

Quest Diagnostics Incorporated



Health Care Conference

Guides for the journey.®

US Bancorp
Piper Jaffray.



Quest Diagnostics

US Bancorp Piper Jaffray
Healthcare Conference
January 28, 2003

Safe Harbor Disclaimer

The statements in this presentation which are not historical facts or information are forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause the outcome to be materially different. Certain of these risks and uncertainties are listed in our 2001 Form 10-K and subsequent filings. Additional risks may arise from unanticipated events.



Quest Diagnostics

Building on Strength

Our Strategic Intent

Undisputed Leadership

- ◆ Diagnostic Testing
- ◆ Healthcare Insights
- ◆ "Gold Standard" for Excellence

Superior Shareholder Returns

Quarter 4, 2002

Continuing Strong Financial Results

- ◆ Revenues = Up 13.5%
 - ▶ Volume = Up 10.4%
 - ▶ Rev/Req = Up 3.4%
- ◆ EBITDA % = 17.9% vs. 15.8%
- ◆ EPS = Up 34% . . . \$.82 vs. \$.52 *
- ◆ Strong Cash from Operations

* Adjusted for goodwill accounting change



Full Year 2002

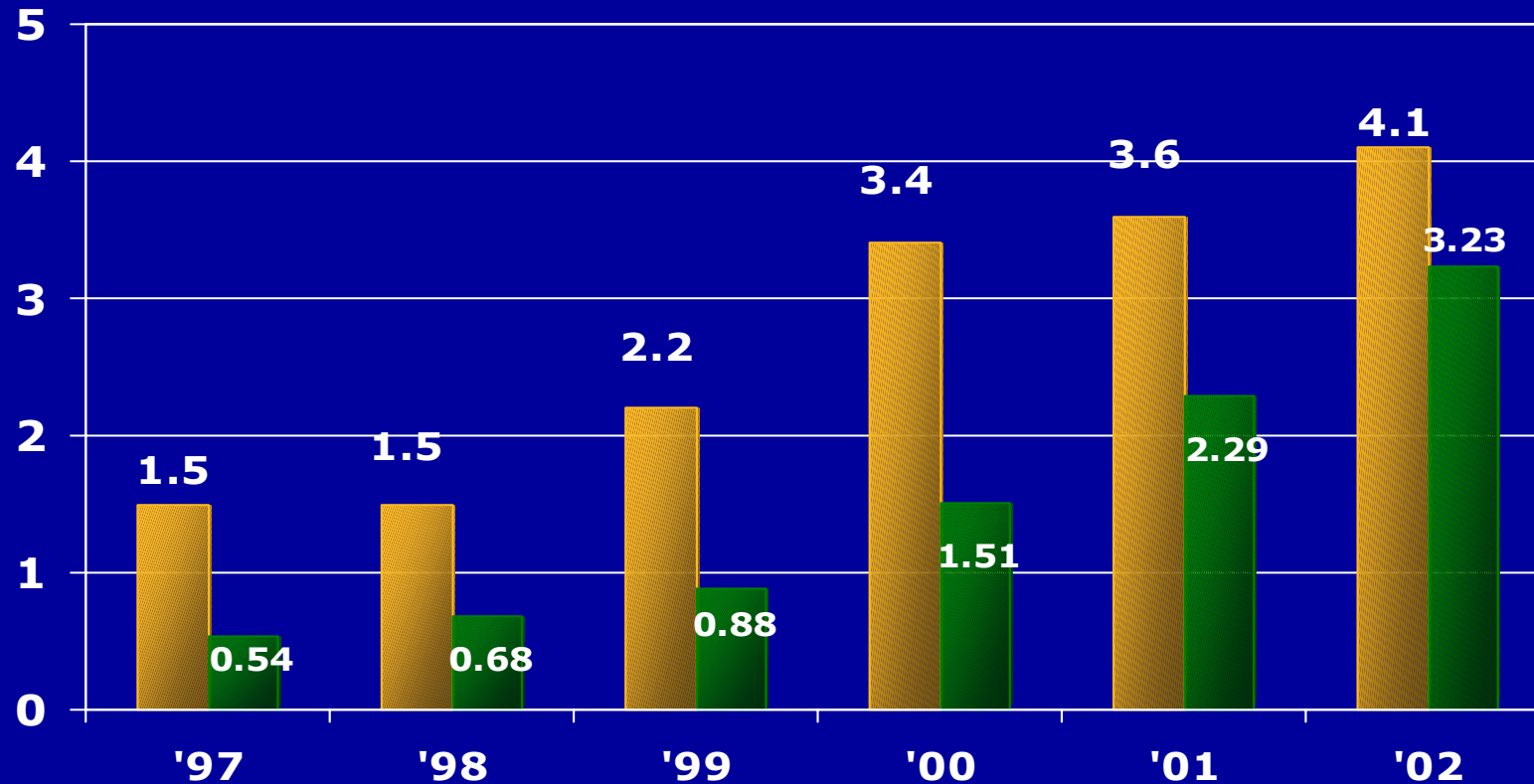
Outstanding Performance

- ◆ Revenues = Up 13.2%
 - ▶ Volume = Up 9.7%
 - ▶ Rev/Req = Up 3.2%
- ◆ EBITDA % = 17.7% vs. 15.3%
- ◆ EPS = Up 41% . . . \$3.23 vs. \$1.92 *
- ◆ Cash from Operations = \$596 Million

* Adjusted for goodwill accounting change



Proven Track Record



Revenue
(in billions)
Earnings Per Share *

2003 Guidance

EPS Up 25 - 30%

- ◆ Revenues 8 - 10%
 - ▶ Volume 6 - 7%
 - ▶ Rev/Req 2 - 3%
- ◆ EBITDA 19 - 20%
- ◆ EPS \$4.00 - \$4.20
- ◆ Cash from Operations >\$500 million

Superior Returns Beyond 2003

Q1 Guidance

Continuing Strong Performance

◆ Revenues	~12%
▶ Volume	9 - 10%
▶ Rev/Req	2 - 3%
◆ EBITDA	17 - 18%
◆ EPS	\$.82 - \$.87

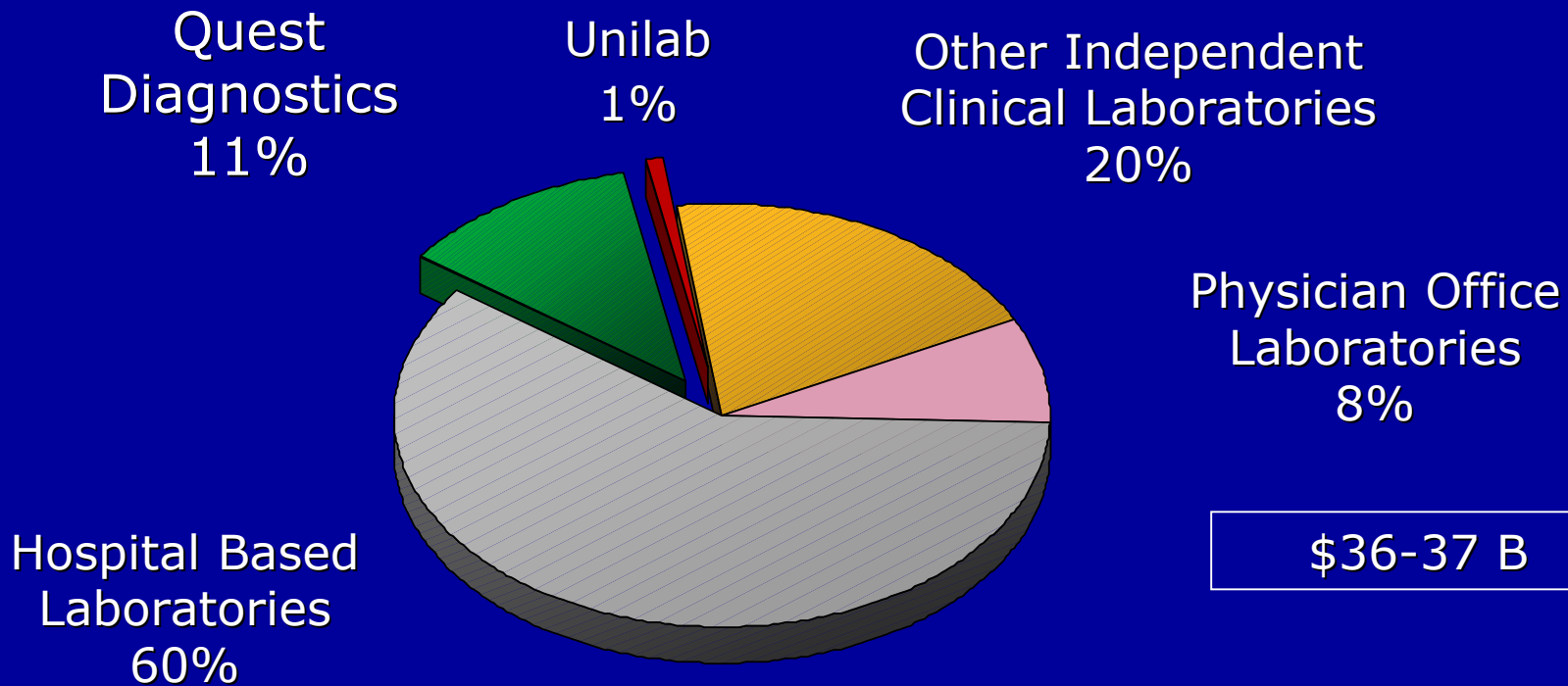
Q1 EPS Up 22 to 30%



Quest Diagnostics
Focused on Execution

Diagnostic Testing Market

Long Term Revenue Growth: 5 - 7%/Year



Quest Diagnostics: The Industry Leader



Industry Trends Driving Growth

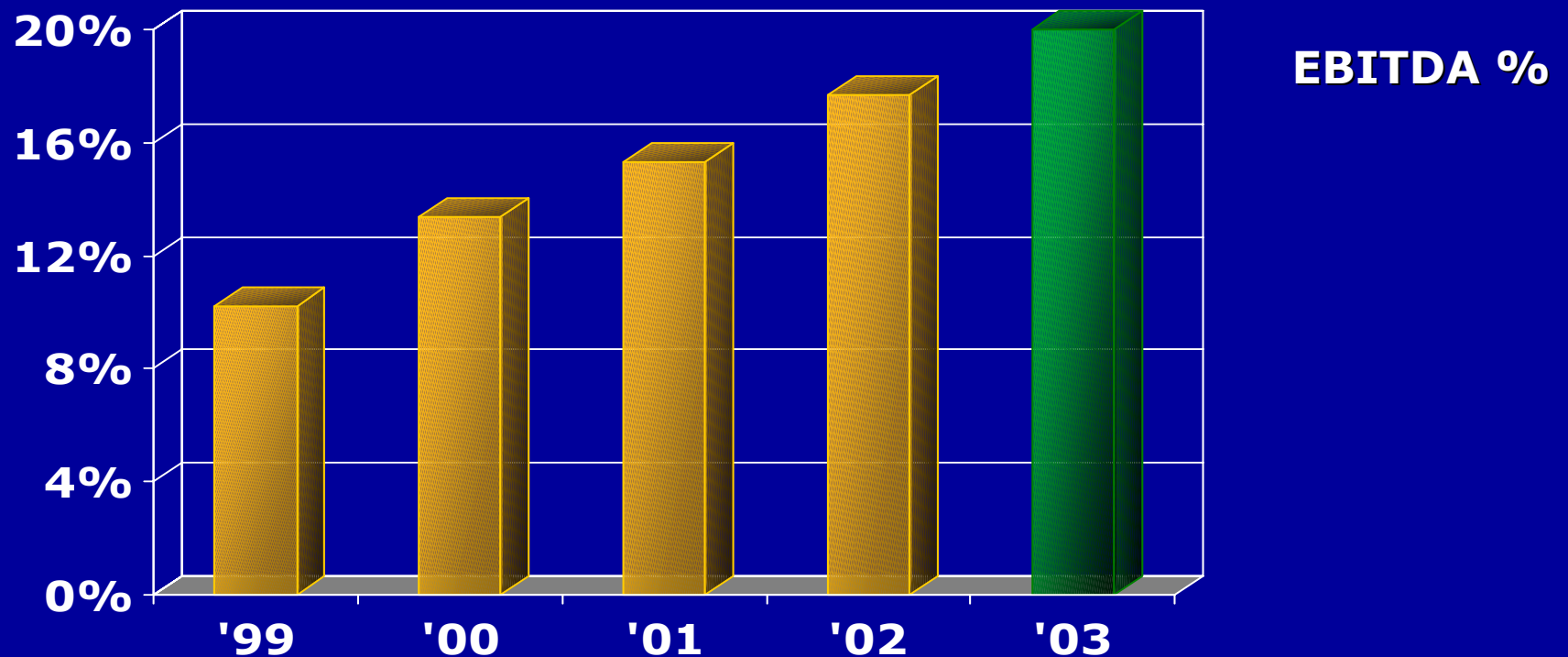
Essential Healthcare Service

- ◆ Growing and Aging Population
- ◆ New Tests & Techniques
- ◆ Information Technology
- ◆ Consumerism

Influences >70% of Healthcare Decisions

Driving Performance

Through Top Line Growth ...



And Process Discipline

Six Sigma Quality

The "Ultimate" Differentiator

- ◆ Changing Our Culture
- ◆ Impacting All Aspects of the Business
- ◆ Strengthening Customer Loyalty

Fueling Margin Expansion

Hospitals & Physician Specialists

Strong Value Proposition

- ◆ Bi-Coastal Esoteric Testing Capabilities
- ◆ Medical and Scientific Insights
- ◆ Testing and Connectivity Solutions
- ◆ Dedicated Sales and Service

2002 Gene-Based Revenue ~\$400 Million

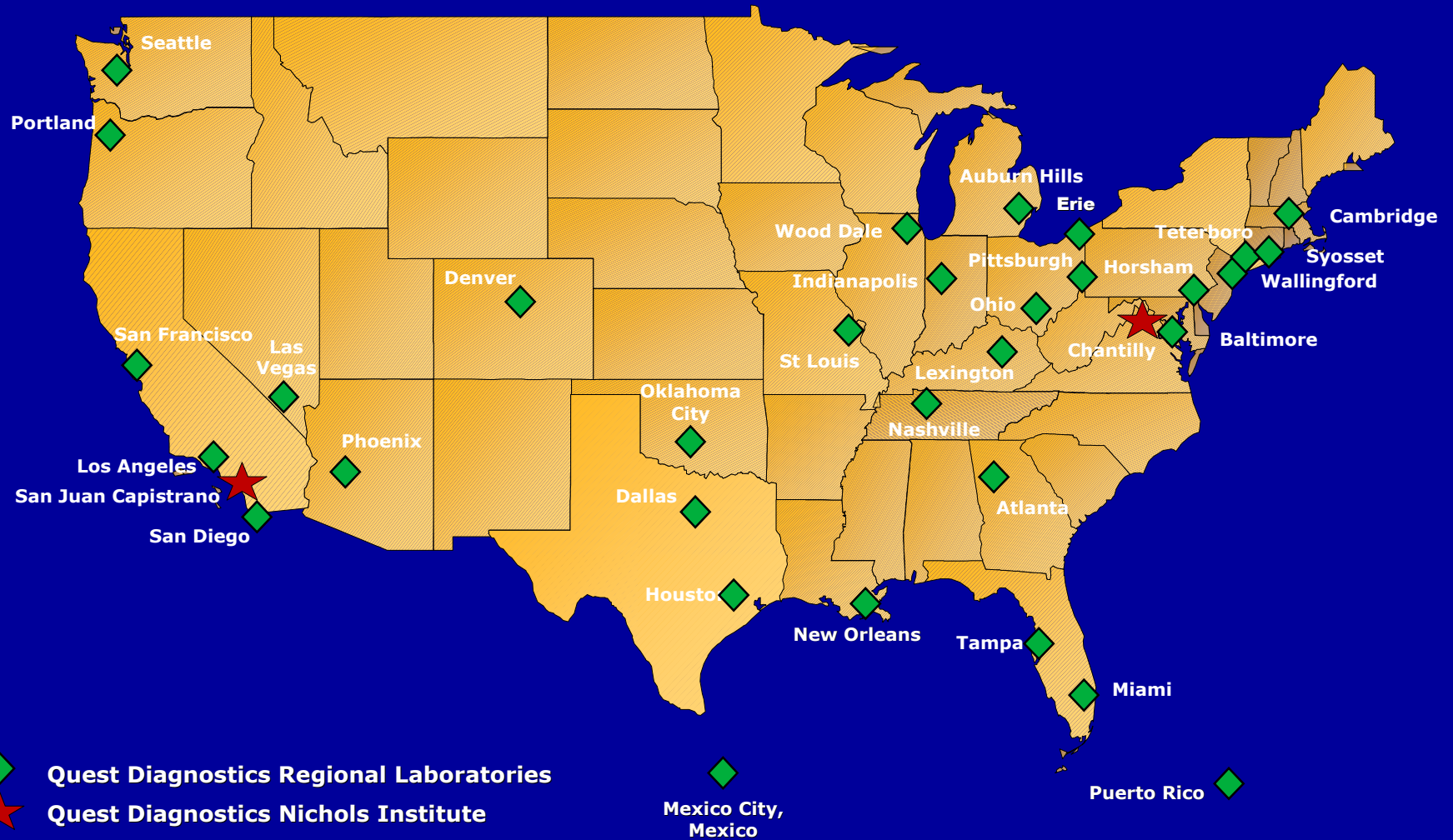


Managed Care

Strong Value Proposition

- ◆ Leading Access and Distribution
- ◆ Six Sigma Quality
- ◆ Collaborative Approach
- ◆ Innovative Solutions: QuestNet™

Broadest Access and Distribution















Leading Innovator

Diagnostic Tests

- ◆ Areas of Emphasis:
 - ▶ Cardiovascular Disease
 - ▶ Cancer
 - ▶ Infectious Disease
- ◆ Development Channels:
 - ▶ Nichols Institute
 - ▶ Strategic Relationships
 - ▶ Technology Transfer

Broadest Test Menu

Leading Innovator

Information Technology

- ◆  Orders and Results
- ◆  EMR/Physician Portal

Unparalleled Infrastructure

Quest Diagnostics

Building On Strength

- ◆ The Industry Leader
- ◆ Significant Growth Opportunities
- ◆ Differentiation Through Quality
- ◆ Leading Innovator
- ◆ Outstanding Financial Performance

Focused on Execution



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