



Quest Diagnostics to Acquire Lab-Related Clinical Outreach Operations of Dignity Health in California and Nevada

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Transaction expected to deliver innovative and high-quality diagnostic information services at lower costs to patients

MADISON, N.J. and SAN FRANCISCO, April 17, 2013 /PRNewswire/ -- Quest Diagnostics (NYSE: DGX), the world's leading provider of diagnostic information services, announced today that it has entered into a definitive agreement to acquire lab-related clinical outreach service operations of Dignity Health, a hospital system based in California.

Under the agreement, Quest Diagnostics will acquire operations through which Dignity Health currently provides outreach diagnostic information services to patients and physician offices in parts of California and Nevada. Outreach services are provided by hospitals to physicians and patients outside of a hospital setting. Dignity Health's hospital-based laboratories are not included in the sale. Quest Diagnostics will perform testing from the acquired operations through its clinical laboratories in West Hills and Sacramento, Calif., and Las Vegas, Nevada.

The transaction is expected to be completed in June 2013, assuming customary approvals. Additional terms were not disclosed.

"With this acquisition, patients, physicians and payers in California and Nevada will gain access to a wider range of high-quality, innovative diagnostic information services and patient service center options at lower cost," said Steve Rusckowski, president and chief executive officer, Quest Diagnostics. "In addition, this acquisition is consistent with our five-point strategy, which includes delivering disciplined capital deployment and driving one to two percent in growth per year through strategically aligned fold-in acquisitions."

Quest Diagnostics expects the transaction to be neutral to adjusted earnings in 2013 and modestly accretive to earnings per share in 2014. The company also expects it to contribute about half a percentage point to consolidated revenues annually.

"This agreement will provide patients and physicians with continued access to high-quality, cost effective diagnostic information services through Quest Diagnostics," said Lloyd Dean, president/CEO of Dignity Health. "Quest's specialization in diagnostic information services will enable this important service line to remain competitive while also allowing Dignity Health to invest more strategically in acute and ambulatory clinical care."

Assuming its completion, the transaction will be the second acquisition by Quest Diagnostics of an outreach business in 2013. In January 2013, Quest Diagnostics acquired the clinical and anatomic-pathology outreach laboratory businesses of Massachusetts-based UMass Memorial Medical Center, a member of UMass Memorial Health Care.

"Our agreement with Dignity Health underscores the attractiveness of Quest Diagnostics as a provider of low-cost, high-quality diagnostic information services to hospital systems which, in light of health care reform and growing reimbursement pressures, are considering strategic alternatives for their lab outreach businesses," said Rusckowski.

About Dignity Health

Headquartered in San Francisco, Dignity Health is dedicated to providing compassionate, high-quality and affordable patient-centered care with special attention to the poor and underserved. In 2011, Dignity Health provided \$1.6 billion in charitable care and services. For more information, please visit the Dignity Health website at www.dignityhealth.org. You can also follow Dignity Health on [Twitter](#) and [Facebook](#).

About Quest Diagnostics

Quest Diagnostics is the world's leading provider of diagnostic information services that patients and doctors need to make better healthcare decisions. The company offers the broadest access to diagnostic information services through its network of laboratories and patient service centers, and provides interpretive consultation through its extensive medical and scientific staff. Quest Diagnostics is a pioneer in developing innovative diagnostic tests and advanced healthcare information technology solutions that help improve patient care. Additional company information is available at QuestDiagnostics.com. Follow us at [Facebook.com/QuestDiagnostics](https://www.facebook.com/QuestDiagnostics) and [Twitter.com/QuestDX](https://twitter.com/QuestDX).

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