



ALERE INC. ANNOUNCES FOURTH QUARTER 2014 RESULTS

WALTHAM, MA...February 10, 2015...Alere Inc. (NYSE: **ALR**), a global leader in rapid diagnostics, announced its financial results for the quarter ended December 31, 2014.

Namal Nawana, Chief Executive Officer and President of Alere said, "We made substantial progress in the fourth quarter in refocussing Alere as the global leader in rapid diagnostics and delivering against our financial plans. Successfully closing the Alere Health divestiture in early January enabled us to substantially reduce our debt, and we continue to pursue the divestiture of other non-core assets. Importantly, we achieved 1.9% adjusted organic growth during the fourth quarter of 2014 driven by strong international sales growth. We also executed on our planned cost base change successfully in the fourth quarter of 2014, positioning us well for margin expansion in 2015."

Financial results for the fourth quarter of 2014:

- As a result of our divestiture of Alere Health in early January 2015, the financial results presented for all periods reflect the reclassification of the Alere Health business as a discontinued operation.
- Net revenue of \$666.9 million for the fourth quarter of 2014, compared to \$673.2 million for the fourth quarter of 2013. Non-GAAP adjusted net revenue was \$667.1 million for the fourth quarter of 2014, compared to \$673.6 million for the fourth quarter of 2013.
- Net loss from continuing operations of \$27.0 million attributable to common shareholders of Alere Inc., and respective net loss per diluted common share of \$0.32 for the fourth quarter of 2014, compared to net loss from continuing operations of \$4.4 million attributable to common shareholders of Alere Inc., and respective net loss per diluted common share of \$0.06 for the fourth quarter of 2013.
- Non-GAAP adjusted net income from continuing operations attributable to common shareholders of Alere Inc. per diluted common share of \$0.60 for the fourth quarter of 2014,

compared to non-GAAP adjusted net income from continuing operations attributable to common shareholders per diluted common share of \$0.63 for the fourth quarter of 2013.

- Net product and services revenue from our Professional Diagnostics segment was \$598.7 million in the fourth quarter of 2014, compared to net product and services revenue of \$600.7 million in the fourth quarter of 2013. Non-GAAP adjusted net product and services revenue from our Professional Diagnostics segment was \$599.0 million in the fourth quarter of 2014, compared to non-GAAP adjusted net product and services revenue of \$601.1 million in the fourth quarter of 2013.
- U.S. influenza and meter-based Triage product revenues were \$25.5 million and \$17.8 million, respectively, for the fourth quarter of 2014, compared to \$20.9 million and \$17.7 million, respectively, for the fourth quarter of 2013.
- Excluding the impact of the change in U.S. influenza revenues and the impact on revenues from the U.S. meter-based Triage product sales, currency-adjusted organic growth in our Professional Diagnostics segment was 1.9%. This increase reflects a 4.5% decrease in adjusted U.S. revenues, compared to the fourth quarter of 2013, offset by a 7.6% increase in our international business. The decrease in the U.S. business principally relates to lower revenues from INRatio sales and to lower pain management revenues in our Toxicology business.
- Net product and services revenue from our Health Information Solutions segment was \$34.7 million in the fourth quarter of 2014, compared to \$30.8 million in the fourth quarter of 2013, reflecting growth in our Alere Home Monitoring patient self-testing services from \$25.5 million in the fourth quarter of 2013 to \$30.0 million in the fourth quarter of 2014.
- Gross margin was 46.5% of net revenue in the fourth quarter of 2014, compared to 50.8% in the fourth quarter of 2013. Non-GAAP adjusted gross margins, which exclude from cost of net revenue amortization of acquisition-related intangibles, stock-based compensation expense, restructuring charges, and non-cash charges associated with acquired inventory, was 50.0% of non-GAAP adjusted net revenue in the fourth quarter of 2014, compared to 53.6% in the fourth quarter of 2013 and 49.8% in the third quarter of 2014.
- Non-GAAP adjusted selling, general and administrative expenses were \$176.4 million or 26.4% of adjusted net revenue in the fourth quarter of 2014, compared to \$190.6 million or 28.3% of adjusted net revenue in the fourth quarter of 2013. Non-GAAP adjusted research and development expense was \$25.6 million, or 3.8% of adjusted net revenue, compared to \$35.7 million, or 5.3% of adjusted net revenue, in the fourth quarter of 2013.

- Non-GAAP adjusted EBITDA from continuing operations for the fourth quarter of 2014 was \$155.4 million, which reflects adjustments to add back non-interest related restructuring charges of \$21.6 million, \$0.2 million of acquisition-related costs and \$5.8 million of costs associated with potential business dispositions. On a last-twelve-months basis, our non-GAAP adjusted EBITDA from continuing operations, with restructuring, acquisition and other costs added back, was \$562.7 million.

The Company's GAAP results for continuing operations for the fourth quarter of 2014 exclude \$0.3 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include \$60.8 million of amortization, \$21.6 million of restructuring charges, \$4.7 million of stock-based compensation expense, \$0.2 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$5.8 million of costs associated with potential business dispositions, \$0.4 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.2 million in compensation charges and \$0.1 million of related interest accretion associated with acquisition-related contingent consideration obligations and \$7.1 million in impairment and gain (loss) on dispositions, net, offset by the reversal of \$4.8 million of expense recorded for fair value adjustments to acquisition-related contingent consideration.

The Company's GAAP results for continuing operations for the fourth quarter of 2013 exclude \$0.5 million of revenue associated with acquired software license contracts that are not recognized due to business combination accounting rules and include amortization of \$70.5 million, \$4.2 million of restructuring charges, \$6.7 million of stock-based compensation expense, \$1.3 million of acquisition-related costs recorded in accordance with ASC 805, *Business Combinations*, \$6.1 million of costs associated with potential business dispositions, \$0.4 million of interest expense recorded in connection with fees paid for certain debt modifications, \$0.8 million in compensation charges and \$0.1 million of related interest accretion associated with acquisition-related contingent consideration obligations, a \$0.6 million charge associated with the write-up to fair market value of inventory acquired in connection with the acquisition of Epocal Inc., \$0.1 million of costs associated with the proxy contest, offset by an \$0.8 million reduction in the loss on disposition of our Spinreact, S.A. subsidiary located in Spain and \$1.6 million of income recorded for fair value adjustments to acquisition-related contingent consideration.

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.

The Company will host a conference call beginning at 8:30 a.m. (Eastern Time) today, February 10, 2015, 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 material information that has not been previously disclosed.

The conference call will be webcast live on the Investor Relations section of Alere's website or accessed directly through the following link: <http://www.videonewswire.com/event.asp?id=101458>.

To access the conference call, please use the following dial-in numbers and access code 9692678:

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 10059719 (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 at <http://www.videonewswire.com/event.asp?id=101458> or via the Investor Relations section of the Alere website 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 (<http://www.alere.com/us/en/about/investor-relations/events.html>) 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 web site at <http://www.alere.com>.

About Alere

Because **Knowing now matters™**, Alere delivers reliable and actionable information through rapid diagnostic tests, resulting in better clinical and economic healthcare outcomes globally. Headquartered in Waltham, Mass., Alere focuses on rapid diagnostics for infectious disease, cardiometabolic disease and toxicology. For more information on Alere, please visit www.alere.com.

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