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

FEBRUARY 13, 1996
(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 or organization) | (Commission File Number) | (IRS Employer Identification Number) |

358 SOUTH MAIN STREET, BURLINGTON, NORTH CAROLINA 27215
(Address of principal executive offices)

800-222-7566
(Registrant's telephone number, including area code)

Item 5. Other Events

On February 13, 1996, the Registrant issued a press release dated as of such date announcing operating results of the Registrant for the three and twelve month periods ended December 31, 1995 as well as certain other information. The press release is attached as an exhibit hereto and the text thereof is incorporated in its entirety herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibit

20 Press release of the Registrant dated February 13, 1996.

## SIGNATURES

Pursuant to the requirements of the Securities and 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)

By: /s/ BRADFORD T. SMITH
Bradford T. Smith
Executive Vice President,
General Counsel and Secretary

Date: February 19, 1996

FOR IMMEDIATE RELEASE

Contact: Pamela Sherry
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# LABORATORY CORPORATION OF AMERICA REPORTS RESULTS FOR FOURTH QUARTER AND YEAR

Burlington, NC, February 13, 1996 - Laboratory Corporation of America Holdings (NYSE: 1LH), LabCorp, today announced results for the fourth quarter and year ended December 31, 1995. Results for the 1995 periods reflect the April 28th merger of LabCorp's predecessor companies -- National Health Laboratories Holdings Inc. (NHL) and Roche Biomedical Laboratories, Inc. (RBL) -- and, therefore, are not directly comparable to prior periods.

For the quarter, net sales were $403.4 million. Operating income was $32.6 million, net income was $8.5 million, and earnings per share were $0.07 before a pretax special charge of $15.0 million. After the special charge, operating income was $17.6 million, and net income was $0.4 million. The special charge reflects the Company's determination, based on trends that became evident in the fourth quarter, that additional reserves were needed primarily to cover potentially lower collection rates from several third-party payors.

For the year, net sales were $1,432.0 million, an increase of 64% from $872.5 million reported in 1994. The inclusion of RBL since April 28, 1995, increased net sales by approximately $514.7 million. In connection with the merger, the Company took a second quarter pretax special charge of $75.0 million relating to restructuring and other provisions and had an extraordinary loss of $8.3 million, net of taxes, related to the early extinguishment of debt.

Operating results for 1995 before the special charges and extraordinary loss were as follows: operating income of $157.2 million, net earnings of $50.9 million, and net earnings per share of $0.46. Operating results after the special charges and extraordinary item were as follows: operating income of $67.2 million, net loss of $12.3 million, and net loss per share of $0.11.

The combined pro forma results of NHL and RBL for 1995 resulted in net sales of $1,678.6 million, with operating income of $184.2 million before the special charges and extraordinary loss. Including the increased amortization and interest expense associated with the merger, pro forma net income was $63.4 million and earnings per share were $0.52, based on approximately 122.9 million shares outstanding. These pro forma results include only a portion of the cost savings expected from the synergies for the combined companies.

"Our results for the quarter were not up to our expectations, but we are taking the actions necessary to control costs and preserve revenues in this difficult environment in order to remain on course to fulfill our objectives as an industry leader," said Dr. James B. Powell, President and Chief Executive Officer.

"Several factors, some industry-wide in nature, combined to produce the results reported in the fourth quarter," said Dr. Powell. "First, we experienced lower-than-expected revenues in November and December primarily because of seasonal factors, which reduced revenues by approximately $12-14 million. We continue to manage our costs and note that specimen volumes per day, adjusted for the severe January weather impact, have recovered somewhat from the depressed levels sustained late in the fourth quarter.

"Second, although the price pressures in the fourth quarter of 1995 moderated compared to the second and third quarters of 1995, changes primarily in payor mix negatively impacted fourth quarter revenues compared to the same period in 1994. The Company's selected price increases late in 1995 and early in 1996 are designed to offset some of this pressure.

"Third, our continued acceleration of efforts to achieve synergies from the merger resulted in our incurring certain expenses sooner than had been anticipated in our budget. In other words, we have experienced some duplication of costs earlier than expected while we shift operations from one site to another, maintaining both sites in operation as we do so. Because our synergy program is proceeding more swiftly, some costs of this nature that had been budgeted for 1996 were instead incurred during 1995. The important thing, though, is that we are on target to exceed the reductions in our cost base that we had predicted at the time of the merger. In 1996, we expect to achieve incremental synergy savings of at least $60 million above the savings in 1995."

Downsizing of several facilities is under way, and the Company expects the closing of its reference laboratory in Nashville to be completed by the end of the first quarter of 1996. The consolidation of the Company's facilities in Raritan and Cranford, New Jersey, has been initiated, with projected completion in mid 1996.

In total, the Company acquired nine laboratories in 1995, representing approximate annual sales of $30 million, for an aggregate purchase price of approximately $36 million. Most of this activity occurred early in the year. "We have now been able to reactivate our selective acquisition program and will remain alert to further opportunities to increase our market share as the industry continues to consolidate," said Dr. Powell.

Since January 1, 1995, LabCorp's business generated from hospital affiliations and institutional relationships has totaled more than $20 million annually in contracts completed. "The Company is currently finalizing two additional laboratory contracts as part of its ongoing plan to actively penetrate the hospital and outpatient testing area," commented Dr. Powell. "This activity supports the conviction that our low-cost provider status positions LabCorp for future growth opportunities in the laboratory management marketplace." These contracts will add to the current laboratory management business which was augmented by the third quarter Columbia/HCA Healthcare Corporation agreement with three of Columbia's hospitals in Louisville.

Contracts in managed care continued to increase through the fourth quarter of 1995 as managed care continued to grow in importance in the changing healthcare environment. From January 1, 1995, through December 31, 1995, LabCorp added 153 new managed care contracts representing 8.8 million new lives.

The Company noted that each of the above forward-looking statements was 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. Further information on potential factors which could affect the Company's financial results will be included in the Company's Form 10-K for the year ended December 31, 1995, which is anticipated to be filed with the SEC in late March 1996.

Laboratory Corporation of America Holdings (LabCorp) is a national clinical laboratory organization with estimated annualized revenues of $1.7 billion. The Company operates primary testing facilities nationally, offering more than 1,700 different clinical assays, from routine blood analysis to more sophisticated technologies. LabCorp performs diagnostic tests for physicians, managed care organizations, hospitals, clinics, nursing homes, industrial companies and other clinical laboratories.

- End of Text -

- Table to Follow -

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
Summarized Financial Information
(Dollars in Millions, except per share data)

| | Three Months Ended December 31, | | | Twelve Months Ended December 31, | | |
|---|---|---|---|---|---|---|
| | Before Special Charge 1995 | After Special Charge 1995 | 1994 | Before Special Charges and Extraordinary Item 1995 | After Special Charges and Extraordinary Item 1995 | 1994(a) |
| Net sales | $ 403.4 | $ 403.4 | $ 234.9 | $ 1,432.0 | $ 1,432.0 | $ 872.5 |
| Operating income | $ 32.6 | $ 17.6 | $ 26.3 | $ 157.2 | $ 67.2 | $ 109.9 |
| Earnings (loss) before income taxes and extraordinary item | $ 15.7 | $ 0.7 | $ 14.2 | $ 93.1 | $ 3.1 | $ 55.4 |
| Provision for income taxes | (7.2) | (0.3) | (6.5) | (42.2) | (7.1) | (25.3) |
| Earnings (loss) before extraordinary item | 8.5 | 0.4 | 7.7 | 50.9 | (4.0) | 30.1 |
| Extraordinary Item - loss on early extinguishment of debt, net of income tax benefit of $5.2 | - | - | - | - | (8.3) | - |
| Net earnings (loss) | $ 8.5 | $ 0.4 | $ 7.7 | $ 50.9 | $ (12.3) | $ 30.1 |
| Earnings (loss) per common share (b): | | | | | | |
| Earnings (loss) per share before extraordinary item | $ 0.07 | - | $ 0.10 | $ 0.46 | $ (0.03) | $ 0.36 |
| Extraordinary loss | - | - | - | - | (0.08) | - |
| Net earnings (loss) per common share | $ 0.07 | - | $ 0.10 | $ 0.46 | $ (0.11) | $ 0.36 |

(a) In 1994, National Health Laboratories Holdings Inc., the predecessor of Laboratory Corporation of America Holdings, recorded a pretax special charge of $21.0 ($12.8 net of tax) related to the settlement of shareholder derivative litigation. This pretax special charge reduced net earnings for the twelve-month period ended December 31, 1994 by $12.8 and net earnings per common share for the twelve-month period ended December 31, 1994 by $0.16.

(b) Earnings (loss) per common share are based on the weighted average number of shares outstanding during the three- and twelve-month periods ended December 31, 1995 of 122,908,722 and 110,579,096 shares, respectively, and the weighted average number of shares outstanding during the three- and twelve-month periods ended December 31, 1994 of 84,760,786 and 84,754,183 shares, respectively. The increase in the weighted average number of shares in 1995 is the result of shares issued in connection with the merger with Roche Biomedical Laboratories, Inc. on April 28, 1995.