

LABORATORY CORP OF AMERICA HOLDINGS  
Form 8-K  
April 21, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

April 21, 2010

(Date of earliest event reported)

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS**

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(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

**1-11353**

**13-3757370**

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(State or other jurisdiction  
of Incorporation)

(Commission  
File Number)

(I.R.S.  
Employer  
Identification  
No.)

**358 SOUTH MAIN STREET,  
BURLINGTON, NORTH CAROLINA**

**27215**

**336-229-1127**

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(Address of principal executive offices)

(Zip  
Code)

(Registrant's telephone number including area  
code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. Regulation FD Disclosure

Summary information of the Company dated April 21, 2010.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Laboratory Corporation of America Holdings  
(Registrant)

Date: April 21, 2010

By: /s/F. Samuel Eberts III  
F. Samuel Eberts III, Chief Legal Officer  
and Secretary

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**Introduction**

This slide presentation contains forward-looking statements which are 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 the Company's financial results will be included in the Company's Form 10-K for the year ended December 31, 2009, and subsequent SEC filings. The Company has no obligation to provide any updates to these forward-looking statements even if its expectations change.

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**First Quarter Results**

**(In millions, except per share data)**

**2010**

**2009**

**+ / (-)**

**Revenue**

**1,193.6**

**\$**

**1,155.7**

**\$**

**3.3%**

**Adjusted Operating Income**

**(1)**

**243.5**

**\$**

**240.5**

**\$**

**1.2%**

**Adjusted Operating Income Margin**

**(1)**

**20.4%**

**20.8%**

**(40)**

**bp**

**Adjusted EPS**

(1)

**1.30**

\$

**1.22**

\$

**6.6%**

**Operating Cash Flow**

**232.0**

\$

**208.9**

\$

**11.1%**

**Less: Capital Expenditures**

**(24.5)**

\$

**(30.7)**

\$

**(20.2%)**

**Free Cash Flow**

**207.5**

\$

**178.2**

\$

**16.4%**

(1) See Reconciliation of non-GAAP Financial Measures (included herein)

**Three Months Ended Mar 31,**

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**Cash Flow Trends**

**11% FCF CAGR**

**2004-2009**

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**Revenue by Payer- US**  
**2010 YTD**

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**Revenue by Business Area - US**  
**2010 YTD**

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**Revenue by Payer**  
**(in millions, except PPA)**

**YTD Q1-2008**

**YTD Q1-2009**

**YTD Q1-2010**

**Revenue**

**Revenue**

**Revenue**

**\$'s**

**%**

**Accns**

**PPA**

**\$'s**

**%**

**Accns**

**PPA**

**\$'s**

**%**

**Accns**

**PPA**

**Client**

285.4

\$

27%

8.638

33.04

\$

303.3

\$

28%

8.918

34.01

\$

307.9

\$

27%

8.598

35.80

\$

**Patient**

97.9

9%

0.590

165.98

\$

83.7

8%

0.531

157.57

\$

88.3

8%

0.536

164.81

\$

**Third Party**

**(Medicare/Medicaid)**

198.8

19%

4.728

42.05

\$

220.3

20%

4.983

44.21

\$

228.5

20%

4.927

46.37

\$

**Managed Care:**

**- Capitated**

42.4

4%

3.691

11.49

\$

44.6

4%

3.665

12.16

\$

39.0

3%

3.225

12.11

\$

**- Fee for service**

414.6

40%

9.339

44.39

\$

448.3

41%

9.584

46.78

\$

461.0

41%

9.491

48.57

\$

**Total Managed Care**

457.0

44%

13.030

35.07

\$

492.9

45%

13.249

37.20

\$

500.0

44%

12.716

39.32

\$

**LabCorp Total - US**



1,039.1

\$

100%

26.986

38.51

\$

1,100.1

\$

100%

27.681

39.74

\$

1,124.7

\$

100%

26.777

42.00

\$

**LabCorp Total - Canada**

64.1

\$

-

1.835

34.90

\$

55.6

\$

-

2.269

24.50

\$

68.9

\$

-

2.287

30.14

\$

**LabCorp Total**

1,103.2

\$

28.821

38.28

\$

1,155.7

\$

29.950

38.59

\$

1,193.6

\$

29.064

41.07

\$

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**Revenue by Business Area**  
**(in millions, except PPA)**

**YTD Q1-2008**

**YTD Q1-2009**

**YTD Q1-2010**

**Revenue**

**Revenue**

**Revenue**

**\$'s**

**%**

**Accns**

**PPA**

**\$'s**

**%**

**Accns**

**PPA**

**\$'s**

**%**

**Accns**

**PPA**

**All Genomic**

156.4

\$

15%

2.144

72.94

\$

172.4

\$

16%

2.250

76.64

\$

174.5

\$

16%

2.189

79.68

\$

**Other Esoteric**

118.1

11%

2.881

40.98

140.2

13%

3.303

42.44

161.8

14%

3.734

43.33

**Histology**

79.2

8%

0.629

125.99

73.5

7%

0.609

120.69

70.1

6%

0.564

124.28

**All Genomic / Esoteric**

353.7

34%

5.654

62.55

386.1

35%

6.162

62.67

406.4

36%

6.487

62.65

**Core**

685.5

66%

21.332

32.13

714.0

65%

21.520

33.18

718.3

64%

20.290

35.40



**LabCorp Total - US**

1,039.1

\$

100%

26.986

38.51

\$

1,100.1

\$

100%

27.681

39.74

1,124.7

\$

100%

26.777

42.00

**LabCorp Total - Canada**

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**LabCorp Total**

1,103.2

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28.821

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1,155.7

\$

29.950

38.59

\$

1,193.6

\$

29.064

41.07

\$

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**Financial Guidance - 2010**

Excluding the impact of restructuring and other special charges

and share repurchase activity after March 31, 2010,

guidance for 2010 is:

Revenue growth:

Approximately 2.5% 4.5%

Adjusted EPS:

\$5.35 to \$5.55

Operating cash flow of approximately<sup>(1)</sup>:

\$870 Million

Capital expenditures of approximately:

\$135 Million

(1) Operating cash flow guidance excludes any transition payments to UnitedHealthcare.

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**Supplemental Financial  
Information**

**Q1 10**

Depreciation

\$32.2

Amortization

\$17.4

Capital expenditures

\$24.5

Cash flows from operations

\$232.0

Bad debt as a percentage of sales

5.05%

Effective interest rates on debt:

Zero-coupon subordinated notes

2.00%

5 1/2% Senior Notes

5.38%

5 5/8% Senior Notes

5.75%

Term loan

3.67%

Revolving credit facility (weighted average)

0.58%

Days sales outstanding

46

UnitedHealthcare transition payments - Billed

\$10.1

UnitedHealthcare transition payments - Paid

\$14.5

**Laboratory Corporation of America**

**Other Financial Information**

**March 31, 2010**

**(\$ in millions)**

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**Reconciliation of non-GAAP**

**Financial Measures**

Adjusted Operating Income

**2010**

**2009**

Operating income

\$234.2

\$240.5

Restructuring and other special charges

9.3

-

Adjusted operating income

\$243.5

\$240.5

Adjusted EPS

Diluted earnings per common share

\$1.25

\$1.22

Impact of restructuring and other special charges (1)

0.05

-

Adjusted EPS

\$1.30

\$1.22

Three Months Ended Mar 31,

(1) After tax impact of restructuring and other special charges, \$5.7 million divided by 106.5 million shares

**Reconciliation of non-GAAP Financial Measures**

(In millions, except per share data)

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