

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

	Three Months Ended December 31,	
	2015	2014
Net product sales and services revenue	\$ 619,999	\$ 662,037
License and royalty revenue	3,286	5,052
Net revenue	623,285	667,089
Cost of net revenue	370,256	358,709
Gross profit	253,029	308,380
Gross margin	41%	46%
Operating expenses:		
Research and development	28,228	29,973
Selling, general and administrative	225,936	235,998
Impairment and (gain) loss on disposition, net	8,132	7,104
Operating income	(9,267)	35,305
Interest and other income (expense), net	(65,067)	(56,840)
Loss from continuing operations before provision (benefit) for income taxes	(74,334)	(21,535)
Provision (benefit) for income taxes	(50,329)	13,224
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax	(24,005)	(34,759)
Equity earnings of unconsolidated entities, net of tax	5,210	3,793
Income (loss) from continuing operations	(18,795)	(30,966)
Income from discontinued operations, net of tax	2,736	142,400
Net income	(16,059)	111,434
Less: Net income (loss) attributable to non-controlling interests	(5)	166
Net income attributable to Alere Inc. and Subsidiaries	(16,054)	111,268
Preferred stock dividends	(5,367)	(5,367)
Net income available to common stockholders	\$ (21,421)	\$ 105,901
Basic net income per common share:		
Income (loss) from continuing operations	\$ (0.28)	\$ (0.43)
Income from discontinued operations	-	1.71
Basic net income per common share	\$ (0.28)	\$ 1.28
Diluted net income per common share:		
Income (loss) from continuing operations	\$ (0.28)	\$ (0.43)
Income from discontinued operations	-	1.71
Diluted net income per common share	\$ (0.28)	\$ 1.28
Weighted average shares - basic	85,953	83,586
Weighted average shares - diluted	85,953	83,586

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

	Twelve Months Ended December 31,	
	2015	2014
Net product sales and services revenue	\$ 2,446,339	\$ 2,554,228
License and royalty revenue	16,977	21,050
Net revenue	2,463,316	2,575,278
Cost of net revenue	1,350,772	1,363,040
Gross profit	1,112,544	1,212,238
Gross margin	45%	47%
Operating expenses:		
Research and development	119,453	144,828
Selling, general and administrative	804,701	966,589
Impairment and (gain) loss on disposition, net	50,540	7,742
Operating income	137,850	93,079
Interest and other income (expense), net	(218,840)	(211,412)
Loss from continuing operations before provision (benefit) for income taxes	(80,990)	(118,333)
Provision (benefit) for income taxes	(52,704)	70,930
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax	(28,286)	(189,263)
Equity earnings of unconsolidated entities, net of tax	15,530	17,509
Income (loss) from continuing operations	(12,756)	(171,754)
Income from discontinued operations, net of taxes	219,513	138,318
Net income (loss)	206,757	(33,436)
Less: Net income attributable to non-controlling interests	381	30
Net income (loss) attributable to Alere Inc. and Subsidiaries	206,376	(33,466)
Preferred stock dividends	(21,293)	(21,293)
Net Income (loss) available to common stockholders	\$ 185,083	\$ (54,759)
Basic net income (loss) per common share:		
Income (loss) from continuing operations	\$ (0.40)	\$ (2.33)
Income from discontinued operations	2.57	1.67
Net income (loss) per common share	\$ 2.17	\$ (0.66)
Diluted net income (loss) per common share:		
Income (loss) from continuing operations	\$ (0.40)	\$ (2.33)
Income from discontinued operations	2.57	1.67
Diluted net income (loss) per common share	\$ 2.17	\$ (0.66)
Weighted average shares - basic	85,420	82,938
Weighted average shares - diluted	85,420	82,938

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

	December 31, 2015	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 502,200	\$ 378,461
Restricted cash	5,694	37,571
Marketable securities	164	259
Accounts receivable, net	445,833	461,096
Inventories, net	347,001	377,349
Prepaid expenses and other current assets	152,233	260,333
Assets held for sale	4,165	315,515
Total current assets	1,457,290	1,830,584
PROPERTY, PLANT AND EQUIPMENT, NET	446,039	454,223
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	3,862,306	4,246,761
RESTRICTED CASH - NON-CURRENT	43,228	-
DEFERRED FINANCING COSTS AND OTHER ASSETS, NET	134,971	168,311
Assets held for sale - non-current	13,337	-
Total assets	\$ 5,957,171	\$ 6,699,879
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt and current portions of long-term debt and capital lease obligations	\$ 203,954	\$ 93,116
Liabilities related to assets held for sale	363	78,843
Other current liabilities	520,217	599,519
Total current liabilities	724,534	771,478
LONG-TERM LIABILITIES:		
Long-term debt and capital lease obligations, net of current portions	2,872,397	3,632,978
Deferred tax liabilities	147,618	231,963
Other long-term liabilities	154,193	146,920
Liabilities related to assets held for sale - non-current	-	-
Total long-term liabilities	3,174,208	4,011,861
TOTAL EQUITY	2,058,429	1,916,540
Total liabilities and equity	\$ 5,957,171	\$ 6,699,879

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

	Q4 2015	YTD 2015	Q4 2014	YTD 2014	% Change Q4 15 v. Q4 14	% Change YTD 15 v. YTD 14
Professional diagnostics segment⁽¹⁾						
Cardiometabolic	\$ 210,814	\$ 832,402	\$ 212,416	\$ 841,905	-1%	-1%
Infectious disease	194,753	717,812	206,866	721,803	-6%	-1%
Toxicology	149,538	618,360	153,059	644,620	-2%	-4%
Other ⁽²⁾	45,126	192,637	65,826	256,812	-31%	-25%
Total professional diagnostics segment⁽¹⁾⁽²⁾	600,231	2,361,211	638,167	2,465,140	-6%	-4%
Consumer diagnostics segment⁽¹⁾	19,768	85,128	23,870	89,088	-17%	-4%
License and royalty revenue	3,286	16,977	5,052	21,050	-35%	-19%
Net revenue	\$ 623,285	\$ 2,463,316	\$ 667,089	\$ 2,575,278	-7%	-4%

⁽¹⁾ Revenues have been restated for the impact of a change in segment reporting due to the divestiture of our health management business.

⁽²⁾ Revenues are presented in accordance with generally accepted accounting principles and exclude an adjustment of \$0.0 million and \$0.9 million, and \$0.3 million and \$1.4 million related to acquired software license contracts which were not recognized during the three and twelve months ended December 31, 2015 and 2014, respectively, due to business combination accounting rules.

Alere Inc. and Subsidiaries
Reconciliation of Organic Revenue Growth
(in thousands)

	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended Growth Rate
Net revenue	\$ 2,575,278	\$ 2,463,316	-4.3%
Impact of foreign currency exchange	-	120,914	
Impact of acquisitions & dispositions	(37,305)	(8,155)	
Non-GAAP organic net revenue	\$ 2,537,973	\$ 2,576,075	1.5%

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2015	Three Months Ended Growth Rate
Net revenue	\$ 667,089	\$ 623,285	-6.6%
Impact of foreign currency exchange	-	26,041	
Impact of acquisitions & dispositions	(20,238)	(4,599)	
Non-GAAP organic net revenue	\$ 646,851	\$ 644,727	-0.3%

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

	Three Months Ended December 31, 2015	Year Ended December 31, 2015
Net Income ⁽¹⁾	\$ (16,059)	\$ 206,757
Less: Income from discontinued operations, net of tax	2,737	219,513
Income/(Loss) from continuing operations	(18,796)	(12,756)
Adjustment related to acquired software license contracts	-	877
Income tax benefit	(50,329)	(52,704)
Depreciation and amortization ⁽²⁾	75,719	309,684
Interest, net ⁽³⁾	57,954	212,551
Non-cash stock-based compensation expense	6,795	26,391
Non-cash fair value adjustments to acquisition-related contingent consideration	(5,703)	(57,613)
Non-cash write-off of an investment	-	662
Impairment and (gain) loss on dispositions, net	8,132	50,540
Non-cash INRatio product recall expenses	21,100	21,100
Write-off of acquisition-related obligation	(40)	(40)
Non-GAAP Adjusted EBITDA	\$ 94,833	\$ 498,691

⁽¹⁾ Net income (loss) for the three months and year ended December 31, 2015 includes the following items which have not been added back for purposes of computing non-GAAP adjusted EBITDA: Non-interest related restructuring charges of \$4.3 million and \$15.7 million, respectively; costs associated with business dispositions of \$2.8 million and \$9.3 million, respectively; acquisition-related costs of \$0.1 million and \$0.5 million, respectively; charges related to SEC investigations of \$7.2 million and \$7.3 million, respectively; legal settlement accruals of \$4.5 million for both the three month and twelve month period; and cash expenses related to the INRatio product recall of \$16.7 million for both the three month and twelve month period.

⁽²⁾ Depreciation and amortization, for both the three month and twelve month period ended December 31, 2015, includes \$4.8 million of expenses related to changes in the useful life of INRatio tangible and intangible assets.

⁽³⁾ Interest, net for the three months and year ended December 31, 2015 includes \$16.4 million and \$19.9 million, respectively, of expense associated with the extinguishment of debt.

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

Three Months Ended December 31, 2015
Impact to the Consolidated Statements of Operations Line Items of Supplemental Information

	Net Revenue	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 Income ³
Deferred revenue from acquired software license contracts ²	-	-	-	-	-	-	-	-	-
Amortization of acquisition-related intangible assets	-	1,282	1,029	35,806	-	-	-	-	(49,658)
Restructuring charges	-	894	2,087	1,275	-	4	-	-	(4,260)
Stock-based compensation expense	-	333	302	6,160	-	-	-	-	(6,795)
Write-off of acquisition-related obligation	-	-	-	-	-	(40)	-	-	40
Compensation charges associated with acquisition-related contingent consideration obligations	-	-	-	(104)	-	-	-	-	104
Acquisition-related costs	-	-	-	144	-	-	-	-	(144)
Fair value adjustments to acquisition-related contingent consideration	-	-	-	(5,703)	-	-	-	-	5,703
Costs associated with potential business dispositions	-	-	-	2,842	-	-	-	-	(2,842)
Impairment and (gain) loss on disposition, net	-	-	-	-	8,132	-	-	-	(8,132)
Amortization - Unconsolidated Subs	-	-	-	-	-	-	-	103	(103)
Loss on sale of equity investment	-	-	-	-	-	-	-	-	-
Write off of equity investment	-	-	-	-	-	-	-	-	-
Interest expense recorded in connection with fees paid for certain debt modifications and the termination of our senior secured credit facility	-	-	-	-	-	(7)	-	-	7
Interest accretion associated with acquisition-related compensation charges	-	-	-	-	-	-	-	-	-
Expense associated with extinguishment of debt	-	-	-	-	-	16,406	-	-	(16,406)
Audit and legal fees related to on-going SEC investigations	-	-	-	7,183	-	-	-	-	(7,183)
Legal settlement	-	-	-	-	-	4,500	-	-	(4,500)
INRatio recall expense	-	38,500	-	-	-	-	-	-	(38,500)
Income tax effects on items above	-	-	-	-	-	-	(56,892)	-	56,892
Total of Supplemental Information	\$	\$ 52,550	\$ 3,418	\$ 47,603	\$ 8,132	\$ 20,863	\$ (56,892)	\$ 103	\$ (75,777)

Impact of above items on EPS numerator
Impact of above items on EPS denominator

\$ (712)
(4,406)

1) All impacts are shown as pre-tax with aggregate tax effect displayed as "Income tax effects on items above".
2) In Q3 of FY15 the company discontinued reporting adjusted Non-GAAP revenue for deferred software license contracts

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

Twelve Months Ended December 31, 2015
Impact to the Consolidated Statements of Operations Line Items of Supplemental Information

	Net Revenue	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 Income ¹
Deferred revenue from acquired software license contracts ²	(877)	-	-	-	-	-	-	-	(877)
Amortization of acquisition-related intangible assets	-	56,265	11,117	143,144	-	-	-	-	(210,526)
Restructuring charges	-	3,816	2,753	9,074	-	24	-	-	(15,667)
Stock-based compensation expense	-	1,199	1,195	23,997	-	-	-	-	(26,391)
Write-off of acquisition-related obligation	-	-	-	-	-	(40)	-	-	40
Compensation charges associated with acquisition-related contingent consideration obligations	-	-	-	(2,719)	-	-	-	-	2,719
Acquisition-related costs	-	-	-	476	-	-	-	-	(476)
Fair value adjustments to acquisition-related contingent consideration	-	-	-	(57,613)	-	-	-	-	57,613
Costs associated with potential business dispositions	-	391	-	8,939	-	-	-	-	(9,330)
Impairment and (gain) loss on disposition, net	-	-	-	-	50,540	-	-	-	(50,540)
Amortization - Unconsolidated Subs	-	-	-	-	-	-	-	416	(416)
Loss on sale of equity investment	-	-	-	-	-	-	-	-	-
Write off of equity investment	-	-	-	-	-	662	-	-	(662)
Interest expense recorded in connection with fees paid for certain debt modifications and the termination of our senior secured credit facility	-	-	-	-	-	20,932	-	-	(20,932)
Interest accretion associated with acquisition-related compensation charges	-	-	-	-	-	(406)	-	-	406
Expense associated with extinguishment of debt	-	-	-	-	-	19,886	-	-	(19,886)
Audit and legal fees related to on-going SEC investigations	-	-	-	7,342	-	-	-	-	(7,342)
Legal settlement	-	-	-	-	-	4,500	-	-	(4,500)
INRatio recall expense	-	38,500	-	-	-	-	-	-	(38,500)
Income tax effects on items above	-	-	-	-	-	-	(118,504)	-	118,504
Total of Supplemental Information	\$ (877)	\$ 100,171	\$ 15,065	\$ 132,640	\$ 50,540	\$ 45,558	\$ (118,504)	\$ 416	\$ (226,763)
Impact of above items on EPS numerator									\$ (24,141)
Impact of above items on EPS denominator									(14,801)

1) All impacts are shown as pre-tax with aggregate tax effect displayed as "Income tax effects on items above".
2) In Q3 of FY15 the company discontinued reporting adjusted Non-GAAP revenue for deferred software license contracts, the amount included is only the previously adjusted impact.