LabCorp(R) to Purchase Certain Assets in Northern California From Quest Diagnostics

February 4, 2003

BURLINGTON, N.C., Feb 4, 2003 /PRNewswire-FirstCall via COMTEX/ -- Laboratory Corporation of America(R) Holdings (NYSE: LH) (LabCorp(R)) announced that it had executed an agreement to pay $4.5 million in cash to purchase certain assets in Northern California from Quest Diagnostics Incorporated (NYSE: DGX) following the completion of the acquisition of Unilab Corporation by Quest Diagnostics. The purchase price will be paid over a period of up to eighteen months following the closing of the asset purchase by LabCorp.

The assets to be purchased by LabCorp include the assignment of four contracts with independent physician associations (IPAs), as well as the leases for 46 patient service centers, five of which also serve as rapid response laboratories, located throughout Northern California. Quest Diagnostics has indicated that approximately $27 million in annual revenues is generated by capitated fees under the IPA contracts and associated fee-for- service testing for physicians whose patients use these patient service centers, as well as from specimens received directly from the IPA physicians. The IPAs have already consented to the assignment of the contracts.

The asset sale to LabCorp is subject to approval by the Federal Trade Commission and is contingent on and will close after the completion of the Quest Diagnostics/Unilab transaction. The FTC has not yet completed its review of the Quest Diagnostics/Unilab transaction. LabCorp understands that Quest Diagnostics expects to complete the Exchange Offer this month.

"Expanding into the Northern California market through this agreement immediately provides LabCorp with a meaningful market position in a cost effective manner," said Richard L. Novak, executive vice president and chief operating officer of LabCorp. "Strategically, the business acquired in this very important market also provides LabCorp a solid foundation for generating additional revenues through both the routine physician market as well as business development activities in esoteric testing."

About LabCorp(R)

The first national clinical laboratory to fully embrace genomic testing, Laboratory Corporation of America(R) Holdings (LabCorp(R)) has been a pioneer in commercializing new diagnostic technologies. As a national laboratory with annual revenues of $2.2 billion in 2001 and over 24,000 employees, the company offers more than 4,000 clinical tests ranging from routine blood analyses to sophisticated molecular diagnostics. Serving more than 200,000 clients nationwide, LabCorp combines its expertise in innovative clinical testing technology with its Centers of Excellence. The Center for Molecular Biology and Pathology, in Research Triangle Park, North Carolina, offers state-of-the- art molecular gene-based testing in infectious disease, oncology and genetics. Its National Genetics Institute in Los Angeles is an industry leader in developing novel, highly sensitive polymerase chain reaction (PCR) methods for testing hepatitis C and other blood borne infectious agents. LabCorp's Minneapolis-based ViroMed offers molecular microbial testing using real time PCR platforms, while its Center for Esoteric Testing in Burlington, North Carolina, performs the largest volume of specialty testing in the network. LabCorp's clients include physicians, state and federal government, managed care organizations, hospitals, clinics, pharmaceutical and Fortune 1000 companies, and other clinical laboratories.

Each of the above forward-looking statements is subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors. Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect LabCorp's financial results is included in the Company's Form 10- K for the year ended December 31, 2001 and subsequent SEC filings, and will be available in the Form 10-K for the year ended December 31, 2002, when filed.

SOURCE Laboratory Corporation of America Holdings

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