



Alere Reports Second Quarter 2015 Financial Results

Organic Growth of 3.5% Driven by New and Existing Product Sales across Core Portfolio

- Net revenue of \$629.2 million; non-GAAP adjusted net revenue of \$629.4 million
- Organic revenue growth was 3.5 percent; excluding North America influenza sales, organic revenue growth was 3.3 percent
- \$0.17 income per diluted share available to common stockholders from continuing operations; non-GAAP adjusted income of \$0.54 per diluted share available to common stockholders from continuing operations

WALTHAM, Mass., August 4, 2015 – Alere Inc. (NYSE: ALR), a global leader in rapid diagnostic tests, today announced its financial results for the quarter ended June 30, 2015. Net revenue was \$629.2 million, a decrease of 2.8 percent, compared to \$647.4 million in the second quarter of 2014. Non-GAAP adjusted net revenue was \$629.4 million, a decrease of 2.8 percent, compared to \$647.8 million in the second quarter of 2014.

Net Revenue (in millions)	Second Quarter 2015	Second Quarter 2014 ⁽¹⁾	% Change
Cardiometabolic Disease	\$214	\$209	2
Infectious Disease	\$177	\$175	1
Toxicology	\$157	\$170	(7)
Other	\$ 51	\$ 65	(22)
Consumer Diagnostics	\$ 25	\$ 22	13
License and Royalty	\$ 5	\$ 6	(14)
Total	\$629	\$647	(3)

⁽¹⁾ Revenues, other than License and Royalty, have been reclassified due to a change in segment reporting as a result of the divestiture of our health management business in 2015 and the results of our patient self-testing business are primarily included within Cardiometabolic Disease.

“Our second quarter 2015 results, with 18.5 percent non-GAAP adjusted operating income growth compared to the prior year period, demonstrate the significant progress we’ve made in transforming Alere. During the first half of 2015, we met our operational targets and achieved 2.9 percent non-GAAP adjusted organic revenue growth with contribution from new products and continued operating expense discipline,” said Namal Nawana, CEO and President of Alere. “We continue to focus on strong execution to accelerate our business during the second half of 2015. Our 2015 guidance includes the recently announced accretive acquisition of US Diagnostics and the BBI divestiture that is expected to close during the fourth quarter.”

Second Quarter Highlights

- Announced completion of \$425 million of senior subordinated notes offering at 6.375 percent; refinanced senior secured credit facilities
- CEO Namal Nawana participated in the White House Antibiotic Stewardship Forum
- Received FDA clearance for Alere i™ Strep A rapid molecular test

Second Quarter 2015 Results

Non-GAAP adjusted net revenue of \$629.4 million for the second quarter of 2015 included increases of \$6.4 million in global HIV product sales, \$9.2 million in Alere Home Monitoring and mail-order diabetes, and \$2.2 million in epoc® product sales compared to the prior year period, offset by a \$33.1 million decrease due to foreign currency exchange, a \$13.3 million decrease in our pain management business, and a \$1.2 million decrease in North America INRatio® product sales compared to the prior year period. Included in second quarter non-GAAP adjusted net revenue was \$8.6 million in global influenza product sales.

Gross profit was \$292.6 million in the second quarter of 2015, with 46.5 percent gross margin. On a non-GAAP basis, adjusted gross profit was \$307.1 million, with 48.8 percent non-GAAP adjusted gross margin in the second quarter of 2015. Non-GAAP adjusted gross profit excludes amortization of acquisition-related intangibles, restructuring charges, and stock-based compensation.

Operating expenses were \$200.7 million, or 31.9 percent of net revenue, in the second quarter of 2015. Included in the second quarter operating expenses was R&D expense of \$27.2 million, or 4.3 percent of net revenue, and SG&A expense of \$168.0 million, or 26.7 percent of net revenue. Non-GAAP adjusted operating expenses during the second quarter of 2015 were \$191.8 million, or 30.5 percent of non-GAAP adjusted net revenue, and were comprised of \$25.8 million of non-GAAP adjusted R&D expenses, or 4.1 percent of non-GAAP adjusted net revenue, and non-GAAP adjusted SG&A expenses of \$166.0 million, or 26.4 percent of non-GAAP adjusted net revenue. Non-GAAP adjusted operating expenses, non-GAAP adjusted R&D expenses and non-GAAP adjusted SG&A expenses exclude, as applicable, amortization of acquisition-related intangibles, restructuring charges, stock-based compensation, fair value adjustments to contingent consideration, compensation costs associated with contingent consideration and costs associated with potential business dispositions. Also included in operating expenses for the second quarter of 2015 was a \$5.1 million loss on the divestiture of our Alere Analytics business and \$0.3 million of costs associated with the closure of our Alere Connect operation. Both of these amounts are excluded from non-GAAP adjusted operating expenses.

Operating income was \$91.8 million in the second quarter of 2015. On a non-GAAP basis, adjusted operating income was \$115.2 million in the second quarter of 2015.

Income from continuing operations available to common stockholders was \$14.6 million, or \$0.17 per diluted share, in the second quarter of 2015. On a non-GAAP basis, the Company

reported adjusted income from continuing operations available to common stockholders of \$48.3 million, or \$0.54 per diluted share, in the second quarter of 2015.

Detailed reconciliations of the non-GAAP financial measures presented in this release to the most directly comparable financial measures under GAAP, as well as a discussion regarding these non-GAAP financial measures, are included in the schedules to this press release.

2015 Business Outlook

For the year ending December 31, 2015, the Company expects:

- Net revenue to be in the range of \$2.5 billion to \$2.6 billion
- Non-GAAP adjusted net income from continuing operations available to common stockholders in the range of \$2.40 to \$2.50 per diluted share

Conference Call

We will host a conference call beginning at 8:30 a.m. (Eastern Time) today, August 4, 2015, to discuss these results, as well as other company matters. During the conference call, we may answer questions concerning business and financial developments and trends and other business and financial matters. Our responses to these questions, as well as other matters discussed during the conference call, may contain or constitute material information that has not been previously disclosed.

The conference call will be webcast live on the Investor Relations section of our website or accessed directly through the following link: <https://www.webcaster4.com/Webcast/Page/411/9606>

To access the conference call, please use the following dial-in numbers and access code 1496673:

- US (toll-free): 1-888-317-6003
- International: 1-412-317-6061
- Canada (toll-free): 1-866-284-3684

A replay will be available approximately one hour after the conclusion of the call and will remain available for a period of seven days following the call. To hear a replay of the conference call, please use the following dial-in numbers and replay code 10069486 (available for seven days):

- US (toll-free): 1-877-344-7529
- International: 1-412-317-0088
- Canada (toll-free): 1-855-669-9658

The replay will also be available via online webcast on the Investor Relations section of the Alere website.

Additionally, reconciliations to non-GAAP financial measures not included in this press release that may be discussed during the call will also be available on the Investor Relations section of the Alere website.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. For example, forward-looking statements include statements regarding, future revenues, future non-GAAP adjusted net income from continuing operations available to common stockholders per diluted share, future operating results, during the second half of 2015 the Company will focus on strong execution to accelerate the business, a recent acquisition by the Company will be accretive, the BBI divestiture is expected to close during the fourth quarter, the effect of trends in our business, areas of management focus, and future financial goals. In some cases, forward-looking statements can be identified by terms such as “may,” “will,” “intend,” “expect,” “plan,” “believe,” “estimate,” “predict” or the like. These statements involve risks and uncertainties, and actual results could differ materially from the statements made in this press release. Factors that might cause these differences include, but are not limited to, the effect of intense competition, failure to meet closing conditions necessary in order to complete acquisitions and divestitures, ability to execute on business plans to make acquisitions accretive, risks arising from FDA inspections and government subpoenas, delays in product development, international business risks, fluctuations in currency exchange rates, the effects of healthcare reform, risks of clinical trials, potential regulatory burdens and obstacles, litigation and legal compliance risks, government investigations, cybersecurity risks, changes in global economic and political conditions, potential product defects, manufacturing or supply issues, potential intellectual property infringement, risks of acquisitions and divestitures, substantial indebtedness, contractual debt restrictions and requirements, fluctuations in quarterly results, potential future financial restatements, potential reviews, investigations or other proceedings by government authorities, stockholders or other parties; the risk that the Company’s remediation plan related to its material weakness will be unsuccessful to prevent or detect additional misstatements, including a potential inability to prepare financial statements or file periodic reports on a timely basis, which would be a default under the Company’s senior secured credit facility and note indentures as well as a violation of the Securities Exchange Act and the listing rules of the NYSE, and any additional material weaknesses in internal controls. These and other risk factors are discussed in more detail under the heading “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K, as amended, filed with the Securities and Exchange Commission on May 28, 2015. Copies are available through the Company’s Investor Relations department and at www.alere.com. The Company does not assume any obligation to update its forward-looking statements to reflect new information and developments.

About Alere

Alere believes that when diagnosing and monitoring health conditions, **Knowing now matters.**[™] Alere delivers reliable and actionable information by providing rapid diagnostic tests, enhancing clinical and economic healthcare outcomes globally. Headquartered in Waltham, Mass., Alere focuses on rapid diagnostics for cardiometabolic disease, infectious disease and toxicology. For more information on Alere, please visit www.alere.com.

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