Quest Diagnostics

First Quarter 2011

April 20, 2011

Quest Diagnostics

Safe Harbor Disclosure

This presentation may contain forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that they are made and which reflect management's current estimates, projections, expectations or beliefs and which involve risks and uncertainties that could cause actual results and outcomes to be materially different. Risks and uncertainties that may affect the future results of the company include, but are not limited to, adverse results from pending or future government investigations, lawsuits or private actions, the competitive environment, changes in government regulations, changing relationships with customers, payers, suppliers and strategic partners and other factors discussed in “Business,” “Risk Factors,” “Cautionary Factors that May Affect Future Results,” “Legal Proceedings,” “Management's Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosures About Market Risk” in the company's 2010 Annual Report on Form 10-K and other items throughout the Form 10-K and the company's 2010 Current Reports on Form 8-K.

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Q1 2011

"This was an important quarter for Quest Diagnostics. We completed our acquisition of Athena Diagnostics, and established the leading position in the neurology diagnostics market. We also announced our proposed acquisition of Celera to further strengthen our leadership position in cardiovascular testing as well as molecular diagnostics products and discovery. These transactions position us well for the future. During the first quarter, we repurchased $835 million of our shares to immediately enhance shareholder value. Testing volume continued to improve, and we increased revenues. Our earnings were down, and we took actions to reduce our cost structure accordingly."

Surya N. Mohapatra, Ph.D.
Chairman and Chief Executive Officer

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Q1 2011 Performance

Continuing Operations ($ in millions – except EPS)

		Q1	Δ 2010	
Revenues *	$	1,847	1.2%	Revenue growth driven by improved volume and gene-based and esoteric testing, offset by Medicare fee decrease and business mix.
Operating Income *	$	301	(9.0%)	Year over year change reflects investments in sales and service. These actions, as well as Q1 2011 workforce reductions, are expected to benefit future quarters.
- % of Revenues		16.3%	(180 bps)	
Income from Continuing Operations *	$	164	(10.0%)	
Diluted EPS *	$	1.00	1.0%	
Cash from operations	$	161	(33%)	Year over year change reflects an increase in accounts receivable and timing of interest payments.

* Amounts represent adjusted measures that exclude the estimated impact of severe weather, charges associated with workforce reductions, and costs associated with the Athena Diagnostics and Celera transactions. See non-GAAP to GAAP reconciliation on page 6.

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2011 Outlook *

Returning to Growth

Revenue Growth	approx. 2%
Operating Income %	17.5% - 18%
EPS	$4.25 to $4.45
Cash from Operations	approx. $1.1 billion
CapEx	approx. $220 million

* The outlook for expected results from continuing operations, on an adjusted basis, and before future special items, excludes the first quarter impact of severe weather, workforce reductions and costs associated with the Athena Diagnostics and Celera transactions. See non-GAAP to GAAP reconciliation on page 7.

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Q1 Reconciliation

Three months ended March 31, 2011
(dollars in millions, except for earnings per share)

	As Reported	Severe Weather	Restructuring Charges	Transaction Costs	As Adjusted
Revenue	$ 1,821.6	$ 25.7	$ -	$ -	$ 1,847.3
Revenue impact		1.4%			
Operating income	$ 267.0	$ 18.5	$ 13.3	$ 2.3	$ 301.1
Operating income as a % of net revenues	14.7%	0.8%	0.7%	0.1%	16.3%
Income from continuing operations	$ 141.2	$ 11.3	$ 8.1	$ 3.8	$ 164.4
Diluted earnings per common share	$ 0.86	$ 0.07	$ 0.05	$ 0.02	$ 1.00

Three months ended March 31, 2010
(dollars in millions, except for earnings per share)

	As Reported	Severe Weather	Restructuring Charges	Transaction Costs	As Adjusted
Revenue	$ 1,805.5	$ 19.4	$ -	$ -	$ 1,824.9
Revenue impact		1.1%			
Operating income	$ 298.6	$ 14.1	$ 17.3		$ 330.0
Operating income as a % of net revenues	16.5%	0.6%	1.0%		18.1%
Income from continuing operations	$ 162.5	$ 8.6	$ 10.6		$ 181.7
Diluted earnings per common share	$ 0.89	$ 0.05	$ 0.06	$ -	$ 0.99 *

* Does not foot across due to rounding.

Adjusted amounts represent the Company's results before the estimated impact of severe weather, restructuring charges, and transaction costs related to the acquisition of Athena Diagnostics and the pending acquisition of Celera Corporation.

Outlook Reconciliation

	Outlook for 2011 Before Future Special Items				
	As Reported	Severe Weather	Restructuring Charges	Transaction Costs	As Adjusted
Operating income as a % of net revenues	17.0% - 17.5%	0.3%	0.2%	-%	17.5% - 18.0%
Diluted earnings per common share	$4.11 - $4.31	$ 0.07	$ 0.05	$ 0.02	$4.25 - $4.45

The outlook for adjusted diluted EPS and adjusted operating income as a % of net revenues represent management's estimates before the estimated impact of severe weather, restructuring charges, and transaction costs related to the acquisition of Athena Diagnostics and the pending acquisition of Celera Corporation.

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