

**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)

**October 6, 2005**

**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**  
(IRS Employer  
Identification No.)

**881 Martin Avenue**  
**Santa Clara, California 95050**  
(Address of principal executive offices, including 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 1.01 Entry into a Material Definitive Agreement.**

On October 6, 2005, the Compensation Committee of the Board of Directors of Align Technology, Inc. (the "Company"), approved accelerating the vesting of all unvested stock options with exercise prices greater than \$7.10. Options held by non-employee directors are excluded from the vesting acceleration.

As a result of the acceleration, approximately 3.8 million options or 35% of the total outstanding options became immediately exercisable as of October 6, 2005. Of the aggregate number of options subject to the acceleration, approximately 1.2 million options or 32% of the total accelerated options are held by executive officers of the Company, as follows:

<b>Officer</b>	<b>Number of Shares Subject to Accelerated Options</b>	<b>Average Per Share Exercise Price of Accelerated Options</b>
Thomas M. Prescott	184,376	\$ 13.14
Eldon M. Bullington	126,773	\$ 11.95
Dan S. Ellis	225,000	\$ 7.44
Roger E. George	103,543	\$ 11.09
Len Hedge	110,626	\$ 11.27
Gil Laks	74,063	\$ 10.38
Rok Sribar	225,000	\$ 7.40
Patricia Wadors	154,273	\$ 12.03

The Compensation Committee also required that, as a condition to the acceleration of options held by executive officers, each officer agree to refrain from selling common stock acquired upon the exercise of accelerated options until the date on which the exercise would have been permitted under the options' pre-acceleration vesting terms or, if earlier, the executive officer's last day of employment or upon a "change in control" as defined in the 2001 Incentive Plan, the 2005 Incentive Plan or any employment agreement between the individual and the Company. The form of such agreement is attached hereto as Exhibit 10.1.

The primary purpose of the acceleration is to eliminate future compensation expense the Company would otherwise recognize in its statement of operations with respect to these accelerated options upon the adoption of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment* ("SFAS 123R"). SFAS 123R is effective for the Company beginning in the first quarter of 2006, and will require that compensation expense associated with stock options be recognized in the statement of operations, rather than as a footnote disclosure in the Company's consolidated financial statements. The Company estimates that the aggregate future expense that will be eliminated over the next four years as a result of the acceleration of the vesting of these options is approximately \$15.2 million, as follows:

Fiscal Year Ended	Approximate Amount of Expense Eliminated (millions)	
2006	\$	7.9
2007	\$	5.9
2008	\$	1.3
2009	\$	0.1
<b>Total:</b>	<b>\$</b>	<b>15.2</b>

A copy of the press release announcing the acceleration is attached hereto as Exhibit 99.1.

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**Item 9.01. Financial Statements and Exhibits.**

**(c) Exhibits.**

Exhibit No.	Description
10.1	Form of Resale Restriction Agreement
99.1	Press Release dated October 11, 2005 announcing the option acceleration.

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**SIGNATURES**

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

**ALIGN TECHNOLOGY, INC.**

By:           /s/ Eldon M. Bullington            
 Eldon M. Bullington  
 Vice President of Finance and  
 Chief Financial Officer

Date: October 11, 2005

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**EXHIBIT INDEX**

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## ALIGN TECHNOLOGY, INC.

## RESALE RESTRICTION AGREEMENT

This RESALE RESTRICTION AGREEMENT (the "Agreement") with respect to certain stock options issued under the Align Technology, Inc. 2001 Incentive Plan (the "Plan") is made by and between Align Technology, Inc., a Delaware corporation (the "Company") and [EXECUTIVE] (the "Executive").

WHEREAS, the Board of Directors decided, effective October 6, 2005, to accelerate unvested stock options with an exercise price greater than \$7.10 per share (the "Accelerated Options");

WHEREAS, Executive has been granted one or more options that constitute Accelerated Options ("Executive Accelerated Options");

WHEREAS, the Company and Executive wish to impose certain resale restrictions on the shares (the "Shares") underlying the Executive Accelerated Options on the terms and conditions contained herein.

NOW, THEREFORE, it is agreed as follows:

1. Executive acknowledges that he or she has reviewed this Agreement in full.
2. Executive agrees to refrain from selling, transferring, pledging, or otherwise disposing of any Shares acquired upon the exercise of the Executive Accelerated Options until the date on which the exercise would have been permitted under such options' pre-acceleration vesting terms set forth in the applicable options agreement(s) between Executive and the Company relating to the Executive Accelerated Options (the "Option Agreements") or, if earlier, Executive's last day of employment or upon a "change of control" as defined in the employment agreement between Executive and the Company (the "Employment Agreement") and/or the Plan.
3. Executive represents and warrants that he or she has full power to enter into this Agreement.
4. This Agreement, the Option Agreements, the Plan and the Employment Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior understandings and agreements of the Company and Executive with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and Executive.
5. This Agreement shall be binding upon the Company and Executive as well as the successors and assigns (if any) of the Company and Executive.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date set forth below.

October , 2005

ALIGN TECHNOLOGY, INC.

\_\_\_\_\_  
Name:

Title:

EXECUTIVE

October , 2005

\_\_\_\_\_  
[EXECUTIVE]



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A L I G N

**FOR IMMEDIATE RELEASE**

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Press Contact

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**Align Technology Accelerates Vesting of Stock Options**

Santa Clara, Calif. – October 11, 2005 – Align Technology, Inc. (Nasdaq: ALGN), the inventor of Invisalign®, a proprietary method of straightening teeth without wires and brackets, today announced that the Compensation Committee of the Board of Directors approved an accelerated vesting of all unvested stock options with exercise prices greater than \$7.10 held by current employees and officers of the Company. The \$7.10 price was 11 percent higher than the price at which Align Technology common stock traded on October 6, 2005, the date the Compensation Committee approved the acceleration plan. The accelerated options represent approximately 35 percent, or 3.8 million, of the total of all outstanding Align Technology options.

As a condition of the acceleration and to prevent executive officers from unintended personal benefit, the Company's executive officers have agreed to refrain from selling common stock acquired upon the exercise of accelerated options until the original vesting date or, if earlier, the officer's last day of employment or upon a change in control. Options held by non-employee directors of the Company are excluded from the accelerated vesting.

The primary purpose of the acceleration is to eliminate future compensation expenses associated with the accelerated options that the Company would otherwise recognize upon its planned adoption of Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123, *Share-Based Payment* (SFAS 123R), which becomes effective on January 1, 2006. As a result of the vesting acceleration, the Company estimates that approximately \$15.2million in aggregate future expenses will be eliminated over the next four years.

**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

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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.

This news release contains forward-looking statements, including regarding the projected impact of FAS 123R and the effect of accelerating "underwater" options. 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. There can be no assurance that future FASB statements or rules, government action or other factors will not delay, limit, change or eliminate the expected expense to Align and other impacts of FAS 123R. 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 3, 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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