



Quest Diagnostics Updates 2003 Guidance

February 25, 2003

TETERBORO, N.J., Feb 25, 2003 /PRNewswire-FirstCall via COMTEX/ -- Quest Diagnostics Incorporated (NYSE: DGX), the nation's leading provider of diagnostic testing, information and services, today announced updated guidance for its 2003 financial performance to reflect the acquisition of Unilab Corporation (Nasdaq: ULAB) and the impact of severe winter weather. On Wednesday, February 26, the company expects to accept for payment all shares validly tendered in the exchange offer for Unilab.

Quest Diagnostics reaffirmed its previous guidance for full-year 2003 earnings per diluted share of between \$4.00 and \$4.20, before the impact of Unilab. The acquisition of Unilab is expected to add approximately \$0.10 per diluted share to Quest Diagnostics' 2003 earnings before anticipated charges related to the transaction. Following completion of the integration, which is expected to occur within two years, the transaction is expected to generate annual synergies of \$25 million to \$30 million.

Based on a preliminary analysis, first quarter earnings per diluted share are expected to be at the low end of the \$0.82 to \$0.87 range that was previously communicated, after considering the impact of severe winter storms and the recent strike by New Jersey physicians, which are expected to reduce earnings per share \$0.06 to \$0.08, and before the acquisition of Unilab which is expected to add \$0.01 per share. Severe storms and the physician strike have negatively impacted first quarter revenues and requisition volume by 1.5% to 2%. In addition, persistent cold weather across much of the country during the months of January and February appears to have further reduced testing volumes. Before the impact of approximately one month of Unilab results, first quarter revenues are now expected to grow 10% to 11% above the prior year level, compared to earlier guidance of approximately 12%; requisition volume is expected to grow 6% to 7% over the prior year level, compared to earlier guidance of 9% to 10%; and revenue per requisition is expected to increase approximately 4%, compared to earlier guidance of 2% to 3%.

For additional information on the cash election exchange offer, Unilab shareholders may contact Georgeson Shareholder Communications at 212-440-9800. In addition, Merrill Lynch is the Dealer Manager for the exchange offer and may be contacted toll free at 866-276-1462.

About Quest Diagnostics

Quest Diagnostics Incorporated is the nation's leading provider of diagnostic testing, information and services, providing insights that enable physicians, hospitals, managed care organizations and other healthcare professionals to make decisions to improve health. The company offers the broadest access to diagnostic laboratory services through its national network of laboratories and patient service centers. Quest Diagnostics is the leading provider of esoteric testing, including gene-based medical testing, and empowers healthcare organizations and clinicians with state-of-the-art connectivity solutions that improve practice management. Additional company information can be found on the Internet at: <http://www.questdiagnostics.com>.

FORWARD-LOOKING STATEMENTS:

This communication contains certain forward-looking statements. These forward-looking statements, which may include, but are not limited to, statements concerning the financial condition, results of operations and businesses of Quest Diagnostics and Unilab and the benefits expected to result from the contemplated transaction, are based on management's current expectations and estimates and involve risks and uncertainties that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements.

Factors that could cause or contribute to such differences may include, but are not limited to, the risk that the conditions relating to the required minimum tender of Unilab shares or regulatory clearance might not be satisfied in a timely manner or at all, risks relating to the integration of the technologies and businesses of Quest Diagnostics and Unilab, unanticipated expenditures, changing relationships with customers, suppliers and strategic partners, conditions of the economy and other factors described in the most recent reports on Form 10-Q, most recent reports on Form 10-K, and other periodic reports filed by Quest Diagnostics and Unilab with the Securities and Exchange Commission.

ADDITIONAL INFORMATION:

On May 15, 2002, Quest Diagnostics filed a Registration Statement on Form S-4, as amended, and a Schedule TO, as amended, and Unilab filed a Solicitation/Recommendation Statement on Schedule 14D-9, as amended, with the Securities and Exchange Commission in connection with the transaction. A Prospectus, which is part of the Registration Statement on Form S-4, the Solicitation/Recommendation Statement on Schedule 14D-9, and related exchange offer materials, including a letter of election and transmittal, has been mailed to stockholders of Unilab. In addition, Quest Diagnostics has previously filed a Statement on Schedule 13D, as amended, relating to its agreement with Kelso Investment Associates VI, L.P. and KEP VI, LLC. Investors and stockholders of Unilab are urged to read all of these documents carefully. These documents contain important information about the transaction and should be read before any decision is made with respect to the exchange offer. Investors and stockholders are able to obtain free copies of these documents through the website maintained by the Securities and Exchange Commission at <http://www.sec.gov>. Free copies of these documents may also be obtained from Quest Diagnostics by directing a request to Quest Diagnostics Incorporated at One Malcolm Avenue, Teterboro, New Jersey, 07608, or from Unilab by directing a request to Unilab Corporation at 18448 Oxnard Street, Tarzana, California, 91356.

In addition to the Registration Statement on Form S-4, Schedule TO, Prospectus, Solicitation/Recommendation Statement on Schedule 14D-9 and related exchange offer materials, both Quest Diagnostics and Unilab file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, Statements or other information filed by Quest Diagnostics or Unilab at the SEC public reference room at 450 Fifth Street, N.W., Washington, D.C., 20549, or at any of the Securities and Exchange Commission's other public reference rooms in New York, New York and Chicago, Illinois. Please call the Securities and Exchange Commission at 800-SEC-0330 for further information on the public reference rooms. Quest Diagnostics' and Unilab's filings with the Securities and Exchange Commission are also available to the public from commercial document-retrieval services and at the website maintained by the Securities and Exchange Commission at <http://www.sec.gov>.

SOURCE Quest Diagnostics Incorporated

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