



Quest Diagnostics Second Quarter Earnings to exceed Analysts' Expectations

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TETERBORO, N.J., July 11, 2000 —

Quest Diagnostics Incorporated (NYSE: DGX), the nation's leading provider of diagnostic testing, information and services, today announced that it expects to report earnings for the second quarter ended June 30, 2000 of \$0.64 per diluted share after net special charges of \$0.03 per share. The current consensus of analysts' expectations is \$0.49 per diluted share, as compiled by First Call.

The estimated results reflect the continuation of favorable volume trends and improved revenue per requisition, largely resulting from modifications to a number of managed care contracts.

The company said it expects full-year 2000 earnings, excluding special items, to exceed current analyst expectations, with most of the increase resulting from the second quarter performance. The current consensus of estimates for full-year earnings is \$1.81 per diluted share, as compiled by First Call. Quest Diagnostics said it will provide updated full-year guidance in connection with the second quarter earnings report scheduled for July 24.

"We are encouraged by the continued improvement in our performance, and, if trends continue, we would expect to exceed current consensus expectations for full-year 2000 earnings," said Kenneth W. Freeman, Chairman and Chief Executive Officer. "However, it is important to keep in mind that we are still early in the complex process of integrating the operations of SmithKline Beecham Clinical Laboratories and Quest Diagnostics. In addition, our new managed care contracts, while providing more equitable terms, are non-exclusive. We are currently in the process of assessing the impact of these contracts on full-year earnings."

Quest Diagnostics expects to release its second quarter financial results after the close of the stock market on July 24, 2000. The company is currently in a "quiet" period and will discuss results for the second quarter during a conference call on July 25 at 8:00 a.m. (Eastern Time). To hear a simulcast of the call over the Internet, or a replay, registered analysts may access StreetEvents at: www.streetevents.com and all others may access the Quest Diagnostics website at: www.questdiagnostics.com.

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.

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.