

QUEST DIAGNOSTICS INC

Form 424B2

May 25, 2016

Calculation of the Registration Fee

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
3.450% Senior Notes due 2026	\$ 500,000,000	\$ 50,350

(1) Pursuant to Rule 456(b), calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

Filed Pursuant to Rule 424(b)(2)

Registration No. 333-211336

PROSPECTUS SUPPLEMENT

(To prospectus dated May 13, 2016)

\$500,000,000

Quest Diagnostics Incorporated

3.450% Senior Notes due 2026

We are offering \$500,000,000 aggregate principal amount of 3.450% senior notes due 2026 (the “notes”). The notes will mature on June 1, 2026. We will pay interest on the notes semiannually on June 1 and December 1 of each year, beginning December 1, 2016. We may redeem some or all of the notes at any time at the applicable redemption prices described in this prospectus supplement.

The notes will be senior unsecured obligations of ours and will rank equally with our other existing and future senior unsecured obligations. The notes will be issued only in registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Investing in the notes involves risks that are described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this prospectus supplement, and in the “Risk Factors” section beginning on page S-8 of this prospectus supplement.

	Per Note	Total
Public offering price(1)	99.723 %	\$ 498,615,000
Underwriting discount	0.650 %	\$ 3,250,000
Proceeds, before expenses, to us	99.073 %	\$ 495,365,000

(1) Plus accrued interest from May 26, 2016, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and

Clearstream Banking, société anonyme, on or about May 26, 2016.

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Joint Book-Running Managers

Goldman, Sachs & Co.

Mizuho Securities

Wells Fargo Securities

Co-Managers

Credit Agricole CIB

MUFG

PNC Capital Markets LLC

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The date of this prospectus supplement is May 23, 2016

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## Prospectus

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Neither we nor the underwriters have authorized anyone to provide you with any information or to make any representation not contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus or included in any free writing prospectus that we may file with the Securities and Exchange Commission (the “SEC”) in connection with this offering. Neither we nor the underwriters take any responsibility for, or can provide any assurances as to, the reliability of any information that others may provide you. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, cash flows, results of operations and prospects may have changed since these dates.

References to “we,” “us,” “our,” “Quest Diagnostics” and “our Company” are to Quest Diagnostics Incorporated and its consolidated subsidiaries or, as the context may require, Quest Diagnostics Incorporated only.



## SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus supplement and may not contain all of the information that is important to you. You should carefully read this prospectus supplement and the accompanying prospectus in their entirety, including the documents incorporated by reference.

### Our Company

Quest Diagnostics empowers people to take action to improve health outcomes. We use our extensive database of clinical lab results to derive diagnostic insights that reveal new avenues to identify and treat disease, inspire healthy behaviors and improve healthcare management. Our diagnostic information services business (“DIS”) provides insights through clinical testing and related services to patients, physicians, hospitals, accountable care organizations, integrated delivery networks, health plans, employers and others. We offer the broadest access in the United States to diagnostic information services through our nationwide network of laboratories, Company-owned patient service centers and phlebotomists in physician offices. We are the world’s leading provider of diagnostic information services, which includes providing clinical testing services such as routine (including drugs-of-abuse) testing, gene-based and esoteric testing, and anatomic pathology services, as well as related services and insights. We provide interpretive consultation with one of the largest medical and scientific staffs in the industry. Our DIS business makes up over 90% of our consolidated net revenues.

In our Diagnostic Solutions (“DS”) businesses, which represents the balance of our consolidated net revenues, we offer a variety of solutions to insurers and healthcare providers. We are the leading provider of risk assessment services for the life insurance industry. In addition, we offer healthcare organizations and clinicians robust information technology solutions and, prior to the disposition of the Focus Diagnostics (as defined below) products business on May 13, 2016, diagnostics products. Prior to the contribution of our clinical trials testing business to the Q2 Solutions joint venture on July 1, 2015, our clinical trials testing business was a leading provider of central laboratory testing for clinical trials.

During 2015, we generated net revenues of \$7.5 billion and processed approximately 157 million test requisitions.

Our principal executive offices are located at Three Giralda Farms, Madison, New Jersey 07940, telephone number: (973) 520-2700.

### Recent Developments

On May 18, 2016, we announced that we completed the disposition of the assets of our non-core Focus Diagnostics Products business (“Focus Diagnostics”) to DiaSorin S.p.A for \$300 million in cash. We plan to use the proceeds of the Focus Diagnostics transaction to repurchase shares of our common stock.

The Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see “Description of Notes” in this prospectus supplement and “Description of Senior Debt Securities” in the accompanying prospectus.

Issuer	Quest Diagnostics Incorporated.
Notes Offered	\$500,000,000 aggregate principal amount of 3.450% senior notes due 2026.
Maturity	June 1, 2026
Interest Payment Dates	June 1 and December 1, beginning December 1, 2016.
Ranking	The notes will be senior unsecured obligations of Quest Diagnostics and will rank equally with Quest Diagnostics’ other existing and future senior unsecured obligations. The notes will be effectively subordinated to any existing and future secured obligations of Quest Diagnostics as to the assets securing such obligations.

The notes will be structurally subordinated to any existing and future indebtedness and other obligations of Quest Diagnostics’ subsidiaries. Quest Diagnostics’ subsidiaries are not guarantors of the notes; however, under the terms of the indenture governing the notes, certain of Quest Diagnostics’ domestic subsidiaries may be required to become subsidiary guarantors in the future if they incur any Indebtedness (as defined in the indenture governing the notes), subject to exceptions set forth in the indenture governing the notes, or guarantee any Indebtedness of Quest Diagnostics when the amount of such Indebtedness, together with any other outstanding Indebtedness of Quest Diagnostics guaranteed by Quest Diagnostics’ subsidiaries that do not guarantee the notes, exceeds \$50 million in the aggregate at any time. See “Description of Notes—Future Subsidiary Guarantors.”

As of March 31, 2016, after giving effect to this offering and the anticipated use of the net proceeds therefrom (as if all of the foregoing had occurred on that date):

Quest Diagnostics would have had debt outstanding of \$3,835 million, of which \$19 million is secured; and

our subsidiaries would have had debt outstanding of \$60 million, all of which was

secured.

For more information, see “Description of Notes,” “Use of Proceeds” and “Capitalization.”

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Optional Redemption

Prior to March 1, 2026 (three months prior to their maturity date, the “par call date”), we may redeem the notes, as a whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed, and

the sum of the present values of the Remaining Scheduled Payments (as defined in this prospectus supplement) discounted, on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined in this prospectus supplement) plus 25 basis points,

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

On or after the par call date, we may redeem the notes, as a whole at any time or in part from time to time, at our option, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued interest to the date of redemption which has not been paid.

For a more detailed description, see “Description of Notes—Optional Redemption.”

Repurchase Upon a Change of Control

Upon the occurrence of a Change of Control Triggering Event (as defined in this prospectus supplement), we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. See “Description of Notes—Change of Control.”

Covenants

The indenture governing the notes will contain covenants that, among other things, will limit our ability and/or the ability of our restricted subsidiaries to:

create certain liens;

enter into certain sale and leaseback transactions;

consolidate, merge or transfer all or substantially all of our assets;  
and

incur indebtedness of non-guarantor subsidiaries.



These covenants are subject to important exceptions and qualifications, which are described in this prospectus supplement. For a more detailed description, see “Description of Notes.”

Use of Proceeds

We estimate that the net proceeds from this offering of notes after deducting underwriting discounts but before deducting other expenses of the offering will be approximately \$495,365,000. We intend to use the net proceeds to repay outstanding indebtedness under our senior unsecured revolving credit facility and our secured receivables credit facility and for general corporate purposes. See “Use of Proceeds.”

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Conflicts of Interest

One or more of the underwriters or their affiliates may receive 5% or more of the net proceeds of this offering by reason of the repayment of amounts due under our senior unsecured revolving credit facility and our secured receivables credit facility. Accordingly, such underwriters will be deemed to have a “conflict of interest” within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, and this offering will be conducted in accordance with Rule 5121. See “Underwriting – Conflicts of Interest.”

Risk Factors

See “Risk Factors” and the other information in this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which is incorporated by reference into this prospectus supplement, for a discussion of factors you should carefully consider before deciding to invest in the notes.

Governing Law

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York without application of principles of conflicts of law thereunder.

Trustee

The Bank of New York Mellon.

## Summary Financial Data

The following table presents summary historical financial data at the dates and for each of the periods presented. We derived the summary historical operations and other data for the years ended December 31, 2015, 2014 and 2013 and the summary historical balance sheet data at December 31, 2015 and 2014 from our audited consolidated financial statements incorporated by reference herein. We derived the summary historical balance sheet data at December 31, 2013 from our audited consolidated financial statements not incorporated by reference herein. We derived the summary historical financial data as of and for the three months ended March 31, 2016 and 2015 from our unaudited interim consolidated financial statements and related notes incorporated by reference herein, except for the summary historical balance sheet data at March 31, 2015, which is derived from our unaudited interim consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, which is not incorporated by reference herein. The summary historical financial data as of and for the three months ended March 31, 2016 and 2015 reflects all adjustments that, in our opinion, are necessary for a fair statement of the financial condition and results of operations at and for the periods presented. The unaudited interim consolidated financial statements have been compiled without audit and are subject to year-end adjustments. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

The summary historical financial data presented below is only a summary and should be read together with our consolidated financial statements and related notes and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2015, and our unaudited interim consolidated financial statements and related notes and management's discussion and analysis of financial condition and results of operations included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, each of which is incorporated by reference into this prospectus supplement.

	Three Months Ended		Year Ended December 31,		
	March 31, 2016	March 31, 2015	2015	2014	2013
	(dollars in millions)				
Operations Data:			(a) (b)	(c) (d)	(e) (f)
Net revenues	\$1,863	\$1,839	\$7,493	\$7,435	\$7,146
Operating income	257	228	1,399	983	1,475
Income from continuing operations	114	70	753	587	848
Income from discontinued operations, net of taxes	—	—	—	5	35
Net income	114	70	753	592	883
Less: Net income attributable to noncontrolling interests	12	9	44	36	34
Net income attributable to Quest Diagnostics	102	61	709	556	849
Amounts attributable to Quest Diagnostics' stockholders:					