

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) January 25, 2006

ALIGN TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-32259

94-3267295

(Commission File Number)

(IRS Employer Identification No.)

881 Martin Avenue, Santa Clara, California

95050

(Address of Principal Executive Offices)

(Zip Code)

(408) 470-1000

(Registrant's Telephone Number, Including Area Code)

Not applicable

(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))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 25, 2006, Align Technology, Inc. ("Align") is issuing a press release and holding a conference call regarding its financial results for its fourth quarter and full fiscal year ended December 31, 2005. 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 is contained on the Investor Relations section of our website at investor.aligntech.com.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) EXHIBITS.

EXHIBIT NO.	DESCRIPTION
99.1	Press Release of Align Technology, Inc. dated January 25, 2006

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: January 25, 2006

ALIGN TECHNOLOGY, INC.

By: /s/ Eldon M. Bullington

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

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
99.1	Press Release of Align Technology, Inc. dated January 25, 2006

ALIGN TECHNOLOGY, INC. REPORTS REVENUES OF \$51.2M
FOR Q4 2005 AND \$207.1M FOR FISCAL YEAR 2005

SANTA CLARA, Calif., Jan. 25 /PRNewswire-FirstCall/ -- Align Technology, Inc. (Nasdaq: ALGN), the inventor of Invisalign(R), a proprietary method of straightening teeth without wires and brackets, today reported financial results for the fourth quarter and full year of 2005. Total revenues for the fourth quarter of 2005 were \$51.2 million, compared to \$50.9 million in the third quarter of 2005, an increase of 0.6 percent, and \$43.7 million in the fourth quarter of 2004, an increase of 17.2 percent. For fiscal year 2005, Align reported revenues of \$207.1 million, compared to \$172.8 million for fiscal year 2004, an increase of 19.8 percent.

"We are pleased with our results for 2005," stated Thomas M. Prescott, Align Technology's President and CEO. "Revenues were up 20 percent and case volumes grew by 23 percent. We continued to provide value for our customers through our national advertising campaign, new products and software, superb clinical education events, and new pricing initiatives. In 2006, we will continue our strategy of ensuring product leadership, being responsive to our customers' needs, and improving operational effectiveness across the company. Delivering on this strategy, combined with our superior value proposition for customers, will enhance shareholder value."

The net profit for the fourth quarter of 2005, as reported on a GAAP basis, was \$528 thousand, or earnings per share (EPS) of \$0.01. This compares to GAAP net profit of \$1.1 million for the fourth quarter of 2004, or EPS of \$0.02 per share. For comparison purposes, this also compares to a non-GAAP net profit of \$1.3 million for the fourth quarter of 2004 or non-GAAP EPS of \$0.02. Non-GAAP net profit excludes the effects of stock-based compensation.

For fiscal year 2005, the net profit was \$1.4 million, or EPS of \$0.02. This compares to a GAAP net profit of \$8.8 million for fiscal year 2004, or EPS of \$0.14 per share. For comparison purposes, this also compares to a non-GAAP net profit of \$14.4 million for fiscal year 2004, or EPS of \$0.22. The reconciliation of the GAAP to non-GAAP measurements for net profit and EPS is set forth below within Align Technology's financial statements.

As of December 31, 2005, Align had \$74.4 million in cash, cash equivalents, and marketable securities, compared to \$70.0 million as of December 31, 2004.

Align Webcast and Conference Call

Align Technology will host a webcast and conference call today, January 25, 2006 at 10:00 a.m. EST, 7:00 a.m. PST, to review the fourth quarter and fiscal year 2005 results and discuss future operating trends and guidance. To access the webcast, click on "Webcasts & Presentations" 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 web cast will be available beginning approximately one hour after the call's conclusion and will remain available through 5:30 p.m. EST on January 24, 2007. Additionally, a telephonic replay of the call can be accessed by dialing 877-660-6853 with account number 292 followed by # and conference number 151235 followed by #. The replay may 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. EST on January 31, 2006.

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, including statements regarding Align's statement that it will continue to execute its strategy of

ensuring product leadership, responsiveness to customer needs and producing high quality products and that delivering on this strategy will enhance 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 ability to sustain or increase profitability or revenue growth in future periods while controlling expenses, customer demand for Invisalign, 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, such as OrthoClear, Align's ability to develop and successfully introduce new products, 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, 2004, which was filed with the Securities and Exchange Commission on March 9, 2005, 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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ALIGN TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(in thousands, except per share data)	Three Months Ended		Year Ended	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
Revenues	\$ 51,164	\$ 43,655	\$ 207,125	\$ 172,830
Cost of revenues	16,711	14,961	63,784	57,526
Gross profit	34,453	28,694	143,341	115,304
Operating expenses:				
Sales and marketing	18,570	15,377	80,068	55,932
General and administrative	11,293	8,655	42,242	33,851
Research and development	3,927	4,006	18,585	15,756
Total operating expenses	33,790	28,038	140,895	105,539
Profit from operations	663	656	2,446	9,765
Interest and other income (expense), net	255	616	283	(3)
Provision for income taxes	(390)	(151)	(1,316)	(994)
Net profit	\$ 528	\$ 1,121	\$ 1,413	\$ 8,768
Net profit per share				
- basic	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.15
- diluted	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.14
Shares used in computing net profit per share				
- basic	62,045	60,744	61,644	59,963
- diluted	63,247	63,560	63,152	64,089

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

(in thousands)	December 31, 2005	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 74,219	\$ 69,659
Restricted cash	150	303
Accounts receivable, net	29,305	28,809
Inventories, net	2,930	2,852
Other current assets	4,982	5,211
Total current assets	111,586	106,834
Property and equipment, net	26,427	21,702
Other long-term assets	4,097	2,176
Total assets	\$ 142,110	\$ 130,712
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,489	\$ 3,361
Accrued liabilities	29,372	23,481
Deferred revenue	16,747	16,257
Debt obligations, current portion	--	1,849
Total current liabilities	48,608	44,948
Other long term liabilities	64	25

Total liabilities	48,672	44,973
Total stockholders' equity	93,438	85,739
Total liabilities and stockholders' equity	\$ 142,110	\$ 130,712

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, 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 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 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 prepared in accordance with generally accepted accounting principles in the United States of America.

(in thousands, except per share data)	Three Months Ended		Year Ended	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
Revenues	\$ 51,164	\$ 43,655	\$ 207,125	\$ 172,830
Cost of revenues	16,711	14,922	63,784	56,632
Gross profit	34,453	28,733	143,341	116,198
Operating expenses:				
Sales and marketing	18,570	15,361	80,062	55,281
General and administrative	11,293	8,527	42,236	31,115
Research and development	3,927	3,975	18,585	14,423
Total operating expenses	33,790	27,863	140,883	100,819
Profit from operations	663	870	2,458	15,379
Interest and other income (expense), net	255	616	283	(3)
Provision for income taxes	(390)	(151)	(1,316)	(994)
Net profit	\$ 528	\$ 1,335	\$ 1,425	\$ 14,382
Net profit per share				
- basic	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.24
- diluted	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.22
Shares used in computing net profit per share				
- basic	62,045	60,744	61,644	59,963
- diluted	63,247	63,560	63,152	64,089

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

(in thousands)	Three Months Ended		Year Ended	
	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
Calculation of non-GAAP net profit excluding special items:				
Net profit	\$ 528	\$ 1,121	\$ 1,413	\$ 8,768
Items:				
Stock-based compensation expense included in: (1)				
- cost of revenues	--	39	--	894
- sales and marketing	--	16	6	651
- general and administrative	--	128	6	2,736
- research and development	--	31	--	1,333
Non-GAAP net profit excluding special items	\$ 528	\$ 1,335	\$ 1,425	\$ 14,382

(1) 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.

SOURCE Align Technology, Inc.

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