



**8-K Filed July 23, 2009**

A close-up photograph of several glass beakers or test tubes in a laboratory setting, with a blue tint. The focus is on the rim of one beaker in the foreground, with others blurred in the background.

# 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 is included in the Company's Form 10-K for the year ended December 31, 2008, and subsequent SEC filings. The Company has no obligation to provide any updates to these forward-looking statements even if its expectations change.

# Second Quarter Results

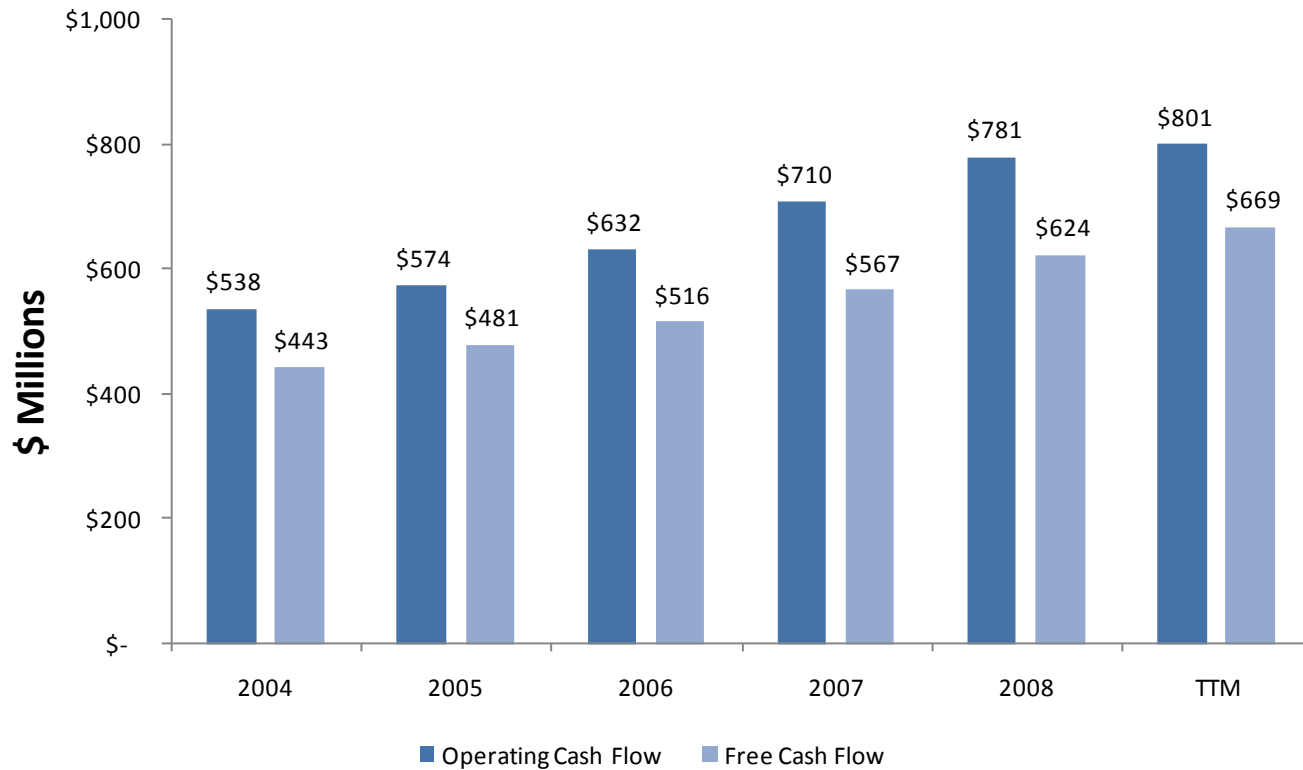
(In millions, except per share data)

	<u>6/30/2009</u>	<u>6/30/2008</u>	<u>+ / (-)</u>
Revenue	\$ 1,188.8	\$ 1,147.8	3.6%
Adjusted Operating Income <sup>(1)</sup>	\$ 254.9	\$ 256.2	-0.5%
Operating Income Margin <sup>(1)</sup>	21.4%	22.3%	(90) bp
Adjusted EPS <sup>(1)</sup>	\$ 1.30	\$ 1.24	4.8%
Operating Cash Flow	\$ 182.4	\$ 194.7	-6.3%
Less: Capital Expenditures	<u>\$ (23.7)</u>	<u>\$ (41.0)</u>	<u>-42.2%</u>
Free Cash Flow	\$ 158.7	\$ 153.7	3.3%

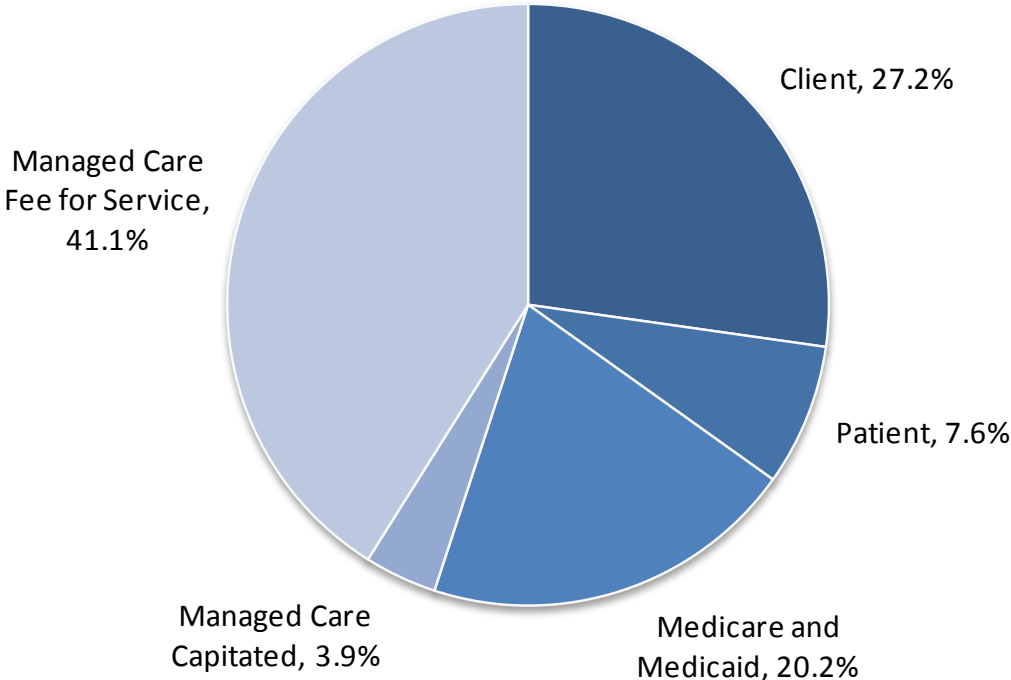
(1) See Reconciliation of non-GAAP Financial Measures (included herein)

# Cash Flow Trends

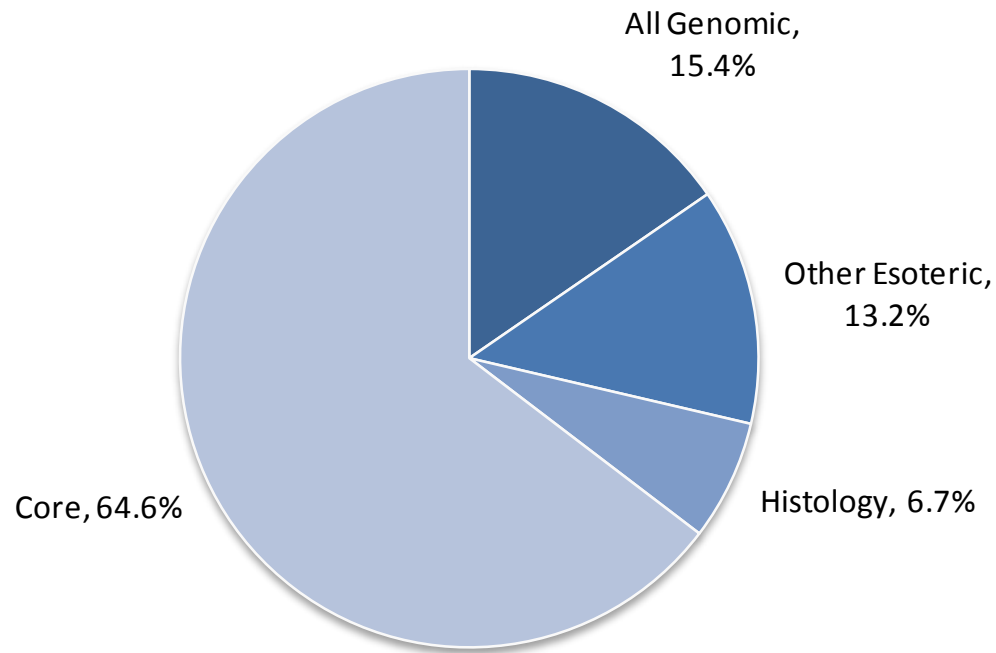
## 10% OCF CAGR 2004-2008



# Revenue by Payer- US 2009 YTD



# Revenue by Business Area - US 2009 YTD



# Revenue by Payer

(in millions, except PPA)

	YTD Q2-2007				YTD Q2-2008				YTD Q2-2009			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
<b>Client</b>	\$ 525.1	26%	17.071	\$ 30.76	\$ 585.9	28%	17.625	\$ 33.24	\$ 606.8	27%	17.791	\$ 34.11
<b>Patient</b>	195.5	10%	1.226	\$ 159.44	190.8	9%	1.156	\$ 165.08	169.8	8%	1.060	\$ 160.21
<b>Third Party (Medicare/Medicaid)</b>	373.7	18%	9.221	\$ 40.53	403.6	19%	9.545	\$ 42.28	449.4	20%	9.989	\$ 44.99
<b>Managed Care:</b>												
- Capitated	86.8	4%	7.765	\$ 11.18	88.1	4%	7.501	\$ 11.74	86.7	4%	7.559	\$ 11.48
- Fee for service	860.7	42%	18.662	\$ 46.12	851.6	40%	18.890	\$ 45.08	914.6	41%	19.464	\$ 46.99
<b>Total Managed Care</b>	947.5	46%	26.427	\$ 35.85	939.6	44%	26.391	\$ 35.60	1,001.4	45%	27.023	\$ 37.06
<b>LabCorp Total - US</b>	\$ 2,041.8	100%	53.945	\$ 37.85	\$ 2,119.9	100%	54.717	\$ 38.74	\$ 2,227.4	100%	55.863	\$ 39.87
<b>LabCorp Total - Canada</b>	\$ -	-	-	-	\$ 131.1		3.935	\$ 33.32	\$ 117.2		4.633	\$ 25.29
<b>LabCorp Total</b>	\$ 2,041.8		53.945	\$ 37.85	\$ 2,251.0		58.652	\$ 38.38	\$ 2,344.5		60.496	\$ 38.75

# Revenue by Business Area

(in millions, except PPA)

	YTD Q2-2007				YTD Q2-2008				YTD Q2-2009			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
All Genomic	\$ 314.3	15%	4.246	\$ 74.01	\$ 321.2	15%	4.310	\$ 74.53	\$ 343.2	15%	4.521	\$ 75.90
Other Esoteric	220.3	11%	5.396	40.83	245.9	12%	5.951	41.32	295.0	13%	6.938	42.52
Histology	164.1	8%	1.367	120.02	161.7	8%	1.284	125.90	149.6	7%	1.230	121.67
All Genomic / Esoteric	698.7	34%	11.009	63.47	728.8	34%	11.546	63.12	787.8	35%	12.689	62.08
Core	1,343.1	66%	42.936	31.28	1,391.1	66%	43.172	32.22	1,439.6	65%	43.175	33.34
LabCorp Total - US	\$ 2,041.8	100%	53.945	\$ 37.85	\$ 2,119.9	100%	54.717	\$ 38.74	\$ 2,227.4	100%	55.863	\$ 39.87
LabCorp Total - Canada	\$ -	-	-	-	\$ 131.1		3.935	\$ 33.32	\$ 117.2		4.633	\$ 25.29
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# Financial Guidance - 2009

Excluding the impact of restructuring and other special charges and share repurchase activity after June 30, 2009, guidance for 2009 is:

• Revenue growth:	Approximately 4%
• Adjusted EPS <sup>(1)</sup> :	\$4.85 to \$4.95
• Operating cash flow of approximately <sup>(2)</sup> :	\$800 Million
• Capital expenditures of approximately:	\$130 Million

(1) Excludes restructuring and other special charges and any impact from the expected acquisition of Monogram BioSciences.

(2) Operating cash flow guidance excludes any transition payments to UnitedHealthcare and includes a \$54.8 million reduction due to required contributions to the Company's defined benefit retirement plan.

# Supplemental Financial Information

**Laboratory Corporation of America**  
**Other Financial Information**  
**June 30, 2009**  
(\$ in millions)

	<b>Q1 09</b>	<b>Q2 09</b>	<b>YTD 09</b>
Depreciation	\$31.8	\$32.9	\$64.7
Amortization	\$15.1	\$15.2	\$30.3
Capital expenditures	\$30.7	\$23.7	\$54.4
Cash flows from operations	\$208.9	\$182.4	\$391.3
Bad debt as a percentage of sales	5.32%	5.30%	5.31%
Effective interest rates on debt:			
Zero-coupon subordinated notes	2.00%	2.00%	2.00%
5 1/2% Senior Notes	5.38%	5.38%	5.38%
5 5/8% Senior Notes	5.75%	5.75%	5.75%
Term loan	3.67%	3.67%	3.67%
Revolving credit facility (weighted average)	0.97%	0.76%	0.76%
Days sales outstanding	52	50	50
UnitedHealthcare transition payments - Billed	\$5.5	\$12.4	\$17.9
UnitedHealthcare transition payments - Paid	\$5.5	\$10.5	\$16.0

# Reconciliation of non-GAAP Financial Measures

## Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended June 30,	
	2009	2008
<u>Adjusted Operating Income</u>		
Operating income	\$244.7	\$195.2
Restructuring and other special charges (1)	\$10.2	\$61.0
Adjusted operating income	\$254.9	\$256.2
<u>Adjusted EPS</u>		
Diluted earnings per common share	\$1.24	\$0.92
Impact of restructuring and other special charges (1)	0.06	0.32
Adjusted EPS	\$1.30	\$1.24

(1) Includes net restructuring charges of \$10.2 and \$16.0 recorded in the second quarter of 2009 and 2008, respectively. In addition, the Company increased its allowance for doubtful accounts by \$45 as of June 30, 2008, due to the impact of the economy, higher patient deductibles and co-payments, and recent acquisitions on the collectibility of accounts receivable balances.



 **LabCorp**  
Laboratory Corporation of America