



# Merrill Lynch Health Services Investor Conference



November 27, 2007



## Safe Harbor Disclaimer

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**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 described in the Quest Diagnostics Incorporated SEC filings, including our latest Form 10-K. Additional risks may arise from unanticipated events.**

A copy of this presentation is available on our website at [www.questdiagnostics.com](http://www.questdiagnostics.com)



## Who is Quest Diagnostics?

» Leader in Providing Healthcare Insights and Solutions

Comprehensive Diagnostic Testing

Routine —» Esoteric

- Diagnose
- Monitor
- Predict
- Prevent

Advanced Information Technology Solutions

Improve Care and Efficiency

Facilitate Introduction of New Therapeutics

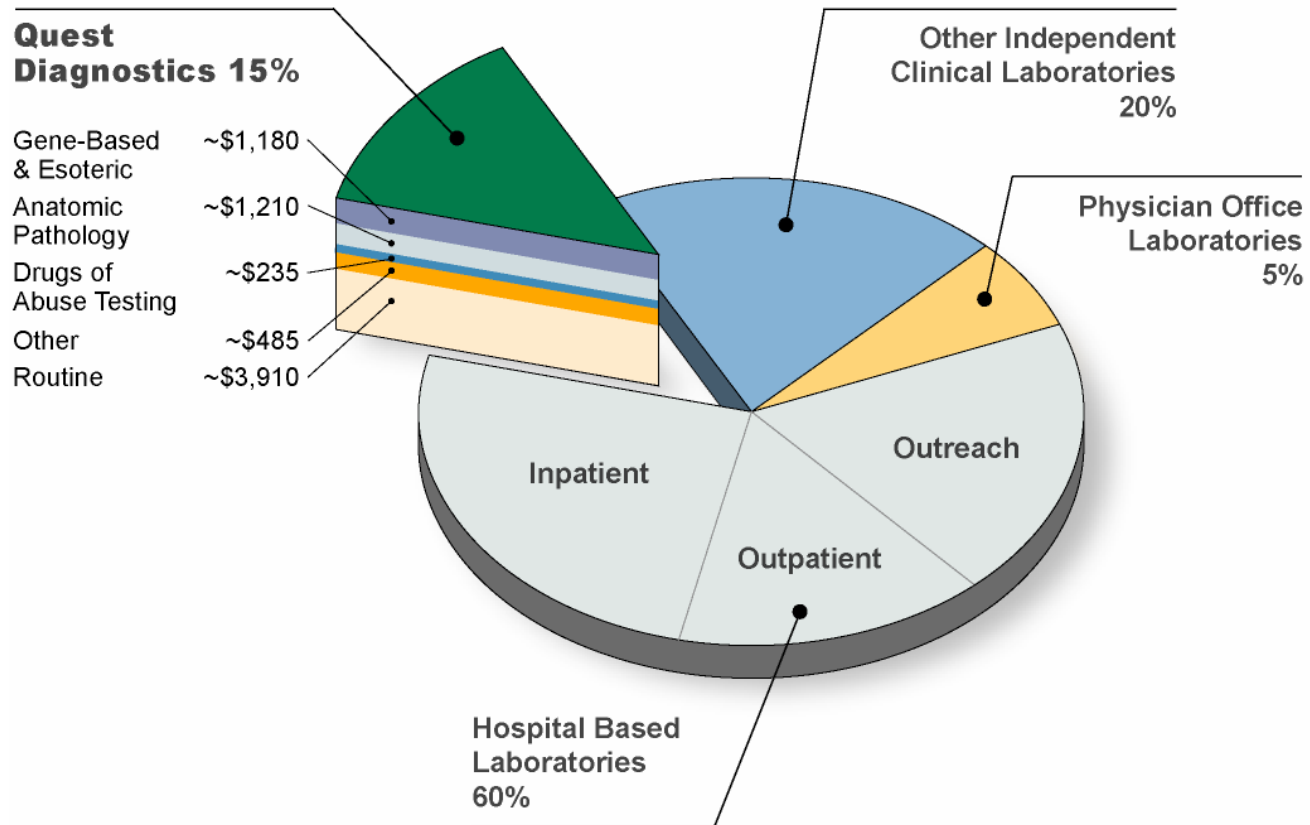
Clinical Trials Testing

~150 Million Patient Encounters Annually



# The Leader in Diagnostic Testing

## US Diagnostic Testing Market: ~\$45 B



Source: Washington G-2 Reports and company information, Quest Diagnostics data proforma for AmeriPath acquisition

Patients Growth People

## Favorable Industry Trends

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### » Essential Healthcare Service

Growing and Aging Population

Innovations in Science & Medicine

Personal Interest in Health

Convergence of Technologies

Genetic Predisposition

Diagnostic Testing

Diagnostic Imaging

Information Technology

Influences >70% of Healthcare Decisions



## Why Quest Diagnostics?

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### » Unique Value Proposition

Superior Patient Experience

Six Sigma Quality

Unparalleled Access and Distribution

Innovative Science & Medicine

Advanced Information Technology

Sustainable Competitive Advantage



# Expanding Usage by Patients of PSC Appointment Scheduling

Quest Diagnostics: Patient Service Centers - Microsoft Internet Explorer provided by Quest Diagnostics

Address: https://secure.questdiagnostics.com/hcp/psc/jsp/hcp\_psc\_appt\_select.do?method=single

Quest Diagnostics

Home About Us Site Directory Privacy Policy Search

Company Info Our Businesses Investor Relations Careers Contact Us

Make Appointment > Find appointment

Patient Service Centers > Find appointment Change search criteria Search for different PSC

Quest Diagnostics-PSC - Westfield  
189 Elm St , Westfield, NJ 07090-3145 / 908-232-1295

Appointment Options | Date and Time | Westfield

Laure Park Diagnostics | Routine Lab Tests | 15 mins | Any Resource Find First Find Next

Click on any white cell to choose a date and time for this appointment

Available Time  Unavailable Time

May 27 - June 02, 2007 EDT Today

	Sun 27	Mon 28	Tue 29	Wed 30	Thu 31	Fri 1	Sat 2	
7:30am								7:30am
7:45am								7:45am
8:00am								8:00am
8:15am								8:15am
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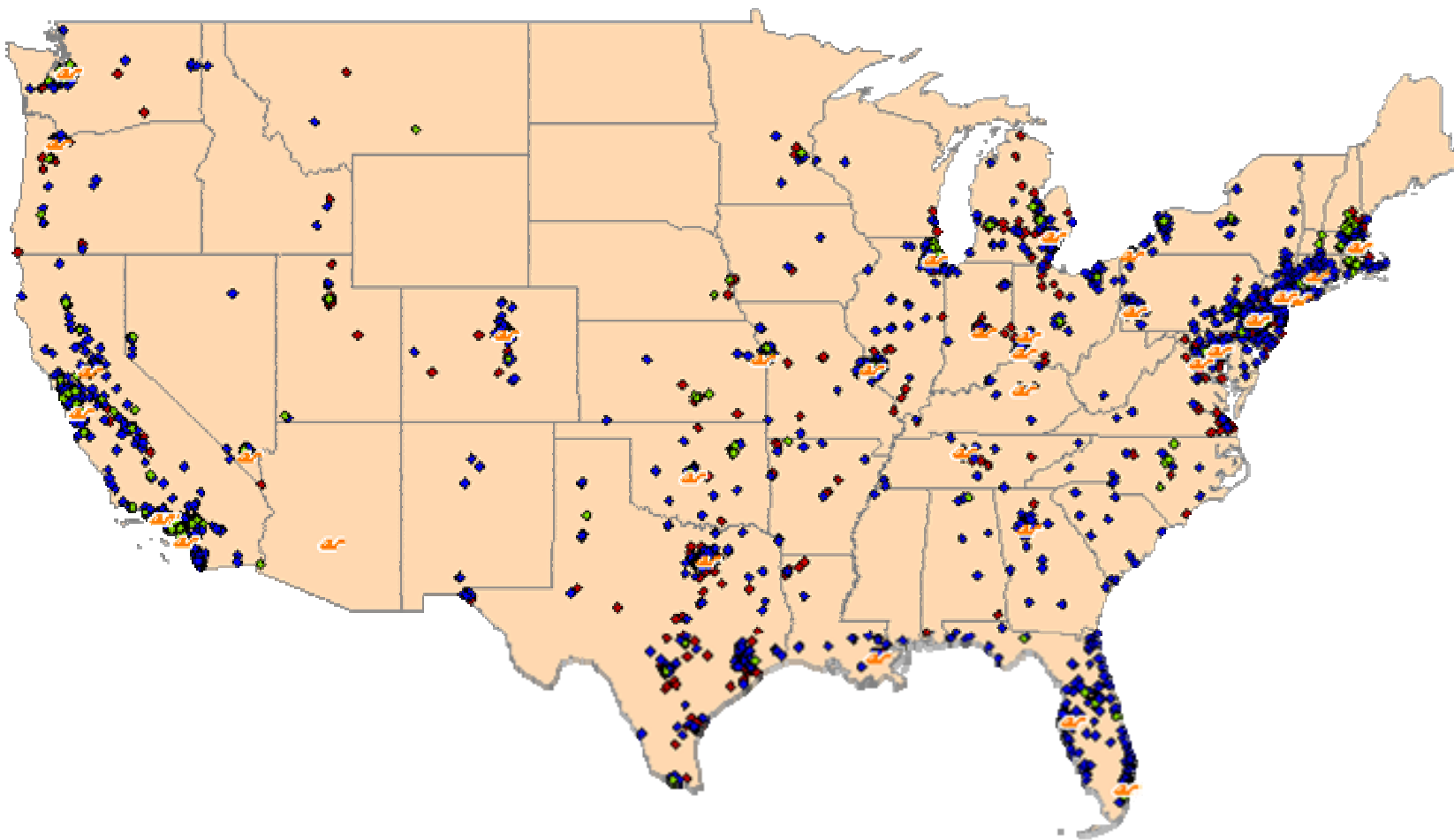
Only Laboratory with Appointment Scheduling at >1,600 PSC's

Reduces Patient Wait Time

Improves Patient Convenience



# Patient Service Centers and Laboratory Network



~2,300 Laboratories and Patient Service Centers Serving Half of US Physicians

Patients Growth People





## Innovative Science and Medicine

### » Broadest Product and Service Offering

#### Multiple Channels to Access New Technology

- Internal Development – Nichols Institute

- Joint Development Relationships

- Licensing/Distribution Relationships

#### Most Comprehensive Test Menu

- Disease State – CVD, Cancer & Infectious Disease

- Technology

#### Leading Experts for Medical Consultation

- 900 MDs & PhDs

- >30 Academic Associates

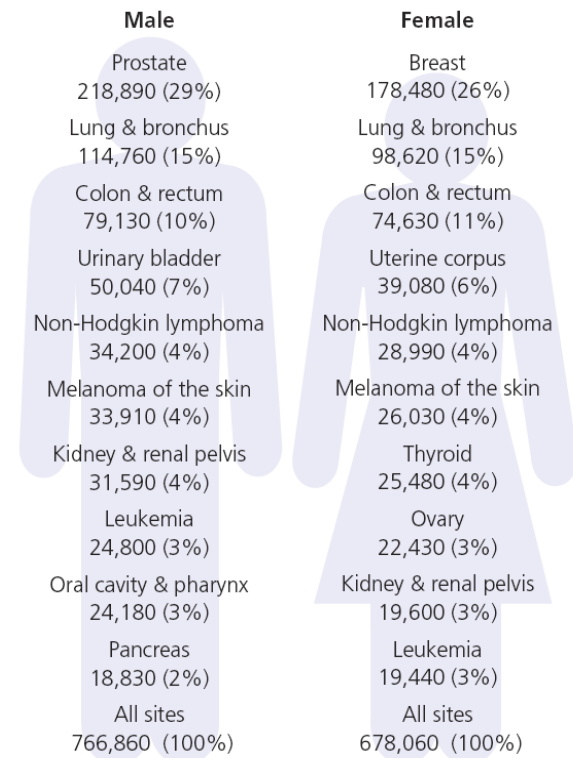
### Unmatched Medical & Technical Expertise

## » Improving Detection & Monitoring

- National Network of ~800  
Board Certified Pathologists &  
Dermatopathologists
- Centers of Excellence & Strong  
Local Presence
- Consultative Services
- Comprehensive Menu
- Unique Medical & Reporting  
Capabilities

### Leading Sites of New Cancer Cases

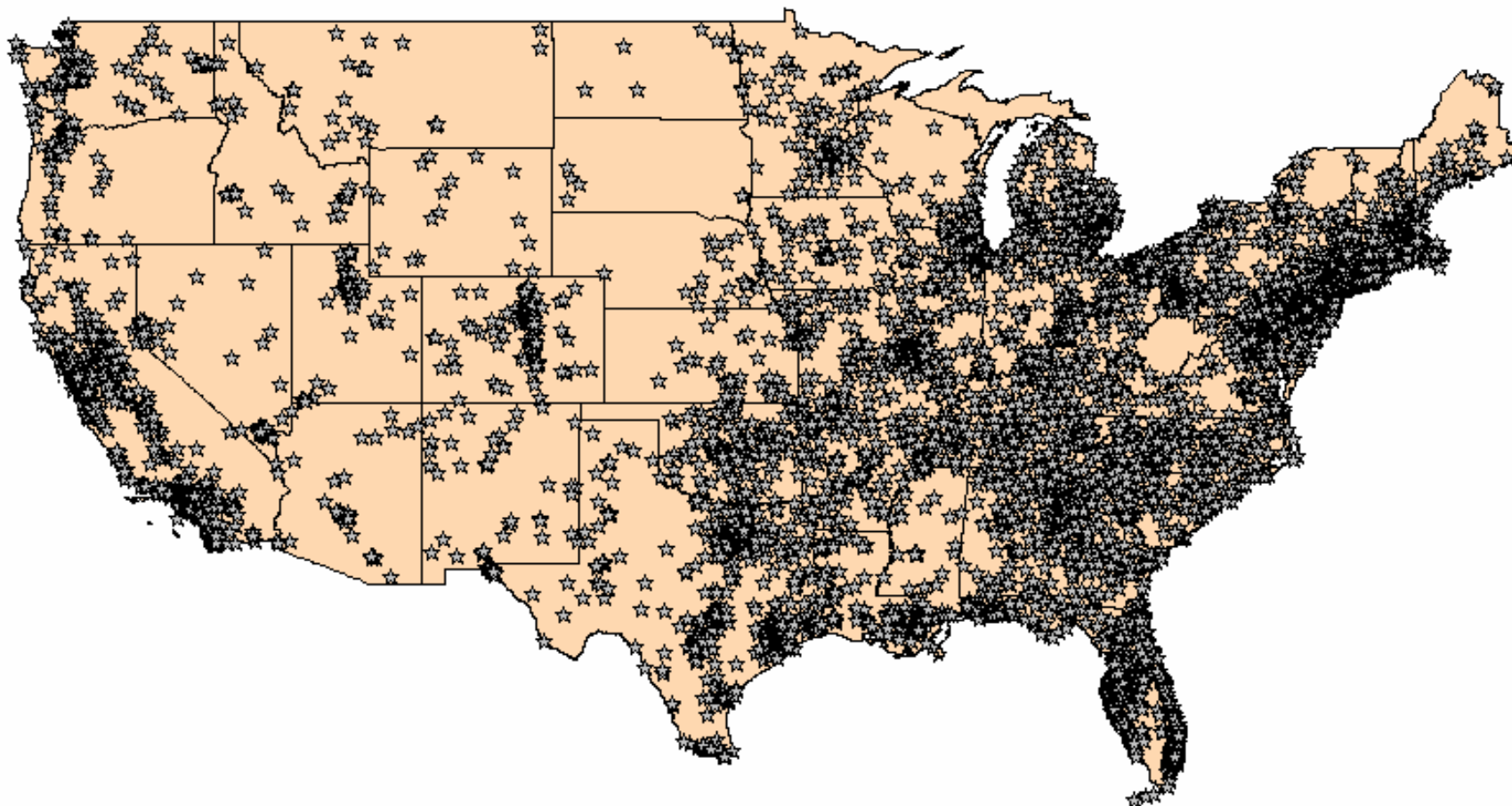
#### Estimated New Cases\*



*Chart from American Cancer Society: Facts & Figures 2007*



## Electronic Connectivity: Care360 Network



120,000 Physician Users and Growing by >1,000 Physicians Each Month

Patients Growth People

## » Building a Sustainable Competitive Advantage

Focus on High Growth Segments

Introduce Important & Unique Tests & Services

Provide Differentiated Level of Service

Expand Geographic Scope

Expand Diagnostic Scope – Near Patient Testing

Increasing Loyalty with Patients, Physicians and Payers



## Reducing Costs by \$500 Million

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### » Using Lean Six Sigma to Improve Efficiency

Streamline Lab Operations

Optimize Logistics Routes and PSC Resources

Improve Call Center and Billing Operations

Leverage Purchasing Capabilities

Maintaining High Service Levels



## 2007 Guidance \*

### » A Challenging Environment in 2007

Revenues	\$6.6 billion to \$6.7 billion
Operating Income	~16%
EPS	\$2.84 – \$2.91
Cash from Operations	~\$800 million
CapEx	\$210 - \$220 million

### Returning to Earnings Growth in 2008

\*Excludes \$0.04 EPS in Q1 charges.

Patients Growth People



## Focused on Execution

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### » Industry Leader in a Vital and Growing Industry

- Leadership in All Major Segments

Unique Value Proposition

Management Team with a Proven Track Record

Strong Cash Generator

A History of Disciplined Growth



Quest  
Diagnostics