



## **Quest Diagnostics Incorporated Commences Cash Tender Offer for Its 10-3/4% Senior Subordinated Notes Due 2006**

May 24, 2001

TETERBORO, N.J., May 24 /PRNewswire/ -- Quest Diagnostics Incorporated (NYSE: DGX) announced today that it has commenced a cash tender offer for any and all of its outstanding \$150 million principal amount of 10-3/4% Senior Subordinated Notes due 2006. The tender offer is part of the company's plan to refinance a majority of its long-term debt in order to reduce its overall interest costs. The company has received commitments, subject to certain conditions, for \$650 million of new, unsecured bank debt from a group of banks led by Bank of America and UBS Warburg. Quest Diagnostics also intends to issue long-term unsecured bonds. In connection with the refinancing plan, the company expects to record a special charge of up to \$45 million.

The new long-term financing is expected to close on or about the same day that the tender offer is consummated. The tender offer is subject to a number of conditions, including receipt of consents from a majority of the outstanding noteholders to the proposed amendments to the indenture described below, and completion of its refinancing plans on terms satisfactory to the company. The tender offer is made upon the terms and conditions set forth in the company's Offer to Purchase and Consent Solicitation Statement dated May 24, 2001. The tender offer will expire at 5:00 p.m., New York City time on June 27, 2001, unless extended or terminated by the company.

Under the terms of the offer, Quest Diagnostics will purchase its outstanding notes at a price to be determined two business days prior to the expiration date of the tender offer by reference to a fixed spread of 50 basis points over the yield to maturity of U.S. Treasury 5-7/8% Notes due November 30, 2001, plus accrued and unpaid interest. Included in this purchase price is a consent payment equal to \$30.00 per \$1,000 principal amount of the notes for those noteholders who are entitled to such payment.

In connection with the tender offer, Quest Diagnostics is also seeking consents from the noteholders to certain proposed amendments to the indenture governing the notes. The purpose of the proposed amendments is to eliminate substantially all of the restrictive provisions of the indenture. Subject to certain conditions, only noteholders who consent to the proposed amendments by validly tendering their notes prior to the end of the consent period (5:00 p.m. New York City time on June 7, 2001, unless extended) will receive the consent payment. Tendered notes may not be withdrawn and consents may not be revoked after the end of the consent period. Payment for validly tendered notes is expected to be made on the first business day promptly following the expiration of the tender offer.

Merrill Lynch & Co. will act as Dealer Manager for the tender offer and consent solicitation. The Information Agent is Georgeson Shareholder 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 212-449-4914 or toll-free at 888-ML4-TNDR. For additional documents, please call Georgeson Shareholder either at 212-440-9800 or toll-free at 800-223-2064.

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.

SOURCE Quest Diagnostics Incorporated

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