

Income Statement

For the Twelve Months Ending December 31, 2011

Current Month Actual	% Revenue	Last Year Actual	% Revenue	Description	Year to Date Actual	% Revenue	Last Year to Date Actual	% Revenue	% Change
				ALIGNTECH DE MEXICO					
				REVENUE					
				Revenue: Aligners					
				Revenue: Other					
16,412,574.44-	100.00	12,217,374.05-	100.00	Revenue: Juarez	171,034,372.64-	100.00	137,332,718.71-	100.00	24.54
				Commission Sales - Cadent					
16,412,574.44-	100.00	12,217,374.05-	100.00	Revenue: Other	171,034,372.64-	100.00	137,332,718.71-	100.00	24.54
16,412,574.44-	100.00	12,217,374.05-	100.00	REVENUE	171,034,372.64-	100.00	137,332,718.71-	100.00	24.54
				COGS					
				COGS - MATERIALS					
				COGS Std: Other					
				COGS Std: Other Internati					
				COGS Std: Other					
				COGS - MATERIALS					
				COGS					
				SG&A					
				TRAINING					
				Workshop Training					
				Advanced Training					
				Fulfillment Training					
				Education Mat'l - Profes					
				Education Mat'l - Patien					
				Other Training					
				TRAINING					
				PAYROLL EXPENSES					
2,191,359.61	13.35	2,023,026.28	16.56	Salaries	26,026,419.60	15.22	21,949,743.36	15.98	18.57
1,891,234.32	11.52	1,575,543.02	12.90	Salaries - Direct	19,947,285.30	11.66	15,802,989.50	11.51	26.22
259,583.62	1.58	153,171.44	1.25	Overtime	2,386,561.52	1.40	1,801,009.55	1.31	32.51
203,748.87	1.24	159,770.42	1.31	Overtime - Direct	2,724,488.36	1.59	1,416,682.22	1.03	92.31
73,031.17	.44	70,158.59	.57	Sunday shift premium	820,900.95	.48	661,288.71	.48	24.14
482,528.46	2.94	228,781.51	1.87	Bonuses	3,490,618.93	2.04	2,647,504.85	1.93	31.85
40,500.00	.25	70,493.00-	.58	Profit Sharing	991,851.00	.58	494,007.00	.36	100.78
				Departmental Allocation					
				Fringe Allocation					
1,016.29	.01	154,561.33	1.27	Christmas Bonus	2,274,704.29	1.33	1,861,561.33	1.36	22.19
				ASEAlign 5.33					

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Actual	Revenue	Actual	Revenue		Actual	Revenue	Actual	Revenue	Change
184,626.00	1.12	199,948.00	1.64	Payroll Taxes	1,905,520.00	1.11	1,685,255.00	1.23	13.07
185,642.29	1.13	354,509.33	2.90	Fringe Allocation	4,180,224.29	2.44	3,546,816.33	2.58	17.86
544,287.87	3.32	466,138.15	3.82	IMSS cia	6,427,409.10	3.76	5,515,634.00	4.02	16.53
272,000.00	1.66	224,000.00	1.83	Infonavit Tax	3,031,108.62	1.77	2,482,728.78	1.81	22.09
340,000.00	2.07	278,000.00	2.28	SAR Tax	3,779,625.60	2.21	3,058,706.42	2.23	23.57
82,657.30	.50	93,420.90	.76	Employee Benefit Insura	1,031,125.02	.60	1,097,778.14	.80	6.07-
156,420.53	.95	85,000.00	.70	Vacation	2,692,650.53	1.57	2,202,000.00	1.60	22.28
441,296.35	2.69	283,364.66	2.32	Employee Assistance Ser	4,148,718.96	2.43	3,058,933.54	2.23	35.63
1,020,374.18	6.22	739,785.56	6.06	SAR Tax	11,652,120.11	6.81	9,417,418.10	6.86	23.73
136,395.00	.83	90,800.00	.74	Car Allowance	1,178,470.00	.69	871,016.31	.63	35.30
				Expatriate Allowance					
				Employee Moving & Reloca					
				Temporary Services					
				Recruiting	4,000.00		28,965.00	.02	86.19-
108,119.97	.66	844,358.86	6.91	Other Compensation	675,536.13	.39	1,528,193.57	1.11	55.80-
616,053.02	3.75	500,682.39	4.10	Other comp-Juarez Producti	6,385,479.26	3.73	4,799,612.37	3.49	33.04
294,564.51	1.79	288,477.52	2.36	Other Comp-Juarez Attendan	3,406,057.81	1.99	2,980,480.21	2.17	14.28
690,281.80	4.21	439,496.83	3.60	Other Comp-Juarez Food	6,851,562.75	4.01	5,626,214.77	4.10	21.78
				Other Comp-Juarez Special					
64,202.25	.39	94,357.16-	.77	Other Comp-Juarez Severanc	435,608.25	.25	262,543.84	.19	65.92
30,437.84	.19	86,673.92-	.71	Other Comp-Juarez Senior P	329,813.84	.19	212,638.08	.15	55.11
393,434.01	2.40	357,709.54	2.93	Saving funds-Other compens	4,283,964.65	2.50	3,575,640.26	2.60	19.81
				Stock Comp. Expense					
				Stock Comp. Exp --Non I					
				Stock Comp Exp-Allocatio					
				Stock Comp. Expense					
9,497,778.79	57.87	8,264,885.36	67.65	Payroll Clearing					
				PAYROLL EXPENSES	105,229,480.47	61.53	85,621,126.81	62.35	22.90
				TRAVEL & ENTERTAINMENT					
46,783.05	.29	4,750.81	.04	Meals	152,417.84	.09	71,533.42	.05	113.07
				Entertainment			8,759.30	.01	100.00-
146,767.22	.89	63,098.70	.52	Hotel & Air	938,013.46	.55	421,868.52	.31	122.35
				Hotel-Non GAAP					
103,261.27	.63	15,688.93	.13	Auto Expenses	405,461.71	.24	242,622.83	.18	67.12
296,811.54	1.81	83,538.44	.68	TRAVEL & ENTERTAINMENT	1,495,893.01	.87	744,784.07	.54	100.85
				OUTSIDE SERVICES					
219,960.01	1.34	130,362.18	1.07	Legal Fees	2,729,249.37	1.60	811,573.32	.59	236.29

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Actual	Revenue	Actual	Revenue		Actual	Revenue	Actual	Revenue	Change
3,231.26	.02	29,621.04	.24	Accounting	724,647.22	.42	831,131.67	.61	12.81-
29,603.48	.18	24,168.33	.20	Consulting	427,685.70	.25	722,499.27	.53	40.80-
				Research					
				Payroll & Stock Svc Fees			715.00		100.00-
				Laboratory Fees	126,650.00	.07	500.00		25,230.00
				Printing and Reproductio	2,597.50		39,627.60	.03	93.45-
				Fulfillment Services					
29,468.00	.18			Outsourced Services	141,894.63	.08	31,617.24	.02	348.79
				Offsite Treat Ops					
				Costa Rica Operations					
282,262.75	1.72	184,151.55	1.51	OUTSIDE SERVICES	4,152,724.42	2.43	2,437,664.10	1.78	70.36
				EQUIPMENT & MATERIALS					
73,970.79	.45	6,199.33	.05	Equipment Rental	248,797.31	.15	52,239.66	.04	376.26
28,127.15	.17	97,172.28-	.80	Hardware Expense	127,398.82	.07	36,655.94-	.03	447.55-
33,827.09	.21	17,973.05	.15	Software Expense (2001)	382,552.25	.22	193,202.28	.14	98.01
337,169.08	2.05	12,354.97	.10	FF&E Expense	699,348.34	.41	265,321.75	.19	163.59
2,925.00	.02			Materials-Mfg Consumable	273,398.91	.16	34,520.00	.03	692.00
7,835.72	.05	3,429.97-	.03	Materials-Lab/Clinical	62,471.38	.04	36,185.21	.03	72.64
				Materials - Mfg Developm			31,523.47	.02	100.00-
8,345.78-	.05	3,100.00	.03	Materials-Research Product	625,831.19	.37	248,724.06	.18	151.62
475,509.05	2.90	60,974.90-	.50	EQUIPMENT & MATERIALS	2,419,798.20	1.41	825,060.49	.60	193.29
				OVERHEAD					
442,682.58	2.70	393,688.37	3.22	Rent	4,757,097.84	2.78	4,785,034.19	3.48	.58-
92,643.51	.56	57,159.74	.47	Telephone	832,896.42	.49	601,589.94	.44	38.45
247,600.27	1.51	148,973.62	1.22	Internet Connection	2,036,929.18	1.19	1,792,694.48	1.31	13.62
2,209,008.63	13.46	713,324.21	5.84	Utilities	15,508,899.94	9.07	10,706,999.48	7.80	44.85
206,211.68	1.26	119,826.16	.98	Security Expenses	1,504,436.76	.88	1,175,832.16	.86	27.95
207,476.74	1.26	146,381.94	1.20	Janitorial Expenses	1,930,611.29	1.13	1,756,842.36	1.28	9.89
156,258.92	.95	96,048.52	.79	Hazardous Waste Disposal	1,420,783.19	.83	1,386,978.65	1.01	2.44
294,458.81	1.79	461,613.22	3.78	Repairs & Maintenance	3,698,447.38	2.16	6,930,555.28	5.05	46.64-
				Moving and Relocation					
108,022.43	.66	85,195.25	.70	New Facility Exepenses	2,974,480.34	1.74	2,004,457.50	1.46	48.39
32,168.05	.20	16,238.46	.13	Office Supplies	296,973.01	.17	464,150.88	.34	36.02-
123,071.37	.75	185,638.00	1.52	Safety Supplies	1,505,908.81	.88	1,487,127.22	1.08	1.26
255,087.15	1.55	382,802.67	3.13	Mfg - Supplies Consumable	4,730,904.16	2.77	4,197,366.93	3.06	12.71
				Depreciation Expense					
16,038.82	.10	16,038.82	.13	Deprec Exp - Computer H	192,974.52	.11	192,465.84	.14	.26
				Deprec Exp - Computer S					
103,784.40	.63	1,342.38	.01	Deprec Exp - FF & E	322,925.34	.19	12,589.71	.01	2,464.99
				Deprec Exp Plant & Equi					

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119,823.22	.73	17,381.20	.14	GAAP Depreciation Expen Depreciation Expense	515,899.86	.30	205,055.55	.15	151.59
42,017.74	.26	66,001.70	.54	GAAP Leasehold Expense Leasehold Amortization	910,048.50	.53	446,300.77	.32	103.91
				Patent Amortization					
				Intangible Amortization					
				G/L on Sale of Asset					
				G/L on Sale of Asset (AL)					
				Property Taxes	244,407.52	.14	128,256.00	.09	90.56
4,536,531.10	27.64	2,890,273.06	23.66	Facility Allocation					
				OVERHEAD	42,868,724.20	25.06	38,069,241.39	27.72	12.61
9,653.03	.06	7,969.06	.07	OTHER G&A Insurance	126,922.50	.07	134,933.30	.10	5.94-
56,098.00	.34	45,855.40	.38	Licenses & Fees	976,977.97	.57	765,233.05	.56	27.67
29,361.79	.18			Training & Education	386,013.98	.23	232,667.44	.17	65.91
				Dues and Subscriptions	441,142.22	.26	31,602.00	.02	1,295.93
				Books/Reference Material	1,261.00		109.59		1,050.65
				Postage and Delivery	9,000.00	.01			
225,083.96	1.37	109,052.44	.89	Bad Debt Expense Team Support	637,988.45	.37	381,924.64	.28	67.05
				Contributions					
				Corporate Meetings					
30,228.00	.18	3,967.00	.03	Dental Lab Tax Expense -absorbed by	435,732.00	.25	250,949.00	.18	73.63
56,716.19	.35	16,973.27	.14	Credit Card Processing F					
24,130.75	.15	7,381.76	.06	Miscellaneous	2,043,586.52	1.19	214,464.85	.16	852.88
431,271.72	2.63	191,198.93	1.56	Misc Non-Deductible-Juarez	509,386.68	.30	155,694.25	.11	227.17
				OTHER G&A	5,568,011.32	3.26	2,167,578.12	1.58	156.88
				DEPARTMENT ALLOCATION					
				IT Department Allocation					
				LITIGATION SETTLEMENT					
				DEPARTMENT ALLOCATION					
15,520,164.95	94.56	11,553,072.44	94.56	SG&A	161,734,631.62	94.56	129,865,454.98	94.56	24.54
				OTHER INCOME & EXPENSE					
				OTHER INCOME					
				Interest Income					
				I/C Income/Expense			80,181.53-	.06	100.00-

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				Net Capital Gain (Loss)					
				Misc Other Income			18,273.00-	.01	100.00-
				OTHER INCOME			98,454.53-	.07	100.00-
				OTHER EXPENSE					
				Interest Expense					
17,527.20	.11	13,060.84	.11	Bank Service Charges	143,666.62	.08	185,513.92	.14	22.56-
				G/L on Sale of Assets					
				NBV - Asset Disposal					
				Proceeds - Asset Dispos					
				G/L on Sale of Assets					
105,755.60	.64	110,341.65	.90	Translation Gain/Loss	875,805.58	.51	1,008,122.26	.73	13.13-
				Restatement Gain/Loss					
				To load Translation Gain					
				Clearing Ac-To load USD					
				Restatement Gain/Loss					
123,282.80	.75	123,402.49	1.01	OTHER EXPENSE	1,019,472.20	.60	1,193,636.18	.87	14.59-
				INCOME TAXES					
229,985.00	1.40	197,881.00	1.62	Income Taxes: Foreign	2,085,907.00	1.22	1,403,111.00	1.02	48.66
229,985.00	1.40	197,881.00	1.62	INCOME TAXES	2,085,907.00	1.22	1,403,111.00	1.02	48.66
353,267.80	2.15	321,283.49	2.63	OTHER INCOME & EXPENSE	3,105,379.20	1.82	2,498,292.65	1.82	24.30
539,141.69-	3.28	343,018.12-	2.81	Net Income (Loss)	6,194,361.82-	3.62	4,968,971.08-	3.62	24.66