

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net product sales and services revenue	\$ 579,874	\$ 600,469	\$ 1,763,909	\$ 1,826,340
License and royalty revenue	2,480	3,299	7,742	13,691
Net revenue	582,354	603,768	1,771,651	1,840,031
Cost of net revenue	316,226	326,802	957,405	980,516
Gross profit	266,128	276,966	814,246	859,515
Gross margin	46%	46%	46%	47%
Operating expenses:				
Research and development	31,430	36,011	86,938	91,225
Selling, general and administrative	231,266	207,799	676,905	578,766
Impairment and (gain) loss on disposition, net	-	2,074	(3,810)	42,408
Operating income	3,432	31,082	54,213	147,116
Interest and other income (expense), net	(58,442)	(48,675)	(158,338)	(153,772)
Loss from continuing operations before provision (benefit) for income taxes	(55,010)	(17,593)	(104,125)	(6,656)
Provision (benefit) for income taxes	(50,888)	(10,212)	(47,979)	(2,376)
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax	(4,122)	(7,381)	(56,146)	(4,280)
Equity earnings of unconsolidated entities, net of tax	26,149	5,000	33,305	10,320
Income (loss) from continuing operations	22,027	(2,381)	(22,841)	6,040
Income from discontinued operations, net of tax	-	-	-	216,777
<b>Net income</b>	<b>22,027</b>	<b>(2,381)</b>	<b>(22,841)</b>	<b>222,817</b>
Less: Net income attributable to non-controlling interests	207	(61)	453	386
<b>Net income attributable to Alere Inc. and Subsidiaries</b>	<b>21,820</b>	<b>(2,320)</b>	<b>(23,294)</b>	<b>222,431</b>
Preferred stock dividends	(5,366)	(5,369)	(15,983)	(15,927)
Net income available to common stockholders	<u>\$ 16,454</u>	<u>\$ (7,689)</u>	<u>\$ (39,277)</u>	<u>\$ 206,504</u>
<b>Basic net income per common share:</b>				
Income (loss) from continuing operations	\$ 0.19	\$ (0.10)	\$ (0.45)	\$ (0.13)
Income from discontinued operations	-	-	-	2.56
<b>Basic and diluted net income per common share</b>	<u>\$ 0.19</u>	<u>\$ (0.10)</u>	<u>\$ (0.45)</u>	<u>\$ 2.43</u>
<b>Diluted net income per common share:</b>				
Income (loss) from continuing operations	\$ 0.19	\$ (0.10)	\$ (0.45)	\$ (0.13)
Income from discontinued operations	-	-	-	2.56
<b>Diluted net income per common share</b>	<u>\$ 0.19</u>	<u>\$ (0.10)</u>	<u>\$ (0.45)</u>	<u>\$ 2.43</u>
Weighted average shares - basic	86,753	85,895	86,708	85,141
Weighted average shares - diluted	<u>87,885</u>	<u>85,895</u>	<u>86,708</u>	<u>85,141</u>

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

	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 566,213	\$ 502,200
Restricted cash	4,999	5,694
Marketable securities	75	164
Accounts receivable, net	427,241	445,833
Inventories, net	348,845	347,001
Prepaid expenses and other current assets	163,833	152,233
Assets held for sale	-	4,165
<b>Total current assets</b>	<b>1,511,206</b>	<b>1,457,290</b>
Property, Plant and Equipment, net	446,313	446,039
Goodwill and other intangible assets, net	3,698,458	3,862,306
Restricted Cash- non-current	42,438	43,228
Other non-current assets	157,259	100,921
Assets held for sale - non-current	-	13,337
<b>Total assets</b>	<b>\$ 5,855,674</b>	<b>\$ 5,923,121</b>
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES:</b>		
Short-term debt and current portions of long-term debt and capital lease obligations	\$ 45,137	\$ 203,954
Liabilities related to assets held for sale	-	363
Other current liabilities	661,373	520,217
<b>Total current liabilities</b>	<b>706,510</b>	<b>724,534</b>
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt and capital lease obligations, net of current portions	2,913,100	2,838,347
Deferred tax liabilities	52,513	147,618
Other long-term liabilities	133,182	154,193
Liabilities related to assets held for sale - non-current	-	-
<b>Total long-term liabilities</b>	<b>3,098,795</b>	<b>3,140,158</b>
<b>TOTAL EQUITY</b>	<b>2,050,369</b>	<b>2,058,429</b>
<b>Total liabilities and equity</b>	<b>\$ 5,855,674</b>	<b>\$ 5,923,121</b>

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

	<b>Three Months Ended September 30,</b>		<b>% Change</b>
	<b>2016</b>	<b>2015</b>	<b>2016 v. 2015</b>
<b>Professional diagnostics segment <sup>(1)</sup></b>			
Cardiometabolic	\$ 188,731	\$ 208,979	-10%
Infectious disease	183,375	164,822	11%
Toxicology	155,871	162,571	-4%
Other	32,550	45,350	-28%
<b>Total professional diagnostics segment</b>	<b>560,527</b>	<b>581,722</b>	<b>-4%</b>
<b>Consumer diagnostics segment <sup>(1)</sup></b>	<b>19,347</b>	<b>18,747</b>	<b>3%</b>
<b>License and royalty revenue</b>	<b>2,480</b>	<b>3,299</b>	<b>-25%</b>
<b>Net revenue</b>	<b>\$ 582,354</b>	<b>\$ 603,768</b>	<b>-4%</b>

	<b>Nine Months Ended September 30,</b>		<b>% Change</b>
	<b>2016</b>	<b>2015</b>	<b>2016 v. 2015</b>
<b>Professional diagnostics segment <sup>(1)</sup></b>			
Cardiometabolic	\$ 587,289	\$ 621,588	-6%
Infectious disease	556,777	523,059	6%
Toxicology	460,849	468,822	-2%
Other	102,411	147,511	-31%
<b>Total professional diagnostics segment</b>	<b>1,707,327</b>	<b>1,760,980</b>	<b>-3%</b>
<b>Consumer diagnostics segment <sup>(1)</sup></b>	<b>56,582</b>	<b>65,360</b>	<b>-13%</b>
<b>License and royalty revenue</b>	<b>7,742</b>	<b>13,691</b>	<b>-43%</b>
<b>Net revenue</b>	<b>\$ 1,771,651</b>	<b>\$ 1,840,031</b>	<b>-4%</b>

<sup>(1)</sup> Revenues have been revised for the impact of revisions made during the preparation of our consolidated financial statements for 2015. For more information on these revisions see Note 2 in our Form 10-Q.

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

	<b>Three Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Net Income (loss)</b> <sup>(1)</sup>	\$ 22,027	\$ (2,383)
Less: Income from discontinued operations, net of tax	-	-
<b>Loss from continuing operations</b>	22,027	(2,383)
Adjustment related to acquired software license contracts		430
Income tax benefit	(50,888)	(10,210)
Depreciation and amortization	71,829	86,651
Interest, net	43,354	49,999
Non-cash stock-based compensation expense	10,509	7,317
Non-cash fair value adjustments to acquisition-related contingent consideration	(14,510)	957
Impairment and (gain) loss on dispositions, net	(18,721)	2,074
Other		662
<b>Non-GAAP Adjusted EBITDA</b>	\$ 63,599	\$ 135,496

<sup>(1)</sup> Net income (loss) for the three months ended September 30, 2015 includes restructuring charges of \$3.2 million, \$0.9 million of costs associated with business dispositions, and \$0.2 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The three months ended September 30, 2016 includes \$17.3 million of Abbott integration costs, non-interest related restructuring charges of \$11.3 million, \$10.5 million for a legal settlement accrual, \$15.2 million of charges related to governmental investigations, and \$0.3 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA.

	<b>Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Net Income (loss)</b> <sup>(1)</sup>	\$ (22,841)	\$ 222,815
Less: Income from discontinued operations, net of tax	-	216,776
<b>Loss from continuing operations</b>	(22,841)	6,040
Adjustment related to acquired software license contracts		877
Income tax benefit	(47,979)	(2,375)
Depreciation and amortization	214,418	233,965
Interest, net	125,979	154,596
Non-cash stock-based compensation expense	31,115	19,596
Non-cash fair value adjustments to acquisition-related contingent consideration	(16,290)	(51,910)
Impairment and (gain) loss on dispositions, net	(22,531)	42,408
Other		662
<b>Non-GAAP Adjusted EBITDA</b>	\$ 261,870	\$ 403,858

<sup>(1)</sup> Net income (loss) for the nine months ended September 30, 2015 includes restructuring charges of \$12.3 million, \$5.5 million of costs associated with business dispositions, and \$0.3 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The nine months ended September 30, 2016 includes restructuring charges of \$27.7 million, \$38.2 million of Abbott integration costs, \$20.7 million for a legal settlement accrual, \$25.5 million of charges related to governmental investigations, and \$1.0 million of costs associated with business dispositions which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The nine months ended September 30, 2016 also includes \$1.0 million of acquisition-related costs.

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

	Three Months Ended September 30,		% Change 2016 v. 2015
	2016	2015	
Net revenue	\$ 582,354	\$ 603,768	-3.5%
Impact of foreign currency exchange	3,491	-	
Impact of acquisitions & dispositions	(1,163)	(15,072)	
<b>Non-GAAP organic net revenue</b>	<b>\$ 584,682</b>	<b>\$ 588,696</b>	<b>-0.7%</b>

	Nine Months Ended September 30,		% Change 2016 v. 2015
	2016	2015	
Net revenue	\$ 1,771,651	\$ 1,840,030	-3.7%
Impact of foreign currency exchange	30,403	-	
Impact of acquisitions & dispositions	(12,531)	(52,181)	
<b>Non-GAAP organic net revenue</b>	<b>\$ 1,789,524</b>	<b>\$ 1,787,850</b>	<b>0.1%</b>

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

**Three months ended September 30, 2016**

	<b>Cost of Net Revenue</b>	<b>Research and Development</b>	<b>Selling, General &amp; Administrative</b>	<b>Impairment, net of loss on disposition</b>	<b>Interest and other income, net</b>	<b>Provision for income taxes</b>	<b>Equity earnings of unconsolidated entities, net of tax</b>	<b>Net Income<sup>1</sup></b>
Amortization of acquisition-related intangible assets	\$ 12,398	\$ 926	\$ 31,982	\$ -	\$ -	\$ -	\$ -	\$ (45,307)
Restructuring charges	1,531	586	9,172	-	-	-	-	(11,290)
Impairment Charges	-	-	-	-	-	-	-	-
Stock-based compensation expense	456	494	9,558	-	-	-	-	(10,509)
Acquisition-related costs	-	5,000	266	-	-	-	-	(5,266)
Fair value adjustments to acquisition-related contingent consideration	-	-	(14,510)	-	-	-	-	14,510
Costs associated with potential business dispositions	-	-	50	-	-	-	-	(50)
Impairment and (gain) loss on disposition, net	-	-	-	-	-	-	(18,721)	18,721
Amortization - Unconsolidated Subs	-	-	-	-	-	-	46	(46)
Audit and legal fees related to on-going governmental investigations	-	-	13,308	-	1,922	-	-	(15,230)
Abbott transaction related expenses	-	-	17,334	-	-	-	-	(17,334)
INRatio recall expense	600	-	1,300	-	-	-	-	(1,900)
Legal settlement accrual	-	-	-	-	10,675	-	-	(10,675)
Income tax effects on items above	-	-	-	-	-	(60,352)	-	60,352
<b>Total of Supplemental Information</b>	<b>\$ 14,985</b>	<b>\$ 7,007</b>	<b>\$ 68,461</b>	<b>\$ -</b>	<b>\$ 12,597</b>	<b>\$ (60,352)</b>	<b>\$ (18,675)</b>	<b>\$ (24,024)</b>
Impact of above items on EPS numerator								\$ -
Impact of above items on EPS denominator								-

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

**Nine months ended September 30, 2016**

	<b>Cost of Net Revenue</b>	<b>Research and Development</b>	<b>Selling, General &amp; Administrative</b>	<b>Impairment, net of loss on disposition</b>	<b>Interest and other income, net</b>	<b>Provision for income taxes</b>	<b>Equity earnings of unconsolidated entities, net of tax</b>	<b>Net Income<sup>1</sup></b>
Amortization of acquisition-related intangible assets	\$ 37,334	\$ 2,763	\$ 95,869	\$ -	\$ -	\$ -	\$ -	\$ (135,967)
Restructuring charges	3,901	3,540	20,296	-	-	-	-	(27,738)
Impairment Charges	85	-	-	-	-	-	-	(85)
Stock-based compensation expense	1,536	1,373	28,205	-	-	-	-	(31,115)
Acquisition-related costs	-	5,000	957	-	-	-	-	(5,957)
Fair value adjustments to acquisition-related contingent consideration	-	-	(16,290)	-	-	-	-	16,290
Costs associated with potential business dispositions	7	-	952	-	-	-	-	(959)
Impairment and (gain) loss on disposition, net	-	-	-	(3,810)	-	-	(18,721)	22,531
Amortization - Unconsolidated Subs	-	-	-	-	-	-	229	(229)
Audit and legal fees related to on-going governmental investigations	-	-	22,722	-	2,812	-	-	(25,534)
Abbott transaction related expenses	-	-	38,202	-	-	-	-	(38,202)
INRatio recall expense	2,100	-	1,300	-	-	-	-	(3,400)
Legal settlement accrual	-	-	-	-	20,875	-	-	(20,875)
Income tax effects on items above	-	-	-	-	-	(90,980)	-	90,980
<b>Total of Supplemental Information</b>	<b>\$ 44,963</b>	<b>\$ 12,677</b>	<b>\$ 192,214</b>	<b>\$ (3,810)</b>	<b>\$ 23,687</b>	<b>\$ (90,980)</b>	<b>\$ (18,492)</b>	<b>\$ (160,260)</b>
Impact of above items on EPS numerator								\$ (1,383)
Impact of above items on EPS denominator								(2,837)

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

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

	Three Months Ended March 31, 2015	Three Months Ended June 30, 2015	Three Months Ended September 30, 2015	Three Months Ended December 31, 2015	Year Ended December 31, 2015
<b>Net Income</b>	\$ 210,428	\$ 14,770	\$ (2,383)	\$ (16,059)	\$ 206,757
Less: Income from discontinued operations, net of tax	216,776	(0)	0	2,737	219,513
<b>Income/(Loss) from continuing operations</b>	<b>(6,348)</b>	<b>14,770</b>	<b>(2,383)</b>	<b>(18,796)</b>	<b>(12,756)</b>
Adjustment related to acquired software license contracts	247	201	430	-	877
Income tax benefit	(7,853)	15,689	(10,210)	(50,329)	(52,704)
Depreciation and amortization	74,519	72,795	86,651	75,719	309,684
Interest, net	45,832	58,765	49,999	57,954	212,551
Non-cash stock-based compensation expense	5,149	7,130	7,317	6,795	26,391
Non-cash fair value adjustments to acquisition-related contingent consideration	(11,777)	(41,090)	957	(5,703)	(57,613)
Non-cash write-off of an investment			662	-	662
Impairment and (gain) loss on dispositions, net	34,792	5,542	2,074	8,132	50,540
Non-cash INRatio product recall expenses	-	-	-	21,100	21,100
Write-off of acquisition-related obligation	-	-	-	(40)	(40)
<b>Non-GAAP Adjusted EBITDA</b>	<b>\$ 134,561</b>	<b>\$ 133,801</b>	<b>\$ 135,496</b>	<b>\$ 94,833</b>	<b>\$ 498,691</b>