



## Quest Diagnostics' Acquisition of SmithKline Beecham Clinical Laboratories Delayed

July 1, 1999

### QUEST DIAGNOSTICS' ACQUISITION OF SMITHKLINE BEECHAM CLINICAL LABORATORIES DELAYED

**TETERBORO, N.J., JULY 1, 1999**—Quest Diagnostics Incorporated (NYSE: DGX) announced today that its acquisition of the clinical laboratory operations of SmithKline Beecham plc (NYSE: SBH) would not close on July 2, as previously indicated.

The company said that the parties to date have been unable to reach agreement on a definitive data access agreement, which is one of the ancillary contracts related to the acquisition. Under this contract, Quest Diagnostics' proprietary clinical laboratory database would be made available to SmithKline Beecham for certain limited uses. The parties have been unable to agree on the extent to which SmithKline Beecham would have the right to commercialize information products utilizing Quest Diagnostics' laboratory data. The company said negotiations are continuing and it hopes to reach resolution of these issues shortly. The purchase agreement remains in effect and, as previously announced, each party has the right to terminate the agreement after September 30, 1999, if the transaction does not close by that date.

Quest Diagnostics has elected to extend its fixed spread tender offer and consent solicitation for its \$150 million 10-3/4% Senior Subordinated Notes due 2006 until Friday, July 16, 1999. The tender offer had been scheduled to expire on July 1, 1999, and approximately \$148 million of these Notes have been tendered. The purchase price for these Notes will be reset with the new purchase price being determined as described in the Offer to Purchase and Consent Solicitation Statement dated May 25, 1999, on the second business day prior to the new expiration date. In addition, Quest Diagnostics announced that it will not complete the offering for \$300 million of Senior Subordinated Notes which had been scheduled to close on July 2. However, the company still has financing commitments in place to complete the transaction.

Quest Diagnostics announced an agreement to acquire SmithKline Beecham Clinical Laboratories (SBCL) from SmithKline Beecham plc on February 9. The transaction was approved by Quest Diagnostics' shareholders on June 29.

Quest Diagnostics is one of the nation's leading providers of diagnostic testing, information and services to physicians, hospitals, managed care organizations, employers and government agencies. The wide variety of tests performed on human tissue and fluids help doctors and hospitals diagnose, treat and monitor disease. Its Nichols Institute unit conducts research, specializes in esoteric testing using genetic screening and other advanced technologies, performs clinical studies testing, and manufactures and distributes diagnostic test kits and instruments. Quest Informatics collects and analyzes laboratory, pharmaceutical and other data to help large health care customers identify and monitor patients who are at-risk for certain diseases. QuestNet is an innovative new product offering that provides network management services to large buyers of health care services. Additional information about the company is available on the Internet at: [www.questdiagnostics.com](http://www.questdiagnostics.com)

The statements in this press release which are not historical facts or information may be forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause the outcome to be materially different. Certain of these risks and uncertainties are listed in the Quest Diagnostics Incorporated 1998 Form 10-K and subsequent filings.

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