

Contact: Doug Guarino
Jon Russell

Director of Corporate Relations
Vice President of Finance

781-647-3900

**ALERE INC. ANNOUNCES
SECOND QUARTER 2011 RESULTS**

WALTHAM, MA...July 27, 2011...Alere Inc. (NYSE: **ALR**), a global leader in enabling individuals to take charge of their health at home through the merger of rapid diagnostics and health management, today announced its financial results for the quarter ended June 30, 2011.

Financial results for the second quarter of 2011:

- Net revenue of \$567.2 million for the second quarter of 2011, compared to \$523.0 million for the second quarter of 2010.
- Product and services revenues from our Professional Diagnostics segment were \$404.2 million in the second quarter of 2011, compared to \$343.6 million in the second quarter of 2010. Recent professional diagnostics acquisitions contributed \$21.1 million of incremental net revenue compared to the second quarter of 2010.
- North American influenza sales increased to \$2.3 million for the second quarter of 2011, from \$0.6 million for the second quarter of 2010.
- Excluding the impact of the change in North American influenza revenues, currency adjusted organic growth in our Professional Diagnostics segment was 7.0%.
- Adjusted cash-basis gross margins were 54.9% for the second quarter of 2011, compared to 56.1% for the second quarter of 2010 and 55.8% in the first quarter of 2011. Adjusted cash-basis gross margins from products and services in our Professional Diagnostics segment were 58.6% in the second quarter of 2011, compared to 59.4% in the second quarter of 2010 and 59.6% in the first quarter of 2011.
- Product and services revenues from our Health Management segment were \$135.6 million in the second quarter of 2011, compared to \$149.8 million in the second quarter of 2010 and \$143.1 million in the first quarter of 2011. The decline in revenues from the first quarter of 2011 was driven by seasonality and the impact of reduced state government spending levels which affected our wellness business and the loss of revenues related to the administration of a drug therapy due to an FDA labeling decision which adversely impacted the women's and children's portion of our business. Additionally, our Alere Home Monitoring business was impacted by a change in billing guidance from the Centers for Medicare and Medicaid Services which resulted in the deferral of revenues which would otherwise have been recognized during the quarter.

- Adjusted cash-basis gross margins from our Health Management segment were 48.4% in the second quarter of 2011, compared to 52.4% in the second quarter of 2010 and 49.0% in the first quarter of 2011.
- GAAP net loss of \$4.7 million attributable to common stockholders of Alere Inc., and respective net loss per common share of \$0.05, for the second quarter of 2011, compared to GAAP net loss of \$8.3 million attributable to common stockholders of Alere Inc., and respective net loss per common share of \$0.10, for the second quarter of 2010.
- Adjusted cash-basis net income per diluted common share of \$0.46 for the second quarter of 2011, compared to adjusted cash-basis net income per diluted common share of \$0.57, for the second quarter of 2010.
- Adjusted free cash flow for the quarter was \$32.7 million, reflecting adjusted cash flow from operations of \$71.3 million, offset by capital expenditures of \$38.7 million.
- Principally as a consequence of lower than expected results from our Health Management segment during the quarter and our expectation that certain of the issues which impacted this segment's performance in the second quarter will persist for the balance of the year, we are revising our full year 2011 adjusted cash-basis net income per diluted share guidance to a range of \$2.50 to \$2.60.

The Company's GAAP results for the second quarter of 2011 include amortization of \$81.2 million, \$10.5 million of restructuring charges, \$6.2 million of stock-based compensation expense, \$1.4 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$29.9 million of interest expense associated with fees paid for modification of certain debt agreements and the termination of our senior secured credit facility and a related interest rate swap agreement, offset by \$7.2 million of income recorded for fair value adjustments to acquisition-related contingent consideration obligations. The Company's GAAP results for the second quarter of 2010 include amortization of \$74.1 million, \$7.1 million of restructuring charges, \$8.1 million of stock-based compensation expense, a \$2.8 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Standard Diagnostics, Inc., \$2.0 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, offset by \$3.8 million of income recorded for fair value adjustments to acquisition-related contingent consideration obligations and a \$1.3 million, net of tax, allocation of certain of the aforementioned charges to non-controlling stockholders. These amounts, net of tax, have been excluded from the adjusted cash-basis net income per diluted common share attributable to Alere Inc. for the respective quarters.

A detailed reconciliation of the Company's adjusted cash-basis net income, which is a non-GAAP

financial measure, to net income under GAAP, as well as a discussion regarding this non-GAAP financial measure, is included in the schedules to this press release.

The Company will host a conference call beginning at 8:30 a.m. (Eastern Time) today, July 27, 2011, to discuss these results, as well as other corporate matters. During the conference call, the Company may answer questions concerning business and financial developments and trends and other business and financial matters. The Company's responses to these questions, as well as other matters discussed during the conference call, may contain or constitute information that has not been previously disclosed.

The conference call may be accessed by dialing (800) 860-2442 (domestic) or (412) 858-4600 (international) and asking for Alere Inc. A webcast of the call can also be accessed via the Alere website at www.alere.com/ic, or directly through the following link:

<http://www.videonewswire.com/event.asp?id=81148>.

A replay of the call will be available approximately four hours after the conclusion of the call and will remain available for a period of seven days following the call. The replay may be accessed by dialing (877) 344-7529 (domestic) or (412) 317-0088 (international) and entering replay code 10002372. The replay will also be available via online webcast at <http://www.videonewswire.com/event.asp?id=81148> or via the Alere website at www.alere.com/ic for a period of 60 days following the call.

Additionally, reconciliations to non-GAAP financial measures not included in this press release that may be discussed during the call will also be available at the Alere website (www.alere.com/ic) under the Earnings Calls and Releases section shortly before the conference call begins and will continue to be available on this website.

For more information about Alere, please visit our website at <http://www.alere.com>.

By developing new capabilities in near-patient diagnosis, monitoring and health management, Alere enables individuals to take charge of improving their health and quality of life at home. Alere's global leading products and services, as well as its new product development efforts, focus on infectious disease, cardiology, oncology, drugs of abuse and women's health. Alere is headquartered in Waltham, Massachusetts.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, including statements regarding our expected full year 2011 adjusted cash-basis net income per diluted share. Such forward-looking statements are estimates reflecting management's best judgment based upon current information and involve a number of risks and uncertainties. Actual results and the timing of certain events could differ materially from those projected or contemplated by the forward-looking statements due to numerous factors, including without limitation, changes in global economic conditions or

in the global financial markets, including the credit markets, which impact our plans and operations and those of our suppliers and customers; our exposure to changes in interest rates and foreign currency exchange rates; our ability to successfully develop and commercialize products; the market acceptance of our products; continued acceptance of health management services by payors, providers and patients; our ability to develop enhanced health management programs through the integrated use of innovative diagnostic and monitoring devices and to recognize the expected benefits of this strategy; the effects of legislative changes, including US healthcare reform legislation, and the content and timing of decisions by regulatory authorities both in the United States and abroad; the effect of pending and future legal proceedings on our financial performance and the risks and uncertainties described in our periodic reports filed with the Securities and Exchange Commission, including our Form 10-K, as amended, for the year ended December 31, 2010, as well as in our Quarterly Reports on Form 10-Q. We undertake no obligation to update any forward-looking statements contained herein.

Source: Alere Inc.