



Quest Diagnostics Incorporated Commences Cash Tender Offer for Unilab Corporation 12-3/4% Senior Subordinated Notes Due 2009

February 6, 2003

TETERBORO, N.J., Feb 6, 2003 /PRNewswire-FirstCall via COMTEX/ -- Quest Diagnostics Incorporated (NYSE: DGX) announced today that it has commenced a cash tender offer for any and all outstanding \$100.8 million principal amount of Unilab Corporation 12-3/4% Senior Subordinated Notes due 2009. The tender offer is in connection with Quest Diagnostics' previously announced agreement to acquire Unilab Corporation (Nasdaq: ULAB). The tender offer will be financed with a combination of cash on hand and borrowings under a \$450 million amortizing term loan facility.

The tender offer is subject to a number of conditions and contingencies, including the successful completion of the acquisition of Unilab and the receipt of consents from a majority of the outstanding noteholders. The tender offer is made upon the terms and conditions set forth in Quest Diagnostics' Offer to Purchase and Consent Solicitation Statement dated February 6, 2003. The tender offer will expire at 12 midnight, New York City time on March 6, 2003, unless extended or terminated by Quest Diagnostics. Under the terms of the offer, Quest Diagnostics will purchase the outstanding notes at a price to be determined two business days prior to the expiration date of the tender offer by reference to a fixed spread of 50 basis points over the yield to maturity of 1.875% U.S. Treasury Notes due September 30, 2004, plus accrued and unpaid interest. Included in this purchase price is a consent payment equal to \$30.00 per \$1,000 principal amount of the notes for those noteholders who tender prior to the end of the consent period.

In connection with the tender offer, Quest Diagnostics is also seeking consents from the noteholders to certain proposed amendments to the indenture governing the notes. The purpose of the proposed amendments is to eliminate substantially all of the restrictive provisions of the indenture. Subject to certain conditions, only noteholders who consent to the proposed amendments by validly tendering their notes prior to the end of the consent period (5 p.m. New York City time on February 20, unless extended) will receive the consent payment. Tendered notes may not be withdrawn and consents may not be revoked after the end of the consent period. Payment for validly tendered notes is expected to be made promptly following the expiration of the tender offer.

Merrill Lynch & Co. will act as Dealer Manager for the tender offer and consent solicitation. The Information Agent is Georgeson Shareholder Communications Inc. and the Depositary is HSBC Bank USA. Persons with questions regarding the tender offer and consent solicitation should contact Merrill Lynch & Co., Liability Management Group, at either 888-ML4-TNDR or 212-449-4914. Questions concerning the procedures for Tendering or requests for Offer to Purchase and Consent Solicitation Statement material should contact the information agent Georgeson Shareholder Communications Inc. at 866-283-1946 (toll free) or 212-440-9800 (banks and brokerage firms).

About Quest Diagnostics

Quest Diagnostics Incorporated is the nation's leading provider of diagnostic testing, information and services, providing insights that enable physicians, hospitals, managed care organizations and other healthcare professionals to make decisions to improve health. The company offers the broadest access to diagnostic laboratory services through its national network of laboratories and patient service centers. Quest Diagnostics is the leading provider of esoteric testing, including gene-based medical testing, and empowers healthcare organizations and clinicians with state-of-the-art connectivity solutions that improve practice management. Additional company information can be found on the Internet at: <http://www.questdiagnostics.com>.

FORWARD-LOOKING STATEMENTS:

This communication contains certain forward-looking statements under the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which may include, but are not limited to, statements concerning the financial condition, results of operations and businesses of Quest Diagnostics and Unilab and the benefits expected to result from the contemplated transaction, are based on management's current expectations and estimates and involve risks and uncertainties that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements.

Factors that could cause or contribute to such differences may include, but are not limited to, the risk that the conditions relating to the required minimum tender of Unilab shares or regulatory clearance might not be satisfied in a timely manner or at all, risks relating to the integration of the technologies and businesses of Quest Diagnostics and Unilab, unanticipated expenditures, changing relationships with customers, suppliers and strategic partners, conditions of the economy and other factors described in the most recent reports on Form 10-Q, most recent reports on Form 10-K and other periodic reports filed by Quest Diagnostics and Unilab with the Securities and Exchange Commission.

SOURCE Quest Diagnostics Incorporated

CONTACT:

Investors - Laure Park, +1-201-393-5030, Media - Gary Samuels, +1-201-393-5700, both of Quest Diagnostics Incorporated

URL: <http://www.questdiagnostics.com>

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