



Quest Diagnostics Shareholders Approve Acquisition of SmithKline Beecham Clinical Laboratories

June 29, 1999

QUEST DIAGNOSTICS SHAREHOLDERS APPROVE ACQUISITION OF SMITHKLINE BEECHAM CLINICAL LABORATORIES

NEW YORK, N.Y., JUNE 29, 1999 — Quest Diagnostics Incorporated (NYSE: DGX) announced that at its annual meeting today, shareholders approved the previously announced acquisition of the clinical laboratory operations of SmithKline Beecham plc (NYSE: SBH) for approximately \$1.3 billion in cash and stock.

Under the agreement, Quest Diagnostics will acquire SmithKline Beecham Clinical Laboratories (SBCL), including its domestic and foreign clinical testing operations, clinical trials testing, corporate health services, and other assets. SBCL's national testing and service network consists of regional laboratories, specialty testing operations and its National Esoteric Testing Center, as well as a number of rapid-turnaround or "STAT" laboratories, and patient service centers. SBCL had 1998 revenues of \$1.6 billion. As part of the transaction, SmithKline Beecham and Quest Diagnostics have entered into a 10-year contract under which Quest Diagnostics will be the exclusive provider of testing to support SmithKline Beecham's clinical trials testing requirements worldwide.

At closing, SmithKline Beecham will receive approximately \$1.0 billion in cash and 12.6 million newly issued shares of Quest Diagnostics common stock, or approximately 29.5% of the outstanding shares. SmithKline Beecham will also receive two seats on the Quest Diagnostics board of directors.

Quest Diagnostics expects the transaction to produce a broad range of benefits for customers, including: improved quality, convenience and accessibility; expanded test development for healthcare consumers; and more dynamic laboratory data and information products to help providers and insurers better manage their patients' health.

In two separate matters, shareholders reelected William F. Buehler, Van C. Campbell and Dan C. Stanzione as directors to serve until the 2002 annual meeting, and approved the company's 1999 Employee Equity Participation Program.

Quest Diagnostics, headquartered in Teterboro, N.J., 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

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.

[TOP](#)