



## **Quest Diagnostics Completes \$256 Million Receivables Financing**

July 24, 2000

TETERBORO, N.J., July 24, 2000 —

Quest Diagnostics Incorporated (NYSE: DGX), the nation's leading provider of diagnostic testing, information and services, today announced that it has completed a previously announced receivables-backed financing transaction. Under the terms of the transaction, Quest Diagnostics used all of the proceeds of the financing, or \$256 million, to pay down loans under its current bank credit facility.

Approximately \$48 million was used to completely repay a two-year capital markets loan and the remainder was primarily used to repay the term loans, effectively lowering the borrowing costs on this debt. Moreover, the repayment of the capital markets loan also triggers reductions in the borrowing spreads on all remaining term loans. This transaction will have the effect of lowering the company's annual borrowing costs by approximately \$5 million to \$7 million. After the foregoing repayments, the current bank credit facility will have outstanding loans totaling \$748 million.

The receivables financing facility was provided on an uncommitted basis by Blue Ridge Asset Funding Corporation, a commercial paper funding vehicle administered by Wachovia Bank, N.A., and with a back-up facility provided on a committed basis by Wachovia Bank, N.A. The receivables financing facility has a scheduled term of three years.

To allow the company and its subsidiaries to enter into the receivables backed financing transaction, an amendment to the indenture governing its 10% senior subordinated notes due 2006 was required.

The company said it obtained the requisite consents from noteholders of record as of July 6, 2000, with the proposed amendments effective as of July 21, 2000. The company will make a payment on July 26, 2000 to each holder of notes whose properly completed and executed consent was received prior to July 20, 2000 and not revoked. The consent payment will be a cash payment in an amount equal to 0.375% of the principal amount of the notes to which such consent relates.

Quest Diagnostics is the nation's leading provider of diagnostic testing, information and services with annualized revenues of more than \$3 billion. The testing performed on human specimens helps doctors diagnose, treat and monitor disease; enables employers to detect workplace drug abuse; and supports pharmaceutical and biotechnology companies in clinical trials of new therapeutics worldwide. Quest Informatics analyzes laboratory and other medical data to help health care providers improve the care of patients. 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 1999 Form 10-K and subsequent filings.