



Quest Diagnostics Announces Planned Management Structure Upon Combination With SmithKline Beecham Clinical Laboratories

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QUEST DIAGNOSTICS ANNOUNCES PLANNED MANAGEMENT STRUCTURE UPON COMBINATION WITH SMITHKLINE BEECHAM CLINICAL LABORATORIES

TETERBORO, N.J., JUNE 10, 1999—Quest Diagnostics Incorporated (NYSE: DGX), a leading provider of diagnostic testing, information and services, announced the management structure and several key appointments that will become effective following the completion of its pending acquisition of the clinical laboratory operations of SmithKline Beecham plc (NYSE: SBH). The transaction, which requires shareholder approval, is expected to be completed July 2, 1999. Both companies will continue to operate independently until the transaction is completed.

"We will create the leading company in our industry by drawing together the very best that both companies have to offer," said Kenneth W. Freeman, Chairman and Chief Executive Officer of Quest Diagnostics. "We have begun by appointing an outstanding group of senior leaders from both organizations who are well-qualified to meet the ambitious goals of the new Quest Diagnostics."

In the new reporting structure, a Chairman's Council of eight senior executives will manage the operations of the company, all reporting to Mr. Freeman, who will continue as Chairman and Chief Executive Officer of Quest Diagnostics Incorporated. Additional appointments are expected to be announced in coming weeks.

The following individuals will report to Mr. Freeman:

Surya N. Mohapatra, Ph.D., will become President and Chief Operating Officer of Quest Diagnostics. He will be responsible for all aspects of the company's \$3 billion core laboratory business in anatomic and clinical testing, including sales, marketing, laboratory operations, medical and billing. Dr. Mohapatra joined Quest Diagnostics in February, 1999, as senior vice president and chief operating officer, after 18 years with Picker International, a worldwide leader in the design, manufacture and marketing of advanced medical imaging equipment. He combines an exceptionally strong background in U.S. and international operations and senior management with a Ph.D. in medical physics/electronics from the University of London and the Royal College of Surgeons of England.

Vijay Aggarwal, Ph.D., will become President of a new enterprise called Quest Diagnostics Ventures. Dr. Aggarwal will be responsible for driving the profitable growth of business segments with high growth potential, many of which are related to the company's core clinical testing business. These businesses include clinical trials testing, medical diagnostic equipment, medical informatics and other high growth opportunities. Dr. Aggarwal currently serves as vice president and director of SmithKline Beecham Clinical Laboratories (SBCL) with overall responsibility for SBCL's U.S. reference laboratory business. He brings more than 20 years of laboratory experience with SBCL, and a strong track record for achieving growth in the businesses he has managed. Dr. Aggarwal received his doctorate in pharmacology from the Medical College of Virginia.

James D. Chambers will become President for Corporate Services. Mr. Chambers will be responsible for providing the corporation's business units with efficient and effective administrative services. He will oversee human resources, quality management systems, purchasing, facilities and real estate management, financial services, and the strategic planning process. Mr. Chambers is currently Quest Diagnostics' senior vice president and chief growth officer, and brings more than 15 years of broad experience with particular strength in managing administrative functions. He is currently leading the integration planning process for the transaction, and will continue to play a role in the integration of both companies as part of his new responsibilities.

Robert A. Hagemann will become Corporate Vice President and Chief Financial Officer. He will be responsible for all corporate finance functions, including accounting and control, treasury, internal audit and investor relations. Mr. Hagemann has been Quest Diagnostics' chief financial officer since 1998 and has seven years of experience with the company in a variety of financial positions.

Michael E. Prevoznik will become Corporate Vice President for Legal and Compliance. In his new role as General Counsel, Mr. Prevoznik will be responsible for ensuring that Quest Diagnostics meets all of its legal requirements as a public company. In addition, he will also be responsible for the compliance function. Mr. Prevoznik had five years of compliance experience in the laboratory business before assuming his corporate role with SmithKline Beecham as vice president and chief legal compliance officer.

Gerald C. Marrone will become Corporate Vice President and Chief Information Officer. He will have overall responsibility for designing and executing the organization's information technology strategies. Mr. Marrone joined Quest Diagnostics as chief information officer in 1997 following a career in information technology management at Citibank.

Julie A. Clarkson will become Corporate Vice President for Communications and Public Affairs. She will have overall responsibility for internal and external communications and government affairs and work closely with marketing, investor relations and other functions that interact with the company's various constituencies. Ms. Clarkson has more than 10 years of broad experience with Quest Diagnostics, most recently as vice president for business development in Europe.

Richard L. Bevan will become Corporate Vice President for Human Resources Strategy and Development. He will be responsible for leadership development and succession planning, diversity, organizational development, human resources strategy and planning, and executive compensation. Mr. Bevan is currently SBCL's vice president for human resources operations. He has held a variety of senior positions at SmithKline Beecham over the past 10 years, both in U.S. and international businesses.

"As the new Chairman's Council, these eight individuals and I are developing aggressive goals for each of the businesses, which we will announce at the time of closing," Mr. Freeman said. "The nine of us will work together as a team, with shared responsibility and accountability for meeting our overall goals of employee, customer and shareholder satisfaction. Now that the most senior appointments have been announced, we will move quickly

to fill the next level of management positions."

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.

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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