



Quest Diagnostics Acquires UMass Memorial Medical Center's Clinical and Anatomic Pathology Outreach Laboratory Businesses

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Finalizes Lease to Build 200,000 Square Foot "Lab of the Future" in Marlborough, Massachusetts

MADISON, N.J. and WORCESTER, Mass., Jan. 2, 2013 /PRNewswire/ -- Quest Diagnostics (NYSE: DGX), the world's leading provider of diagnostic information services, today announced it has completed its previously announced acquisition of the Worcester-based clinical outreach laboratory business of UMass Memorial Medical Center, a member of UMass Memorial Health Care, the largest health care system in Central New England. Separately, the company also announced today that it has acquired UMass Memorial's anatomic pathology outreach laboratory business, also based in Worcester. Financial terms were not disclosed.

In addition, Quest Diagnostics announced that it has finalized a lease agreement for 200,000 square feet in a facility in Marlborough, Mass., in which it will build a state-of-the-art clinical laboratory. The testing services of the acquired UMass Memorial laboratory businesses as well as Quest Diagnostics' existing full-service clinical laboratory in Cambridge, Mass. and its Athena Diagnostics specialty neurology testing subsidiary in Worcester will transition to the new facility when it becomes fully operational, which is expected to take 18 to 24 months. The facility will be developed based on best practices from Quest Diagnostics' network of laboratories in the United States, and eventually will employ as many as 1,200 medical, administrative and logistics staff.

The acquisitions of the UMass Memorial businesses will add approximately 50 new patient service centers to the company's current roster of about 75 in the state while also extending the range of diagnostic information services Quest Diagnostics provides to physicians and patients in New England. As part of the transactions, academic faculty and other clinical and laboratory experts from UMass Memorial and its academic partner University of Massachusetts Medical School will provide physician pathology and other clinical services to Quest Diagnostics.

Once the facility in Marlborough is fully operational, UMass Memorial has the option to invest in a minority financial stake in Quest Diagnostics' business in Massachusetts.

"Our UMass Memorial relationship and planned 'lab of the future' represent a new model for delivering diagnostic information services for our nation's increasingly cost-pressured healthcare system," said Steve Rusckowski, president and CEO, Quest Diagnostics. "We look forward to bringing together the academic expertise of UMass Memorial with the advanced testing, scale and operational excellence of Quest Diagnostics' independent lab business. Over time, this powerful combination will deliver a broader range of clinically important services for physicians and patients, but at costs lower than many hospital outreach labs can match."

"We are also excited to deepen our long-standing commitment to Massachusetts and New England with our selection of Marlborough as the location for our future lab," said Mr. Rusckowski. "Once operational, the facility will be a vital asset in our network of laboratories in the United States and a source of quality healthcare jobs in the state. It will also provide the basis for us to continue to grow in New England and build shareholder value."

"Given the high cost of healthcare and reimbursement pressures in the U.S., it is incumbent upon healthcare leaders to develop creative solutions for delivering high-quality, more affordable patient-centered care," said John O'Brien, president and CEO, UMass Memorial Health Care. "This transaction with Quest Diagnostics will allow us to focus on our core hospital services, while ensuring that our physicians and patients receive exceptional diagnostic services from the industry leader."

Quest Diagnostics expects the transactions, including the acquisition of UMass Memorial's anatomic pathology outreach laboratory business, will contribute one percent to consolidated revenues beginning in 2013, be neutral to earnings per share in 2013, and accretive to earnings per share in 2014.

About UMass Memorial Medical Center

UMass Memorial Medical Center is the region's trusted academic medical center, committed to improving the health of the people of Central New England through excellence in clinical care, service, teaching and research. As the hub of an integrated health care system, it partners with four community member hospitals: Clinton Hospital, HealthAlliance Hospital, Marlborough Hospital and Wing Memorial Hospital. Plus, UMass Memorial Medical Center is the clinical partner of the University of Massachusetts Medical School. UMass Memorial Medical Center has been an innovator in laboratory medicine and research and has operated one of the largest academic diagnostic laboratories in New England.

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 testing 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 www.QuestDiagnostics.com or follow us at Facebook.com/Quest Diagnostics and Twitter.com/QuestDX.

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