ALIGN

ALIGN TECHNOLOGY, INC.

Align Technology Improves Case Refinement Policy to Meet Customer Needs

- Clinicians Have More Flexible Timeframe for Submitting Case Refinements
- One-Time Revenue Impact of $1.8 Million Taken in 4Q 2004

SANTA CLARA, Calif., Dec. 9 /PRNewswire-FirstCall/ -- Align Technology, Inc. (Nasdaq: ALGN), the inventor of Invisalign®, a proprietary method of straightening teeth without wires and brackets, today announced a change in the company's policy regarding case refinement that provides more flexibility to Invisalign doctors and their patients. Case refinement refers to additional aligners that doctors may order toward the end of treatment to achieve their treatment goals or to further perfect final results for the patient. Invisalign doctors will now be able to order these additional aligners up to 180 days past the expected case completion date.

"Align is committed to providing treatment options and policies that meet the needs of Invisalign practitioners and their patients," stated Thomas M. Prescott, President and Chief Executive Officer of Align Technology, Inc. "We understand that every patient is unique and that doctors adapt their treatment plans and strategies accordingly. This policy change provides more flexible options for doctors and will help ensure success for every Invisalign patient."

Align's case refinement policy allows doctors to order one case refinement as part of their original lab fee, provided they submit the order within a specified period of time. Previously, Align defined that eligible case refinement period as up to 90 days past the expected end of treatment. The end of treatment date is calculated by multiplying the total number of aligners by the recommended two-week aligner wear period.

In some cases, doctors employ treatment strategies that can extend the expected length of treatment and impact timing for case refinement orders. For example, doctors may require patients to wear an aligner for more than two weeks, or elect to use a supplemental mode of treatment in between aligners to help achieve specific tooth movements. Under the revised policy, doctors will now have up to 180 days past the expected end of treatment to order one case refinement at no additional charge.

Guidance

The change to the case refinement policy will have a one-time impact on revenues and associated cost of goods sold in Q4 2004. As such, the Company has provided tables to reflect the impact on guidance for Q4 2004 and FY 2004. Additionally, the Company does not believe the change will have a material impact on revenues or costs of goods sold in future quarters. A GAAP to non-GAAP reconciliation follows below.

Q4 2004

(in millions, except margins & EPS)	Guidance as of 12/9/04	Impact of Change in Case Refinement Policy	As Adjusted
Revenue	$45.0-$46.0	($1.8)	$43.2-$44.2
Gross margin percentage	68.0%-69.0%	(2.0%)	66.0%-67.0%
Operating expenses	$28.0-$29.0		$28.0-$29.0
Net profit (loss)	$1.0-$2.0	($2.0)	($1.0)-$0.0
Stock-based compensation expense(A)	$0.3		$0.3
Non-GAAP net profit (loss)	$1.3-$2.3	($2.0)	($0.7)-$0.3
GAAP net profit (loss) per share	$0.02-$0.03	($0.03)	($0.01)-$0.00
Non-GAAP net profit (loss) per share	$0.02-$0.04	($0.03)	($0.01)-$0.00

(A) Stock-based compensation expense in Q4 2004 included in gross margin percentage is $0.1 million and in operating expenses is $0.2 million.

FY 2004

(in millions, except margins & EPS)	Guidance as of 12/9/04	Impact of Change in Case Refinement Policy	As Adjusted
Revenue	$174.0-$175.0	($1.8)	$172.2-$173.2
Gross margin percentage	67.0%-67.5%	(0.5%)	66.5%-67.0%
Operating expenses	$105.4-$106.4		$105.4-$106.4
Net profit	$8.6-$9.6	($2.0)	$6.6-$7.6
Stock-based compensation expense(A)	$5.6		$5.6
Non-GAAP net profit	$14.2-$15.2	($2.0)	$12.2-$13.2
GAAP net profit per share	$0.13-$0.15	($0.03)	$0.10-$0.12
Non-GAAP net profit per share	$0.22-$0.24	($0.03)	$0.19-$0.21

(A) Stock-based compensation expense included in gross margins is $0.9 million and in operating expense is $4.7 million.

Reconciliation of GAAP to non-GAAP Financials for As Adjusted Guidance

(in millions, except EPS)	Q4 2004		FY 2004	
	Net profit (loss)	Profit (Loss) per share	Net profit	Profit per share
GAAP net profit	($1.0)-$0.0	($0.01)-$0.00	$6.6-$7.6	$0.10-$0.12
Stock-based compensation	$0.3	$0.00	$5.6	$0.09
Non-GAAP net profit	($0.7)-$0.3	($0.01)-$0.00	$12.2-$13.2	$0.19-$0.21

About Align Technology, Inc.

Align Technology designs, manufactures and markets Invisalign, a proprietary method for treating malocclusion, or the misalignment of teeth. Invisalign 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, Invisalign 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 Invisalign in 1998.

To learn more about Invisalign or to find a certified Invisalign doctor in your area, please visit www.invisalign.com or call 1-800-INVISIBLE.

Forward-Looking Statements

This news release contains forward-looking statements relating to the future performance of Align, including statements regarding the impact of changes to Align's policy on Refinement Aligners on Align's future revenue and financial results. Forward-looking statements contained in this news release relating to expectations about future events or results are 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, risks relating to Align's history of losses and negative operating cash flows, Align's ability to increase its revenue significantly while controlling expenses, Align's ability to manage growth, loss of key personnel or the inability to attract and retain key personnel, Align's limited operating history, customer demand for Invisalign, acceptance of Invisalign by consumers and dental professionals, competition from manufacturers of traditional braces, Align's third party manufacturing processes and personnel, foreign operational, political and other risks relating to Align's international manufacturing operations, Align's ability to protect its intellectual property rights, potential intellectual property or product liability claims or litigation, and the potential volatility of the market price of Align's common stock. 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, 2003, which was filed with the Securities and Exchange Commission on March 9, 2004, and its Quarterly Reports on Form 10-Q. Align undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

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