



8-K Filed July 22, 2010



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 will be included in the Company's Form 10-K for the year ended December 31, 2009, 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

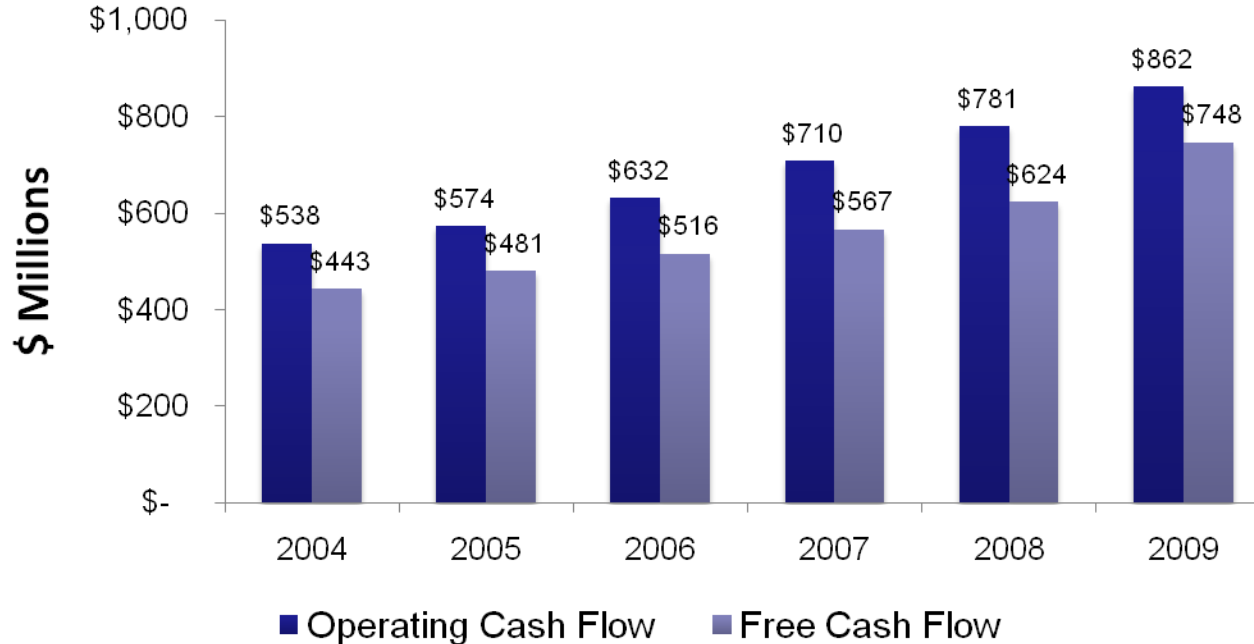
(In millions, except per share data)

	Three Months Ended Jun 30,		
	2010	2009	+/(-)
Revenue	\$ 1,238.4	\$ 1,188.8	4.2%
Adjusted Operating Income ⁽¹⁾	\$ 270.5	\$ 254.9	6.1%
Adjusted Operating Income Margin ⁽¹⁾	21.8%	21.4%	40 bp
Adjusted EPS ⁽¹⁾	\$ 1.46	\$ 1.30	12.3%
Operating Cash Flow	\$ 216.2	\$ 182.4	18.5%
Less: Capital Expenditures	\$ (34.5)	\$ (23.7)	45.6%
Free Cash Flow	\$ 181.7	\$ 158.7	14.5%

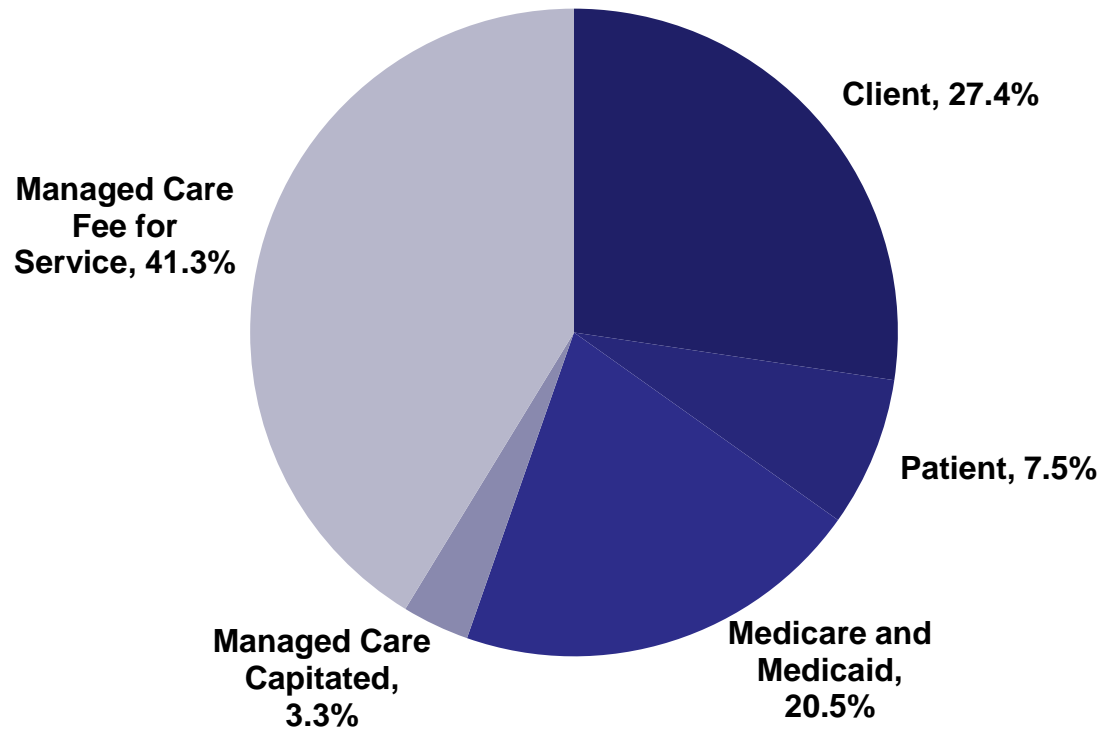
(1) See Reconciliation of non-GAAP Financial Measures (included herein)

Cash Flow Trends

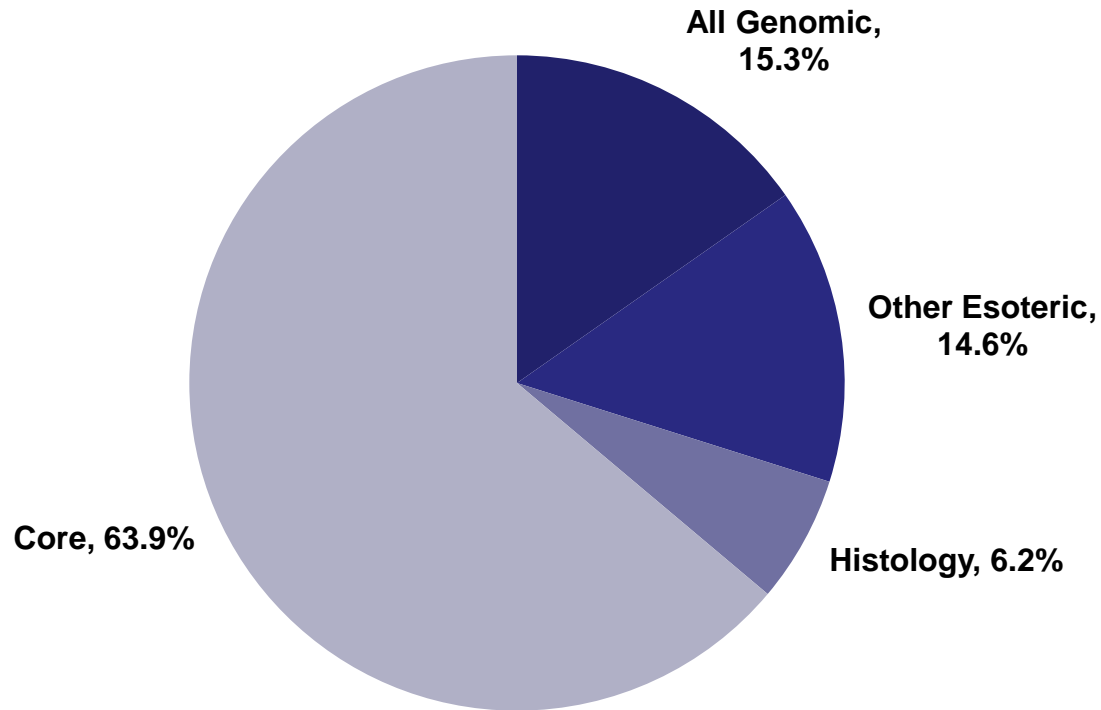
**11% FCF CAGR
2004-2009**



Revenue by Payer- US 2010 YTD



Revenue by Business Area - US 2010 YTD



Revenue by Payer

(in millions, except PPA)

	YTD Q2-2008				YTD Q2-2009				YTD Q2-2010			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
Client	\$ 585.9	28%	17.625	\$ 33.24	\$ 606.8	27%	17.791	\$ 34.11	\$ 627.0	27%	17.280	\$ 36.28
Patient	190.8	9%	1.156	165.08	169.8	8%	1.060	160.21	171.4	8%	1.047	163.69
Third Party												
(Medicare/Medicaid)	403.6	19%	9.545	42.28	449.4	20%	9.989	44.99	470.5	20%	9.935	47.36
Managed Care:												
- Capitated	88.1	4%	7.501	11.74	86.7	4%	7.559	11.48	77.0	4%	6.646	11.59
- Fee for service	851.6	40%	18.890	45.08	914.6	41%	19.464	46.99	946.1	41%	19.468	48.60
Total Managed Care	939.6	44%	26.391	35.60	1,001.4	45%	27.023	37.06	1,023.1	45%	26.114	39.18
LabCorp Total - US	\$ 2,119.9	100%	54.717	\$ 38.74	\$ 2,227.4	100%	55.863	\$ 39.87	\$ 2,292.0	100%	54.376	\$ 42.15
LabCorp Total - Canada	\$ 131.1		3.935	\$ 33.32	\$ 117.2		4.633	\$ 25.29	\$ 140.0		4.636	\$ 30.20
LabCorp Total	\$ 2,251.0		58.652	\$ 38.38	\$ 2,344.5		60.496	\$ 38.75	\$ 2,432.0		59.012	\$ 41.21

Revenue by Business Area

(in millions, except PPA)

	YTD Q2-2008				YTD Q2-2009				YTD Q2-2010			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
All Genomic	\$ 321.2	15%	4.310	\$ 74.53	\$ 343.2	15%	4.521	\$ 75.90	\$ 350.1	15%	4.409	\$ 79.42
Other Esoteric	245.9	12%	5.951	41.32	295.0	13%	6.938	42.52	334.5	15%	7.770	43.05
Histology	161.7	8%	1.284	125.90	149.6	7%	1.230	121.67	143.6	6%	1.152	124.61
All Genomic/Esoteric	728.8	34%	11.546	63.12	787.8	35%	12.689	62.08	828.2	36%	13.331	62.13
Core	1,391.1	66%	43.172	32.22	1,439.6	65%	43.175	33.34	1,463.8	64%	41.045	35.66
LabCorp Total - US	\$ 2,119.9	100%	54.717	\$ 38.74	\$ 2,227.4	100%	55.863	\$ 39.87	\$ 2,292.0	100%	54.376	\$ 42.15
LabCorp Total - Canada	\$ 131.1		3.935	\$ 33.32	\$ 117.2		4.633	\$ 25.29	\$ 140.0		4.636	\$ 30.20
LabCorp Total	\$ 2,251.0		58.652	\$ 38.38	\$ 2,344.5		60.496	\$ 38.75	\$ 2,432.0		59.012	\$ 41.21

Financial Guidance - 2010

Excluding the impact of restructuring and other special charges and share repurchase activity after June 30, 2010, guidance for 2010 is:

• Revenue growth ⁽¹⁾ :	Approximately 4.5% – 5.5%
• Adjusted EPS ⁽²⁾ :	\$5.40 to \$5.55
• Operating cash flow of approximately ⁽³⁾ :	\$870 Million
• Capital expenditures of approximately:	\$135 Million

(1) Compared to previous guidance of 2.5% to 4.5%

(2) Compared to previous guidance of \$5.35 to \$5.55

(3) Operating cash flow guidance excludes any transition payments to UnitedHealthcare

Supplemental Financial Information

Laboratory Corporation of America
Other Financial Information
June 30, 2010
(\$ in millions)

	<u>Q1 10</u>	<u>Q2 10</u>	<u>YTD 10</u>
Depreciation	\$ 32.2	\$ 32.0	\$ 64.2
Amortization	\$ 17.4	\$ 17.7	\$ 35.1
Capital expenditures	\$ 24.5	\$ 34.5	\$ 59.0
Cash flows from operations	\$ 232.0	\$ 216.2	\$ 448.2
Bad debt as a percentage of sales	5.05%	4.80%	4.92%
Effective interest rate 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)	0.58%	0.70%	0.70%
Days sales outstanding	46	45	45
UnitedHealthcare transition payments - Billed	\$ 10.1	\$ 1.1	\$ 11.2
UnitedHealthcare transition payments - Paid	\$ 14.5	\$ 2.1	\$ 16.6

Reconciliation of non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended Jun 30,	
	<u>2010</u>	<u>2009</u>
<u>Adjusted Operating Income</u>		
Operating income	\$ 270.5	\$ 244.7
Restructuring and other special charges	\$ -	\$ 10.2
Adjusted operating income	<u>\$ 270.5</u>	<u>\$ 254.9</u>
 <u>Adjusted EPS</u>		
Diluted earnings per common share	\$ 1.46	\$ 1.24
Impact of restructuring and other special charges ⁽¹⁾	\$ -	\$ 0.06
Adjusted EPS	<u>\$ 1.46</u>	<u>\$ 1.30</u>

(1) After tax impact of restructuring and other special charges in 2009, \$6.0 million divided by 109.5 million shares



 **LabCorp**
Laboratory Corporation of America