



## Quest Diagnostics' CEO Kenneth W. Freeman Talks to The Wall Street Transcript

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NEW YORK--(BUSINESS WIRE)--Oct. 16, 2001--The Wall Street Transcript has published an in-depth interview with Kenneth W. Freeman, Chairman and CEO of Quest Diagnostics (NYSE:DGX), in which he talks at length about the company's future.

The entire 3,800-word interview is available free online at <http://www.twst.com/ceos.htm>.

Mr. Freeman gives an overview of the company and highlights how Quest Diagnostics has delivered break-out performance. "We've come a long way in the last year. As you know, we acquired one of our largest competitors, SmithKline Beecham Clinical Laboratories, in August 1999. Since that time, we've been integrating two roughly equivalently sized companies to create the industry leader for diagnostic testing, information and services."

Mr. Freeman explains, "From a financial standpoint, our strategy is crystal clear. We call it '10, 20, 30, and Investment Grade.' Our goal is to generate top line growth at a sustainable rate of 10% a year. We're moving toward that point as we speak. Top line growth will be fueled by a combination of organic growth and selective acquisitions. We generate very strong cash flows, which will be used to take advantage of strategic acquisitions in an industry that remains highly fragmented, as well as to further improve our balance sheet by repaying debt. Last year and this year we will generate more than \$250 million of free cash flow."

Looking forward, Mr. Freeman states, "The '20' is 20%-plus EBITDA margins. We intend to continue to grow our EBITDA margins coming off of tremendous improvement over the last few years, and we intend to sustain that momentum moving forward. In 1999, our pro forma EBITDA was around 10%. In the year 2000, we improved our EBITDA margins to over 13%. This year our EBITDA margins will be a bit more than 15%. And over the next few years, we intend to get to the 20% level and beyond."

This interview is part of a 673-page Third Annual UBS Warburg LLC Healthcare Conference Issue available at <http://www.twst.com/info/info426.htm> or by calling 212/952-7433. [To view the complete Quest Diagnostic's excerpt, please click here.](#)

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