QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2008 AND 2007

(in thousands, except per share data)

Assets Current assets: 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 \$81,967 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 Property, plant and equipment, net 879,687 911,998 Goodwill, net 5,054,926 5,220,104 Intangible assets, net 827,403 886,733 Other assets 144,995 172,501 Total assets \$ 8,403,830 \$8,565,693 Liabilities and Stockholders' Equity \$ 1,219,619 \$1,124,716 Current liabilities \$ 1,219,619 \$1,124,716 Short-term borrowings and current portion of long-term debt \$ 1,224,761 1,288,297 Long-term debt 3,078,089 3,377,212 Other liabilities \$ 2,214 2,137 <tr< th=""><th></th><th>2008</th><th><u>2007</u></th></tr<>		2008	<u>2007</u>
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 \$81,967 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 Property, plant and equipment, net 879,687 911,998 Goodwill, net 5,054,926 5,220,104 Intangible assets, net 827,403 886,733 Other assets 144,995 172,501 Total assets \$ 8,403,803 85,565,693 Liabilities and Stockholders' Equity \$ 1,219,619 \$ 1,124,716 Current liabilities \$ 1,224,761 1,288,297 Long-tern debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies \$ 2,214 2,137 Stockholders' equity \$ 2,214 2,137 Comments and contingencies	Assets		
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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 Property, plant and equipment, net 879,687 911,998 Goodwill, net 827,403 886,733 Other assets 827,403 886,733 Other assets 144,995 172,501 Total assets 8,403,830 8,565,693 Liabilities and Stockholders' Equity 8,403,830 8,565,693 Current liabilities 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 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 2,247,61 1,288,297 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; 214,113 shares and 213,745 shares issued at December 31, 2008 and 2007; 214,113 shares and 213,745 shares issued at December 31, 2008 and 2007; 214,113 shar	· · ·	,	
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Property, plant and equipment, net 879,687 911,998 Goodwill, net 5,054,926 5,220,104 Intangible assets, net 827,403 886,733 Other assets 144,995 172,501 Total assets \$8,403,830 \$8,565,693 Liabilities and Stockholders' Equity \$1,219,619 \$1,124,716 Current liabilities: \$1,219,619 \$1,124,716 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 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 Stockholders' equity 2 4 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; 214,113 shares and 213,745 shares issued at December 31, 2008 and 2007; 25,210,825 2,2141 2,137 Additional paid-in capital 2,561,679 2,507,744 2,561,679 2,507,744 Accumulated other comprehensive (loss) income		1,496,819	1,374,357
Goodwill, net 5,054,926 5,220,104 Intangible assets, net 827,403 886,733 Other assets 144,995 172,501 Total assets \$8,403,830 \$8,565,693 Liabilities and Stockholders' Equity Total current liabilities \$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 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 5 Stockholders' equity: 2 1 2,141 2,137 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. 2,214 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, res	Property, plant and equipment, net		
Other assets 144,995 172,501 Total assets \$8,403,830 \$8,565,693 Liabilities and Stockholders' Equity Current liabilities: \$1,219,619 \$1,124,716 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 3,078,089 3,377,212 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 5 Stockholders' equity: 2 2 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		· · · · · · · · · · · · · · · · · · ·	
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Liabilities and Stockholders' Equity Current liabilities: 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 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 5 Stockholders' equity: 5 5 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; espectively 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	Other assets	144,995	172,501
Current liabilities: 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 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 Stockholders' equity: 2 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	Total assets	\$ 8,403,830	\$8,565,693
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 Long-term debt. 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 5 Stockholders' equity: 2 5 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	Liabilities and Stockholders' Equity		
Short-term borrowings and current portion of long-term debt 5,142 163,581 Total current liabilities 1,224,761 1,288,297 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5 Stockholders' equity: 2 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	Current liabilities:		
Total current liabilities 1,224,761 1,288,297 Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies 5000 500		\$ 1,219,619	\$1,124,716
Long-term debt 3,078,089 3,377,212 Other liabilities 496,084 575,942 Commitments and contingencies Stockholders' equity: 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	Short-term borrowings and current portion of long-term debt	5,142	163,581
Other liabilities 496,084 575,942 Commitments and contingencies Stockholders' equity: 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	Total current liabilities	1,224,761	1,288,297
Commitments and contingencies Stockholders' equity: 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	Long-term debt	3,078,089	3,377,212
Stockholders' equity: 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	Other liabilities	496,084	575,942
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	•		
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	1 0		
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			
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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		,	,
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			
Treasury stock, at cost; 23,739 shares and 19,705 shares at December 31, 2008 and 2007, respectively	· · · · · · · · · · · · · · · · · · ·		
Total stockholders' equity	Treasury stock, at cost; 23,739 shares and 19,705 shares at December 31, 2008 and		
		(1,152,921)	(971,743)
Total liabilities and stockholders' equity	Total stockholders' equity	3,604,896	3,324,242
<u>+ 0, 0, 0, 0, 0</u>	Total liabilities and stockholders' equity	\$ 8,403,830	\$8,565,693

The accompanying notes are an integral part of these statements.