

Alere Inc. and Subsidiaries
Preliminary Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net product sales and services revenue	\$ 592,553	\$ 613,850	\$ 2,364,337	\$ 2,438,638
License and royalty revenue	4,256	3,286	11,998	16,977
Net revenue	596,809	617,136	2,376,335	2,455,615
Cost of net revenue	325,648	368,586	1,286,468	1,347,315
Gross profit	271,161	248,550	1,089,867	1,108,300
Gross margin	45%	40%	46%	45%
Operating expenses:				
Research and development	25,184	28,228	112,122	119,453
Selling, general and administrative	264,283	229,877	969,683	808,595
Impairment and (gain) loss on disposition, net	-	8,132	(3,810)	50,540
Operating income	(18,306)	(17,687)	11,872	129,712
Interest and other income (expense), net	(32,137)	(60,482)	(167,122)	(214,254)
Loss from continuing operations before provision (benefit) for income taxes	(50,443)	(78,169)	(155,250)	(84,542)
Provision (benefit) for income taxes	83,762	(51,146)	35,376	(53,564)
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax	(134,205)	(27,023)	(190,626)	(30,978)
Equity earnings of unconsolidated entities, net of tax	17,200	5,210	50,505	15,530
Income (loss) from continuing operations	(117,005)	(21,813)	(140,121)	(15,448)
Income from discontinued operations, net of tax	-	2,736	-	219,513
Net income	(117,005)	(19,077)	(140,121)	204,065
Less: Net income attributable to non-controlling interests	(103)	(5)	350	381
Net income attributable to Alere Inc. and Subsidiaries	(116,902)	(19,072)	(140,471)	203,684
Preferred stock dividends	(5,367)	(5,367)	(21,350)	(21,293)
Net income available to common stockholders	\$ (122,269)	\$ (24,439)	\$ (161,821)	\$ 182,391
Basic net income per common share:				
Income (loss) from continuing operations	\$ (1.41)	\$ (0.31)	\$ (1.86)	\$ (0.43)
Income from discontinued operations	-	-	-	2.57
Basic and diluted net income per common share	\$ (1.41)	\$ (0.31)	\$ (1.86)	\$ 2.14
Diluted net income per common share:				
Income (loss) from continuing operations	\$ (1.41)	\$ (0.31)	\$ (1.86)	\$ (0.43)
Income from discontinued operations	-	-	-	2.57
Diluted net income per common share	\$ (1.41)	\$ (0.31)	\$ (1.86)	\$ 2.14
Weighted average shares - basic	86,955	85,953	86,796	85,420
Weighted average shares - diluted	86,955	85,953	86,796	85,420

Alere Inc. and Subsidiaries
Preliminary Unaudited Condensed Consolidated Balance Sheets
(in thousands)

	December 31, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents ¹	\$ 567,215	\$ 502,200
Restricted cash	51,550	5,694
Marketable securities	76	164
Accounts receivable, net	413,535	436,924
Inventories, net	308,920	350,949
Prepaid expenses and other current assets	118,607	114,514
Assets held for sale	-	4,165
Total current assets	1,459,903	1,414,610
Property, Plant and Equipment, net	441,190	446,039
Goodwill and other intangible assets, net	3,592,107	3,862,306
Restricted Cash- non-current	2,171	43,228
Other non-current assets	152,908	138,640
Assets held for sale - non-current	-	13,337
Total assets	\$ 5,648,279	\$ 5,918,160
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt and current portions of long-term debt and capital lease obligations	\$ 85,434	\$ 203,954
Liabilities related to assets held for sale	-	363
Other current liabilities	593,574	518,389
Total current liabilities	679,008	722,706
LONG-TERM LIABILITIES:		
Long-term debt and capital lease obligations, net of current portions	2,865,426	2,838,347
Deferred tax liabilities	119,098	147,618
Other long-term liabilities	155,992	154,193
Liabilities related to assets held for sale - non-current	-	-
Total long-term liabilities	3,140,516	3,140,158
TOTAL EQUITY	1,828,755	2,055,296
Total liabilities and equity	\$ 5,648,279	\$ 5,918,160

1) As of December 31, 2016 the Company held \$567M of cash and cash equivalents, \$172M was held by domestic subsidiaries and \$395M was held by foreign entities.

Alere Inc. and Subsidiaries
Preliminary Unaudited Selected Consolidated Revenues
(in thousands)

	Three Months Ended December 31,		% Change 2016 v. 2015
	2016	2015	
Professional diagnostics segment ⁽¹⁾			
Cardiometabolic	\$ 143,569	\$ 180,163	-20%
Infectious disease	211,509	188,609	12%
Toxicology	147,785	149,540	-1%
Other	38,020	44,927	-15%
Total professional diagnostics segment	540,883	563,239	-4%
Consumer diagnostics segment ⁽¹⁾	17,569	19,768	-11%
Other Non-reportable	34,101	30,843	11%
License and royalty revenue	4,256	3,286	30%
Net revenue	\$ 596,809	\$ 617,136	-3%

	Twelve Months Ended December 31,		% Change 2016 v. 2015
	2016	2015	
Professional diagnostics segment ⁽¹⁾			
Cardiometabolic	\$ 622,468	\$ 703,553	-12%
Infectious disease	776,153	710,178	9%
Toxicology	608,635	618,362	-2%
Other	140,426	192,321	-27%
Total professional diagnostics segment	2,147,682	2,224,414	-3%
Consumer diagnostics segment ⁽¹⁾	74,152	85,128	-13%
Other Non-reportable	142,503	129,096	10%
License and royalty revenue	11,998	16,977	-29%
Net revenue	\$ 2,376,335	\$ 2,455,615	-3%

⁽¹⁾ Revenues have been restated for the impact of restatement adjustments made during the preparation of our consolidated financial statements for 2016.

Alere Inc. and Subsidiaries
Preliminary Unaudited Reconciliation of Net Income (Loss) to Non-GAAP EBITDA
(in thousands)

	Three Months Ended December 31,	
	2016	2015
Net Income (loss) ⁽¹⁾	\$ (117,005)	\$ (19,077)
Less: Income from discontinued operations, net of tax	-	2,736
Loss from continuing operations	<u>(117,005)</u>	<u>(21,813)</u>
Adjustment related to acquired software license contracts	-	-
Income tax provision (benefit)	83,762	(51,146)
Depreciation and amortization	71,467	75,719
Interest, net	42,342	57,954
Non-cash stock-based compensation expense	10,681	6,795
Non-cash fair value adjustments to acquisition-related contingent consideration	(1,419)	(5,703)
Impairment and (gain) loss on dispositions, net	(11,152)	8,132
Non-cash INRatio product recall expenses	-	21,100
Other	-	(40)
Non-GAAP Adjusted EBITDA	<u>\$ 78,676</u>	<u>\$ 90,998</u>

(1) Net income (loss) for the three months ended December 31, 2015 includes \$16.7 million of cash costs associated with the voluntary withdrawal of InRatio product, restructuring charges of \$4.3 million, \$2.8 million of costs associated with business dispositions, \$0.1 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The three months ended December 31, 2016 includes \$22.1 million of Abbott integration costs, \$14.3 million for a legal settlement accrual, \$12.8 million of charges related to governmental investigations, non-interest related restructuring charges of \$10.1 million, \$0.5 million of cash costs associated with the voluntary withdrawal of InRatio product, and \$0.1 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA.

	Twelve Months Ended December 31,	
	2016	2015
Net Income (loss) ⁽¹⁾	\$ (140,121)	\$ 204,065
Less: Income from discontinued operations, net of tax	-	219,513
Loss from continuing operations	<u>(140,121)</u>	<u>(15,448)</u>
Adjustment related to acquired software license contracts	-	877
Income tax provision (benefit)	35,376	(53,564)
Depreciation and amortization	285,884	309,684
Interest, net	168,320	212,551
Non-cash stock-based compensation expense	41,796	26,391
Non-cash fair value adjustments to acquisition-related contingent consideration	(13,308)	(57,613)
Impairment and (gain) loss on dispositions, net	(33,683)	50,540
Non-cash INRatio product recall expenses	-	21,100
Other	-	622
Non-GAAP Adjusted EBITDA	<u>\$ 344,264</u>	<u>\$ 495,139</u>

(1) Net income (loss) for the twelve months ended December 31, 2015 includes \$16.7 million of cash costs associated with the voluntary withdrawal of InRatio product, restructuring charges of \$15.6 million, \$9.3 million of costs associated with business dispositions, and \$0.5 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The twelve months ended December 31, 2016 includes \$60.3 million of Abbott integration costs, restructuring charges of \$37.9 million, \$35.2 million for a legal settlement accrual, \$35.6 million of charges related to governmental investigations, \$6.0 million of acquisition-related costs, \$1.8 million of cash costs associated with the withdrawal of InRatio product and \$1.0 million of costs associated with business dispositions which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA.

Alere Inc. and Subsidiaries
Preliminary Unaudited Reconciliation of Non-GAAP Organic Revenue Growth
(in thousands)

	Three Months Ended December 31,		% Change 2016 v. 2015
	2016	2015	
Net revenue	\$ 596,809	\$ 617,136	-3.3%
Impact of foreign currency exchange	7,830	-	
Impact of acquisitions & dispositions	(1,453)	(8,234)	
Non-GAAP organic net revenue	\$ 603,186	\$ 608,902	-0.9%
Arriva Revenue	(11,622)	(38,592)	
Non-GAAP organic net revenue (excluding Arriva)	\$ 591,564	\$ 570,310	3.7%
	Twelve Months Ended December 31,		
	2016	2015	% Change 2016 v. 2015
Net revenue	\$ 2,376,335	\$ 2,455,615	-3.2%
Impact of foreign currency exchange	40,543	-	
Impact of acquisitions & dispositions	(13,984)	(60,414)	
Non-GAAP organic net revenue	\$ 2,402,894	\$ 2,395,201	0.3%
Arriva Revenue	(99,887)	(148,538)	
Non-GAAP organic net revenue (excluding Arriva)	\$ 2,303,007	\$ 2,246,663	2.5%

Alere Inc. and Subsidiaries
Preliminary Unaudited Consolidated Statements of Cash Flows
(in thousands)

	For The Year Ended December 31,		
	2016	2015	2014
Cash Flows from Operating Activities:			
Net income (loss)	\$ (140,121)	\$ 204,065	\$ (33,123)
Income from discontinued operations, net of tax	—	219,513	138,318
Income (loss) from continuing operations	(140,121)	(15,448)	(171,441)
Adjustments to reconcile net income (loss) from continuing operations to net cash provided by operating activities:			
Non-cash interest expense, including amortization of original issue discounts and deferred financing costs	13,369	12,831	16,233
Depreciation and amortization	285,608	309,264	336,029
Non-cash stock-based compensation expense	41,796	26,391	12,452
Tax benefit related to discontinued operations retained by Alere Inc.	—	—	9,845
Impairment of inventory	2,667	15,597	3,124
Impairment of long-lived assets	1,792	3,708	7,019
Loss on sale of fixed assets	3,551	3,925	6,545
Equity earnings of unconsolidated entities, net of tax	(50,505)	(15,530)	(17,509)
Deferred income taxes	(36,010)	(99,389)	12,254
Loss on extinguishment of debt	—	19,886	—
Impairment and net (gain) loss on business disposition	(3,810)	50,540	7,742
Other non-cash items	(463)	28,782	4,965
Non-cash change in fair value of contingent consideration	(13,309)	(59,871)	7,677
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable, net	26,698	(6,680)	(4,264)
Inventories, net	(13,655)	(63,935)	(67,532)
Prepaid expenses and other current assets	(19,921)	(5,295)	(51,998)
Accounts payable	4,362	(10,783)	47,851
Accrued expenses and other current liabilities	54,342	22,643	37,886
Other non-current assets and liabilities	23,329	(3,357)	13,254
Cash paid for contingent consideration	(430)	(6,315)	(22,077)
Net cash provided by continuing operations	179,290	206,964	188,055
Net cash provided by discontinued operations	—	318	43,468
Net cash provided by operating activities	179,290	207,282	231,523
Cash Flows from Investing Activities:			
Increase in restricted cash	(4,721)	(13,715)	(5,446)
Purchases of property, plant and equipment	(67,694)	(90,778)	(100,562)
Proceeds from sale of property, plant and equipment	1,428	2,099	1,486
Cash received from business dispositions, net of cash divested	21,470	675,823	45,076
Cash paid for business acquisitions, net of cash acquired	(5,958)	(60,135)	(75)
Cash received from investments	—	—	198
Cash paid for equity investment	(184)	—	—
Proceeds from sale of equity investment	40,751	—	8,546
Cash received from sales of marketable securities	87	92	580
Cash received from equity method investments	16,989	26,136	980
Decrease (increase) in other assets	460	(1,794)	986
Net cash provided by (used in) continuing operations	2,628	537,728	(48,231)
Net cash used in discontinued operations	—	(209)	(8,972)
Net cash provided by (used in) investing activities	2,628	537,519	(57,203)
Cash Flows from Financing Activities:			
Cash paid for financing costs	(29,187)	(16,188)	(1,528)
Cash paid for contingent consideration	(680)	(14,223)	(32,902)
Cash paid for dividends	(21,292)	(21,293)	(21,293)
Proceeds from issuance of common stock, net of issuance costs	18,934	79,185	51,555
Proceeds from issuance of short-term debt	—	1,511	806
Proceeds from issuance of long-term debt	459	2,162,162	58
Payments on short-term debt	(1,722)	(25,584)	—
Payments on long-term debt	(198,316)	(2,656,386)	(65,122)
Net proceeds (payments) under revolving credit facilities	126,017	(127,536)	(42,522)
Excess tax benefits on exercised stock options	—	—	972
Principal payments on capital lease obligations	(4,032)	(5,618)	(6,085)
Purchase of non-controlling interest	—	—	(623)
Other	—	(8,937)	—
Net cash used in continuing operations	(109,819)	(632,907)	(116,684)
Net cash used in discontinued operations	—	(76)	(1,471)
Net cash used in financing activities	(109,819)	(632,983)	(118,155)
Foreign exchange effect on cash and cash equivalents	(7,084)	(11,379)	(16,312)
Net increase in cash and cash equivalents	65,015	100,439	39,853
Cash and cash equivalents, beginning of period – continuing operations	502,200	378,461	355,431
Cash and cash equivalents, beginning of period – discontinued operations	—	23,300	6,477
Cash and cash equivalents, end of period	567,215	502,200	401,761
Less: Cash and cash equivalents of discontinued operations, end of period	—	—	23,300
Cash and cash equivalents of continuing operations, end of period	<u>\$ 567,215</u>	<u>\$ 502,200</u>	<u>\$ 378,461</u>

Alere Inc. and Subsidiaries
Preliminary Unaudited Supplemental Financial Information
(in thousands, except per share amounts)

Three months ended December 31, 2016								
Cost of Net Revenue	Research and Development	Selling, General & Administrative	Impairment, net of loss on disposition	Interest and other income, net	Provision for income taxes	Equity earnings of unconsolidated entities, net of tax	Net Income¹	
Amortization of acquisition-related intangible assets	\$ 12,281	\$ 922	\$ 31,384	\$ -	\$ -	\$ -	\$ -	\$ (44,587)
Restructuring charges	2,090	512	7,535	-	-	-	-	(10,136)
Impairment Charges	-	-	193	-	-	-	-	(193)
Stock-based compensation expense	518	531	9,633	-	-	-	-	(10,681)
Acquisition-related costs	-	-	72	-	-	-	-	(72)
Fair value adjustments to acquisition-related contingent consideration	-	-	(1,419)	-	-	-	-	1,419
Costs associated with potential business dispositions	-	-	42	-	-	-	-	(42)
Impairment and (gain) loss on disposition, net	-	-	-	-	-	-	(11,152)	11,152
Amortization - Unconsolidated Subs	-	-	-	-	-	-	46	(46)
Audit and legal fees related to on-going governmental investigations	-	-	12,893	-	1,697	-	-	(14,590)
Abbott transaction related expenses	-	-	22,064	-	-	-	-	(22,064)
INRatio recall expense	2,481	-	(1,300)	-	-	-	-	(1,181)
Legal settlement accrual	-	-	14,300	-	-	-	-	(14,300)
Income tax effects on items above	-	-	-	-	72,986	-	-	(72,986)
Total of Supplemental Information	\$ 17,370	\$ 1,965	\$ 95,398	\$ -	\$ 1,697	\$ 72,986	\$ (11,106)	\$ (178,309)
Impact of above items on EPS numerator								\$ (5,367)
Impact of above items on EPS denominator								(11,301)

1) All impacts are shown as pre-tax with aggregate tax effect displayed as "Income tax effects on items above".

Twelve months ended December 31, 2016								
Cost of Net Revenue	Research and Development	Selling, General & Administrative	Impairment, net of loss on disposition	Interest and other income, net	Provision for income taxes	Equity earnings of unconsolidated entities, net of tax	Net Income¹	
Amortization of acquisition-related intangible assets	\$ 49,616	\$ 3,685	\$ 127,253	\$ -	\$ -	\$ -	\$ -	\$ (180,553)
Restructuring charges	5,991	4,052	27,831	-	-	-	-	(37,874)
Impairment Charges	85	-	193	-	-	-	-	(278)
Stock-based compensation expense	2,054	1,904	37,838	-	-	-	-	(41,796)
Acquisition-related costs	-	5,000	1,030	-	-	-	-	(6,030)
Fair value adjustments to acquisition-related contingent consideration	-	-	(13,308)	-	-	-	-	13,308
Costs associated with potential business dispositions	7	-	995	-	-	-	-	(1,002)
Impairment and (gain) loss on disposition, net	-	-	-	(3,810)	-	-	(29,873)	33,683
Amortization - Unconsolidated Subs	-	-	-	-	-	-	275	(275)
Audit and legal fees related to on-going governmental investigations	-	-	35,615	-	4,509	-	-	(40,125)
Abbott transaction related expenses	-	-	60,266	-	-	-	-	(60,266)
INRatio recall expense	4,581	-	-	-	-	-	-	(4,581)
Legal settlement accrual	-	-	35,175	-	-	-	-	(35,175)
Income tax effects on items above	-	-	-	-	(19,303)	-	-	19,303
Total of Supplemental Information	\$ 62,333	\$ 14,641	\$ 312,888	\$ (3,810)	\$ 4,509	\$ (19,303)	\$ (29,598)	\$ (341,660)
Impact of above items on EPS numerator								\$ (1,035)
Impact of above items on EPS denominator								(2,279)

1) All impacts are shown as pre-tax with aggregate tax effect displayed as "Income tax effects on items above".

Alere Inc. and Subsidiaries
Preliminary Unaudited Reconciliation of Non-GAAP Organic Revenue Growth
(in thousands)

	Three Months Ended March 31,		% Change 2017 v. 2016
	2017	2016	
Net revenue	\$ 588,216	\$ 586,940	0.2%
Impact of foreign currency exchange	4,770	-	
Impact of acquisitions & dispositions	(900)	-	
Non-GAAP organic net revenue	\$ 592,085	\$ 586,940	0.9%
Arriva Revenue	(3,039)	(35,143)	
Non-GAAP organic net revenue (excluding Arriva)	\$ 589,046	\$ 551,797	6.8%