

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

October 21, 2004
(Date of earliest event reported)

**LABORATORY CORPORATION OF
AMERICA HOLDINGS**

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State or other jurisdiction
of Incorporation)

1-11353

(Commission
File Number)

13-3757370

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

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

(Address of principal executive offices)

27215

(Zip Code)

336-229-1127

(Registrant's telephone number including area code)

ITEM 7.01. Regulation FD Disclosure

Summary information of the Company dated October 21, 2004.

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: October 21, 2004

By: /s/Bradford T. Smith
Bradford T. Smith, Executive Vice President
and Secretary



8-K Filed October 21, 2004

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, 2003, and subsequent filings.



LabCorp's Investment and Performance Fundamentals

- Significant Cash Generator
- EBITDA Percentage of Sales - 26.0% YTD through September 30, 2004
- Strong Balance Sheet
- Investment Grade Credit Ratings

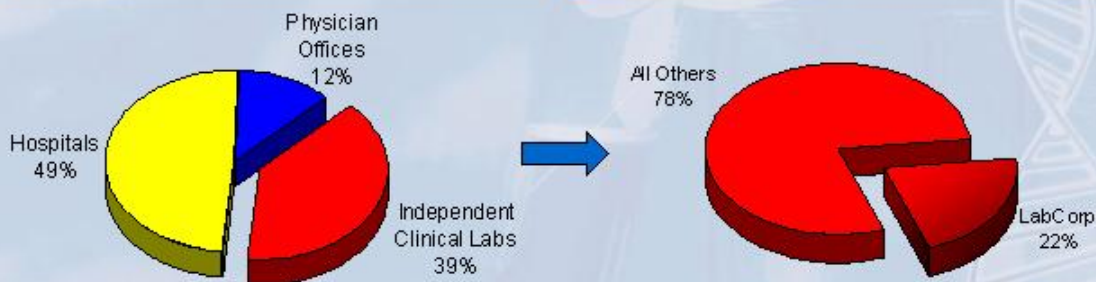
The Clinical Laboratory Testing Market

U.S. Clinical Laboratory testing market is \$34 - \$36 billion

- Represents 3% - 4% of all health care spending
- Grew at a CAGR of 5.5% from 1998 -2001
- Influences /directs approximately 80% of health care spending
- Role and importance of testing are increasing
- Rapidly evolving technology, emphasis on preventative medicine and aging of population are all driving growth

Clinical Laboratory Testing

Independent Clinical Laboratories

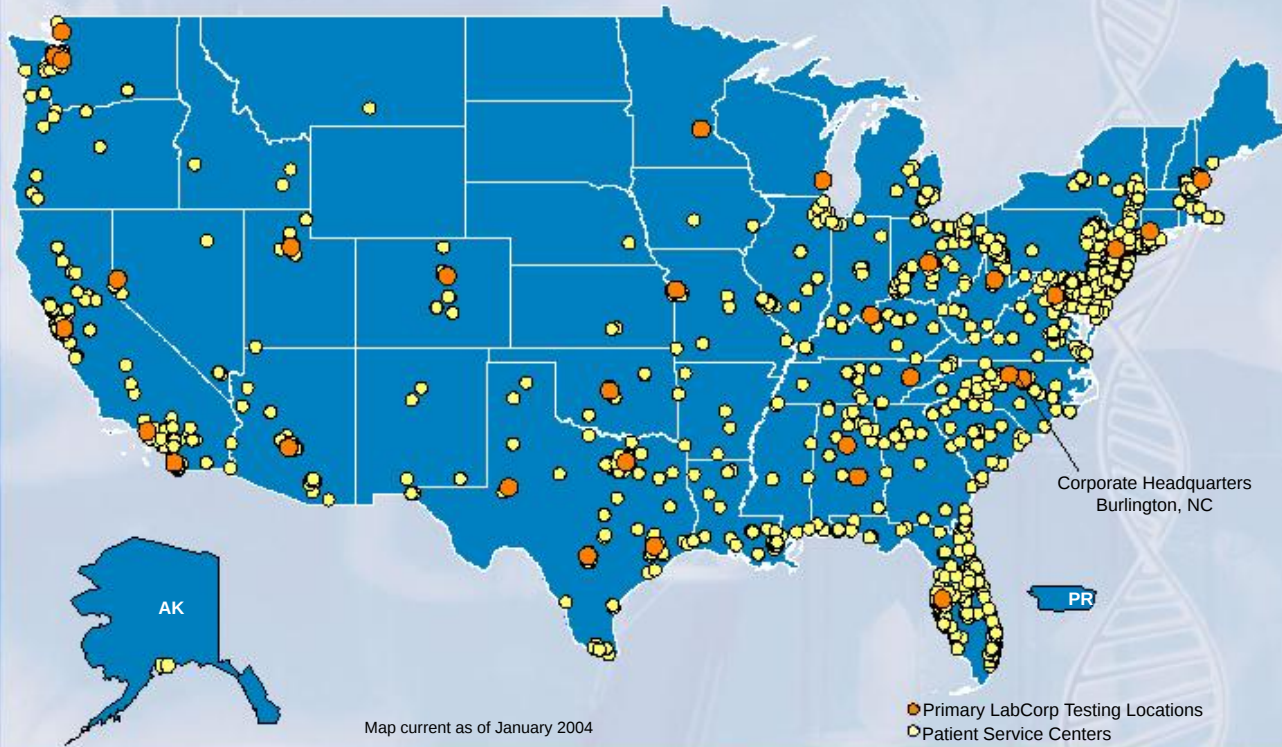


Source: Company estimates, industry reports and 2003 revenue for LabCorp.

Profile of LabCorp

- A leader in the specialty (esoteric/genomic) testing market and second-largest clinical laboratory company in North America
- Conducts testing on more than 350,000 specimens daily and offers more than 4,400 routine and esoteric/genomic tests
- Provides quality lab services to more than 220,000 physicians and other health care providers
- More than 23,000 employees nationwide

Primary Testing Locations & PSCs



LabCorp's Strategy

To **lead** the industry in achieving long-term **growth and profitability** by strengthening our **nationwide core testing** business and expanding our **higher-growth, higher-value esoteric and genomic businesses.**

Strategic Approach Connects Two Key Business Areas

STRENGTHEN CORE TESTING

- New and Expanded Managed Care Relationships
- Selected Internal Expansion
- Customer Retention
- Acquire Core Testing Labs

EXPAND GENOMIC AND ESOTERIC TESTING

- Internal Development of New, Medically Necessary Tests
- Acquire High-Growth, High-Value Genomic/Esoteric Labs
- License and Partner for New Tests and Technology

Demonstrated Genomic and Esoteric Strategy Execution

Internal	Acquisition	License / Partner
CMBP <ul style="list-style-type: none">→ Cancer→ Genetics (Cystic Fibrosis)→ Infectious Disease (GENOSURE) Clinical Trials <ul style="list-style-type: none">→ Drug Metabolism	NGI <ul style="list-style-type: none">→ Infectious Disease: Hepatitis C→ PCR Plasma ViroMed <ul style="list-style-type: none">→ Infectious Disease: HIV, Hepatitis, West Nile→ Real-time PCR Path Labs <ul style="list-style-type: none">→ Hospital Esoteric DIANON <ul style="list-style-type: none">→ Cancer/Anatomic Pathology	Myriad Genetics <ul style="list-style-type: none">→ Predictive Tests: Breast / Ovarian and Colon CancerMelanomaHypertension Correlogic Systems <ul style="list-style-type: none">→ Ovarian Cancer Celera Diagnostics <ul style="list-style-type: none">→ Breast and Prostate Cancer→ Alzheimer's Disease EXACT Sciences <ul style="list-style-type: none">→ Colorectal Cancer Atherotech <ul style="list-style-type: none">→ VAP Cholesterol BioPredictive <ul style="list-style-type: none">→ Liver Fibrosis

Third Quarter Operating Results

(\$ in millions)

	9/30/03	9/30/04
Revenue	\$752.0	\$781.5
Operating Expense	\$613.3	\$628.7
Operating Income	\$138.7	\$152.8
Margin	18.4 %	19.6 %
EBITDA*	\$183.9	\$200.8
Margin	24.5 %	25.7 %
Bad Debt % to revenue	7.0 %	6.25 %
DSO	53	52

(1) For definition of EBITDA and a reconciliation to the most comparable measure under Generally Accepted Accounting Principles, see Company's 3rd quarter 2004 earnings release furnished on Form 8-K on October 21, 2004.

(2) Q3 '03 results above exclude restructuring and other one-time charges relating to the Company's integration of its DIANON and Dynacare acquisitions.

2004 Third Quarter Financial Achievements

- Diluted EPS of \$0.66
- EBITDA margin of 25.7% of sales
- Operating cash flow of \$137.2 million
- Increased revenues approx. 4% (2% volume; 2% price)
- Estimated 1% volume impact due to severe weather, \$0.02 impact on EPS
- Repurchased approximately \$68 million of LabCorp stock

Nine-Month Operating Results

(\$ in millions)

	YTD 9/30/03	YTD 9/30/04
Revenue	\$2,207.9	\$2,318.3
Operating Expense	\$1,801.6	\$1,857.0
Operating Income	\$406.3	\$461.3
Margin	18.4 %	19.9 %
EBITDA *	\$537.0	\$602.8
Margin	24.3 %	26.0 %
Bad Debt % to revenue	7.5 %	6.4 %
DSO	53	52

(1) For definition of EBITDA and a reconciliation to the most comparable measure under Generally Accepted Accounting Principles, see Company's 3rd quarter 2004 earnings release furnished on Form 8-K on October 21, 2004.

(2) YTD 03 results above exclude restructuring and other one-time charges relating to the Company's integration of its DIANON and Dynacare acquisitions.

2004 Nine-Month Financial Achievements

- Increased revenues 5% (approx. 4% volume; 1% price)
- EBITDA margin of 26% of sales
- Diluted EPS of \$1.97
- Operating cash flow of \$431.5 million
- Completed our \$250 million share repurchase program

Price & Volumes: Trends by Payor Type

Financial Performance

	2002		2003		YTD 2004	
	PPA \$	Accessions millions	PPA \$	Accessions millions	PPA \$	Accessions millions
Client (Physicians)	26.27	29.6	27.07	31.7	26.54	24.8
Patient	119.93	2.3	118.48	2.5	122.91	1.9
Third Party (MC/MD/Insurance)	31.87	14.8	34.25	18.1	34.63	14.1
Managed Care						
• Capitated	9.28	13.1	9.95	12.9	10.17	9.8
• Fee for service	44.79	19.3	45.68	22.7	45.74	18.2
Total	30.45	32.4	32.74	35.6	33.28	28.0
LabCorp Total	\$31.71	79.1	\$33.43	87.9	\$33.69	68.8

Financial Performance

Revenue Analysis by Business Area

	YTD SEPT 2003				YTD SEPT 2004				04 vs 03
	Revenue \$Million	Accns 000	% Accns to total	PPA \$	Revenue \$Million	Accns 000	% Accns to total	PPA \$	PPA Incr/(Decr)
Genomic	213.6	1,733.8	2.6%	123.21	221.7	1,888.4	2.8%	117.40	(4.7%)
Identity/Gene Probes	114.4	2,628.0	4.0%	43.52	125.0	2,843.3	4.1%	43.96	1.0%
All Genomic	328.0	4,631.8	6.6%	75.20	346.7	4,731.7	6.9%	73.27	(2.6%)
Other Esoteric	188.4	4,615.7	7.0%	40.81	221.8	5,360.1	7.8%	41.38	1.4%
Histology	148.4	1,619.0	2.4%	91.67	146.0	1,587.8	2.3%	91.96	0.3%
All Genomic/ Esoteric Core	664.8	10,596.5	16.0%	62.74	714.5	11,679.6	17.0%	61.17	(2.5%)
	1,543.1	55,451.4	84.0%	27.83	1,603.8	57,141.7	83.0%	28.07	0.9%
Total	2,207.9	66,047.9	100.0%	33.43	2,318.3	68,821.3	100.0%	33.69	0.9%

Cash Investment Strategy

- \$90 million in capital expenditures
- \$50 to \$60 million for selected acquisitions (core, esoteric or anatomic pathology labs)
- Share repurchases - approx. \$250 million completed year-to-date, new \$250 million stock repurchase program recently approved
- Retain flexibility in utilizing remaining cash

New Accounting - EPS

- In September, the EITF reached consensus on EITF Issue No. 04-8, which changes the accounting for contingently issuable shares.
- Using the “if converted” method as if the company’s zero coupon-subordinated notes had been converted as of January 1, 2004, diluted EPS would have been reduced by approximately \$0.03, to \$0.63 and by \$0.10 to \$1.87; for the three and nine months ended September 30, 2004, respectively.
- We are required to adopt the provision at the end of 2004, including retroactive restatement of all diluted EPS calculations presented.

Financial Guidance for 2004

- Revenue growth of approximately 5% to 6% compared to 2003, including small acquisitions and/or new contracts
- EBITDA margins of approximately 25.5% of sales
- EPS in the range of \$2.55 to \$2.60
- Free cash flow* of approximately \$475 to \$500 million

** Free cash flow is defined as operating cash flow, minus capital expenditures.*

Financial Guidance for 2004 (cont'd)

- Bad debt rate of 6.25% for the 3rd and 4th quarters of 2004
- Net interest expense of approximately \$36 million
- Tax rate of 41%
- Guidance does not include additional share repurchases after September 30, or the effect of adoption of EITF No. 04-8

Preliminary Financial Guidance for 2005

- Revenue growth of approximately 4% to 6% compared to 2004
- EPS growth in the range of 8% to 10% as compared to the current First Call 2004 mean estimate EPS of \$2.58 as reported by Thomson Financial
- Guidance does not include possible significant contributions from new tests, additional share repurchases after September 30, or the effect of adoption of EITF No. 04-8

Opportunity for Investors

- Long-term industry trends appear favorable
- Visible growth drivers
- Low P/E relative to market valuations
- Significant free cash flow – multiple opportunities to increase shareholder value
- Strong balance sheet - Investment Grade ratings (S&P, Moody's)
- Solid growth potential driven by genomic strategy

Other Financial Information
For the Quarter Ended September 30, 2004

(\$ in millions)	Q1	Q2	Q3	YTD 2004
Depreciation	\$ 23.0	\$ 23.3	\$ 23.5	\$ 69.8
Amortization	\$ 10.3	\$ 10.5	\$ 10.9	\$ 31.7
Capital expenditures	\$ 20.2	\$ 22.4	\$ 16.5	\$ 59.1
Cash flows from operations	\$ 147.6	\$ 146.7	\$ 137.2	\$ 431.5
Bad debt as a percentage of sales	6.75%	6.25%	6.25%	6.49%
Effective interest rate on debt:				
Zero coupon-subordinated notes	2.00%	2.00%	2.00%	2.00%
5 1/2% Senior Notes (including effect of interest rate swap)	5.38%	5.38%	5.38%	5.38%
Revolving credit facility (weighted average)	1.95%	2.21%	2.62%	2.21%
Days sales outstanding	54	52	52	52



LabCorp
Laboratory Corporation of America

