

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

	Three Months Ended March 31,	
	2016	2015
Net product sales and services revenue	\$ 575,480	\$ 608,194
License and royalty revenue	2,729	4,698
Net revenue	578,209	612,892
Cost of net revenue	311,952	317,677
Gross profit	266,257	295,215
Gross margin	46%	48%
Operating expenses:		
Research and development	27,062	28,016
Selling, general and administrative	214,769	201,770
Impairment and (gain) loss on disposition, net	(3,810)	34,792
Operating income	28,236	30,637
Interest and other income (expense), net	(43,455)	(48,798)
Loss from continuing operations before provision (benefit) for income taxes	(15,219)	(18,161)
Benefit for income taxes	(208)	(7,853)
Loss from continuing operations before equity earnings of unconsolidated entities, net of tax	(15,011)	(10,308)
Equity earnings of unconsolidated entities, net of tax	5,034	3,959
Loss from continuing operations	(9,977)	(6,349)
Income from discontinued operations, net of tax	-	216,777
Net income	(9,977)	210,428
Less: Net income attributable to non-controlling interests	103	88
Net income attributable to Alere Inc. and Subsidiaries	(10,080)	210,340
Preferred stock dividends	(5,309)	(5,250)
Net income (loss) available to common stockholders	\$ (15,389)	\$ 205,090
Basic net income per common share:		
Loss from continuing operations	\$ (0.18)	\$ (0.14)
Income from discontinued operations	-	2.57
Basic net income (loss) per common share	\$ (0.18)	\$ 2.43
Diluted net income per common share:		
Loss from continuing operations	\$ (0.18)	\$ (0.14)
Income from discontinued operations	-	2.57
Diluted net income (loss) per common share	\$ (0.18)	\$ 2.43
Weighted average shares - basic	86,646	84,338
Weighted average shares - diluted	86,646	84,338

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

	March 31, 2016	December 31, 2015
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 490,663	\$ 502,200
Restricted cash	6,166	5,694
Marketable securities	71	164
Accounts receivable, net	459,292	445,833
Inventories, net	350,931	347,001
Prepaid expenses and other current assets	144,369	152,233
Assets held for sale	-	4,165
Total current assets	1,451,492	1,457,290
PROPERTY, PLANT AND EQUIPMENT, NET	445,218	446,039
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	3,831,085	3,862,306
RESTRICTED CASH - NON-CURRENT	43,388	43,228
OTHER NON-CURRENT ASSETS, NET	112,312	100,921
Assets held for sale - non-current	11,813	13,337
Total assets	\$ 5,895,308	\$ 5,923,121
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Short-term debt and current portions of long-term debt and capital lease obligations	\$ 197,092	\$ 203,954
Liabilities related to assets held for sale	-	363
Other current liabilities	481,795	520,217
Total current liabilities	678,887	724,534
LONG-TERM LIABILITIES:		
Long-term debt and capital lease obligations, net of current portions	2,831,308	2,838,347
Deferred tax liabilities	144,483	147,618
Other long-term liabilities	155,842	154,193
Liabilities related to assets held for sale - non-current	-	-
Total long-term liabilities	3,131,633	3,140,158
TOTAL EQUITY	2,084,788	2,058,429
Total liabilities and equity	\$ 5,895,308	\$ 5,923,121

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

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>% Change Q1 16 v. Q1 15</u>
Professional diagnostics segment ⁽¹⁾⁽²⁾			
Cardiometabolic	\$ 194,577	\$ 200,936	-3%
Infectious disease	183,234	185,402	-1%
Toxicology	146,783	148,756	-1%
Other	33,444	51,132	-35%
Total professional diagnostics segment ⁽¹⁾⁽²⁾	558,038	586,226	-5%
Consumer diagnostics segment ⁽¹⁾	17,442	21,968	-21%
License and royalty revenue	2,730	4,698	-42%
Net revenue	<u>\$ 578,209</u>	<u>\$ 612,892</u>	-6%

⁽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 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 Organic Revenue Growth
(in thousands)

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2016	Three Months Ended Growth Rate
Net revenue	\$ 612,892	\$ 578,209	-5.7%
Impact of foreign currency exchange	-	16,537	
Impact of acquisitions & dispositions	(17,531)	(5,241)	
Non-GAAP organic net revenue	\$ 595,360	\$ 589,506	-1.0%
Toxicology pain management and U.S. flu revenue	(32,696)	(25,932)	
Non-GAAP organic net revenue excluding Toxicology pain management and U.S. flu revenue	\$ 562,664	\$ 563,574	0.2%

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

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2016
Net income (loss) ⁽¹⁾	\$ 210,428	\$ (9,977)
Less: Income from discontinued operations, net of tax	216,776	-
Loss from continuing operations	(6,348)	(9,977)
Adjustment related to acquired software license contracts	247	-
Income tax benefit	(7,853)	(208)
Depreciation and amortization	74,519	72,611
Interest, net	45,832	40,941
Non-cash stock-based compensation expense	5,149	9,602
Non-cash fair value adjustments to acquisition-related contingent consideration	(11,777)	142
Non-cash write-off of an investment	-	-
Impairment and (gain) loss on dispositions, net	34,792	(3,810)
Non-GAAP Adjusted EBITDA	\$ 134,561	\$ 109,302

⁽¹⁾ Net income (loss) for the three months ended March 31, 2015 includes non-interest related restructuring charges of \$4.3 million, \$3.7 million of costs associated with business dispositions, and \$0.1 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The three months ended March 31, 2016 includes \$10.3 million of Abbott transaction related costs, non-interest related restructuring charges of \$7.7 million, \$4.4 million of charges related to SEC investigations, and \$0.8 million of costs associated with business dispositions which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The three months ended March 31, 2016 also includes \$0.5 million of acquisition-related costs.

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

Three Months Ended March 31, 2016

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	-	-	-	-	-	-	-	-	-
Amortization of acquisition-related intangible assets	-	12,220	912	32,090	-	-	-	-	(45,222)
Restructuring charges	-	1,267	1,920	4,476	-	-	-	-	(7,663)
Stock-based compensation expense	-	479	398	8,725	-	-	-	-	(9,602)
Write-off of acquisition-related obligation	-	-	-	-	-	-	-	-	-
Compensation charges associated with acquisition-related contingent consideration obligations	-	-	-	142	-	-	-	-	(142)
Acquisition-related costs	-	-	-	489	-	-	-	-	(489)
Fair value adjustments to acquisition-related contingent consideration	-	-	-	-	-	-	-	-	-
Costs associated with potential business dispositions	-	7	-	841	-	-	-	-	(848)
Impairment and (gain) loss on disposition, net	-	-	-	-	(3,810)	-	-	-	3,810
Amortization - Unconsolidated Subs	-	-	-	-	-	-	-	107	(107)
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	-	-	-	-	-	-	-	-	-
Interest accretion associated with acquisition-related compensation charges	-	-	-	-	-	-	-	-	-
Expense associated with extinguishment of debt	-	-	-	-	-	-	-	-	-
Audit and legal fees related to on-going SEC investigations	-	-	-	4,358	-	-	-	-	(4,358)
Abbott transaction related expenses	-	-	-	10,341	-	-	-	-	(10,341)
INRatio recall expense	-	700	-	-	-	-	-	-	(700)
Income tax effects on items above	-	-	-	-	-	-	(16,486)	-	16,486
Total of Supplemental Information	-	14,673	3,230	61,462	(3,810)	-	(16,486)	107	(59,176)
Impact of above items on EPS numerator									\$ (696)
Impact of above items on EPS denominator									(5,024)

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