

QUEST DIAGNOSTICS INCORPORATED AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP MEASURES

The following is a reconciliation of non-GAAP measures presented in the financial highlights to their most comparable measure under generally accepted accounting principles.

	Year ended December 31,				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Net income	\$546,277	\$499,195	\$436,717	\$322,154	\$162,303
Add:					
Amortization of goodwill, net of taxes	-	-	-	-	35,964
Loss on debt extinguishment, net of taxes	-	-	-	-	25,207
Adjusted net income	<u>\$546,277</u>	<u>\$499,195</u>	<u>\$436,717</u>	<u>\$322,154</u>	<u>\$223,474</u>

Diluted earnings per common share

Reported diluted earnings per common share	\$ 2.66	\$ 2.35	\$ 2.02	\$ 1.59	\$ 0.83
Adjusted diluted earnings per common share	\$ 2.66	\$ 2.35	\$ 2.02	\$ 1.59	\$ 1.14
Weighted average number of common shares outstanding—diluted	205,530	214,145	217,578	205,294	195,779

Operating income	\$968,111	\$891,217	\$796,454	\$592,142	\$411,550
Add:					
Amortization of goodwill	-	-	-	-	38,392
Adjusted operating income	<u>\$968,111</u>	<u>\$891,217</u>	<u>\$796,454</u>	<u>\$592,142</u>	<u>\$449,942</u>

	Year ended December 31,			
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Net income (loss)	\$102,052	\$ (3,413)	\$ 26,885	\$ (22,260)
Add:				
Amortization of goodwill, net of taxes	36,023	22,013	14,133	14,268
Provision for restructuring and other special charges, net of taxes	-	44,118	-	39,881
Loss on debt extinguishment, net of taxes	2,896	2,139	-	-
Adjusted net income	<u>\$140,971</u>	<u>\$ 64,857</u>	<u>\$ 41,018</u>	<u>\$ 31,889</u>

Diluted earnings per common share

Reported diluted earnings per common share	\$ 0.54	\$ (0.02)	\$ 0.22	\$ (0.19)
Adjusted diluted earnings per common share	\$ 0.75	\$ 0.45	\$ 0.34	\$ 0.27
Weighted average number of common shares outstanding—diluted	188,601	143,309	120,916	116,752