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ORMCO CORPORATION UNVEILS ITS STRATEGY TO BE THE MARKET LEADER IN DIGITAL ORTHODONTIC TECHNOLOGY

Company's Substantial Investment Increase Will Strengthen the Build of its End-to-End Treatment Solution for Orthodontists

ORANGE, Calif. (Jan. 6, 2014)—[Ormco](#), a leading manufacturer and provider of advanced orthodontic technology and services, unveiled its strategy today to be the market leader in digital orthodontics. Since 2010, the company has invested more than \$50 million in digital orthodontics research and development and in 2014, it plans to increase the investments further. The added funding will accelerate the company's strategic initiative to complete the development of an end-to-end digital software solution—which fully integrates 3D digital scanning, diagnostics, outcome visualization, treatment planning, custom appliances and custom lab products—that will assist clinicians with driving treatment directly to their desired finish, with unparalleled efficiency and ease of use.

“To establish Ormco as the market leader in digital orthodontics, we have dedicated an unprecedented amount of resources to build a single, easy-to-use platform that will allow orthodontists to design and plan any case using an extensive variety of appliance options,” said Ormco President Vicente Reynal.

With 110 globally filed patents in digital orthodontics, Ormco has plans to scale its digital business aggressively in 2014, building upon its current digital suite of fully integrated products, which in 2013 have grown in revenue by 121 percent in North America alone. These digital solutions from Ormco include the new [Lythos™ Digital Impression System](#), [Insignia™ Advanced Smile Design™](#), Clearguide™ Express aligners, DigiCast™ study models and custom lab appliances through Ormco|AOA Lab. Each product offering is designed to ensure more comfortable, better and faster patient outcomes, while simultaneously helping doctors streamline practice workflow.

With the introduction earlier this year of the Lythos Digital Impression System, Ormco filled a key component of the digital orthodontic workflow, replacing the traditional impression process with a fast and easy digital approach that has open connectivity with no usage fees. Lythos data integrates seamlessly with Ormco's digital suite of products, including DigiCast study models and the award winning Insignia Advanced Smile Design, an all-inclusive digital treatment solution that, on average, reduces treatment time by 37 percent (Weber, et. al., JCO 2013).

Beyond Ormco's digital platform expansion in 2014, the company has plans to introduce many more exciting high-tech advancements—designed to help orthodontists work easier and faster and consistently achieve excellent results for their patients. In the short term, Insignia will expand to incorporate all of the appliance types an orthodontist might need to treat any patient, including a wider selection of customized aligners, as well as self-ligating lingual, new aesthetic and traditional twin appliance options. Another future development will be the integration of Cone Beam 3D Dental Imaging systems. With Cone Beam 3D Dental Imaging, Ormco will provide doctors with more accurate root-based data in Insignia, simulated patient outcomes and

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advanced treatment planning with 3D cephalometric analysis, airway analysis and more. An expanding list of powerful tools and ease-of-use enhancements will follow.

Upon completion of this vision, Ormco's digital orthodontic system will be the first comprehensive package for 3D digital imaging records, 3D digital treatment planning, photo realistic outcome visualization, and fabrication of custom aligners and fixed and lab appliances to treat patients according to the doctor's pre-visualized plans. Ormco believes this unique system will be the first of its kind and will offer unprecedented convenience, control over cases and office efficiency, while allowing doctors more time than ever to focus on delivering the great smiles and the variety of treatment choices their patients demand.

For more information about Ormco, please visit ormco.com. Media interested in speaking with an Ormco spokesperson should contact Robin Dwyer at 619-234-0345 or ormco@formulapr.com. Connect with Ormco on Facebook at [Facebook.com/InsigniaSmile](https://www.facebook.com/InsigniaSmile) or Twitter at [@Ormco](https://twitter.com/Ormco).

About Ormco

For over 50 years, Ormco has partnered with the orthodontic community to manufacture innovative products and solutions to enhance the lives of its customers and their patients. Distinguished products range from legacy twin brackets Titanium Orthos™ and Mini-Twin™ to self-ligating appliances with the Damon® System and active Prodigy™ SL. Ormco's Insignia™ Advanced Smile Design™ provides an all-inclusive solution with customized brackets, wires and placement trays for increased clinical efficiency. From personalized service to worldwide continuing education programs and marketing support, Ormco is committed to helping orthodontists achieve their clinical and practice management objectives. For more information, visit the [Ormco](http://ormco.com) website.

Statements in this release that are not strictly historical, including the statements regarding the Company's investments in new product development and go-to-market investments, relative outperformance, growth spending, productivity and efficiency initiatives, acquisition posture, and positioning for the balance of 2013 and beyond and any other statements regarding events or developments that we believe or anticipate will or may occur in the future, are "forward-looking" statements within the meaning of the federal securities laws. There are a number of important factors that could cause actual results, developments and business decisions to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, deterioration of or instability in the economy and financial markets, the impact of our restructuring activities on our ability to grow, contractions or growth rates and cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, the potential for improper conduct by our employees, agents or business partners, our ability to successfully identify, consummate and integrate appropriate acquisitions, contingent liabilities relating to acquisitions and divestitures, our compliance with applicable laws and regulations (including regulations relating to medical devices and the healthcare industry) and changes in applicable laws and regulations, our ability to effectively address cost reduction and other changes in the healthcare industry, risks relating to potential impairment of goodwill and other intangible assets, currency exchange rates, tax audits and changes in our tax rate and income tax liabilities, litigation and other contingent liabilities including intellectual property and environmental, health and safety matters, risks relating to product defects and recalls, risks relating to product manufacturing, the impact of our debt obligations on our operations, our relationships with and the performance of our channel partners, commodity costs and surcharges, our ability to adjust purchases and manufacturing capacity to reflect market conditions, labor matters, international economic, political, legal and business factors, disruptions relating to man-made and natural disasters,

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security breaches or other disruptions of our information technology systems and pension plan costs. These forward-looking statements speak only as of the date of this release and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

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