BIO REFERENCE LABORATORIES INC
Form 10-Q
June 07, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended April 30, 2011

Or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECUTRIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 0-15266

BIO-REFERENCE LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

NEW JERSEY	**22-2405059**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
481 Edward H. Ross Drive, Elmwood Park, NJ	**07407**
(Address of principal executive offices)	(Zip Code)

(201) 791-2600

(Registrant s telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated file in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated Filer x
Non-accelerated Filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of the issuer s common stock, as of the latest practicable date: 27,937,900 shares of Common Stock ($.01 par value) at June 6, 2011.

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BIO-REFERENCE LABORATORIES, INC.

FORM 10-Q

April 30, 2011

I N D E X

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Item 1

BIO-REFERENCE LABORATORIES, INC. AND SUBSIDIARIES

PART I FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS

[Dollars In Thousands Except Per Share Data]

ASSETS

	April 30, 2011 (Unaudited)	October 31, 2010
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 21,169	$ 17,779
Accounts Receivable - Net	139,018	129,122
Inventory	7,999	6,193
Other Current Assets	3,546	2,820
Deferred Tax Assets	18,282	16,883
TOTAL CURRENT ASSETS	190,014	172,797
PROPERTY AND EQUIPMENT - AT COST	75,602	67,250
LESS: Accumulated Depreciation	(31,547)	(30,420)
PROPERTY AND EQUIPMENT - NET	44,055	36,830
OTHER ASSETS:		
Deposits	802	1,389
Goodwill - Net	22,608	22,608
Intangible Assets - Net	7,558	8,226
Other Assets	839	1,523
Deferred Tax Asset	2,127	758
TOTAL OTHER ASSETS	33,934	34,504
TOTAL ASSETS	$ 268,003	$ 244,131

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

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BIO-REFERENCE LABORATORIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

[Dollars In Thousands Except Per Share Data]

LIABILITIES AND SHAREHOLDERS EQUITY

	April 30, 2011 (Unaudited)	October 31, 2010
CURRENT LIABILITIES:		
Accounts Payable	$ 33,805	$ 36,972
Accrued Salaries and Commissions Payable	10,013	9,769
Accrued Taxes and Expenses	8,485	6,685
Revolving Note Payable - Bank	32,632	26,154
Current Maturities of Long-Term Debt	1,257	1,217
Capital Lease Obligations - Short-Term Portion	2,474	2,541
TOTAL CURRENT LIABILITIES	88,666	83,338
LONG-TERM LIABILITIES		
Capital Lease Obligations - Long-Term Portion	4,239	4,336
Long - Term Debt Net of Current Portion	5,266	3,319
Other Long Term Acquisition Payable	750	750
TOTAL LONG-TERM LIABILITIES	10,255	8,405
SHAREHOLDERS EQUITY		
Preferred Stock $.10 Par Value;		
Authorized 1,666,667 shares, including 3,000 shares of Series A Junior Preferred Stock		
None Issued		
Common Stock, $.01 Par Value; Authorized 35,000,000 shares:		
Issued and Outstanding 27,932,900 and 27,794,204 at April 30, 2011 and at October 31, 2010, respectively	279	278
Additional Paid-In Capital	45,453	44,562
Retained Earnings	123,350	107,548
TOTAL SHAREHOLDERS EQUITY	169,082	152,388
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 268,003	$ 244,131

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

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BIO-REFERENCE LABORATORIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

[Dollars In Thousands Except Per Share Data]

[UNAUDITED]

	Three months ended April 30,		Six months ended April 30,	
	2011	2010	2011	2010
NET REVENUES:	$ 137,658	$ 110,447	$ 259,317	$ 209,709
COST OF SERVICES:				
Depreciation and Amortization	2,712	2,092	5,251	3,978
Employee Related Expenses	31,947	26,384	61,423	50,050
Reagents and Laboratory Supplies	25,410	18,237	47,243	35,054
Other Cost of Services	11,950	10,066	22,956	19,451
TOTAL COST OF SERVICES	72,019	56,779	136,873	108,533
GROSS PROFIT ON REVENUES	65,639	53,668	122,444	101,176
GENERAL AND ADMINISTRATIVE EXPENSES:				
Depreciation and Amortization	1,026	747	1,964	1,455
General and Administrative Expenses	32,873	27,016	63,633	52,376
Bad Debt Expense	18,427	15,053	34,817	29,034
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	52,326	42,816	100,414	82,865
INCOME FROM OPERATIONS	13,313	10,852	22,030	18,311
OTHER (INCOME) EXPENSE:				
Interest Expense	419	421	765	712
Interest Income	(39)	(32)	(78)	(69)
Other (Income) Expense	(1,087)		(6,656)	
TOTAL OTHER (INCOME) EXPENSES - NET	(707)	389	(5,969)	643
INCOME BEFORE INCOME TAXES	14,020	10,463	27,999	17,668
Provision for Income Taxes	6,203	4,676	12,197	7,876
NET INCOME	$ 7,817	$ 5,787	$ 15,802	$ 9,792
NET INCOME PER COMMON SHARE - BASIC:	$ 0.28	$ 0.21	$ 0.57	$ 0.35
WEIGHTED AVERAGE NUMBER OF SHARES - BASIC:	27,920,233	27,771,649	27,902,167	27,747,295
NET INCOME PER COMMON SHARE - DILUTED:	$ 0.28	$ 0.21	$ 0.56	$ 0.35
WEIGHTED AVERAGE NUMBER OF SHARES - DILUTED:	28,142,176	28,077,388	28,121,852	28,038,447

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

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BIO-REFERENCE LABORATORIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

[Dollars In Thousands]

[UNAUDITED]

	Six months ended April 30	
	2011	**2010**
OPERATING ACTIVITIES:		
Net Income	$ 15,802	$ 9,792
Adjustments to Reconcile Net Income to Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	7,215	5,433
Deferred Income Tax (Benefit) Expense	(2,768)	(2,477)
Stock Based Compensation	40	290
(Gain) Loss on Disposal of Fixed Assets	1,455	94
Change in Assets and Liabilities, (Increase) Decrease in:		
Accounts Receivable	(12,956)	(17,797)
Provision for Doubtful Accounts	3,060	5,537
Inventory	(1,806)	(1,510)
Other Current Assets	(726)	195
Other Assets	684	(134)
Deposits	587	(727)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(391)	1,002
NET CASH - OPERATING ACTIVITIES	10,196	(302)
INVESTING ACTIVITIES:		
Acquisition of Equipment and Leasehold Improvements	(11,478)	(7,517)
Business Acquisitions and Related Costs	(250)	(1,917)
NET CASH - INVESTING ACTIVITIES	(11,728)	(9,434)
FINANCING ACTIVITIES:		
Payments of Long-Term Debt	(552)	(593)
Payments of Capital Lease Obligations	(1,374)	(1,385)
Increase (Decrease) in Revolving Line of Credit	6,478	10,658
Proceeds from Exercise of Options	370	487
NET CASH - FINANCING ACTIVITIES	4,922	9,167
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,390	(569)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODS	17,779	16,995
CASH AND CASH EQUIVALENTS AT END OF PERIODS	$ 21,169	$ 16,426
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		

Interest	$ 763	$ 669
Income Taxes	$ 13,314	$ 12,334

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

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SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

[Dollars In Thousands]

During the six month periods ended April 30, 2011 and April 30, 2010 the Company entered into capital leases totaling $1,210 and $1,233, respectively.

During the six month periods ended April 30, 2011 and April 30, 2010, the Company wrote-off approximately $5,186 and $5,371, respectively, of furniture and equipment that were fully depreciated.

During the period ended April 30, 2011, the Company disposed of certain equipment with an initial cost of $4,558. During the same period the Company financed the purchase of new equipment through a term note of $5,408.

During the six month periods ended April 30, 2011 and April 30, 2010 the Company recorded approximately $40 and $290 of stock based compensation expense, respectively, related to granting of stock options and Company s stock to employees.

During the six month period ended April 30, 2010, the Company financed the acquisition of certain assets of Lenetix Medical Screening Laboratory, Inc for $5,490. See Note 11 for additional information regarding this acquisition.

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

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BIO-REFERENCE LABORATORIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

[Dollars In Thousands Except Per Share Data, Or Unless Otherwise Noted]

(UNAUDITED)

[1] The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all information and footnotes necessary for a fair presentation of the financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America. However, in the opinion of the management of the Company, all adjustments necessary for a fair presentation of the financial position and operating results have been included in the statements. Interim results are not necessarily indicative of results for a full year. Reference is made to the October 31, 2010 consolidated financial statements of Bio-Reference Laboratories, Inc. contained in its Annual Report on Form 10-K for the year ended October 31, 2010.

[2] The consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements and notes for the year ended October 31, 2010 as filed with the Securities and Exchange Commission in the Company s Annual Report on Form 10-K.

[3] The significant accounting policies followed by the Company are set forth in Note 2 to the Company s consolidated financial statements in the October 31, 2010 Form 10-K.

Fair Value Measurements. The Company s population of financial assets and liabilities subject to Fair Value Measurements under topic 820 of Accounting Standards Codification (ASC) as used in the preparation of the Company s consolidated financial statements is as follows:

Inputs used in the valuation techniques to derive fair values are classified based on a three level hierarchy where Level 1 is having the highest priority and Level 3 having the lowest priority is as follows:

	4/30/2011	Quoted Prices in Active Markets for Identical Assets/Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Assets:				
Cash surrender value of officer s life insurance policies	$ 839		$ 839	

As of April 30, 2011 the Company s financial instruments primarily consist of cash, short-term trade receivables and payables for which their carrying amounts approximate fair values, and long term debt, for which based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities, its carrying amount approximates its fair value.

The Company has evaluated subsequent events through the date the financial statements are issued as evidenced by the date of filing of this report with the Securities and Exchange Commission. Accordingly, the Management believes that no such events have occurred that would warrant such recognition in the Company s financial statements.

[4] Certain prior year amounts may have been reclassified to conform to the current year presentation.

[5] Net service revenues are determined utilizing gross service revenues net of contractual allowances. Even though it is typically the responsibility of the patient to pay for laboratory service bills most individuals in the United States have an agreement with a third party payor such as Medicare, Medicaid or commercial insurance to pay all or a portion of their healthcare expenses; this represents the major portion of all services provided by Bio-Reference Laboratories, Inc. (BRLI). In certain cases, the individual has no insurance or does not provide insurance information; in the remainder of the cases, BRLI is provided the third party billing information and seeks payment from the third party under the terms and conditions of the third party payor for health service providers like BRLI. Each of these third party payors may differ not only with regard to rates, but also with regard to terms and conditions of payment and coverage of specific tests. The contractual allowance calculation is made on the basis of historical allowance rates for the various specific payor groups on a monthly basis with a greater weight being given to the most recent trends. Bad Debt is calculated on the basis of historical payment rates by specific payor groups on a monthly basis with primary weight being given to the most recent trends; this approach allows bad debt to more accurately adjust to short-term changes in the business environment. These two calculations are routinely analyzed by BRLI on the basis of actual allowances issued by payors and the actual payments made to determine what adjustments, if any, are needed. The chart below shows the adjustments made to gross service revenues to arrive at net service revenues.

	Three Months Ended April 30 [Unaudited]		Six Months Ended April 30 [Unaudited]	
	2011	2010	2011	2010
Gross Service Revenues	$ 621,601	$ 459,220	$ 1,152,903	$ 853,849
Contractual Adjustments and Discounts:				
Medicare/Medicaid Portion	71,508	70,786	137,544	134,194
All Other Third Party Payors	412,435	277,987	756,042	509,946
Total Contractual Adjustments and Discounts	483,943	348,773	893,586	644,140
Net Service Revenues	$ 137,658	$ 110,447	$ 259,317	$ 209,709

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When new business is received by BRLI, net service revenues are calculated by reducing gross service revenues by the estimated contractual allowance. The bad debt expense is determined by calculating the appropriate collection rate for net current service revenues and is a component of general and administrative expenses. BRLI recognized the amounts in subsequent periods for actual allowances/discounts to gross service revenue; bad debt was adjusted over the same periods of time to maintain an accurate balance between net service revenues and actual revenues. Management has reviewed the allowances/discounts recognized in subsequent periods and believes the amounts to be immaterial. A number of proposals for legislation or regulation continue to be under discussion which could have the effect of substantially reducing Medicare reimbursements for clinical laboratories or introducing cost sharing to beneficiaries. Depending upon the nature of regulatory action, if any, which is taken and the content of legislation, if any, which is adopted, the Company could experience a significant decrease in revenues from Medicare and Medicaid, which could have a material adverse effect on the Company. The Company is unable to predict, however, the extent to which such actions will be taken.

[6] It is typically the responsibility of the patient to pay for laboratory service bills. Most individuals in the United States have an agreement with a third party payor such as Medicare, Medicaid or commercial insurance to pay all or a portion of their healthcare expenses; this represents the major portion of payment for all services provided to BRLI. In certain cases, the individual has no insurance or does not provide insurance information; in the remainder of the cases, BRLI is provided the third party billing information, usually by the referring physician, and seeks payment from the third party under the terms and conditions of the third party payor for health service providers like BRLI. Each of these third party payors may differ not only with regard to rates, but also with regard to terms and conditions of payment and coverage of specific tests. BRLI routinely reviews the reimbursement policies and subsequent payments and collection rates from these different types of payors. Contractual credits are recorded as reductions to gross service revenues and are collectively referred to as the contractual allowance. BRLI has not been required to record an adjustment in a subsequent period related to revenue recorded in a prior period which was material in nature. Aging of accounts receivable is monitored by billing personnel and follow-up activities including collection efforts are conducted as necessary. Bad debt expense is recorded within selling, general and administrative expenses. BRLI writes off receivables against the allowance for doubtful accounts when they are deemed uncollectible. For client billing, accounts are written off when all reasonable collection efforts prove to be unsuccessful. Patient accounts, where the patient is directly responsible for all or a remainder portion of the account after partial payment or denial by a third party payor, are written off after the normal dunning cycle has occurred, although these may be subsequently transferred to a third party collection agency after being written off. Third party payor accounts are written off when they exceed the payor s timely filing limits. Accounts Receivable on the balance sheet is net of the following amounts for contractual credits and doubtful accounts:

	[Unaudited] April 30, 2011	October 31, 2010
Contractual Credits/Discounts	$ 222,716	$ 186,372
Doubtful Accounts	37,964	34,904
Total Allowance	$ 260,680	$ 221,276

[7] In December 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-28: Intangibles Goodwill and Other (Topic 350) -When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts. This update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. Early adoption is not permitted. The amendments in this Update modify Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with the existing guidance and examples in paragraph 350-20-35-30, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This update is not expected to have a material impact on the Company s consolidated financial statements.

In December 2010, FASB issued ASU No. 2010-29: Business Combinations (Topic 805) - Disclosure of Supplementary Pro Forma Information for Business Combinations. The update is effective for the first annual reporting period beginning on or after December 15, 2010. Early

adoption is permitted. The amendments in this update specify that if a public entity is required to present comparative financial statements as a result of a business combination, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments in this Update also expand the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. This update is not expected to have a material impact on the Company s consolidated financial statements.

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[8] The following disclosures present certain information on the Company s intangible assets as of April 30, 2011 (Unaudited) and October 31, 2010. All intangible assets are being amortized over their estimated useful lives, as indicated below, with no estimated residual value.

April 30, 2011

(Unaudited) Intangible Asset	Weighted-Average Initial Amortization Period	Cost	Accumulated Amortization	Net of Accumulated Amortization
Customer Lists	20	$ 4,573	$ 2,241	$ 2,332
Covenants				
Not-to-Compete	5	4,305	3,847	458
Patents and Licenses	17	5,297	529	4,768
Totals		$ 14,175	$ 6,617	$ 7,558

October 31, 2010

Intangible Asset	Weighted-Average Initial Amortization Period	Cost	Accumulated Amortization	Net of Accumulated Amortization
Customer Lists	20	$ 4,573	$ 2,138	$ 2,435
Covenants				
Not-to-Compete	5	4,305	3,457	848
Patents and Licenses	17	5,297	354	4,943
Totals		$ 14,175	$ 5,949	$ 8,226

The aggregate intangible amortization expense for the three months ended April 30, 2011 and 2010 was $334 and $307, respectively, and for the six months ended April 30, 2011 and 2010 was $668 and $585, respectively. The estimated intangible asset amortization expense for the fiscal year ending October 31, 2011 and thereafter is as follows:

Year Ended October 31,	Amortization Expense
2011	$ 668
2012	567
2013	558
2014	551
2015	526
Thereafter	4,688
Total	$ 7,558

[9] In May 2008, the Company entered into an amended revolving note payable loan agreement with PNC Bank, N.A. (the bank). The maximum amount of the credit line available to the Company pursuant to the loan agreement is the lesser of (i) $40,000 or (ii) 50% of the Company s qualified accounts receivable [as defined in the agreement]. The amendment to the Loan and Security Agreement provides for interest on advances to be subject to the bank s prime rate or the Eurodollar rate of interest plus, in certain instances, an additional interest percentage. The additional interest percentage charges on Eurodollar borrowings range from 1% to 4% and are determined based upon certain financial ratios achieved by the Company. At April 30, 2011, the Company had elected to have all of the total advances outstanding to be subject to the bank s prime rate of interest of 3.25%. The credit line is collateralized by substantially all of the Company s assets. The line of credit is available through October 2012 and may be extended for annual periods by mutual consent, thereafter. The terms of this agreement contain, among other provisions, requirements for maintaining defined levels of capital expenditures, fixed charge coverage, and the prohibition of the payment by the Company of cash dividends. As of April 30, 2011, the Company utilized $32,632 of the available credit under this revolving note payable loan agreement.

Effective as of October 31, 2007, we executed a fifth amendment to the Loan Agreement formalizing the repayment terms of the $5 million term loan from PNC Bank used by our wholly-owned BRLI No. 2 Acquisition Corp. subsidiary to fund the $5 million acquisition cash payment in connection with its purchase of the operating assets of GeneDx, Inc. The term loan is evidenced by a secured promissory note payable over a six year term in equal monthly principal payments of approximately $69, plus interest at an annual rate of 6.85%. The balance on this note as of April 30, 2011 is approximately $1,250.

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In December 2010, The Company issued a seven year term note for $5,408 at the rate of interest of 6.12% per annum for the financing of new equipment. The note is payable in eighty-four equal monthly installments commencing on January 29, 2011 of $61 including principal and interest followed by a balloon payment of the principal and interest outstanding on the loan repayment date of December 29, 2017. The balance on this note as of April 30, 2011 is approximately $5,272.

In January 2007, the Company issued a ten year term note of $4,100 for the financing of equipment. The note is payable in equal monthly installments of approximately $47 including principal and interest, with payment commencing on March 1, 2007 at an effective interest rate of 6.63% per annum. The equipment financed with this note was sold in December 2010 and the balance of this note was paid off.

[10] The provision for income taxes for the three months ended April 30, 2011 consists of a current tax provision of $8,027 and a deferred tax benefit of $1,824. The provision for income taxes for the six months ended April 30, 2011 consists of a current tax provision of $14,965 and a deferred tax benefit of $2,768. The provision for income taxes for the three months ended April 30, 2010, consists of a current tax provision of $6,069 and a deferred tax benefit of $1,393. The provision for income taxes for the six months ended April 30, 2010, consists of a current tax provision of $10,036 and a deferred tax benefit of $2,160. On April 30, 2011, the Company had a current deferred tax asset of $18,282 included in other current assets and a long-term deferred tax asset of $2,127 included in other assets. On April 30, 2010 the Company had a current deferred tax asset of $15,265 and a long-term deferred tax asset of $848 included in other assets.

[11] On March 2, 2010, the Company completed the purchase of substantially all of the tangible and intangible assets, excluding cash, receivables and certain other assets, of Lenetix Medical Screening Laboratory, Inc. (Lenetix) from Lenetix and its sole stockholder. These assets were utilized in Lenetix s operation of a clinical testing laboratory located in Mineola, New York. The Laboratory performs both clinical laboratory diagnostic testing and genetic testing. The purchase price of $5,490 included a down payment of $4,740 and a hold-back of $750 to insure the accuracy of the Sellers representations and to protect the Company from any claims based on the operations of the Laboratory prior to the Closing. This acquisition resulted in an addition to Goodwill in the amount of $490.

[12] During the period ended January 31, 2011, a sales tax refund claim was successfully resolved with New Jersey Division of Taxation in the amount of $6,878, including interest of $323 and excluding expenses of $398 incurred in pursuit of the claim. This claim relates to New Jersey s sales taxes paid by the Company during the period of October 2005 through June 2009. The net amount of $6,480 is included as Other Income in the Company s consolidated statement of operations for the period ended January 31, 2011.

[13] During the period ended April 30, 2011, the Company received a refund of $1,629 from New York State Department of Health before expenses of approximately $542 incurred in pursuit of this refund claim. This refund relates to the dispute over the state s Laboratory Inspection and Reference fees. The net amount of $1,087 is included as Other Income in the Company s consolidated statement of operations for the period ended April 30, 2011.

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Item 2.

MANAGEMENT S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

OVERVIEW

We are a national clinical diagnostic laboratory located in northeastern New Jersey. We are a national laboratory in certain focused areas of laboratory testing and a full service laboratory in the New York super-region. We have developed a national reputation for our expertise in certain focused areas of clinical testing. GenPath Oncology, the name by which we are known for our cancer and oncology services, is recognized for the superior hematopathology services it provides throughout the country. Our Women s Health initiative, through which we provide dedicated services for obstetrics and gynecology practices, including a unique, technically advanced multiplex process for identifying sexually transmitted infections, is also offered as GenPath Women s Health. Our regional footprint lies within the New York City metropolitan area and the surrounding areas of New Jersey and southern New York State as well eastern Pennsylvania and some areas of western Connecticut; we also provide services further into New York State, Pennsylvania, Delaware and Maryland. As a regional provider, we are a full-service laboratory that primarily services physician office practices; our drivers pick up samples and deliver reports and supplies, we provide sophisticated technical support, phlebotomy services or patient service centers where appropriate, and electronic communication services in many cases. Physicians outside of our regional footprint send samples to our laboratory in order to take advantage of the expertise that we are able to provide in blood-based cancer pathology and associated diagnostics or to take advantage of the superior service, support and technologically advanced testing we offer in our Women s Health initiative. Our correctional healthcare services are used throughout the country at prisons and jails. The focused markets we serve on a national basis outside of our regional footprint do not require many of the logistical and other ancillary support services required within the region. Even within our regional footprint, we provide the same services that we provide on a national basis as well as some regional focused diagnostic services, such as histology and pathology support services, substance abuse testing, fertility testing, hemostasis testing, women s health testing, and molecular diagnostics that are unavailable from many of the smaller regional competitors; testing in some of these areas may be provided outside of physician offices.

Over the last few years, there have been fundamental changes in the laboratory services industry. In the 1990s, the industry was negatively impacted by the growth of managed care, increased government regulation, and investigations into fraud and abuse. These factors led to revenue and profit declines and industry consolidations, especially among commercial laboratories. There are currently only four publicly-traded full service laboratories operating in the U.S. While that means that the two national mega-laboratories, the United States subsidiary of Sonic Healthcare of Australia, and BioReference Laboratories are the only remaining publicly traded full service commercial laboratories, there are numerous hospital outreach programs and smaller reference laboratories scattered throughout the country that compete for the commercial clinical laboratory business. Clinical laboratories have had to improve efficiency, leverage economies of scale, comply with government regulations and other laws and develop more profitable approaches to pricing. Moreover, there has been a proliferation of technology advancements in clinical diagnostics over the last decade that has created significant opportunities for new testing and growth.

As a full service clinical laboratory, we are constantly looking for new technologies and new methodologies that will help us to grow. Since the turn of the century, our size alone has made us attractive to companies that are driving the advances in technology. We represent a significant opportunity for these companies to market their products in one of the major population centers of the world the New York Metropolitan area. We have had several successful strategic relationships with such technology opportunities. In addition to new technology opportunities, we have an extremely seasoned and talented management staff that has been able to identify emerging laboratory markets that are under-served or

under-utilized. We are currently developing programs for pre-natal diagnostics and anatomic pathology to go along with our existing cardiology, women s health initiative, hemostasis, hematopathology and correctional healthcare initiatives which have already been established and in which we have been increasing our market share for the past several years. We are currently preparing to launch a comprehensive pre-natal program to leverage our presence in the women s health environment and we will continue to vigilantly seek focused diagnostic marketing opportunities where we can provide information, technology, service or support that expand and grow our clinical laboratory.

GeneDx is known as one of the premier genetic testing laboratories for the diagnosis of rare genetic diseases. We believe that the promise of genetic testing is in the diagnosis of the genetic variants of common diseases. In 2007, GeneDx introduced GenomeDx, a then new test based on CGH Array technology, a high-speed, chip-based technology that has allowed GeneDx to move to the forefront of an emerging technology platform. In 2008, GeneDx became the first commercial laboratory in the world to offer next generation (NextGen) sequencing (high-speed computer-based whole genome sequencing) and has since built up a comprehensive suite of cardiac arrhythmia panels, as well as other multi-gene testing panels, that have enhanced its reputation as a technology and service leader in the area of genetic testing. We are already expanding the menu of tests offered and employing marketing techniques that were extremely successful in building GenPath, our oncology laboratory. In addition to scientists and technicians to manage testing, GeneDx employs genetic counselors and geneticists to help patients and referring physicians and geneticists understand the meaning of the test results.

While we recognize that we are a clinical laboratory that processes samples, we also understand that we are an information company that needs to effectively communicate the results of our efforts back to healthcare providers. Laboratory results play a major role in the implementation of physician healthcare. Laboratory results are used to diagnose, monitor and classify health concerns. In many cases, laboratory results represent the confirming data in diagnosing complicated health issues. Since laboratory results play such an important role in routine physician care, we have developed informatics solutions that leverage our role in healthcare. We needed to build a web-based solution to quickly, accurately, conveniently and competitively collect ordering information and deliver results, so we built an internal solution that we call CareEvolve. That solution has been essential to our own operations. We license the technology to other laboratories throughout the country and those other laboratories utilize the connectivity solution to more effectively compete against the national laboratories. These other laboratories licensing our technology are not direct competitors since they are outside of our regional footprint and typically do not offer the specialty testing that we offer on a national basis. We also maintain our PSIMedica business unit which has developed a Clinical Knowledge Management (CKM) System that takes data from enrollment, claims, pharmacy, laboratory results and any other available electronic source to provide both administrative and clinical analysis of a population. The system uses our proprietary algorithms to cleanse and configure the data and transfer the resulting information into a healthcare data repository.

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COMPARISON OF SECOND QUARTER 2011 VS SECOND QUARTER 2010

[In Thousands Except Per Share Data and Per Patient, Or Unless Otherwise Noted]

NET REVENUES:

Net revenues for the three month period ended April 30, 2010 were $110,447 as compared to $137,658 for the three month period ended April 30, 2011; which represents a 25% increase in net revenues. This increase is due to a 23% increase in patient counts and an increase in revenue per patient of 2% due to a shift in business to higher reimbursement esoteric testing which continues to be the principal driver in net revenue per patient.

The number of patients serviced during the three month period ended April 30, 2011 was 1,680 which was 23% greater when compared to the prior fiscal year s three month period. Net revenue per patient for the three month period ended April 30, 2010 was $80.00 compared to net revenue per patient of $81.33 for the three month period ended April 30, 2011, an increase of $1.33 or 2%. We believe these results are largely attributable to an increase of our sales force of approximately 27% over the quarterly period ended April 30, 2010. This allowed us to expand or increase our presence in at least sixteen states and we expect this trend to continue.

COST OF SERVICES:

Cost of Services increased from $56,779 for the three month period ended April 30, 2010 to $72,019 for the three month period ended April 30, 2011, an increase of $15,240 or 27%. This increase in Cost of Services is basically in line with the increase in sales. The Company s reagents and laboratory supplies expense increased by 39% due to the higher cost of specialty testing reagents. Our vehicle operating expenses also increased by 12% due to the higher cost of fuel. We expect this trend to continue.

GROSS PROFITS:

Gross profits increased from $53,668 for the three month period ended April 30, 2010 to $65,639 for the three month period ended April 30, 2011, an increase of $11,971 or 22%. Gross profit margin decreased to 48% in the current quarter ended April 30, 2011 from 49% for the comparable three month period in the prior fiscal year. This is due to an increase in the cost of services of 27% while net revenues increased only 25%.

GENERAL AND ADMINISTRATIVE EXPENSES:

General and administrative expenses for the three month period ended April 30, 2010 were $42,816 as compared to $52,326 for the quarter ended April 30, 2011, an increase of $9,510 or 22%. This increase is in line with the increase in net revenues. Marketing expenses increased by 32% due to increases in our sales force and we expect this trend to continue.

INTEREST EXPENSE:

Interest expense decreased to $419 during the three month period ended April 30, 2011 from $421 during the three month period ended April 30, 2010.

INCOME:

We realized net income of $7,817 or $0.28 EPS for the three month period ended April 30, 2011, as compared to $5,787 or $0.21 EPS for the three month period ended April 30, 2010, an increase of $2,030 or 35%. Pre-tax income for the period ended April 30, 2011 was $14,020, compared to $10,463 for the three month period ended April 30, 2010, an increase of $3,557 or 34%. The provision for income taxes increased from $4,676 for the three month period ended April 30, 2010 to $6,203 for the period ended April 30, 2011. The refund of New York State Laboratory Inspection and Reference Fees of $1,087 received by the Company in April 2011 accounted for approximately $0.02 EPS.

SIX MONTHS 2011 COMPARED TO SIX MONTHS 2010

NET REVENUES:

Net Revenues for the six month period ended April 30, 2010 were $209,709 as compared to $259,317 for the six month period ended April 30, 2011; this represents a 24% increase in net revenues. This increase is due to a 22% increase in patient counts and an increase in revenue per patient of 2%.

The number of patients serviced during the six month period ended April 30, 2011 was 3,172 which was 22% greater when compared to the prior fiscal year s six month period. Net revenue per patient for the six month period ended April 30, 2010 was $79.63, compared to net revenue per patient for the six month period ended April 30, 2011 of $81.12, an increase of $1.49 or 2%. We believe these results are largely attributable to an increase of our sales force of approximately 28% over the six month period ended April 30, 2010. This allowed us to expand or increase our presence in at least sixteen states and we expect this trend to continue.

COST OF SERVICES:

Cost of Services increased to $136,873 for the six month period ended April 30, 2011 from $108,533 for the six month period ended April 30, 2010. This represents a 26% increase in direct operating costs. This increase in cost of services is basically in line with the increase in sales. The Company s reagents and laboratory supplies expense increased by 35% due to the higher cost of specialty testing reagents. Our vehicle operating expenses increased by 8% due the higher cost of fuel. We expect this trend to continue.

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GROSS PROFITS:

Gross profits on net revenues increased to $122,444 for the six month period ended April 30, 2011 from $101,176 for the six month period ended April 30, 2010; an increase of $21,268 (21%). Gross profit margins decreased to 47% from 48% for the six month period ended April 30, 2011 compared to the corresponding six month period ended April 30, 2010. This is due to an increase in cost of services of 26% while net revenues increased only 24%.

GENERAL AND ADMINISTRATIVE EXPENSES:

General and administrative expenses for the six month period ended April 30, 2010 were $82,865 as compared to $100,414 for the six month period ended April 30, 2011. This represents an increase of $17,549 or 21%. This increase is 3% less than the increase in net revenues. Marketing expenses increased by 31% due to increases in our sales force and we expect this trend to continue.

INTEREST EXPENSE:

Interest expense increased to $765 during the six month period ending April 30, 2011 as compared to $712 during the six month period ending April 30, 2010, an increase of $53. This increase is due to an increase in PNC Bank credit line utilization.

INCOME:

We realized net income of $15,802 or $0.56 EPS for the six month period ended April 30, 2011 as compared to $9,792 or $0.35 EPS for the six month period ended April 30, 2010, an increase of $6,010 or 61%. We received a sales tax refund of approximately $6,480 from the state of New Jersey and it is shown after expenses incurred in the collection of said refund. This item is shown in the Other Income line. Pre-tax income for the period ended April 30, 2011 was $27,999 as compared to $17,667 for the period ended April 30, 2010, an increase of $10,331 (58%). The provision for income taxes increased from $7,876 for the period ended April 30, 2010, to $12,197 (61%) for the current six month period. Our tax rate decreased from 45% to 44%. The refund of New York State Laboratory Inspection and Reference Fees of $1,087 received by the Company in April 2011 and the refund of New Jersey Sales and Use Tax of $6,480 accrued for during the first quarter of fiscal 2011 accounted for approximately$0.13 EPS.

LIQUIDITY AND CAPITAL RESOURCES [In Thousands]:

Our working capital at April 30, 2011 was $101,348 as compared to $89,459 at October 31, 2010 an increase of $11,889. Our cash position increased by $3,390 during the current period. We increased our short term debt by $6,478 and borrowed an additional $1,987 in long term debt. We had current liabilities of $88,666 at April 30, 2011. We generated $10,196 in cash from operations, compared to utilizing $302 in cash

from operations for the quarter ended April 30, 2010, an overall increase of $10,498 in cash generated from operations year over year.

Accounts receivable, net of allowance for doubtful accounts, totaled $139,018 at April 30, 2011, an increase of $9,896 from October 31, 2010 or 8%. This increase was primarily attributable to increased revenue. Cash collected during the three month period ended April 30, 2011 increased 25% over the comparable three month period in 2010.

Credit risk with respect to accounts receivable is generally diversified due to the large number of patients comprising our client base. We have significant receivable balances with government payors and various insurance carriers. Generally, we do not require collateral or other security to support customer receivables. However, we continually monitor and evaluate our client acceptance and collection procedures to minimize potential credit risks associated with our accounts receivable and establish an allowance for uncollectible accounts. As a consequence, we believe that our accounts receivable credit risk exposure beyond such allowance is not material to the financial statements.

A number of proposals for legislation continue to be under discussion which could substantially reduce Medicare and Medicaid reimbursements to clinical laboratories. Depending upon the nature of regulatory action, and the content of legislation, we could experience a significant decrease in revenues from Medicare and Medicaid, which could have a material adverse effect on us. We are unable to predict, however, the extent to which such actions will be taken.

Billing for laboratory services is complicated and we must bill various payors, such as the individual, the insurance company, the government (federal or state), the private company or the health clinic. Other factors that may complicate billing include:

Differences between fee schedules and reimbursement rates.

Incomplete or inaccurate billing information as provided by the physician.

Disparity in coverage and information requirements.

Disputes with payors.

Internal and external compliance policies and procedures.

Significant costs are incurred as a result of our participation in government programs since billing and reimbursement for laboratory tests are subject to complex regulations. We perform the requested tests and report the results whether the information is correct or not or even missing. This adds to the complexity and slows the collection process and increases the aging of our accounts receivable (A/R). When patient invoices are not collected in a timely manner the item is written off to the allowance. Days Sales Outstanding (DSO) for the period ended April 31, 2011 was 90 days, a decrease of 5 days, or 5%, from the 95 days that we reported for the period ended April 30, 2010.

See note 10 to our Consolidated Financial Statements for information on the Company s long term debt.

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Tabular Disclosure of Contractual Obligations

	Five Years	FY2011
Long - Term Debt	$ 4,536	$ 1,217
Capital Leases	7,487	2,812
Operating Leases	11,786	4,698
Purchase Obligations	73,637	17,322
Employment/Consultant Contracts	14,842	4,068
Total	$ 112,288	$ 30,117

Our cash balance at April 30, 2011 totaled $21,169 as compared to $17,779 at October 31, 2010. We believe that our cash position, the anticipated cash generated from future operations, and the availability of our credit line with PNC Bank, will meet our anticipated cash needs in fiscal 2011.

Impact of Inflation - To date, inflation has not had a material effect on our operations.

New Authoritative Pronouncements

See Note 7 to our consolidated financial statements for a discussion of new authoritative pronouncements.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods.

Accounting for Goodwill.

We evaluate the recoverability and measure the possible impairment of goodwill under FASB Codification 350-20 Goodwill . The impairment test is a two-step process that begins with the estimation of the fair value of the reporting unit. The first step screens for potential impairment and the second step measures the amount of the impairment, if any. Management s estimate of fair value considers publicly available information regarding our market capitalization as well as (i) publicly available information regarding comparable publicly-traded companies in the clinical laboratory testing industry, (ii) the financial projections and future prospects of our business, including its growth opportunities and likely operational improvements, and (iii) comparable sales prices, if available. As part of the first step to assess potential impairment, management compares the estimate of fair value to book value on a consolidated net assets basis. If the book value of the consolidated net assets is greater than the estimate of fair value, we then proceed to the second step to measure the impairment, if any. The second step compares the implied fair

value of goodwill with its carrying value

The implied fair value is determined by allocating the fair value of the reporting unit to all of the assets and liabilities of that unit as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the carrying amount of the goodwill is greater than its implied fair value, an impairment loss will be recognized in that period.

Accounting for Intangible and Other Long-Lived Assets.

We evaluate the possible impairment of our long-lived assets, including intangible assets. We review the recoverability of our long-lived assets when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. Evaluation of possible impairment is based on our ability to recover the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If the expected undiscounted pretax cash flows are less than the carrying amount of such asset, an impairment loss is recognized for the difference between the estimated fair value and the carrying amount of the asset.

Accounting for Revenue

Net service revenues are determined utilizing gross service revenues net of contractual allowances. Even though it is typically the responsibility of the patient to pay for laboratory service bills most individuals in the United States have an agreement with a third party payor such as Medicare, Medicaid or commercial insurance to pay all or a portion of their healthcare expenses; this represents the major portion of all services provided by Bio-Reference Laboratories, Inc., BRLI . In certain cases, the individual has no insurance or does not provide insurance information; in the remainder of the cases, BRLI is provided the third party billing information and seeks payment from the third party under the terms and conditions of the third party payer for health service providers like BRLI. Each of these third party payors may differ not only with regard to rates, but also with regard to terms and conditions of payment and coverage of specific tests. The contractual allowance calculation is made on the basis of historical allowance rates for the various specific payor groups on a monthly basis with a greater weight being given to the most recent trends. Bad Debt is calculated on the basis of historical payment rates by specific payor groups on a monthly basis with primary weight being given to the most recent trends; this approach allows bad debt to more accurately adjust to short-term changes in the business environment. These two calculations are routinely analyzed by BRLI on the basis of actual allowances issued by payors and the actual payments made to determine what adjustments, if any, are needed. The chart below shows the adjustments made to gross service revenues to arrive at net service revenues.

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	Three Months Ended April 30 [Unaudited]		Six Months Ended April 30 [Unaudited]	
	2011	2010	2011	2010
Gross Service Revenues	$ 621,601	$ 459,220	$ 1,152,903	$ 853,849
Contractual Adjustments and Discounts:				
Medicare/Medicaid Portion	71,508	70,786	137,544	134,194
All Other Third Party Payors	412,435	277,987	756,042	509,946
Total Contractual Adjustments and Discounts	483,943	348,773	893,586	644,140
Net Service Revenues	$ 137,658	$ 110,447	$ 259,317	$ 209,709

Accounting for Contractual Credits and Doubtful Accounts

It is typically the responsibility of the patient to pay for laboratory service bills. Most individuals in the United States have an agreement with a third party payor such as Medicare, Medicaid or commercial insurance to pay all or a portion of their healthcare expenses; this represents the major portion of payment for all services provided to BRLI. In certain cases, the individual has no insurance or does not provide insurance information; in the remainder of the cases, BRLI is provided the third party billing information, usually by the referring physician, and seeks payment from the third party under the terms and conditions of the third party payor for health service providers like BRLI. Each of these third party payors may differ not only with regard to rates, but also with regard to terms and conditions of payment and coverage of specific tests. BRLI routinely reviews the reimbursement policies and subsequent payments and collection rates from these different types of payors. Contractual credits are recorded as reductions to gross service revenues and are collectively referred to as the contractual allowance. BRLI has not been required to record an adjustment in a subsequent period related to revenue recorded in a prior period which was material in nature. Aging of accounts receivable is monitored by billing personnel and follow-up activities including collection efforts are conducted as necessary. Bad debt expense is recorded within selling, general and administrative expenses. BRLI writes off receivables against the allowance for doubtful accounts when they are deemed uncollectible. For client billing, accounts are written off when all reasonable collection efforts prove to be unsuccessful. Patient accounts, where the patient is directly responsible for all or a remainder portion of the account after partial payment or denial by a third party payor, are written off after the normal dunning cycle has occurred, although these may be subsequently transferred to a third party collection agency after being written off. Third party payor accounts are written off when they exceed the payor s timely filing limits. Accounts Receivable on the balance sheet is net of the following amounts for contractual credits and doubtful accounts:

	[Unaudited] April 30, 2011	October 31, 2010
Contractual Credits/Discounts	$ 222,716	$ 186,372
Doubtful Accounts	37,964	34,904
Total Allowance	$ 260,680	$ 221,276

Forward Looking Statements

This Quarterly Report on Form 10-Q contains historical information as well as forward-looking statements. Statements looking forward in time are included in this Quarterly Report pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to be materially different from any future performance suggested herein.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. While many aspects of our business are subject to complex federal, state and local regulations, the accounting for our business is generally straightforward. Our revenues are primarily comprised of a high volume of relatively low dollar transactions, and about 41% of all our costs consist of employee compensation and benefits. Revenues are recognized at the time the services are performed and are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered including prospectively determined adjustments under reimbursement agreements with third-party payors. These adjustments are accrued on an estimated basis in the period the services are rendered and adjusted in future periods as final settlements are determined. These estimates are reviewed and adjusted, if warranted, by senior management on a monthly basis. We believe that our estimates and assumptions are correct; however, several factors could cause actual results to differ materially from those currently anticipated due to a number of factors in addition to those discussed under the caption Risk Factors contained in Item 1A of our Annual Report on Form 10-K for the year ended October 31, 2010, as well as elsewhere herein including:

our failure to integrate newly acquired businesses (if any) and the cost related to such integration.

our failure to obtain and retain new customers and alliance partners, or a reduction in tests ordered or specimens submitted by existing customers.

adverse results from investigations of clinical laboratories by the government, which may include significant monetary damages and/or

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exclusion from the Medicare and Medicaid programs.

loss or suspension of a license or imposition of a fine or penalties under, or future changes in, the law or regulations of CLIA-88, or those of Medicare, Medicaid or other federal, state or local agencies.

failure to comply with the Federal Occupational Safety and Health Administration requirements and the recently passed Needlestick Safety and Prevention Act.

failure to comply with HIPAA, which could result in significant fines as well as substantial criminal penalties.

changes in payor mix.

failure to maintain acceptable days sales outstanding levels.

increased competition, including price competition.

our ability to attract and retain experienced and qualified personnel.

adverse litigation results.

liabilities that result from our inability to comply with new corporate governance requirements.

failure to comply with the Sarbanes-Oxley Act of 2002.

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Item 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not invest in or trade market risk sensitive instruments. We also do not have any foreign operations or significant foreign sales so that our exposure to foreign currency exchange rate risk is minimal.

We do have exposure to both rising and falling interest rates. At April 30, 2011, advances of approximately $32,632 under our Loan Agreement with PNC Bank were subject to interest charges at the Bank s then prime rate of 3.25%.

We estimate that our monthly cash interest expense at April 30, 2011 was approximately $128 and that a one percentage point increase or decrease in short-term rates would increase or decrease our monthly interest expense by approximately $20.

Item 4 CONTROLS AND PROCEDURES

An evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the Company s disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, our principal executive officer and principal financial officer concluded that those disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission s rules and forms.

PART II - OTHER INFORMATION

Item 6

EXHIBITS

31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350 of Chief Executive Officer
32.2	Certification Pursuant to 18 U.S.C. Section 1350 of Chief Financial Officer

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BIO-REFERENCE LABORATORIES, INC.
(Registrant)

/S/ Marc D. Grodman, M.D.
Marc D. Grodman, M.D.
President and Chief Executive Officer

/S/ Sam Singer
Sam Singer
Chief Financial and Accounting Officer

Date: June 6, 2011