



Great results start here...



### On the Cover

Shailyn, a 12-year-old from Southern California who loves dance, is just starting her Invisalign treatment. And while we think her cover-girl smile is adorable, she's ready for straighter teeth. She asked for Invisalign because she didn't want visible braces.

Shailyn is being treated by Dr. Daniel Azani, DDS, MS. She has a Class II, Division 1 malocclusion with 6 mm of overjet, 3 mm of overbite, moderate spacing on the upper arch, and slight crowding on the lower arch. Estimated treatment time: 18 to 24 months.

### Pretreatment



### Projected Results



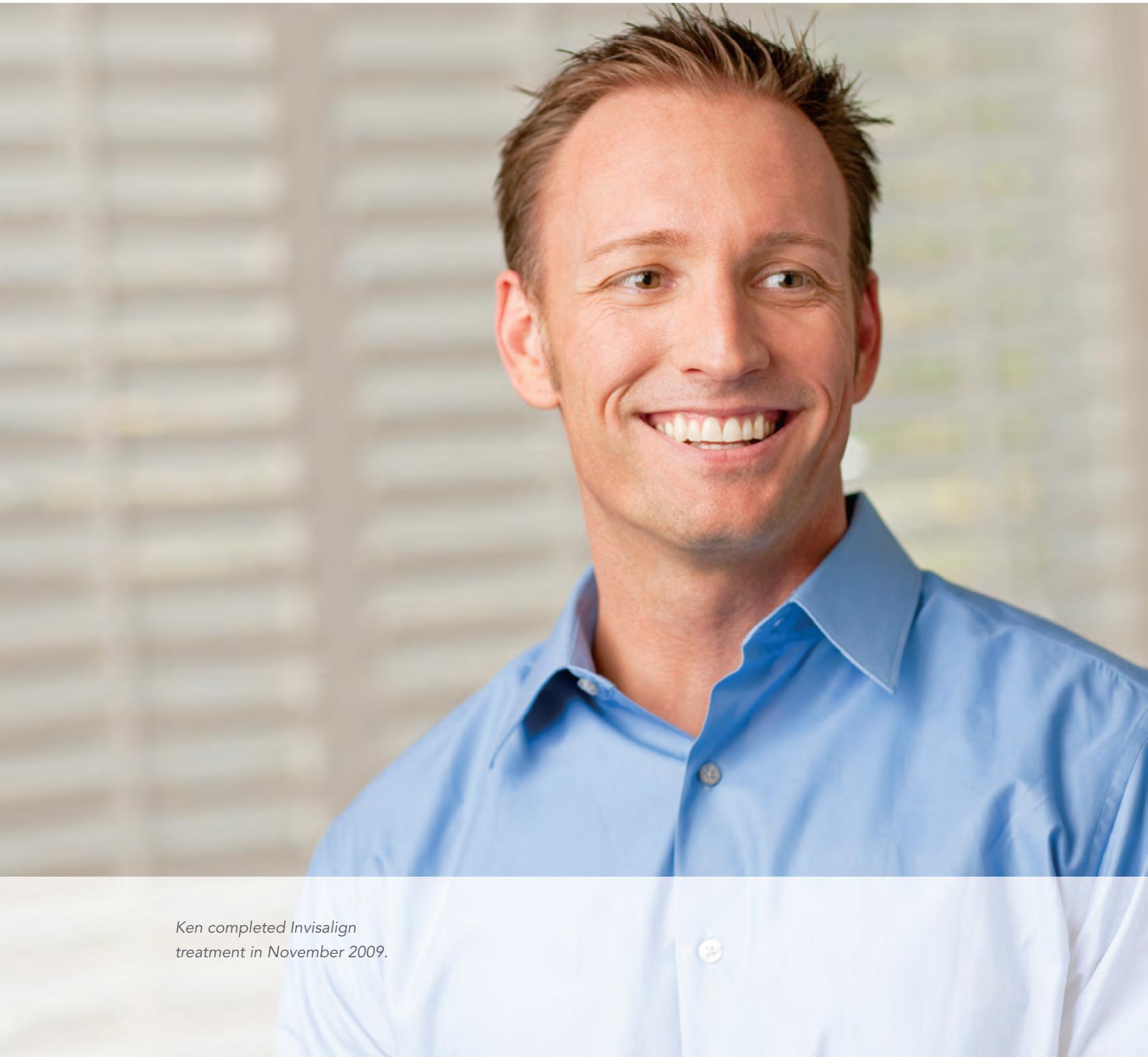
**Invisalign works.** It works for people with crowding, spacing, deep bite, open bite, crooked teeth, gap teeth, buck teeth – and almost everything in between. It works for simple cases and not-so-simple cases. It works for moms, dads, aunts, uncles, grandparents, and teenagers. And because it works (and works well), patients want it and doctors recommend it.

We know Invisalign works because proven scientific principles tell us so, and because our world-class system of design, testing, and fabrication forms the bedrock of every new Invisalign product, feature, and aligner.

Most importantly, we know it works because we see the beautiful results every day in more than one million patient “after” photos. And that number continues to grow, even in an environment where consumers are spending less and deferring all but the most important purchases.

We can't wait to tell you why Invisalign works so well today – and how we're helping deliver great results for our doctors, patients, and shareholders.

...and end in healthy, beautiful smiles.



*Ken completed Invisalign  
treatment in November 2009.*

## Dear Fellow Shareholders

I'm proud to report that 2009 was a very good year for Align. We entered the year preparing for the worst a tough economy might bring. We exited the year confident in our ability to maintain strategic focus and progress, even in adverse conditions.

In 2009, we delivered better than expected performance with record revenues of \$312.3 million on more than 220,000 Invisalign cases shipped, thanks to disciplined expense management, greater efficiencies, and products that deliver great results for our customers and for their patients.

Our financial performance also highlights the operating leverage possible in the business when we drive sufficient volume into our more productive cost structure. Notwithstanding

the litigation settlement agreement with Ormco, which resulted in an operating loss of \$34.0 million, non-GAAP operating income of \$43.1 million\* increased from \$15.5 million in 2008.

Just as important to our progress in 2009 is the continued execution of our key strategic initiatives:

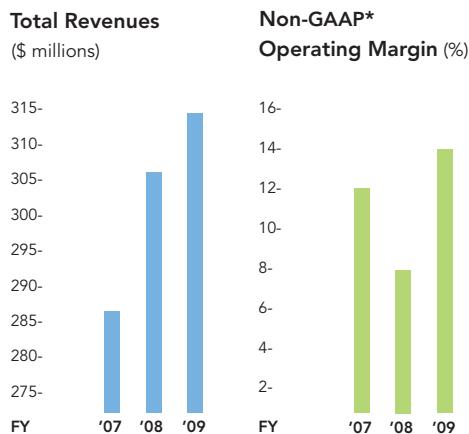
**1. Product Innovation and Clinical Effectiveness** – accelerating product and technology innovation, while at the same time extending clinical efficacy.

**2. Consumer Demand Creation** – increasing the effectiveness of our consumer demand programs.

**3. Customer Experience** – enhancing the customer experience for our doctors and their staff, and increasing adoption.

**4. International Growth and Expansion** – driving continued growth in Europe while opening additional new markets around the world.

\*For reconciliations between GAAP and non-GAAP, please see the Financial Highlights table on page 18.



Invisalign patient Marie-Claude  
Clinical Diagnosis: Severe Crowding, Incisor Extraction  
Photos provided by Dr. Christopher T. Clarke, DMD, MSc, FRCD(C)

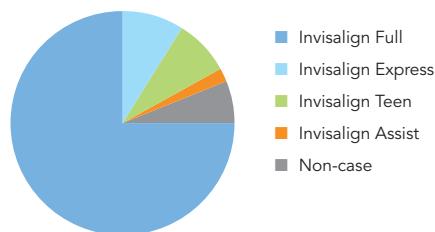
In each of these areas, we demonstrated tangible progress in 2009.

### Product Innovation and Clinical Effectiveness

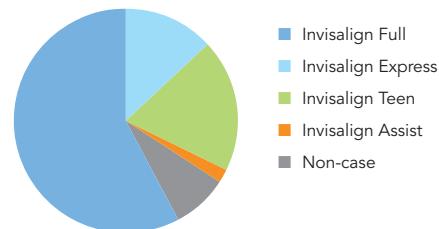
We continued to improve the performance of the Invisalign system by introducing new features across the product platform. The new features, along with significant clinical upgrades in our software and protocols, were designed to deliver better results for specific challenging tooth movements and therefore across a wider range of cases. We also benefited from the first full year of Invisalign Teen® and Invisalign Assist™, which grew to represent 8 percent and 2 percent of 2009 revenues, respectively.

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#### 2009 Product Revenue Mix



#### 3- to 5-Year Product Revenue Mix



### Consumer Demand Creation

We continue to be successful with consumer marketing programs that more effectively and efficiently generate consumer demand for Invisalign treatment. In 2009, we maintained overall lead generation and consumer awareness on lower total spending – in part because of a shift in marketing strategy from mainly conventional media to more digital marketing and social networking activity. This shift in marketing mix is driven in part by our focus on teen marketing. The advent of Invisalign Teen requires us to reach teenagers (and their parents) where they work and play – online, on social networking sites, and at teen-oriented events.

As we evolve our consumer demand programs to fit the way consumers absorb information today, we are also evolving our brand identity. In 2009, we conducted extensive research to better understand what influences Invisalign awareness and demand among consumers, and Invisalign adoption and utilization among doctors. As a result, we are repositioning our brand to strengthen our brand recognition and be better aligned with our strategic initiatives. The new look and feel of Invisalign is dynamic, modern, and approachable, and communicates our vision of “healthy, beautiful smiles” in a way that is distinct and memorable.

Invisalign patient Bruce  
Clinical Diagnosis: Moderate Spacing  
Photos provided by Dr. Anthony Rassouli, DDS



### Customer Experience

Improving our customers' experience with Invisalign is all about helping doctors achieve success with Invisalign in their practice. That's a pretty broad category. It encompasses product improvements and efficacy, smoother integration of Invisalign into doctors' practices, tools to make treatment planning and tracking more efficient, practice development and marketing support, and more.

In 2009, we launched new initiatives in North America to encourage regular product usage and Invisalign continuing education. Our goals were twofold: to help ensure that every Invisalign practice has the product knowledge and experience to be successful, and to have confidence that every Invisalign patient gets the results and treatment experience that they expect. As a result, we saw increased activity and more engagement, particularly in the second half of the year, from lower-volume practices. Moving forward, we intend to become an even more valuable partner for our actively engaged practices and help them grow and flourish.

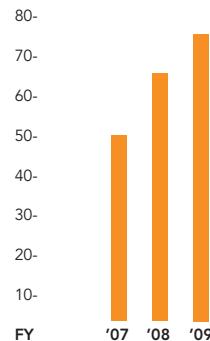
### International Growth and Expansion

Align's international business accounted for 23 percent of total revenues in 2009, making it an increasingly important part of our business. We've continued to build our base of employees and total investment in the key countries of Western Europe and are leveraging distributors for small country

markets in the Asia Pacific and Latin American regions, and in smaller, emerging markets in Europe, the Middle East, and Africa (EMEA). In the two years since we established international distributors for Asia Pacific and Latin America, growth has accelerated in those regions. The recent addition of an EMEA distributor gives us a complete footprint around the world, allowing our partners to develop smaller markets while Align maintains its focus on larger, more strategic markets.

For example, China, with its increasing wealth and growing demand for healthcare services, including dental services and orthodontics, represents a substantial long-term opportunity for Align. Today, we are working through the regulatory cycle and positioning ourselves for commercialization, with an expectation of meaningful revenue contributions from China in three to five years.

**International Revenues** (\$ millions)



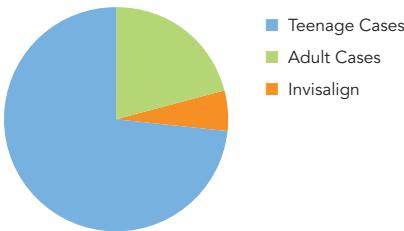
Invisalign patient Douglas  
Clinical Diagnosis: Mild Spacing  
Photos provided by Dr. Hilton N. Goldreich, DDS, MS, PA

### Market Opportunity

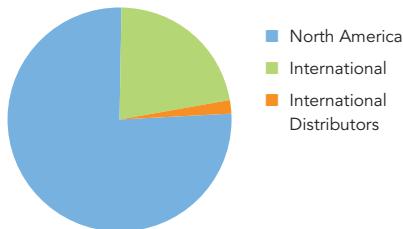
2009, with its record volume and revenue, is behind us now. We are focused on the future. Invisalign case starts represent a small percentage of the approximately two million orthodontic case starts per year, with Invisalign Teen candidates making up two-thirds of those annual case starts.

### Worldwide Orthodontic Market Share

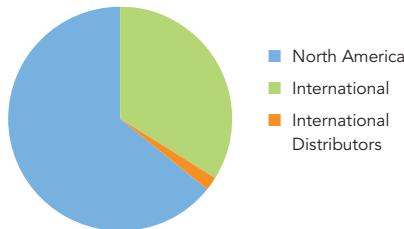
(2.2M annual case starts applicable to Invisalign)



### 2009 Channel Revenue Mix



### 3- to 5-Year Channel Revenue Mix



But the opportunity is bigger than those two million patients who start treatment each year. There are more than 100 million consumers around the world who desire a better smile, have the financial resources to pursue treatment, and want an alternative to wires and brackets. Our mission is to become the worldwide treatment of choice for those prospective patients and their doctors. To do that, we've got to gain a greater share of the existing market, and introduce Invisalign and its value proposition to more consumers around the world.

In the 10 years since the commercial launch of Invisalign, our product and our brand have evolved significantly as we've continued to build on the first generation of the Invisalign system. With the continued execution of our strategic initiatives and with new and improved products on the market, we are moving rapidly toward a "next generation" Invisalign. Our team is focused on our goals, committed to our long-term strategy, and confident that with continued hard work, we can help more practices treat a greater number of patients successfully with Invisalign.

Thomas M. Prescott  
President and Chief Executive Officer

Invisalign patient Chris  
Clinical Diagnosis: Class II Correction  
Photos provided by Dr. David R. Boschken, DMD



# Great results by design



Only Align can combine the insight from over one million cases, virtual modeling and bench testing, rapid manufacturing and mass customization, and clinical validation to create new and better products. These disparate pieces form a unique system that not only accelerates our own product innovation, but also improves orthodontic treatment outcomes for all orthodontic patients.

### Data from 1M+ Cases – An Advantage No One Else Has

Over the last decade we've worked with customers to treat more than 1.2 million patients – that's approximately 56 million unique aligners. That experience, and the digital data we've collected about every tooth movement programmed into every aligner in every case, helps us to understand our customers' treatment goals versus their outcomes, and allows us to quantify what has worked well and what has not. No other company has the ability to compile such detailed treatment data – or to assimilate it into their product development system.

### Biomechanics & the Science of Moving Teeth

All orthodontic appliances, including aligners, are based on one thing: applying force to the tooth. The science is in determining the optimal force for the movement, and then applying it accurately, predictably, and consistently for every tooth movement, for every unique patient, every time. And that's not easy to do.

It's a challenge Align has been tackling for the last decade, and the application of biomechanical principles is a critical component of our success. Biomechanics in orthodontics is the use of physical principles to accomplish better treatment outcomes. This has always been an important focus at Align, but the scope and sophistication of how we apply biomechanics to our design and testing procedures is more robust today than ever before.

Typical orthodontic improvements have come about from doctors making alterations to appliances in their private clinics. They experiment with what they think might work, and then wait for patients to return in a month or two to see if it did. It's a very slow process, and it's taken 100 years for orthodontics to progress to where it is today.

### Product Design & Development – in the Virtual World

The foundation of our unique system of product innovation and development is the ability to conceptualize a broad range of design ideas, evaluate them all, and narrow the scope of viable candidates – and to do all of this extremely fast. We can do this because product conceptualization and design at Align take place in the virtual world. Say we want to improve the way the aligners achieve a difficult movement, like extruding a tooth – we bond an attachment on the tooth to apply the necessary force. But what is the right shape for the attachment? The right position, the right prominence? How does that change for each patient's unique tooth anatomy?

There are literally thousands of variables – and solutions. Using principles of biomechanics, Align has developed proprietary software to engineer aligner shapes in the virtual world so that we can simulate the forces and corresponding tooth movements we're trying to achieve. The design's effectiveness can then be tested using a proprietary system that can simulate any type of malocclusion and measure the forces applied when a patient inserts the aligner – ensuring that we're testing the same appliance that a patient would receive.

Thanks to this virtual system of design, we can evaluate variables from one potential solution to the next. We can iterate through thousands of options, evaluate hundreds of choices, and within hours or days narrow it to not just two or three good solutions, but the two or three best solutions for final testing.

Our unique system of development allows us to accelerate progress at a comparatively very fast rate. In a matter of days, we can design and test concepts that would take doctors months or even years to develop. We believe that clear aligners represent the future of orthodontics, and we're innovating toward that future by leaps and bounds.

## Mass Customization & Fabrication

We use the word “unique” a lot at Align – with good reason. Align is the only company in the world that mass customizes a series of unique Class II medical devices for each patient based on the doctor’s treatment plan and the patient’s unique dentition. We do this not just for a few patients at a time, but for over a thousand patients every day.

This mass customization is innovative in itself, and it also provides a tremendous advantage in our design process. The rapid manufacturing involved allows us to create aligners based on new designs pretty much overnight, so that concept aligners we test in the lab are exactly what Invisalign patients will receive if the new design is approved. And the beauty of our design process is that we can not only design and test new concepts quickly, but we can also manufacture that new design or designs without a major retool of the manufacturing process – making new product improvements instantly scalable.

## Clinical Validation

The final step is clinical validation through Invisalign doctors. Align’s clinical advisory boards and pilot groups test the new designs in their practices to validate our in-house testing and to ensure that new designs match their needs and our expectations. Ultimately, the proof lies with the patients and the results they see. With a patient satisfaction rate of 96 percent, we know that our system of Invisalign innovation and development works, delivering the results we’ve tested and the outcomes doctors and their patients expect.

## The Software Behind Every Smile

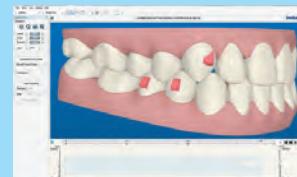
The common denominator in all of Align’s systems and processes is our innovative, proprietary software – it’s the engine that drives product design and development, 3-D treatment planning, aligner customization and manufacturing, and just about everything else we do.

But proprietary software doesn’t just drive our internal systems – it’s an integral, if sometimes invisible, part of our product portfolio. We deliver not just clear aligners, but software-enabled tools that help our customers plan, visualize, modify, and track patient treatment in three dimensions.



“Treat” is the proprietary 3-D software we use to create a virtual treatment plan

for every patient. The treatment plan is a 3-D movie of the patient’s teeth showing the current position, the desired final position, and every movement in between.



To understand how and when teeth are moving during treatment, the doctor reviews

the virtual treatment plan using Align’s ClinCheck software and, if necessary, sends modifications back to our Treat team. These software tools have changed the way that doctors visualize and track treatment progress. Thanks to Align’s software innovation, they can see every step of treatment before it occurs.

Some medical device companies buy the software they need and focus solely on the devices they manufacture, but the software needed to do what we do simply doesn’t exist anywhere else. That’s a big part of our history of innovation – we’ve always had to create the software solutions necessary to achieve our goals...and those of our customers.

# Great results for our doctors

We love hearing how well Invisalign works for our customers. And while improving product performance and clinical efficacy is always our top priority, we want to be part of our customers' business success, too. Invisalign is a tool for more than just clinical transformation; it can also be transformative for a doctor's practice.



*Dr. Gilbert H. Snow, DDS has practiced  
in Southern California for nearly 40 years.*

### Happy Patients Drive Practice Growth

Doctors who make Invisalign a significant part of their practice routinely report higher numbers of patient referrals – because patients love Invisalign. Align research shows that 96 percent of Invisalign patients are satisfied with their treatment results, and the same percentage believes that Invisalign was worth their investment. And when people love their new smile and believe it was money well spent, they're going to share that good news with everyone they know. In fact, 9 of 10 patients surveyed would recommend Invisalign to a friend – and at least half of those patients have already recommended Invisalign to at least one person.

But practice growth isn't just about getting more patients. Many Invisalign doctors, particularly those who use Invisalign extensively, report higher profit margins thanks to the time savings associated with Invisalign treatment. In dental and orthodontic practices, profitability is tied to the amount of time the doctor spends with the patient – the more time the doctor spends chairside, the lower the profitability. The benefits associated with Invisalign – fewer patient appointments over the course of treatment, no emergency appointments to replace broken wires, the ability to delegate routine tasks to staff – all contribute to reduced chair time and higher profitability, and can free both doctor and staff to see more patients in the day.

### Helping Ensure Treatment Success

We believe that business success with Invisalign starts with clinical success. As we work to support our doctors' practice growth, our focus remains on treatment success. In 2009 we launched initiatives to help achieve two very simple objectives: for every Invisalign practice to have the product knowledge and experience to achieve good outcomes, and for every Invisalign patient to get the results

and treatment experience that they expect. By encouraging regular product usage and annual Invisalign continuing education, we hope to ensure that every doctor who uses Invisalign gains a better-than-basic understanding of how Invisalign works, and that he or she masters the latest product improvements and clinical techniques that fuel successful outcomes.

### "Invisalign increases office efficiency, reduces costs"



**Dr. Werner Schupp, Dr. med. dent.**  
Cologne, Germany  
20 years in private practice  
Invisalign-trained since 2001

CASE STUDY

Dr. Werner Schupp specializes in treatment of temporomandibular joint (TMJ) disorders, a specialty that brings a lot of adult patients to his practice. Since adding Invisalign to his practice almost 10 years ago, he's seen a further increase in adult patients – and not just for TMJ issues. More adults are seeking better aesthetics, and more dentists are referring their adult patients to Dr. Schupp to have their teeth straightened with Invisalign prior to prosthodontic work.

With Invisalign, Dr. Schupp can treat TMJ and pre-prosthodontic patients more comfortably than with other appliances, and he likes having a noninvasive treatment option for all of his patients – adults and teens. Invisalign treatment now makes up 50 percent of his practice.

The benefits are not just clinical: "My business is much easier with Invisalign because there is no need to see the patients every 4 to 6 weeks as we do with fixed appliances. And we can treat more patients with fewer assistants because most of the work is done up front when I'm doing the treatment plan on the computer. That reduces the costs in my office."

**"Invisalign is the #1 reason my practice is the success it is today"**



**Dr. Mladen Kralj, DMD**  
Chicago, Illinois  
19 years in private practice  
Invisalign-trained since 2002

CASE STUDY

For the last 11 years, Dr. Mladen Kralj has been practicing aesthetic dentistry in downtown Chicago, and he's committed to eco-friendly business and clinical practices.

One hundred percent of Dr. Kralj's orthodontic case starts are Invisalign. He says, "Invisalign fits perfectly with my minimally and noninvasive treatment philosophy, and meets our criteria for being metal- and BPA-free. Clinically, it gives me 100 percent control of tooth position and occlusion when doing porcelain veneers, smile design, and full-mouth reconstruction cases."

From a business perspective, Dr. Kralj cites the big benefits that Invisalign brings to his aesthetic practice, including higher case acceptance compared to veneers; greater profit margin due to less doctor chair time; word-of-mouth referrals from his satisfied patients; and greater acceptance of additional recommended services and treatment.

"Doing two Invisalign cases is 55 percent more profitable than doing one 8-unit porcelain veneer case of equal value. After lab costs are factored, there are two hours of total doctor chair time for Invisalign versus five hours of total doctor chair time for veneers."

With two offices open now, and two more slated to open in mid-2010, Dr. Kralj has tremendous presence in the Chicago dental market. "I built my aesthetic practice from zero patients specifically by marketing Invisalign, veneers, and whitening to the Chicago market. Invisalign is the #1 reason my practice is the success it is today."

**"Tremendous financial growth because of Invisalign"**



**Dr. David Galler, DMD**  
Woodmere, New York  
6 years in private practice  
Invisalign-trained since 2004

CASE STUDY

Dr. David Galler and his associates practice general and cosmetic dentistry in their offices on Long Island and Wall Street. Invisalign is the only orthodontic treatment option they offer.

According to Dr. Galler, "Invisalign is a treatment benefit to our patients and practice. The results are fantastic and patient demand is increasing steadily. The best part is that we are changing the world of cosmetic dentistry. The way to achieve a beautiful smile is no longer through porcelain veneers or aggressive restorative work, it's with Invisalign and whitening. We're giving 'smile makeovers' without ever lifting a drill."

And the practice has seen tremendous financial growth because of Invisalign, nearly tripling in size from \$1.3 million in gross revenue in 2003 to \$3.1 million in 2009. And while not all of that comes from Invisalign, much of it does thanks to minimal overhead and chair time.

Dr. Galler credits Invisalign with helping distinguish his practice in a city of more than 5,000 dentists: "We rely heavily on patient referrals. Everyone who has Invisalign has five people in their life who know they're wearing Invisalign. If the patient is happy at the end of treatment, then those five people will be walking billboards for your office."

# Great results for more patients

Since the day we launched Invisalign, patient demand has been a key driver in our success. Patients love Invisalign – that can't be overstated. Satisfied patients recommend Invisalign to friends and family, and thanks to their referrals and Align's own multifaceted consumer marketing, patient demand continues to grow. Millions of consumers visit [Invisalign.com](http://Invisalign.com) each year to learn more about treatment, and more than 600,000 of those site visitors search for an Invisalign provider in their area.



*Renea completed Invisalign  
treatment in May 2009.*

But for many potential patients, Invisalign seems too good to be true. Despite the ads they've seen and the recommendations of friends or family, their first question may be "Does it really work?" or "Will it work for me?" Invisalign doctors love answering with an emphatic "YES!" to both of those questions, so our mission is to make Invisalign the orthodontic treatment of choice worldwide.

### Treating More Patients Through Product Innovation

To become the orthodontic treatment of choice, we've got to do more than just treat a wide range of patients. We have to continue expanding the applicability of Invisalign so that every patient who wants Invisalign treatment can be assured of a great result. "Applicability" is the term we use to describe the scope of patients who can be treated with Invisalign. Expanding applicability boils down to increasing the accuracy and predictability of certain typically challenging tooth movements so that a wider range of more difficult cases can be treated successfully.

In 2009, we introduced new and improved features in all Invisalign products that address a wider range of tooth movement, including extrusions, rotations, and root movements. The new aligner features, along with significant clinical upgrades in our software and protocols, were designed to deliver better results for specific challenging tooth movements and across a wider range of cases.

### Reaching Generation Next

Generation Next, Generation Y, the Millennials – whatever term you use, today's teens and tweens have specific demands for their orthodontic treatment. They need a treatment solution that doesn't compromise their hectic schedule of school, sports, music, and social activities and they want a brand that is well known, hip, and high-tech. They want information and shared experiences from other teens in treatment – and they want it now, they want it streaming, and they want to access it on the social networking sites where they spend their online time. We're reaching teens and their parents through teen-specific channels such as social networking and social media, national and regional surfing events, cheerleading competitions and BMX bike races, teen-focused websites, and more.

With features and marketing geared specifically to teenagers and their parents, Invisalign Teen is helping us get at the biggest segment of the orthodontic treatment market more successfully. After its launch in North America in 2008, and in core European markets in 2009, Invisalign Teen grew threefold last year to represent 12 percent of total Invisalign cases. Our share of the teen market is still very small, giving us significant opportunity to grow our share.

### From Single Product to Features for Almost Everyone

Today, Invisalign treats a wide range of malocclusion with a range of features designed to address most treatment issues. No longer the single product of 1997, today there is a "flavor" of Invisalign for almost everyone.



Invisalign patient Megan  
Clinical Diagnosis: Diastema  
Photos provided by Dr. Douglas E. Jopling, DDS

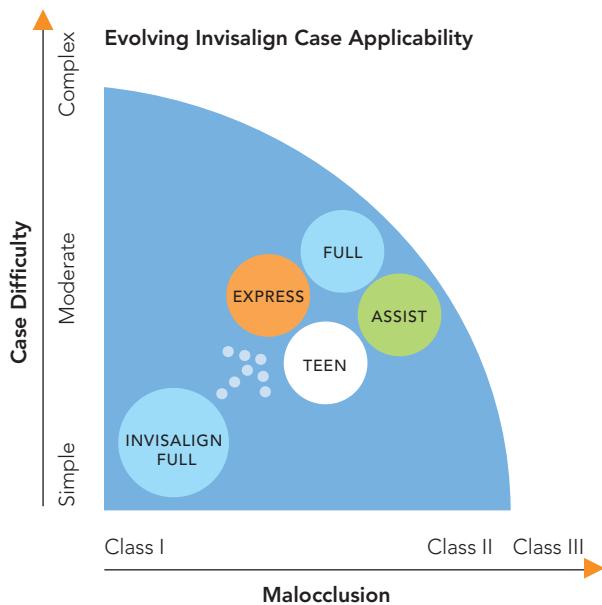
**Invisalign Full** remains Align's foundation product and the most widely used. Invisalign Full offers doctors maximum flexibility and is used to treat the widest range of malocclusion.

**Invisalign Express** (North America) and **Invisalign Lite** (Europe) are for shorter-duration treatment and cases that require a limited number of aligners. Invisalign Express or Invisalign Lite is used as a precursor to restorative treatment or for orthodontic relapse cases to correct minor spacing or crowding issues for patients who had braces when they were younger.

**Invisalign Assist** is our only product with built-in product support and guidance to help keep cases on track. Progress checks and batch shipping of aligners allow doctors to make adjustments as needed to deliver on their original treatment goals. Ideal for cosmetic cases, Invisalign Assist is typically used by doctors just starting out with Invisalign, or by doctors who want streamlined treatment planning for routine cases.

**Invisalign Teen** is designed to meet specific clinical needs of non-adult, comprehensive treatment patients, otherwise known as teens and tweens. Not only is Invisalign ideal for a busy teen lifestyle, innovative features help address common issues in teen treatment. For example, Compliance Indicators gauge whether or not teens are wearing their aligners as prescribed, and eruption tabs address the natural eruption of permanent teeth. The added benefit is a removable appliance that facilitates brushing and flossing, so that teens can maintain their periodontal health while getting a beautiful smile – an advantage we have over treatment with wires and brackets.

With new and improved features across the Invisalign product platform, plus a teen product to help us more effectively reach the biggest part of our market, we are expanding the applicability of Invisalign – and that means saying "YES" to more patients every day.



Through product innovation over the past ten years, Invisalign has evolved from a solution for simple Class I crowding cases to now commonly address Class II complex cases and some Class III.

\* Chart is for illustrative purposes only and not intended to be clinically precise.

Invisalign patient Michelle  
Clinical Diagnosis: Severe Spacing  
Photos provided by Dr. Robert Leach, DDS



## Financial Highlights

(in thousands, except per share data)

|  | 2009        | 2008      | 2007      |
|--|-------------|-----------|-----------|
| <b>Statement of Operations</b>   |             |           |           |
| Total net revenues   | \$312,333   | \$303,976 | \$284,332 |
| Gross profit   | 233,492     | 225,126   | 209,297   |
| Total operating expenses   | 267,504     | 209,612   | 175,442   |
| Profit (loss) from operations  | (34,012)    | 15,514    | 33,855    |
| Net profit (loss)  | \$ (31,269) | \$ 79,987 | \$ 35,724 |
| Net profit (loss) per fully diluted share  | \$ (0.45)   | \$ 1.18   | \$ 0.50   |
| Shares used in computing net profit (loss)<br>per diluted share                                | 69,094      | 68,064    | 71,444    |
| <b>Non-GAAP Profit (Loss) from Operations<br/>including reconciliation of GAAP to Non-GAAP</b> |             |           |           |
| GAAP profit (loss) from operations   | \$ (34,012) | \$ 15,514 | \$ 33,855 |
| Patients First Program   | -           | -         | (1,796)   |
| Ormco royalties  | 6,165       | -         | -         |
| Litigation settlement costs  | 69,673      | -         | -         |
| Restructuring  | 1,319       | 6,231     | -         |
| Non-GAAP profit from operations  | \$ 43,145   | \$ 21,745 | \$ 32,059 |
| <b>Non-GAAP Net Profit (Loss) including<br/>reconciliation of GAAP to Non-GAAP</b>             |             |           |           |
| GAAP net profit (loss)   | \$ (31,269) | \$ 79,987 | \$ 35,724 |
| Patients First Program   | -           | -         | (1,796)   |
| Ormco royalties  | 6,165       | -         | -         |
| Litigation settlement costs  | 69,673      | -         | -         |
| Restructuring  | 1,319       | 6,231     | -         |
| Release of tax valuation allowance   | -           | (64,608)  | -         |
| Tax effect on non-GAAP adjustments   | (16,818)    | (129)     | 43        |
| Non-GAAP net profit  | \$ 29,070   | \$ 21,481 | \$ 33,971 |
| Non-GAAP net profit per fully diluted share  | \$ 0.41     | \$ 0.32   | \$ 0.48   |
| Shares used in computing non-GAAP<br>net profit per diluted share                              | 70,602      | 68,064    | 71,444    |
| <b>Balance Sheet</b>   |             |           |           |
| Cash, cash equivalents, and marketable securities  | \$186,465   | \$110,166 | \$127,911 |
| Working capital  | 180,056     | 117,335   | 123,058   |
| Total assets   | 355,240     | 279,341   | 222,761   |
| Total long-term liabilities  | 961         | 229       | 148       |
| Stockholders' equity   | \$273,036   | \$218,540 | \$161,154 |

## 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

**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**  
Executive Vice President,  
Global Commercial  
Operations  
Amgen Inc.

**David C. Nagel, PhD**  
Former President and  
CEO, 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, or additional copies of this  
Annual Report, SEC filings, or other  
financial information, please contact:

Investor Relations  
Align Technology, Inc.  
2560 Orchard Parkway  
San Jose, CA 95131  
408.470.1000  
[investorinfo@aligntech.com](mailto: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](http://www.aligntech.com)  
[www.invisalign.com](http://www.invisalign.com)  
[www.aligntechinstitute.com](http://www.aligntechinstitute.com)

### Transfer Agent

Computershare Investor Services  
P.O. Box 43023  
Providence, RI 02940-3023  
Shareholder Inquiries: 781.575.2879  
[www.computershare.com](http://www.computershare.com)

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers L.L.P.  
Ten Almaden Boulevard, 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.  
881 Martin Avenue  
Santa Clara, CA 95050  
Thursday, May 20, 2010  
10:00 a.m. Pacific Standard Time

**Forward-Looking Statement:** This Annual Report contains forward-looking statements, including expectations about future events or results 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, 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, 2009, which was filed with the Securities and Exchange Commission on February 26, 2010, and its Quarterly Reports on Form 10-Q. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

