



Quest Diagnostics Announces its Headquarters Will Remain in Northern New Jersey

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QUEST DIAGNOSTICS ANNOUNCES ITS HEADQUARTERS WILL REMAIN IN NORTHERN NEW JERSEY

TETERBORO, N.J., JUNE 11, 1999—Quest Diagnostics Incorporated (NYSE: DGX), a leading provider of diagnostic testing, information and services, announced that its corporate headquarters will remain in Northern New Jersey following the completion of its pending acquisition of the clinical laboratory operations of SmithKline Beecham plc (NYSE: SBH). The transaction, which requires shareholder approval, is expected to be completed July 2, 1999. SmithKline Beecham Clinical Laboratories is headquartered in Collegeville, Pa., outside Philadelphia.

"In joining together our two companies, we looked at New York City and Philadelphia and everything in between," said Kenneth W. Freeman, Chairman and Chief Executive Officer of Quest Diagnostics. "As a public corporation requiring constant interaction with the investment and financial community, it makes sense to locate our corporate functions at a site with easy access to Manhattan, as well as to Teterboro and Collegeville, which will remain important administrative centers."

Another reason Quest Diagnostics gave for remaining in New Jersey was its eligibility under New Jersey's Business Employment Incentive Program. The program, which encourages job creation in New Jersey, will provide Quest Diagnostics an incentive grant of 50% of the state withholding tax for each new employee over a minimum threshold of 75 new jobs. The grant lasts for 10 years. "In the end, New Jersey's Business Employment Incentive Program helped us make a sound decision," said Mr. Freeman.

"We are proud that Quest Diagnostics is staying in New Jersey," said Chief Executive Officer and Secretary Gualberto "Gil" Medina of the New Jersey Commerce and Economic Growth Commission. "Our state has a variety of incentive and financing programs that makes New Jersey a prime location for companies, which create jobs and opportunities for our citizens."

The specific location of the headquarters will be announced at a later date. Quest Diagnostics currently employs approximately 2,000 people in New Jersey, with a company-wide total of approximately 15,000 employees. Following the completion of the transaction, Quest Diagnostics will employ approximately 25,000 people, including 2,100 in New Jersey.

Quest Diagnostics is one of the nation's leading providers of diagnostic testing, information and services to physicians, hospitals, managed care organizations, employers and government agencies. The wide variety of tests performed on human tissue and fluids help doctors and hospitals diagnose, treat and monitor disease. Its Nichols Institute unit conducts research, specializes in esoteric testing using genetic screening and other advanced technologies, performs clinical studies testing, and manufactures and distributes diagnostic test kits and instruments. Quest Informatics collects and analyzes laboratory, pharmaceutical and other data to help large health care customers identify and monitor patients who are at-risk for certain diseases. QuestNet is an innovative new product offering that provides network management services to large buyers of health care services.

The statements in this press release which are not historical facts or information may be forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause the outcome to be materially different. Certain of these risks and uncertainties are listed in the Quest Diagnostics Incorporated 1998 Form 10-K and subsequent filings.

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