

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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) July 25, 2007

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ALIGN TECHNOLOGY, INC.

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(Exact Name of Registrant as Specified in Its Charter)

Delaware

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(State or Other Jurisdiction of Incorporation)

0-32259

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(Commission File Number)

94-3267295

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(IRS Employer Identification No.)

881 Martin Avenue, Santa Clara, California

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(Address of Principal Executive Offices)

95050

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(Zip Code)

(408) 470-1000

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(Registrant's Telephone Number, Including Area Code)

Not applicable

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.01 RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

On July 25, 2007, Align Technology, Inc. ("Align") is issuing a press release and holding a conference call regarding its financial results for its second quarter ended June 30, 2007. The full text of the press release is furnished as Exhibit 99.1 to this Form 8-K.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Align is making reference to non-GAAP financial information in both the press release and the conference call. A reconciliation of non-GAAP financial measures contained in the attached press release to the comparable GAAP financial measures is contained in the attached press release and a reconciliation of these and certain other non-GAAP financial information provided on the conference call (to the extent not reconciled on such call) is contained on the Investor Relations section of our website at [investor.aligntech.com](http://investor.aligntech.com).

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of Align Technology, Inc. dated July 25, 2007

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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: July 25, 2007

ALIGN TECHNOLOGY, INC.

By: /s/ Eldon M. Bullington

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Eldon M. Bullington  
Vice President, Finance and Chief Financial Officer

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INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press Release of Align Technology, Inc. dated July 25, 2007

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Investor Relations Contact

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**Align Technology Announces Second Quarter 2007 Results, Revenues Increase 44% Year Over Year**

- Q2 Revenues of \$76.6 Million Increase 44 Percent Year Over Year
- Q2 GAAP Net Profit of \$13.6 Million, or \$0.19 per share diluted
- Case Shipments of 55,000 Increase 42 Percent Year Over Year

Santa Clara, Calif. - July 25, 2007 - Align Technology, Inc. (Nasdaq: ALGN), the inventor of Invisalign®, a proprietary method of straightening teeth without wires and brackets, today reported financial results for the second quarter of 2007, ended June 30, 2007. Total revenues for the second quarter of 2007 (Q2 07) were a record \$76.6 million, a sequential increase of 20 percent compared to \$63.8 million in the first quarter of 2007 (Q1 07) and a year-over-year increase of 44 percent compared to \$53.2 million in the second quarter of 2006 (Q2 06).

“Our second quarter results were outstanding by any measure and we are very pleased to deliver our second consecutive record quarter,” said Thomas M. Prescott, President and CEO of Align Technology. “Consumer demand and physician interest in the Invisalign system continue to expand, enabling case and revenue growth and increased profitability. Beyond our financial results, we continue to make progress on new product and technology development, and other key strategic objectives.”

On a generally accepted accounting principles (GAAP) basis, net profit for Q2 07 was \$13.6 million, or \$0.19 per share diluted. This reflects an increase in GAAP net profit of 94 percent from \$7.0 million, or \$0.10 per share diluted in Q1 07, and an increase from a GAAP net loss of \$2.6 million, or \$0.04 loss per share diluted in Q2 06.

Non-GAAP net profit for Q2 07 was \$16.5 million, or \$0.23 per share diluted. This reflects an increase in non-GAAP net profit of 116 percent from \$7.6 million, or \$0.11 per share diluted in Q1 07, and an increase from a non-GAAP net loss of \$0.3 million, or \$0.01 loss per share diluted in Q2 06. Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. A detailed reconciliation between GAAP and non-GAAP information is contained in the tables included herein.

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## **Q2 07 Operating Results**

Operating results reflect stock-based compensation expense of \$2.9 million for Q2 07, and includes a one-time \$1.6 million credit for an insurance reimbursement of legal costs associated with OrthoClear litigation.

<b>Key GAAP Operating Results</b>	<b>Q2 07</b>	<b>Q1 07</b>	<b>Q2 06</b>
Gross Margin	73.6%	72.5%	69.0%
Operating Expense	\$42.9M	\$39.2M	\$40.0M
Net Profit (Loss)	\$13.6M	\$7.0M	(\$2.6M)
Earnings (Loss) Per Share (EPS), Diluted	\$0.19	\$0.10	(\$0.04)
<b>Key Non-GAAP Operating Results</b>	<b>Q2 07</b>	<b>Q1 07</b>	<b>Q2 06</b>
Non-GAAP Gross Margin	73.8%	72.9%	69.4%
Non-GAAP Operating Expense	\$40.3M	\$38.7M	\$37.9M
Non-GAAP Net Profit (Loss)	\$16.5M	\$7.6M	(\$0.3M)
Non-GAAP EPS (Loss), Diluted	\$0.23	\$0.11	(\$0.01)

## **Liquidity and Capital Resources**

As of June 30, 2007, Align had \$82.0 million in cash, cash equivalents, marketable securities and restricted cash, compared to \$64.1 million as of December 31, 2006. During the second quarter the Company paid off the remaining \$8 million of its credit facility and has no outstanding balance, under the credit facility, as of June 30, 2007.

## **Key Business Metrics**

The following table highlights business metrics for Align's second quarter of 2007. Additional historical information is available on the Company's website at [investor.aligntech.com](http://investor.aligntech.com).

<b>Revenue by Channel:</b>	<b>Q2 07</b>	<b>Q2'07/Q1'07 % Change</b>	<b>Q2'07/Q2'06 % Change</b>
U.S. Orthodontists	\$24.9 million	16.0%	40.9%
U.S. GP Dentists	\$36.4 million	22.0%	50.9%
International	\$11.6 million	26.8%	40.1%
Training and Other	\$ 3.7 million	11.5%	17.5%
Total Revenue	\$76.6 million	20.1%	43.9%
<b>Average Selling Price (ASP)</b>	<b>Q2 07</b>	<b>Q2'07/Q1'07 % Change</b>	<b>Q2'07/Q2'06 % Change</b>
Total Worldwide Blended ASP	\$1,330	(1.3%)	2.4%
Total Worldwide ASP excluding Invisalign Express	\$1,430	(1.3%)	(3.9%)
U.S. Orthodontists Blended ASP	\$1,230	(2.5%)	(1.2%)
U.S. GP Dentists Blended ASP	\$1,310	(0.8%)	6.4%
International	\$1,630	(1.3%)	(1.8%)
<b>Cases Shipped:</b>	<b>Q2 07</b>	<b>Q2'07/Q1'07 % Change</b>	<b>Q2'07/Q2'06 % Change</b>
U.S. Orthodontists - Full Invisalign	16,800	18.6%	61.3%
U.S. Orthodontists - Invisalign Express	3,400	19.9%	( 9.7%)
U.S. GP Dentists - Full Invisalign	22,800	22.3%	74.9%
U.S. GP Dentists - Invisalign Express	4,900	28.0%	(24.4%)
International- Full Invisalign	7,000	29.0%	45.0%
International- Invisalign Express	100	( 2.6%)	(28.8%)
Total Cases Shipped	55,000	22.2%	42.2%
<b>Doctors Cases were Shipped to</b>	<b>Q2 07</b>		
U.S. Orthodontists	3,800		
U.S. GP Dentists	10,100		
International	2,300		
Total Doctors Cases were Shipped to Worldwide	16,200		
<b>Doctors Trained Worldwide</b>	<b>Q2 07</b>	<b>Cumulative</b>	
U.S. Orthodontists	100	8,100	
U.S. GP Dentists	1,500	24,800	
International	300	11,600	
Total Doctors Trained Worldwide	1,900	44,500	
<b>Multiple Case Doctors (Cumulative as of)</b>	<b>Q2 07</b>		
U.S. Orthodontists	89%		
U.S. GP Dentists	87%		
International	74%		
<b>Doctors Starting Invisalign Treatment (Cumulative as of)</b>	<b>Q2 07</b>		
U.S. Orthodontists	6,500		
U.S. GP Dentists	19,400		
International	6,000		
Total Doctors Starting Invisalign Treatment	31,900		
<b>Doctor Utilization Rates*:</b>	<b>Q2 07</b>	<b>Q1 07</b>	<b>Q2 06</b>
U.S. Orthodontists	5.3	4.8	5.0
U.S. GP Dentists	2.7	2.6	2.6
International	3.1	2.8	2.9
Total Utilization Rate	3.4	3.2	3.2
<i>*Utilization = # of cases/# of doctors cases were shipped to</i>			
<b>Patients First Program Information</b>			
Cases Registered	30,500		
Final Number of OC Cases Received (Net of Cancellations)	24,200		
Cases Shipped	24,000		

In Process Cases to be Shipped	200		
<i>Note: Amounts above rounded to the nearest hundred.</i>			



### **Patients First Program Update**

During Q2 07, the Patients First Program (PFP) was completed and Align shipped virtually all of the 24,200 cases that were registered and received, net of approximately 500 case cancellations. There are approximately 200 cases pending ClinCheck approval by doctors. Once the Company completes these shipments, it will have fulfilled its commitment to deliver all PFP cases.

### **Business Outlook for the Third Quarter 2007 and Full Year 2007**

For the third quarter 2007 (Q3 07), Align Technology expects revenues between \$70.3 and \$72.2 million and GAAP diluted EPS between \$0.07 and \$0.09. Non-GAAP diluted EPS is expected to be between \$0.11 and \$0.13.

For the full year 2007, Align Technology expects revenues between \$281.6 and \$286.8 million and GAAP diluted EPS between \$0.43 and \$0.49. Non-GAAP diluted EPS for full year 2007 is expected to be between \$0.57 and \$0.63.

A more comprehensive business outlook, including a reconciliation of GAAP to Non-GAAP financial measures, is available following the financial tables of this release.

### **Align Web cast and Conference Call**

Align Technology will host a conference call today, July 25, 2007 at 8:30 a.m. ET, 5:30 a.m. PT, to review its second quarter 2007 results, discuss future operating trends and business outlook. The conference call will also be webcast live via the Internet. To access the webcast, go to the "Events & Presentations" section under Company Information on Align Technology's Investor Relations web site at <http://investor.aligntech.com>. To access the conference call, please dial 201-689-8341 approximately fifteen 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 July 24, 2008. Additionally, a telephonic replay of the call can be accessed by dialing 877-660-6853 with account number 292 followed by # and conference number 227478 followed by #. The replay must be accessed from international locations by dialing 201-612-7415 and using the same account and conference numbers referenced above. The telephonic replay will be available through 5:30 p.m. EDT on August 8, 2007.

### **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.

## **About non-GAAP Financial Measures**

To supplement our consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principals (GAAP), we use the following non-GAAP financial measures: non-GAAP gross profit, gross margin, profit (loss) from operations, net profit (loss), earnings (loss) per share, and certain expenses (including sales and marketing, general and administrative and research and development), which exclude stock-based compensation and the Patients First Program charge. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliation of GAAP to Non-GAAP Condensed Consolidated Statements of Operations" and "Business Outlook Summary" included at the end of this release.

We use these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. Our management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our "core operating performance". Management believes that "core operating performance" represents Align's performance in the ordinary, ongoing and customary course of its operations. Accordingly, management excludes from "core operating performance" certain expenses and expenditures that may not be indicative of our operating performance including not only non-cash charges, such as stock-based compensation, but also discrete cash charges that are infrequent or one-time in nature. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate management's internal evaluation of period-to-period comparisons. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making and (2) they are provided to and used by our institutional investors and the analyst community to help them analyze the health of our business.

## **Forward-Looking Statement**

This news release, including the tables below, contain forward-looking statements, including statements regarding Align's anticipated financial results and certain business metrics for the third quarter and full year of 2007, including anticipated revenue, operating expense, earnings per share, percentage of revenue by channel, case shipments and average selling prices. Forward-looking statements contained in this news release and the tables below 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 ability to sustain or increase profitability or revenue growth in future periods while controlling expenses, continued customer demand for Invisalign, including during the summer vacation periods in the United States and Europe in the third quarter, acceptance of Invisalign by consumers and dental professionals, 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, 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, including members of its direct sales force. 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, 2006, which was filed with the Securities and Exchange Commission on March 12, 2007, 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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- 6 -

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

(in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Revenues	\$ 76,603	\$ 53,221	\$ 140,364	\$ 102,129
Cost of revenues	20,247	16,492	37,776	30,789
Gross profit	56,356	36,729	102,588	71,340
Operating expenses:				
Sales and marketing	24,353	20,641	47,503	40,707
General and administrative	11,880	15,354	24,065	30,418
Research and development	6,675	4,025	12,368	8,719
Patients First Program	-	-	(1,796)	-
Total operating expenses	42,908	40,020	82,140	79,844
Profit (loss) from operations	13,448	(3,291)	20,448	(8,504)
Interest and other income, net	680	841	1,135	1,539
Provision for income taxes	(510)	(160)	(987)	(409)
Net profit (loss)	\$ 13,618	\$ (2,610)	\$ 20,596	\$ (7,374)
Net profit (loss) per share				
- basic	\$ 0.20	\$ (0.04)	\$ 0.31	\$ (0.12)
- diluted	\$ 0.19	\$ (0.04)	\$ 0.29	\$ (0.12)
Shares used in computing net profit (loss) per share				
- basic	66,696	62,966	66,068	62,743
- diluted	71,207	62,966	70,346	62,743

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

(in thousands)	ASSETS	June 30, 2007	December 31, 2006
		<u>                    </u>	<u>                    </u>
Current assets:			
Cash and cash equivalents		\$ 65,594	\$ 55,113
Restricted cash		95	93
Marketable securities, short-term		13,551	8,931
Accounts receivable, net		47,237	33,635
Inventories, net		3,388	3,090
Other current assets		8,560	7,227
Total current assets		<u>138,425</u>	<u>108,089</u>
Property and equipment, net		26,675	26,904
Goodwill and intangible assets, net		12,511	14,302
Marketable securities, long-term		2,776	-
Other long-term assets		1,968	2,263
Total assets		<u>\$ 182,355</u>	<u>\$ 151,558</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Line of credit		\$ -	\$ 11,500
Accounts payable		5,728	5,034
Accrued liabilities		35,949	40,307
Deferred revenue		12,159	10,942
Total current liabilities		<u>53,836</u>	<u>67,783</u>
Other long term liabilities		189	219
Total liabilities		<u>54,025</u>	<u>68,002</u>
Total stockholders' equity		<u>128,330</u>	<u>83,556</u>
Total liabilities and stockholders' equity		<u>\$ 182,355</u>	<u>\$ 151,558</u>

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

(in thousands, except per share data)

	Three Months Ended June 30, 2007			Three Months Ended June 30, 2006		
	Reported	Adjustments	Non GAAP	Reported	Adjustments	Non GAAP
Revenues	\$ 76,603	\$ -	\$ 76,603	\$ 53,221	\$ -	\$ 53,221
Cost of revenues	20,247	(210)(a)	20,037	16,492	(181)(a)	16,311
Gross profit	56,356	210	56,566	36,729	181	36,910
Operating expenses:						
Sales and marketing	24,353	(898)(a)	23,455	20,641	(732)(a)	19,909
General and administrative	11,880	(1,429)(a)	10,451	15,354	(1,029)(a)	14,325
Research and development	6,675	(328)(a)	6,347	4,025	(324)(a)	3,701
Total operating expenses	42,908	(2,655)	40,253	40,020	(2,085)	37,935
Profit (loss) from operations	13,448	2,865	16,313	(3,291)	2,266	(1,025)
Interest and other income, net	680	-	680	841	-	841
Provision for income taxes	(510)	(33)(b)	(543)	(160)	-	(160)
Net profit (loss)	\$ 13,618	\$ 2,832	\$ 16,450	\$ (2,610)	\$ 2,266	\$ (344)
Net profit (loss) per share						
- basic	\$ 0.20		\$ 0.25	\$ (0.04)		\$ (0.01)
- diluted	\$ 0.19		\$ 0.23	\$ (0.04)		\$ (0.01)
Shares used in computing net profit (loss) per share						
- basic	66,696		66,696	62,966		62,966
- diluted	71,207		71,207	62,966		62,966

(a) Non cash stock-based compensation included in cost of sales and operating expenses.

(b) Tax impact on non-GAAP adjustments.

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

(in thousands, except per share data)

	Three Months Ended March 31, 2007		
	Reported	Adjustments	Non GAAP
Revenues	\$ 63,761	\$ -	\$ 63,761
Cost of revenues	17,529	(234)(a)	17,295
Gross profit	46,232	234	46,466
Operating expenses:			
Sales and marketing	23,150	(857)(a)	22,293
General and administrative	12,185	(1,103)(a)	11,082
Research and development	5,693	(328)(a)	5,365
Patients First Program	(1,796)	1,796	-
Total operating expenses	39,232	(492)	38,740
Profit from operations	7,000	726	7,726
Interest and other income, net	455	-	455
Provision for income taxes	(477)	(80)(b)	(557)
Net profit	\$ 6,978	\$ 646	\$ 7,624
Net profit per share			
- basic	\$ 0.11		\$ 0.12
- diluted	\$ 0.10		\$ 0.11
Shares used in computing net profit per share			
- basic	65,433		65,433
- diluted	69,331		69,331

(a) Non cash stock-based compensation included in cost of sales and operating expenses.

(b) Tax impact on non-GAAP adjustments.

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

(in thousands, except per share data)

	Six Months Ended June 30, 2007			Six Months Ended June 30,		
	Reported	Adjustments	Non GAAP	Reported	Adjustments	Non GAAP
Revenues	\$ 140,364		\$ 140,364	\$ 102,129	\$ -	\$ 102,129
Cost of revenues	37,776	(444)(a)	37,332	30,789	(329)(a)	30,460
Gross profit	102,588	444	103,032	71,340	329	71,669
Operating expenses:						
Sales and marketing	47,503	(1,755)(a)	45,748	40,707	(1,411)(a)	39,296
General and administrative	24,065	(2,532)(a)	21,533	30,418	(2,117)(a)	28,301
Research and development	12,368	(656)(a)	11,712	8,719	(614)(a)	8,105
Patients First Program	(1,796)	1,796	-	-	-	-
Total operating expenses	82,140	(3,147)	78,993	79,844	(4,142)	75,702
Profit (loss) from operations	20,448	3,591	24,039	(8,504)	4,471	(4,033)
Interest and other income, net	1,135		1,135	1,539	-	1,539
Provision for income taxes	(987)	(113)(b)	(1,100)	(409)	-	(409)
Net profit (loss)	\$ 20,596	\$ 3,478	\$ 24,074	\$ (7,374)	\$ 4,471	\$ (2,903)
Net profit (loss) per share						
- basic	\$ 0.31		\$ 0.36	\$ (0.12)		\$ (0.05)
- diluted	\$ 0.29		\$ 0.34	\$ (0.12)		\$ (0.05)
Shares used in computing net profit (loss) per share						
- basic	66,068		66,068	62,743		62,743
- diluted	70,346		70,346	62,743		62,743

(a) Non cash stock-based compensation included in cost of sales and operating expenses.

(b) Tax impact on non-GAAP adjustments.



ALIGN TECHNOLOGY, INC.  
 BUSINESS OUTLOOK SUMMARY  
 (unaudited)

The outlook figures provided below and elsewhere in this press release are approximate in nature since Align's business outlook is difficult to predict. Align's future performance involves numerous risks and uncertainties and the company's results could differ materially from the outlook provided. Some of the factors that could affect Align's future financial performance and business outlook are set forth under "Forward Looking Information" above in this press release.

**Financials (including reconciliation of GAAP to non-GAAP financial measures)**

(in millions, except per share amounts and percentages)

	3Q 2007			FY 2007		
	GAAP	Adjustment	Non-GAAP	GAAP	Adjustment	Non-GAAP
Revenue	\$70.3 - \$72.2		\$70.3 - \$72.2	\$281.6 - \$286.8		\$281.6 - \$286.8
Gross Margin	72.1% - 72.9%	0.4%	(a) 72.5% - 73.3%	72.4% - 72.9%	0.4%	(a) 72.8% - 73.3%
Sales and Marketing	\$24.8 - \$25.2	\$1.0	(a) \$23.8 - \$24.2	\$96.8 - \$97.2	\$3.8	(a) \$93.0 - \$93.4
R&D	\$6.5 - \$6.7	\$0.4	(a) \$6.1 - \$6.3	\$25.8 - \$26.4	\$1.5	(a) \$24.3 - \$24.9
G&A	\$14.5 - \$14.9	\$1.6	(a) \$12.9 - \$13.3	\$53.1 - \$53.7	\$5.7	(a) \$47.4 - \$48.0
Patient's First Costs				(\$1.8)	(\$1.8)	
Operating Expenses	\$45.8 - \$46.8	\$3.0	\$42.8 - \$43.8	\$173.9 - \$175.5	\$9.2	\$164.8 - \$166.4
Net Profit	\$5.0 - \$6.2	\$3.3	\$8.3 - \$9.5	\$30.3 - \$34.6	\$10.0	\$40.3 - \$44.6
Net Profit per Share	\$0.07 - \$0.09	\$0.04	\$0.11 - \$0.13	\$0.43 - \$0.49	\$0.14	\$0.57 - \$0.63

(a) Non cash stock-based compensation included in cost of sales and operating expenses

**Business Metrics**

	3Q 2007	FY 2007
Channel as a % of Revenue		
U.S. Orthodontists - Full	30%	30%
U.S. GP Dentists - Full	44%	43%
International Invisalign	15%	15%
Invisalign Express	8%	8%
Training/Other	3%	4%
Case Shipments	53K - 54K	206K - 209K
Blended ASP, excl Express	\$1380 - \$1390	\$1410 - \$1420
Blended ASP, incl Express	\$1280 - \$1290	\$1300 - \$1310
Cash	\$95M - \$100M	\$105 - \$115
DSO	~55 days	~55 days
Capex		\$8.0M - \$10.0M
Depreciation & Amortization		\$13.0M - \$14.0M