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

Net product sales and services revenue \$ 598,745 \$ 645,028 Licens and royally revenue 6,00,044 469,215 Cost one frevenue 236,995 347,888 Cors profit 275,049 301,622 Gross profit 26,00 46% Cors sarrigin 36,011 38,725 Corporating expenses: Use and addevilopment 36,011 38,725 Selling, general and administrative 207,799 227,575 Selling, general and office, profit profi		Three Months I		led Sep	tember 30, 2014
Net revenue 60,044 649,101 Cost of net revenue 326,995 347,588 Gross profit 275,049 301,622 Gross margin 275,049 306,622 Operating expenses 36,011 38,726 Selling, general and administrative 207,799 227,554 Selling, general and administrative 2,074 -2 Operating income 2,074 -2 Operating income 2,916 35,342 Interest and other income (expense), net (18,423) (60,401) Loss from continuing operations before provision (benefit) for income taxes 118,423 (25,077) Provision (Benefit) for income taxes 118,423 (25,077) Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 500 6,277 Income (loss) from continuing operations, net of tax 5,501 (84,289) Loss from discontinued operations, net of tax 5,501 (84,289) Net income (loss) attributable to Alere inc. and Subsidiaries 5,501 (8,36) Net income (loss) available to common stockholders 5 <th>Net product sales and services revenue</th> <th>\$</th> <th>598,745</th> <th>\$</th> <th>645,028</th>	Net product sales and services revenue	\$	598,745	\$	645,028
Exist of net revenue 326,905 347,5849 Gross profits Gross margin 275,049 301,629 Operating expenses: 36,000 36,000 Research and development Selling, general and administrative 207,799 227,554 Selling, general and administrative 207,799 227,554 Selling, general and daministrative 207,799 227,554 Impairment and loss on disposition, net 207,791 207,702 Interest and other income (expense), net 32,702 447,588 Class from continuing operations before provision (benefit) for income taxes 18,824 55,000 Provision (Benefit) for income taxes 18,100 55,000 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 25,000 62,77 Income (loss) from continuing operations 18,100 5,500 62,77 Income (loss) from continuing operations 19,100 5,501 82,809 Less Holoss attributable to non-controlling interests 20,100 6,530 83,800 Net income (loss) attributable to Alere Inc. and Subsidiaries 20,100 5,502 98,830 Net income (loss) available to common stockholders 20,100 5,302 10,017 Loss from continuing oper	License and royalty revenue		3,299		4,182
Gross profit 275,049 301,622 Gross margin 46% 46% Oberating expenses: 8esearch and development 36,011 38,726 Selling, general and administrative 207,799 227,554 Selling, general and olsos on disposition, net 207,999 227,554 Operating income 29,165 35,342 Interest and other income (expense), net (47,588) (60,019) Loss from continuing operations before provision (benefit) for income taxes (18,924) 25,077 Provision (Renefit) for income taxes (18,924) 65,898 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 5,000 62,77 Provision (Renefit) for income taxes 5,000 62,77 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 5,000 62,77 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 5,000 62,77 Income (loss) from continuing operations 5,501 36,600 Less: Set loss satributable to non-controlling interest 1,51,600 36,501 <td>Net revenue</td> <td></td> <td>602,044</td> <td></td> <td>649,210</td>	Net revenue		602,044		649,210
Gross margin 46% 46% Operating expenses 36,011 38,726 Research and development 207,799 227,554 Selling, general and administrative 207,799 227,554 Impairment and loss on disposition, net 20,762 35,342 Interest and other income (expense), net (47,588) (60,419) Customic planting operations before provision (benefit) for income taxes 18,824) 65,889 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 501 69,589 Equity earnings of unconsolidated entities, net of tax 501 90,566 Equity earnings of unconsolidated entities, net of tax 501 90,566 Equity earnings of unconsolidated entities, net of tax 501 90,566 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 501 96,209 Loss from discontinued operations, net of tax 5,501 96,209 Less to multipacture of provision (loss) from continuing operations, and pactical entities, net of such a	Cost of net revenue		326,995		347,588
Operating expenses: Secret And development 36,011 38,726 Research and administrative 207,799 227,554 Impairment and loss on disposition, net 20,074	Gross profit		275,049		301,622
Research and development 36,011 38,716 Selling, general and administrative 207,799 227,554 Operating income 29,165 35,342 Interest and other income (expense), net (47,588) (60,40) Loss from continuing operations before provision (benefit) for income taxes (18,223) 25,077 Provision (Benefit) for income taxes 501 (90,566) Equity earnings of unconsolidated entities, net of tax 500 6,277 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 5,001 (84,288) Equity earnings of unconsolidated entities, net of tax 5,001 (84,288) Income (loss) from continuing operations, net of tax 5,501 (84,288) Loss from discontinued operations, net of tax 5,501 (88,690) Less: Net loss attributable to Alere Inc. and Subsidiaries 5,502 (88,890) Preferred stock dividends 5,562 (89,384) Preferred stock dividends 5,562 (89,384) Loss from continuing operations 5 5 (1,08) Loss from continuing operations 5 <td>Gross margin</td> <td></td> <td>46%</td> <td></td> <td>46%</td>	Gross margin		46%		46%
Selling, general and administrative 207,994 227,594 Impairment and loss on disposition, net 2,074 - Operating income 29,165 35,342 Interest and other income (expense), net (47,588) (50,197) Provision (Benefit) for income taxes (18,292) 25,007 Provision (Senefit) for income taxes 5,000 6,277 Provision (Senefit) for income taxes 5,000 6,277 Equity examings of unconsolidated entities, net of tax 5,000 6,277 Income (loss) from continuing operations 5,501 184,289 Loss from discontinued operations, net of tax 5,501 184,289 Loss from discontinued operations, net of tax 5,501 184,289 Less: Net loss attributable to Alere Inc. and Subsidiaries 5,501 184,289 Preferred stock dividends 5,562 198,389 Net income (loss) available to common stockholders \$ 195 103,75 Net income (loss) available to common share: \$ 2 10,107 Loss from continuing operations \$ 7 10,107 Basic net loss per common share:	Operating expenses:				
Impairment and loss on disposition, net 2,074 - Operating income 29,165 35,34 Interest and other income (expense), net (47,588) (60,419) Loss from continuing operations before provision (benefit) for income taxes (18,423) (25,077) Provision (Benefit) for income taxes 501 (90,568) Equity earnings of unconsolidated entities, net of tax 500 6,277 Income (loss) from continuing operations 5,501 (80,488) I consider discontinued operations, net of tax 5,501 (80,488) Loss from discontinued operations, net of tax 5,501 (80,488) Loss from discontinued operations, net of tax 6,61 (30,60) Loss from discontinued operations, net of tax 6,61 (30,60) Loss from discontinued operations 6,51 (80,80) Preferred stock dividends 5,562 (89,834) Preferred stock dividends 5,562 (80,30) Loss from continuing operations 5,562 (80,30) Loss from continuing operations 5 5 (10,30) Loss from continuing oper					
Operating income 29,165 35,342 Interest and other income (expense), net (47,588) (50,419) Loss from continuing operations before provision (benefit) for income taxes (18,423) (25,077) Provision (Benefit) for income taxes (18,924) 65,489 Income (loss) from continuing operations before equity earnings of unconsolidated entitities, net of tax 500 6,277 Income (loss) from continuing operations 5,501 (84,289) Loss from discontinued operations, net of tax 5,501 (84,289) Less: Net loss attributable to non-controlling interests 6,51 (98,690) Less: Net loss attributable to Alere Inc. and Subsidiaries 5,562 (98,384) Preferred stock dividends 5,562 (98,384) Preferred stock dividends \$ 195 \$ 103,751 Net income (loss) available to common stockholders \$ 195 \$ 103,751 Basic net loss per common share: \$ 2 \$ 1.08 Loss from discontinued operations \$ 2 \$ 1.25 Basic net loss per common share: \$ 1.02 \$ 1.25 Loss from continuing operations \$ 2 \$ 1			,		227,554
Interest and other income (expense), net (47,588) (60,419) Loss from continuing operations before provision (benefit) for income taxes (18,423) (25,077) Provision (Renefit) for income taxes (18,924) 65,489 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 5,000 62,77 Equity earnings of unconsolidated entities, net of tax 5,000 62,77 Income (loss) from continuing operations 5,501 (34,289) Loss from discontinued operations, net of tax 5,501 (34,289) Loss from discontinued operations, net of tax 5,501 (36,00) Loss from discontinued operations of tax 5,502 (98,380) Ret income (loss) attributable to non-controlling interests 5,562 (98,381) Preferred stock dividends (5,367) (5,367) (5,367) Preferred stock dividends 5,562 (30,375) Sasioner continuing operations 5 1 (6,10) Loss from continuing operations 5 1 (6,11) Loss from continuing operations 5 1 (6,12)	· · · · · · · · · · · · · · · · · · ·				-
Loss from continuing operations before provision (benefit) for income taxes (18,423) (25,077) Provision (Benefit) for income taxes (18,924) 65,489 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 501 (90,566) Equity earnings of unconsolidated entities, net of tax 5,000 6,277 Income (loss) from continuing operations 5,501 (84,289) Loss from discontinued operations, net of tax 5,501 (98,690) Loss from closs) (61) (306) Less: Net loss attributable to non-controlling interests (61) (306) Net income (loss) attributable to Alere Inc. and Subsidiaries (5,367) (5,367) Preferred stock dividends (5,367) (5,367) (5,367) Net income (loss) available to common stockholders \$ 19 (103,751) Basic net loss per common share: \$ 2 (1,017) Loss from continuing operations \$ 7 (1,027) Basic net loss per common share: \$ 1 (0,17) Diluted net loss per common share: \$ 2 (0,17) Loss from continuing operations					•
Provision (Benefit) for income taxes (18,924) 65,489 Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax 500 6,277 Equity earnings of unconsolidated entities, net of tax 5,500 6,277 Income (loss) from continuing operations 5,501 (84,289) Loss from discontinued operations, net of tax 5,501 (98,690) Less: Net loss attributable to non-controlling interests (61) 306 Net income (loss) attributable to Alere Inc. and Subsidiaries (5,367) (5,367) Preferred stock dividends (5,367) (5,367) Net income (loss) available to common stockholders \$ 195 (103,751) Sasic net loss per common share: \$ 195 (103,751) Loss from continuing operations \$ 2 (1,25) Basic net loss per common share \$ 2 (1,25) Diluted net loss per common share: \$ 1 (1,25) Loss from continuing operations \$ 2 (1,25) Diluted net loss per common share: \$ 2 (1,25) Loss from continuing operations \$ 2 (1,25)					
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax			. , ,		
Equity earnings of unconsolidated entities, net of tax Income (loss) from continuing operations 5,000 (8,278) Income (loss) from continuing operations, net of tax - (14,401) Net income (loss) 5,501 (98,690) Less: Net loss attributable to non-controlling interests (61) (306) Net income (loss) attributable to Alere Inc. and Subsidiaries 5,562 (98,384) Preferred stock dividends (5,367) (5,367) Net income (loss) available to common stockholders \$ 195 (103,751) Basic net loss per common share: \$ 2 (1,037) Loss from continuing operations \$ 7 (1,125) Basic net loss per common share \$ 7 (1,125) Diluted net loss per common share: \$ 7 (1,037) Loss from continuing operations \$ 7 (1,037) Loss from continuing operations \$ 7 (1,037) Loss from discontinued operations \$ 7 (0,17) Loss from discontinued operations \$ 7 (1,037) Loss from discontinued operations \$ 7 (1,037) Weighted average shares - basic 8,3,115					
Income (loss) from continuing operations 5,501 (84,289) Loss from discontinued operations, net of tax - (14,401) Net income (loss) 5,501 (98,000) Less: Net loss attributable to non-controlling interests (61) (306) Net income (loss) attributable to Alere Inc. and Subsidiaries 5,562 (98,384) Preferred stock dividends (5,367) (5,367) Net income (loss) available to common stockholders \$ 195 \$ (103,751) Basic net loss per common share: \$ - \$ (1.08) Loss from continuing operations \$ 7 \$ (1.08) Loss from discontinued operations \$ 7 \$ (1.08) Diluted net loss per common share: \$ 7 \$ (1.08) Loss from continuing operations \$ 7 \$ (1.08) Loss from discontinued operations \$ 7 \$ (1.08) Loss from discontinued operations \$ 7 \$ (1.08) Loss from discontinued operations \$ 7 \$ (1.08) Weighted average shares - basic 83,115					
Loss from discontinued operations, net of tax - (14,401) Net income (loss) 5,501 (98,690) Less: Net loss attributable to non-controlling interests (61) 3060 Net income (loss) attributable to Alere Inc. and Subsidiaries 5,562 (98,384) Preferred stock dividends (5,367) (5,367) (5,367) Net income (loss) available to common stockholders \$ 195 (103,751) Basic net loss per common share: \$ 2 \$ (1.08) Loss from continuing operations \$ 2 \$ (1.07) Basic net loss per common share: \$ 2 \$ (1.25) Diluted net loss per common share: \$ 2 \$ (1.08) Loss from continuing operations \$ 2 \$ (1.08) Loss from discontinued operations \$ 2 \$ (1.07) Diluted net loss per common share: \$ 2 \$ (1.08) Weighted average shares - basic 83,115	, ,				
Net income (loss) 5,501 (98,690) Less: Net loss attributable to non-controlling interests (61) (306) Net income (loss) attributable to Alere Inc. and Subsidiaries 5,562 (98,384) Preferred stock dividends (5,367) (5,367) Net income (loss) available to common stockholders \$ 195 \$ (103,751) Basic net loss per common share: \$ - \$ (1.08) Loss from continuing operations \$ - \$ (1.07) Basic net loss per common share \$ - \$ (1.25) Diluted net loss per common share: \$ - \$ (1.08) Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Diluted net loss per common share: \$ - \$ (1.08) Weighted average shares - basic 88,115	· · ·		5,501		
Less: Net loss attributable to non-controlling interests (61) (300) Net income (loss) attributable to Alere Inc. and Subsidiaries 5,562 (98,384) Preferred stock dividends (5,367) (5,367) Net income (loss) available to common stockholders \$ 195 \$ (103,751) Basic net loss per common share: \$ - \$ (1.08) Loss from continuing operations \$ - \$ (1.08) Basic net loss per common share \$ - \$ (1.25) Diluted net loss per common share: \$ - \$ (1.08) Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Diluted net loss per common share \$ - \$ (1.08) Weighted average shares - basic 85,895 83,115	·		5 501	-	
Net income (loss) attributable to Alere Inc. and Subsidiaries5,562(98,384)Preferred stock dividends(5,367)(5,367)Net income (loss) available to common stockholders\$ 195\$ (103,751)Basic net loss per common share:\$ -\$ (1.08)Loss from continuing operations\$ -\$ (1.08)Loss from discontinued operations-(0.17)Basic net loss per common share\$ -\$ (1.25)Diluted net loss per common share:Loss from continuing operations\$ -\$ (1.08)Loss from discontinued operations\$ -\$ (1.08)Loss from discontinued operations\$ -\$ (0.17)Diluted net loss per common share\$ -\$ (1.25)Weighted average shares - basic85,89583,115			·		, , ,
Net income (loss) available to common stockholders Basic net loss per common share: Loss from continuing operations Loss from discontinued operations Basic net loss per common share Diluted net loss per common share: Loss from continuing operations Diluted net loss per common share: Loss from continuing operations S 1 1.08 1.08 1.08 1.08 1.08 1.08 1.08 1.	· · · · · · · · · · · · · · · · · · ·				
Basic net loss per common share: Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations - (0.17) Basic net loss per common share \$ - \$ (1.25) Diluted net loss per common share: Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Diluted net loss per common share: \$ - \$ (1.08) Consider the loss per common share: Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations \$ - \$ (1.08) Weighted average shares - basic \$ 85,895 83,115	Preferred stock dividends		(5,367)		(5,367)
Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations - (0.17) Basic net loss per common share \$ - \$ (1.25) Diluted net loss per common share: Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations - (0.17) Diluted net loss per common share \$ - \$ (1.25) Weighted average shares - basic	Net income (loss) available to common stockholders	\$	195	\$	(103,751)
Loss from discontinued operations Basic net loss per common share Diluted net loss per common share: Loss from continuing operations Loss from discontinued operations Diluted net loss per common share \$ - \$ (1.08) Loss from discontinued operations Diluted net loss per common share \$ - \$ (0.17) \$ (1.08) \$ (1.25) Weighted average shares - basic	Basic net loss per common share:				
Basic net loss per common share \$ - \$ (1.25) Diluted net loss per common share: Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations - (0.17) Diluted net loss per common share \$ - \$ (1.25) Weighted average shares - basic \$ 85,895 83,115	Loss from continuing operations	\$	-	\$	(1.08)
Diluted net loss per common share: Loss from continuing operations \$ - \$ (1.08) Loss from discontinued operations - (0.17) Diluted net loss per common share \$ - \$ (1.25)	Loss from discontinued operations		-		(0.17)
Loss from continuing operations\$-\$(1.08)Loss from discontinued operations-(0.17)Diluted net loss per common share\$-\$(1.25)Weighted average shares - basic85,89583,115	Basic net loss per common share	\$	-	\$	(1.25)
Loss from continuing operations\$-\$(1.08)Loss from discontinued operations-(0.17)Diluted net loss per common share\$-\$(1.25)Weighted average shares - basic85,89583,115	Diluted net loss per common share:				
Loss from discontinued operations Diluted net loss per common share \$ - (0.17) \$ (1.25) Weighted average shares - basic	·	¢	_	¢	(1 08)
Diluted net loss per common share\$ -\$ (1.25)Weighted average shares - basic85,89583,115	• •	Y		Y	, ,
Weighted average shares - basic 85,895 83,115	·				
	Diluted net loss per common share	\$	-	\$	(1.25)
Weighted average shares - diluted 87 169 83 115	Weighted average shares - basic		85,895		83,115
Weighted diverge shares diluted	Weighted average shares - diluted		87,169		83,115

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

	Nin	Nine Months End 2015		September 30, 2014	
Net product sales and services revenue	\$	1,825,662	\$	1,905,849	
License and royalty revenue		13,691		15,998	
Net revenue		1,839,353		1,921,847	
Cost of net revenue		979,745		1,011,174	
Gross profit		859,608		910,673	
Gross margin		47%		47%	
Operating expenses:		04 225		444.055	
Research and development		91,225		114,855	
Selling, general and administrative		577,566 42,408		730,591	
Impairment and loss on disposition, net Operating income		148,409		638 64,589	
Interest and other income (expense), net		(150,523)		(154,112)	
Loss from continuing operations before provision (benefit) for income taxes	-	(2,114)		(89,523)	
Provision (benefit) for income taxes		(10,009)		69,273	
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax		7,895		(158,796)	
Equity earnings of unconsolidated entities, net of tax		10,320		13,716	
Income (loss) from continuing operations	-	18,215		(145,080)	
Income (loss) from discontinued operations, net of taxes		216,777		(4,082)	
Net income (loss)		234,992		(149,162)	
Less: Net income (loss) attributable to non-controlling interests		386		(136)	
Net income (loss) attributable to Alere Inc. and Subsidiaries		234,606		(149,026)	
Preferred stock dividends		(15,926)		(15,926)	
Net Income (loss) available to common stockholders	\$	218,680	\$	(164,952)	
Basic net income (loss) per common share:					
(Income) loss from continuing operations	\$	0.02	\$	(1.94)	
Income (loss) from discontinued operations		2.55		(0.05)	
Net Income (loss) per common share	\$	2.57	\$	(1.99)	
Diluted net income (loss) per common share:					
Income (loss) from continuing operations	\$	0.02	\$	(1.94)	
Income (loss) from discontinued operations	Ψ	2.51	Ψ.	(0.05)	
Diluted net income (loss) per common share	\$	2.53	\$	(1.99)	
2	-	2.55	-	(1.55)	
Weighted average shares - basic		85,141		82,719	
Weighted average shares - diluted		86,279		82,719	

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

	September 30 2015		De	cember 31, 2014
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$	479,381	\$	378,461
Restricted cash		430,821		37,571
Marketable securities		157		259
Accounts receivable, net		452,366		466,106
Inventories, net		362,226		365,165
Prepaid expenses and other current assets		136,447		244,986
Assets held for sale		25,312		315,515
Total current assets		1,886,710		1,808,063
PROPERTY, PLANT AND EQUIPMENT, NET		445,315		453,570
GOODWILL AND OTHER INTANGIBLE ASSETS, NET		3,924,614		4,246,761
RESTRICTED CASH - NON-CURRENT		44,148		-
DEFERRED FINANCING COSTS AND OTHER ASSETS, NET		147,330		170,562
Assets held for sale - non-current		126,048		
Total assets	\$	6,574,165	\$	6,678,956
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Short-term debt and current portions of long-term debt and capital lease obligations	\$	607,597	\$	93,116
Liabilities related to assets held for sale		8,836		78,843
Other current liabilities		509,582		589,086
Total current liabilities		1,126,015		761,045
LONG-TERM LIABILITIES:				
Long-term debt and capital lease obligations, net of current portions		2,993,928		3,631,945
Deferred tax liabilities		207,451		214,639
Other long-term liabilities		135,200		161,582
Liabilities related to assets held for sale - non-current		9,603		-
Total long-term liabilities		3,346,182		4,008,166
TOTAL EQUITY		2,101,968		1,909,745
Total liabilities and equity	\$	6,574,165	\$	6,678,956

Alere Inc. and Subsidiaries Reconciliation to Non-GAAP Adjusted Operating Results (in thousands, except per share amounts)

		ee Months End	led Septe	ember 30, 2014
Reconciliation to Non-GAAP Adjusted Operating Income ⁽¹⁾ Operating income	\$	29,165	\$	35,342
Adjustment related to acquired software license contracts		430		324
Amortization of acquisition-related intangible assets		60,928		58,813
Restructuring charges		2,264		17,296
Stock-based compensation expense		7,317		3,168
Compensation charges associated with acquisition-related contingent consideration obligations		191		670
Acquisition-related costs		241		325
Fair value adjustments to acquisition-related contingent consideration		957		(5,537)
Costs associated with potential business dispositions		1,878		6,203
Impairment and loss on disposition, net		2,074		-
Non-GAAP adjusted operating income	\$	105,445	\$	116,604
		ee Months End	led Septe	ember 30, 2014
		2015		2014
Reconciliation to Non-GAAP Adjusted Net Income (1)				
Net income (loss) available to common stockholders	\$	195	\$	(103,751)
Adjustment related to acquired software license contracts		430		324
Amortization of acquisition-related intangible assets		60,954		58,818
Restructuring charges		2,270		17,307
Stock-based compensation expense		7,317		3,168
Compensation charges associated with acquisition-related contingent consideration obligations		191		670
Acquisition-related costs		241		325
Fair value adjustments to acquisition-related contingent consideration		957		(5,537)
Costs associated with potential business dispositions		1,878		6,203
Impairment and loss on disposition, net		2,074		-
Loss on sale of equity investment		-		457
Write off of equity investment in BBI		662		-
Interest expense recorded in connection with fees paid for certain debt modifications and the				
termination of our senior secured credit facility		9,273		363
Interest accretion associated with acquisition-related compensation charges		35		102
Amortization of acquisition-related intangible assets, restructuring, fair value adjustments to acquisition-related contingent consideration, and impairment, net of gain on divestiture - Discontinued				
operations, net of tax		_		17,223
Income tax effects on items above		(38,179)		37,139
Non-GAAP adjusted net income available to common stockholders	Ś	48,298	Ś	32,811
		10,200		
Loss per diluted common share from continuing operations	\$		\$	(1.08)
Loss per diluted common share from discontinued operations	Ş		Ş	(0.17)
Net loss per diluted common share	\$		\$	(1.25)
Weighted average shares - diluted		87,169	_	83,115
Non-GAAP adjusted income per diluted common share from continuing operations (2)	\$	0.54	\$	0.35
Non-GAAP adjusted income per diluted common share from discontinued operations (2)		-		0.03
Non-GAAP adjusted net income per diluted common share (2)	\$	0.54	\$	0.38
Non-GAAP adjusted weighted average shares - diluted (2)		100,846		87,929

In calculating "Non-GAAP adjusted operating income" and "Non-GAAP adjusted net income available to common stockholders", the Company excludes (i) certain non-cash charges, including amortization expense and stock-based compensation expense, (ii) non-recurring charges and income, and (iii) certain other charges and income that have a significant positive or negative impact on results yet do not occur on a consistent or regular basis in its business. In determining whether a particular item meets one of these criteria, management considers facts and circumstances that it believes are relevant. Management believes that excluding such charges and income from operating income and net income or loss allows investors and management to evaluate and compare the Company's operating results from continuing operations from period to period in a meaningful and consistent manner. Due to the frequency of their occurrence in its business, the Company does not adjust operating income or net income or loss for the costs associated with litigation, including payments made or received through settlements. It should be noted that "Non-GAAP adjusted operating income" and "Non-GAAP adjusted net income available to common stockholders" are not standard financial measurements under accounting principles generally accepted in the United States of America ("GAAP") and should not be considered as an alternative to operating income and net income or loss or cash flow from operating activities, as a measure of liquidity or as an indicator of operating performance or any measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, "Non-GAAP adjusted operating income" and "Non-GAAP adjusted net income available to common stockholders" presented in this press release may not be comparable to similar measures used by other companies.

Included in the weighted average diluted common shares for the calculation of net income per common share for the three months ended September 30, 2014, on a non-GAAP adjusted basis, were dilutive shares consisting of 1,376,000 common stock equivalent shares from the potential exercise of stock options and warrants. Also included were potential dilutive shares consisting of 3,438,000 common stock equivalent shares from the potential conversion of convertible debt securities. The diluted net income per common share calculation for the three months ended September 30, 2014, on a non-GAAP adjusted basis, included the add back of interest expense related to the convertible debt of \$0.7 million, resulting in net income available to common stockholders of \$33.5 million for the three months ended September 30, 2014.

⁽²⁾ Included in the weighted average diluted common shares for the calculation of net income per common share for the three months ended September 30, 2015, on a non-GAAP adjusted basis, are dilutive shares consisting of 1,244,000 common stock equivalent shares from the potential exercise of stock options and warrants. Also included were dilutive shares consisting of 3,438,000 common stock equivalent shares from the potential conversion of convertible debt securities, 30,000 potentially issuable shares of common stock associated with a contingent consideration arrangement, and 10,239,000 common stock equivalent shares from the potential conversion of Series B convertible preferred stock. The diluted net income per common share calculation for the three months ended September 30, 2015, on a non-GAAP adjusted basis, included the add back of interest expense related to the convertible debt of \$0.7 million and the add back of \$5.4 million of preferred stock dividends related to the Series B convertible preferred stock, resulting in net income available to common stockholders of \$54.4 million for the three months ended September 30, 2015.

Alere Inc. and Subsidiaries Reconciliation to Non-GAAP Adjusted Operating Results (in thousands, except per share amounts)

Nine Months Ended September 30,

86.279

(0.01)

1.61

99.956

82,719

1.25

0.09

1.34

87.311

	INII	2015	eu septe	2014
Reconciliation to Non-GAAP Adjusted Operating Income (1) Operating income	\$	148,409	\$	64,589
Adjustment related to acquired software license contracts		877		1,116
Amortization of acquisition-related intangible assets		160,867		176,608
Restructuring charges		11,387		37,074
Stock-based compensation expense		19,596		7,750
Compensation charges associated with acquisition-related contingent consideration obligations		(2,615)		1,673
Acquisition-related costs		332		695
Fair value adjustments to acquisition-related contingent consideration		(51,910)		12,442
Non-cash charge associated with acquired inventory		-		-
Costs associated with potential business dispositions		6,097		20,763
Impairment and loss on disposition, net		42,408		638
Non-GAAP adjusted operating income	\$	335,448	\$	323,348
	Niı	ne Months End	ed Septe	mber 30, 2014
Reconciliation to Non-GAAP Adjusted Net Income (1)		2013		2014
Net income (loss) available to common stockholders	\$	218,680	\$	(164,952)
Net income (loss) available to common stockholders	\$	218,680	\$	(164,952)
Adjustment related to acquired software license contracts		877		1,116
Amortization of acquisition-related intangible assets		160,941		176,651
Restructuring charges		11,406		37,108
Stock-based compensation expense		19,596		7,750
Compensation charges associated with acquisition-related contingent consideration obligations		(2,615)		1,673
Acquisition-related costs		332		695
Fair value adjustments to acquisition-related contingent consideration		(51,910)		12,442
Costs associated with potential business dispositions		6,488		20,763
Impairment and loss on disposition, net		42,408		638
Loss on sale of equity investment		-		457
Write off of equity investment in BBI		662		-
Interest expense recorded in connection with fees paid for certain debt modifications and the				
termination of our senior secured credit facility		20,940		1,091
Interest accretion associated with acquisition-related compensation charges		(406)		295
Expense associated with extinguishment of debt		3,480		-
Amortization of acquisition-related intangible assets, restructuring, fair value adjustments to				
acquisition-related contingent consideration, and impairment, net of gain on divestiture -				
Discontinued operations, net of tax		(217,589)		12,386
Income tax effects on items above		(70,821)		6,766
Non-GAAP adjusted net income available to common stockholders	\$	142,469	\$	114,879
				,
Income (loss) per diluted common share from continuing operations	\$	0.02	\$	(1.94)
Income (loss) per diluted common share from discontinued operations		2.51		(0.05)
Not income (loss) nor diluted common shore	Ċ	2 52	Ċ	(1.00)

In calculating "Non-GAAP adjusted operating income" and "Non-GAAP adjusted net income available to common stockholders", the Company excludes (i) certain non-cash charges, including amortization expense and stock-based compensation expense, (ii) non-recurring charges and income, and (iii) certain other charges and income that have a significant positive or negative impact on results yet do not occur on a consistent or regular basis in its business. In determining whether a particular item meets one of these criteria, management considers facts and circumstances that it believes are relevant. Management believes that excluding such charges and income from operating income and net income or loss allows investors and management to evaluate and compare the Company's operating results from continuing operations from period to period in a meaningful and consistent manner. Due to the frequency of their occurrence in its business, the Company does not adjust operating income or net income or loss for the costs associated with litigation, including payments made or received through settlements. It should be noted that "Non-GAAP adjusted operating income" and "Non-GAAP adjusted net income available to common stockholders" are not standard financial measurements under accounting principles generally accepted in the United States of America ("GAAP") and should not be considered as an alternative to operating income and net income or loss or cash flow from operating activities, as a measure of liquidity or as an indicator of operating performance or any measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, "Non-GAAP adjusted operating income" and "Non-GAAP adjusted net income available to common stockholders" presented in this press release may not be companable to similar measures used by other companies.

Net income (loss) per diluted common share

Non-GAAP adjusted income per diluted common share from continuing operations (2)

Non-GAAP adjusted net income per diluted common share (2)

Non-GAAP adjusted weighted average shares - diluted (2)

Non-GAAP adjusted income (loss) per diluted common share from discontinued operations (2)

Weighted average shares - diluted

⁽²⁾ Included in the weighted average diluted common shares for the calculation of net income per common share for the nine months ended September 30, 2015, on a non-GAAP adjusted basis, are dilutive shares consisting of 1,120,000 common stock equivalent shares from the potential exercise of stock options and warrants. Also included were dilutive shares consisting of 3,438,000 common stock equivalent shares from the potential conversion of convertible debt securities, 18,000 potentially issuable shares of common stock associated with a contingent consideration arrangement, and 10,239,000 common stock equivalent shares from the potential conversion of series B convertible preferred stock. The diluted net income per common share calculation for the nine months ended September 30, 2015, on a non-GAAP adjusted basis, included the add back of interest expense related to the convertible debt of \$2.1 million and the add back of \$15.9 million of preferred stock dividends related to the Series B convertible preferred stock, resulting in net income available to common stockholders of \$160.5 million for the nine months ended Seatember 30, 2015.

Included in the weighted average diluted common shares for the calculation of net income per common share for the nine months ended September 30, 2014, on a non-GAAP adjusted basis, were dilutive shares consisting of 1,154,000 common stock equivalent shares from the potential exercise of stock options and warrants. Also included were potential dilutive shares consisting of 3,438,000 common stock equivalent shares from the potential conversion of convertible debt securities. The diluted net income per common share calculation for the nine months ended September 30, 2014, on a non-GAAP adjusted basis, included the add back of interest expense related to the convertible debt of \$2.2 million, resulting in net income available to common stockholders of \$1.17.1 million for the nine months ended Seatember 30, 2014.

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

							% Change	% Change
 23 2015		YTD 2015		Q3 2014		YTD 2014	Q3 15 v. Q3 14	YTD 15 v. YTD 14
\$ 208,319	\$	624,823	\$	208,248	\$	631,452	0%	-1%
163,759		519,145		184,018		526,632	-11%	-1%
162,571		468,822		166,381		491,561	-2%	-5%
45,349		147,512		65,183		190,986	-30%	-23%
579,998		1,760,302		623,830		1,840,631	-7%	-4%
18,747		65,360		21,198		65,218	-12%	0%
 3,299		13,691		4,182		15,998	-21%	-14%
\$ 602,044	\$	1,839,353	\$	649,210	\$	1,921,847	-7%	-4%
\$	163,759 162,571 45,349 579,998 18,747 3,299	\$ 208,319 \$ 163,759 162,571 45,349 579,998 18,747 3,299	\$ 208,319 \$ 624,823 163,759 519,145 162,571 468,822 45,349 147,512 579,998 1,760,302 18,747 65,360 3,299 13,691	\$ 208,319 \$ 624,823 \$ 163,759 519,145 162,571 468,822 45,349 147,512 579,998 1,760,302 18,747 65,360 3,299 13,691	\$ 208,319 \$ 624,823 \$ 208,248 163,759 519,145 184,018 162,571 468,822 166,381 45,349 147,512 65,183 579,998 1,760,302 623,830 18,747 65,360 21,198 3,299 13,691 4,182	\$ 208,319 \$ 624,823 \$ 208,248 \$ 163,759 519,145 184,018 162,571 468,822 166,381 45,349 147,512 65,183 579,998 1,760,302 623,830 18,747 65,360 21,198 3,299 13,691 4,182	\$ 208,319 \$ 624,823 \$ 208,248 \$ 631,452 163,759 519,145 184,018 526,632 162,571 468,822 166,381 491,561 45,349 147,512 65,183 190,986 579,998 1,760,302 623,830 1,840,631 18,747 65,360 21,198 65,218 3,299 13,691 4,182 15,998	Q3 2015 YTD 2015 Q3 2014 YTD 2014 Q3 15 v. Q3 14 \$ 208,319 \$ 624,823 \$ 208,248 \$ 631,452 0% 163,759 519,145 184,018 526,632 -11% 162,571 468,822 166,381 491,561 -2% 45,349 147,512 65,183 190,986 -30% 579,998 1,760,302 623,830 1,840,631 -7% 18,747 65,360 21,198 65,218 -12% 3,299 13,691 4,182 15,998 -21%

⁽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 \$0.5 million and \$0.9 million, and \$0.3 million and \$1.1 million related to acquired software license contracts which were not recognized during the three and nine months ended September 30, 2015 and 2014, respectively, due to business combination accounting rules.

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

For the Three Months Ended September 30, 2015

	Pro	ofessional	Co	nsumer			
Operating Segment	Di	agnostics	Dia	gnostics	Cc	orporate	 Total
Net revenue	\$	583,297	\$	18,747	\$	-	\$ 602,044
Adjustment related to acquired software license contracts (1)		430		-		-	430
Non-GAAP adjusted net revenue	\$	583,727	\$	18,747	\$	-	\$ 602,474
Operating income (loss)	\$	54,450	\$	1,039	\$	(26,324)	\$ 29,165
Adjustment related to acquired software license contracts (1)		430		-		-	430
Amortization of acquisition-related intangible assets		60,880		9		39	60,928
Restructuring charges		1,578		-		686	2,264
Stock-based compensation expense		-		-		7,317	7,317
Compensation charges associated with acquisition-related contingent							
consideration obligations		191		-		-	191
Acquisition-related costs		-		-		241	241
Fair value adjustments to acquisition-related contingent consideration		957		-		-	957
Costs associated with potential business dispositions		1,878		-		-	1,878
Impairment and loss on disposition, net		2,074		-		-	 2,074
Non-GAAP adjusted operating income (loss)	\$	122,438	\$	1,048	\$	(18,041)	\$ 105,445
Non-GAAP adjusted operating income (loss) as % of Non-GAAP adjusted net							
revenue		21.0%		5.6%			 17.5%

⁽¹⁾ Estimated revenue related to acquired software license contracts that was not recognized during the three months ended September 30, 2015 due to business combination accounting rules.

		F	or the Th	ree Months Er	nded Sep	tember 30, 201	.4	
	Pro	ofessional	Co	nsumer				
Operating Segment	Dia	agnostics	Dia	gnostics	Co	orporate		Total
(4)								
Net revenue (1)	\$	628,012	\$	21,198	\$	-	\$	649,210
Adjustment related to acquired software license contracts (2)		324		-		-		324
Non-GAAP adjusted net revenue	\$	628,336	\$	21,198	\$	-	\$	649,534
Operating income (loss)	\$	67,232	\$	1,499	\$	(33,389)	\$	35,342
Adjustment related to acquired software license contracts (2)		324		-		-		324
Amortization of acquisition-related intangible assets		57,306		175		1,332		58,813
Restructuring charges		14,118		-		3,178		17,296
Stock-based compensation expense		-		-		3,168		3,168
Compensation charges associated with acquisition-related contingent								
consideration obligations		670		-		-		670
Acquisition-related costs		-		-		325		325
Fair value adjustments to acquisition-related contingent consideration		(8,637)		-		3,100		(5,537)
Costs associated with potential business dispositions		6,203		-		-		6,203
Non-GAAP adjusted operating income (loss)	\$	137,216	\$	1,674	\$	(22,286)	\$	116,604
New CAAD adjusted assessing income (least) as 0/ of New CAAD adjusted as t								
Non-GAAP adjusted operating income (loss) as % of Non-GAAP adjusted net								
revenue		21.8%		7.9%				18.0%

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

Comments:

In calculating "Non-GAAP adjusted operating income (loss)" in the schedule presented above, the Company excludes from "Operating income (loss)" (i) certain non-cash charges, including amortization expense and stock-based compensation expense, (ii) non-recurring charges and income, and (iii) certain other charges and income that have a significant positive or negative impact on results yet do not occur on a consistent or regular basis in its business. In determining whether a particular item meets one of these criteria, management considers facts and circumstances that it believes are relevant. Management believes that excluding such charges and income from "Operating income (loss)" allows investors and management to evaluate and compare the Company's operating results from continuing operations from period to period in a meaningful and consistent manner. Due to the frequency of their occurrence in its business, the Company does not adjust "Operating income (loss)" for the costs associated with litigation, including payments made or received through settlements. It should be noted that "Non-GAAP adjusted operating income (loss)" is not a standard financial measurement under accounting principles generally accepted in the United States of America ("GAAP") and should not be considered as an alternative to "Operating income (loss)" as an indicator of operating performance or any measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, "Non-GAAP adjusted operating income (loss)" presented in this schedule may not be comparable to similar measures used by other companies.

Reference should also be made to the Company's financial results contained in our earnings press release respective to the periods presented in this schedule, which include a more detailed discussion of the adjustments to the GAAP operating results presented above.

⁽²⁾ Estimated revenue related to acquired software license contracts that was not recognized during the three months ended September 30, 2014 due to business combination accounting rules.

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

For the Nine Months Ended September 30, 2015

	P	rofessional	Co	nsumer		
Operating Segment		iagnostics	Dia	ngnostics	 orporate	 Total
Net revenue	\$	1,773,993	\$	65,360	\$ -	\$ 1,839,353
Adjustment related to acquired software license contracts (1)		877		-	-	877
Non-GAAP adjusted net revenue	\$	1,774,870	\$	65,360	\$ -	\$ 1,840,230
Operating income (loss)	\$	219,543	\$	4,322	\$ (75,456)	\$ 148,409
Adjustment related to acquired software license contracts (1)		877		-	-	877
Amortization of acquisition-related intangible assets		160,723		28	116	160,867
Restructuring charges		10,103		-	1,284	11,387
Stock-based compensation expense		-		-	19,596	19,596
Compensation charges associated with acquisition-related						
contingent consideration obligations		(2,615)		-	-	(2,615)
Acquisition-related costs		-		-	332	332
Fair value adjustments to acquisition-related contingent						
consideration		-		-	(51,910)	(51,910)
Costs associated with potential business dispositions		6,488		-	-	6,488
Impairment and gain (loss) on dispositions, net		42,408			 	42,408
Non-GAAP adjusted operating income (loss)	\$	437,527	\$	4,350	\$ (106,038)	\$ 335,839
Non-GAAP adjusted operating income (loss) as % of Non-GAAP						
adjusted net revenue		24.7%		6.7%		 18.2%

⁽¹⁾ Estimated revenue related to acquired software license contracts that was not recognized during the nine months ended September 30, 2015 due to business combination accounting rules.

For the Nine Months Ended September 30, 2014 Professional Consumer **Operating Segment** Diagnostics Diagnostics Corporate Total Net revenue (1) 1,855,318 66,529 1,921,847 Adjustment related to acquired software license contracts (2) 1,116 1,116 Non-GAAP adjusted net revenue 1,856,434 66,529 1,922,963 Ś Operating income (loss) Ś 135.856 4.210 (75,477)64.589 Adjustment related to acquired software license contracts $^{(2)}$ 1,116 1,116 Amortization of acquisition-related intangible assets 174,638 638 1.332 176,608 Restructuring charges 29,746 7,328 37.074 Stock-based compensation expense 7,750 7,750 Compensation charges associated with acquisition-related contingent consideration obligations 1,673 1,673 Acquisition-related costs 695 695 Fair value adjustments to acquisition-related contingent consideration 9,042 3.400 12.442 Costs associated with potential business dispositions 20,763 20,763 Loss on disposition 638 638 Non-GAAP adjusted operating income (loss) 373,472 4.848 (54,972) 323.348 Non-GAAP adjusted operating income (loss) as % of Non-GAAP adjusted net revenue 16.8% 20.1% 7.3%

Comments:

In calculating "Non-GAAP adjusted operating income (loss)" in the schedule presented above, the Company excludes from "Operating income (loss)" (i) certain non-cash charges, including amortization expense and stock-based compensation expense, (ii) non-recurring charges and income, and (iii) certain other charges and income that have a significant positive or negative impact on results yet do not occur on a consistent or regular basis in its business. In determining whether a particular item meets one of these criteria, management considers facts and circumstances that it believes are relevant. Management believes that excluding such charges and income from "Operating income (loss)" allows investors and management to evaluate and compare the Company's operating results from continuing operations from period to period in a meaningful and consistent manner. Due to the frequency of their occurrence in its business, the Company does not adjust "Operating income (loss)" for the costs associated with litigation, including payments made or received through settlements. It should be noted that "Non-GAAP adjusted operating income (loss)" is not a standard financial measurement under accounting principles generally accepted in the United States of America ("GAAP") and should not be considered as an alternative to "Operating income (loss)" as an indicator of operating performance or any measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, "Non-GAAP adjusted

Reference should also be made to the Company's financial results contained in our earnings press release respective to the periods presented in this schedule, which include a more detailed discussion of the adjustments to the GAAP operating results presented above.

⁽¹⁾ Net revenue has been restated for the impact of a change in segment reporting due to the divestiture of our health management business

⁽²⁾ Estimated revenue related to acquired software license contracts that was not recognized during the nine months ended September 30, 2014 due to business combination accounting rules.

Alere Inc. and Subsidiaries Reconciliations to Non-GAAP Adjusted P&L Categories (in thousands)

(in thousands)				
		Months Ended nber 30, 2015		Months Ended ober 30, 2014
Net revenue	\$	602,044	\$	649,210
Adjustment related to acquired software license contracts		430		324
Non-GAAP adjusted net revenue (1)	\$	602,474	\$	649,534
Cost of net revenue Less adjustments:	\$	326,995	\$	347,588
Amortization of acquisition-related intangible assets		(16,132)		(15,684) (5,654)
Restructuring charges Stock-based compensation expense		(523) (326)		(291)
Non-GAAP adjusted cost of net revenue (1)	\$	310,014	\$	325,959
Non-GAAP adjusted gross profit (1)	\$	292,460	\$	323,575
		Months Ended		Months Ended
Research and development	\$	36,011	\$	38.726
Less adjustments:	ş		ş	,
Amortization of acquisition-related intangible assets Restructuring charges		(8,304) (18)		(1,372) (5,457)
Stock-based compensation expense Non-GAAP adjusted research and development (1)	•	27,402	\$	(279) 31,618
	7		<u> </u>	
		Months Ended nber 30, 2015		Months Ended ober 30, 2014
Selling, general and administrative	\$	207,799	\$	227,554
Less adjustments: Amortization of acquisition-related intangible assets		(36,492)		(41,757)
Restructuring charges Stock-based compensation expense		(1,723) (6,704)		(6,185) (2,598)
Compensation charges associated with acquisition-related contingent consideration obligations		(191)		(670)
Acquisition-related costs Fair value adjustments to acquisition-related contingent consideration		(241) (957)		(325) 5,537
Costs associated with potential business dispositions Non-GAAP adjusted selling, general and administrative ⁽¹⁾	_	(1,878)	_	(6,203)
Non-GAAP adjusted selling, general and administrative:	\$	159,613	\$	175,353
		Months Ended nber 30, 2015		Months Ended ober 30, 2014
Impairment and loss on disposition, net	\$	2.074	\$	
Impairment and loss on disposition, net		(2,074)		-
Non-GAAP adjusted impairment and loss on disposition, net ⁽¹⁾	\$		\$	-
		Months Ended		Months Ended
Interest and other income (expense), net Less adjustments:	\$	(47,588)	\$	(60,419)
Restructuring charges Write off of equity investment in BBI		6 662		. 11
Interest expense recorded in connection with fees paid for certain debt modifications and the				
termination of our senior secured credit facility Interest accretion associated with acquisition-related compensation charges		9,273 35		363 102
Non-GAAP adjusted interest and other income (expense), net ⁽¹⁾	\$	(37,612)	\$	(59,943)
		Months Ended		Months Ended
Provision (benefit) for income taxes Add: Income tax effects on Non-GAAP adjustments	\$	(18,924) 38,200	\$	65,489 (37,109)
Non-GAAP adjusted provision for income taxes, net ⁽¹⁾	\$	19,276	\$	28,380
		Months Ended		Months Ended
		nber 30, 2015		nber 30, 2014
Equity earnings of unconsolidated entities, net of tax Less adjustments:	\$	5,000	\$	6,277
Amortization of acquisition-related intangible assets Loss on sale of equity investment		104		132 457
Income tax effects on items above Non-GAAP adjusted equity earnings of unconsolidated entities, net of tax (1)		-	_	
Non-GAAF adjusted equity earnings of unconsolidated entities, net of tax	3	5,104	\$	6,866
		Months Ended nber 30, 2015		Months Ended ober 30, 2014
Loss from discontinued operations, net of taxes	\$	-	\$	(14,401)
Less adjustments: Amortization of acquisition-related intangible assets				7,514
Restructuring charges Goodwill impairment charge				562 17,984
Fair value adjustments to acquisition-related contingent consideration Income tax effects on items above		-		(25,071)
Non-GAAP adjusted income from discontinued operations, net of taxes ⁽¹⁾	\$		\$	16,234 2,822
		Months Ended		Months Ended
No. 1 Company of the	·	<u>-</u>		
Net loss attributable to non-controlling interests, net of tax Less: Amortization of acquisition-related intangible assets, net of tax	\$	(61) 78	\$	(306) 127
Income tax effects on items above Non-GAAP adjusted net loss attributable to non-controlling interests, net of tax (1)	\$	(4)	\$	(209)
	_	1.7		,/
 The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue 	\$	602,474	\$	649,534
Non-GAAP adjusted cost of net revenue Non-GAAP adjusted research and development	\$ \$	310,014 27,402	\$ \$	325,959 31,618
Non-GAAP adjusted selling, general and administrative	\$	159,613	\$	175,353
Non-GAAP adjusted impairment and loss on dispositions, net Non-GAAP adjusted interest and other income (expense), net	\$ \$	(37,612)	\$ \$	(59,943)
Non-GAAP adjusted provision for income taxes Non-GAAP adjusted equity earnings of unconsolidated entities, net of tax	\$	19,276 5,104	\$	28,380 6,866
Non-GAAP adjusted income from discontinued operations, net of tax	\$	-	\$	2,822
Non-GAAP adjusted net loss attributable to non-controlling interests, net of tax	\$	(4)	\$	(209)

Alere Inc. and Subsidiaries Reconciliations to Non-GAAP Adjusted P&L Categories (in thousands)

(in thousands)				
, ,		onths Ended		Months Ended mber 30, 2014
Net revenue	\$	1,839,353	\$	1,921,847
Adjustment related to acquired software license contracts Non-GAAP adjusted net revenue (1)	Ś	1,840,230	Ś	1,116
Cost of net revenue	\$	979,745	\$	1,011,174
Less adjustments:	,		ý	
Amortization of acquisition-related intangible assets Restructuring charges		(43,440) (2,921)		(47,242) (6,707)
Stock-based compensation expense Costs associated with potential business dispositions		(866) (391)		(863)
Non-GAAP adjusted cost of net revenue (1)	\$	932,127	\$	956,362
Non-GAAP adjusted gross profit (1)	\$	908,103	\$	966,601
	Min - A	Ionths Ended	Aller - 1	Months Ended
		nber 30, 2015		mber 30, 2014
Research and development	\$	91,225	\$	114,855
Less adjustments: Amortization of acquisition-related intangible assets		(10,088)		(3,721)
Restructuring charges Stock-based compensation expense		(666) (893)		(8,488) 341
Non-GAAP adjusted research and development (1)	\$	79,578	\$	102,987
		lonths Ended		Months Ended
		nber 30, 2015		mber 30, 2014
Selling, general and administrative Less adjustments:	\$	577,566	\$	730,591
Amortization of acquisition-related intangible assets		(107,339)		(125,645) (21,879)
Restructuring charges Stock-based compensation expense		(7,800) (17,837)		(7,228)
Compensation charges associated with acquisition-related contingent consideration obligations Acquisition-related costs		2,615 (332)		(1,673) (695)
Fair value adjustments to acquisition-related contingent consideration		51,910		(12,442)
Costs associated with potential business dispositions Non-GAAP adjusted selling, general and administrative (1)	\$	(6,097) 492,686	\$	(20,763) 540,266
	Nine N	lonths Ended	Nine I	Months Ended
	Septer	nber 30, 2015	Septe	mber 30, 2014
Impairment and loss on disposition, net	\$	42,408	\$	638
Impairment and loss on disposition, net Non-GAAP adjusted impairment and loss on disposition, net ⁽¹⁾	\$	(42,408)	\$	(638)
	Nine N	lonths Ended	Nine I	Months Ended
		nber 30, 2015		mber 30, 2014
Interest and other income (expense), net Less adjustments:	\$	(150,523)	\$	(154,112)
Restructuring charges		19		34
Write off of equity investment in BBI Interest expense recorded in connection with fees paid for certain debt modifications and the		662		
termination of our senior secured credit facility		20,940		1,091
Interest accretion associated with acquisition-related compensation charges Expense associated with extinguishment of debt		(406) 3,480		295
Non-GAAP adjusted interest and other income (expense), net ⁽¹⁾	\$	(125,828)	\$	(152,692)
		lonths Ended		Months Ended
		nber 30, 2015		mber 30, 2014
Provision (benefit) for income taxes Add: Income tax effects on Non-GAAP adjustments	\$	(10,009) 70,884	\$	69,273 (6,678)
Non-GAAP adjusted provision for income taxes, net ⁽¹⁾	\$	60,875	\$	62,595
		lonths Ended		Months Ended
		nber 30, 2015		mber 30, 2014
Equity earnings of unconsolidated entities, net of tax Less adjustments:	\$	10,320	\$	13,716
Amortization of acquisition-related intangible assets Loss on sale of equity investment		314		430 457
Income tax effects on items above Non-GAAP adjusted equity earnings of unconsolidated entities, net of tax ⁽¹⁾	Ś	10,634	Ś	14,603
	**************************************		All	
		onths Ended ober 30, 2015		Months Ended mber 30, 2014
Income (loss) from discontinued operations, net of taxes	\$	216,777	\$	(4,082)
Less adjustments: Amortization of acquisition-related intangible assets		559		22,541
Restructuring charges Goodwill impairment charge		(13)		4,039 17.984
Fair value adjustments to acquisition-related contingent consideration				(26,321)
Gain on Divestiture Income tax effects on items above		(366,191) 148,056		(5,857)
Non-GAAP adjusted income (loss) from discontinued operations, net of taxes (1)		(812)	\$	8,304
	\$			Months Ended
	Nine N	Ionths Ended		mhor 20 2014
Nest leaves flored attificiately to page 1997	Nine N Septen	nber 30, 2015	Septe	mber 30, 2014
Net income (loss) attributable to non-controlling interests, net of tax Less: Amortization of acquisition-related intangible assets, net of tax	Nine N	386 240		(136) 387
Less: Amortization of acquisition-related intangible assets, net of tax Income tax effects on items above	Nine N Septen	386 240 63	Septer \$	(136) 387 88
Less: Amortization of acquisition-related intangible assets, net of tax income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax ^[1]	Nine N Septen	386 240	Septe	(136) 387
Less: Amortization of acquisition-related intangible assets, net of tax income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax (1) (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue	Nine N Septer	386 240 63 563 1,840,230	\$ \$	(136) 387 88 163
Less: Amortization of acquisition-related intangible assets, net of tax income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax ⁽¹⁾ (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue Non-GAAP adjusted ost of net revenue	Nine N Septer	386 240 63 563 1,840,230 932,127	\$ \$	(136) 387 88 163 1,922,963 956,362
Less: Amortization of acquisition-related intangible assets, net of tax Income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax (1) (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue Non-GAAP adjusted cost of net revenue Non-GAAP adjusted research and development Non-GAAP adjusted selling, general and administrative	Nine N Septer	386 240 63 563 1,840,230	Septem S S S S S S S S S S S S S S S S S S S	(136) 387 88 163
Less: Amortization of acquisition-related intangible assets, net of tax Income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax (1) (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue Non-GAAP adjusted ost of net revenue Non-GAAP adjusted research and development Non-GAAP adjusted research and development Non-GAAP adjusted research loss on dispositions, net	Nine N Septem \$ \$	1,840,230 932,127 79,578 492,686	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(136) 387 88 163 1,922,963 956,362 102,987 540,266
Less: Amortization of acquisition-related intangible assets, net of tax Income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax (1) (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue Non-GAAP adjusted cost of net revenue Non-GAAP adjusted cost of net revenue Non-GAAP adjusted sealing, general and administrative Non-GAAP adjusted impairment and loss on dispositions, net Non-GAAP adjusted interest and other income (expense), net Non-GAAP adjusted provision for income taxes	Septer \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,840,230 932,127 79,578 492,686 - (125,828) 60,875	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(136) 387 88 163 1,922,963 956,362 102,987 540,266 - (152,692) 62,595
Less: Amortization of acquisition-related intangible assets, net of tax Income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax (1) (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue Non-GAAP adjusted research and development Non-GAAP adjusted research and development Non-GAAP adjusted research and loss on dispositions, net Non-GAAP adjusted impairment and loss on dispositions, net Non-GAAP adjusted interest and other income (expense), net Non-GAAP adjusted equity earnings of unconsolidated entities, net of tax	Nine N Septer	1,840,230 932,127 79,578 49,686 60,875 10,634	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(136) 387 88 163 1,922,963 956,362 102,987 540,266
Less: Amortization of acquisition-related intangible assets, net of tax Income tax effects on items above Non-GAAP adjusted net income attributable to non-controlling interests, net of tax (1) The following is a summary of our non-GAAP adjusted measures included above: Non-GAAP adjusted net revenue Non-GAAP adjusted cost of net revenue Non-GAAP adjusted research and development Non-GAAP adjusted research and development Non-GAAP adjusted impairment and loss on dispositions, net Non-GAAP adjusted interest and other income (expense), net Non-GAAP adjusted provision for income taxes	Septer \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,840,230 932,127 79,578 492,686 - (125,828) 60,875	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(136) 387 88 163 1,922,963 956,362 102,987 540,266 - (152,692) 62,595

Alere Inc. and Subsidiaries Reconciliations of Gross Profit/Margin to Non-GAAP Adjusted Gross Profit/Margin (in thousands)

Alere Consolidated	Three Months September 30		Three Month June 30, 2		Three Month September 3	
Net revenue Adjustment related to acquired	\$ 649,210		\$ 629,156		\$ 602,044	
software license contracts	324		200		430	
Non-GAAP adjusted net revenue	649,534		629,356		602,474	
Cost of net revenue Less adjustments:	347,588		336,582		326,995	
Amortization of acquisition-related intangible assets	15,684		13,112		16,132	
Stock-based compensation expense	291		287		326	
Restructuring charges	5,654		897		523	
Non-GAAP adjusted cost of net revenue	325,959		322,286		310,014	
Non-GAAP adjusted gross profit/margin	\$ 323,575	49.8%	\$ 307,070	48.8%	\$ 292,460	48.5%
	Three Months	s Ended	Three Month	s Ended	Three Month	s Ended
Professional Diagnostics Segment	September 30	, 2014 ⁽¹⁾	June 30, 2	2015	September 3	0, 2015
Net product sales and services revenue Adjustment related to acquired	\$ 628,012	, 2014 ⁽¹⁾	\$ 598,817	2015	\$ 579,998	30, 2015
Net product sales and services revenue		, 2014 ⁽¹⁾		2015		90, 2015
Net product sales and services revenue Adjustment related to acquired	\$ 628,012	, 2014 ⁽¹⁾	\$ 598,817	2015	\$ 579,998	90, 2015
Net product sales and services revenue Adjustment related to acquired software license contracts Non-GAAP adjusted net product sales and services revenue Cost of net revenue	\$ 628,012 324	, 2014 ⁽¹⁾	\$ 598,817 200	2015	\$ 579,998 430	90, 2015
Net product sales and services revenue Adjustment related to acquired software license contracts Non-GAAP adjusted net product sales and services revenue	\$ 628,012 324 628,336	, 2014 ⁽¹⁾	\$ 598,817 200 599,017	2015	\$ 579,998 430 580,428	90, 2015
Net product sales and services revenue Adjustment related to acquired software license contracts Non-GAAP adjusted net product sales and services revenue Cost of net revenue Less adjustments:	\$ 628,012 324 628,336 329,013	, 2014 ⁽¹⁾	\$ 598,817 200 599,017 312,068	2015	\$ 579,998 430 580,428 308,976	0, 2015
Net product sales and services revenue Adjustment related to acquired software license contracts Non-GAAP adjusted net product sales and services revenue Cost of net revenue Less adjustments: Amortization of acquisition-related intangible assets	\$ 628,012 324 628,336 329,013 15,659	, 2014 ⁽¹⁾	\$ 598,817 200 599,017 312,068 13,112	2015	\$ 579,998 430 580,428 308,976 16,133	0, 2015
Net product sales and services revenue Adjustment related to acquired software license contracts Non-GAAP adjusted net product sales and services revenue Cost of net revenue Less adjustments: Amortization of acquisition-related intangible assets Stock-based compensation expense	\$ 628,012 324 628,336 329,013 15,659 291	, 2014 ⁽¹⁾	\$ 598,817 200 599,017 312,068 13,112 287	2015	\$ 579,998 430 580,428 308,976 16,133 326	0, 2015

Note:

(1) Restated to reflect the impact of discontinued operations and the impact of a change in segment reporting

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

	Three Months Ended September 30, 2015		Nine Months Ended September 30, 2015	
Net Income ⁽¹⁾ Less: Income from discontinued operations, net of tax Income from continuing operations	\$	5,501 - 5,501	\$	234,992 216,777 18,215
Adjustment related to acquired software license contracts Income tax provision (benefit) Depreciation and amortization Interest, net (2) Non-cash stock-based compensation expense Non-cash fair value adjustments to acquisition-related contingent consideration Non-cash write-off of an investment Impairment and gain (loss) on dispositions, net		430 (18,924) 86,603 49,999 7,317 957 662 2,074		877 (10,009) 233,825 154,596 19,596 (51,910) 662 42,408
Non-GAAP EBITDA	\$	134,619	\$	408,260

⁽¹⁾ Net income for the three months and nine months ended September 30, 2015 includes non-interest related restructuring charges of \$2.3 million and \$11.4 million, respectively, and \$1.9 million and \$6.5 million of costs associated with business dispositions, respectively, which have not been added back for purposes of computing non-GAAP EBITDA. The three months and nine months ended September 30, 2015 also includes \$0.2 million and \$0.3 million, respectively, of acquisition-related costs.

⁽²⁾ Includes \$3.5 million of expense associated with the extinguishment of debt during the nine months ended September 30, 2015.

Alere Inc. and Subsidiaries Reconciliation of Net Cash Provided by Operating Activities to Non-GAAP Free Cash Flow (in thousands)

	Three Months Ended September 30, 2015		Nine Months Ended September 30, 2015	
Net cash provided by operating activities Capital expenditures	\$	104,724 (20,663)	\$ \$	137,250 (67,947)
Non-GAAP free cash flow	\$	84,061	\$	69,303