

QUEST DIAGNOSTICS INC  
Form FWP  
March 22, 2011

**Free Writing Prospectus  
Filed pursuant to Rule 433  
March 21, 2011  
Registration Statement No. 333-167603 and  
Relating to  
Preliminary Prospectus Supplement dated March 21, 2011 to  
Prospectus dated February 7, 2011**

**Term sheet**

**Free Writing Prospectus Dated March 21, 2011**

**\$1,250,000,000  
Quest Diagnostics Incorporated**

**\$300,000,000 3.200% Senior Notes due 2016  
\$550,000,000 4.700% Senior Notes due 2021  
\$200,000,000 5.750% Senior Notes due 2040  
\$200,000,000 Floating Rate Senior Notes due 2014**

**3.200% Senior Notes due 2016**

<b>Issuer:</b>	Quest Diagnostics Incorporated
<b>Principal Amount:</b>	\$300,000,000
<b>Maturity Date:</b>	April 1, 2016
<b>Trade Date:</b>	March 21, 2011
<b>Original Issue Date (Settlement):</b>	March 24, 2011
<b>Interest Accrual Date:</b>	March 24, 2011
<b>Issue Price (Price to Public):</b>	99.907%
<b>Yield:</b>	3.220%
<b>Interest Rate:</b>	3.200% per annum
<b>Interest Payment Period:</b>	Semi-annual
<b>Interest Payment Dates:</b>	Each April 1 and October 1, commencing October 1, 2011
<b>Treasury Benchmark:</b>	2 1/8% due February 29, 2016
<b>Spread to Benchmark:</b>	T+120 bps

**Benchmark Yield:** 2.020%

**Optional Redemption:** At any time and from time to time, the notes will be redeemable, as a whole or in part, at the option of Quest Diagnostics, on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of the notes, at a redemption price equal to the greater of:

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- 100% of principal amount of the notes to be redeemed, and
- the sum of the present values of the remaining scheduled payments discounted, on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable treasury rate plus 20 basis points,

plus accrued interest to the date of redemption which has not been paid.

**Special Mandatory Redemption:** Unlike the 4.700% Senior Notes due 2021 and the Floating Rate Senior Notes due 2014, the Special Mandatory Redemption provisions do not apply to the 3.200% Senior Notes due 2016.

**CUSIP:** 74834L AR1

**ISIN:** US74834LAR15

**Joint Book-Running Managers:** Morgan Stanley & Co. Incorporated  
Goldman, Sachs & Co.  
RBS Securities Inc.  
J.P. Morgan Securities LLC  
Wells Fargo Securities, LLC

**Co-Managers:** Credit Agricole Securities (USA) Inc.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Mitsubishi UFJ Securities (USA), Inc.

**Conflicts of Interest:** Certain affiliates of Credit Agricole Securities (USA) Inc. and Mitsubishi UFJ Securities (USA), Inc., who are co-managers in this offering, are lenders to us under our secured receivables credit facility and will receive 5% of the net proceeds of this offering by reason of the repayment of amounts outstanding under such credit facility. Accordingly, such underwriters are deemed to have a [conflict of interest] within the meaning of Rule 5121 ([Rule 5121]) of the Financial Industry Regulatory Authority, Inc., and this offering will be conducted in accordance with Rule 5121. No underwriter with a [conflict of interest] will confirm sales to any account over which it exercises discretion without the specific written approval of the account holder.

**Global Settlement:** Through The Depository Trust Company, Euroclear or Clearstream, Luxembourg

*The issuer has filed a registration statement (including a prospectus and a prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus and the prospectus supplement in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus and the prospectus supplement if you request it by calling Morgan Stanley & Co. Incorporated toll free at 1-866-718-1649; Goldman, Sachs & Co. toll free at 1-866-471-2526; RBS Securities Inc. toll free at 1-866-884-2071; J.P. Morgan Securities LLC collect at 1-212-834-4533 and Wells Fargo Securities, LLC toll free at 1-800-326-5897.*

**4.700% Senior Notes due 2021**

<b>Issuer:</b>	Quest Diagnostics Incorporated
<b>Principal Amount:</b>	\$550,000,000
<b>Maturity Date:</b>	April 1, 2021
<b>Trade Date:</b>	March 21, 2011
<b>Original Issue Date (Settlement):</b>	March 24, 2011
<b>Interest Accrual Date:</b>	March 24, 2011
<b>Issue Price (Price to Public):</b>	99.833%
<b>Yield:</b>	4.721%
<b>Interest Rate:</b>	4.700% per annum
<b>Interest Payment Period:</b>	Semi-annual
<b>Interest Payment Dates:</b>	Each April 1 and October 1, commencing October 1, 2011
<b>Treasury Benchmark:</b>	3 5/8% due February 15, 2021
<b>Spread to Benchmark:</b>	T+140 bps
<b>Benchmark Yield:</b>	3.321%
<b>Optional Redemption:</b>	<p>At any time and from time to time, the notes will be redeemable, as a whole or in part, at the option of Quest Diagnostics, on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of the notes, at a redemption price equal to the greater of:</p> <ul style="list-style-type: none"><li>• 100% of principal amount of the notes to be redeemed, and</li><li>• the sum of the present values of the remaining scheduled payments discounted, on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable treasury rate plus 25 basis points,</li></ul> <p>plus accrued interest to the date of redemption which has not been paid.</p>
<b>Special Mandatory Redemption:</b>	<p>In the event that Quest Diagnostics has failed to consummate the acquisition of Athena Diagnostics on or prior to October 31, 2011, or the related Stock Purchase and Sale Agreement is terminated at any time prior thereto, Quest Diagnostics must redeem the notes at a redemption price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest from the date of initial issuance to but excluding the special mandatory redemption date.</p>
<b>CUSIP:</b>	74834L AS9



**ISIN:** US74834LAS97

**Joint Book-Running Managers:** Morgan Stanley & Co. Incorporated  
Goldman, Sachs & Co  
RBS Securities Inc.  
J.P. Morgan Securities LLC  
Wells Fargo Securities, LLC

**Co-Managers:** Credit Agricole Securities (USA) Inc.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Mitsubishi UFJ Securities (USA), Inc.

**Conflicts of Interest:** Certain affiliates of Credit Agricole Securities (USA) Inc. and Mitsubishi UFJ Securities (USA), Inc., who are co-managers in this offering, are lenders to us under our secured receivables credit facility and will receive 5% of the net proceeds of this offering by reason of the repayment of amounts outstanding under such credit facility. Accordingly, such underwriters are deemed to have a "conflict of interest" within the meaning of Rule 5121 ("Rule 5121") of the Financial Industry Regulatory Authority, Inc., and this offering will be conducted in accordance with Rule 5121. No underwriter with a "conflict of interest" will confirm sales to any account over which it exercises discretion without the specific written approval of the account holder.

**Global Settlement:** Through The Depository Trust Company, Euroclear or Clearstream, Luxembourg

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**5.750% Senior Notes due 2040 (the**

**Series 2040 Notes**)

**Issuer:** Quest Diagnostics Incorporated

**Principal Amount:** \$200,000,000

**Maturity Date:** January 30, 2040

The Series 2040 Notes offered hereby represent a reopening of the 5.750% Senior Notes due 2040 issued on November 17, 2009 and will be consolidated with, and will form a single series under the indenture with, the \$250,000,000 aggregate principal amount of 5.750% Senior Notes due 2040 that were issued on November 17, 2009.

**Trade Date:** March 21, 2011

**Original Issue Date (Settlement):** March 24, 2011

January 30, 2011

**Interest Accrual Date:**

**Issue Price (Price to Public):** 97.263% plus accrued interest from January 30, 2011 (pre-issuance accrued interest)

**Yield:** 5.949%

**Interest Rate:** 5.750% per annum from January 30, 2011 (as if they had been issued on such date)

**Interest Payment Period:** Semi-annual

**Interest Payment Dates:** Each January 30 and July 30, commencing July 30, 2011

**Treasury Benchmark:** 4 1/4% due November 15, 2040

**Spread to Benchmark:** T+150 bps

**Benchmark Yield:** 4.449%

**Optional Redemption:** At any time and from time to time, the notes will be redeemable, as a whole or in part, at the option of Quest Diagnostics, on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of the notes, at a redemption price equal to the greater of:

- 100% of principal amount of the notes to be redeemed, and
- the sum of the present values of the remaining scheduled payments discounted, on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable treasury rate plus 25 basis points,

plus accrued interest to the date of redemption which has not been paid.

**Special Mandatory Redemption:** Unlike the 4.700% Senior Notes due 2021 and the Floating Rate Senior Notes due 2014, the Special Mandatory Redemption provisions do not apply to the 5.750% Senior Notes due 2040.





**Limitation on Subsidiary Indebtedness and Preferred Stock:**

Unlike the 3.200% Senior Notes due 2016, the 4.700% Senior Notes due 2021, the Floating Rate Senior Notes due 2014, the following language under [Description of Notes] [Limitation on Subsidiary Indebtedness and Preferred Stock] shall not apply to the Series 2040 Notes:

*[shares of Preferred Stock held by Quest Diagnostics or a subsidiary of Quest Diagnostics];*

**Additional United States Federal Income Tax Considerations:**

The following discussion supplements, and should be read in conjunction with discussion in the preliminary prospectus supplement under the heading [United States Federal Income Tax Considerations]. Terms used in this discussion but not defined in this discussion have the meanings ascribed to them elsewhere in the preliminary prospectus supplement or in [United States Federal Income Tax Considerations] in the preliminary prospectus supplement.

Quest Diagnostics intends to treat the Series 2040 Notes offered hereby as issued pursuant to a [qualified reopening] of the Series 2040 Notes that were issued on November 17, 2009 with an issue price of 98.491% (the [Existing Notes]). For United States federal income tax purposes, debt instruments issued in a qualified reopening are deemed to be part of the same issue as the original debt instrument. Under the treatment described in this paragraph, all of the Series 2040 Notes offered hereby will be deemed to have the same issue date and the same issue price as the Existing Notes. The remainder of this discussion assumes the correctness of the treatment discussed in this paragraph.

A portion of the price paid for the Series 2040 Notes offered hereby will be allocable to unpaid stated interest that [accrued] prior to the date such Series 2040 Notes are sold pursuant to this offering (the [Pre-Issuance Accrued Stated Interest]). Quest Diagnostics intends to treat a portion of the first stated interest payment on the Series 2040 Notes offered hereby in an amount equal to the Pre-Issuance Accrued Stated Interest as a return of the Pre-Issuance Accrued Stated Interest and not as an amount payable on such Series 2040 Notes. Amounts treated as a return of the Pre-Issuance Accrued Stated Interest should not be taxable to a United States Holder when received. Prospective investors should consult their own tax advisors regarding the Pre-Issuance Accrued Stated Interest.

**CUSIP:**

74834L AQ3

**ISIN:**

US74834LAQ32

**Joint Book-Running Managers:**

Morgan Stanley & Co. Incorporated  
Goldman, Sachs & Co.  
RBS Securities Inc.  
J.P. Morgan Securities LLC  
Wells Fargo Securities, LLC

**Co-Managers:**

Credit Agricole Securities (USA) Inc.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Mitsubishi UFJ Securities (USA), Inc.

**Conflicts of Interest:**

Certain affiliates of Credit Agricole Securities (USA) Inc. and Mitsubishi UFJ

Securities (USA), Inc., who are co-managers in this offering, are lenders to us under our secured receivables credit facility and will receive 5% of the net proceeds of this offering by reason of the repayment of amounts outstanding under such credit facility. Accordingly, such underwriters are deemed to have a "conflict of interest" within the meaning of Rule 5121 ("Rule 5121") of the Financial

Industry Regulatory Authority, Inc., and this offering will be conducted in accordance with Rule 5121. No underwriter with a [conflict of interest] will confirm sales to any account over which it exercises discretion without the specific written approval of the account holder.

**Global Settlement:** Through The Depository Trust Company, Euroclear or Clearstream, Luxembourg

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**Floating Rate Senior Notes due 2014**

**Issuer:** Quest Diagnostics Incorporated

**Principal Amount:** \$200,000,000

**Maturity Date:** March 24, 2014

**Trade Date:** March 21, 2011

**Original Issue Date (Settlement):** March 24, 2011

**Interest Accrual Date:** March 24, 2011

**Issue Price (Price to Public):** 100.000%

**Interest Rate:** 3-month LIBOR + 85 basis points

**Interest Payment Period:** Quarterly

**Interest Payment Dates:** Each March 24, June 24, September 24 and December 24, commencing June 24, 2011

**Day Count Convention:** Actual/360

**Optional Redemption:** Not redeemable other than as described below.

**Special Mandatory Redemption:** In the event that Quest Diagnostics has failed to consummate the acquisition of Athena Diagnostics on or prior to October 31, 2011, or the related Stock Purchase and Sale Agreement is terminated at any time prior thereto, Quest Diagnostics must redeem the notes at a redemption price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest from the date of initial issuance to but excluding the special mandatory redemption date.

**CUSIP:** 74834L AT7

**ISIN:** US74834LAT70

**Joint Book-Running Managers:** Morgan Stanley & Co. Incorporated  
Goldman, Sachs & Co.  
RBS Securities Inc.  
J.P. Morgan Securities LLC  
Wells Fargo Securities, LLC

**Co-Managers:** Credit Agricole Securities (USA) Inc.  
Merrill Lynch, Pierce, Fenner & Smith Incorporated  
Mitsubishi UFJ Securities (USA), Inc.

**Conflicts of Interest:** Certain affiliates of Credit Agricole Securities (USA) Inc. and Mitsubishi UFJ Securities (USA), Inc., who are co-managers in this offering, are lenders to us under our secured receivables credit facility and will receive 5% of the net proceeds of this offering by reason of the repayment of amounts outstanding under such credit facility. Accordingly, such underwriters are deemed to have a "conflict of interest" within the meaning of Rule 5121 ("Rule 5121") of the Financial Industry Regulatory Authority, Inc., and this offering will be conducted in



accordance with Rule 5121. No underwriter with a [conflict of interest] will confirm sales to any account over which it exercises discretion without the specific written approval of the account holder.

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