

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

	Three Months Ended March 31,	
	2017	2016 (as restated)
Net product sales and services revenue	\$ 585,574	\$ 584,211
License and royalty revenue	2,642	2,729
Net revenue	588,216	586,940
Cost of net revenue	306,490	315,815
Gross profit	281,726	271,125
Gross margin	48%	46%
Operating expenses:		
Research and development	26,284	27,062
Selling, general and administrative	260,464	215,596
Impairment and (gain) loss on disposition, net	-	(3,810)
Operating income	(5,022)	32,277
Interest and other income (expense), net	(45,699)	(43,455)
Loss from continuing operations before provision (benefit) for income taxes	(50,721)	(11,178)
Provision (benefit) for income taxes	18,609	(172)
Income (loss) from continuing operations before equity earnings of unconsolidated entities, net of tax	(69,330)	(11,006)
Equity earnings of unconsolidated entities, net of tax	5,201	5,034
Income (loss) from continuing operations	(64,129)	(5,972)
Income from discontinued operations, net of tax	-	-
Net income	(64,129)	(5,972)
Less: Net income attributable to non-controlling interests	183	103
Net income attributable to Alere Inc. and Subsidiaries	(64,312)	(6,075)
Preferred stock dividends	(5,250)	(5,309)
Net income available to common stockholders	\$ (69,562)	\$ (11,384)
Basic net income per common share:		
Income (loss) from continuing operations	\$ (0.80)	\$ (0.13)
Income from discontinued operations	-	-
Basic and diluted net income per common share	\$ (0.80)	\$ (0.13)
Diluted net income per common share:		
Income (loss) from continuing operations	\$ (0.80)	\$ (0.13)
Income from discontinued operations	-	-
Diluted net income per common share	\$ (0.80)	\$ (0.13)
Weighted average shares - basic	87,221	86,646
Weighted average shares - diluted	87,221	86,646

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

	March 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 601,472	\$ 567,215
Restricted cash	53,143	51,550
Marketable securities	540	76
Accounts receivable, net	387,687	413,535
Inventories, net	322,473	308,920
Prepaid expenses and other current assets	117,828	118,607
Assets held for sale	-	-
Total current assets	1,483,143	1,459,903
Property, Plant and Equipment, net	439,802	441,190
Goodwill and other intangible assets, net	3,588,283	3,592,107
Restricted Cash- non-current	2,355	2,171
Other non-current assets	160,286	152,908
Assets held for sale - non-current	-	-
Total assets	\$ 5,673,869	\$ 5,648,279
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt and current portions of long-term debt and capital lease obligations	\$ 85,407	\$ 85,434
Liabilities related to assets held for sale	-	-
Other current liabilities	627,877	590,722
Total current liabilities	713,284	676,156
LONG-TERM LIABILITIES:		
Long-term debt and capital lease obligations, net of current portions	2,859,000	2,865,426
Deferred tax liabilities	120,826	119,098
Other long-term liabilities	160,136	155,992
Liabilities related to assets held for sale - non-current	-	-
Total long-term liabilities	3,139,962	3,140,516
TOTAL EQUITY	1,820,623	1,831,607
Total liabilities and equity	\$ 5,673,869	\$ 5,648,279

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

	Three Months Ended March 31,		% Change 2017 v. 2016
	2017	2016 (as restated)	
Professional diagnostics segment			
Cardiometabolic	\$ 125,176	\$ 159,663	-22%
Infectious disease	222,934	191,956	16%
Toxicology	150,637	146,783	3%
Other	32,928	33,382	-1%
Total professional diagnostics segment	531,675	531,784	0%
Consumer diagnostics segment	17,240	17,442	-1%
Other Non-reportable	36,659	34,985	5%
License and royalty revenue	2,642	2,729	-3%
Net revenue	<u>\$ 588,216</u>	<u>\$ 586,940</u>	0%

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

	Three Months Ended March 31,	
	2017	2016 (as restated)
Loss from continuing operations	(64,129)	(5,972)
Income tax provision (benefit)	18,609	(172)
Depreciation and amortization	60,983	72,611
Interest, net	42,199	40,941
Non-cash stock-based compensation expense	10,363	9,602
Non-cash fair value adjustments to acquisition-related contingent consideration	489	142
Impairment and (gain) loss on dispositions, net	(229)	(3,810)
Non-GAAP Adjusted EBITDA	\$ 68,285	\$ 113,342

(1) Net income (loss) for the three months ended March 31, 2016 includes \$10.3 million of Abbott integration costs, restructuring charges of \$7.7 million, \$4.4 million of charges related to governmental investigations, \$0.8 million of costs associated with business dispositions, and \$0.5 million of acquisition-related costs which have not been added back for purposes of computing Non-GAAP Adjusted EBITDA. The three months ended March 31, 2017 includes \$41.4 million of Abbott integration costs, \$10.1 million of charges related to governmental investigations, non-interest related restructuring charges of \$3.0 million, \$0.1 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.

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

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

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

Three months ended March 31, 2017

	Cost of Net Revenue	Research and Development	Selling, General & Administrative	Impairment, net of loss on disposition	Interest and other income, net	Provision for income taxes	Equity earnings of unconsolidated entities, net of tax	Net Income¹
Amortization of acquisition-related intangible assets	\$ 10,966	\$ 925	\$ 23,759	\$ -	\$ -	\$ -	\$ -	\$ (35,650)
Restructuring charges	815	127	2,088	-	-	-	-	(3,030)
Impairment Charges	-	23	-	-	-	-	-	(23)
Stock-based compensation expense	396	384	9,583	-	-	-	-	(10,363)
Acquisition-related costs	-	-	53	-	-	-	-	(53)
Fair value adjustments to acquisition-related contingent consideration	-	-	489	-	-	-	-	(489)
Costs associated with potential business dispositions	-	-	57	-	-	-	-	(57)
Impairment and (gain) loss on disposition, net	-	-	-	-	-	-	(229)	229
Amortization - Unconsolidated Subs	-	-	-	-	-	-	49	(49)
Audit and legal fees related to on-going governmental investigations	-	-	10,140	-	2,117	-	-	(12,257)
Abbott transaction related expenses	-	-	41,399	-	-	-	-	(41,399)
INRatio recall expense	-	-	-	-	-	-	-	-
Legal settlement accrual	-	-	-	-	-	-	-	-
Income tax effects on items above	-	-	-	-	-	3,522	-	(3,522)
Total of Supplemental Information	\$ 12,177	\$ 1,460	\$ 87,568	\$ -	\$ 2,117	\$ 3,522	\$ (180)	\$ (106,663)
Impact of above items on EPS numerator								\$ -
Impact of above items on EPS denominator								(1,211)

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