



Quest Diagnostics Launches New Organizational Structure To Drive Operational Excellence and Restore Growth; Appoints New Senior Leaders

October 11, 2012

MADISON, N.J., Oct. 11, 2012 /PRNewswire/ -- Quest Diagnostics Incorporated (NYSE: DGX), the world's leading provider of diagnostic testing, information and services, launched a major management restructuring aimed at driving operational excellence and restoring growth. In addition, the company appointed senior leaders to head its new Commercial, Operations and Human Resources functions.

The key element of the organization change will be to eliminate existing business structures and replace them with two new business groups, Diagnostic Information Services and Diagnostic Solutions. The changes are scheduled to take effect by January 1, 2013.

"The new organization will allow us to aggressively drive operational excellence and improve our customer focus, which will, over time, enable us to restore growth," said Steve Rusckowski, President and Chief Executive Officer.

With the launch of the new organizational structure, Quest Diagnostics will be able to focus more on customers, speed decision making and accelerate cost reductions. As a result of eliminating complexity and empowering its employees, the company expects it will be able to eliminate three management layers, or approximately 400 to 600 management positions, by the end of 2013, thereby contributing about \$65 million in savings to the previously announced cost reduction goal of \$500 million associated with its Invigorate program. Quest Diagnostics has about 42,000 employees.

The Diagnostic Information Services group, which will include the vast majority of the company's revenues, will replace the current Physician Services, Hospital Services and Cancer Diagnostics businesses. It will develop and deliver diagnostic testing, information and services, and be responsible for new test development; sales and marketing; routine and esoteric laboratories; and field operations.

In conjunction with today's announcement, three senior leaders were appointed to key positions:

- Everett V. Cunningham will join the company October 15 to become Senior Vice President, Commercial. Mr. Cunningham was most recently Regional President, Established Products, Asia for Pfizer, Inc., where he has served in a series of sales leadership and general management roles over the past 21 years.
- John B. Haydon will join October 22 to become Senior Vice President, Operations. Mr. Haydon is currently Executive Vice-President and Global Head of Operations and Business Excellence for Philips Electronics.
- Jeffrey S. Shuman will join October 22 as Senior Vice President, Chief Human Resources Officer. Mr. Shuman was most recently Senior Vice President: Chief Human Resources and Administrative Officer for Harris Corp.

"Everett Cunningham and John Haydon are experienced, results-oriented individuals who bring the knowledge and experience needed to drive operational efficiency and help restore growth," said Mr. Rusckowski. "Jeff Shuman is a recognized leader in human resources, with a proven record of delivering transformational change. I am excited to welcome all three to Quest Diagnostics."

In addition, Quest Diagnostics announced that several senior leaders will be leaving the company. Richard Mahoney, Vice President, Healthcare Information Services; Joan Miller, Senior Vice President, Oncology and Neurology Services; and David Norgard, Vice President, Human Resources, plan to leave the company by year-end. Joseph Benage, Vice President, Insurer & Employer Services, will leave in 2013.

"I would like to personally thank Dick, Joan, Dave and Joe for their years of service to Quest Diagnostics and the many contributions that they have made to this great company," Mr. Rusckowski said.

The management restructuring, including the reduction of management layers, will accelerate savings under the company's Invigorate cost-reduction initiative, and is expected to add between \$15 million and \$20 million to the previously disclosed charges.

Quest Diagnostics is the world's leading provider of diagnostic testing, information and 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.

Contacts: Kathleen Valentine (Investors), +1-973-520-2900; Wendy Bost (Media), +1-973-520-2800

SOURCE Quest Diagnostics Incorporated