



Alere Announces Update on Form 10-K and Provides Preliminary Unaudited Financial Results

WALTHAM, Mass., May 22, 2017 – Alere Inc. (NYSE: ALR), a global leader in rapid diagnostic tests, today announced certain preliminary unaudited financial information for the fourth quarter and full fiscal year ended December 31, 2016 and the first quarter of 2017 ended March 31, 2017. The Company also provided an update on its expected filing of its 2016 Annual Report on Form 10-K and filed its preliminary proxy statement with respect to the pending merger with Abbott Laboratories.

The following amounts are preliminary, unaudited and are subject to change and reflect the Impact of the Restatement (as defined below) adjustments identified to date, as described further below:

Preliminary Unaudited Full Year 2016 Results

- Revenue for the full year 2016 is expected to be \$2.38 billion, which would be a decrease from \$2.45 billion in full year 2015.
- GAAP loss from continuing operations is expected to be \$(140) million, or \$(1.86) per diluted share, for the full year 2016.
- Non-GAAP organic growth for the full year 2016 is expected to be +0.3% or +2.5% excluding Arriva*.
- Non-GAAP adjusted EBITDA is expected to be \$344 million for the full year 2016, including approximately \$135 million in merger-related costs, audit and legal fees related to ongoing investigations and legal settlements, as detailed in the Supplemental Financial Information table.

*During the period from November 4, 2016 to December 31, 2016, the Company furnished \$9.8 million of Arriva products and services that were subject to the CMS revocation to customers but did not recognize any revenue for such products and services because they were not eligible for reimbursement by CMS at the time the Company furnished them.

Preliminary Unaudited Fourth Quarter 2016 Results

- Total revenue is expected to be \$597 million, which would be a decrease from \$617 million in the prior year period.
- Reported GAAP loss from continuing operations during the fourth quarter of 2016 is expected to be \$(117) million, or \$(1.41) per diluted share.
- Non-GAAP organic growth during the fourth quarter of 2016 is expected to be -0.9%, or +3.7% excluding Arriva.

- Non-GAAP adjusted EBITDA is expected to be \$79 million in the fourth quarter of 2016, which includes approximately \$50 million in merger-related costs, audit and legal fees related to ongoing investigations and legal settlements, as detailed in the Supplemental Financial Information table.

Preliminary Unaudited First Quarter 2017 Results

- Total revenue is expected to be \$588 million.
- Non-GAAP organic growth is expected to be +0.9%, or +6.8% excluding Arriva.

Update on Annual Report 2016 Form 10-K

As previously disclosed, the Company was delayed in filing its Annual Report on Form 10-K for the fiscal year ended December 31, 2016 due to the Company's review of certain revenue transactions in the Company's South Korea and Japan locations. Based on this review, the Company determined that it had incorrectly recorded certain revenue transactions at its Standard Diagnostics subsidiary in South Korea. Specifically, the Company failed to correctly apply U.S. GAAP regarding the timing of revenue recognition primarily relating to transactions in which the Company recognized revenue prior to full satisfaction of all contractual criteria for title and risk of loss passing to the customer as required by U.S. GAAP. The principal cause of these misstatements in the timing of revenue recognition was inappropriate conduct at the Company's Standard Diagnostics subsidiary. As also previously disclosed, as a result of this review, the Company will be restating certain previously issued financial statements (the "Restatement").

The Company has completed its review of the above matters at its South Korea and Japan locations and, consistent with its prior expectation, the Company expects the following adjustments to previously reported financial information as set forth in the tables below. In addition, the Restatement reflects corrections for certain other misstatements that the Company identified in 2017 relating to 2014, 2015 and 2016. These adjustments relate to (a) misstatements in the classification of certain amounts between current assets, noncurrent assets and current liabilities, (b) misstatements in the classification of certain legal-related charges between non-operating expenses and operating expenses, and (c) misstatements to general and administrative expenses to correct the timing of bad debt expenses and fair value adjustments related to contingent consideration liabilities from acquisitions. These adjustments are incorporated into the tables below.

Annual Restatement Impact (<i>in millions</i>)	Nine Months Ended September 30, 2016	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2013
Revenue	\$ 8	\$ (8)	\$ 2	\$ (1)
Pre-Tax Income	\$ (1)	\$ (4)	\$ 0	\$ 1
Net Income	\$ (0)	\$ (3)	\$ 0	\$ 0

2015 Quarterly Restatement Impact (<i>in millions</i>)	Three Months Ended March 31, 2015	Three Months Ended June 30, 2015	Three Months Ended September 30, 2015	Three Months Ended December 31, 2015
Revenue	\$ (3)	\$ (1)	\$ 1	\$ (6)
Pre-Tax Income	\$ (1)	\$ (0)	\$ 1	\$ (4)
Net Income	\$ (0)	\$ (0)	\$ 1	\$ (3)

2016 Quarterly Restatement Impact <i>(in millions)</i>	Three Months Ended March 31, 2016	Three Months Ended June 30, 2016	Three Months Ended September 30, 2016
Revenue	\$ 9	\$ (1)	\$ (0)
Pre-Tax Income	\$ 4	\$ 2	\$ (6)
Net Income	\$ 4	\$ 2	\$ (6)

NOTE: The (\$6) million pre-tax income impact for the Three Months Ended September 30, 2016 includes \$4.4M of expense related to fair value adjustments for contingent consideration.

In addition, as the Company disclosed on May 11, 2017, it is in the process of reviewing sales transactions to a limited number of distributors from select selling entities during fiscal years 2012 to 2016 to determine if revenue recognition timing was appropriate according to U.S. GAAP with respect to collectability being reasonably assured at the time of sale. This review relates to the timing of the recognition of the revenue and not to the existence or measurement of revenue for these transactions and the selling entities being reviewed have historical collection rates in excess of 99.5%.

The Company's goal is to complete its review and file its 2016 Annual Report on Form 10-K by no later than June 15, 2017.

The review necessary to complete the 2016 Annual Report on Form 10-K is not complete. The time necessary to review the foregoing matter may take longer than the Company expects, which would cause a further delay in the filing of the Annual Report beyond the projected filing date noted above. In the course of this ongoing review of revenue recognition and the completion of the review necessary to file the Annual Report, the Company may identify other matters that require additional time to review, which other matters may be similar or different to those identified above. In addition, any of these other items may require the Company to further adjust previously reported financial information, and such adjustments may be material in amount.

Information Regarding Preliminary Unaudited Results

The financial results presented in this release are preliminary and may change. These preliminary results include calculations that have been prepared by Alere management and have not been reviewed or audited by our independent registered public accounting firm. There can be no assurance that Alere's actual financial results will not materially differ from the preliminary unaudited financial data presented herein. Actual results may differ for a number of reasons, including the impact of any changes that may be required as a result of the ongoing review by Alere of revenue recognition and other adjustments that may be made in connection with the finalization of the fiscal year 2016 financial statements and the finalization of the financial statements for the three months ended March 31, 2017 (which may also impact the financial results for any other period presented herein). In addition, the preliminary unaudited financial data presented for the periods ended December 31, 2016 and March 31, 2017 should not be viewed as a substitute for the full financial information prepared in accordance with U.S. GAAP, including footnotes, which is expected to be filed with the SEC as soon as practicable. Please see the "2016 Form 10-K Update" and "Cautionary Statement Regarding Forward-Looking Statements" sections of this press release for further information.

Non-GAAP Information

To supplement the financial measures prepared in accordance with U.S. GAAP, the Company uses Non-GAAP adjusted EBITDA and organic growth, which are non-GAAP financial measures. The reconciliations of Non-GAAP adjusted EBITDA to net income (loss) from continuing operations and organic growth to revenue, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, is shown in the table in this press release. The Company believes Non-GAAP adjusted EBITDA and organic growth are useful to investors because these metrics are commonly used by investors to assess the unleveraged, pre-tax financial performance and operating results of ongoing business operations. The Company's management also uses Non-GAAP adjusted EBITDA and organic growth because the Company's management also believes that these are useful measures to evaluate the performance of the Company based on operational factors. It should also be noted that not all companies calculate Non-GAAP adjusted EBITDA and organic growth in the same manner and, accordingly, these measures presented in this press release may not be comparable to similar measures used by other companies.

Cautionary Statement Regarding Forward-Looking Statements

This communication 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. Readers can identify these statements by forward-looking words such as "preliminary", "may," "could," "should," "would," "intend," "will," "expect," "anticipate," "believe," "estimate," "can," "continue" or similar words. A number of important factors could cause actual results of Alere and its subsidiaries to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, (i) the risk that the proposed merger with Abbott Laboratories ("Abbott") may not be completed in a timely manner or at all; (ii) the failure to receive, on a timely basis or otherwise, the required approval of the proposed merger with Abbott by Alere's stockholders, (iii) the possibility that competing offers or acquisition proposals for Alere will be made; (iv) the possibility that any or all of the various conditions to the consummation of the merger may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals); (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the Agreement and Plan of Merger, as amended (the "Merger Agreement") among Alere and Abbott pursuant to which Abbott will acquire Alere, including in circumstances which would require Alere to pay a termination fee or other expenses; (vi) the effect of the announcement or pendency of the transactions contemplated by the Merger Agreement on Alere's ability to retain and hire key personnel, its ability to maintain relationships with its customers, suppliers and others with whom it does business, or its operating results and business generally; (vii) risks related to diverting management's attention from Alere's ongoing business operations; (viii) the risk that stockholder litigation in connection with the transactions contemplated by the Merger Agreement may result in significant costs of defense, indemnification and liability, (ix) the risk that the previously announced review of certain aspects of revenue recognition is not completed in a timely manner or the scope of such review expands, (x) the risk that the failure by Alere to file its Form 10-K for the fiscal year ended December 31, 2016 and Form 10-Q for the fiscal

quarter ended in March 31, 2017 in a timely manner could lead to the acceleration of the maturity of certain of Alere's indebtedness, (xi) the possibility that the previously announced review of certain aspects of revenue recognition uncovers an additional error or errors in revenue recognition or other financial information which require additional adjustments which may be material, or material weaknesses in the Company's internal controls over financial reporting, (xii) the risk that the Company experiences an acceleration of amounts due under its senior secured credit facility due to the restatement, any circumstances described in Alere's Current Report on Form 8-K as filed on April 17, 2017, this Current Report on Form 8-K or the failure to timely file the Annual Report on Form 10-K for 2016 and Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017 (or that the Company could be required to obtain a waiver under such credit agreement), (xiii) risks relating to the ongoing investigations by the United States Securities and Exchange Commission (the "SEC") and the United States Department of Justice, (xiv) the risk that these or other risk factors impact the expected timing of the filing of the Form 10-K for the fiscal year ended December 31, 2016 and Form 10-Q for the fiscal quarter ended in March 31, 2017, and (xv) the risk factors detailed in Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (as filed with the SEC on August 8, 2016) and other risk factors identified herein or from time to time in our periodic filings with the SEC. Readers should carefully review these risk factors, and should not place undue reliance on our forward-looking statements. These forward-looking statements are based on information, plans and estimates at the date of this communication. The Company undertakes no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

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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