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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 22, 2004

**ALIGN TECHNOLOGY, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-32259**  
(Commission File Number)

**94-3267295**  
(I.R.S. Employer  
Identification No.)

**881 Martin Avenue, Santa Clara, California**  
(Address of principal executive offices)

**95050**  
(Zip Code)

**Registrant's telephone number, including area code (408) 470-1000**

**Not applicable**  
(Former name or former address, if changed since last report)

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**ITEM 5. OTHER EVENTS**

On April 22, 2004, Align Technology, Inc. (“Align”) is announcing its financial results for its first quarter ended March 31, 2004. These financial results are attached hereto as Exhibit 99.1. Exhibit 99.1 shall be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and shall be deemed incorporated by reference in filings under the Securities Act of 1933, as amended, or the Exchange Act.

**ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Financial results for Align Technology, Inc. for its first quarter ended March 31, 2004.
99.2	Press Release, dated April 22, 2004, for Align Technology, Inc. for its first quarter ended March 31, 2004 (furnished and not filed herewith solely pursuant to Item 12).

**ITEM 12. Results of Operations and Financial Condition**

On April 22, 2004, Align Technology, Inc. (“Align”) is issuing a press release and holding a conference call regarding its financial results for its first quarter ended March 31, 2004. A copy of the press release is furnished as Exhibit 99.2 to this Form 8-K. Align is making reference to non-GAAP financial information in both the press release and the conference call. A reconciliation of these non-GAAP financial measures to the comparable GAAP financial measures is contained in the attached press release.

The information contained in this Item 12 and in Exhibit 99.2 shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed be incorporated by reference into any filing of Align, whether made before of after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 22, 2004

ALIGN TECHNOLOGY, INC.

By: /s/ ELDON M. BULLINGTON

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**Eldon M. Bullington**  
**Vice President of Finance and Chief Financial Officer**

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## INDEX TO EXHIBITS

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**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**

(in thousands, except per share data)	Three Months Ended	
	March 31, 2004	March 31, 2003
Revenues	\$ 39,205	\$ 22,960
Cost of revenues	13,393	11,924
Gross profit	25,812	11,036
Operating expenses:		
Sales and marketing	13,272	10,630
General and administrative	8,277	7,894
Research and development	3,346	2,985
Total operating expenses	24,895	21,509
Profit (loss) from operations	917	(10,473)
Interest and other income (expense), net	(227)	(197)
Provision for income taxes	(133)	(1)
Net profit (loss)	\$ 557	\$ (10,671)
Net profit (loss) per share - basic	\$ 0.01	\$ (0.19)
Weighted-average shares used in computing basic net profit (loss) per share	59,091	57,189
Net profit (loss) per share - diluted	\$ 0.01	\$ (0.19)
Weighted-average shares used in computing diluted net profit (loss) per share	64,559	57,189

**ALIGN TECHNOLOGY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)

(in thousands)	March 31, 2004	December 31, 2003
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 47,816	\$ 44,939
Restricted cash	352	439
Marketable securities, short-term	80	2,292
Accounts receivable, net	23,256	21,265
Inventories, net	1,272	1,395
Deferred costs	1,015	939
Other current assets	5,321	5,845
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Total current assets	79,112	77,114
Property and equipment, net	22,586	23,121
Other long-term assets	2,006	1,967
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Total assets	\$ 103,704	\$ 102,202
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,307	\$ 3,095
Accrued liabilities	16,216	19,180
Deferred revenue	13,067	13,113
Debt obligations, current portion	1,994	1,989
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Total current liabilities	33,584	37,377
Debt obligations, long-term portion	1,250	1,667
Capital lease obligations, net of current portion	98	182
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Total liabilities	34,932	39,226
Total stockholders' equity	68,772	62,976
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Total liabilities and stockholders' equity	\$ 103,704	\$ 102,202

**ALIGN TECHNOLOGY, INC.**  
**NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(unaudited)**

**Use of Non-GAAP Financial Information**

To supplement our condensed consolidated financial statements presented on a GAAP basis, Align uses a non-GAAP measure of net profit (loss), which is adjusted to exclude certain costs and expenses and any associated tax effects of such adjustments. We believe that our non-GAAP net profit (loss) gives an indication of our baseline performance before other charges that are considered by management to be outside of our core operating results. In addition, our non-GAAP net profit (loss) is among the primary indicators management uses as a basis for our planning and forecasting of future periods. The presentation of this additional information should not be considered in isolation or as a substitute for net profit (loss) prepared in accordance with generally accepted accounting principles in the United States of America.

	Three Months Ended	
	March 31, 2004	March 31, 2003
<b>(in thousands, except per share data)</b>		
Revenues	\$ 39,205	\$ 22,960
Cost of revenues	12,995	11,203
<b>Gross profit</b>	<b>26,210</b>	<b>11,757</b>
<b>Operating expenses:</b>		
Sales and marketing	12,978	10,002
General and administrative	7,122	5,202
Research and development	2,976	2,252
<b>Total operating expenses</b>	<b>23,076</b>	<b>17,456</b>
<b>Profit (loss) from operations</b>	<b>3,134</b>	<b>(5,699)</b>
Interest and other income (expense), net	(227)	(197)
Provision for income taxes	(133)	(1)
<b>Net profit (loss)</b>	<b>\$ 2,774</b>	<b>\$ (5,897)</b>
<b>Net profit (loss) per share - basic</b>	<b>\$ 0.05</b>	<b>\$ (0.10)</b>
<b>Weighted-average shares used in computing basic net profit (loss) per share</b>	<b>59,091</b>	<b>57,189</b>
<b>Net profit (loss) per share - diluted</b>	<b>\$ 0.04</b>	<b>\$ (0.10)</b>
<b>Weighted-average shares used in computing diluted net profit (loss) per share</b>	<b>64,559</b>	<b>57,189</b>

See Reconciliation of GAAP Net Profit (Loss) to non-GAAP Net Profit (Loss) on Next Page

**ALIGN TECHNOLOGY, INC.**  
**RECONCILIATION OF GAAP NET PROFIT (LOSS) TO ADJUSTED NON-GAAP NET PROFIT (LOSS)**  
**(unaudited)**

(in thousands)	Three Months Ended	
	March 31, 2004	March 31, 2003
Calculation of non-GAAP net profit (loss) excluding special items:		
Net profit (loss)	\$ 557	\$ (10,671)
Items:		
Stock-based compensation expense included in: <sup>(1)</sup>		
- cost of revenues	398	721
- sales and marketing	294	628
- general and administrative	1,155	2,185
- research and development	370	733
Restructuring costs included in general and administrative: <sup>(2)</sup>	—	507
<b>Non-GAAP net profit (loss) excluding special items</b>	<b>\$ 2,774</b>	<b>\$ (5,897)</b>

<sup>(1)</sup> Stock-based compensation expense represents the amortization of deferred stock-based compensation recorded in connection with the granting of stock options to employees and non-employees. Stock-based compensation expense also includes the accelerated vesting of options to several employees in connection with severance packages.

<sup>(2)</sup> Restructuring costs represent restructuring charges for the remainder of our indirect operational activities related to the transition of operations from the United Arab Emirates and Pakistan to Costa Rica during the first quarter of 2003.



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**A L I G N****FOR IMMEDIATE RELEASE**Investor Relations Contact:

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**Align Technology, Inc. Reports 7<sup>th</sup> Consecutive Quarter of Increasing  
Revenues and 23% Sequential Increase in GAAP Net Profit**

- **First Quarter Revenues Increase 71% Year Over Year to \$39.2 Million**
- **Company Reports GAAP Net Profit of \$557 Thousand, or EPS of \$0.01; Non-GAAP Net Profit Of \$2.8 Million and Non-GAAP EPS Of \$0.04 Per Share**
- **Company Reports Positive Sequential Cash Contribution**

Santa Clara, Calif. – April 22, 2004 – Align Technology, Inc. (Nasdaq: ALGN), the inventor of Invisalign<sup>®</sup>, a proprietary method of straightening teeth without wires and brackets, today reported financial results for the first quarter of 2004. Total revenues for the first quarter of 2004 were \$39.2 million, compared to \$36.5 million in the fourth quarter of 2003, an increase of 7.4 percent, and \$23.0 million in the first quarter of 2003, an increase of 70.8 percent.

“We are pleased with our solid start in 2004,” stated Thomas M. Prescott, Align Technology’s President and CEO. “Our gains in revenues and gross margins are driven by increasing utilization, training hundreds of new doctors, and continuing to improve our manufacturing capabilities. We are also pleased to report our second quarter of GAAP profit, even as we stepped up our investments in systems, processes and technologies that will enable us to become world-class in the orthodontic industry. We are making great progress in our key initiatives and are focused on delivering outstanding results for our customers and their patients – all of which will continue to drive shareholder value.”

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The net profit for the first quarter of 2004 as determined under generally accepted accounting principles (“GAAP”) was \$557 thousand, or earnings per basic and diluted share of \$0.01. This compares to a net profit for the fourth quarter of 2003 of \$452 thousand, or earnings per basic and diluted share of \$0.01, and a net loss for the first quarter of 2003 of \$10.7 million, or a net loss of \$0.19 per share.

The non-GAAP net profit for the first quarter of 2004, which excludes \$2.2 million of stock-based compensation, was \$2.8 million, or non-GAAP earnings per basic share of \$0.05 and non-GAAP earnings per fully diluted share of \$0.04. This compares to a non-GAAP net profit of \$3.5 million in the fourth quarter of 2003, which excludes \$3.0 million of stock-based compensation, or a non-GAAP basic net profit of \$0.06 per share and non-GAAP fully diluted net profit of \$0.05. This also compares to a non-GAAP net loss of \$5.9 million in the first quarter of 2003, which excludes \$4.8 million of stock-based compensation and restructuring charges, or a non-GAAP net loss of \$0.10 per share. The reconciliation of the GAAP to non-GAAP measurements for net profit for the first quarter of 2004 is set forth below within Align Technology’s financial statements.

As of March 31, 2004, Align had \$48.2 million in cash, cash equivalents and marketable securities, compared to \$47.7 million as of December 31, 2003.

Align Technology will host a webcast and conference call today, April 22, 2004 at 10:00 a.m. EDT, 7:00 a.m. PDT, to review first quarter of 2004 results and discuss future operating trends and guidance on the outlook for the future. To access the webcast, click on “Conference Calls” on Align Technology’s Investor Relations website at [http://www.invisalign.com/US/html/corporate/investor\\_frameset.html](http://www.invisalign.com/US/html/corporate/investor_frameset.html). To access the conference call, please dial (646) 862-1080 approximately ten minutes prior to the start of the call. If you are unable to listen to the call, an archived webcast will be available beginning approximately one hour after the call’s conclusion and will remain available through 5:30 p.m. EDT on April 21, 2005. Additionally, a telephonic replay of the call can be accessed by dialing 800-633-8284 with reservation number 21190896. The replay may be accessed from international locations by dialing 402-977-9140 using the same reservation number. The telephonic replay will be available through 5:30 p.m. EDT on May 6, 2004.

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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](http://www.invisalign.com) or call 1-800-INVISIBLE.

Forward-Looking Statements

This news release contains forward-looking statements, including statements regarding Align's ability to increase utilization of its products, expand the number of orthodontists and dentists trained on its products, improve its manufacturing capabilities, improve its reputation in the orthodontic industry and deliver results to its customers and their patients as a means to increase shareholder value. 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 raise additional capital as required, 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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