



Alere Files Form 10-K, Reports Fourth Quarter and Full Year 2015 Financial Results

WALTHAM, Mass., August 8, 2016 – Alere Inc. (NYSE: ALR), a global leader in rapid diagnostic tests, today announced that it has filed its Form 10-K and reported its financial results for the fourth quarter and full year ended December 31, 2015.

The Company also announced that it concluded the analysis of certain aspects of revenue recognition for the years ended December 31, 2015, 2014, and 2013 (and each of the quarters in those annual periods). As a result of the review, the Company has revised its financial statements for the interim periods of 2015 and the years ended December 31, 2014 and 2013 to correct immaterial errors in its previously issued financial statements.

The revisions include the impact to gross profit related to the revenue adjustments and the movement of other previously recorded out-of-period adjustments into the periods in which they originated. Most notably, the Company recognized additional income tax expense of \$8 million in 2015 (nine months YTD) and a reduction in income tax expense of \$7 million in 2014 related to the timing of recognition of certain tax-specific items. These tax-related revisions resulted in a decrease of \$0.09 in basic and diluted earnings per share in 2015 (nine months YTD) and an increase of \$0.07 in basic and diluted earnings per share in 2014. None of these revisions impacted the Company's cash flow or cash balances.

The impact of the revisions is as follows:

Revision Impact (<i>in millions, except per share</i>)	2015 (9 mos)	2014	2013
Revenue	\$ 1	\$ (13)	\$ (8)
Gross Profit	-	(7)	(5)
Operating Expenses	1	(1)	-
(Provision) Benefit for Income Taxes	(8)	11	3
Income (loss) Per Share From Continuing Operations	\$ (0.14)	\$ 0.05	\$ (0.03)

The table below shows revenue and EPS as previously reported, the impact of the revision adjustments and as revised:

<i>(in millions, except per share)</i>	Nine Months Ended Sept 30, 2015		Twelve Months Ended Dec 31, 2014		Twelve Months Ended Dec 31, 2013	
Net Revenue As Previously Reported	\$	1,839	\$	2,589	\$	2,616
Revision Adjustments	\$	1	\$	(13)	\$	(8)
Net revenue As Revised	\$	1,840	\$	2,575	\$	2,609
GAAP Basic and Diluted EPS As Previously Reported	\$	2.53	\$	(0.71)	\$	(1.15)
Revision Adjustments	\$	(0.14)	\$	0.05	\$	(0.03)
GAAP Basic and Diluted EPS As Revised	\$	2.39	\$	(0.66)	\$	(1.18)

Certain amounts presented may not recalculate directly, due to rounding.

“We are pleased to announce the completion of a thorough and diligent review of our historical revenue recognition processes,” said Namal Nawana, CEO of Alere. “Following our review, we made immaterial revisions to our previously issued financial statements for 2013, 2014 and 2015 with the filing of our current 2015 Form 10-K. We are in the process of implementing a remediation plan and remain committed to providing accurate and transparent financial reporting.”

Alere expects to file its first quarter 2016 Form 10-Q by August 18, 2016. The Company does not currently expect to file its second quarter 2016 Form 10-Q by August 9, 2016. Alere expects to file its second quarter 2016 Form 10-Q as soon as practicable.

Fourth Quarter 2015 Results

Revenue for the fourth quarter of 2015 was \$623 million, a 6.6% decrease compared to \$667 million in the fourth quarter of 2014, primarily due to the negative impact of \$26 million in foreign currency exchange, a \$7 million decrease in pain management revenue, and lower revenues related to our BBI business which was divested in November 2015. Organic growth during the fourth quarter of 2015 was approximately flat compared to the prior year period.

Net income (loss) from continuing operations during the fourth quarter of 2015 was \$(19) million, or \$(0.28) per diluted share, compared to \$(31) million, or \$(0.43) per diluted share in the prior year period. During the fourth quarter of 2015, the Company recorded \$43 million in pre-tax expenses (\$30 million after tax) related to its previously announced voluntary INRatio market withdrawal. On a non-GAAP basis, the Company reported Non-GAAP adjusted EBITDA of \$95 million in the fourth quarter of 2015, compared to \$127 million in the prior year period.

Revenue (in millions)	Fourth Quarter 2015	Fourth Quarter 2014	% Change
Cardiometabolic Disease	\$ 211	\$ 212	(1%)
Infectious Disease	195	207	(6%)
Toxicology	150	153	(2%)
Other	45	66	(31%)
Consumer Diagnostics	20	24	(17%)
License and Royalty	3	5	(35%)
Total	\$ 623	\$ 667	(6.6%)

Full Year 2015 Results

During 2015 Alere made solid progress on its strategic initiatives, returning to organic growth in each of its core businesses, excluding pain management. The Company reported a 4.3% decrease in revenue in 2015, primarily due to the negative impact of \$121 million in foreign currency exchange, and organic growth of approximately 1.5% in 2015. The Company launched numerous innovations around the world, including the introduction of two groundbreaking molecular diagnostics platforms in Infectious Disease. Alere i placements reached nearly 4,000 by year end 2015 and Alere q achieved numerous regulatory approvals, including World Health Organization prequalification in June 2016, making it available for public sector procurement.

On July 14, 2016, Alere issued preliminary unaudited financial results for the fiscal year ended December 31, 2015, including unaudited revenue of \$2.45-\$2.48 billion, net income (loss) from continuing operations of \$10-\$25 million and Non-GAAP adjusted EBITDA of \$505-520 million. As stated at that time, those results were preliminary and unaudited. In connection with the review and finalization of the FY2015 results, the Company updated its financials, resulting in revenue of \$2.46 billion, net income (loss) of \$(13) million and Non-GAAP adjusted EBITDA of \$499 million. The majority of the change in net income (loss) and Non-GAAP adjusted EBITDA versus our preliminary results was related to the finalization of certain charges incurred in connection with the previously announced voluntary INRatio market withdrawal. As disclosed on July 11, 2016, Alere expected to record approximately \$70-90 million of charges relating to this voluntary withdrawal in 2016. Due to the fact that the condition that led to the voluntary withdrawal existed as of December 31, 2015, certain of these charges incurred in connection with the recall are being recorded in 2015, rather than 2016. Specifically, the Company recorded \$43 million in pre-tax expenses (\$30 million after tax) in the fourth quarter of 2015 related to its previously announced voluntary INRatio market withdrawal. Of this amount, approximately \$17 million will ultimately be settled in cash and is, therefore, included in non-GAAP adjusted EBITDA for both the quarter and full year ended December 31, 2015.

Revenue for the full year 2015 was \$2.46 billion, compared to \$2.58 billion in the prior year period, a decrease of \$112 million or 4.3%. Net income (loss) from continuing operations was \$(13) million, or \$(0.40) per diluted share, for the full year 2015 (including the impact from the InRatio expenses as noted above), compared to \$(172) million, or \$(2.33) per diluted share in the prior year period. On a non-GAAP basis, the Company reported adjusted EBITDA of \$499 million for the full year 2015, compared to \$477 million in the prior year period.

Revenue <i>(in millions)</i>	FY2015	FY2014	% Change
Cardiometabolic Disease	\$ 832	\$ 842	(1%)
Infectious Disease	718	722	(1%)
Toxicology	618	645	(4%)
Other	193	257	(25%)
Consumer Diagnostics	85	89	(4%)
License and Royalty	17	21	(19%)
Total	\$ 2,463	\$ 2,575	(4.3%)

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 operating performance and cash flows 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.

Conference Call

As announced on February 1, 2016, Alere entered into a definitive agreement under which Abbott will acquire Alere for \$56 per common share. Due to the pending transaction, Alere will no longer hold conference calls to discuss its quarterly financial results.

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 "may," "could," "should," "would," "intend," "will," "expect," "anticipate," "believe," "estimate,"

“continue,” “goal,” “can” or similar words. For example, forward-looking statements include statements regarding: the implementation of remediation plans to address material weaknesses and the effectiveness of such remediation efforts, as well as the expected timing of filings of the Company’s future quarterly reports on Form 10-Q. A number of important factors could cause actual results of the Company 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 (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 Alere fails to file its future Quarterly Reports on Form 10-Q in a timely manner which could, among other things, lead to the acceleration of the maturity of certain of Alere’s indebtedness; (x) the possibility that any analysis of revenue recognition for future or past periods uncovers an error or misstatements in revenue recognition which require adjustment which may be material; or material weaknesses in the Company’s internal controls over financial reporting; (xi) risks relating to the ongoing investigations by the SEC and the United States Department of Justice; (xiii) the risk that these or other risk factors impact the expected timing of the filing of the Quarterly Report on Form 10-Q for the first and second quarter of 2016; and (xiv) 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 report. 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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