

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

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	YTD 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	YTD 2010	Q1 2011
N.A. Ortho Revenue	\$ 21,087	\$ 21,574	\$ 22,722	\$ 25,036	\$ 90,419	\$ 28,195	\$ 29,143	\$ 31,169	\$ 28,911	\$ 117,418	\$ 35,017
YOY % growth	-6.5%	-6.2%	3.5%	20.2%		33.7%	35.1%	37.2%	15.5%		24.2%
QOQ % growth	1.3%	2.3%	5.3%	10.2%		12.6%	3.4%	7.0%	-7.2%		21.1%
N.A GP Revenue	30,916	31,756	33,908	36,172	132,752	37,200	37,374	36,780	33,800	145,154	39,241
YOY % growth	-8.9%	-10.7%	0.1%	12.7%		20.3%	17.7%	8.5%	-6.6%		5.5%
QOQ % growth	-3.7%	2.7%	6.8%	6.7%		2.8%	0.5%	-1.6%	-8.1%		16.1%
International	14,267	18,058	18,460	21,259	72,044	20,027	22,006	23,221	24,831	90,085	25,179
Teen Deferred Revenue Release	-	-	-	-	-	-	14,298	-	-	14,298	-
Non-case Revenue*	3,862	4,928	4,179	4,149	17,118	4,668	5,375	4,777	5,351	20,171	5,419
Revenues	70,132	76,316	79,269	86,616	312,333	90,090	108,196	95,947	92,893	387,126	104,856
YOY % growth	-6.2%	-4.5%	5.4%	16.9%		28.5%	41.8%	21.0%	7.2%		16.4%
QOQ % growth	-5.4%	8.8%	3.9%	9.3%		4.0%	20.1%	-11.3%	-3.2%		12.9%
Cost of revenues	17,425	18,338	20,268	22,810	78,841	20,380	21,178	21,014	21,137	83,709	22,630
Gross Profit	52,707	57,978	59,001	63,806	233,492	69,710	87,018	74,933	71,756	303,417	82,226
Operating Expenses:											
Sales and marketing	27,854	29,108	27,687	27,893	112,542	27,946	28,939	26,905	30,223	114,013	32,821
General and administrative	13,468	16,539	16,224	15,487	61,718	14,951	15,005	16,203	18,631	64,790	18,992
Research and development	5,191	5,669	5,611	5,781	22,252	6,116	6,396	6,592	6,893	25,997	9,390
Restructuring Charges	910	409	-	-	1,319	-	-	-	-	-	-
Litigation settlement costs	-	-	69,673	-	69,673	-	-	3,310	1,239	4,549	-
Insurance settlement	-	-	-	-	-	-	(8,666)	-	-	(8,666)	-
Total operating expenses	47,423	51,725	119,195	49,161	267,504	49,013	41,674	53,010	56,986	200,683	61,203
Profit (loss) from operations	5,284	6,253	(60,194)	14,645	(34,012)	20,697	45,344	21,923	14,770	102,734	21,023
Interest and other income (expense), net	148	557	(271)	(315)	119	(553)	156	(83)	(251)	(731)	89
Profit (loss) before provision for income taxes	5,432	6,810	(60,465)	14,330	(33,893)	20,144	45,500	21,840	14,519	102,003	21,112
Provision for (benefit from) income taxes	2,796	2,265	(10,523)	2,838	(2,624)	5,214	12,897	5,025	4,614	27,750	5,271
Net profit (loss)	\$ 2,636	\$ 4,545	\$ (49,942)	\$ 11,492	\$ (31,269)	\$ 14,930	\$ 32,603	\$ 16,815	\$ 9,905	\$ 74,253	\$ 15,841
Net profit (loss) per share											
- basic	\$ 0.04	\$ 0.07	\$ (0.72)	\$ 0.15	\$ (0.45)	\$ 0.20	\$ 0.43	\$ 0.22	\$ 0.13	\$ 0.98	\$ 0.21
- diluted	\$ 0.04	\$ 0.07	\$ (0.72)	\$ 0.15	\$ (0.45)	\$ 0.19	\$ 0.42	\$ 0.22	\$ 0.13	\$ 0.95	\$ 0.20
Shares used in computing net profit (loss) per share											
- basic	65,983	66,285	69,528	74,482	69,094	75,166	75,703	76,081	76,333	75,825	76,844
- diluted	66,447	67,373	69,528	76,831	69,094	77,597	77,607	78,109	78,724	78,080	79,361
Margin Analysis:											
Gross Margin	75.2%	76.0%	74.4%	73.7%	74.8%	77.4%	80.4%	78.1%	77.2%	78.4%	78.4%
Sales and Marketing	39.7%	38.1%	34.9%	32.2%	36.0%	31.0%	26.7%	28.0%	32.5%	29.5%	31.3%
General and administrative	19.2%	21.7%	20.5%	17.9%	19.8%	16.6%	13.9%	16.9%	20.1%	16.7%	18.1%
Research and development	7.4%	7.4%	7.1%	6.7%	7.1%	6.8%	5.9%	6.9%	7.4%	6.7%	9.0%
Restructuring	1.3%	0.5%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Margin	7.5%	8.2%	-75.9%	16.9%	-10.9%	23.0%	41.9%	22.8%	15.9%	26.5%	20.0%
Litigation settlement costs	0.0%	0.0%	87.9%	0.0%	22.3%	0.0%	0.0%	3.4%	1.3%	1.2%	0.0%
Insurance settlement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-8.0%	0.0%	0.0%	-2.2%	0.0%
Net Margin	3.8%	6.0%	-63.0%	13.3%	-10.0%	16.6%	30.1%	17.5%	10.7%	19.2%	15.1%
Year Over Year Analysis											
Revenue	-6.2%	-4.5%	5.4%	16.9%	2.7%	28.5%	41.8%	21.0%	7.2%	23.9%	16.4%
Profit (Loss) from Operations	14.2%	61.5%	-1157.7%	1005.3%	-319.2%	466.4%	625.2%	-136.4%	0.9%	-402.1%	1.6%
Operating Expense	-6.2%	-7.3%	135.0%	-6.5%	27.6%	3.4%	-19.4%	-55.5%	15.9%	-25.0%	24.9%
Net Profit (Loss)	-50.3%	12.8%	-1068.4%	-82.5%	-139.1%	466.4%	617.3%	-133.7%	-13.8%	-337.5%	6.1%
Quarter Over Quarter Analysis (Sequential)											
Revenue	-5.4%	8.8%	3.9%	9.3%		4.0%	20.1%	-11.3%	-3.2%		12.9%
Profit (Loss) from Operations	298.8%	18.3%	-1062.6%	-124.3%		29.9%	119.1%	-51.7%	-32.6%		42.3%
Operating Expense	-9.8%	9.1%	130.4%	-58.8%		-0.3%	-15.0%	27.2%	7.5%		7.4%
Net Profit (Loss)	-96.0%	72.4%	-1198.8%	-123.0%		29.9%	118.4%	-48.4%	-41.1%		59.9%

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

ALIGN TECHNOLOGY
NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
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N.A. Ortho Revenue	\$ 21,087	\$ 21,574	\$ 22,722	\$ 25,036	\$ 90,419	\$ 28,195	\$ 29,143	\$ 31,169	\$ 28,911	\$ 117,418	\$ 35,017
YOY % growth	-6.5%	-6.2%	-3.5%	20.2%	33.7%	33.7%	35.1%	37.2%	15.5%	24.2%	24.2%
QOQ % growth	-1.3%	2.3%	-5.3%	10.2%	12.6%	3.4%	7.0%	-7.2%		21.1%	21.1%
N.A GP Revenue	30,916	31,756	33,908	36,172	132,752	37,200	37,374	36,780	33,800	145,154	39,241
YOY % growth	-8.9%	-10.7%	0.1%	12.7%	20.3%	17.7%	8.5%	-6.6%		5.5%	5.5%
QOQ % growth	-3.7%	2.7%	6.8%	6.7%	2.8%	0.5%	-1.6%	-8.1%		16.1%	16.1%
International	14,267	18,058	18,460	21,259	72,044	20,027	22,006	23,221	24,831	90,085	25,179
Non-case Revenue*	3,662	4,928	4,179	4,149	17,118	4,668	5,375	4,777	5,351	20,171	5,419
Revenues	70,132	76,316	79,269	86,616	312,333	90,909	93,898	95,947	92,893	372,828	104,856
Cost of revenues	17,425	18,338	18,362	18,551	72,676	19,553	21,178	21,014	21,137	82,882	22,630
Gross Profit	52,707	57,978	60,907	68,065	239,657	70,537	72,720	74,933	71,756	289,946	82,226
Operating Expenses:											
Sales and marketing	27,854	29,108	27,687	27,893	112,542	27,946	28,939	26,905	30,223	114,013	32,821
General and administrative	13,468	16,539	16,224	15,487	61,718	14,951	15,005	16,203	18,631	64,790	17,511
Research and development	5,191	5,669	5,611	5,781	22,252	6,116	6,396	6,592	6,893	25,997	9,390
Total operating expenses	46,513	51,316	49,522	49,161	196,512	49,013	50,340	49,700	55,747	204,800	59,722
Profit from operations	6,194	6,662	11,385	18,904	43,145	21,524	22,380	25,233	16,009	85,146	22,504
Interest and other income (expense), net	148	557	(271)	(315)	119	(553)	156	(83)	(251)	(731)	89
Profit before provision for income taxes	6,342	7,219	11,114	18,589	43,264	20,971	22,536	25,150	15,758	84,415	22,593
Provision for income taxes	3,151	2,392	2,208	6,443	14,194	5,430	6,081	5,815	4,793	22,119	5,650
Net profit	\$ 3,191	\$ 4,827	\$ 8,906	\$ 12,146	\$ 29,070	\$ 15,541	\$ 16,455	\$ 19,335	\$ 10,965	\$ 62,296	\$ 16,943
Net profit per share											
- basic	\$ 0.05	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.42	\$ 0.21	\$ 0.22	\$ 0.25	\$ 0.14	\$ 0.82	\$ 0.22
- diluted	\$ 0.05	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.41	\$ 0.20	\$ 0.21	\$ 0.25	\$ 0.14	\$ 0.80	\$ 0.21
Shares used in computing net profit per share											
- basic	65,983	66,285	69,528	74,482	69,094	75,166	75,703	76,081	76,333	75,825	76,844
- diluted	66,447	67,373	70,926	76,831	70,602	77,597	77,607	78,109	78,724	78,080	79,361
Margin Analysis:											
Gross Margin	75.2%	76.0%	76.8%	78.6%	76.7%	78.3%	77.4%	78.1%	77.2%	77.8%	78.4%
Operating Margin	8.8%	8.7%	14.4%	21.8%	13.8%	23.9%	23.8%	26.3%	17.2%	22.8%	21.5%
Net Margin	4.5%	6.3%	11.2%	14.0%	9.3%	17.3%	17.5%	20.2%	11.8%	16.7%	16.2%
Year Over Year Analysis											
Revenue	-6.2%	-4.5%	5.4%	16.9%	2.7%	28.5%	23.0%	21.0%	7.2%	19.4%	16.4%
Profit from Operations	33.9%	72.1%	44.5%	252.2%	98.4%	247.5%	235.9%	121.6%	-15.3%	97.3%	4.6%
Net Profit	-39.8%	19.8%	22.7%	148.5%	35.3%	387.0%	240.9%	117.1%	-9.7%	114.3%	9.0%
Quarter Over Quarter Analysis (Sequential)											
Revenue	-5.4%	8.8%	3.9%	9.3%		4.0%	4.2%	2.2%	-3.2%		12.9%
Gross Profit	-2.2%	10.0%	5.1%	11.8%		3.6%	3.1%	3.0%	-4.2%		14.6%
Operating Expense	-4.1%	10.3%	-3.5%	-0.7%		-0.3%	2.7%	-1.3%	12.2%		7.1%
Net Profit	-34.7%	51.3%	84.5%	36.4%		28.0%	5.9%	17.5%	-43.3%		54.5%
Reconciliation of GAAP Net Profit (Loss) to non-GAAP Net Profit:											
GAAP Net profit (loss)	\$ 2,636	\$ 4,545	\$ (49,942)	\$ 11,492	\$ (31,269)	\$ 14,930	\$ 32,603	\$ 16,815	\$ 9,905	\$ 74,253	\$ 15,841
Teen deferred revenue release	-	-	-	-	-	-	(14,298)	-	-	(14,298)	-
Ormc royalties	-	-	1,906	4,259	6,165	827	-	-	-	827	-
Litigation settlement costs	-	-	69,673	-	69,673	-	-	3,310	1,239	4,549	-
Restructuring	910	409	-	-	1,319	-	-	-	-	-	-
Insurance settlement	-	-	-	-	-	-	(8,666)	-	-	(8,666)	-
Release of tax valuation allowance	-	-	-	-	-	-	-	-	-	-	-
Acquisition related transaction costs	-	-	-	-	-	-	-	-	-	-	1,481
Tax impact on non GAAP adjustments	(355)	(127)	(12,731)	(3,605)	(16,818)	(216)	6,816	(790)	(179)	5,631	(379)
Non-GAAP net profit	\$ 3,191	\$ 4,827	\$ 8,906	\$ 12,146	\$ 29,070	\$ 15,541	\$ 16,455	\$ 19,335	\$ 10,965	\$ 62,296	\$ 16,943

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