



Quest Diagnostics Completes Debt Refinancing

June 28, 2001

TETERBORO, N.J., June 28 /PRNewswire/ -- Quest Diagnostics Incorporated (NYSE: DGX) announced today that it has received \$725 million from the public offering of senior notes and a new term loan, thereby completing its previously announced debt refinancing. The refinancing is expected to lower annual interest expense by approximately \$23 million. Interest expense for the second half of the year ending December 31, 2001 is expected to be reduced by approximately \$11 million as a result of the refinancing.

The company raised \$550 million from the senior notes, comprising \$275 million from the sale of 6-3/4% Senior Notes due 2006 and \$275 million from the sale of 7-1/2% Senior Notes due 2011. Merrill Lynch and Credit Suisse First Boston were joint book-runners on the offering.

In addition, the company established a five-year \$175 million term loan under a new unsecured credit agreement, which also provides for a five-year \$325 million revolving credit facility, which currently has no borrowings outstanding. The credit agreement is with a group of banks led by Banc of America and UBS Warburg.

Proceeds from the refinancing were used to repay the company's term loans under its previous secured credit facility and will be used later today to repay holders of its 10-3/4% Senior Subordinated Notes due 2006 that have been tendered.

The cash tender offer for the company's \$150,000,000 10-3/4% Senior Subordinated Notes due 2006 expired, as scheduled, at 5:00 p.m. New York City time on Wednesday, June 27, 2001. As of the expiration date, approximately \$147 million in aggregate principal amount, or 98%, of its \$150,000,000 10-3/4% Senior Subordinated Notes due 2006 had been validly tendered and not withdrawn. The total consideration, which is payable to holders who tendered their notes during the consent period, was \$1,083.29 per \$1,000 face value, while the tender offer consideration, which is payable to noteholders who tendered after the end of the consent period, was \$1,053.29 per \$1,000 face value.

Merrill Lynch & Co. acted as Dealer Manager for the tender offer and consent solicitation. The Information Agent was Georgeson & Company, Inc. and the Depository was The Bank of New York. Persons with questions regarding the tender offer and consent solicitation should contact Merrill Lynch & Co., Liability Management Group, at either 888-ML4-TNDR (toll free) or 212-449-4914 (collect).

Quest Diagnostics will release financial results for the second quarter ending June 30, 2001, after the close of the stock market on July 23, 2001. The company is currently in a "quiet" period and will discuss results for the second quarter during a conference call on July 24 at 8:00 A.M. Eastern Time. To hear a simulcast of the call over the Internet, or a replay, registered analysts may access StreetEvents at: <http://www.streetevents.com> and all others may access the Quest Diagnostics website at: <http://www.questdiagnostics.com>. In addition, a replay of the call will also be available from 10 A.M. on July 24 through 5 P.M. on July 25 to investors in the U.S. by dialing 800-839-1104. Investors outside the U.S. may dial 402-998-1695. No password is required for either number.

Quest Diagnostics is the nation's leading provider of diagnostic testing, information and services with annual revenues of \$3.4 billion in 2000. The company's diagnostic testing yields information that enables health care professionals and consumers to make better decisions to improve health. Quest Diagnostics offers patients and physicians the broadest access to diagnostic testing services through its national network of approximately 30 full-service laboratories, 150 rapid response laboratories and more than 1,300 patient service centers, where specimens are collected. Quest Diagnostics is the leading provider of esoteric testing, including gene-based testing, and is the leader in routine medical testing, drugs of abuse testing, and anatomic pathology testing. Through partnerships with pharmaceutical, biotechnology and information technology companies, Quest Diagnostics provides support to help speed the development of health care insights and new therapeutics. Additional company information can be found on the Internet at: <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 described in the Quest Diagnostics Incorporated 2000 Form 10-K and subsequent filings.

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