

Morgan Stanley Global Healthcare Conference

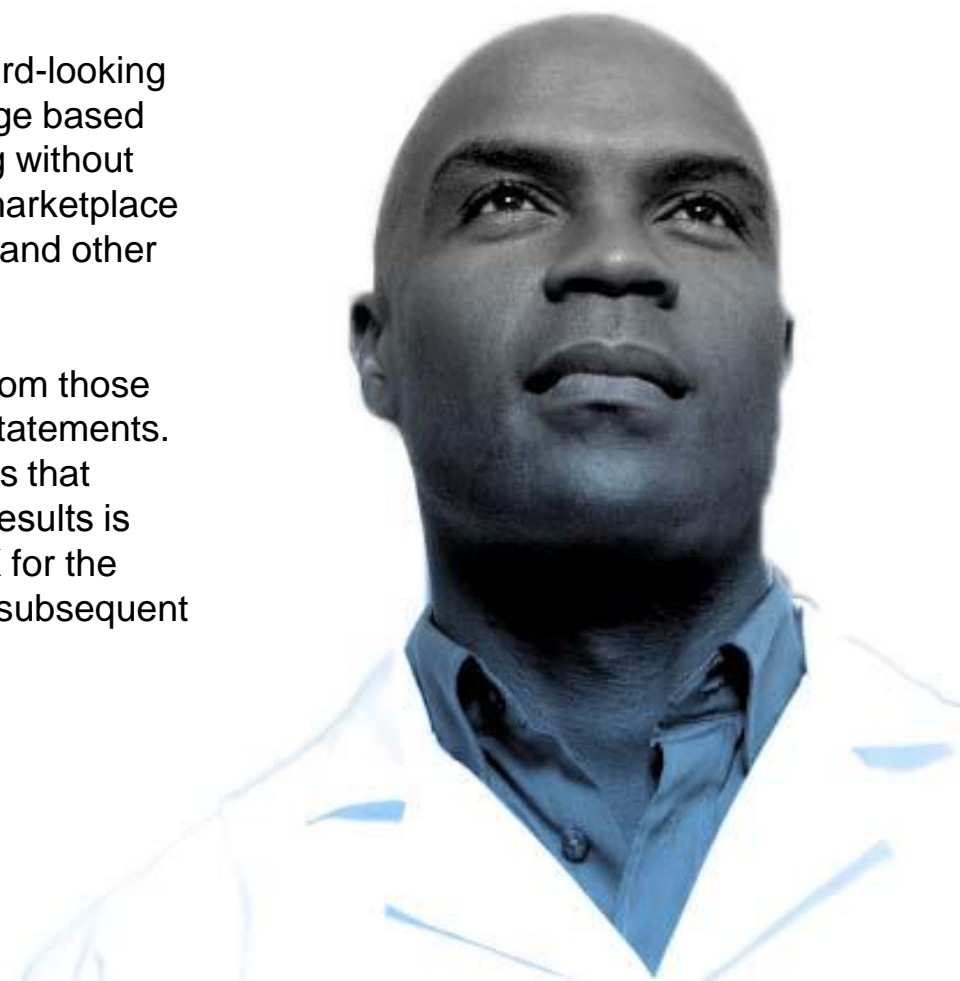
September 13, 2010
New York, NY



Forward Looking Statement

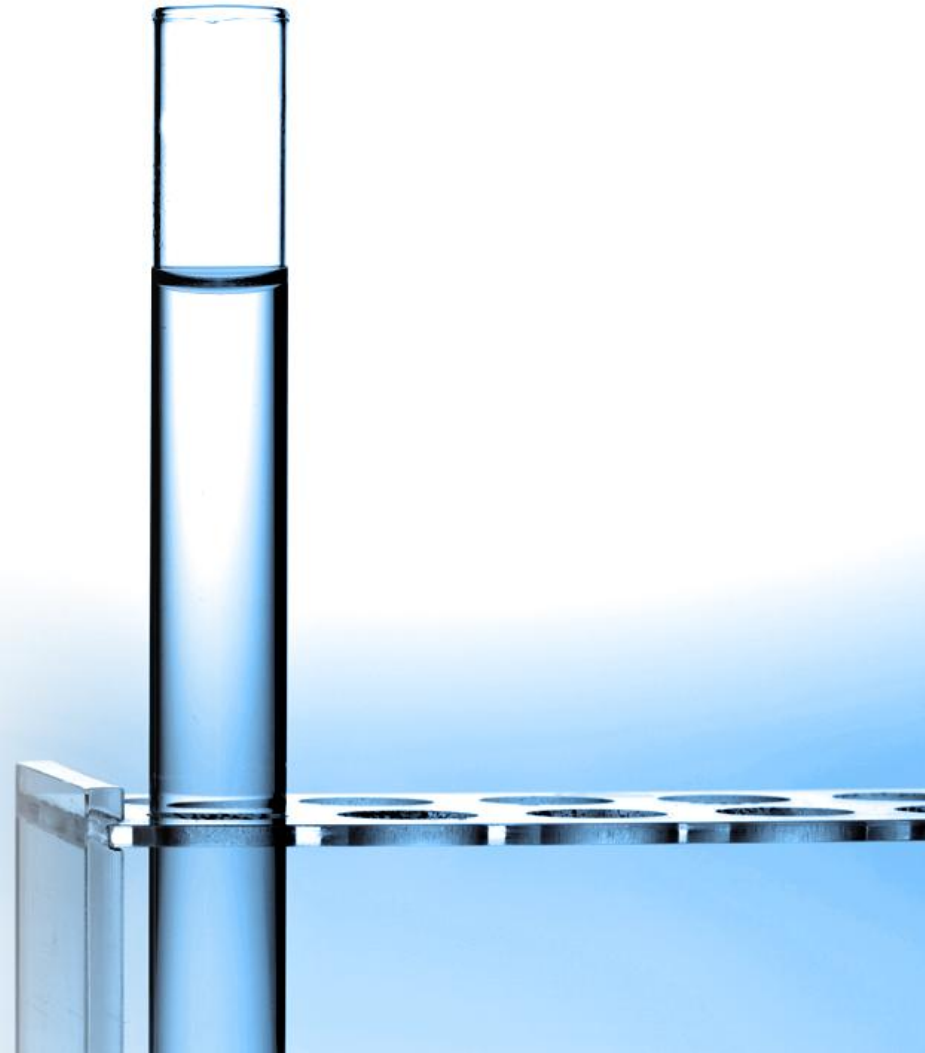
This slide presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors.

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, 2009, and subsequent SEC filings.

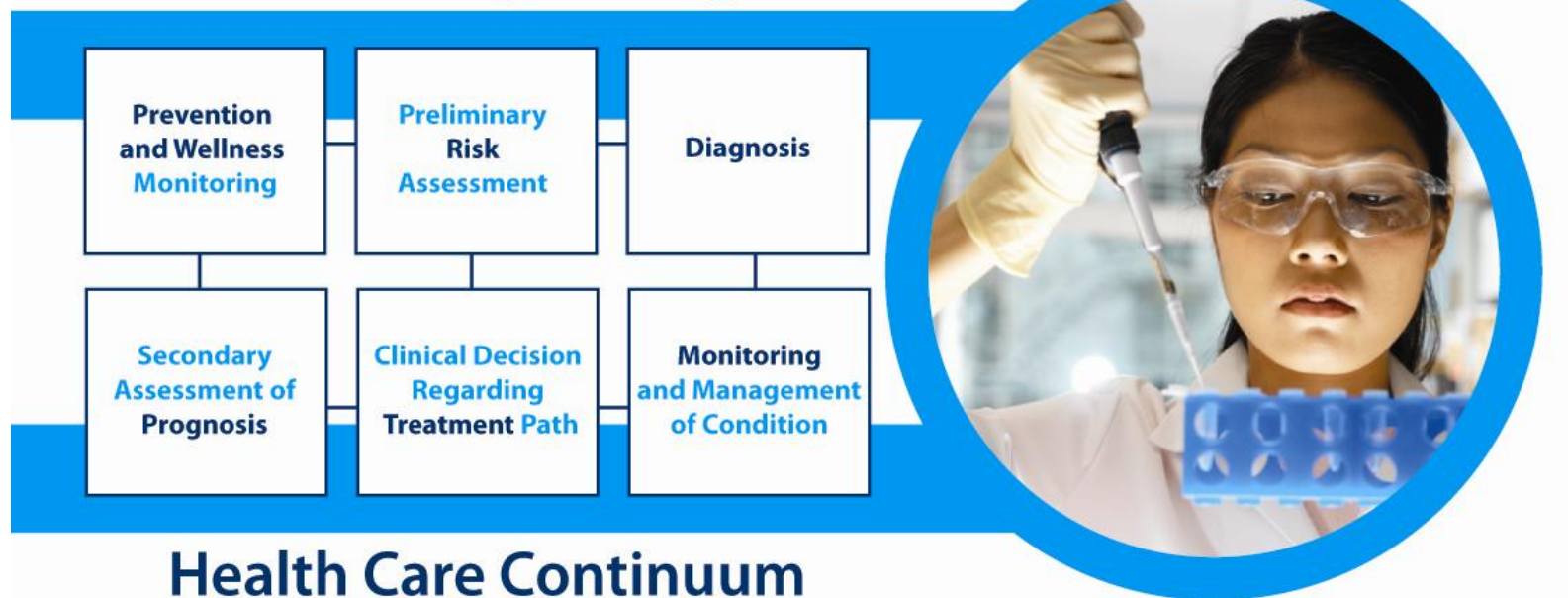


Leading National Lab Provider

- Fastest growing national lab
- \$55 billion market
- Clinical, Anatomic and Genomic Testing
- Serving clients in all 50 states and Canada
- Foremost clinical trials testing business



Laboratory Testing

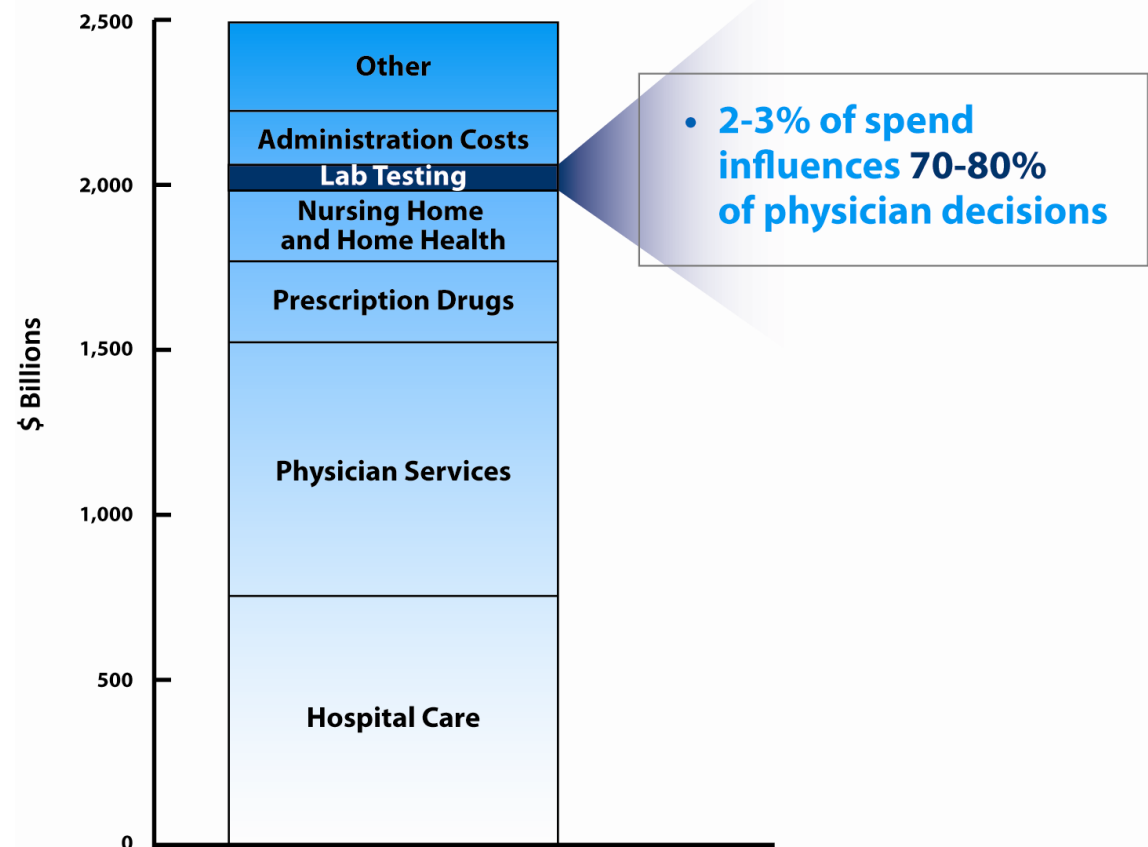


Source: Deloitte (OAML)

Valuable Service

- Small component of total cost influences large percentage of clinical decisions
- Screening, early detection, and monitoring reduce downstream costs
- Companion diagnostics improve drug efficacy and reduce adverse drug effects

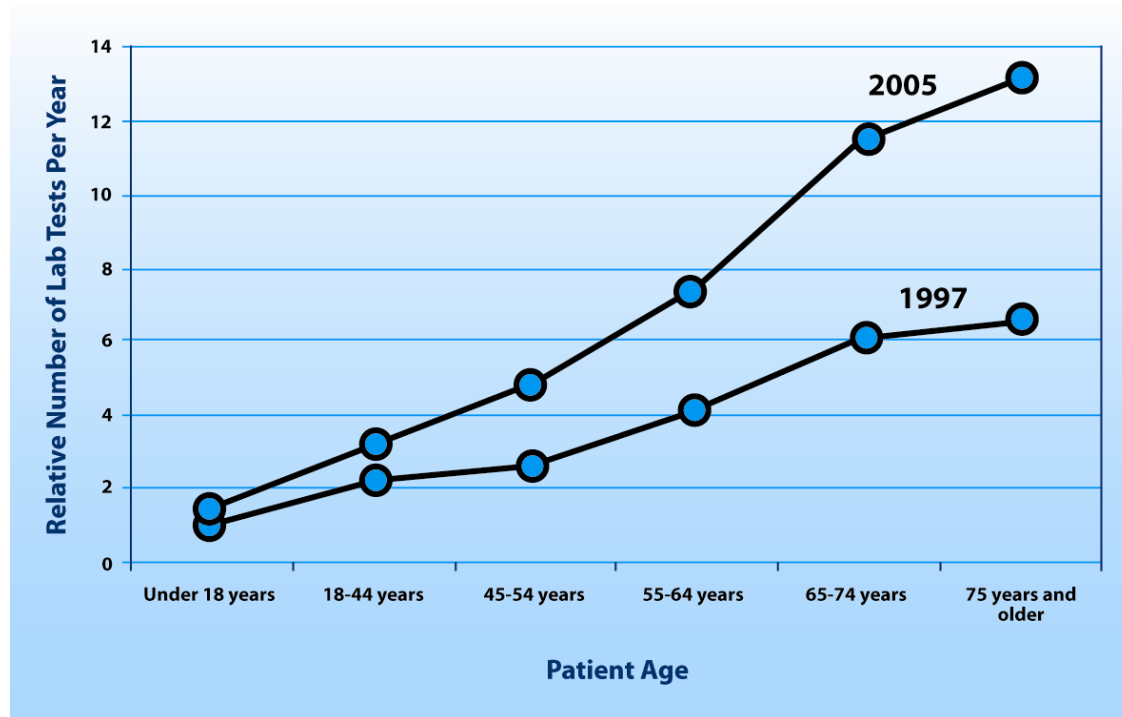
2009 Projected US Health Care Spend \$2.5 Trillion



Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group; and U.S. Department of Commerce, Bureau of Economic Analysis and U.S. Bureau of the Census, and company estimates.

Growth Drivers

- Aging population
- Industry consolidation
- Advances in genomics
- Pharmacogenomics / companion diagnostics
- Cost pressures

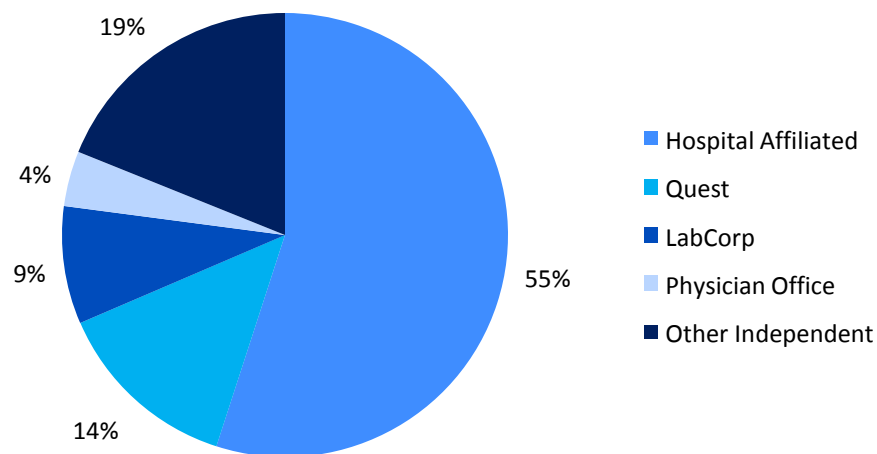


Source: CDC National Ambulatory Medical Care Survey and Company Estimates

Opportunity to Take Share

- Approximately 5,000 independent labs
- High cost competitors

\$55 Billion US Lab Market

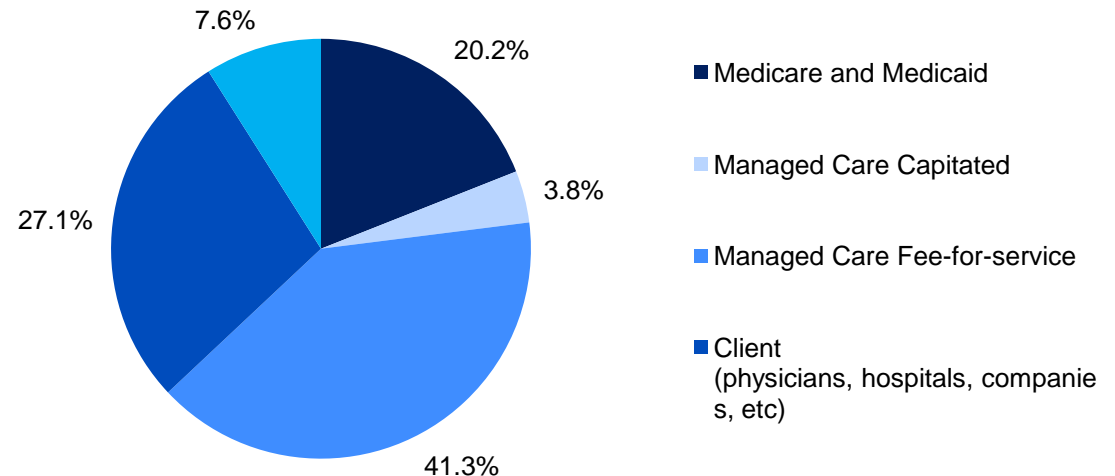


Source: Washington G-2 Reports and company estimates

Diversified Payor Mix

- No customer > 9% of revenue
- Limited government exposure

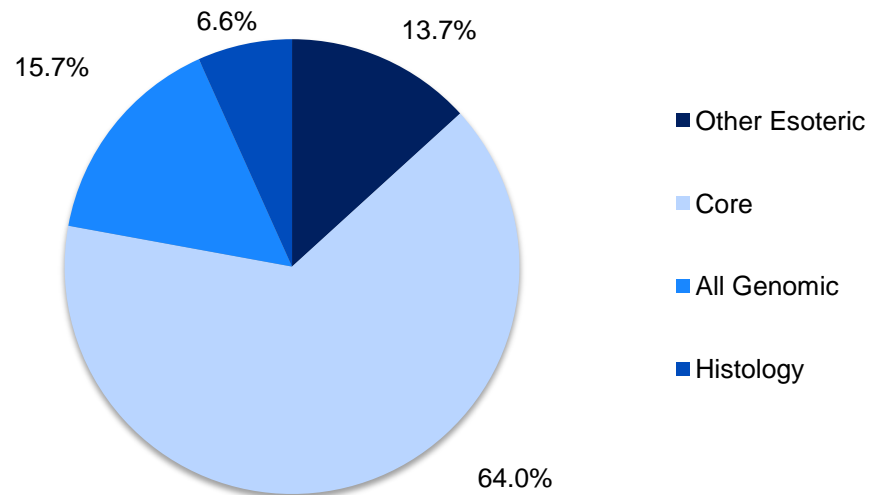
LabCorp U.S. Payor Mix
% of revenue, 2009



Diversified Test Mix

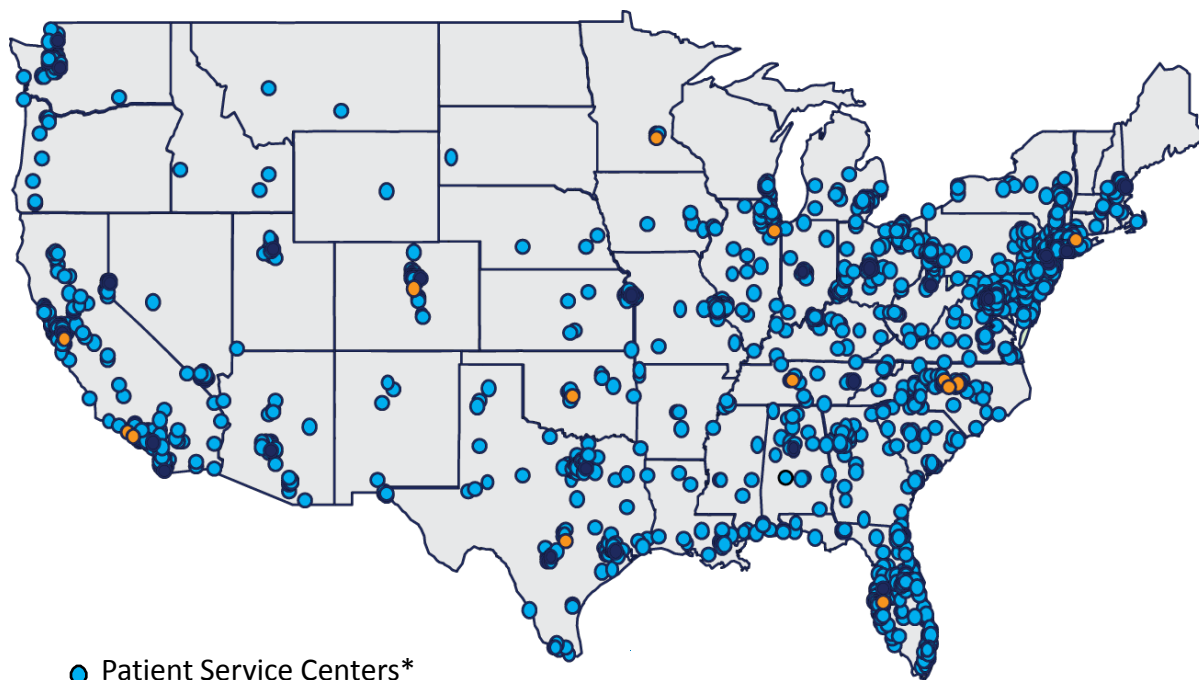
- Esoteric 36% of revenue
- Goal of 40% in 3 – 5 years
- Higher priced business

**LabCorp U.S. Test Mix
% of revenue, 2009**



Scale and Scope

- National infrastructure
- Broad test offering
- Managed care contracts
- Economies of scale



● Patient Service Centers*

● Primary LabCorp Testing Locations*

● Esoteric Lab Locations

(CET, CMBP, Dianon, Esoterix, Monogram Biosciences, NGI, OTS, US Labs, Viomed)

Managed Care Relationships

- Exclusive national laboratory for UnitedHealthcare
- Sole national strategic partner for WellPoint
- Significant national plans recently renewed or extended on a multi-year basis, including WellPoint, Cigna and Humana
- Contracted with numerous local and regional anchor plans

Scientific Leadership

- Introduction of new tests
- Acquisitions and licensing
- Collaborations with leading companies and academic institutions

Partner	Clinical Area
ARCA biopharma	Companion Diagnostics (CVD) (exclusive)
Celera Diagnostics	Breast Cancer
Duke University	Lung Cancer (exclusive)
Exact Sciences	Colon Cancer
Intema Ltd.	Prenatal Testing
Ipsogen	Molecular Diagnostics
Medco Health Solutions	Companion Diagnostics (Research)
OncoMethylome Sciences	Companion Diagnostics (Oncology) (exclusive)
Siemens Health Solutions	Companion Diagnostics (Oncology and CVD)
SmartGene	Bioinformatics Tools
Third Wave Technologies	Companion Diagnostics (CVD)
Vanda Pharmaceuticals	Companion Diagnostics (exclusive)
Veridex	Prostate Cancer
Yale University	Ovarian Cancer (exclusive)

Standardized and Efficient Processes

- Standardized lab and billing IT systems
- Automation of pre-analytics
- Capacity rationalization
- Logistics optimization



Our Focus

- Profitable revenue growth
- IT and client connectivity
- Continue scientific leadership
- Maintain price
- Control costs



Our Results

- Profitable revenue growth
 - Empire contract
 - Esoteric growth
 - Acquisitions
- Improved IT and client connectivity
 - LabCorp Beacon
 - Enhanced experience for physicians and patients
- Continued scientific leadership
 - Clearstone collaboration
 - IL-28B
 - New Monogram assays
- Maintained price
 - Managed care stability
 - Strong 1H 2010 results
- Controlled costs
 - Gross margin expansion
 - Sysmex project



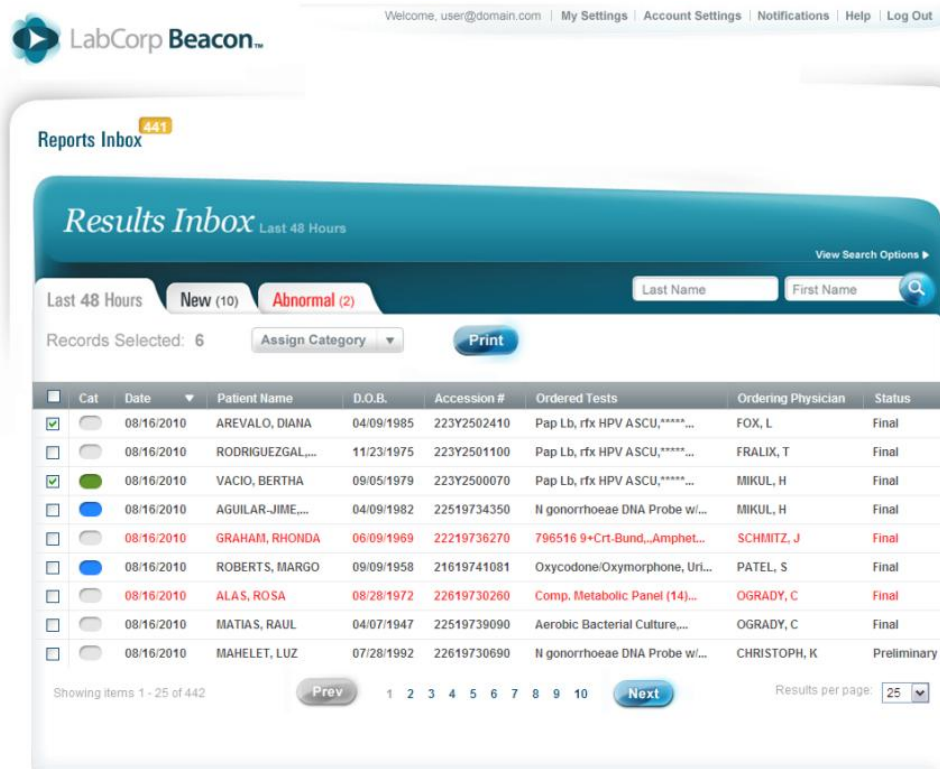
Profitable Revenue Growth

- Empire contract
 - In network status as of Aug 1, 2010
 - New York's largest insurer by membership
- Esoteric revenue growth
 - 5.1% growth in first half of 2010
 - Expansion of Monogram offerings
- Acquisitions
 - Westcliff
 - DCL
- 3.7% total revenue growth in first half of 2010
 - Challenging economic environment
 - Positive volume growth, after adjusting for lost contracts



Improved IT and Client Connectivity

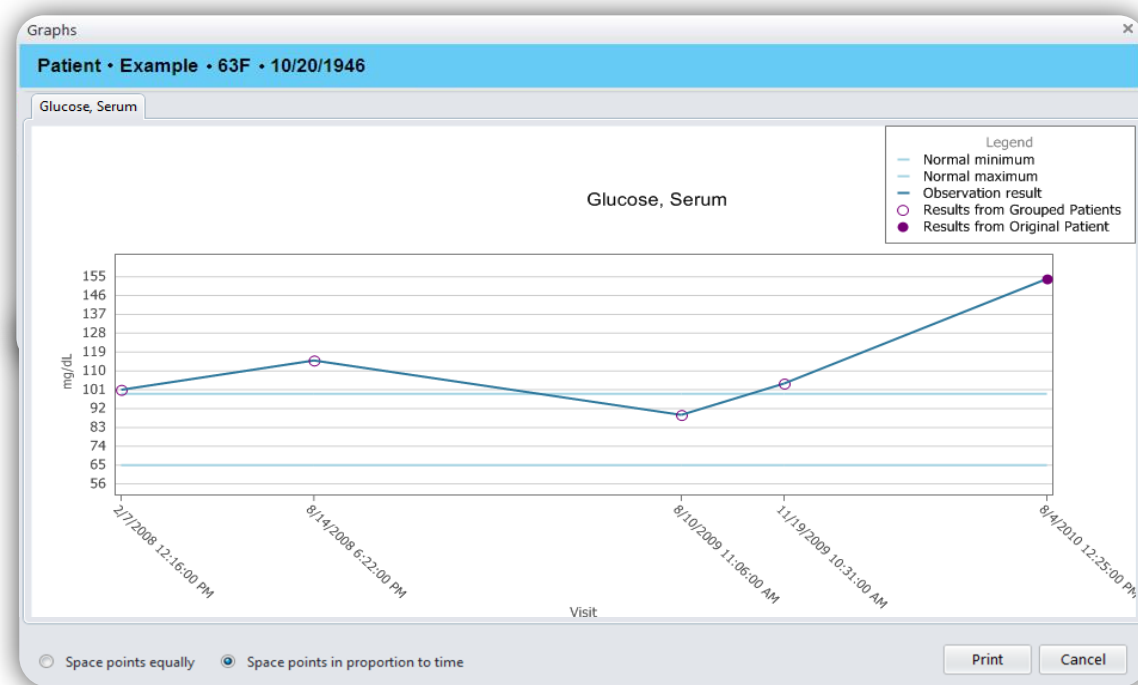
- LabCorp Beacon: A superior physician experience
- Intuitive Orders and Results
 - Unread reports in bold while abnormal values are displayed in red
 - Share results via Email, Fax and Print
 - Group patients according to a client's needs
 - Add notes to any report to share critical insights



The screenshot shows the LabCorp Beacon interface. At the top, there's a navigation bar with "Welcome, user@domain.com", "My Settings", "Account Settings", "Notifications", "Help", and "Log Out". Below this is the "Reports Inbox" section with a "441" badge. The main area is titled "Results Inbox Last 48 Hours" and includes a "View Search Options" link. There are tabs for "Last 48 Hours", "New (10)", and "Abnormal (2)". A search bar with "Last Name" and "First Name" fields is present. Below the tabs, it says "Records Selected: 6" and has an "Assign Category" dropdown and a "Print" button. The main table lists patient records with columns: Cat, Date, Patient Name, D.O.B., Accession #, Ordered Tests, Ordering Physician, and Status. The table shows several rows, with some entries highlighted in red (e.g., GRAHAM, RHONDA; ALAS, ROSA) indicating abnormal results. At the bottom, it says "Showing items 1 - 25 of 442" and has "Prev" and "Next" buttons. A "Results per page: 25" dropdown is also visible.

Improved IT and Client Connectivity

- Powerful Analytics
- Graphical views of a patient over time
- Generate trends and averages for large populations



Continued Scientific Leadership

- Clearstone collaboration
 - Global clinical trials capability
 - Presence in China
- Enhanced offerings in companion diagnostics and personalized medicine
 - IL-28B
 - K-RAS
 - HLA-B* 5701
 - BRAF Gene Mutation Detection
 - EGFR Mutation Analysis
 - CYP 450 2C19
 - Trofile (CCR5 Trophism)
 - PhenoSense, PhenoSense GT
 - HerMark
- Grew Outcome Improvement Programs
 - Relaunch of CKD program
 - Litholink kidney stone program

“K-RAS testing should be routinely conducted in all colorectal cancer patients immediately after diagnosis to ensure the best treatment strategies for the individual Patient”

– Dr. Eric Van Cutsem, presenter at the June 2008 American Society of Clinical Oncology meeting

FDA recommends genetic screening prior to treatment with Abacavir

ROCKVILLE, Md -- July 24, 2008 -- The US Food and Drug Administration (FDA) has issued an alert regarding serious, and sometimes fatal, hypersensitivity reactions (HSRs) caused by abacavir (Ziagen) therapy in patients with a particular human leukocyte antigen (HLA) allele, HLA-B* 5701.

Genetic tests for HLA-B*5701 are already available, and all patients should be screened for the HLA-B*5701 allele before starting or restarting treatment with abacavir or abacavir-containing medications.

“FDA has approved the expanded use of Selzentry... to include adult patients with CCR5-tropic HIV-1 virus who are starting treatment for the first time.”

- ViiV Healthcare Press Release, November 20th, 2009

Maintained Price

- Managed care stability
- Pricing discipline has offset 1.9% Medicare rate decrease
- Promoted high-value tests
- Other recent benefits
 - Monogram
 - Canadian exchange rate
 - Impact from lost government contracts

LABORATORY CORPORATION OF AMERICA

Selected Financial Data

The selected financial data presented below under the captions "Statement of Operations Data" of and for the five-year period ended December 31, 2009 are derived from consolidated financial statements which have been audited by an independent registered public accounting firm. This data should be read in conjunction with the accompanying notes, the Company's consolidated financial statements and the related notes to the Discussion and Analysis of Financial Condition and Results of Operations," all included elsewhere in this report.

	Year Ended December		
(In millions, except per share amounts)	2009 ^(a)	2008 ^(b)	2007 ^(c)
Statement of Operations Data:			
Net sales	\$ 4,694.7	\$ 4,505.2	\$ 4,068.2
Gross profit	1,970.9	1,873.8	1,691.2
Operating income	935.9	842.9	777.0
Net earnings attributable to			
Laboratory Corporation of America Holdings	543.3	464.5	476.8
Basic earnings per common share	\$ 5.06	\$ 4.23	\$ 4.08

Controlled Costs

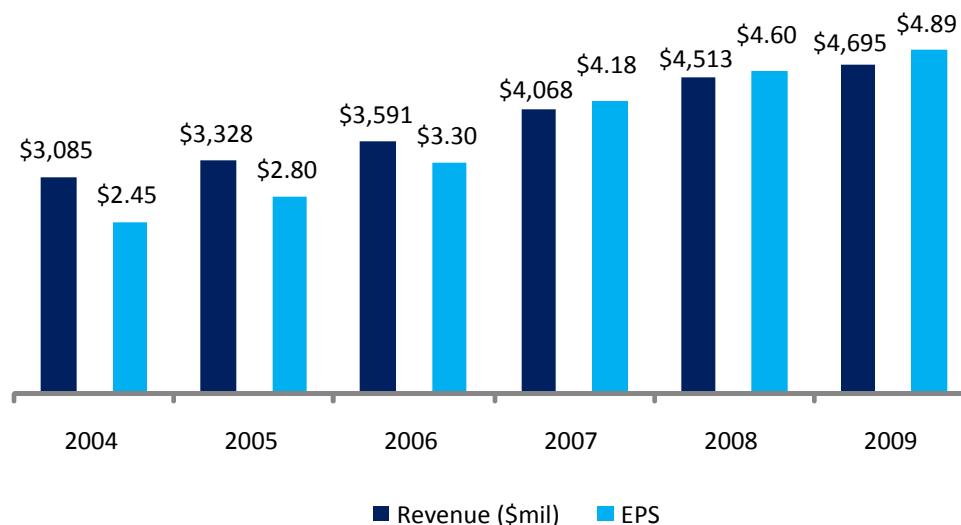
- Y/Y gross margin improvement for three consecutive quarters
- Sysmex contract
 - Fully automated hematology operations
 - One of largest lab automation projects ever undertaken
- Bad debt reduction of 50bp in the first half of 2010
- Continued to optimize supply chain
- Used efficiency gains to improve physician and patient experiences



Revenue and EPS Growth

- 9% Revenue CAGR
- 15% EPS CAGR

Revenue and EPS Growth: 2004 – 2009 ⁽¹⁾ ⁽²⁾



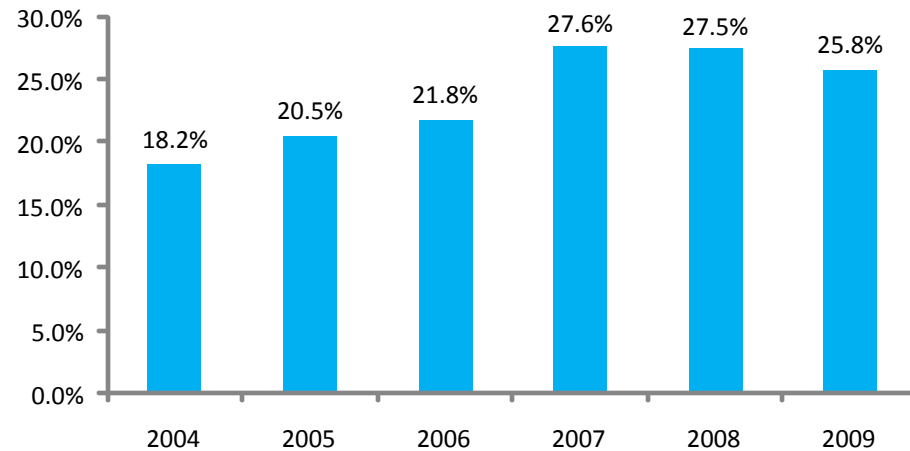
(1) Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss; excluding the \$0.06 per diluted share impact in 2006 of restructuring and other special charges; excluding the \$0.25 per diluted share impact in 2007 of restructuring and other special charges; excluding the \$0.44 per diluted share impact in 2008 of restructuring and other special charges; excluding the (\$0.09) per diluted share impact in 2009 of restructuring and other special charges.

(2) EPS, as presented, represents adjusted, non-GAAP financial measures. Diluted EPS, as reported in the Company's Annual Report were: \$2.45 in 2004; \$2.71 in 2005; \$3.24 in 2006; \$3.93 in 2007; \$4.16 in 2008; and \$4.98 in 2009.

Leading Returns

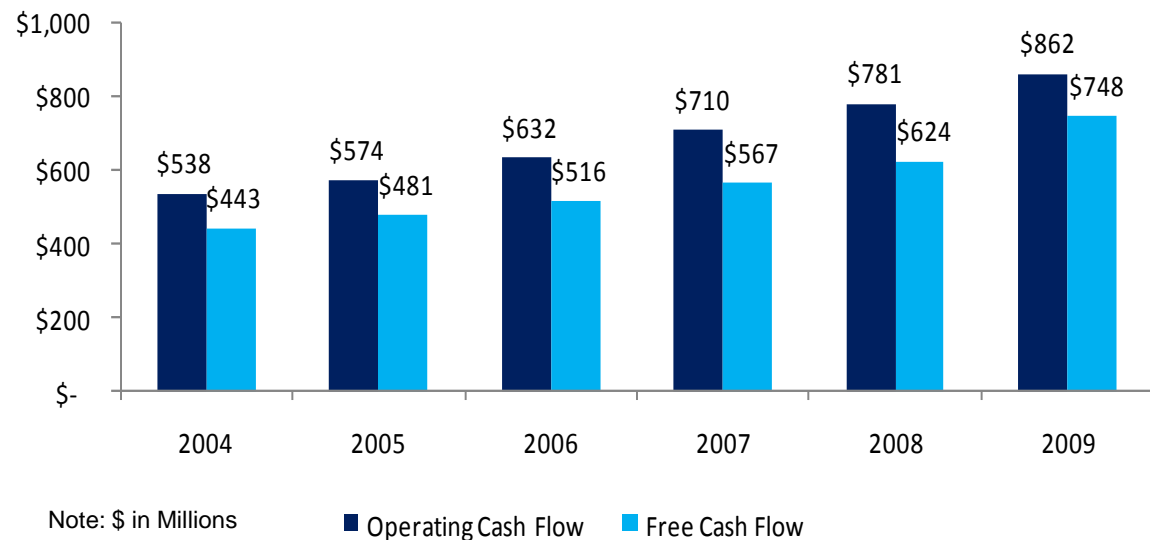
- Leading returns
- Leading EBIT margin

LabCorp ROE 2004 - 2009



Cash Flow

- 11% FCF CAGR
- \$2.0 B+ share repurchase over last three years



Second Quarter and YTD 2010 Results

	Three Months Ended Jun 30,			Six Months Ended Jun 30,		
	2010	2009	+/(-)	2010	2009	+/(-)
Revenue ⁽¹⁾	\$ 1,238.4	\$ 1,188.8	4.2%	\$ 2,432.0	\$ 2,344.5	3.7%
Adjusted Operating Income	\$ 270.5	\$ 254.9	6.1%	\$ 514.0	\$ 495.4	3.8%
Adjusted Operating Income Margin	21.8%	21.4%	40 bp	21.1%	21.1%	- bp
Adjusted EPS ⁽¹⁾	\$ 1.46	\$ 1.30	12.3%	\$ 2.76	\$ 2.51	10.0%
Operating Cash Flow	\$ 216.2	\$ 182.4	18.5%	\$ 448.2	\$ 391.3	14.5%
Less: Capital Expenditures	<u>\$ (34.5)</u>	<u>\$ (23.7)</u>	<u>45.6%</u>	<u>\$ (59.0)</u>	<u>\$ (54.4)</u>	<u>8.5%</u>
Free Cash Flow	\$ 181.7	\$ 158.7	14.5%	\$ 389.2	\$ 336.9	15.5%

(1) During the first quarter inclement weather reduced revenue by an estimated \$23 million and EPS by approximately eight cents

Reconciliation of Non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Adjusted Operating Income</u>				
Operating income	\$ 270.5	\$ 244.7	\$ 504.7	\$ 485.2
Restructuring and other special charges	\$ -	\$ 10.2	\$ 9.3	\$ 10.2
Adjusted operating income	<u>\$ 270.5</u>	<u>\$ 254.9</u>	<u>\$ 514.0</u>	<u>\$ 495.4</u>
<u>Adjusted EPS</u>				
Diluted earnings per common share	\$ 1.46	\$ 1.24	\$ 2.70	\$ 2.46
Impact of restructuring and other special charges (1) (2)	\$ -	\$ 0.06	\$ 0.06	\$ 0.05
Adjusted EPS	<u>\$ 1.46</u>	<u>\$ 1.30</u>	<u>\$ 2.76</u>	<u>\$ 2.51</u>

(1) After tax impact of restructuring and other special charges for the three months and six months ended June 30, 2010 (\$- million divided by 105.4 million shares and \$5.7 million divided by 105.9 million shares, respectively)

(2) After tax impact of restructuring and other special charges for the three months and six months ended June 30, 2009 (\$6.0 million divided by 109.5 and 109.4 million shares, respectively)

Supplemental Financial Information

Laboratory Corporation of America

Other Financial Information

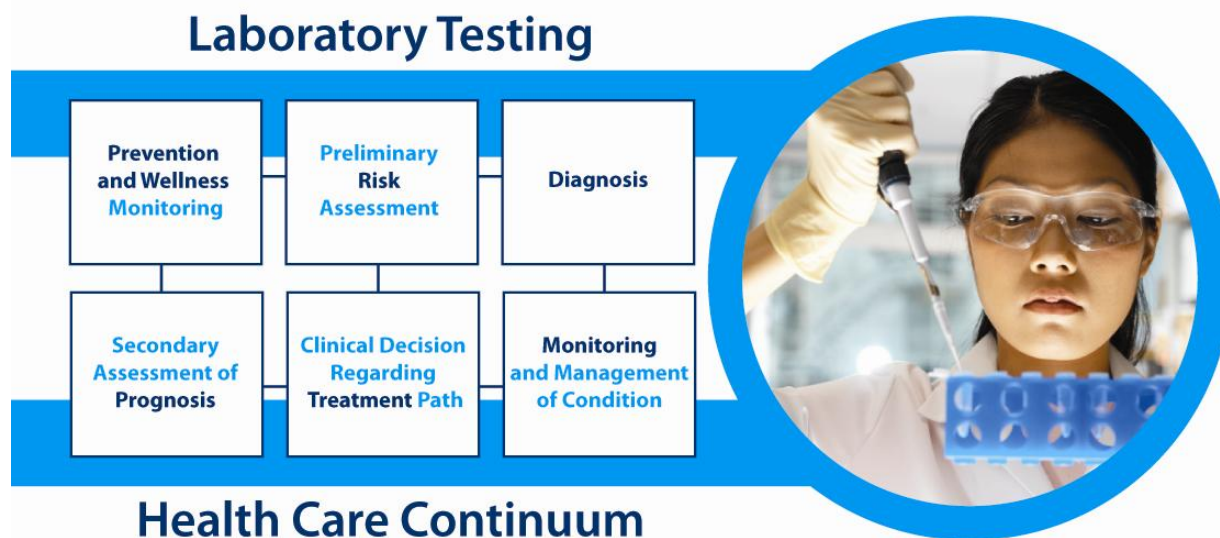
FY 2009 and Q1/Q2 2010

(\$ in millions)

	<u>Q1 09</u>	<u>Q2 09</u>	<u>Q3 09</u>	<u>Q4 09</u>	<u>Q1 10</u>	<u>Q2 10</u>
Bad debt as a percentage of sales	5.30%	5.30%	5.30%	5.30%	5.05%	4.80%
Days sales outstanding	52	50	48	44	46	45
A/R coverage (Allow. for Doubtful Accts. / A/R)	19.5%	20.6%	21.9%	23.2%	21.7%	20.7%

Key Points

- Critical position in health care delivery system
- Attractive market
- Strong competitive position - well positioned to gain share
- Leadership in personalized medicine
- Excellent cash flow
- Strong balance sheet



Source: Deloitte (OAML)

