

## Align Technology, Inc. - Company Backgrounder

Align Technology, Inc. of Sunnyvale, California, is the first company to manufacture and market an aesthetic alternative to traditional metal braces for adults, the Invisalign System™. The Invisalign System consists of a series of removable, plastic, nearly invisible orthodontic “aligners” that let adults straighten their teeth without braces. The company was founded in 1997 by Mr. Zia Chishti and Ms. Kelsey Wirth, who -- as graduate students at Stanford University’s Graduate School of Business -- realized the benefit of applying advanced 3-D computer imaging graphics to the field of orthodontics.

Like many breakthrough inventions, the idea for Invisalign® grew from happenstance. Mr. Chishti wore braces as an adult when working in investment banking at Morgan Stanley, which was awkward and embarrassing. When his braces were removed he wore a clear plastic retainer. He noticed that when he neglected to wear the retainer for several days his teeth would shift back and upon reinsertion his teeth would shift back to their desired, straightened state.

It was the observation that a clear plastic device was capable of moving his own teeth that led to Chishti’s conceptualization of a process that became the Invisalign System.

A background in computer science gave Chishti the insight that it was possible to design and manufacture an entire series of clear orthodontic devices similar to the retainer he wore, using 3-D computer graphics technology. He and Ms. Wirth started Align Technology in 1997 to realize this vision. And the rest – as they say – is history.

But not before getting financial backing. While far from being veterans of the business or orthodontics communities, Mr. Chishti and Ms. Wirth soon found venture capital backing for their idea.

The firm that led Align Technology’s first round of financing was Kleiner, Perkins, Caufield, & Byers of Menlo Park, CA, the same folks that helped Amazon.com, Genentech and Netscape get their starts. General partner Joe Lacob was initially skeptical because the two were relatively inexperienced, but says after hearing the pitch he “decided in 15 minutes” to invest in the idea. Company Backgrounder/Page 2

Lacob (who specializes in medical technology and the Internet) is quoted as saying, “We love markets where we are totally revolutionizing the way something is done.” It helped that the adult orthodontic market – with over 100 million adults in the U.S. alone who could benefit from some form of orthodontic treatment – is potentially the largest medical device market in history.

In August 1997, Kleiner Perkins gave Align \$1.7 million in seed money. The company’s second round of just over \$10 million, led by venture capital firm Domain Associates, was closed in July 1998, and the third round of \$20.5 million, led by QuestMark, was closed in October 1999. Align just completed the initial closing of its fourth round of financing in June 2000, receiving approximately \$86 million in a round led by Oak Hill Capital Partners, Carlyle Partners and ABS Venture. Final closing of the Series D round will take place in August 2000 and will total over \$100 million.

Today, Align Technology has more than 900 employees with facilities in California, Mexico and Pakistan. Since first marketing the Invisalign System to doctors in July ’99, Align has trained

nearly one-half of the 8500 orthodontists nationwide, and over 3500 patients are in treatment. The company re-launched its website ([www.invisalign.com](http://www.invisalign.com)) in April 2000. The website's primary feature is a software package called ClinCheck™, which enables orthodontists to view on their office and/or home computers in 3-D space the projected movements of their patient's teeth over a course of treatment using the Invisalign System.