



Align Technology Announces Fourth Quarter and 2001 Annual Results

Santa Clara, Calif. – February 12, 2002 -- Align Technology, Inc. (Nasdaq: ALGN) the inventor of the Invisalign® System, a proprietary method of straightening teeth without wires and brackets, today reported its fourth quarter and full year end results for the year ended December 31, 2001.

Surging cConsumer demand driven by a six-month national advertising campaign and a growing body of trained orthodontists professionals led to revenues of \$46.4 million for the year ended December 31, 2001, nearly a seven-fold increase from the \$6.7 million posted in the year 2000. Revenues for the fourth quarter ended December 31, 2001 were \$12.3 million compared to \$12.9 million for the third quarter of 2001 and increased from the \$3.3 million in the fourth quarter of 2000. The company also continued to execute on its operating strategies and improved its gross profit during the period. Volume increases and manufacturing enhancements led to improved gross profit for the fourth quarter of 2001 of \$2.1 million compared to a gross profit of \$1.6 in the third quarter of 2001 and a gross loss of \$5.4 million in the fourth quarter of 2000.

Align CEO Zia Chishti said that the company exceeded all of its major goals for the year; training more than 10,000 orthodontists professionals in total, gaining international product awareness and demand, driving much improved efficiency throughout the manufacturing process, and putting in place the capital structure necessary to drive Align towards profitability.

"The year 2001 provided compelling evidence of the enormous enterprise value of this company and of the Invisalign technology," said Chishti. "Revenues for the year met our expectations set at the time of our IPO and operational milestones have surpassed our plan. Revenue in the fourth quarter of 2001 flattened from the preceding quarter following a significant reduction of national advertising during the second half of the year and the coincident economic uncertainty that we believe may have delayed elective procedures across the board. We expect that the launch of our new consumer advertisements combined with an aggressive training program among general practice dentists and growing case frequency among trained orthodontists should accelerate growth in the current and coming periods."

Net losses, for the 2001 fourth quarter and year, determined under generally accepted accounting principles ("GAAP") were \$20.7 million, or a net loss per share of \$0.45, and \$108.7 million, or a loss per share of \$2.57, respectively. This compares to net losses for the 2000 fourth quarter and year of \$44.8 million, or a net loss per share of \$7.39, and \$142.3 million, or a net loss per share of \$25.64, respectively. This GAAP net loss includes the effects of stock based compensation expense, non-recurring litigation settlement charges, and the dividend related to the beneficial conversion feature of preferred stock and related interest charges from convertible subordinated notes on the preferred stock ("special items").

The pro forma net loss, which assumes conversion of preferred stock into common stock as of the date of original issuance for all periods presented, was \$0.45 and \$2.22 per share, respectively, for the 2001 fourth quarter and year, versus a pro forma net loss, of \$0.84 per share and \$3.31 per share, respectively, for the same periods in the prior year.

The pro forma net loss for the fourth quarter of 2001, which excludes the above special items, was \$15.3 million or \$0.33 per share, compared to a pro forma net loss of \$29.0 million or \$4.78 per share for the fourth quarter of 2000. The pro forma net loss for the full 2001 year, which also excludes the above special items, was \$72.8 million or \$1.72 per share, compared to a pro forma net loss of \$66.3 million or \$11.95 per share for the full 2000 year.

The pro forma net loss, as adjusted, which assumes conversion of preferred stock into common stock as of the date of original issuance for all periods presented, was \$0.33 and \$1.66 per share, respectively, for the 2001 fourth quarter and year, versus a pro forma net loss, as adjusted, of \$0.69 per share and \$2.47 per share, respectively, for the same periods in the prior year. Refer to the financial tables provided with this press release for further details regarding non-cash and non-recurring litigation settlement charges.

Align Technology will host a webcast and conference call on Tuesday, February 12, 2002 at 4:30 p.m. EST, 1:30 p.m. PST to review fourth quarter and 2001 annual results, as well as discuss future operating trends and guidance on the outlook for the future. To access the webcast, go to the investor relations portion of Align Technology's website at www.invisalign.com. An archived webcast replay of the call will also be available at that website. To access the conference call please dial (415) 904-7381 approximately ten minutes prior to the start of the call and enter reservation number 20330152. If you are unable to listen to the call, a taped replay will also be available beginning approximately one hour after the call's conclusion and will remain available until 5:30 p.m. EST on February 15, 2001. To access the taped replay, please dial (800) 633-8284 and enter reservation number 20330152. The replay may be accessed from international locations by dialing (858) 812-6440 and using the same reservation number.

About Align Technology, Inc.

Align Technology designs, manufactures and markets the Invisalign System, a proprietary new method for treating malocclusion, or the misalignment of teeth. The Invisalign System corrects malocclusion using a series of clear, nearly invisible, removable appliances that gently move teeth to a desired final position. Because it does not rely on the use of metal or ceramic brackets and wires, the Invisalign System significantly reduces the aesthetic and other limitations associated with braces. Invisalign is appropriate for treating adults and older teens. Align Technology was founded in March 1997 and received FDA clearance to market the Invisalign System in 1998.

This news release may contain forward-looking statements based on Align Technology's current expectations. These forward-looking statements involve risks and uncertainties. A number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include Align Technology's ability to achieve profitability, the ability to control costs and continue to achieve efficiencies, the adoption by orthodontists, dentists, and consumers of the Invisalign System, Align Technology's successful enforcement of its intellectual property and avoidance of infringement on third party patents, Align Technology's ability to establish and maintain reliable, high-volume manufacturing capacity in the U.S. and internationally and Align Technology's ability to manage its significant growth and retain its key personnel. These factors, as well as other factors that could cause actual results to differ materially, are discussed in more detail in Align Technology's Annual Report on Form 10-K, as well as in other reports and documents filed from time to time with the Securities and Exchange Commission.

