



**8-K Filed October 22, 2009**

A close-up photograph of several glass beakers or test tubes in a laboratory setting, with a blue light filter applied to the image.

# 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.

# Third Quarter Results

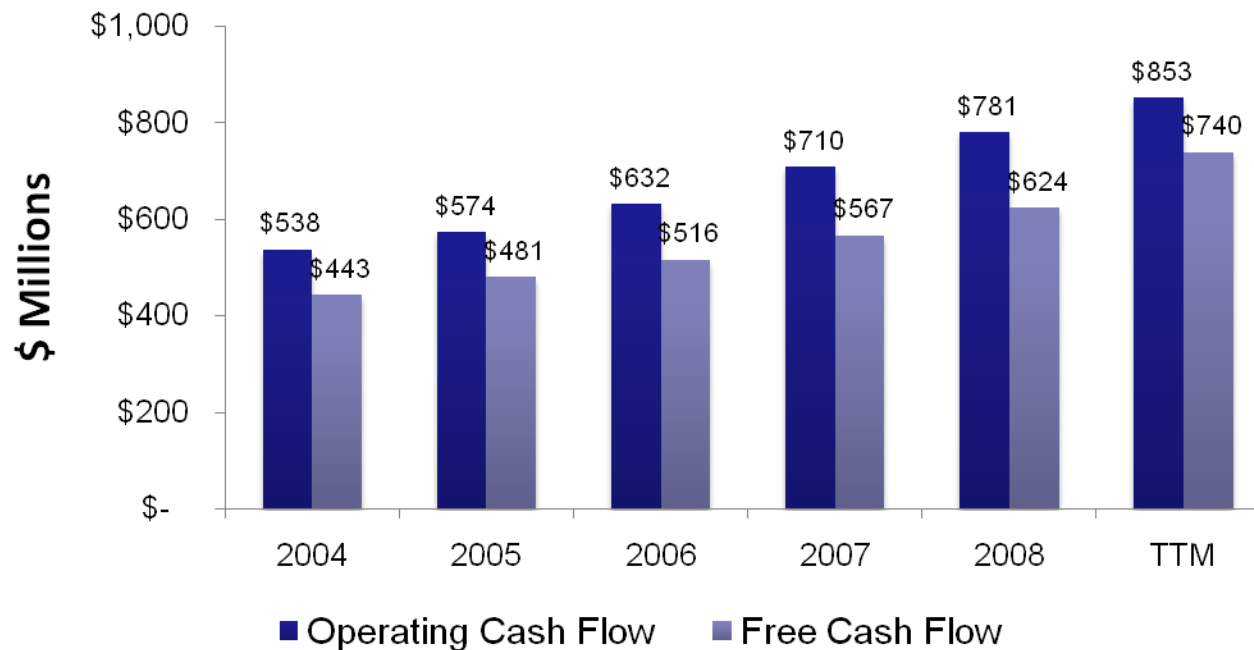
(In millions, except per share data)

	Three Months Ended Sept 30,		
	2009	2008	+ / (-)
Revenue	\$ 1,185.1	\$ 1,135.1	4.4%
Adjusted Operating Income <sup>(1)</sup>	\$ 237.6	\$ 219.9	8.0%
Operating Income Margin <sup>(1)</sup>	20.0%	19.4%	60 bp
Adjusted EPS <sup>(1)</sup>	\$ 1.22	\$ 1.10	10.9%
Operating Cash Flow	\$ 246.4	\$ 194.4	26.7%
Less: Capital Expenditures	\$ (22.7)	\$ (41.5)	-45.3%
Free Cash Flow	\$ 223.7	\$ 152.9	46.3%

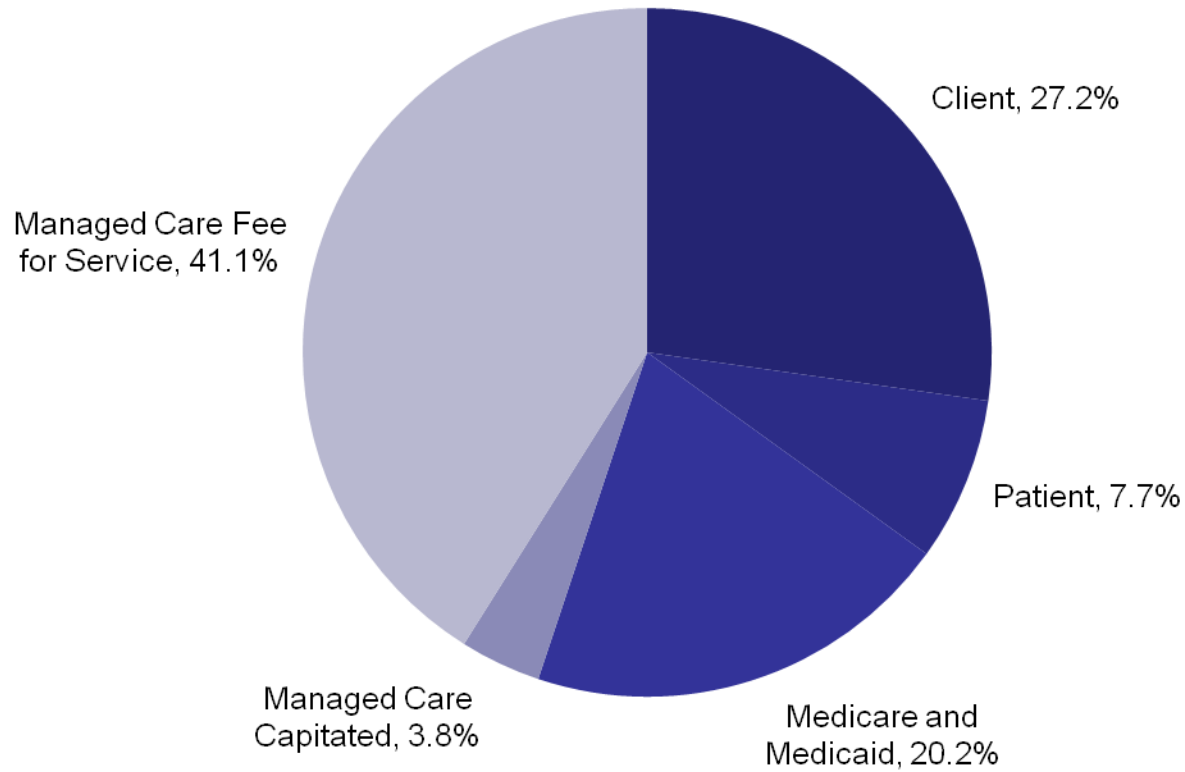
(1) See Reconciliation of non-GAAP Financial Measures (included herein)

# Cash Flow Trends

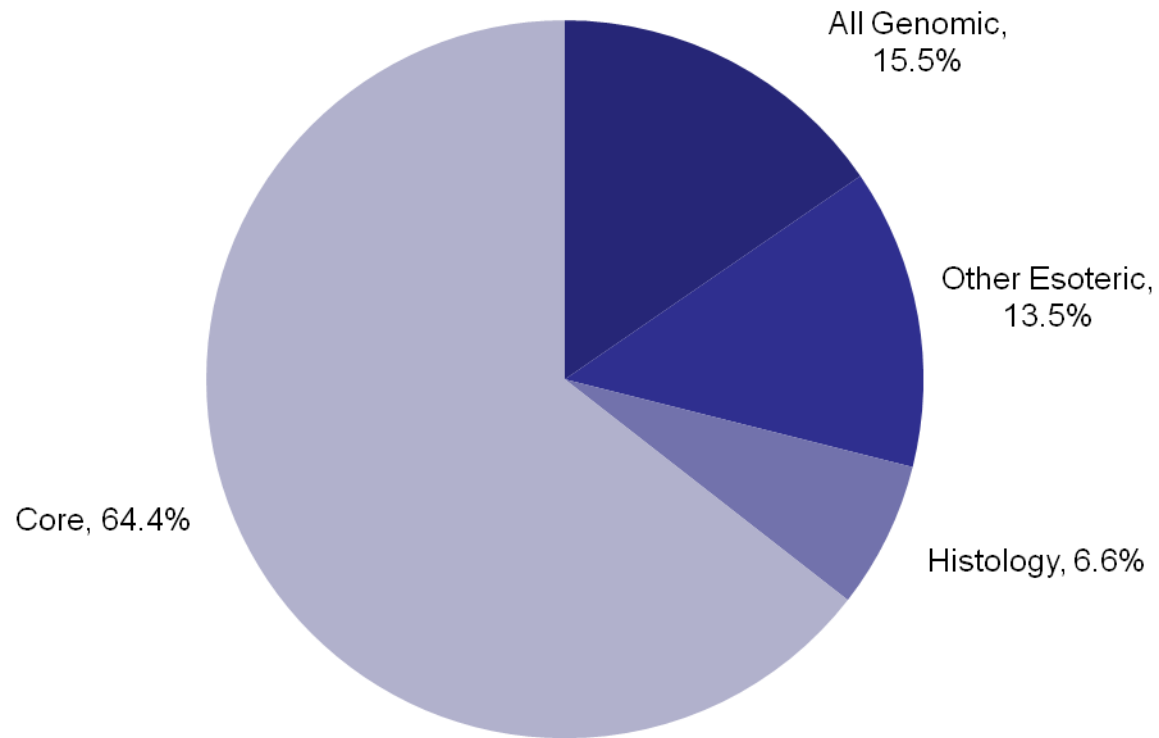
**10% OCF CAGR  
2004-2008**



# Revenue by Payer- US 2009 YTD



# Revenue by Business Area - US 2009 YTD



# Revenue by Payer

(in millions, except PPA)

	YTD Q3-2007				YTD Q3-2008				YTD Q3-2009			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
<b>Client</b>	\$ 800.8	26%	25.701	\$ 31.16	\$ 895.7	28%	26.844	\$ 33.37	\$ 911.6	27%	26.641	\$ 34.22
<b>Patient</b>	283.8	9%	1.787	\$ 158.83	280.1	9%	1.708	\$ 164.00	256.8	8%	1.596	\$ 160.91
<b>Third Party (Medicare/Medicaid)</b>	558.7	18%	13.816	\$ 40.44	602.0	19%	14.220	\$ 42.33	677.9	20%	14.960	\$ 45.31
<b>Managed Care:</b>												
- Capitated	127.8	4%	11.463	\$ 11.15	135.5	4%	11.409	\$ 11.88	127.4	4%	11.269	\$ 11.30
- Fee for service	1,291.3	42%	28.169	\$ 45.84	1,282.4	40%	28.352	\$ 45.23	1,375.4	41%	29.225	\$ 47.06
<b>Total Managed Care</b>	1,419.1	46%	39.632	\$ 35.81	1,417.9	44%	39.761	\$ 35.66	1,502.8	45%	40.494	\$ 37.11
<b>LabCorp Total - US</b>	\$ 3,062.5	100%	80.936	\$ 37.84	\$ 3,195.6	100%	82.533	\$ 38.72	\$ 3,349.1	100%	83.691	\$ 40.02
<b>LabCorp Total - Canada</b>	\$ -	-	-	-	\$ 190.4		5.957	\$ 31.97	\$ 180.5		6.855	\$ 26.33
<b>LabCorp Total</b>	\$ 3,062.5		80.936	\$ 37.84	\$ 3,386.1		88.490	\$ 38.26	\$ 3,529.7		90.546	\$ 38.98

# Revenue by Business Area

(in millions, except PPA)

	YTD Q3-2007				YTD Q3-2008				YTD Q3-2009			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
<b>All Genomic</b>	\$ 471.4	15%	6.382	\$ 73.87	\$ 486.7	15%	6.539	\$ 74.43	\$ 516.8	15%	6.812	\$ 75.87
<b>Other Esoteric</b>	332.7	11%	8.118	40.98	378.6	12%	9.086	41.67	452.8	14%	10.607	42.69
<b>Histology</b>	244.8	8%	2.013	121.64	241.9	8%	1.921	125.94	221.5	7%	1.823	121.49
<b>All Genomic / Esoteric</b>	1,049.0	34%	16.513	63.52	1,107.1	35%	17.545	63.10	1,191.1	36%	19.242	61.90
<b>Core</b>	2,013.5	66%	64.423	31.25	2,088.5	65%	64.987	32.14	2,158.0	64%	64.449	33.48
<b>LabCorp Total - US</b>	\$ 3,062.5	100%	80.936	\$ 37.84	\$ 3,195.6	100%	82.533	\$ 38.72	\$ 3,349.1	100%	83.691	\$ 40.02
<b>LabCorp Total - Canada</b>	\$ -	-	-	-	\$ 190.4		5.957	\$ 31.97	\$ 180.5		6.855	\$ 26.33
<b>LabCorp Total</b>	\$ 3,062.5	100%	80.936	\$ 37.84	\$ 3,386.1		88.490	\$ 38.26	\$ 3,529.7		90.546	\$ 38.98



# Financial Guidance - 2009

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

• Revenue growth:	Approximately 4%
• Adjusted EPS <sup>(1)</sup> :	\$4.84 to \$4.89
• Operating cash flow of approximately <sup>(2)</sup> :	\$825 Million
• Capital expenditures of approximately:	\$115 Million

(1) Excludes restructuring and other special charges, but includes the impact from the operations of Monogram Biosciences, which is expected to be approximately eight cents dilutive in 2009.

(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**  
**September 30, 2009**  
(\$ in million's)

	<u>Q1 09</u>	<u>Q2 09</u>	<u>Q3 09</u>	<u>YTD 2009</u>
Depreciation	\$31.8	\$32.9	\$33.1	\$97.8
Amortization	\$15.1	\$15.2	\$15.9	\$46.2
Capital expenditures	\$30.7	\$23.7	\$22.7	\$77.1
Cash flows from operations	\$208.9	\$182.4	\$246.4	\$637.7
Bad debt as a percentage of sales	5.3%	5.3%	5.3%	5.3%
Effective interest rates on debt:				
Zero-coupon subordinated notes	2.00%	2.00%	2.00%	2.00%
5 1/2% Senior Notes	5.38%	5.38%	5.38%	5.38%
5 5/8% Senior Notes	5.75%	5.75%	5.75%	5.75%
Term loan	3.67%	3.67%	3.67%	3.67%
Revolving credit facility (weighted average)	0.97%	0.76%	0.70%	0.70%
Days sales outstanding	52	50	48	48
UnitedHealthcare transition payments - Billed	\$5.5	\$12.4	\$6.8	\$24.7
UnitedHealthcare transition payments - Paid	\$5.5	\$10.5	\$5.9	\$21.9

# Reconciliation of non-GAAP Financial Measures

## Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended Sept 30,	
	<u>2009</u>	<u>2008</u>
<u>Adjusted Operating Income</u>		
Operating income	\$234.9	\$202.2
Restructuring and other special charges (1)	<u>\$2.7</u>	<u>\$17.7</u>
Adjusted operating income	<u><u>\$237.6</u></u>	<u><u>\$219.9</u></u>
<u>Adjusted EPS</u>		
Diluted earnings per common share	\$1.21	\$1.00
Impact of restructuring and other special charges (2)	<u>0.01</u>	<u>0.10</u>
Adjusted EPS	<u><u>\$1.22</u></u>	<u><u>\$1.10</u></u>

(1) 2009 includes \$2.7 million (\$1.6 million, net of tax) of fees and expenses associated with the acquisition of Monogram Biosciences. 2008 includes net restructuring charges of \$17.7 million (\$11.2 million, net of tax) primarily related to the Company's general and administrative workforce.

(2) 2009: \$1.6 million divided by 108.8 million shares.  
2008: \$11.2 million divided by 112.0 million shares.



 **LabCorp**  
Laboratory Corporation of America