

LABORATORY CORP OF AMERICA HOLDINGS  
Form 8-K  
May 13, 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

May 13, 2010

(Date of earliest event reported)

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS**

---

(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

**1-11353**

**13-3757370**

---

(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**

---

(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 in connection with its presentation at the Bank of America Merrill Lynch Health Care Conference in New York, NY on May 13, 2010.

**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: May 13, 2010

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

---

New York, NY

May 13, 2010

**Bank of America Merrill Lynch**

**Health Care Conference**

---

2

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 is included in the Company's Form 10-K for the year ended December 31, 2009, and subsequent SEC filings.

**Forward Looking Statement**

---

**Introduction**

3

**Leading National**

**Lab Provider**

Fastest growing national lab

\$55 billion market

Clinical, Anatomic and Genomic Testing

Serving clients in all 50 states and Canada

Foremost clinical trials testing business

---

**Introduction**

4

---

**Valuable Service**

Small component of total cost

influences large percentage

of clinical decisions

Screening, early detection,

and monitoring reduce

downstream costs

Companion diagnostics

improve drug efficacy and

reduce adverse drug effects

**Attractive Market**

5

---

**Attractive Market**

6

**Growth Drivers**

Aging population

Industry consolidation

Advances in genomics

Pharmacogenomics /

companion diagnostics

Cost pressures

**Source: CDC National Ambulatory Medical Care Survey and Company Estimates**

---

**Attractive Market**

7

**Opportunity to**

**Take Share**

Approximately 5,000

independent labs

High cost competitors

Source: Washington G-2 Reports and company estimates

**\$55 Billion US Lab Market**

55%

14%

9%

4%

19%

Hospital Affiliated

Quest

LabCorp

Physician Office

Other Independent

---

**Attractive Market**

**Diversified Payor Mix**

No customer > 9% of revenue

Limited government exposure

8

---

**Attractive Market**

**Diversified Test Mix**

Esoteric 36% of revenue

Goal of 40% in 3 - 5 years

Higher priced business

9

---

**Competitive Position**

**Scale and Scope**

National infrastructure

Broad test offering

Managed care contracts

Economies of scale

10

Primary LabCorp Testing Locations\*

Esoteric Lab Locations

(CET, CMBP, Dianon, Esoterix, Monogram Biosciences, NGI, OTS, US Labs, Viromed)

Patient Service Centers\*

---

**Competitive Position**

11

**Managed Care Relationships**

Exclusive national laboratory for UnitedHealthcare

Sole national strategic partner for WellPoint

Significant national plans recently renewed or

extended on a multi-year basis, including

WellPoint, Cigna and Humana

Contracted with numerous local and

regional anchor plans

---

**Scientific**

**Leadership**

Introduction of new tests

Acquisitions and licensing

Collaborations with leading

companies and academic

institutions

**Competitive Position**

12

---

**Competitive Position**

13

**Standardized and**

**Efficient Processes**

Standardized lab and billing

IT systems

Automation of pre-analytics

Capacity rationalization

Logistics optimization

---

**2010 Priorities**

14

**Our Focus**

Profitable revenue growth

IT and client connectivity

Continue scientific

leadership

Maintain price

Control costs

---

**2010 Priorities**

15

**Profitable Revenue Growth**

Target specialty physicians with  
breadth of menu and services

Educate payers and physicians on  
value of LabCorp testing

Leverage assets from Monogram  
acquisition

Continue to improve patient experience

---

**2010 Priorities**

16

**IT and Client  
Connectivity**

Enhance online services and  
analytic tools

*LabCorp Inside the Box* for  
superior connectivity

Improve Patient Experience  
through:

Automated PSC workflow

Patient access via PHRs,  
online appointments

Enterprise services  
including VoIP

Continue open platform strategy  
to maximize options for users

---

**Continue Scientific**

**Leadership**

Increase esoteric testing

Grow and enhance offerings in  
personalized medicine:

Expand outcome improvement  
programs

Develop and commercialize  
companion diagnostics

**2010 Priorities**

17

---

**Increase**

**Esoteric Testing**

Introduction of new tests

Acquisitions and licensing

Collaborations with academic  
institutions

**Continue Scientific Leadership**

18

**New Tests Include:**

**Collaborations Include:**

**BRAF Gene Mutation Detection**

**EGFR Mutation Analysis for Nonsmall-Cell Lung Cancer**

**Warfarin (P450 2C9 and VKORC1)**

**Clopidogrel CYP2C19 Genotyping**

**Duke University**

**National Jewish Health**

**Integrase HIV Genotyping (GenoSure) and HIV Phenotyping (PhenoSense)**

**HERmark for Breast Cancer**

????

**Yale University**

**Enhanced Trofile**

**H1N1 Flu Testing**

---

**Expand Outcomes**

**Improvement**

Litholink kidney stone

CKD

Continual development of

valuable programs

**Continue Scientific Leadership**

19

---

**Continue Scientific Leadership**

20

**Develop and Commercialize**

**Companion Diagnostics**

Invest in clinical trials

Relationships with biotech and

pharma companies

Promote key tests

K-RAS

HLA-B\* 5701

BRAF Gene Mutation Detection

EGFR Mutation Analysis

CYP 450 2C19

Monogram Biosciences

Trofile

PhenoSense, PhenoSense GT

HERmark

**K-RAS testing should be routinely conducted in all colorectal cancer patients immediately after diagnosis to ensure the best treatment strategies for the individual Patient**

Dr. Eric Van Cutsem, presenter at the June 2008 American

Society of Clinical Oncology meeting

**FDA recommends genetic screening prior to treatment with Abacavir**

ROCKVILLE, Md -- July 24, 2008 -- The US Food and Drug Administration (FDA) has issued an alert regarding serious, and sometimes fatal, hypersensitivity reactions (HSRs) caused by abacavir (Ziagen) therapy in patients with a particular human

leukocyte antigen (HLA) allele, HLA-B\* 5701.

Genetic tests for HLA-B\*5701 are already available, and all patients should be screened for the HLA-B\*5701 allele before starting or restarting treatment with abacavir or abacavir-containing medications.

**FDA has approved the expanded use of Selzentry to include adult patients with CCR5-tropic HIV-1 virus who are starting treatment for the first time.**

- ViiV Healthcare Press Release, November 20th, 2009

---

**2010 Priorities**

**Maintain Price**

Managed care stability; offsets

1.9% Medicare rate decrease

Focus on high-value tests

Promote outcome improvement

21

---

**Control Costs**

Continue focus on collections

and bad debt reduction

Optimize supply chain

Use efficiency gains to

improve patient experience

**2010 Priorities**

22

---

\$3,085

\$3,328

\$3,591

\$4,068

\$4,513

\$4,695

\$2.45

\$2.80

\$3.30

\$4.18

\$4.60

\$4.89

2004

2005

2006

2007

2008

2009

Revenue (\$mil)

EPS

**Excellent Performance**

23

**Revenue and**

**EPS Growth**

9% Revenue CAGR

15% EPS CAGR

(1) Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss; excluding the \$0.06 per diluted share impact in 2006 of restructuring and other special charges; excluding the \$0.25 per diluted share impact in 2007 of restructuring and other special charges; excluding the

(2) EPS, as presented, represents adjusted, non-GAAP financial measures. Diluted EPS, as reported in the Company's Annual Report were: \$2.45 in 2004; \$2.71 in 2005; \$3.24 in 2006; \$3.93 in 2007; \$4.16 in 2008; and \$4.98 in 2009.

\$0.44 per diluted share impact in 2008 of restructuring and other special charges; excluding the (\$0.09) per diluted share impact in 2009 of restructuring and other special charges.

**Revenue and EPS Growth: 2004 - 2009<sup>(1) (2)</sup>**

---

**Excellent Performance**

24

**Leading Returns**

Leading returns

Leading EBIT margin

18.2%

20.5%

21.8%

27.6%

27.5%

25.8%

0.0%

5.0%

10.0%

15.0%

20.0%

25.0%

30.0%

2004

2005

2006

2007

2008

2009

**LabCorp ROE 2004 - 2009**

---

**Excellent Performance**

25

**Cash Flow**

11% FCF CAGR

\$2.0 B+ share repurchase

over last three years

Note: \$ in Millions

\$538

\$574

\$632

\$710

\$781

\$862

\$443

\$481

\$516

\$567

\$624

\$748

\$

-

\$200

\$400

\$600

\$800

\$1,000

2004

2005

2006

2007

2008

2009

Operating Cash Flow

Free Cash Flow

---

**First Quarter 2010 Results**

26

**2010**

**2009**

+ / (-)

**Revenue**

(1)

**1,193.6**

\$

**1,155.7**

\$

**3.3%**

**Adjusted Operating Income**

**243.5**

\$

**240.5**

\$

**1.2%**

**Adjusted Operating Income Margin**

**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) During the quarter inclement weather reduced revenue by an estimated \$23 million and EPS by approximately eight cents

**Three Months Ended Mar 31,**

---

**Supplemental Financial Information**

27

**Q1 09**

**Q2 09**

**Q3 09**

**Q4 09**

**Q1 10**

**Bad debt as a percentage of sales**

**5.30%**

**5.30%**

**5.30%**

**5.30%**

**5.05%**

**Days sales outstanding**

**52**

**50**

**48**

**44**

**46**

**A/R coverage (Allowance for Doubtful Accts. / A/R)**

**19.5%**

**20.6%**

**21.9%**

**23.2%**

**21.7%**

**Laboratory Corporation of America**

**Other Financial Information**

**FY 2009 and Q1 2010**

**(\$ in millions)**

---

**Key Points**

Critical position in health care delivery system

Attractive market

Strong competitive position - well positioned to gain share

Leadership in personalized medicine

Excellent cash flow

Strong balance sheet

**Conclusion**

28

---

