



Quest Diagnostics Acquires Assets Of Diagnostics Medical Laboratory Inc.

May 5, 1997

TETERBORO, NJ, May 5, 1997 – Quest Diagnostics Incorporated (NYSE: DGX) today announced it has acquired the principal assets of the clinical laboratory division of Diagnostic Medical Laboratory Inc. (DML), a privately held firm based in Branford, Connecticut. The clinical laboratory division of DML has approximately 530 employees. The terms of the transaction were not disclosed. Quest Diagnostics said it will merge DML's Branford clinical laboratory operation into its existing facility in Wallingford, Connecticut within the next 12 months.

The principal stockholder of DML is M. Joseph Canavan, the founder and president. Mr. Canavan has become a full-time employee of Quest Diagnostics, concentrating on new business development, managed care contracting and marketing initiatives in Connecticut. Mr. Canavan and his family will continue to own a radiology business, based in Branford, which has been renamed Vision Medical Imaging Inc.

"This type of highly-selective, small, regional acquisition is consistent with our strategy of becoming this highest quality, lowest cost supplier of diagnostic testing, information and services," said Kenneth W. Freeman, Chairman and Chief Executive Officer of Quest Diagnostics Incorporated. "We believe the combination of these two businesses will produce positive benefits for our clients in Connecticut."

Quest Diagnostics Incorporated is one of the world's leading provider providers of diagnostics testing, services an information, 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 diseases and disease states. 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.