

SELECTED HISTORICAL FINANCIAL DATA OF OUR COMPANY

The following table summarizes selected historical financial data of our Company and our subsidiaries at the dates and for each of the periods presented. We derived the selected historical financial data for the years 2004 through 2008 from the audited consolidated financial statements of our Company. Effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards, or SFAS, No. 123, revised 2004, "Share-Based Payment" ("SFAS 123R"), using the modified prospective approach and therefore has not restated results for prior periods. Under this approach, awards that are granted, modified or settled after January 1, 2006 will be measured and accounted for in accordance with SFAS 123R. Unvested awards that were granted prior to January 1, 2006 will continue to be accounted for in accordance SFAS No. 123, "Accounting for Stock-Based Compensation," as amended by SFAS 148, "Accounting for Stock-Based Compensation – Transition and Disclosure – an amendment to SFAS No. 123," except that compensation cost will be recognized in the Company's results of operations. During the third quarter of 2006, the Company completed its wind down of NID, a test kit manufacturing subsidiary, and classified the operations of NID as discontinued operations. The selected historical financial data presented below has been restated to report the results of NID as discontinued operations for all periods presented. The selected historical financial data is only a summary and should be read together with the audited consolidated financial statements and related notes of our Company and management's discussion and analysis of financial condition and results of operations included elsewhere in this Annual Report on Form 10-K.

	Year Ended December 31,				
	<u>2008</u>	<u>2007(a)</u>	<u>2006(b)</u>	<u>2005(c)</u>	<u>2004</u>
	(in thousands, except per share data)				
Operations Data:					
Net revenues	\$7,249,447	\$ 6,704,907	\$6,268,659	\$ 5,456,726	\$5,066,986
Operating income	1,222,376 (d)	1,091,336 (e)	1,128,077 (f)	1,007,548 (g)	880,854 (h)
Income from continuing operations	632,184 (i)(j)	553,828 (k)	625,692 (l)	573,196 (m)	492,415 (n)
(Loss)/income from discontinued operations	(50,694)(o)	(213,889)(p)	(39,271)(q)	(26,919)(r)	6,780
Net income	581,490	339,939	586,421	546,277	499,195
Earnings per common share – basic: (s)					
Income from continuing operations	\$ 3.25	\$ 2.87	\$ 3.18	\$ 2.84	\$ 2.42
(Loss)/income from discontinued operations	(0.26)	(1.11)	(0.20)	(0.13)	0.03
Net income	\$ 2.99	\$ 1.76	\$ 2.98	\$ 2.71	\$ 2.45
Earnings per common share – diluted: (s) (t)					
Income from continuing operations	\$ 3.23	\$ 2.84	\$ 3.14	\$ 2.79	\$ 2.32
(Loss)/income from discontinued operations	(0.26)	(1.10)	(0.20)	(0.13)	0.03
Net income	\$ 2.97	\$ 1.74	\$ 2.94	\$ 2.66	\$ 2.35
Dividends per common share (s)	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.36	\$ 0.30
Balance Sheet Data (at end of year):					
Cash and cash equivalents	\$ 253,946	\$ 167,594	\$ 149,640	\$ 92,130	\$ 73,302
Accounts receivable, net	832,873	881,967	774,414	732,907	649,281
Goodwill, net	5,054,926	5,220,104	3,391,046	3,197,227	2,506,950
Total assets	8,403,830	8,565,693	5,661,482	5,306,115	4,203,788
Long-term debt	3,078,089	3,377,212	1,239,105	1,255,386	724,021
Total debt	3,083,231	3,540,793	1,555,979	1,592,225	1,098,822
Total stockholders' equity	3,604,896	3,324,242	3,019,171	2,762,984	2,288,651
Other Data:					
Net cash provided by operating activities	\$1,063,049	\$ 926,924	\$ 951,896	\$ 851,583	\$ 798,780
Net cash used in investing activities	(198,883)	(1,759,193)	(414,402)	(1,079,793)	(173,700)
Net cash (used in) provided by financing activities	(777,814)	850,223	(479,984)	247,038	(706,736)
Provision for doubtful accounts	326,228	300,226	243,443	233,628	226,310
Rent expense	190,706	170,788	153,185	139,660	132,883
Capital expenditures	212,681	219,101	193,422	224,270	176,125
Depreciation and amortization	264,593	237,879	197,398	176,124	168,726

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- (a) On January 31, 2007, we completed the acquisition of POCT Holding AB, (“HemoCue”). On May 31, 2007, we completed the acquisition of AmeriPath Group Holdings, Inc., (“AmeriPath”). Consolidated operating results for 2007 include the results of operations of HemoCue and AmeriPath subsequent to the closing of the applicable acquisition. See Note 3 to the Consolidated Financial Statements.
 - (b) On July 3, 2006, we completed the acquisition of Focus Technologies Holding Company, (“Focus Diagnostics”). On August 31, 2006, we completed the acquisition of Enterix Inc., (“Enterix”). Consolidated operating results for 2006 include the results of operations of Focus Diagnostics and Enterix subsequent to the closing of the applicable acquisition. See Note 3 to the Consolidated Financial Statements.
 - (c) On November 1, 2005, we completed the acquisition of LabOne, Inc., (“LabOne”). Consolidated operating results for 2005 include the results of operations of LabOne subsequent to the closing of the acquisition.
 - (d) For 2008, operating income includes \$71 million of stock-based compensation expense recorded in accordance with SFAS 123R and \$16.2 million of costs, primarily associated with workforce reductions recorded during the fourth quarter of 2008.
 - (e) For 2007, operating income includes \$57 million of stock-based compensation expense recorded in accordance with SFAS 123R, \$10.7 million of costs associated with workforce reductions in response to reduced volume levels and a pre-tax charge of \$4 million related to in-process research and development expense associated with the HemoCue acquisition.
 - (f) For 2006, operating income includes \$55 million of stock-based compensation expense recorded in accordance with SFAS 123R and \$27 million of special charges, primarily associated with integration activities.
 - (g) For 2005, operating income includes a \$6.2 million charge primarily related to forgiveness of amounts owed by patients and physicians, and related property damage as a result of hurricanes in the Gulf Coast.
 - (h) For 2004, operating income includes a \$10.3 million charge associated with the acceleration of certain pension obligations in connection with the succession of our prior CEO.
 - (i) Includes an \$8.9 million charge associated with the write-down of an equity investment recorded during 2008.
 - (j) Includes income tax benefits of \$16.5 million primarily associated with favorable resolutions of certain tax contingencies in 2008.
 - (k) Includes a \$4.0 million charge associated with the write-down of an equity investment recorded during 2007.
 - (l) Includes net charges of \$10 million related to net investment losses recorded during 2006.
 - (m) Includes a \$7.1 million charge associated with the write-down of an investment during 2005.
 - (n) Includes a \$2.9 million charge during 2004 representing the write-off of deferred financing costs associated with the refinancing of our then existing bank debt and credit facility.
 - (o) During 2008, we recorded charges of \$75 million related to the government investigation of NID. See Note 14 and Note 15 to the Consolidated Financial Statements.
 - (p) During 2007, we recorded charges of \$241 million related to the government investigation of NID. See Note 14 and Note 15 to the Consolidated Financial Statements.
 - (q) During 2006, we recorded \$32 million in charges related to the wind down of NID’s operations. See Note 15 to the Consolidated Financial Statements.
 - (r) During 2005, we recorded a \$16 million charge to write-off certain assets in connection with a product hold at NID.
 - (s) Previously reported basic and diluted earnings per share have been restated to give retroactive effect of our two-for-one stock split effected on June 20, 2005.
 - (t) Potentially dilutive common shares primarily include the dilutive effect of our 1³/₄% contingent convertible debentures issued November 26, 2001, which were redeemed principally through a conversion into common shares as of January 18, 2005, and outstanding stock options, performance share units, restricted common shares and restricted stock units granted under our Amended and Restated Employee Long-Term Incentive Plan and our Amended and Restated Director Long-Term Incentive Plan.