

Item 2. Properties

Our principal domestic laboratories (listed alphabetically by state) are located in or near the following metropolitan areas. In certain areas, we have more than one principal laboratory facility as a result of recent acquisitions.

| <u>Location</u> | <u>Leased or Owned</u> |
|--|-------------------------------|
| Phoenix, Arizona | Leased by Joint Venture |
| Long Beach, California (Cypress, California) | Leased |
| Los Angeles, California | Leased |
| Sacramento, California | Leased |
| San Jose, California | Leased |
| San Juan Capistrano, California | Owned |
| Denver, Colorado | Leased |
| New Haven, Connecticut | Owned |
| Washington, D.C. (Chantilly, Virginia) | Leased |
| Miami, Florida (2) | One owned, one leased |
| Tampa, Florida | Owned |
| Atlanta, Georgia | Owned |
| Chicago, Illinois (2) | One owned, one leased |
| Indianapolis, Indiana | Leased by Joint Venture |
| Kansas City, Kansas | Owned |
| New Orleans, Louisiana | Owned |
| Baltimore, Maryland | Owned |
| Boston, Massachusetts | Leased |
| Detroit, Michigan | Leased |
| St. Louis, Missouri | Owned |
| Las Vegas, Nevada | Owned |
| New York, New York (Teterboro, New Jersey) | Owned |
| Long Island, New York | Leased |
| Cincinnati, Ohio | Owned |
| Dayton, Ohio | Leased by Joint Venture |
| Oklahoma City, Oklahoma | Leased by Joint Venture |
| Portland, Oregon | Leased |
| Erie, Pennsylvania | Leased by Joint Venture |
| Philadelphia, Pennsylvania | Leased |
| Pittsburgh, Pennsylvania | Leased |
| Dallas, Texas | Leased |
| Houston, Texas | Leased |
| Seattle, Washington | Leased |

Other locations:

Our executive offices are located at a leased facility in Lyndhurst, New Jersey. During 2007, we plan to move our executive offices to a leased facility in Madison, New Jersey. We also lease a site in Norristown, Pennsylvania, that serves as a billing center; a site in Tampa, Florida that serves as a billing call center; a site in Lee's Summit, Missouri that serves as a call center for our risk assessment services business; a site in San Clemente, California that serves as administrative office for our esoteric facilities; a site in Cincinnati, Ohio that serves as the main office for MedPlus; a site in Northridge, California that serves as an administrative office for our clinical trials business; a site in Lyndhurst, New Jersey that serves as an office for our corporate information technology staff; a site in Angelholm, Sweden that serves as our manufacturing facility and headquarters for HemoCue; and a site in Edison, New Jersey that serves as an assembly and distribution center for our InsureTM products. We own an administrative office in Collegeville, Pennsylvania, a site in West Norriton, Pennsylvania, that serves as our national data center, a site in Van Nuys, California that serves as our clinical trials testing

laboratory in the United States, a site in Lake Forest, California that serves as our distribution center for HemoCue and our laboratory facility in Mexico City, Mexico. We also lease laboratory facilities in San Juan, Puerto Rico, and Heston, England and lease a manufacturing and laboratory facility near Sydney, Australia for our Enterix (InSure™) operations. We believe that, in general, our facilities are suitable and adequate for our current and anticipated future levels of operation. We believe that if we were unable to renew a lease on any of our facilities, we could find alternative space at competitive market rates and relocate our operations to such new location.

Item 3. Legal Proceedings

In addition to the investigations described in “Business – Government Investigations and Related Claims”, we are involved in various legal proceedings arising in the ordinary course of business. Please refer to Note 14 to the Consolidated Financial Statements for a discussion of various legal proceedings that involve the Company. Some of the proceedings against us involve claims that are substantial in amount and could result in substantial monetary damages as well as damage to our reputation. Although we cannot predict the outcome of such proceedings or any claims made against us, we do not anticipate that the ultimate outcome of the various proceedings or claims will have a material adverse effect on our financial condition, but may be material to our results of operations and cash flows in the period in which the impact of such matters is determined or paid.

Item 4. Submission of Matters to a Vote of Security Holders

None.