges) earlier than expected.

August 2001 One millionth Aligner shipped. Opened first international sales office in Germany. 6,500 orthodontists trained.

October 2001 Align begins to train and certify general practice dentists to sell Invisalign.

December 2001 Align has eight international sales offices in Europe, Australia, Latin America with over 30,000 patients in treatment and 1,100 employees. There are 10,000 dental professionals trained & certified worldwide, with annual revenues of \$46.4 million.

OUR EARLIEST CHALLENGES HAVE BEEN MET

Can you make a consistently good quality product? Yes. Thanks to consistent improvements to our proprietary 3-D software and investment in technology, our rate of customer satisfaction of fit and comfort is close to 100 percent.

Can you scale it? Yes. We've manufactured over one million Aligners so far and we are capable of meeting escalating demands.

Can you make money selling it? Yes. Margins are growing steadily. We reached gross margin break-even (net of non-cash charges) in the second quarter of 2001.



Zia Chishti
Co-founder and Chief Executive Officer

DEAR FELLOW STOCKHOLDERS:

Align Technology was founded on a simple vision: to provide invisible and comfortable orthodontic care. The year 2001, our fifth year in business, was one of remarkable accomplishments in pursuit of this vision. Our revenues during 2001 increased 588% over the last year to \$46.4 million, affirming our position as a dominant provider of aesthetic orthodontic care. The year 2001 brought a significant scale-up of our international efforts: we launched sales efforts in over 10 countries in Europe, the Far East, and Latin America. We also began for the first time to sell to general practice dentists in the U.S., an important new market for us. Underpinning this growth were solid clinical results that showed the broad-spectrum efficacy of our product in treating adolescent and adult malocclusion. Our mass-customization manufacturing generated more than one million custom Aligners. By year-end, over 70% of U.S. and Canadian orthodontists were trained in the use of Invisalign. In January 2001 we completed a highly successful initial public offering that significantly strengthened our balance sheet by raising more than \$128 million.

In 2001, nearly 30,000 patients received their first set of Invisalign Aligners, and over 7,000 patients completed their treatment successfully. Over 3,000 doctors purchased and prescribed Invisalign, and more than 5,000 doctors sought out training in the use of Invisalign. Today, nearly half of all U.S. and Canadian orthodontists have begun to use Invisalign and the enthusiastic initial response from the general practice dental community is creating a growing second wave of adoption.

International With the global market for orthodontic treatment over three times that of the U.S., our presence in the world market is clearly an ongoing focus of ours. Over the year, we started to build a robust international infrastructure to serve Europe, the Far East and Latin America. Early indications are pointing to adoption patterns similar to those we have experienced in the U.S.

Marketing By now, you may have seen or heard one of the advertisements from our new national consumer advertising campaign in the U.S. Unlike our initial campaign, which was focused on brand awareness, the primary intention of our new advertising strategy is to drive consumer and dental professional demand and to reinforce the broad applicability of Invisalign. We are encouraged by the initial response to these ads and we believe this campaign will continue to increase the number of orthodontists and dentists who adopt our product and technology.

Clinical To facilitate the use of Invisalign by a broader range of patients, we initiated the publication of a series of clinical case studies and articles that highlight the applicability of Invisalign to malocclusion cases of even severe complexity. As our published data has grown, increasing numbers of dental professionals are acknowledging the broad spectrum of malocclusions addressable with Invisalign.

Manufacturing In 2001, we invested heavily in unique proprietary systems that replaced many of the labor-intensive processes that were originally part of our manufacturing cycle. We upgraded our proprietary three-dimensional treatment-planning software, decreasing lead times and direct labor cost per patient, allowing the entire treatment planning process to be done offshore. Our scanning technology improved, as did our Aligner fabrication processes, further improving our capital and labor efficiency.

Altogether, these changes resulted in significant operational improvements. Our gross profit margins showed substantial improvement, advancing from negative 100% at the start of 2001 to nearly 30% by year-end. The reduction in our lead times throughout the entire manufacturing process have cut shipping time in half from eight weeks to four weeks, improving doctor and patient satisfaction. In addition, increasing case volume has contributed to a steep drop in manufacturing over-capacity during the year.

Financial The year was also momentous for us financially. Our financial results for the year provide a glimpse of the substantial enterprise value of our company and of Invisalign technology. With the bulk of the demand curve ahead of us and the bulk of the process investment behind

us, we are now in a position of substantial operating leverage. As demand and throughput continue to increase and process improvements continue to become operational, Align's financial results will continue to reflect the ultimate strength of our business model.

We stepped into the financial spotlight by successfully undertaking the largest venture-backed medical device initial public offering on record in a difficult capital markets environment. The proceeds dramatically strengthened our balance sheet, eliminating debt and giving us the flexibility we need to drive towards profitability.

The Future We are looking forward to the challenges of 2002. With an unchallenged competitive position, strong barriers to entry and surging operating leverage, we expect 2002 to be a banner year. We have the dedication, the creativity, and the financial strength to meet our challenges in the coming year.

I would like to thank each member of our organization for their hard work and professional and personal excellence and for making the past year a successful one for Align. It is a pleasure to have the opportunity to serve with such an outstanding team. I would also like to thank our investors and stockholders for their continuing support. There are two constants upon which our stockholders can rely as the stewards of their investment: a dynamic and relentless drive to lead the market and an unending commitment to stockholder value.

Sincerely,



Zia Chishti
Co-founder and Chief Executive Officer

WORLDWIDE OPERATIONS



- **Headquarters:** Santa Clara, California
- **Current Sales & Distribution Offices:** Australia, Brazil, Denmark, France, Germany, Israel, Italy, Mexico, Spain, U.K.

USING INVISALIGN



Either you, a family member, or someone you know (and probably all three), isn't quite satisfied with their smile. Now there is a way to straighten teeth without announcing it to the world with a mouthful of metal.

CORPORATE INFORMATION

Executive Team

Zia Chishti

Chairman and CEO

Stephen Bonelli

Vice President, Finance and CFO

Amir Abolfathi

Vice President, Research & Development

Joe Breeland

Vice President, Sales

Jon Fjeld

Vice President, Engineering

Juan Salvador Gonzalez

Vice President, Latin America

Leonard Hedge

Vice President, Manufacturing

Peter Riepenhausen

Chairman, Europe

Christian Skieller

Vice President, Operations

Ike Udechuku

Vice President, Corporate Strategy

Directors

H. Kent Bowen

Professor, Harvard University

Graduate School of Business

Brian Dovey

Managing Member

Domain Associates, LLC

Joseph Lacob

Partner

Kleiner Perkins Caufield & Byers

Mark B. Logan

Retired Chairman, CEO, VISX, Inc.

Kelsey Wirth

Former President

Co-founder of Align Technology

Transfer Agent

EquiServe Trust Company

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Providence, Rhode Island 02940-3010

Shareholder Inquiries (781) 575-3400

Website: www.EquiServe.com

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San Jose, California 95136

General Counsel

Brobeck, Phleger & Harrison LLP

Spear Street Tower, One Market Street

San Francisco, California 94105

Annual Meeting

May 16, 2001, 2:00 p.m.

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Santa Clara, California 95050

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851 Martin Avenue

Santa Clara, California 95050

408.470.1000

www.invisalign.com

invisalign

Strategic Design Communications: Turner & Associates, San Francisco

For additional information about case studies, Frequently Asked Questions, and testimonials, please visit our website at www.invisalign.com.



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