



Quest Diagnostics Sets Purchase Price in Tender Offer and Consent Solicitation For Its 10-3/4% Senior Subordinated Notes Due 2006

June 25, 2001

TETERBORO, N.J., June 25 /PRNewswire/ -- Quest Diagnostics Incorporated (NYSE: DGX) announced today the tender offer consideration and the total consideration to be paid for notes validly tendered in its cash tender offer for all of its outstanding \$150,000,000 10-3/4% Senior Subordinated Notes due 2006. The tender offer is subject to the terms and conditions set forth in the company's Offer to Purchase and Consent Solicitation Statement dated May 24, 2001, and will expire at 5:00 p.m., New York City time on Wednesday, June 27, 2001.

The total consideration to be paid for each validly tendered note was determined using the yield to December 15, 2001 (the earliest redemption date of the notes) of the applicable reference security (i.e., the 5-7/8% U.S. Treasury Note due November 30, 2001), plus a fixed spread of 50 basis points. The yield on the applicable reference security, as calculated by Merrill Lynch & Co., at 2:00 p.m., New York City time, on Monday, June 25, 2001, was 3.531%. Accordingly, the tender offer yield and the total consideration per \$1,000 principal amount of notes, are 4.031% and \$1,083.29 respectively. The tender offer consideration, which is payable to holders of notes who tendered after the consent period, is equal to the total consideration less the consent payment of \$30.00, or \$1,053.29 per \$1,000 principal amount of notes. Payment for validly tendered notes is expected to be made on Thursday, June 28, 2001.

As of 2:00 p.m. on June 25, 2001, approximately \$146.8 million, or 98% of the outstanding principal amount of the notes, have been tendered.

Merrill Lynch & Co. is Dealer Manager for the tender offer and consent solicitation. The Information Agent is Georgeson & Company, Inc. and the Depository is The Bank of New York. Persons with questions regarding the tender offer and consent solicitation should contact Merrill Lynch & Co., Liability Management Group, at either 888-ML4-TNDR (toll free) or 212-449-4914 (collect).

Quest Diagnostics is the nation's leading provider of diagnostic testing, information and services with annual revenues of \$3.4 billion in 2000. The company's diagnostic testing yields information that enables health care professionals and consumers to make better decisions to improve health. Quest Diagnostics offers patients and physicians the broadest access to diagnostic testing services through its national network of approximately 30 full-service laboratories, 150 rapid response laboratories and more than 1,300 patient service centers, where specimens are collected. Quest Diagnostics is the leading provider of esoteric testing, including gene-based testing, and is the leader in routine medical testing, drugs of abuse testing, and anatomic pathology testing. Through partnerships with pharmaceutical, biotechnology and information technology companies, Quest Diagnostics provides support to help speed the development of health care insights and new therapeutics. Additional company information can be found on the Internet 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 the outcome to be materially different. Certain of these risks and uncertainties are described in the Quest Diagnostics Incorporated 2000 Form 10-K and subsequent filings.

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CONTACT: Cathy Doherty, Investors, 201-393-5030, or Gary Samuels, Media, 201-393-5700, both for Quest Diagnostics Incorporated/