

ALERE INC.
Form DEFA14A
July 22, 2013

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

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Check the appropriate box:

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| <input type="checkbox"/> Preliminary Proxy Statement | <input type="checkbox"/> Confidential, For Use of the Commission |
| <input type="checkbox"/> Definitive Proxy Statement | Only (as permitted by Rule 14a-6(e)(2)) |
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Alere Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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Alere
The Right Strategy & Board Leadership to Create Long-Term Value
July 2013

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. This includes all statements concerning or relating to anticipated improvements in revenue, margins and earnings, trends in chronic diseases, industry trends, changes in demand for our products and services, market responses to our strategy, anticipated cost savings, anticipated debt reduction, potential divestitures, product launches and the independence of our Board's director nominees. 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 events could differ materially from those projected or contemplated by the forward-looking statements due to numerous factors, including without limitation our ability to successfully integrate our acquisitions and to recognize the expected benefits of restructuring and new business activities; our exposure to changes in interest rates and foreign currency exchange rates; our ability to successfully develop and commercialize products and services; the market acceptance of our products and services; continued acceptance of health management services by payers, 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 impact of healthcare reform legislation, as well as future reform initiatives; changes in patient behavior; unexpected expenses; the content and timing of regulatory decisions and actions, including the results and consequences of FDA inspections and the OIG subpoena, as well as the impact of changes in reimbursement policy and budgetary constraints, 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 for the year ended December 31, 2012. We undertake no obligation to update forward-looking statements.

Who We Are and What Our Mission is

2

Who we are:

Alere is specialized in the diagnosis and management of chronic diseases

Alere is a world leader in this industry, with growth driven by fundamental long-term trends in the incidence of chronic diseases

What our mission is:

Alere empowers individuals to take greater control of their health under the supervision of their healthcare providers

Alere is a Global Industry Leader Poised for Growth

3
Chronic diseases account for more than 60% of deaths worldwide
Chronic diseases affect 45% of the U.S. population and are growing rapidly
Adoption of molecular testing, which will improve performance, expand reimbursement and
increase usage of diagnostic testing
Demand
for
more
effective
chronic
disease
monitoring
and
management
of

patients

at

home through the combination of diagnostics and disease management

Additional

diagnostics

sales

will

arise

by

connecting

physicians

and

patients

with

real

time diagnostic information to provide more effective home patient management

Alere is a global leader in the manufacture and development of point-of-care products for the

diagnosis and management of chronic diseases:

Cardiovascular Diseases

Infectious Diseases

Toxicology

Diabetes

Global trends that we believe will drive growth at Alere include:

The

increased worldwide adoption of diagnostics to provide early diagnosis and better

treatment outcomes for patients with chronic diseases

KEY FACTS

Of worldwide deaths are
caused by chronic disease
60%

Of the global annual GDP
represents the economic
burden associated with
chronic disease
4%

Of US GDP is spent on
healthcare, and chronic
disease
makes

up
75%
of
this expense
17%

Of the U.S. population is
affected by chronic
disease
45%

Of premature heart

disease, stroke, and
diabetes can be prevented

80%

Of adults over 20 living in
the US are overweight or

obese

68%

The Size of The Worldwide Chronic Disease Problem

4

We believe that the changing healthcare landscape will drive demand for more effective diagnosis and management of chronic disease patients by connecting physicians and patients with real time diagnostic information

In the US, these changes include the growing burden of healthcare regulations under the Affordable Care Act that has caused the emergence of

Accountable
Care
Organizations,
which
tie

reimbursements to providers (physicians & hospitals) to achieving healthcare quality goals and patient outcomes

Globally, these changes include the growing need to produce better outcomes for chronic disease patients while reducing costs

In response to these changes, healthcare providers are seeking (i) real-time access to patient care information that is captured from all healthcare settings, (ii) better decision support tools and (iii) comprehensive care management programs

Alere has commercialized an integrated system comprised of point-of-care diagnostics, health information systems and chronic care management programs

We are well positioned to leverage our existing customer relationships and sales and marketing channels to deliver these solutions both in the US and on a global basis

We believe integrated systems like ours address current needs and increasingly will represent the future of healthcare, providing comprehensive, real-time healthcare information and programs to facilitate early intervention and management of chronic conditions

Our solutions will allow for reduction in overall healthcare costs and improvement in outcomes

Alere is Well-Positioned to Take Advantage of Rapid

Changes in Healthcare

5

BUSINESS UNITS -
SALES
REGIONAL MARKETS -
SALES
TOTAL NET SALES
2012: \$2.8 billion
Current View of Business
6
Cardiology
16.7%
Toxicology
21.4%
Other
11.1%
Infectious Disease
22.8%
Heath Information

Services
18.8%
Diabetes
5.8%
Consumer Diagnostics
3.3%
North America
62.0%
Europe
18.0%
Asia Pacific
11.0%
LA & Africa
9.0%

Alere Has Put in Place Fundamental Changes to
Address Past Performance

7

Since our inception in 2001, Alere has executed a series of strategic acquisitions in an effort to apply its integrated solutions to the global challenges of chronic disease

With the formation of Alere largely completed, the Company has taken several steps since our 2012 annual meeting to implement changes that will continue to drive long-term value

Announced

new

strategy

in

November 2012 to drive organic growth, reduce costs and deleverage

Stock price performance reflects positive reaction to new strategy

Recent quarterly performance shows improvement in core businesses

Declassified Board of Directors to provide greater accountability to stockholders

Management incentives remain closely aligned with stockholders via significant ownership

that is among highest insider ownership of peer group

Nominated four new non-incumbent directors to Alere Board

Significant move to remake our Board with 40% of directors replaced and 1/3 reduction in insider representation

New

directors

will

be

independent,

offering

fresh

perspective to guide future strategy

New three-point plan as of November 2012

Focus on organic growth

Operational improvement and cost
reductions

Deleveraging via cash flow and prudent
non-core divestitures

Giving Alere Stockholders a Clear Choice

Alere

Coppersmith

Strategy for

Alere

Long-term Value Creation
Director Nominees
Alignment and
Accountability
Destroys Value and Ability to
Sustain Long-term Growth
Short-term strategy focused on financial
engineering
Delever at all costs
Divest a high growth core business
Fire sale/shutdown another core business
Substantial dilution to EPS
No specific ideas for cost savings
Highly qualified healthcare CEOs
Relevant management and Board
experience to guide Alere
Independent,
fresh
perspective
with
no
pre-
set agenda
No full-time healthcare CEO experience
Minimal Board experience
Pre-determined agenda by Coppersmith
Alere management aligned with stockholders
via significant ownership
Declassification of Board provides
accountability to stockholders with annual
elections
Short-term focus to detriment of long-term
value
Coppersmith not aligned with interests of all
stockholders
Coppersmith co-founder has poor track
record of stockholder value creation when
board candidates are elected

8

New Strategy: Organic Revenue Growth

9

New or Near Term Product Launches

Alere I

molecular diagnostic tests for Rapid flu on track for submission by year end 2013

Alere Q

molecular diagnostic tests for HIV, HCV and TB

US launch of CD4 Analyzer

US launch of Determine Combo HIV screening test

Epoc Blood Analysis System

Commercial rollout of connected health software platform

Expansion of business in underpenetrated markets of Asia, Latin America and Africa

Continued recovery in health information solutions

Expansion

in

diabetes

diagnostic

sales
through
low

cost provider positioning

Alere expects to reestablish historic organic growth rates from several sources:

Growth in Existing Businesses

Growth in Triage product sales as manufacturing capacity constraints are eliminated and customers are recaptured

Expanding revenue from toxicology business as price adjustments annualize

10

New Strategy: Focus on Expense Reduction

Company-wide focus on margin improvement and expense reduction to generate dependable, long-term cash flow

Simplify corporate structure and improve operational execution

Standardize key business processes and globalize shared services

Drive economies of scale by consolidating expenses across multiple business units

Aggressively relocate support functions and manufacturing to lower-cost geographic environments

Consolidation savings and automation implemented across Alere's global manufacturing footprint

Redirecting R&D spending towards product enhancement and extensions with focus on near-term returns rather than long-term platform development

Appointed Namal Nawana as Chief Operating Officer

Former 15-year executive at Johnson & Johnson with global operational experience integrating large, complex acquisitions

Focused

on

improving

operational

execution

and
operating
expense
leverage
opportunities
throughout
Alere's business globally
10

New Strategy: Focus on Deleveraging

Debt has been a highly attractive source of capital for growing our business

Current weighted average cost of debt of approximately 5%

Strong debt trading levels, and recent bond offering, reflect favorable view of Alere by debt markets

Alere is committed to achieving its goals for paying down debt in a manner that creates value for stockholders

With pace of acquisitions significantly reduced, deleveraging will naturally occur from internally generated cash flow

Selected divestitures of non-core businesses will also allow Alere to accelerate debt pay-down, but will be balanced against the resulting earnings dilution and potential reduction in organic growth

Will seek divestitures that create value by receiving an attractive purchase multiple for non-core businesses that are more highly-valued by a buyer

11

4.0x Debt to EBITDA is our target by the end of 2015

11/08/12

3

Quarter earnings

Note: Stock price chart reflects price appreciation only, table reflects total return. Stock prices indexed to Alere share price.

Source: Bloomberg.

Alere

Recent Strength in Stock Price Performance

Alere's stock price has increased 44% since announcing its new strategy on November 8, 2012

Since 6/28/2012

Since 11/7/2012

YTD

Alere

50.7%

44.2%

50.8%

NYSE Composite

29.9%

20.1%

15.2%

DJ US HC Index

37.8%

29.4%

27.2%

Over performance vs. NYSE Composite

20.8%

24.1%

35.6%

Over performance vs. DJ US HC Index

12.9%

14.8%

23.6%

12

\$29

\$27

\$25

\$23

\$21

\$19

\$17

Jun-12

Aug-12

Sep-12

Oct-12

Nov-12

Dec-12

Jan-13

Feb-13

Mar-13

Apr-13

Jun-13

Jul-13

Alere

NYSE Composite

DJ US HC Index

rd

call: Announcement of
new strategy

Total Return Through 07/18/2013

Positive Views from Analysts of New Strategy and Recent Performance

13

"In short, **we believe many of the headwinds that have plagued performance over the past 18-24 months are set to turn i**

tailwinds

exiting

2013,

with

a

return

to

double

digit

EPS

growth

in

2014

and

2015

as

cost

cutting

initiatives

play

out,

top-line

returns

to

growth with

Triage recovery (domestic and abroad) and new products (iNat, among others), and interest expense declines with debt reduction

sales. While the story is not without some risks, execution has certainly improved as of late and continued leverage on the SG&A

bounce

back

in

organic

growth

should

provide

investors

increased

confidence

that

the

turnaround,

which

is
still
early,
remains
on
track.

Raymond James on Jun 19, 2013

We
would
also
caution
against
getting
too
excited
about
the
potential
for
activist-driven
change.

We
have
seen
activists
get
involved
in the
past,
only
to
walk
away
frustrated.

While
we
understand
that
different
investors
have
different
styles
and
levels
of
persuasion,
we
suspect
that

current
shareholders
will
want
to
give
management
some
more
time
to
execute
on
its
divestiture
and
operating
improvement
strategy
before
rocking
the
boat.

Craig-Hallum on May 14, 2013

We
like
that
ALR
is
focusing
more
on
operational
efficiencies
and
balance
sheet
improvements.
The
firm
already
initiated
some
activities
such
as
moving
support
functions
to

lower-cost
regions
and
sharing
expenses.

However,

we

are

still

waiting

for

targets

to

measure

progress.

We

also like

that Health Info Solutions posted a ~2.5% YoY top-line growth rate and a positive operating profit.

Macquarie Capital (USA) on May 9, 2013

We

believe

growth

should

improve

throughout

2013

as

the

company

benefits

from

cost-cutting

measures,

R&D

optimization,

new

product

launches,

and

M&A

accretion.

Additionally,

the

hiring

of

a

COO

gives

more

credibility

into
management's
recent
discussions
surrounding
driving
more
profitable
growth
near-term
(without
large
scale
M&A).

Raymond James on Dec 12, 2012

All
emphasis
added.
Permission
to
quote
or
use
the
statements
herein
has
not
been
sought
or
obtained
from
any
party.
This
page
presents
only
brief
excerpts
from
selected
analyst
reports
and
does
not
purport
to

be
comprehensive or
to
summarize
the
entire
content
of
the
reports.
Other
analyst
reports
may
express
alternative
views.
Alere
is
not
responsible
for
the
accuracy,
completeness
or
currentness
of
the
reports,
and
the
presentation
of
these
excerpts
should
not
be
read
to
imply
adoption
or
endorsement
by
Alere
of
the
reports

or
any
views
expressed
therein.

Management and directors incentives are closely aligned with stockholders

Overall beneficial ownership of our CEO as well as other executive officers and directors is near the top of our proxy peer group

Alere:

CEO Ownership: 5.2%

Ownership of all Directors and Officers: 8.9%

Proxy Peers (Average):

CEO Ownership: 1.7%

Ownership of all Directors and Officers: 4.3%

Alere's core executive team has driven stock price

performance of 49% since formation of the Company

(2)

Same core executive team founded and built
Inverness Medical Technology. Delivered total
stockholder return of 364% from its 1996

IPO to its

2001 sale to Johnson & Johnson for \$1.3 billion

Management & BOD Ownership Near Top of Peers

Beneficial Ownership by Directors and Executive Officers
as a % of Total Shares Outstanding

4.3%

(1)

Bio-Rad

reflects

Class

A

common

shares.

Varian

Medical

Systems

CEO

ownership

equals

0.4%

of total

shares

outstanding.

Hologic,

Inc.

CEO

ownership

equals

0.5%

of

total

shares

outstanding.

Becton

Dickinson

&

Company

CEO

ownership

equals

0.5%

of

total

shares

outstanding.

Catamaran
Corporation
CEO
ownership
equals
0.3%
of
total
shares
outstanding.

Hospira,
Inc.
CEO
ownership
equals
0.1%
of
total
shares
outstanding.

(2)
From
November
23,
2001
through
July
18,
2013.

(1)
(1)
(1)
(1)
(1)
(1)
14

Hospira, Inc.
Catamaran Corporation
Becton Dickinson & Company
Hologic, Inc.
LabCorp
Varian Medical Systems
Beckman Coulter
Life Technologies Corp
C.R. Bard, Inc.
PerkinElmer
IDEXX Labs
Edwards Lifesciences
Gen-Probe Inc.
ResMed

St. Jude Medical
RehabCare Group
Myriad Genetics
Healthways, Inc.
Alere
Lincare Holdings
Bio-Rad

1.1%

0.9%

1.0%

1.1%

1.6%

2.0%

1.8%

1.6%

2.8%

2.0%

2.3%

3.3%

5.2%

3.9%

1.8%

1.4%

0.9%

1.9%

1.6%

1.6%

1.5%

1.3%

0.9%

3.1%

2.2%

1.6%

4.0%

4.7%

6.0%

12.7%

0.4%

0.5%

0.8%

1.9%

2.6%

3.7%

0.0%

5.0%

10.0%

15.0%

CEO

Other Directors and Officers

Notes:

Ownership
%
sourced
from
each
company's
most
recently
filed
proxy
except:
Beckman
Coulter
was
acquired
by
Danaher
Corporation
on
June
30,
2011.
Data
reflects
Beckman's
most
recent
proxy
filed
on
March
3,
2010.
Lincare
Holdings
was
acquired
by
The
Linde
Group
on
August
7,
2012.
Data
reflects
Lincare's
most
recent

proxy
filed
on
March
26,
2012.
RehabCare
Group
was
acquired
by
Kindred
Healthcare
Inc.
on
June
1,
2011.
Date
reflects
RehabCare's
most
recent
proxy
filed
on
March
23,
2010.
Gen-Probe
was
acquired
by
Hologic
Inc
on
August
1,
2012.
Gen-Probe
CEO
ownership
equals
0.7%
of
total
shares
outstanding.
Data
reflects

Gen-Probe's
most
recent
proxy
filed
on
June
29,
2012.
Catalyst
Health
Solutions
was
merged
into
Catamaran
Corporation
on
July
2,
2012.
Data
reflects
Catamaran's
latest
proxy.

Alere's Independent Directors Provide Accountability

Refreshed Board Composition

Alere's slate of four non-incumbent, independent directors represents a 40% turnover in the Board's composition in a single year

Alere's declassified Board enhances accountability to stockholders

By 2015, all of the Company's directors will be elected annually

Strong independent oversight

Independent directors to increase to eight from seven

In 2012, independent directors held 10 executive sessions without management present

Select one independent director to serve as presiding director at each session

Board of Directors actively engaged in overseeing management's execution of Alere's strategy

Governance structure and oversight practices designed to ensure management accountability

15

Alere has nominated four non-incumbent directors to bring independent thinking and fresh perspectives as Alere moves into a new phase
New nominees to take objective and hard look at Alere's strategy and employ their breadth of experience to serve best interests of all Alere stockholders

Alere's Independent Nominees are Highly Qualified

Håkan Björklund, Ph.D.

Stephen P. MacMillan

Brian A. Markison

Sir Thomas McKillop

Healthcare

Operating
Experience
Relevant
Operating
Experience
28 years
Relevant Board
Experience
Director, Coloplast A/S,
medical device company
Chairman, H. Lundbeck A/S,
Pharmaceuticals Company
Director, Atos Medical AB,
medical device company
Former Director, Danisco A/S,
food ingredients company
24 years
Former CEO and COO of
Stryker Corp (2003
2012)
Current CEO of sBioMed
LLC, infection control
products
Various executive roles at
Johnson & Johnson and
Pharmacia
Former Director, Texas
Instruments, semiconductor
company
31 years
Lead Outside Director of
Immunomedics,
biopharmaceuticals company
Chairman, Rosetta Genomics Ltd.,
diagnostics company
Chairman, Lantheus Medical
Imaging, diagnostics imaging
agents
Director, PharmAthene, medical
countermeasures to biological and
chemical threats
Former CEO of AstraZeneca
(1999
2005)
45+ years
Chairman, Evolva Holdings
Director, Theravectys
Director, Almirall SA
Director, UCB SA
Former Director, Nycomed

Amersham plc
Former Chairman, Royal Bank
of Scotland Group
Former Director, BP plc
Former Director, Lloyds TSB
Group plc
Sold to Takeda for \$13.8
billion
Former CEO of Nycomed
(1999
2011)
Various management & R&D
positions at business units of
AstraZeneca
Grew Nycomed from a small,
predominately Scandinavian
business into a major global
pharmaceutical company
Former CEO of King
Pharmaceuticals (2004
2011)
Sold to Pfizer for \$3.9 billion
Manufacturer of
pharmaceuticals and medical
devices
Sold to Sandoz, a division of
Novartis
Former CEO of Fougera
Pharmaceuticals (2011-2012)
Various executive roles at Bristol-
Myers Squibb
Led merger of Zeneca plc
and Astra AB
Former CEO of Zeneca plc
16

Stockholders Should Have Serious Concerns About
Coppersmith's Nominees

Curt Hartman

Senior executive experience mostly as a financial officer, with CEO operating experience limited to eight months as interim CEO; no public company board service

After

22-year

track

record

with

Stryker,

and

eight

months

as

interim

CEO,

Stryker

board

passed
over
Hartman
for
full
time
job
in
favor
of
another
internal
candidate
with
18
months
tenure
at
Stryker

Theodore Martin

Last executive position was approximately 15 years ago at a manufacturer of custom metal parts for aerospace and industrial markets

Former family controlled company with small market capitalization (less than \$500 million) when Martin became CEO

Only experience in healthcare industry is through Board-level oversight at two public companies, as opposed to management level execution

Jerome Lande

Professional
investor
with
no
operating
experience
in
healthcare
and
no
public
company
board
experience

Coppersmith has already set forth a pre-determined agenda, which its paid nominees will be under pressure to implement, focused on financial engineering and short-term stock price appreciation that we believe will destroy long-term value

17

Alere's Nominees Have the Right Qualifications to
Provide Independent Guidance to Our Company in
Sharp Contrast to Coppersmith's Nominees
Healthcare CEO
Experience
Public Board
Experience
Extensive CEO
Experience
Integrating
Acquisitions
Extensive CEO
Experience Driving
Growth in Foreign/
Emerging Markets

Extensive CEO
Experience Developing,
Getting FDA Approved &
Launching Medical
Products

Håkan Björklund,
Ph.D.

Stephen P. MacMillan

Brian A. Markison

Sir Thomas McKillop

Curt

Hartman

No

No

No

No

No

Theodore Martin

No

No

No

No

Jerome

Lande

No

No

No

No

No

*

Excludes

eight

months

as

interim CEO.

*

18

Alere's Toxicology and HIS Businesses are
Core to Our Strategy

Addictive disease diagnostics is a large part of Alere's
core chronic disease strategy

Drug misuse is a major medical problem, with ~16
million people annually using drugs for non-medical
reasons in the US alone

Alere has a strong position with 80+ drug tests and
15% market share in this \$1.7 billion market

Recent developments that are driving Alere's growth in
Toxicology are:

Comprehensive program solutions for employers,
currently a \$500 million market with opportunity to
grow multi-fold with expanded products and services
Differentiated offering in global reagents market with
high growth and high margin opportunity

New products for roadside testing

A sale of Toxicology would materially impact Alere's long-term revenue and earnings growth and makes no strategic or financial sense

Proprietary products and technologies are critical to Alere's chronic disease strategy

Connects proprietary diagnostic devices to physicians, hospitals, accountable care organizations

Allows for comprehensive care management

Produces better outcomes at lower costs

Business has stabilized and is on a path to sustained profitability

Coppersmith itself suggested HIS has substantial value, but they would still shut it down to generate a tax loss

19

Toxicology

Health Information Solutions

Coppersmith's Plan Would Be Value Destructive
Coppersmith Proposal
Commentary

1. Sell non-core assets worth up to \$3 billion
2. Pay down debt with divestiture proceeds
3. Rationalize Alere's expense structure to generate cost savings

Health
Information
Solutions
and
Toxicology
are
CORE
Businesses
for
Alere
Coppersmith
on
record
that
they
would
sell
or

shut
down

Health
Information
Solutions

Coppersmith's plan is to divest and deleverage at all costs
Coppersmith's approach is value destructive and reflects a lack of understanding of our
industry and our company

Selling
profitable
businesses
and
using
net
proceeds

to
pay
down
low
cost
debt
is

extremely dilutive to earnings

Even with no tax leakage, the sale multiple must be 20x EBIT or greater to avoid
EPS dilution

Will also compromise our competitive advantage, dilute revenue growth and dilute
earnings growth

Alere outlined in Nov 2012 a strategy to simplify its corporate structure and improve
operational efficiencies to generate cost savings

Coppersmith's proposal contains few concrete ideas and mostly reiterates what
Alere has already publicly stated with only vague targets identified and no methods for
delivery provided:

Return
SG&A margins to 2010 levels
Restore
gross margins to 2010 levels
Adjust
corporate expense base following divestitures
Coppersmith believes
there are R&D savings
Alere has offered concrete steps to improve operating margins
(1)
Coppersmith letter filed 7/8/2013
20
(1)

Coppersmith Offers No New Ideas to Generate Cost Savings

Alere's Public Statements

Coppersmith suggests that Alere should rationalize its expense structure to generate cost savings

February 15, 2013 Earnings Call

Completing the integration and rationalization of our business

Acquisition integration

Reducing redundant headcount

May 2, 2013 Earnings Call

A high level reorganization within the company, creating a governance structure which will better support tactical execution and operational effectiveness should result in improved P&L accountability

Evaluating the matrix structure to ensure it appropriately aligns management outcomes and incentives

Creation of a global shared services team

Creating shared services team

June 27, 2013 Letter to stockholders

Aggressively relocating support functions to lower cost environments

Relocating support functions to low cost geographies

Reduce manufacturing costs through automation and relocation to lower cost areas

Explore lower cost [manufacturing] geographies

Increase automation and other yield improvements

Aggregate expenses and activities across multiple business units to obtain economies of scale

Implement shared materials sourcing initiatives to generate scale

21

Coppersmith's Ideas in July 8 Letter to stockholders

While Coppersmith has criticized Alere for half measures in this area, its own plan has few concrete ideas that mostly mirror Alere's public statements

Between November 2012 and late March 2013, Alere executives had 5 meetings or conference calls with Coppersmith or Scopia Capital

Coppersmith declined invitations for additional meetings at the JP Morgan Healthcare Conference in January 2013, and at our office in February 2013

Coppersmith never disclosed that throughout this period its founders owned 300 shares of Alere in total, and Scopia owned none

Coppersmith and Scopia also never expressed any concerns with Alere's strategy

On April 1, 2013, Messrs. Zwanziger and Teitel met with Coppersmith and Scopia at Alere's headquarters and learned for the first time that Coppersmith had concerns about the Company's strategy

Alere arranged for a follow-up call on April 11, focused on Health Information Solutions, but instead Coppersmith informed

the

Company
on
this
call
that
it
intended
to
initiate
a
proxy
contest
with
its
own
nominees

Alere initiated another meeting with Coppersmith and Scopia on April 30, and offered to enter into a non-disclosure agreement (NDA) to share information at the meeting, but Coppersmith declined to sign the NDA

At the meeting, Coppersmith reiterated its position but refused to elaborate or offer support for their views

In May 2013, Coppersmith declined our invitation to have its nominees interviewed by our Nominating and Corporate Governance Committee, unless we agreed in advance to add its nominees to the Board

In June 2013, the parties entered into an NDA so that Alere could disclose its new independent nominees and seek Coppersmith s support

Coppersmith indicated the Company s slate was not sufficient for them to support, but refused to provide a counter position that they would support

Alere has been open to a constructive dialog with Coppersmith

Throughout our dialogue with Coppersmith, Coppersmith has not been forthcoming about their ideas or their agenda nor have they expressed interest in engaging in a constructive dialog about building long-term stockholder value at Alere

22

Our Concerns About Coppersmith's Value-Destructive Strategy
Are Further Evidenced by the Founder's Poor Track Record
When Board Nominees are Elected

Company

Board Member

Tenure Start Date

Tenure End Date

(1)

Total Return

(2)

Total Return

Relative to

Market Index

(3)

Total Return

Relative to

Sector Index

(4)

DHT Holdings

Robert N. Cowen

5/14/2010

Current

(88.6%)

(140.1%)

(30.5%)

Unisys Corporation

Clay Lifflander

5/20/2008

12/7/2010

(44.0%)

(35.9%)

(51.1%)

Charles McQuade

5/20/2008

5/1/2012

(58.0%)

(66.7%)

(108.3%)

Brink s Company

Carrol Wetzel &

Robert Strang

5/2/2008

5/6/2011

18.4%

(3.8%)

(2.5%)

Average

Underperformance:

(70.2%)

(47.1%)

23

Source: Bloomberg using total stockholder return including dividends and stock splits. Board tenures from company filings.

(1)

DHT

Holdings:

Robert

N.

Cowen s

current

tenure

expires

in

2014;

returns

taken

as

of
June
28,
2013.
Unisys
Corporation:
Clay
Lifflander
resigned
from
the
Board
on
December
7,
2010
and
Charles
McQuade
retired
on
May
1,
2012.
Brink s
Company:
Carrol
Wetzel
and
Robert
Strang
served
adjacent
terms
on
Brink s
Board.
Carrol
Wetzel
served
beginning
on
5/2/2008
and
left
on
10/31/2008
to
serve
on

Board
of
Brink s
Home
Security
Holdings,
Inc.,
which
was
sold
to
Tyco
on
5/14/2010,
while
Robert
Strang
served
beginning
on
10/31/2008
and
left
on
5/6/2011.
(2)
Returns
from
Bloomberg
and
represents
total
stockholder
returns
including
price
appreciation,
dividends
and
stock
splits.
Unisys
Corporation
does
not
pay
a
dividend
and
therefore

Total
Return
is
price
appreciation
and
stock
splits.
Brink's
Total
Return
is
based
on
market
value
weighted
index
return
of
combined
Brink's
from
5/2/2008
to
5/6/2011
and
Brink's
Home
Security
from
10/31/2008
spin-off
from
Brink's
to
5/13/2010
close
of
sale
to
Tyco.
(3)
S&P
500
Index
is
used
as
DHT

Holdings
Market
Index
and
the
Total
Return
is
51.5%
during
Robert
N.
Cowen's
tenure.
S&P
500
Index
is
used
as
Unisys
Corporation's
Market
Index
and
the
Total
Return
is
(8.1%)
during
Clay
Lifflander's
tenure
and
8.7%
during
Charles
McQuade's
tenure.
S&P
Midcap
400
Index
is
used
as
Brink's
Company's
Market

Index
and
the
Total
Return
is
22.2%
during
Carrol
Wetzel
and
Robert
Strang's
adjacent
tenure.
(4)
VLCC
Time
Charter
Rates
is
used
as
DHT
Holdings
Sector
Index
and
the
Total
Return
is
(58.1%)
during
Robert
N.
Cowen's
tenure.
S&P
500
IT
Services
Index
is
used
as
Unisys
Corporation's
Sector
Index

and
the
Total
Return
is
7.1%
during
Clay
Lifflander's
tenure
and
50.3%
during
Charles
McQuade's
tenure.
S&P
Midcap
400
Commercial
Services
and
Supplies
Index
is
used
as
Brink's
Company's
Sector
Index
and
the
Total
Return
is
20.9%
during
Carrol
Wetzel
and
Robert
Strang's
adjacent
tenure.

Jerome Lande is co-founder of Coppersmith Capital. Coppersmith has no public record of any operating activities other than its activities related to Alere

Mr. Lande previously served as a Partner of MCM Capital Management, the general partner of MMI Investments, where he claims he was responsible for all areas of portfolio management

Since 2008, MMI obtained Board seats for its nominees at three companies following proxy contests

For 2 of these 3 investments, the stock price fell dramatically during the Board tenure of MMI's director candidates
For all 3 of these investments, stockholder returns consistently underperformed the relevant market and sector indices for each company

New three-point plan as of November 2012

Focus on organic growth

Operational improvement and cost
reductions

Deleveraging via cash flow and prudent
non-core divestitures

Alere Stockholders Have a Clear Choice

Alere

Coppersmith

Strategy for

Alere

Long-term Value Creation
Director Nominees
Alignment and
Accountability
Destroys
Value
and
Ability
to
Sustain Long-term Growth
Short-term strategy focused on financial
engineering
Delever at all costs
Divest a high growth core business
Fire sale/shutdown another core business
Substantial dilution to EPS
No specific ideas for cost savings
Highly qualified healthcare CEOs
Relevant management and Board
experience to guide Alere
Independent, fresh perspective with no pre-
set agenda
No full-time healthcare CEO experience
Minimal Board experience
Pre-determined agenda by Coppersmith
Alere management aligned with stockholders
via significant ownership
Declassification of Board provides
accountability to stockholders with annual
elections
Short-term focus to detriment of long-term
value
Coppersmith not aligned with interests of all
stockholders
Coppersmith co-founder has poor track
record of stockholder value creation when
board candidates are elected

24

Appendix
25

DHT Holdings

DHT Holdings stock price has declined 91% during the tenure of MMI's Board candidate
26

From May 14, 2010, when Robert
N. Cowen was appointed to the
Board of DHT Holdings, through
June 28, 2013, DHT stock price
declined 91%

Business Description

DHT Holdings, Inc. operates as an
independent crude oil tanker company.
The company's fleet principally

operates on international routes. The company was incorporated in 2005 and is headquartered in Hamilton, Bermuda.

Key Points

Timeline of Key Events

December 3, 2009:

March 2, 2010:

with underperformance of the shares, depressed valuation, poor acquisition track record, removal of dividend

Demanded reinstatement of \$0.10/share dividend

Demanded immediate addition of Robert N. Cowen to the Board of Directors

March 15, 2010:

Cowen for election to the Board of Directors

March 17, 2010:

the Board of DHT

May 14, 2010:

Investments

Board expanded from 4 to 5 members

MMI Investments terminated its proxy contest after the appointment

May 26, 2010:

March 21, 2011:

August 5, 2011:

June 25, 2012:

June 28, 2013:

MMI filed a 13D indicating an approximate 8.1% position in DHT stock

MMI Investments sent a letter to Erik Lind, Chairman of the Board of DHT Holdings, expressing frustration

MMI Investments, L.P. sent a letter to Erik A. Lind, Chairman of

the Board of DHT, nominating Robert N.

DHT declares dividend of \$0.10 / share

MMI Investments filed a definitive proxy statement to solicit proxies for the election of Robert N. Cowen to

DHT Holdings appoints Robert N. Cowen to their Board of Directors after signing agreement with MMI

Cancelled SAGA acquisition

DHT announced the acquisition of a VLCC from Samsung for \$67 million

Removed from Russell 3000 Index

Robert N. Cowen currently serves on the board of DHT Holdings

DHT Holdings (Cont d)

Stock price performance during tenure of MMI Board candidate

May 14, 2010:

MMI candidate Robert N.

Cowen appointed to

Board

Price: \$51.24

June 28, 2013:

Current share price:

\$4.48

May 26, 2010:

DHT declares dividend of

\$0.10/share

Price: \$49.08

March 21, 2011:

DHT announced the acquisition of a VLCC from Samsung for \$67 million

Price: \$57.00

June 25, 2012:

Removed from Russell 3000 index

Price: \$7.44

August 5, 2011:

Cancelled SAGA acquisition

Price: \$38.76

September 2, 2011:

Filed shelf registration for \$300 million

Price: \$33.48

Total Return

(88.6%)

(1)

(1)

Returns from Bloomberg and represents total stockholder return including price appreciation, dividends and stock splits.

27

\$80.00

\$70.00

\$60.00

\$50.00

\$40.00

\$30.00

\$20.00

\$10.00

\$0.00

May-10

Aug-10

Oct-10

Jan-11

Mar-11

Jun-11

Sep-11

Feb-12

May-12

Jul-12

Oct-12

Dec-12

Mar-13

Jun-13

Nov-11

Business Description

Unisys Corporation provides information technology (IT) services, software, and technology that solve mission-critical problems for clients worldwide. It operates in two segments, Services and Technology.

Key Points

Unisys Corporation

Unisys stock price declined 58% during the tenure of MMI's Board candidates

(1)

"Unisys CEO to step down No successor was named. Joseph W McGrath will stay until a new chief is selected." Philly.com (2)

24/business/25247040_1_unisys-ceo-condo-tower-board-seat>.

28

Revenue declined 25% from 2008 to 2012, the years that MMI

Investments had a candidate on the Board

November 16, 2006:

MMI Investments started accumulating ~9.9% position in Unisys Corporation (Unisys)

November 5, 2007:

MMI Investments started dialogue with Unisys's Board of Directors and Management regarding MMI's

concerns

about

the

company,

including:

undervaluation,

strategic

configuration

and

strategic

alternatives

to

increase

stockholder value

January 7, 2008:

MMI Investments sent letter to Board of Directors urging it to engage an investment bank to perform

a

review

of

all

strategic

alternatives,

with

a

particular

focus

on

the

potential

realization

of

the

U.S. Government

business through a sale, tax-free spin-off or subsidiary IPO

January 23, 2008:

Unisys announced that it had postponed the date for stockholder notifications for its 2008 meeting to facilitate discussions with MMI Investments

May 20, 2008:

MMI Investments entered into a Governance and Cooperation Agreement with Unisys, under which Unisys appointed Clay Lifflander and Charles McQuade to Unisys's Board of Directors

September 19, 2008:

Unisys CEO Joseph McGrath resigned, under pressure from MMI Investments

October 7, 2008:

Unisys's Board elected J. Edward Coleman as Chairman of the Board and appointed him Chief Executive Officer. J. Edward Coleman had a corporate transformation and turnaround background

November 19, 2008:

Unisys announced initiative to simplify its organizational structure and reduce operating expenses including cutting \$100 million in annual SG&A

December 4, 2008:

Unisys undertook reverse stock split in order to maintain its NYSE listing

December 22, 2008:

Unisys announced that it was taking actions to reduce annual costs by more than \$225 million

January 19, 2010:

Unisys announced sale of Health Information Management business to Molina Healthcare for \$135 million

December 7, 2010:

Clay Lifflander resigned as a Director of Unisys

May 1, 2012:

Charles McQuade retired from the Board after attaining the mandatory retirement age of 70

Stock price decline of 58% during his tenure on the Board

Stock price decline of 44% during his tenure on the Board

(1)

Timeline of Key Events

Unisys Corporation (Cont d)

Stock price performance during tenure of MMI Board candidates

May 20, 2008:

MMI candidates Clay
Lifflander and Charles
McQuade appointed to
Board

Price: \$44.50

May 1, 2012:

MMI candidate Charles
McQuade retires from
Board

Price: \$18.71

September 19, 2008:

Joseph McGrath resigns
as CEO

Price: \$33.50

November 19, 2008:

Unisys announces initiative
to cut expenses by \$100
million

Price: \$4.00

January 19, 2010:

Unisys announces sale of
HIM for \$135 million

Price: \$35.74

December 7, 2010:

MMI candidate Clay
Lifflander resigns from
Board

Price: \$24.92

Total Return

(58.0%)

(1)

(1)

Returns from Bloomberg and represents total stockholder return including price appreciation, dividends and stock splits.

29

\$60.00

\$50.00

\$40.00

\$30.00

\$20.00

\$10.00

\$0.00

May-08

Aug-08

Dec-08

Mar-09

Jul-09

Oct-09

Jan-10

May-10

Aug-10

Dec-10

Mar-11

Jun-11

Oct-11

Jan-12

May-12

Business Description

Key Points

The Brink's Company

Timeline of Key Events

Source: Company Filings.

(1) Total Return based on market value weighted index return of combined Brink's from 5/2/2008 to 5/6/2011 and Brink's Home Security (BHS)

(2) S&P Midcap 400 Index.

30

Since MMI Investment's (MMI) investment in Brink's:

Brink's Home Security (BHS) was spun off in 2008

Over the time of MMI nominated Board representation, from May 2, 2008 to May 6, 2011, Brink's stock had a total return of 18.4%

(1) versus the S&P Midcap 400 Index total return of 22.2%

The Brink's Company (Brink's or the Company) is a leader in security-related services including armored car transportation, money processing, long-distance transport of valuables and vaulting.

February 6, 2004:

MMI discloses ownership of 5.4%

in Brink's common shares

via 13D filing

April 20, 2005:

MMI writes a letter to Brink's board and says it is frustrated with Brink's poor stock performance and suggests the company sell its Bax Global Inc. unit

November 15, 2005:

Brink's announces the sale of BAX Global Inc to Deutsche Bahn AG for approx. \$1.1B in cash

November 18, 2005:

MMI discloses it has increased its ownership of Brink's shares to 6.7%

December 18, 2006:

MMI files a presentation as a part of an amended 13D and recommends strategic alternatives such as splitting-off a business unit or selling the Company

February 19, 2008:

MMI files proxy statement nominating four director candidates for 2008 election

Argues Brink's should split-off either the armored-car business or the home-security business

February 25, 2008:

Brink's announces board approval to spin off the Brink's Home Security (BHS) unit

Reaches agreement with MMI to expand board and nominate one of MMI's nominees as a director at the 2008 annual meeting

In addition, agrees to nominate another one of MMI's nominees to serve as a director of BHS following the spin-off
MMI withdraws its proxy filing

May 2, 2008:

Brink's appoints MMI nominee Carroll R. Wetzel, Jr., to its Board of Directors

October 31, 2008:

Edgar Filing: ALERE INC. - Form DEFA14A

Brink's completes spin-off of BHS and appoints MMI nominees to each company's board

Carroll R. Wetzel, Jr., joins the board of BHS

Robert J. Strang, CEO of Investigative Management Group, appointed to Brink's board

November 17, 2010:

Brink's increases its stake in Servicio Pan Americano De Proteccion S.A. De C.V. (SPP), a Mexico based secure logistic company, from 21% to approximately 100% for approximately \$60 million

May 6, 2011:

Robert J. Strang's board representation term expires as he was not nominated by the Board for re-election

The Brink's Company lagged the index

by 380 basis points during the tenure of MMI's Board candidates

(2)

Price (\$)

October 17, 2008

Brink's Home Security

begins trading when

issued, spun-off on

October 31, 2008

Price: \$23.50

Stock price performance during tenure of MMI Board candidates

The Brink's Company (Cont'd)

Oct 31, 2008:

Brink's completes spin-off of the BHS

unit and election of directors per

agreement with MMI

Carroll R. Wetzel, Jr. is switched to
BHS's board

Robert J. Strang is appointed to
Brink's board

Price: \$48.49

May 6, 2011:

Robert J. Strang's term
expires as he was not

nominated by the
Board for re-election

Price: \$29.85

May 2, 2008:

Carroll R. Wetzel, Jr.,
joins the board

Price: \$72.00

Oct 30, 2008:

Q3 2008 earnings
announcement

Price: \$46.24

Nov 17, 2010:

Brink's increases its
stake in

Servicio Pan
Americano De

Proteccion to approx.
100%

Price: \$25.52

January 18, 2010

Tyco International
announces acquisition of
Brink's Home Security

Price: \$31.42

Total Return

81.3%

(1)

Combined

Total Return

18.4%

(1)

Total Return

(21.0%)

(1)

Dec 17, 2008:

MMI reports stake in
Brink's reduced to

4.8%

Price: \$23.50

May 14, 2010

Brink's Home Security sold
to Tyco International

Price: \$42.61

(1)

Returns from Bloomberg and represents total stockholder return including price appreciation, dividends and stock splits.

31

\$72

\$62

\$52

\$42

\$32

\$22

\$12

May-08

Jul-08

Sep-08

Dec-08

Feb-09

May-09

Jul-09

Sep-09

Dec-09

Feb-10

May-10

Jul-10

Sep-10

Dec-10

Feb-11

May-11

The Brink's Company

Brink's Home Security

Combined Price