

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

SEPTEMBER 23, 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)

910-229-1127

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

## Item 5. Other Events

On September 23, 1996, the Registrant entered into the Fourth Amendment (the "Fourth Amendment") to its credit agreement dated April 28, 1995 (as amended, the "Credit Agreement"). The Fourth Amendment modifies the interest coverage and leverage ratios applicable to the quarters ending September 30 and December 31, 1996, and will result in increased interest rate margins on the revolving and term loan facilities in the Credit Agreement. The Fourth Amendment also reduced the Registrant's capital expenditure limits for the years ending December 31, 1996 and 1997 and modified the ability of the Registrant to complete acquisitions in 1996 and the first quarter of 1997. The Fourth Amendment 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

- 10 Fourth Amendment to Credit Agreement dated as of September 23, 1996 among the Registrant, the banks named therein and Credit Suisse (New York Branch) as Administrative Agent.
- 20 Press release of the Registrant dated September 27, 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: September 30, 1996



EXHIBIT INDEX

Exhibit  
Number

Exhibit

- 10 - Fourth Amendment to Credit Agreement dated as of September 23, 1996 among the Registrant, the banks named therein and Credit Suisse (New York Branch) as Administrative Agent.
- 20 - Press release of the Registrant dated September 27, 1996.



FOURTH AMENDMENT

TO

CREDIT AGREEMENT

Dated as of September 23, 1996

Among

LABORATORY CORPORATION OF AMERICA HOLDINGS  
(formerly known as NATIONAL HEALTH LABORATORIES HOLDINGS INC.),  
as Borrower,

THE BANKS NAMED HEREIN,  
as Banks, and

CREDIT SUISSE (NEW YORK BRANCH),  
as Administrative Agent





FOURTH AMENDMENT TO CREDIT AGREEMENT dated as of September 23, 1996 among LABORATORY CORPORATION OF AMERICA HOLDINGS (formerly known as NATIONAL HEALTH LABORATORIES HOLDINGS INC.), a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Banks") listed on the signature pages hereof, and CREDIT SUISSE (NEW YORK BRANCH) ("CS"), as administrative agent (the "Administrative Agent") for the Lenders hereunder.

#### PRELIMINARY STATEMENT

The parties hereto (i) have entered into a Credit Agreement dated as of April 28, 1995 (as amended, the "Credit Agreement") providing for, among other things, the Lenders to lend to the Borrower up to \$1,250,000,000 on the terms and subject to the conditions set forth therein and (ii) desire to amend the Credit Agreement in the manner set forth herein. Each capitalized term used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

#### ARTICLE I

##### AMENDMENTS

SECTION 1.01. Amendment of Definitions. Section 1.01 of the Credit Agreement is hereby amended as follows:

(a) Definition of Applicable Margin. The definition of Applicable Margin is hereby amended by (i) deleting the words set forth below in italic type with strikeover lines and (ii) adding the words set forth below in bold-face type with underscoring, to read in its entirety as follows:

"Applicable Margin" means, with respect to Eurodollar Rate Advances or Base Rate Advances, as the case may be:

(a) for all times during which the Investor Group Interest equals or exceeds 25%, the applicable percentage set forth in the chart immediately below:



	Revolving Credit Advances	Term Advances
Eurodollar Rate Margin	0.875%	1.00%
Base Rate Margin	0.0%	0.0%;

and (b) for all times during which the Investor Group Interest is less than 25%, the applicable percentage set forth in the chart immediately below based on the Performance Level of the Borrower determined by reference to the most recent financial statements delivered to the Administrative Agent pursuant to Section 5.01(1)(i) or (ii), as applicable (any change in the Applicable Margin based on Performance Levels shall be effective upon the earlier of (i) the date of delivery of financial statements to the Administrative Agent pursuant to Section 5.01(1)(i) or (ii), as applicable, which financial statements evidence a Performance Level requiring such change, and (ii) the latest date permitted for such delivery pursuant to Section 5.01(1)(i) or (ii), as applicable):

Term Advances:

Performance Level	Base Rate Margin	Eurodollar Rate Margin
Level I	0.50%	1.50%
Level II	0.25%	1.25%
Level III	0.0%	1.00%
Level IV	0.0%	0.75%;

Revolving Credit Advances:

Performance Level	Base Rate Margin	Eurodollar Rate Margin
Level I	0.0%	1.00%
Level II	0.0%	0.875%
Level III	0.0%	0.75%
Level IV	0.0%	0.625%

(b) Definition of Designated Acquisitions. The definition of Designated Acquisitions is hereby amended by (i) deleting the words set forth below in italic type with strikeover lines and (ii) adding the words set forth below in bold-faced type with underscoring, to read in its entirety as follows:



"Designated Acquisitions" means the two Acquisitions described in the Borrower's memorandum dated September 17, 1996 addressed to the Banks; provided that:

- (i) the aggregate Purchase Price (including contingent payments) for both Designated Acquisitions shall in no event exceed \$16,300,000;
- (ii) no amount shall be paid in respect of principal, interest, contingent payments or otherwise as Purchase Price for such Designated Acquisitions during the period commencing September 30, 1996 and ending March 31, 1997 other than up to \$2,308,000 in the aggregate as cash consideration to be paid at the closings of the Designated Acquisitions;
- (iii) any Debt or other Obligations issued or incurred by the Borrower or any of its Subsidiaries in connection with the Designated Acquisitions shall (a) be unsecured, (b) rank in priority of payment junior to or pari passu with the Obligations of the Borrower under the Loan Documents, (c) comply with the terms of the Loan Documents, including, without limitation, Article V hereof and (d) otherwise be satisfactory in form and substance to the Administrative Agent; and
- (iv) the Designated Acquisitions shall be consummated on terms and conditions not materially less favorable to the Borrower or any of its Subsidiaries than the terms and conditions set forth in such memorandum.

SECTION 1.02. Amendment of Conditions Precedent to Each Borrowing. Section 3.02(ii) of the Credit Agreement is hereby amended by adding the words set forth below in bold-face type with underscoring, to read in its entirety as follows:



(ii) no event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, which constitutes a Default; provided, however, that notwithstanding any contrary provision in this Agreement, no Default shall exist for purposes of this Section 3.02(ii) during the period commencing January 1, 1997 through March 31, 1997, solely by virtue of Borrower's potential failure to maintain, for the four fiscal quarter period ending March 31, 1997, the Leverage Ratio specified for such period in Section 5.01(i) or the Interest Coverage Ratio specified for such period in Section 5.01(j) (and Borrower may, if all other conditions precedent for a Borrowing are satisfied, issue a Notice of Borrowing hereunder), provided in each case that, based on financial projections and other information then available to Borrower, on a pro forma basis, the Leverage Ratio for the four fiscal quarter period ending March 31, 1997 will not be more than 5.75 to 1.0 and the Interest Coverage Ratio for the four fiscal quarter period ending March 31, 1997 will not be less than 2.70 to 1.0, after giving effect to such Borrowing and the application of the proceeds therefrom.

SECTION 1.03. Amendment of Affirmative Covenants.

Section 5.01 of the Credit Agreement is hereby amended as follows:

(a) Leverage Ratio. Section 5.01(i) of the Credit Agreement is hereby amended by (i) deleting the words set forth below in italic type with strikeover lines and (ii) adding the words set forth below in bold-face type with underscoring, to read in its entirety as follows:

(i) Leverage Ratio. Maintain at the end of each four fiscal quarter period specified below a Leverage Ratio of not more than the ratio set forth below:





Four Fiscal Quarters Ending in	Ratio
-----	-----
September 1996	6.50:1.0
December 1996	6.50:1.0
March 1997	4.00:1.0
June 1997	4.00:1.0
September 1997	3.75:1.0
December 1997	3.25:1.0
March 1998	3.25:1.0
June 1998	3.25:1.0
September 1998	3.25:1.0
December 1998	3.00:1.0
March 1999	3.00:1.0
June 1999	3.00:1.0
September 1999	3.00:1.0
December 1999	2.50:1.0
March 2000	2.50:1.0
June 2000	2.50:1.0
September 2000	2.50:1.0
December 2000	2.50:1.0
March 2001	2.50:1.0.

(b) Interest Coverage Ratio. Section 5.01(j) of the Credit Agreement is hereby amended by (i) deleting the words set forth below in italic type with strikeover lines and (ii) adding the words set forth below in bold-face type with underscoring, to read in its entirety as follows:



(j) Interest Coverage Ratio. Maintain at the end of each four fiscal quarter period specified below an Interest Coverage Ratio of not less than the ratio set forth below:

Four Fiscal Quarters Ending in -----	Ratio -----
September 1996	2.50:1.0
December 1996	2.50:1.0
March 1997	3.80:1.0
June 1997	4.10:1.0
September 1997	4.10:1.0
December 1997	4.40:1.0
March 1998	4.40:1.0
June 1998	4.60:1.0
September 1998	4.60:1.0
December 1998	5.00:1.0
March 1999	5.00:1.0
June 1999	5.40:1.0
September 1999	5.40:1.0
December 1999	5.90:1.0
March 2000	5.90:1.0
June 2000	6.00:1.0
September 2000	6.00:1.0
December 2000	6.50:1.0
March 2001	7.00:1.0

SECTION 1.04. Amendment of Acquisition Covenant.

Section 5.02(h) of the Credit Agreement is hereby amended by (i) deleting the words set forth below in italic type with strikeover lines and (ii) adding the words set forth below in bold-face type with underscoring, to read in its entirety as follows:



(h) Acquisitions. Make or permit any of its Subsidiaries to make acquisitions outside the ordinary course of business of assets of or equity in any Person ("Acquisitions") other than the following: (i) Investments permitted by the terms of Section 5.02(f) (other than clause (ii) thereof); (ii) other Acquisitions if the sum of the Purchase Price for such Acquisitions plus the aggregate Purchase Price for all other Acquisitions (x) made in the immediately preceding 12 calendar months period, does not exceed (1) during calendar year 1996, the sum of (x) \$20,000,000 plus (y) the aggregate Purchase Price for the Designated Acquisitions, or (2) thereafter, \$50,000,000, except that during the period commencing September 30, 1996 and ending March 31, 1997, the Borrower shall not make any Acquisitions, other than the Designated Acquisitions and (y) made during the term of this Agreement, does not exceed \$260,000,000; provided that if the Purchase Price for any such Acquisition is more than \$10,000,000 and less than \$25,000,000, then the Borrower shall give the Administrative Agent and the Lenders at least five Business Days' notice thereof, and if the Purchase Price is \$25,000,000 or more, the following conditions must be met: (A) at least ten Business Days prior to such proposed Acquisition, the Borrower shall have delivered to the Administrative Agent and the Lenders Consolidated modeled financial statements of the Borrower (including a balance sheet and statements of earnings, cash flows and stockholders' equity) as at the end of and for the most recent period of four fiscal quarters ending at least 45 days prior to the delivery of such financial statements, which financial statements shall (a) be certified (subject to normal year-end audit adjustments and the absence of footnotes) on behalf of the Borrower by the chief financial officer of the Borrower, (b) give effect to all Acquisitions (including such proposed Acquisition) made or proposed to be made since the end of such period and (c) show the Borrower would be in compliance with the Interest Coverage Ratio for such period; provided further that, at the time of the making of any Acquisition and after giving effect to such Acquisition, no Default shall have occurred and be continuing.



SECTION 1.05. Amendment of Capital Expenditure Covenant. Section 5.02(n) of the Credit Agreement is hereby amended by (i) deleting the words set forth below in *italic* type with ~~strikeover~~ lines and (ii) adding the words set forth below in **bold-face** type with underscoring, to read in its entirety as follows:

(n) Capital Expenditures. Not make, or permit any of its Subsidiaries to make, any Capital Expenditures that would cause the aggregate of all such Capital Expenditures made by the Borrower and its Subsidiaries in any period set forth below to exceed the amount set forth below for such period:

<u>Year Ending In</u>	<u>Amount</u>
December 1996	\$60,000,000
December 1997	\$50,000,000
December 1998	\$70,000,000
December 1999	\$70,000,000
December 2000	\$70,000,000
December 2001	\$70,000,000

; provided, however, that (1) during the period commencing January 1, 1997 and ending March 31, 1997, Capital Expenditures shall not exceed \$10,000,000, and (2) if in any period specified above (other than the year ending December 31, 1996) the amount of Capital Expenditures set forth above for such period exceeds the amount of Capital Expenditures actually made by the Borrower and its Subsidiaries in such period, the Borrower and its Subsidiaries shall be entitled to make additional Capital Expenditures in the next period specified above in an amount of up to the lesser of (x) the amount of such excess or (y) \$20,000,000.

## ARTICLE II

### CONDITIONS PRECEDENT FOR AMENDMENT

SECTION 2.01. Conditions for Effectiveness. This Amendment shall become effective on the date upon which each of the following conditions precedent is satisfied:





(a) Amendment Fees. The Agent shall have received for the account of each Bank that has executed this Amendment, in immediately available funds, an amount equal to the product of (x) the combined Revolving Commitment and Term Commitment of such Bank and (y) 0.0025.

(b) Amendment. The Agent shall have received counterparts of this Amendment duly executed by the Borrower and Required Lenders.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

SECTION 3.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Borrower of this Amendment are within its corporate powers, have been duly authorized by all necessary corporate action, and do not contravene the Borrower's charter or by-laws.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Amendment.

(d) This Amendment has been duly executed and delivered by the Borrower. This Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and by general principles of equity.

(e) The representations and warranties contained in Section 4.01 of the Credit Agreement are correct in all material respects on and as of the date hereof, as though made on and as of the date hereof.

(f) No event has occurred and is continuing which constitutes a Default.



ARTICLE IV  
MISCELLANEOUS

SECTION 4.01. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

SECTION 4.02. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 4.03. Effect on the Credit Agreement. Upon execution and delivery of this Amendment, each reference in the Credit agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby and each reference to the Credit Agreement in any Loan Document (as defined in the Credit Agreement) shall mean and be a reference to the Credit Agreement, as amended hereby. Except as expressly modified hereby, all of the terms and conditions of the Credit Agreement shall remain unaltered and in full force and effect. This Amendment shall become effective as of the date first above written when the conditions set forth in Article II of this Amendment shall have been satisfied. This Amendment is subject to the provisions of Section 8.01 of the Credit Agreement.







CREDIT SUISSE (NEW YORK  
BRANCH)

By: /s/KARL STUDER

-----  
Name: Karl Studer  
Title: Member of Senior Mgt.

By: /s/DANIELA HESS

-----  
Name: Daniela Hess  
Title: Associate





BANK OF AMERICA ILLINOIS

By: /s/WENDY L. LORING  
-----  
Name: Wendy L. Loring  
Title: Vice President



BANQUE NATIONALE DE PARIS

By: /s/ RICHARD L. STED

-----  
Name: Richard L. Sted  
Title: Senior Vice President

By: /s/ BONNIE G. EISENSTAT

-----  
Name: Bonnie G. Eisenstat  
Title: Vice President  
Corporate Banking  
Division



BAYERISCHE LANDESBANK  
GIROZENTRALE

By: /s/ WILFRIED FREUDENBERGER

-----  
Name: Wilfried Freudenberger  
Title: Executive Vice  
President and General  
Manager

By: /s/ PETER OBERMANN

-----  
Name: Peter Obermann  
Title: Senior Vice President  
Manager Lending Division



THE CHASE MANHATTAN BANK

By: /s/ SCOTT S. WARD

-----  
Name: Scott S. Ward  
Title: Vice President





CREDIT LYONNAIS  
CAYMAN ISLANDS BRANCH

By: /s/ FARBOUD TAVANGAR

-----  
Name: Farboud Tavangar

Title: Authorized Signature



DEUTSCHE BANK AG  
NEW YORK BRANCH and/or  
CAYMAN ISLANDS BRANCH

By: /s/ WOLF A. KLUGE  
-----  
Name: Wolf A. Kluge  
Title: Vice President

By: /s/ JAN PETER HARTMANN  
-----  
Name: Jan Peter Hartmann  
Title: Assistant Vice President



THE FUJI BANK, LTD.  
(NEW YORK BRANCH)

By: /s/ MASANOBU KOBAYASHI  
-----  
Name: Masanobu Kobayashi  
Title: Vice President & Manager



NATIONSBANK, N.A.

By: /s/ ASHLEY M. CRABTREE

-----  
Name: Ashley M. Crabtree  
Title: Vice President





SOCIETE GENERALE

By: /s/ GEORG L. PETERS  
-----  
Name: Georg L. Peters  
Title: Vice President



THE SUMITOMO BANK, LIMITED,  
NEW YORK BRANCH

By: /s/ SURESH S. TATA

-----  
Name: Suresh S. Tata

Title: Senior Vice President



SWISS BANK CORPORATION

By: /s/ HANNO HUBER

-----  
Name: Hanno Huber  
Title: Associate Director  
Corporate Clients  
Switzerland

By: /s/ GUIDO W. SCHULER

-----  
Name: Guido W. Schuler  
Title: Executive Director  
Corporate Clients  
Switzerland



WACHOVIA BANK OF GEORGIA, N.A.

By: /s/ JAMES C. RATCLIFF, JR.

-----  
Name: James C. Ratcliff, Jr.  
Title: Vice President





WESTDEUTSCHE LANDESBANK

By: /s/ DONALD F. WOLF  
-----  
Name: Donald F. Wolf  
Title: Vice President

By: /s/ C. RUHLAND  
-----  
Name: C. Ruhland  
Title: Vice President



BANK BRUSSELS LAMBERT (NEW YORK  
BRANCH)\*

By: /s/ DOMINICK H.J. VANGAEVER

-----  
Name: Dominick H.J. Vangaever  
Title: Vice President  
Credit Department

By: /s/ JURGEN RIGTERINK

-----  
Name: Jurgen Rigterink  
Title: Vice President

---

\* Bank Brussels Lambert, New York Branch ("BBL") is executing this Amendment to evidence its consent to each of the amendments of the Credit Agreement set forth in this Amendment other than the amendments set forth in Section 1.01 (b) and the reference to the Designated Acquisitions in Section 1.04 of this Amendment (the "Excluded Amendments"). The execution and delivery of this Amendment by BBL is not intended to, and should not be construed as, its consent to the Excluded Amendments.



COMMERZBANK AKTIENGESELLSCHAFT,  
ATLANTA AGENCY

By: /s/ HARRY YERGEY  
-----  
Name: Harry Yergey  
Title: Vice President

By: /s/ W. DAVID SUTTLES  
-----  
Name: W. David Suttles  
Title: Vice President



FIRST UNION NATIONAL BANK

By: /s/ JOSEPH H. TOWELL

-----  
Name: Joseph H. Towell

Title: Senior Vice President





Contact: Pam Sherry  
Telephone: (910)584-5171  
Ext. 6768

FOR IMMEDIATE RELEASE

LABORATORY CORPORATION OF AMERICA ANNOUNCES AMENDMENT TO  
CREDIT AGREEMENT

Recapitalization Program Has Full Support of Banks

Burlington, NC, September 27, 1996 -- Laboratory Corporation of America Holdings (LabCorp) (NYSE: LH) announced today that it has successfully negotiated an amendment to its existing credit agreement covering both long-term and revolving credit. As previously announced, the Company obtained waivers for the quarter ended June 30, 1996 of two covenants contained in the credit agreement. The new amendment modifies the interest coverage and leverage ratios applicable to the quarters ending September 30 and December 31, 1996, and will result in increased interest rate margins on the facilities through the periods covered by the amendment.

"While the amendment will increase our near-term interest costs, it indicates a solid working partnership with our banks," said Dr. James B. Powell, President and Chief Executive Officer. "We now believe we have the support, flexibility and time necessary to develop a long-term capital structure that better reflects the Company's future requirements."

The Company noted that each of the above forward-looking statements is 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 that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 1995.

Laboratory Corporation of America Holdings (LabCorp) is a national clinical laboratory organization with estimated annualized revenues of \$1.6 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, long-term care facilities, industrial companies and other clinical laboratories.