UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): April 29, 2016

IDEXX LABORATORIES, INC.
(Exact name of registrant as specified in its charter)

Delaware 000-19271 01-0393723
(State or other jurisdiction (Commission File Number) (IRS Employer Identification No.)
of incorporation)

One IDEXX Drive, Westbrook, Maine 04092 04092
(Address of principal executive offices) (ZIP Code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General

Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
On April 29, 2016, IDEXX Laboratories, Inc. (the “Company”) announced its financial results for the quarter ended March 31, 2016. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with general instructions to Form 8-K, the information in this Form 8-K and the Exhibit 99.1 attached hereto is being furnished under Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 2.02 Results of Operations and Financial Condition.

On April 29, 2016, IDEXX Laboratories, Inc. (the “Company”) announced its financial results for the quarter ended March 31, 2016. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with general instructions to Form 8-K, the information in this Form 8-K and the Exhibit 99.1 attached hereto is being furnished under Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed.

99.1 Press Release entitled “IDEXX Laboratories Announces First Quarter Results,” issued by the Company on April 29, 2016.
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IDEXX LABORATORIES, INC.

Date: April 29, 2016

By: /s/ Brian P. McKeon

Brian P. McKeon
Executive Vice President, Chief Financial Officer and Treasurer
<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description of Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.1</td>
<td>Press Release entitled “IDEXX Laboratories Announces First Quarter Results,” issued by the Company on April 29, 2016.</td>
</tr>
</tbody>
</table>
-- Achieves 11% organic growth for total Company and CAG Diagnostics recurring revenues
-- Premium instrument placements increase 18%, supported by 25% growth in Catalyst®
-- Delivers EPS of $0.51, up 14% on a constant currency basis
-- 2016 organic revenue growth guidance range increased to 9% - 10% on positive trends
-- 2016 revenue guidance range increased by $40 million based on favorable changes in foreign exchange rates and higher organic growth
-- 2016 EPS guidance range increased to $2.18 - $2.25 on favorable growth outlook and favorable changes in foreign exchange rates

WESTBROOK, Maine, April 29, 2016 /PRNewswire/ -- IDEXX Laboratories, Inc. (NASDAQ-IDXX) today reported revenues for the first quarter of 2016 of $418 million, an increase of 9% compared to the prior year period. Organic revenue growth for the quarter was 11%, supported by strong growth in the Companion Animal Group (“CAG”) and Water segments.

Earnings per diluted share (“EPS”) for the quarter was $0.51, an increase of 4% compared to the prior year period, while absorbing a negative $0.05 per share impact related to net changes in foreign exchange, resulting in constant currency EPS growth of 14%. The federal research and development tax credit, which benefited the current but not the prior year period, had a 2% favorable impact to EPS growth.

“We were very pleased with the Company’s performance in the first quarter. The benefits of our go-direct commercial strategy and innovation pipeline drove strong gains in our recurring revenues. We also achieved continued outstanding results in placing new instruments globally, supported by the expansion of Catalyst One®. We achieved 714 Catalyst placements in international markets and 443 in North America, with 58% of North America placements to new and competitive accounts. Our powerful worldwide commercial model and new products such as IDEXX VetLab™ and Catalyst One have put us in a very favorable position for continued strong growth. Given our strong start and positive trends, we are raising our 2016 guidance range for organic revenue growth to 9% - 10%,” said Jonathan Ayers, the Company’s Chairman and Chief Executive Officer.

“We are pleased to announce that in mid-April, as planned, we started shipping SediVue Dx™, our novel urine sediment analyzer for use in-clinic. SediVue provides improved accuracy and streamlined workflow benefits to veterinary clinics compared to the traditional challenging manual process involving microscopic interpretation. In concert with chemistry and hematology, urinalysis forms the essential third pillar of the minimum diagnostic database to support the assessment of a pet’s health,” continued Ayers.

First Quarter Financial Performance Highlights

First quarter revenue increased 9% to $418 million and organic revenue growth was 11%.

- Companion Animal Group organic revenue growth was 11% for the first quarter, driven by 11% organic growth in CAG Diagnostics recurring revenues, 16% organic revenue growth in CAG Diagnostics instruments, and 14% organic revenue growth in customer information management and diagnostic imaging systems. CAG Diagnostics recurring revenue gains reflected 15% organic growth in reference laboratory diagnostic and consulting services, driven by high teen organic revenue growth in the US, and 12% organic revenue growth in IDEXX VetLab™ consumables. Rapid assay organic revenue growth declined 1% primarily due to the quarterly timing of promotional programs. CAG Diagnostics recurring revenue growth was supported by an extra day in the quarter due to leap year and favorable comparative weather conditions.
- Water’s organic revenue growth was 11% in the first quarter, driven by worldwide increases in core coliform and E.coli products, as well as benefits from the launch of our new Quanti-Tray® 80 Sealer PLUS product, the extra leap year day, and favorable comparative weather conditions.
- Livestock, Poultry and Dairy (“LPD”) organic revenue increased 4% for the first quarter reflecting solid growth in new products worldwide, strong growth in China porcine and poultry products, and higher livestock services revenue in Australia, partially offset by lower Europe bovine revenue.

Gross profit increased 6% compared to the prior year period. Gross margin decreased from 56.4% to 54.5%, reflecting the unfavorable impact of foreign exchange rates (including the lapping of prior year hedge gains), higher manufacturing costs, and mix impacts from strong instrument sales, partially offset by benefits from moderate price gains.

Operating margin was 17.7% in the first quarter, down from prior year period operating margin of 19.0%, reflecting gross margin changes. Operating expenses increased 8%, slightly below the rate of revenue growth.

Outlook for 2016

The Company is increasing its 2016 revenue guidance range by $40 million and its 2016 EPS guidance range by $0.08 per share to reflect its strong first quarter operating results, positive revenue growth trends, and projected benefits from a moderated strengthening of the US dollar relative to foreign currencies, partially offset by an anticipated increase in the effective tax rate.

At the revised current foreign exchange rates assumptions below, compared to assumptions used in our prior guidance for 2016 provided during our fourth quarter earnings call on January 29, 2016, the moderating of the US dollar strength has the effect of increasing projected revenue by approximately $27 million and EPS by $0.05 per share, net of hedge benefits. We estimate that with these revised foreign exchange assumptions, the effect of the stronger US dollar compared to rates in effect in 2015 will adversely impact 2016 reported revenue growth by approximately 1%, EPS by an estimated $0.21 per share, and Adjusted EPS growth by 10%.

The Company provides the following updated guidance for 2016:

<table>
<thead>
<tr>
<th>Amounts in millions except per share data and percentages</th>
<th>Guidance Range</th>
<th>Growth Definition</th>
<th>Year-over Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue $1,730 - $1,750</td>
<td>Organic Revenue Growth</td>
<td>9% to 10%</td>
<td>9% to 10%</td>
</tr>
<tr>
<td>EPS $2.18 - $2.25</td>
<td>Reported</td>
<td>8% to 9%</td>
<td>8% to 9%</td>
</tr>
<tr>
<td></td>
<td>Adjusted</td>
<td>3% to 7%</td>
<td>3% to 7%</td>
</tr>
<tr>
<td></td>
<td>Constant Currency Adjusted</td>
<td>13% to 17%</td>
<td>13% to 17%</td>
</tr>
<tr>
<td></td>
<td>Reported</td>
<td>6% to 10%</td>
<td>6% to 10%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>95% - 100% of net income</td>
<td>$90 million</td>
<td>$90 million</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The guidance above assumes that the value of the US dollar relative to other currencies will reflect the euro at $1.12, the British pound at $1.40, the Canadian dollar at $0.75, the Australian dollar at $0.70 and the Japanese yen at ¥113 to the US dollar for the remainder of 2016.

We continue to expect that operating margins for the full year will be 18.0% to 18.5%. Adjusted for foreign currency impacts (including comparisons to 2015 hedge gains) and the 2015 software impairment charge, we continue to target operating margin improvement of approximately 50 basis points from 2015 levels.

We expect an effective tax rate of approximately 30.5% to 31.0%, up slightly from previous guidance due to a higher mix of profit in the US versus lower tax rate jurisdictions. We are projecting a reduction in weighted average shares outstanding of approximately 3.5%, and interest expense, net of interest income, of approximately $31 million reflecting current and projected borrowings.

Conference Call and Webcast Information

IDEXX Laboratories, Inc. will be hosting a conference call today at 8:30 a.m. (Eastern) to discuss its first quarter results and management's outlook. To participate in the conference call, dial 800-230-1092 or 612-288-0340 and reference confirmation code 390906. An audio replay will be available through Friday, May 6, 2016 by dialing 800-475-6701 or 320-365-3844 and referencing replay code 390906.

The call will also be available via live or archived webcast on the IDEXX Laboratories’ website at www.idexx.com and will be available for one year.

Annual Meeting

IDEXX Laboratories, Inc. today announced that it will host a simultaneous webcast of its Annual Meeting of Stockholders, to be held on Wednesday, May 4, 2016, at 10:00 a.m. (Eastern) at the Portland Marriott Hotel, 200 Sable Oaks Drive, South Portland, Maine.
The following provides information regarding certain measures used in this earnings release and the accompanying earnings conference call that are not required by, or presented in accordance with, generally accepted accounting principles in the United States of America (“GAAP”), otherwise referred to as non-GAAP financial measures. Management believes that reporting non-GAAP financial measures provides useful supplemental information for investors by facilitating comparisons of our EPS performance with prior and future periods. The 2016 projected Adjusted EPS growth calculation uses the Adjusted 2015 EPS, which excludes from 2015 reported earnings the third quarter 2015 non-cash software impairment charge of $8.2 million or $0.08 per share.

Adjusted EPS and Adjusted EPS growth - Adjusted EPS and Adjusted EPS growth are non-GAAP financial measures. Management believes that reporting Adjusted EPS provides useful information to investors by facilitating comparisons of our EPS performance with prior and future periods.

Free cash flow is a non-GAAP financial measure and means, with respect to a measurement period, the cash generated from operations during that period, including the net impacts of currency on our revenue, operating profit, EPS and Adjusted EPS results by restating results to the average exchange rates or exchange rate assumptions for the comparative period, which includes adjusting for the estimated impacts of foreign currency hedging transactions and certain impacts on our effective tax rate. See the supplementary analysis of results below for free cash flow for the three months ended March 31, 2016. Adjusted EPS growth by 10%. Constant currency revenue growth represents the percentage change in revenue during the applicable period, as compared to the prior year period, excluding the impact of changes in foreign currency exchange rates. See the supplementary analysis of results below for free cash flow for the three months ended March 31, 2016.

Note Regarding Forward-Looking Statements
This earnings release contains statements about the Company’s business prospects and estimates of the Company’s financial results for future periods that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are included above under "Outlook for 2016" and elsewhere in this report. Words such as "may," "anticipate," "intends," "will," "plan," "believes," "estimates," "should," and similar words and expressions. Our forward-looking statements include statements relating to our revenue growth and EPS outlooks; free cash flow forecasts; projected impact of foreign currency exchange rates; and projected operating margins, capital expenditures, effective tax rate, weighted average shares outstanding, share price performance and other projections and estimates given in this report. These forward-looking statements are based on estimates and assumptions which involve risks, uncertainties and other factors that could cause actual results to differ materially from the Company's expectations. Factors that could cause or contribute to such differences include the following: the Company's ability to successfully execute its strategy, including supporting its animal health and diagnostic businesses; the success of the Company's innovation initiatives to drive new product development, including government decisions about whether and when to approve the Company's products and decisions regarding labeling, manufacturing and marketing products; the impact of consolidation in our customer base, including veterinary hospital consolidation, and the prevalence of buying consolidators on the markets for the Company's products; the Company's ability to obtain patent and other intellectual property protection for its products, successfully enforce its intellectual property rights and defend itself against third party claims against the Company; changes in testing practices or patterns in veterinary medicine that affect the rate of use of the Company's products and services by veterinarians; a failure or perceived failure to comply with regulations and our policies regarding the privacy and protection of user data; the effect of any strengthening of the rate of exchange for the US dollar; the impact of a change to our effective tax rates. These estimated currency changes reduced first quarter 2016 EPS growth by 10%, projected 2016 revenue growth by 1%, and projected 2016 adjusted EPS growth by 10%. Constant currency revenue growth represents the percentage change in revenue during the applicable period, as compared to the prior year period, excluding the impact of changes in foreign currency exchange rates. See the supplementary analysis of results below for free cash flow for the three months ended March 31, 2016.

Growth and organic growth - All references to growth and organic growth refer to growth compared to the equivalent prior year period unless specifically noted.

Organic revenue growth - Organic revenue growth is a non-GAAP financial measure. Management believes that reporting organic revenue growth provides useful information to investors by facilitating comparisons of our EPS performance with prior and future periods and to the performance of our peers. Organic revenue growth for the first quarter of 2016 excludes the impact of changes in foreign currency exchange rates, which had a 1.9% unfavorable impact on revenue growth, and revenue from business acquisitions, which contributed 0.5% to revenue growth. See the supplementary analysis of results below for a reconciliation of reported revenue growth to organic revenue growth for the three months ended March 31, 2016.

Note: The terms "GAAP," "non-GAAP," "reconciling any differences," and "GAAP and non-GAAP" throughout this report are defined below: GAAP includes all disclosures and financial measures determined in accordance with GAAP. Non-GAAP financial measures are useful in evaluating the Company's business, this information should be considered as supplemental in nature and should not be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly titled measures reported by other companies.
Net income: 46,025 46,578
Less: Noncontrolling interest in subsidiary's earnings (losses) 6 (16)
Net income attributable to stockholders $ 46,019 $ 46,594
Earnings per share: Basic $ 0.51 $ 0.49
Earnings per share: Diluted $ 0.51 $ 0.49
Shares outstanding: Basic 89,824 94,280
Shares outstanding: Diluted 90,838 95,521

IDEXX Laboratories, Inc. and Subsidiaries
Selected Operating Information (Unaudited)

Three Months Ended
March 31, March 31,
2016 2015
Operating
Gross profit 54.5% 56.4%

Ratios (as a percentage of revenue):
Sales, marketing, general and administrative expense 30.9% 30.6%
Research and development expense 6.5% 6.0%
Income from operations 1 17.7% 19.0%

1 Amounts presented may not recalculate due to rounding.

IDEXX Laboratories, Inc. and Subsidiaries
Segment Information
Amounts in thousands (Unaudited)

Three Months Ended
March 31, March 31,
2016 2015
Revenues
Revenue
CAG $ 357,639 $ 324,531
Water 23,562 21,698
LPD 30,856 31,270
Other 5,503 4,978
Total $ 417,550 $ 382,477

Gross Profit1:
CAG $ 190,792 53.3% $ 176,034 54.5%
Water 16,106 68.4% 15,148 69.8%
LPD 17,977 58.3% 20,008 64.0%
Other 2,923 53.1% 2,473 49.7%
Unallocated Amounts (261) N/A (981) N/A
Total $ 227,537 54.5% $ 215,044 56.4%

Income from Operations1:
CAG $ 61,378 17.2% $ 53,518 16.5%
Water 9,679 41.1% 9,361 43.1%
LPD 4,570 14.8% 6,956 22.2%
Other (837) (15.2%) (322) (6.5%)
Unallocated Amounts (997) N/A 3,290 N/A
Total $ 73,763 17.7% $ 72,803 19.0%

1 Effective January 1, 2016, we modified our management reporting to provide a more comprehensive view of the performance of our operating segments by including the capitalization of variances between standard and actual manufacturing costs, which adjust the timing of cost recognition from when the variance is created to the period in which the related inventory is sold. Prior to January 1, 2016, the capitalization and subsequent recognition of these variances were not allocated to our operating segments and were instead reported under the caption "Unallocated Amounts." The segment gross profit and income (loss) from operations within this report for the quarter ended March 31, 2015 has been retrospectively revised to reflect this change to our reportable segments.

IDEXX Laboratories, Inc. and Subsidiaries
Revenues and Revenue Growth Analysis by Product and Service Categories and by Domestic and International Markets
Amounts in thousands (Unaudited)

Three Months Ended
March 31, March 31,
2016 2015
Dollar Percentage Percentage Organic
Change Change Change Revenue Growth

Net Revenue
CAG March 31, March 31, March 31, March 31, March 31, March 31, March 31, March 31, March 31,
2016 2015 Change Change Change
Net CAG Revenue $ 305,510 $ 278,766 $ 26,744 9.6% (1.6%) 0.6% 10.6%
IDEXX VetLab consumers 107,569 98,392 9,177 9.7% (1.8%) - 11.5%
IDEXX VetLab service and accessories 13,757 13,830 723 1.7% (1.7%) - 2.9%
Rapid assay products 43,086 43,637 551 1.3% (0.6%) - (0.7%)
Reference laboratory diagnostic and consulting services 140,708 123,207 17,501 14.2% (1.8%) 1.3% 14.7%
CAG Diagnostics capital - instruments 22,974 20,113 2,861 14.2% (1.8%) - 16.0%
Customer information management and diagnostic imaging systems 29,155 25,662 3,493 13.7% (0.7%) - 14.4%
Net CAG revenue $ 357,639 $ 324,531 $ 33,108 10.2% (1.5%) 0.5% 11.2%

Three Months Ended
March 31,
2016
Dollar Percentage Percentage Organic
Change Change
Net Revenue
United States $ 258,939 $ 235,408 $ 23,531 10.0% - 0.3% 9.7%
International 158,611 147,069 11,542 7.8% (5.0%) 0.7% 12.1%
Total $ 417,550 $ 382,477 $ 35,073 9.2% (1.9%) 0.5% 10.6%

Three Months Ended
March 31,
2016
Dollar Percentage Percentage Organic
Change Change
Net Revenue
IDEXX VetLab service and accessories 13,757 13,830 723 1.7% (1.7%) - 2.9%
CAG Diagnostics capital - instruments 22,974 20,113 2,861 14.2% (1.8%) - 16.0%
Customer information management and diagnostic imaging systems 29,155 25,662 3,493 13.7% (0.7%) - 14.4%
Net CAG revenue $ 357,639 $ 324,531 $ 33,108 10.2% (1.5%) 0.5% 11.2%
1 The percentage change from currency is a non-GAAP financial measure. This measure represents the percentage change in revenue resulting from the difference between the average exchange rates during the three months ended March 31, 2016 and the same period of the prior year applied to foreign currency-denominated revenues for the three months ended March 31, 2015.

2 The percentage change from acquisitions is a non-GAAP financial measure. This measure represents the percentage change in revenue during the three months ended March 31, 2016 compared to the three months ended March 31, 2015 attributable to acquisitions subsequent to December 31, 2014.

3 Organic revenue growth is a non-GAAP financial measure and represents the percentage change in revenue during the three months ended March 31, 2016 compared to the three months ended March 31, 2015 net of acquisitions and the effect of changes in foreign currency exchange rates.

IDEXX Laboratories, Inc. and Subsidiaries
Consolidated Balance Sheet
Amounts in thousands (Unaudited)

<table>
<thead>
<tr>
<th>March 31</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2015</td>
</tr>
</tbody>
</table>

**Assets:**

- **Current Assets:**
  - Cash and cash equivalents:
    - $132,953 $128,994
  - Marketable securities:
    - 217,617 213,591
  - Accounts receivable, net:
    - 212,072 188,318
  - Inventories:
    - 183,759 188,833
  - Other current assets:
    - 62,605 101,898
  - **Total current assets:**
    - 809,006 821,634

- **Property and equipment, net:**
  - 343,010 333,026

- **Other long-term assets, net:**
  - 326,631 352,333

- **Total Assets:**
  - $1,474,947 $1,474,993

**Liabilities and Stockholders’ Deficit:**

- **Current Liabilities:**
  - Accounts payable:
    - $52,458 $52,644
  - Accrued liabilities:
    - 175,267 205,530
  - Line of credit:
    - 622,000 573,000
  - Deferred revenue:
    - 25,943 25,583
  - **Total current liabilities:**
    - 876,668 856,761

- **Long-term debt:**
  - 600,021 597,085

- **Other long-term liabilities:**
  - 73,745 105,142

- **Total long-term liabilities:**
  - 673,766 702,227

- **Total stockholders’ deficit:**
  - (73,922) (84,125)

- **Noncontrolling interest:**
  - 139 139

- **Total deficit:**
  - (73,783) (83,986)

- **Total liabilities and stockholders’ equity:**
  - $1,474,947 $1,474,993

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IDEXX Laboratories, Inc. and Subsidiaries
Selected Balance Sheet Information (Unaudited)

<table>
<thead>
<tr>
<th>Selected Balance Sheet</th>
<th>March 31</th>
<th>December 31</th>
<th>September 30</th>
<th>March 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2015</td>
<td>2015</td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Days sales outstanding</strong>:</td>
<td>43.7</td>
<td>43.3</td>
<td>43.8</td>
<td>43.7</td>
</tr>
<tr>
<td><strong>Inventory turns</strong>:</td>
<td>1.6</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

1 Days sales outstanding represents the average of the accounts receivable balances at the beginning and end of each quarter divided by revenue for that quarter, the result of which is then multiplied by 365 days.

2 Inventory turns represent inventory-related cost of product sales for the twelve months preceding each quarter-end divided by the inventory balance at the end of the quarter.

IDEXX Laboratories, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
Amounts in thousands (Unaudited)

<table>
<thead>
<tr>
<th>March 31</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2015</td>
</tr>
</tbody>
</table>

**Operating:**

- **Cash Flows from Operating Activities:**
  - Net income:
    - $46,025 $46,578
  - Non-cash charges:
    - 27,683 21,990
  - Changes in assets and liabilities:
    - (48,419) (75,504)
  - Tax benefit from share-based compensation arrangements:
    - (2,063) (7,713)
  - **Net cash provided (used) by operating activities:**
    - 23,226 (14,644)

**Investing:**

- **Cash Flows from Investing Activities:**
  - Purchases of property and equipment:
    - (21,906) (23,017)
  - Purchase of marketable securities:
    - (72,079) (140,448)
  - Proceeds from the sale and maturities of marketable securities:
    - 70,186 3,228
  - Acquisitions of businesses, net of cash acquired:
    - - (383)
  - **Net cash used by investing activities:**
    - (23,799) (160,620)

**Financing:**

- **Cash Flows from Financing Activities:**
  - Borrowings on revolving credit facilities, net:
    - 49,000 500
  - Issuance of long-term debt:
    - - 150,000
  - Repurchases of common stock:
    - (53,480) (153,647)
  - Debt issue costs:
    - (57) (90)
  - Proceeds from the exercise of stock options and employee stock purchase plans:
    - 5,760 12,325
  - Payment of acquisition-related contingent consideration:
    - (2,084) -
  - **Net cash provided by financing activities:**
    - 1,202 36,801

- **Net effect of changes in exchange rates on cash:**
  - 5,330 (1,913)

- **Net increase (decrease) in cash and cash equivalents:**
  - 3,969 (140,578)

- **Cash and cash equivalents, beginning of period:**
  - 128,994 322,036

- **Cash and cash equivalents, end of period:**
  - $132,963 $182,160

IDEXX Laboratories, Inc. and Subsidiaries
Free Cash Flow

Amounts in thousands (Unaudited)

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>March 31, 2016</th>
<th>March 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$23,226</td>
<td>$(14,644)</td>
</tr>
<tr>
<td>Financing cash flows attributable to tax benefits from share-based compensation arrangements</td>
<td>2,063</td>
<td>7,713</td>
</tr>
<tr>
<td>Investing cash flows attributable to purchases of property and equipment</td>
<td>$(21,906)</td>
<td>$(23,017)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>$3,383</strong></td>
<td><strong>$(29,948)</strong></td>
</tr>
</tbody>
</table>

Free cash flow is a non-GAAP financial measure and is calculated from cash generated from operations, including tax benefits attributable to share-based compensation arrangements, reduced by the Company’s investments in fixed assets. Management believes free cash flow is a useful measure because it indicates the cash the operations of the business are generating after appropriate reinvestment for recurring investments in fixed assets that are required to operate the business. Management also believes this is a common financial measure useful to further evaluate the results of operations.

IDEXX Laboratories, Inc. and Subsidiaries

Common Stock Repurchases

Amounts in thousands except per share data (Unaudited)

<table>
<thead>
<tr>
<th>Three Months Ended</th>
<th>March 31, 2016</th>
<th>March 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share repurchases during the period</td>
<td>708</td>
<td>1,718</td>
</tr>
<tr>
<td>Shares surrendered by employees in payment for minimum required withholding taxes due on share based compensation</td>
<td>52</td>
<td>61</td>
</tr>
<tr>
<td><strong>Total number of shares purchased</strong>¹</td>
<td><strong>760</strong></td>
<td><strong>1,779</strong></td>
</tr>
<tr>
<td>Average price paid per share</td>
<td>$70.06</td>
<td>$77.85</td>
</tr>
</tbody>
</table>

Shares remaining under repurchase authorization as of March 31, 2016 totaled 6,098,101.

¹ Shares repurchased and acquired through employee surrender for payment of minimum required withholding taxes on and before June 15, 2015 and the associated average cost per share have been adjusted to reflect the June 2015 two-for-one stock split. Actual shares repurchased were approximately 890,000 for the three months ended March 31, 2015.

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