



## **Samaritan Health System and Quest Diagnostics Form Laboratory Services Joint Venture: Sonora Quest Laboratories, LLC**

July 9, 1997

PHOENIX, JULY 9, 1997 — Samaritan Health System and Quest Diagnostics Incorporated (NYSE:DGX) today announced they have formed a joint venture to pursue opportunities in diagnostic testing, information and services throughout Arizona. The venture will operate under the name of Sonora Quest Laboratories, LLC.

The joint venture will be comprised of the commercial laboratory component of Samaritan's integrated laboratory company, Laboratory Sciences of Arizona, LLC, and Quest Diagnostics of Arizona. Both entities currently operate clinical testing laboratories in Arizona. Sonora Quest Laboratories will operate at its existing facilities until operations can be consolidated at a new location. Site selection for the new combined laboratory has begun and occupancy is expected to occur sometime in 1998. Earl C. Buck, Chief Executive Officer of Laboratory Sciences of Arizona, will be Chief Executive Officer of the joint venture. Judy Burgess, currently Vice President and General Manager of Quest Diagnostics of Arizona, will become Chief Operating Officer of the joint venture.

"Arizona is one of the most competitive health care markets in the United States with high managed care penetration and rapid development of integrated delivery systems," said George Zara, Senior Vice President of Systems Services for Samaritan Health System. "The combination of our operations will create efficiencies that will allow Sonora Quest Laboratories to provide the best value in the marketplace. In addition, the new company will offer enhanced service through a more convenient network of patient service centers and couriers."

"We are linking with the winning integrated health care delivery network in the region," said Kenneth W. Freeman, Chairman and Chief Executive Officer of Quest Diagnostics. "This is an important milestone in our strategy to become the best provider of diagnostic testing, information and services in Arizona. In addition, the joint venture will provide rapid access to specialty testing performed locally or at Quest Diagnostics' world famous Nichols Institute."

Samaritan Health System, Arizona's largest health care delivery system, includes six acute care hospitals, two skilled nursing facilities and eight outpatient treatment centers. HealthPartners of Arizona, a joint venture between Samaritan and HealthPartners of Southern Arizona, is Arizona's second largest managed care health insurance company, covering more than 425,000 lives in the state of Arizona.

Quest Diagnostics Incorporated is one of the world's leading providers of diagnostic testing, information and services, with regional laboratories across the United States. The wide variety of tests performed on human tissue and fluids help doctors and hospitals diagnose, treat and monitor disease. In addition, Quest Diagnostics' Nichols Institute conducts research, produces test kits and instruments, and specializes in esoteric testing using genetic screening and other advanced technologies. Formerly known as Corning Clinical Laboratories Inc., Quest Diagnostics was spun off to Corning Incorporated stockholders in a tax-free distribution of shares on December 31, 1996. The company, headquartered in Teterboro, NJ, had 1996 revenues of \$1.6 billion.

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