



Quest Diagnostics Repurchases 2.7 Million of Its Shares from GlaxoSmithKline; Intends to Call 1-3/4% Contingent Convertible Debentures

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TETERBORO, N.J., Dec. 15 /PRNewswire-FirstCall/ -- Quest Diagnostics Incorporated (NYSE: DGX), the nation's leading provider of diagnostic testing, information and services, announced that it repurchased 2.7 million shares of its common stock for approximately \$254 million from GlaxoSmithKline plc (NYSE: GSK). The share repurchase, which was separately authorized by the Board of Directors and does not reduce the company's existing share repurchase authorization, was financed primarily through cash on hand. GlaxoSmithKline's ownership position is now 18.25 million shares, or approximately 18.5% of the company's outstanding common stock.

Under a Stockholder Agreement between the two companies, as long as GlaxoSmithKline owns at least 20% of the company's stock, it has the right to designate two members of the Quest Diagnostics' Board of Directors. With the reduction in its ownership position, GlaxoSmithKline will now have the right to designate one member of the Quest Diagnostics' Board of Directors. No changes in Board membership are currently planned as a result of this transaction.

In addition, the company announced that it intends to call all of its outstanding 1-3/4% contingent convertible debentures due 2021. The aggregate principal amount currently outstanding of the debentures is approximately \$250,000,000. The debentures are redeemable at par, plus accrued interest, and could be funded through existing borrowing facilities. As an alternative to redemption, holders may convert their debentures into shares of Quest Diagnostics' common stock at a conversion price of \$87.50 per share. If all of the debentures are converted, the company will issue approximately 2.9 million shares of stock.

Details concerning the terms and conditions of the call will be more fully described in a Notice of Redemption and Letter of Transmittal that will be provided to registered holders of the debentures by the trustee, The Bank of New York.

Quest Diagnostics Incorporated is the nation's leading provider of diagnostic testing, information and services, providing insights that enable healthcare professionals to make decisions that improve health. The company offers the broadest access to diagnostic testing services through its national network of laboratories and patient service centers, and provides interpretive consultation through its extensive medical and scientific staff. Quest Diagnostics is the leading provider of esoteric testing, including gene-based medical testing, and provides advanced information technology solutions to improve patient care. Additional company information is available at: <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 actual results and outcomes to be materially different. Certain of these risks and uncertainties may include, but are not limited to, competitive environment, changes in government regulations, changing relationships with customers, payers, suppliers and strategic partners and other factors described in the Quest Diagnostics Incorporated 2003 Form 10-K and subsequent filings.

SOURCE Quest Diagnostics Incorporated

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