

Sector: Health Care
Sub-Industry: Health Care Services
Peer Group: Diagnostic Test Services

Summary: This independent regional clinical laboratory offers its services in the greater New York metropolitan area. BRLI has an approximate 0.11% weighting in the **S&P SmallCap**

Quantitative Evaluations

S&P Quality Ranking : B+



S&P Fair Value Rank: 5



Lowest Highest

Fair Value Calc: \$27.20 (Undervalued)

S&P Investability Quotient Percentile



1 Lowest Highest 100

BRLI scored higher than 94% of all companies for which an S&P Report is available.

Volatility: High



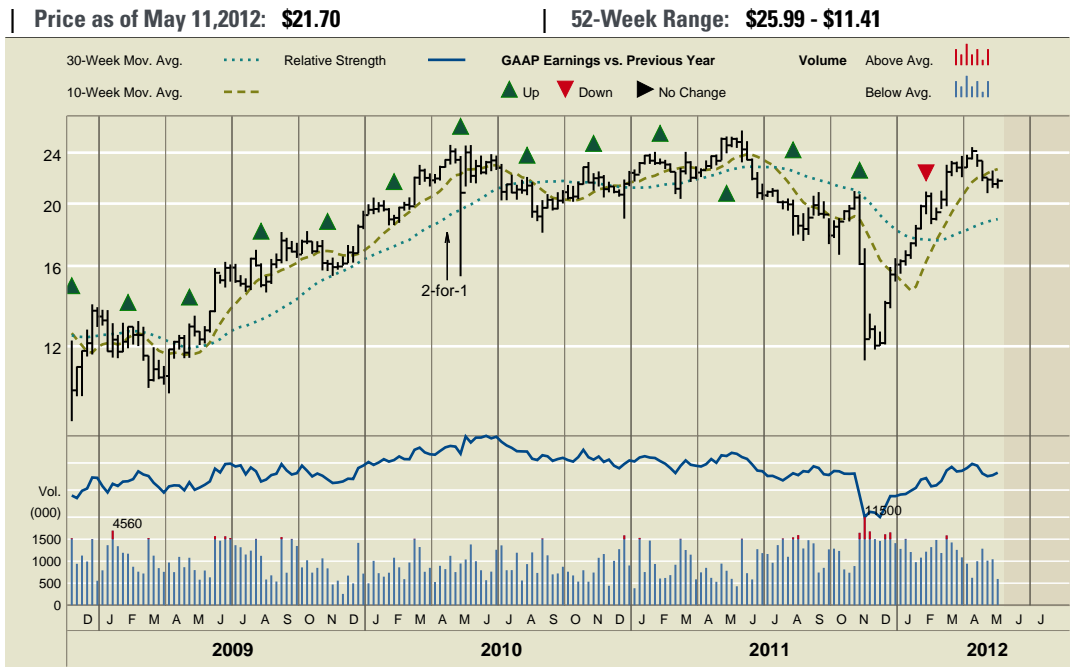
Technical Evaluation: BEARISH

Since May, 2012, the technical indicators for BRLI have been BEARISH.

Relative Strength Rank: Moderate



1 Lowest Highest 99



Options: CBOE, Ph, P

Investment Strategy

Key financial variables to consider in assessing the investment merits of an industrial company are the following:

Sales: What is the trend? Is future sales growth expected to be greater than the past 5-year and 9-year growth average? Accelerating sales growth ultimately provides the fuel behind earnings growth.

Net Margin: As a key measure of company profitability, a rising net margin assesses management capability to wring out more net income from incremental sales.

% LT Debt to Capitalization: A rising percentage implies greater financial risk, all else being equal. Rising debt leverage without a concomitant rise in Return on Equity should raise warning signals of potential cash flow problems. Percentages above 40%-50% should also be considered a warning.

% Return on Equity: A key performance measurement of capital efficiency assesses what investment returns management can earn on a company's existing capital base. A sustained percentage above 20% is considered above average.

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Year	5 Year	9 Year
Sales	21.97	23.22	23.22	22.01
Net Income	37.83	31.30	26.01	23.51

Ratio Analysis (Average)

Net Margin	6.51	6.10	5.81	5.76
%LT Debt to Capitalization	7.44	7.73	7.15	7.56
% Return on Equity	21.25	19.88	18.89	19.82

Revenues/Earnings Data Fiscal year ending Oct. 31

Revenues (Million \$)	2012	2011	2010	2009	2008	2007
1Q	149.9	121.7	99.26	75.74	66.88	53.72
2Q	--	137.7	110.5	87.18	75.18	60.95
3Q	--	148.0	121.7	97.42	77.78	65.96
4Q	--	151.3	126.6	102.3	81.24	69.80
Year	--	558.6	458.0	362.7	301.1	250.4

Earnings per Share (\$)	2012	2011	2010	2009	2008	2007
1Q	0.26	0.28	0.15	0.13	0.08	0.07
2Q	--	0.28	0.21	0.17	0.13	0.12
3Q	--	0.36	0.29	0.23	0.17	0.17
4Q	--	0.37	0.31	0.26	0.19	0.17
Year	--	1.29	0.94	0.79	0.56	0.51

Next earnings report expected: Late May

Historical GAAP earnings are as reported.

Key Stock Statistics

Average Daily Volume	0.197 mil.	Beta	0.85
Market Capitalization	\$0.603 Bil.	Trailing 12 Month EPS	\$1.27
Institutional Holdings (%)	81	12 Month P/E	17.1
Shareholders of Record	275	Current Yield (%)	Nil

Value of \$10,000 Invested five yrs Ago : **\$16,068**

Please read the required disclosures and Reg. AC certification on the last page of this report.

This report was prepared by Standard & Poor's Quantitative Services.

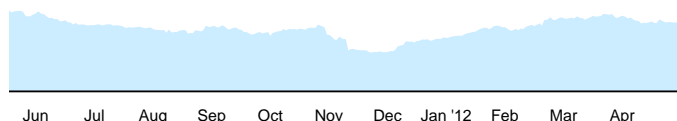
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Wall Street Opinions/Average (Mean) Opinion: Buy/Hold

	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	4	67	4	3
Buy/Hold	0	0	0	0
Hold	2	33	2	2
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	6	100	6	5

Insider Moves

Insider Buys Insider Sells Price History



Dividend Data

No Dividend Data Available

Company Financials Fiscal year ending Oct. 31

Per Share Data & Valuation Ratios (\$)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tangible Book Value	5.70	4.37	3.56	2.79	2.27	1.72	1.49	2.43	0.95	0.67
Cash Flow	1.82	1.36	1.13	0.86	0.75	0.61	0.46	0.44	0.32	0.25
Earnings	1.29	0.94	0.79	0.56	0.51	0.43	0.29	0.34	0.26	0.20
Dividends	NA	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	25.99	24.67	19.95	NA	17.90	12.89	9.65	11.47	10.09	5.80
Prices:Low	11.41	15.42	10.14	NA	11.00	7.93	6.32	5.30	2.03	2.46
P/E Ratio:High	20	26	25	NA	35	30	33	34	40	30
P/E Ratio:Low	9	16	13	NA	22	19	22	16	8	13

Income Statement Analysis (Million \$)

Revenue	559	458	363	301	250	193	164	136	109	96.6
Operating Income	74.5	59.7	48.1	36.9	31.9	23.0	16.8	65.2	11.0	7.62
Depreciation	15.0	11.8	9.77	8.39	6.83	5.07	4.21	2.60	1.72	1.55
Interest Expense	1.75	1.57	1.51	2.14	2.41	1.41	1.23	0.67	0.70	0.89
Pretax Income	64.9	47.0	38.6	26.7	22.9	16.7	11.5	12.2	8.60	5.22
Effective Tax Rate	44%	44%	43%	41%	39%	33%	34%	30%	24%	5.76%
Net Income	36.4	26.4	21.9	15.6	14.0	11.3	7.62	8.52	6.54	4.92

Balance Sheet & Other Financial Data (Million \$)

Cash	22.0	17.8	17.0	12.7	11.9	8.95	4.30	6.68	3.97	3.40
Current Assets	170	147	140	120	109	84.6	63.2	50.8	38.7	34.4
Total Assets	283	244	197	172	155	120	88.4	72.2	53.2	47.4
Current Liabilities	57.2	62.9	64.5	61.0	59.8	44.6	32.7	27.0	21.1	21.7
Long Term Debt	15.3	11.4	12.0	5.73	6.77	7.09	3.96	4.15	2.13	1.42
Common Equity	190	152	125	102	85.3	68.8	50.7	40.7	29.9	24.1
Total Capital	205	164	137	108	93.2	75.9	55.6	45.2	32.1	25.6
Capital Expenditures	14.1	16.5	8.75	7.82	7.74	2.86	2.86	3.54	1.11	0.43
Cash Flow	51.4	38.2	31.6	24.0	20.8	16.4	11.8	11.1	8.26	6.47
Current Ratio	3.0	2.3	2.0	2.0	1.8	1.9	1.9	1.9	1.8	1.6
% Long Term Debt of Capitalization	7.4	7.0	8.8	7.9	7.3	9.3	7.1	9.2	6.6	5.6
% Net Income of Revenue	6.5	5.8	6.0	5.2	5.6	5.8	4.6	6.3	6.0	5.1
% Return on Assets	13.8	12.0	11.8	9.6	10.2	10.8	9.5	13.6	13.0	10.8
% Return on Equity	21.3	19.1	19.3	16.7	18.1	18.9	16.7	24.1	24.2	23.1

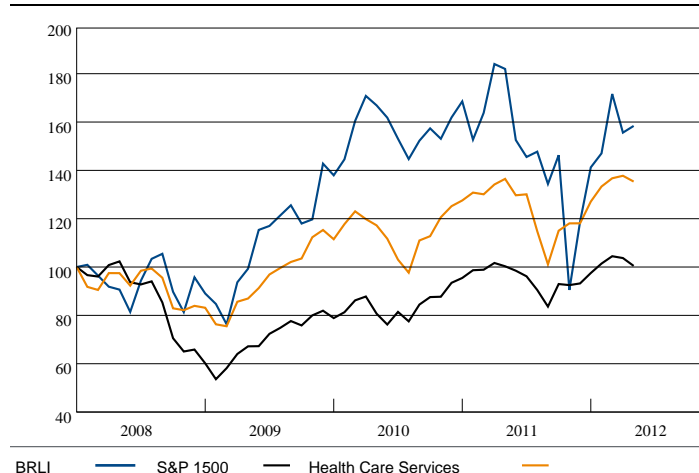
Data as orig. reptd; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. as of ex-div date. NA-Not Available. NM-Not Meaningful. NR-Not Ranked.

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CFD, Chief Acctg Officer & SVP: S. Singer
Dir: J. Bonincasa, H. Dubinett, H. Elias, M. D. Grodman, G. Lederman, J. Roglieri, S. Singer
EVP & COO: H. Dubinett
CIO: R. L. Faherty

SVP: J. Weisberger
Investor Contact: Tara Mackay(201-791-2600)
Founded: 1981
Domicile: New Jersey
Employees: 3,155

Stock Performance



	Company(%)	Industry(%)	S&P 1500(%)
YTD Return	33.4	14.6	7.8
One Year Return	-12.7	-2.2	0.4
Three Year Return (% Annualized)	20.0	15.8	14.7
Five Year Return (% Annualized)	9.9	8.9	-1.7
Value of \$10,000 Invested 5 Years Ago	\$16,068	\$15,348	\$9,168

Sub-Industry Outlook

Our fundamental outlook for the health care services sub-industry for the next 12 months is positive. We think most services, including home health care, rehabilitation services, clinical laboratory services and dialysis, will continue to benefit from favorable demographic trends. Partly offsetting has been increased pressure to reduce government spending, raising the possibility of Medicare reimbursement rate cuts within the sub-industry. In November, the Congressional Super Committee failed to identify \$1.5 trillion in savings/spending cuts, thereby triggering automatic spending cuts including a 2% Medicare cut starting in 2013.

We are optimistic on clinical labs. Although weak employment adversely affected physician office visits in 2011 by 3%-5%, we believe the market has stabilized. As a result, we believe labs will benefit from higher volumes, an increase in tests per requisition, and an increase in esoteric/genomic tests, which we see spurring revenue growth beyond mid-single digit levels. Meanwhile, in lieu of a health care reform tax, clinical labs agreed to a 1.75% cut in the Medicare clinical lab fee schedule in each of the five years starting in 2011. We believe the expansion of coverage to an additional 32 million Americans via health care reform starting in 2014 will outweigh the impact of lower reimbursement rates. The Supreme Court will review the health care reform law, with a decision expected by late June.

We are positive on the dialysis group, as we view bundled dialysis payment rates implemented in 2011 as manageable. The majority of dialysis providers took an immediate 4.1% rate cut rather than a 3.1%

cut if phased in over four years, to mitigate the burden of implementing the new system. Over the longer term, we expect enhanced margins per treatment, given lower drug costs for providers. However, we see sustained reimbursement rate pressure due to a focus on containing health care costs. We think Medicare reimbursement issues may continue to pressure sales growth, but the impact could be mitigated through expense management and market share gains.

We remain positive on pharmacy benefit managers (PBMs). While the soft economy has reduced pharmaceutical consumption, we believe it is spurring generic drug use. We also see PBMs increasingly benefiting from the billions of dollars in branded drugs slated to lose patent protection in coming years. Increased generic drug usage would increase PBMs' profitability.

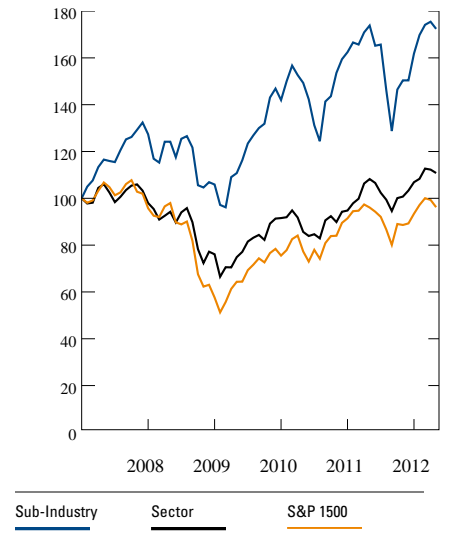
Year to date to April 5, the S&P Health Care Services Index rose 18.8%, while the S&P 1500 Composite gained 11.2%. In 2011, the sub-industry index was off 5.7%, while the S&P 1500 fell 0.3%.

--Jeffrey Loo, CFA

Stock Performance

GICS Sector: Health Care
Sub-Industry: Health Care Services

Based on S&P 1500 Indexes
Month-end Price Performance as of 04/30/12



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Health Care Services Peer Group*: Diagnostic Test Services

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Bio-Reference Labs	BRLI	596	21.45	25.99/11.41	0.85	Nil	17	27.30	B+	94	6.5	7.4
Alliance HealthCare Services	AIQ	76	1.48	4.41/0.93	0.68	Nil	NM	NA	C	2	NM	114.9
Laboratory Corp Amer Hldgs	LH	8,428	86.71	100.94/74.57	0.55	Nil	16	105.00	B+	98	9.6	43.8
Psychemedics Corp	PMD	51	9.75	11.09/6.85	0.84	6.2	15	NA	B+	87	14.5	NA
Quest Diagnostics	DGX	9,047	57.14	62.32/45.12	0.59	1.2	13	64.00	A-	98	6.8	47.4

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News**March 2, 2012**

Bio-Reference Laboratories Inc. reported unaudited earnings results for the first quarter ended January 31, 2012. For the quarter, the company reported net revenues of \$149.919 million, an increase of 23% over the \$121.659 million a year ago. Operating income was \$13.282 million against \$8.72 million a year ago. Income before taxes was \$12.966 million compared with \$13.980 million a year ago. Net income was \$7.365 million or \$0.26 per diluted share compared with \$7.986 million or \$0.28 per diluted share a year ago. The company reported pro forma net revenues of \$121.659 million, pro forma operating income of \$8.717 million, pro forma income before taxes of \$8.410 million, pro forma net income of \$4.804 million or \$0.17 per diluted share. Cash flow from operations for the current quarter was nearly \$11,000, substantially higher than any other first quarter in the company's history.

March 1, 2012

UP 1.63 to 21.77... BRLI posts \$0.26 vs. \$0.17 (pro forma) Q1 EPS on 23% revenue rise.

December 9, 2011

Bio-Reference Laboratories Inc. reported unaudited earnings results for the fourth quarter and year ended October 31, 2011. For the quarter, the company's net revenues were \$151.3 million compared with \$126.6 million a year ago. Operating income was \$19.3 million compared with \$15.1 million a year ago. Income before taxes was \$18.9 million compared with \$14.7 million a year ago. Net income was \$10.5 million or \$0.37 per diluted share compared with \$8.6 million or \$0.31 per diluted share a year ago. Cash flow from operations for the current quarter exceeded \$0.019 million. For the year, the company's net revenues were \$558.6 million compared with \$458.0 million a year ago. Operating income was \$59.8 million compared with \$48.4 million a year ago. Income before taxes was \$64.8 million compared with \$46.96 million a year ago. Net income was \$36.4 million or \$1.29 per diluted share compared with \$26.4 million or \$0.94 per diluted share a year ago. The company reported pro forma net revenues of \$558.6 million, operating income of \$59.8 million, income before taxes of \$58.2 million and net income of \$32.6 million or \$1.16 per diluted share. The company provided earnings guidance for the fiscal year 2012. The company expects to increase net revenues by more than 15% and net income by around 20%. The company expects tax rate to be unchanged for the year 2012, again approximately 44%.

December 8, 2011

UP 0.75 to 13.21... BRLI posts \$0.37 vs. \$0.31 Q4 EPS on 20% revenue rise. S&P Capital IQ consensus forecast was \$0.35. Expects to increase FY 12 net revenues by more than 15%, net income by around 20%.

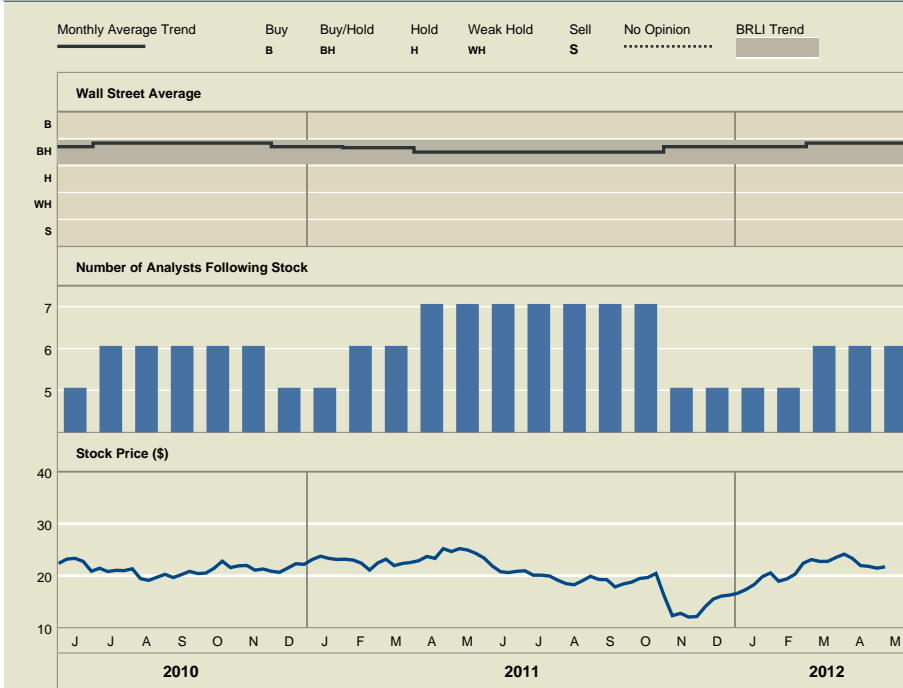
November 11, 2011

DOWN 4.25 to 12.02... Jefferies expects BRLI shares to see increased pressure after a second short report, published on Thursday afternoon, criticized the co.'s business practices and the background of certain employees. Jefferies says while it has no reason to believe co. has done or is doing anything inappropriate or unethical, it believes the news will not be well received and could elicit scrutiny from regulators. Places rating under review (from hold).

November 11, 2011

02:13 pm ET ... BIO-REFERENCE LABORATORIES INC. (BRLI 12.90) DOWN 3.37, BIO-REFERENCE LABS (BRLI) SHARES TUMBLE. JEFFERIES PUTS RATING/TGT UNDER REVIEW... Analyst Arthur Henderson tells salesforce on 11/1 The Street Sweeper released a report that raised concerns about viability and sustainability of BRLI's earnings growth which has been fueled in part by increased utilization of co.'s GenPap test. Yesterday, a second report was published, digs deeper into BRLI and discusses alleged sordid background of a few current former employees. Says report an eye-opener, could spook investors as well as draw attention of regulators. While has no reason/evidence, allegations could prove a meaningful overhang on shares. S.Trombino

Analysts' Recommendations



Of the total 9 companies following BRLI, 6 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	4	67	4	3
Buy/Hold	0	0	0	0
Hold	2	33	2	2
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	6	100	6	5

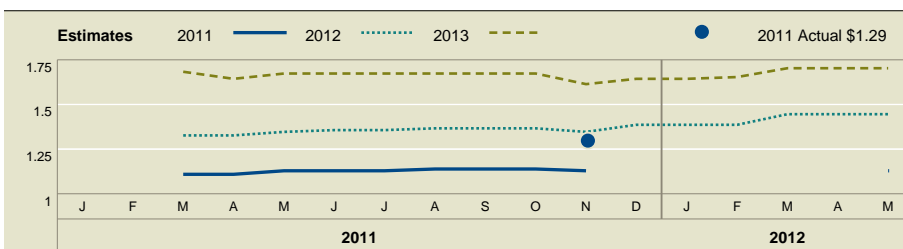
Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- BofA Merrill Lynch
- Dougherty & Company LLC
- Jefferies & Company, Inc.
- Macquarie Research
- Oppenheimer & Co. Inc.
- Sidoti & Company, LLC
- The Benchmark Company, LLC
- UBS Investment Bank
- William Blair & Company L.L.C.

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2013	1.71	1.84	1.60	6	12.7
2012	1.45	1.50	1.40	6	15.0
2013 vs. 2012	▲ 18%	▲ 23%	▲ 14%	0%	▼ -15%
Q2'13	0.37	0.39	0.36	6	58.6
Q2'12	0.32	0.33	0.30	6	67.8
Q2'13 vs. Q2'12	▲ 16%	▲ 18%	▲ 20%	0%	▼ -14%

Wall Street Consensus vs. Performance

For fiscal year 2012, analysts estimate that BRLI will earn \$1.45. For the 1st quarter of fiscal year 2012, BRLI announced earnings per share of \$0.26, representing 18% of the total annual estimate. For fiscal year 2013, analysts estimate that BRLI's earnings per share will grow by 18% to \$1.71.

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Glossary

S&P Quality Ranking - Growth and stability of earnings and dividends are deemed key elements in establishing S&P's quality ranking for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted that, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Lower
A	High	B-	Below Average
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank - Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stock with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

Funds From Operations (FFO) - FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Fair Value Calculation - The current price at which a stock should sell today as calculated by S&P's computers using our quantitative model based on the company's earnings, growth potential, return on equity relative to the S&P 500 and its industry group, price to book ratio history, current yield relative to the S&P 500, and other factors.

Investability Quotient (IQ) - The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long-term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

Standard & Poor's IQ Rationale:
Bio-Reference Labs

	Raw Score	Max Value
Proprietary S&P Measures	20	115
Technical Indicators	22	40
Liquidity/Volatility Measures	15	20
Quantitative Measures	68	75
IQ Total	125	250

Volatility - Rates the volatility of the stock's price over the past year.

Technical Evaluation - In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank - Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS) - An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

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