



## Quest Diagnostics Announces Further Details of Plans to Consolidate Laboratory Network

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### QUEST DIAGNOSTICS ANNOUNCES FURTHER DETAILS OF PLANS TO CONSOLIDATE LABORATORY NETWORK

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Quest Diagnostics Incorporated (NYSE: DGX), the nation's leading provider of clinical testing, information and services, today provided further details related to the integration of SmithKline Beecham Clinical Laboratories (SBCL), acquired on August 16, 1999, into Quest Diagnostics' laboratory network.

Laboratory consolidations will occur in geographic markets currently served by more than one of the company's laboratories. Laboratories will close or be substantially reduced in size in Deerfield Beach, Florida; Owings Mills, Maryland; Farmington Hills, Michigan; Islip, New York; Valley View, Ohio; Norristown, Pennsylvania; and Dallas, Texas. In October, Quest Diagnostics announced plans to close its laboratory in Waltham, Massachusetts.

In addition, testing volume currently sent to distant sites will be redirected to nearby laboratories to improve customer service. Also, specialized testing now performed at the National Esoteric Testing Center (NETC) located in Van Nuys, California will move to Quest Diagnostics' world-renowned Nichols Institute, based in San Juan Capistrano, California. All of these actions are scheduled to take place over the next 18 months.

These consolidations are expected to result in a reduction in employment of between 5% and 10%. The company currently employs more than 25,000 people. As previously disclosed, integration-related expenses will result in a special charge in the fourth quarter.

Quest Diagnostics will continue to provide high quality lab testing services in all of its geographic markets to patients served by physician, hospital, managed care and employer clients. Clients will benefit from the ability to order from a more extensive testing menu at their local laboratory. A greater number of customers will gain direct access to Quest Diagnostics' Nichols Institute for specialized, or esoteric testing. In addition, patients will gain expanded access to the nation's most extensive network of patient service centers, where specimens are collected. Clients are being given advance notification about how the changes will specifically affect them.

"As we continue the task of integrating our company, our top priorities are to improve value for our customers and shareholders through enhanced quality and services, and to treat employees fairly and with respect," said Kenneth W. Freeman, Chairman and Chief Executive Officer of Quest Diagnostics. "Combining the people, policies and practices of Quest Diagnostics and SBCL will make our company more effective and successful and lead to greater opportunities in the future."

Quest Diagnostics will continue to maintain laboratories in or near the following major U.S. cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Detroit, Houston, Los Angeles, Miami, Minneapolis, New Haven, New Orleans, New York, Philadelphia, Phoenix, Pittsburgh, Portland, San Diego, San Francisco, Seattle and St. Louis. The company also operates laboratories in several other cities, and maintains approximately 200 quick-turnaround, or STAT, labs and more than 1,400 Patient Service Centers, across the country. Quest Diagnostics also provides laboratory services in Mexico City and London.

Quest Diagnostics is the nation's leading provider of diagnostic testing, information and services to physicians, hospitals, managed care organizations, employers and government agencies with annualized revenues of more than \$3 billion. 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, and manufactures and distributes diagnostic test kits and instruments. Quest Diagnostics is one of the leading providers of testing to support clinical trials of new pharmaceuticals worldwide. Quest Informatics collects and analyzes laboratory, pharmaceutical and other data to help large health care customers better manage the health of their patients. QuestNet is an innovative new product offering that provides network management services to large buyers of health care services. Additional company information can be found on the Internet at: [www.questdiagnostics.com](http://www.questdiagnostics.com).

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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