

**QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2008 AND 2007**  
(in thousands, except per share data)

	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents.....	\$ 253,946	\$ 167,594
Accounts receivable, net of allowance for doubtful accounts of \$261,334 and \$250,067 at December 31, 2008 and 2007, respectively.....	832,873	881,967
Inventories .....	102,125	95,234
Deferred income taxes .....	218,419	149,841
Prepaid expenses and other current assets .....	89,456	79,721
Total current assets.....	1,496,819	1,374,357
<b>Property, plant and equipment, net</b> .....	879,687	911,998
<b>Goodwill, net</b> .....	5,054,926	5,220,104
<b>Intangible assets, net</b> .....	827,403	886,733
<b>Other assets</b> .....	144,995	172,501
<b>Total assets</b> .....	\$ 8,403,830	\$8,565,693
<b><u>Liabilities and Stockholders' Equity</u></b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses.....	\$ 1,219,619	\$1,124,716
Short-term borrowings and current portion of long-term debt.....	5,142	163,581
Total current liabilities .....	1,224,761	1,288,297
<b>Long-term debt</b> .....	3,078,089	3,377,212
<b>Other liabilities</b> .....	496,084	575,942
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Common stock, par value \$0.01 per share; 600,000 shares authorized at both December 31, 2008 and 2007; 214,113 shares and 213,745 shares issued at December 31, 2008 and 2007, respectively.....	2,141	2,137
Additional paid-in capital .....	2,262,065	2,210,825
Retained earnings.....	2,561,679	2,057,744
Accumulated other comprehensive (loss) income .....	(68,068)	25,279
Treasury stock, at cost; 23,739 shares and 19,705 shares at December 31, 2008 and 2007, respectively .....	(1,152,921)	(971,743)
Total stockholders' equity .....	3,604,896	3,324,242
<b>Total liabilities and stockholders' equity</b> .....	\$ 8,403,830	\$8,565,693

The accompanying notes are an integral part of these statements.