



Piper Jaffray
Healthcare Conference

NYC
December 2nd, 2008

A close-up photograph of laboratory glassware, including a beaker and a graduated cylinder, set against a blue background.

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, 2007, and subsequent SEC filings.

The Role of Lab Testing in Healthcare

In the past, lab testing was primarily used to diagnose disease. Now, lab testing plays an increasingly large role in the full continuum of healthcare delivery

Evaluate risk(s) of developing a disease / condition

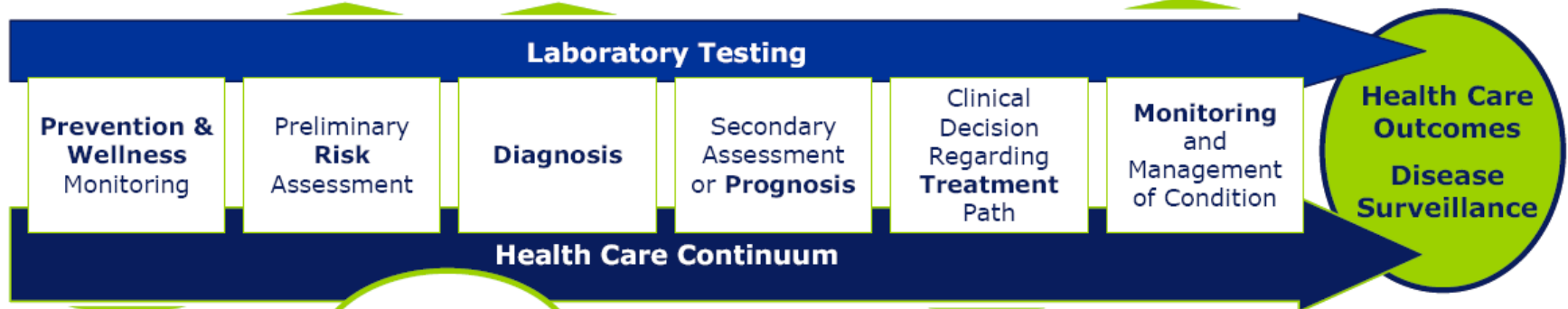
- Lipid testing to assess cardiovascular disease risk and reduce complications (i.e. heart attack, stroke) by 20-50%

Determining the existence of a disease / condition

- Liquid-based cytology for early detection of cervical cancer – where test / treatment costs are 15 to 28 times less expensive than early / late stage cervical cancer

Monitor / responding to patient progress, treatment effectiveness, and comorbid conditions (i.e. hypertension, eye disease, nerve disease)

- Hemoglobin A1c test for diabetes management and patient treatment compliance



Supporting early detection and diagnosis of diseases / conditions

- Kidney function tests (i.e. serum creatinine, blood urea nitrogen, eGFR) to help reduce the risk of kidney disease (by up to 24%) and prevent end-stage renal failure

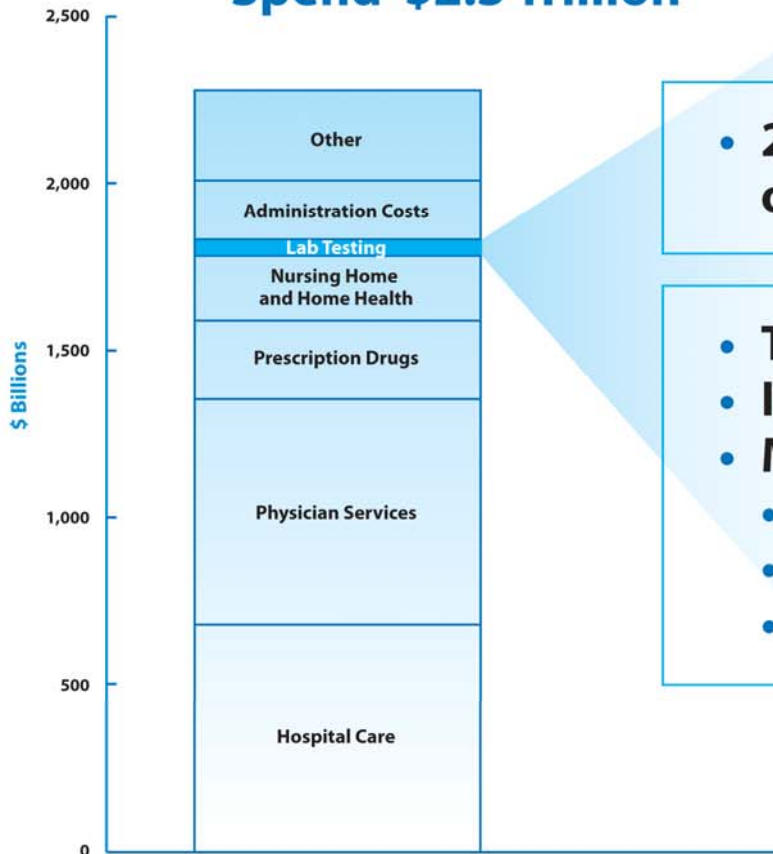
Disease/
Condition
Development

Support care plan development and inform targeting appropriate treatment modalities

Source: Deloitte (OAML)

The US Healthcare & Clinical Laboratory Testing Market

2007 Projected US Healthcare Spend \$2.3 Trillion



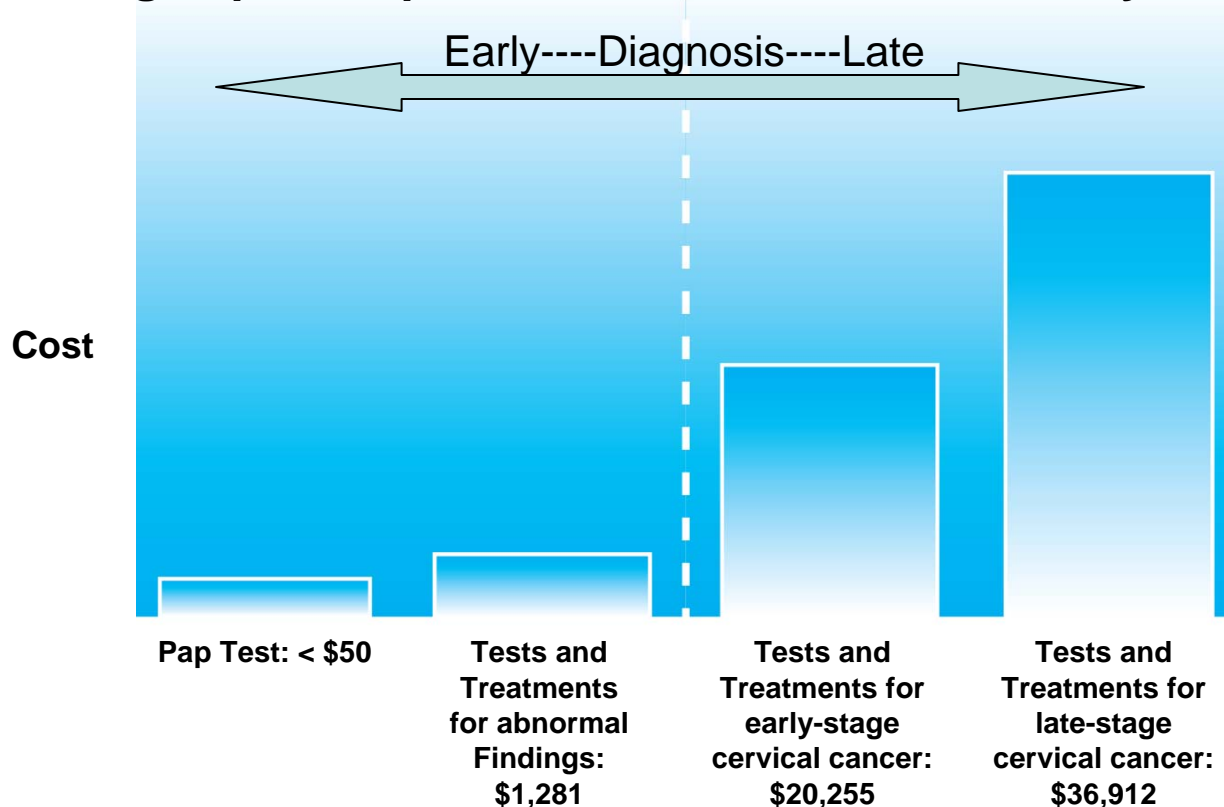
- 2-3% of spend influences 70-80% of physician decisions

- Total market size—\$52 billion
- Industry CAGR of 5%-7%
- Market Segments:
 - Routine—\$30-\$35 billion
 - Esoteric—\$4-\$5 billion
 - Anatomic pathology—\$8-\$12 billion

Source: CMS, Office of the Actuary, G-2, and Company Estimates

The Cost Effectiveness of Lab Testing

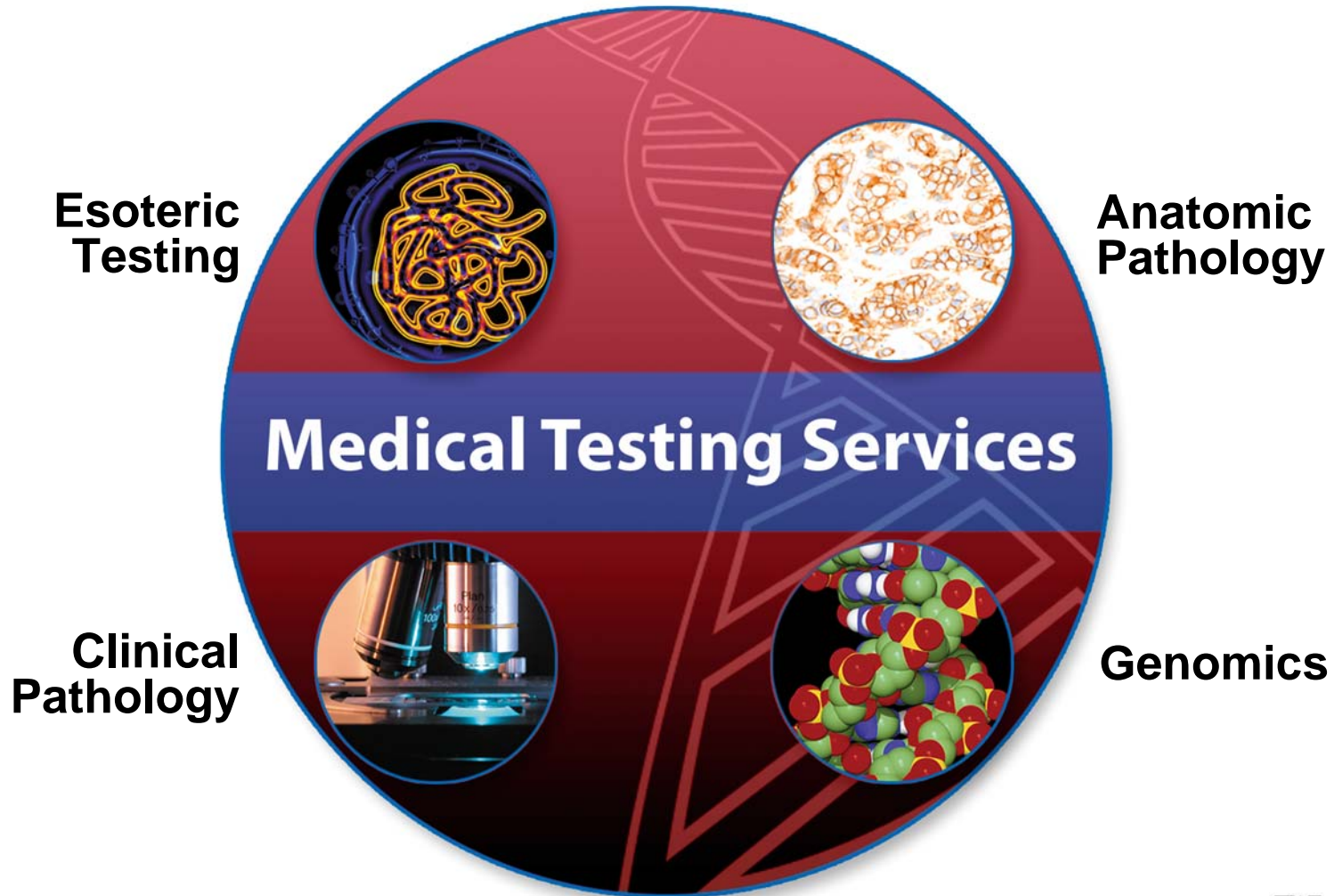
Lab testing improves patient outcomes at dramatically reduced costs



LabCorp performs more than 10 million pap tests per year

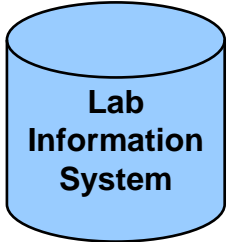
For more examples on the value of lab testing, please visit www.labresultsforlife.org

What is LabCorp



Our Infrastructure

70% of tests ordered electronically
90% of results delivered electronically



Conduct >270 million tests annually



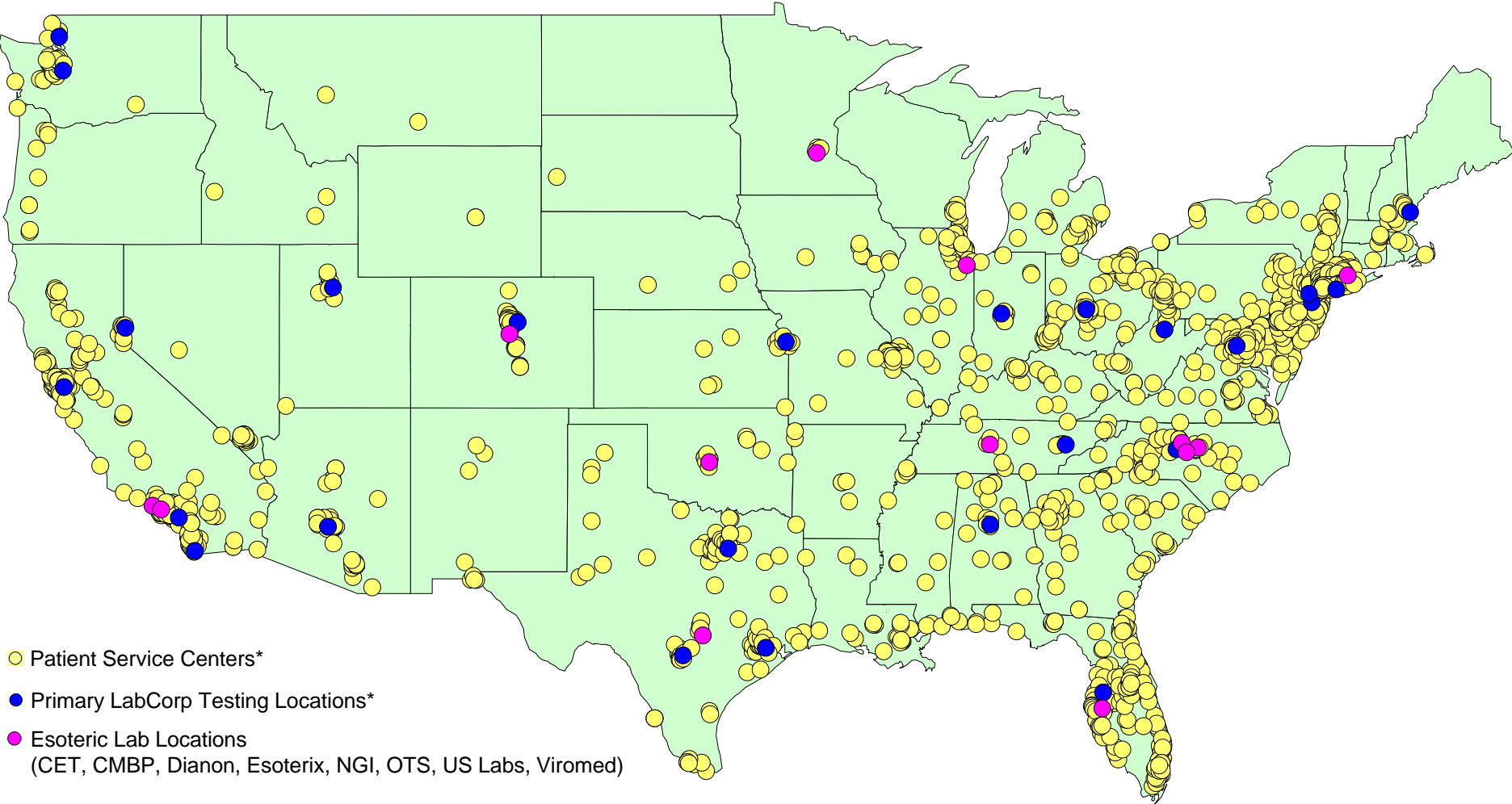
- 1600+ conveniently located PSCs
- 700 MDs & PhDs
- 6700+ phlebotomists

-
- 2600 couriers
 - 1000 sales reps
 - 7 airplanes



- Primary testing labs
- Esoteric Labs
- STAT Labs
- *Standardized Platforms*

Our Locations



Strategic Focus Areas



Scientific Leadership

- Cancer diagnostics and monitoring
- Advanced cardiovascular disease testing
- Advancement through acquisitions and licensing



Managed Care

- Lab data enables better treatment and outcomes
- Partner to control high cost leakage
- Recognize value of lab services through appropriate pricing



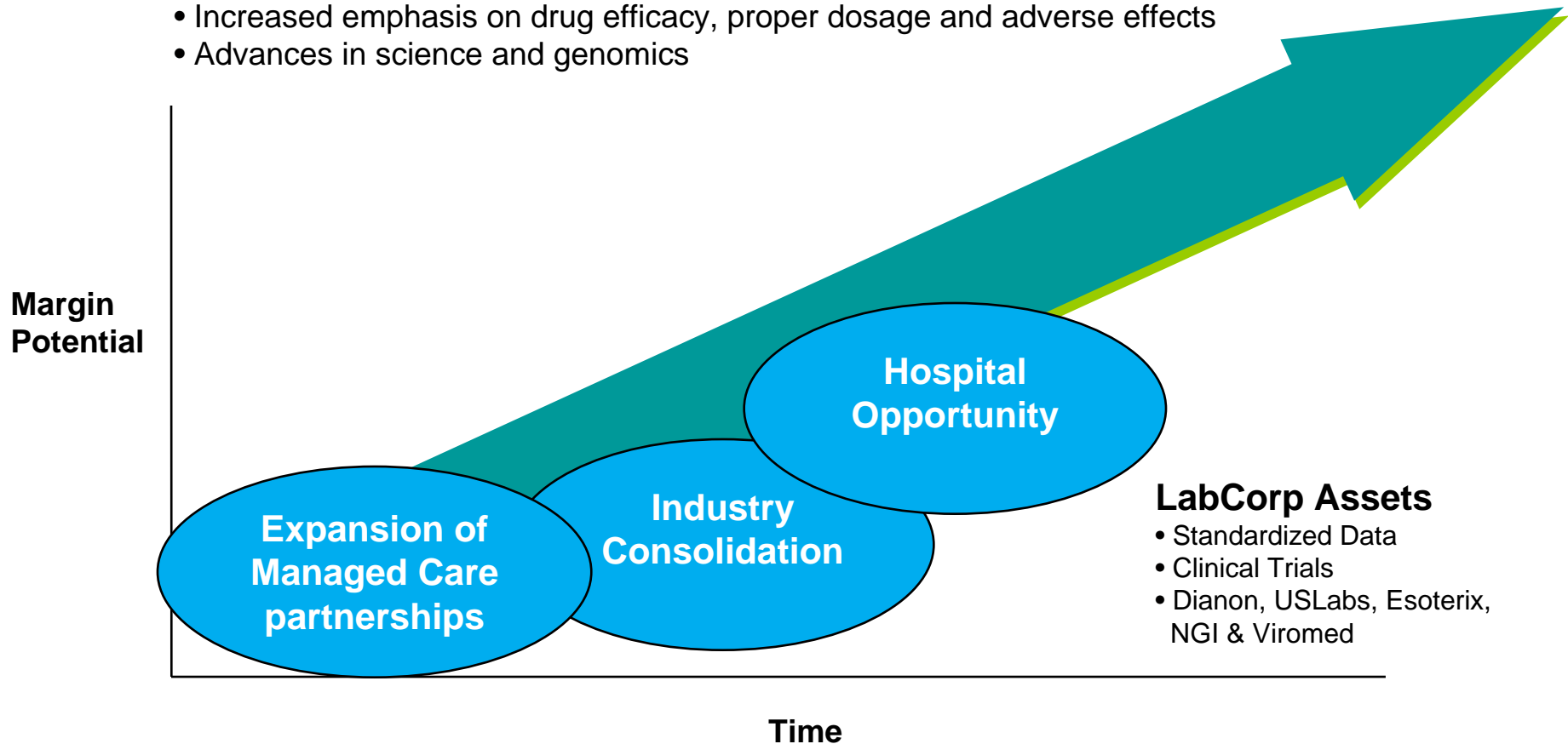
Customer Focus

- Quality and service driven culture
- First-time problem resolution
- Continuous enhancements in customer connectivity

Revenue Growth Drivers

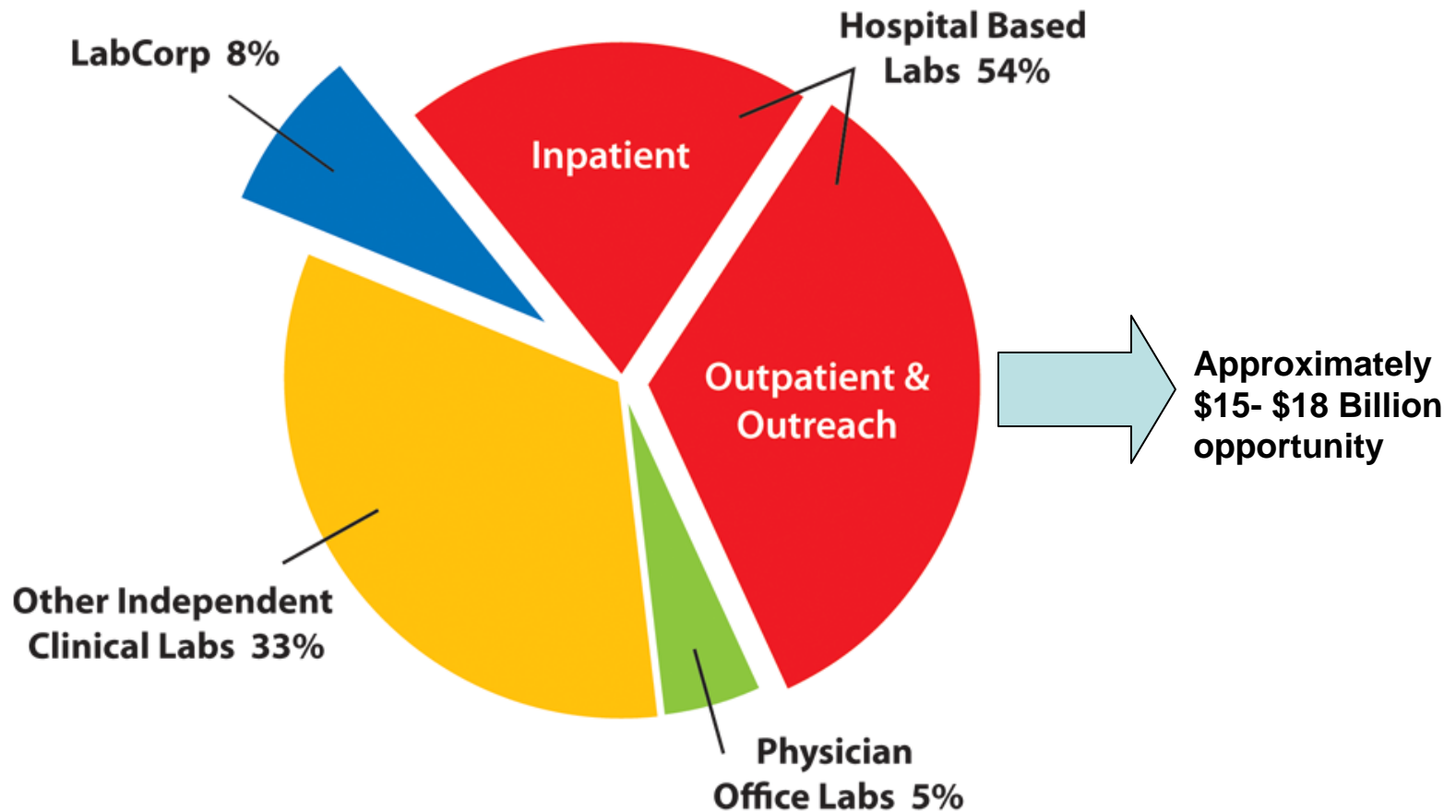
Industry Forces

- Focus on Outcomes and Cost Containment (Medical & Drug)
- Increased emphasis on drug efficacy, proper dosage and adverse effects
- Advances in science and genomics



Hospital Opportunity

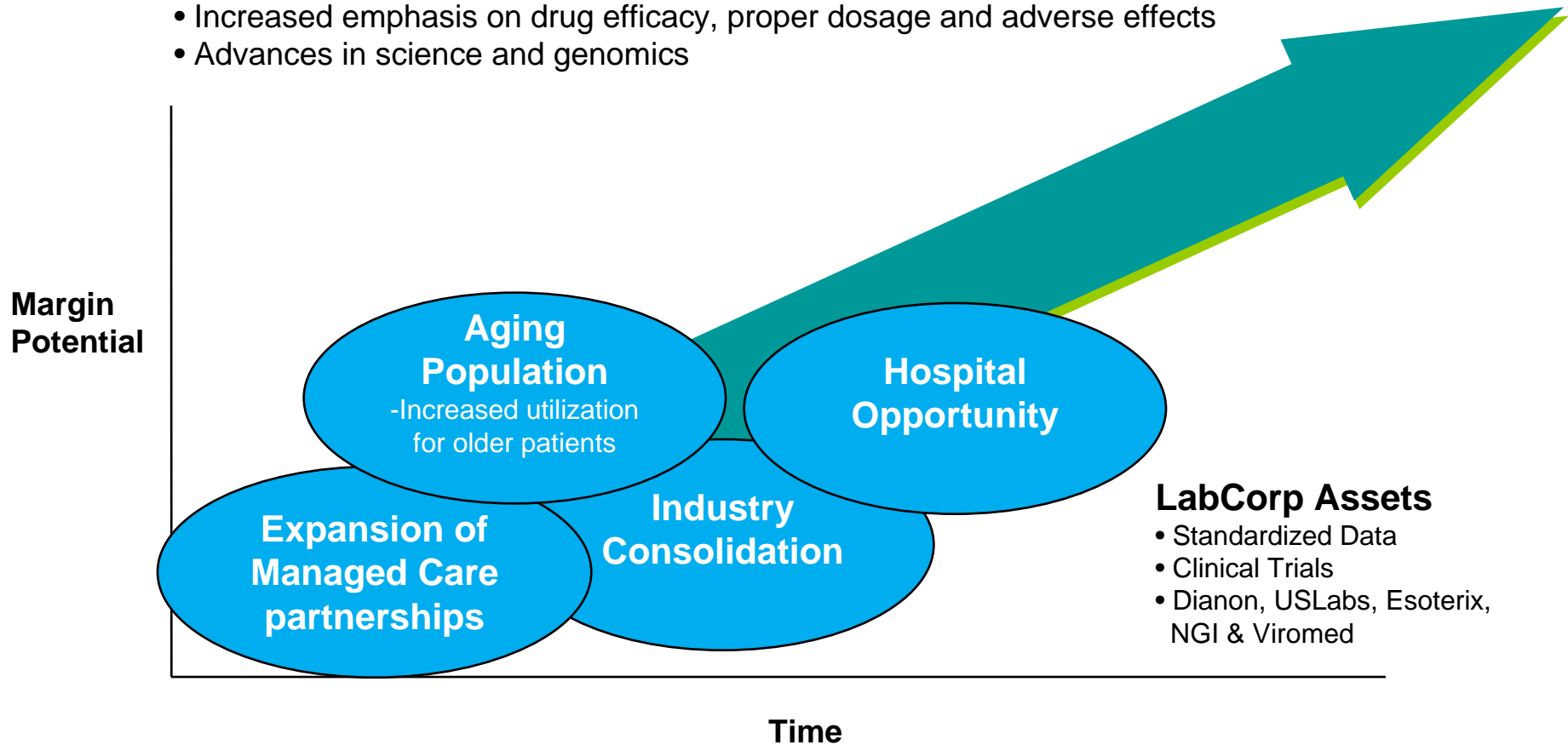
Laboratory Market Size approximately \$52 Billion



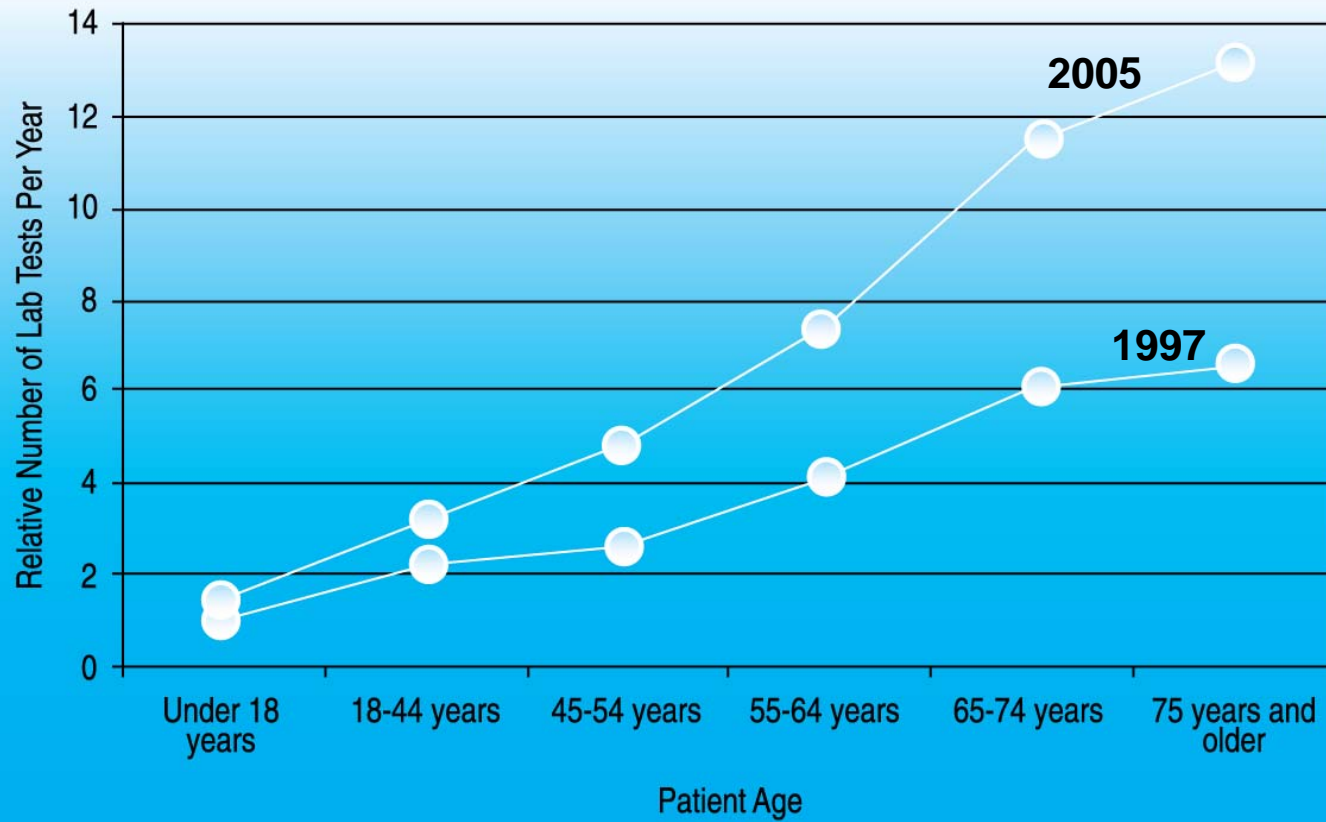
Revenue Growth Drivers

Industry Forces

- Focus on Outcomes and Cost Containment (Medical & Drug)
- Increased emphasis on drug efficacy, proper dosage and adverse effects
- Advances in science and genomics



Lab Utilization and the Aging Population

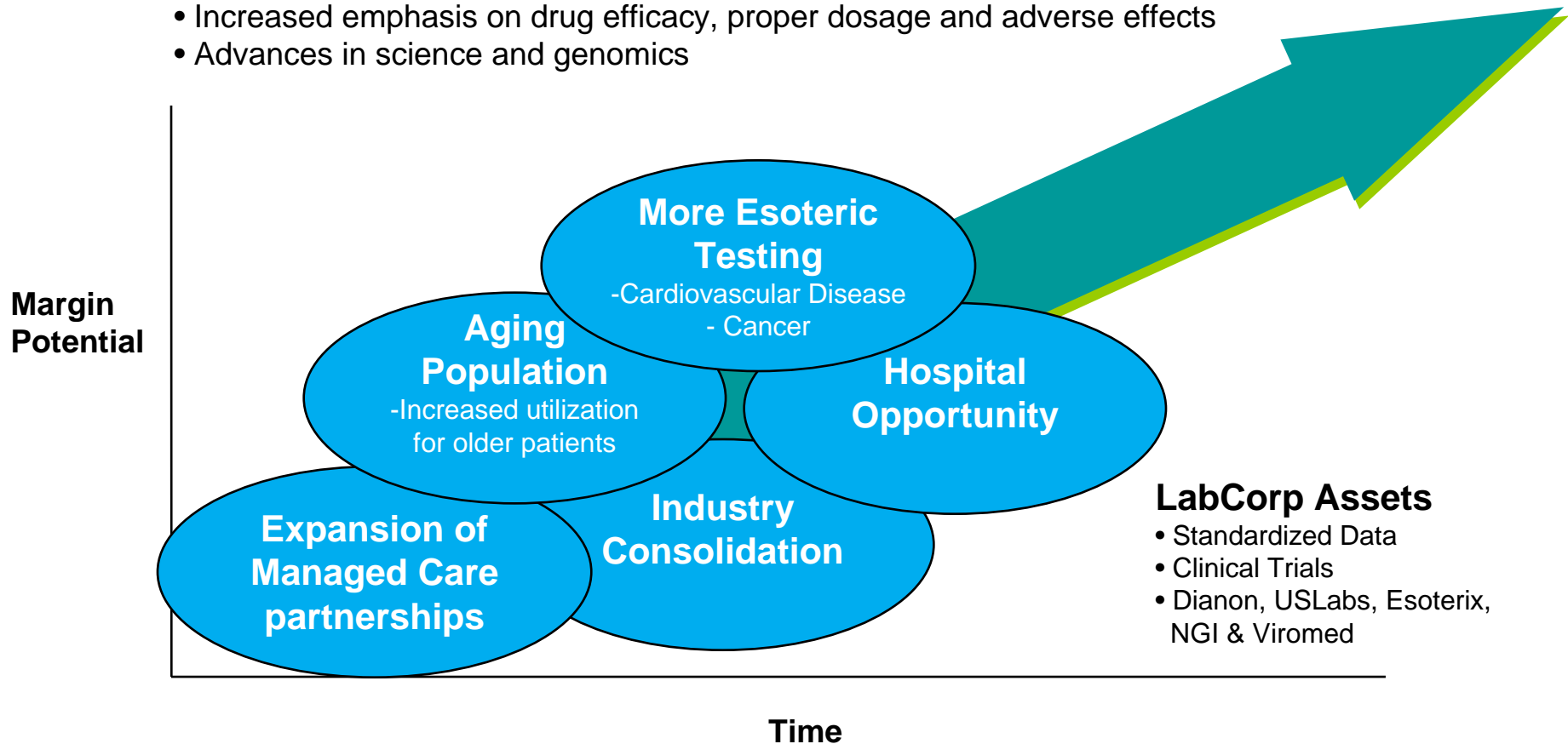


Lab test utilization increases significantly with age and has increased for all age groups over time

Revenue Growth Drivers

Industry Forces

- Focus on Outcomes and Cost Containment (Medical & Drug)
- Increased emphasis on drug efficacy, proper dosage and adverse effects
- Advances in science and genomics



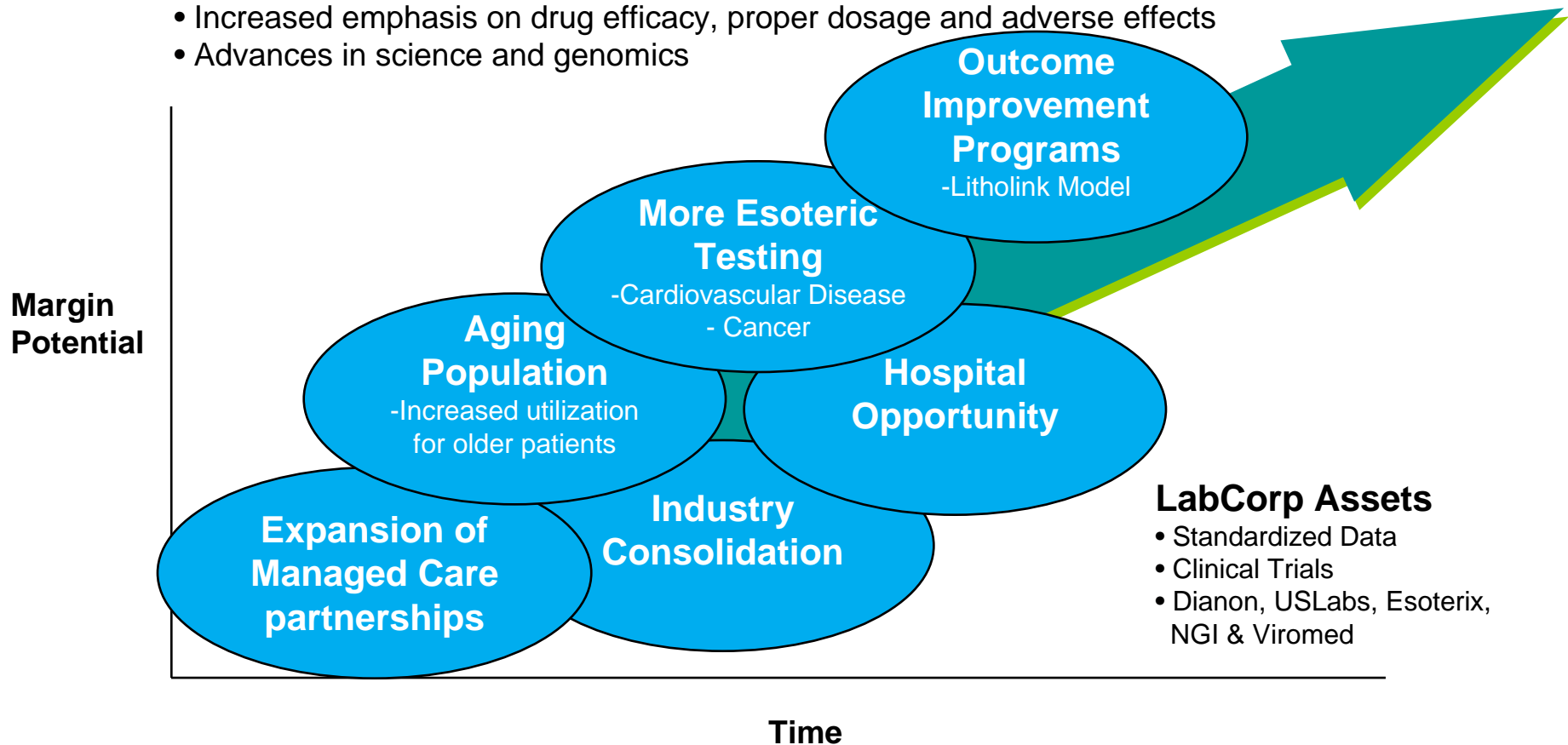
Select Esoteric Tests Launched in 2008

Breast cancer prognosis gene expression assay	<ul style="list-style-type: none">• Assesses the risk of metastasis in breast cancer patients helping physicians select the course of treatment• Developed in collaboration with Celera Diagnostics
GST-Pi gene methylation assay	<ul style="list-style-type: none">• Detects the presence of a key tissue marker in prostate cancer, helping physicians assess the risk of prostate cancer in men with consistently elevated PSA levels but repeated negative biopsies• LabCorp was the first full-service national clinical laboratory in the U.S. to launch this assay
ColoSure	<ul style="list-style-type: none">• Stool-DNA testing is now in guidelines for assessing the presence of any stage of colorectal cancer in asymptomatic average risk patients who are unwilling or unable to undergo a more invasive exam (such as colonoscopy, computed tomographic colonography, double contrast barium enema, and flexible sigmoidoscopy)
HPV Quantity Not Sufficient	<ul style="list-style-type: none">• Alternative HPV test for samples with insufficient volume for standard methods; 4% of all Pap smear specimens.

Revenue Growth Drivers

Industry Forces

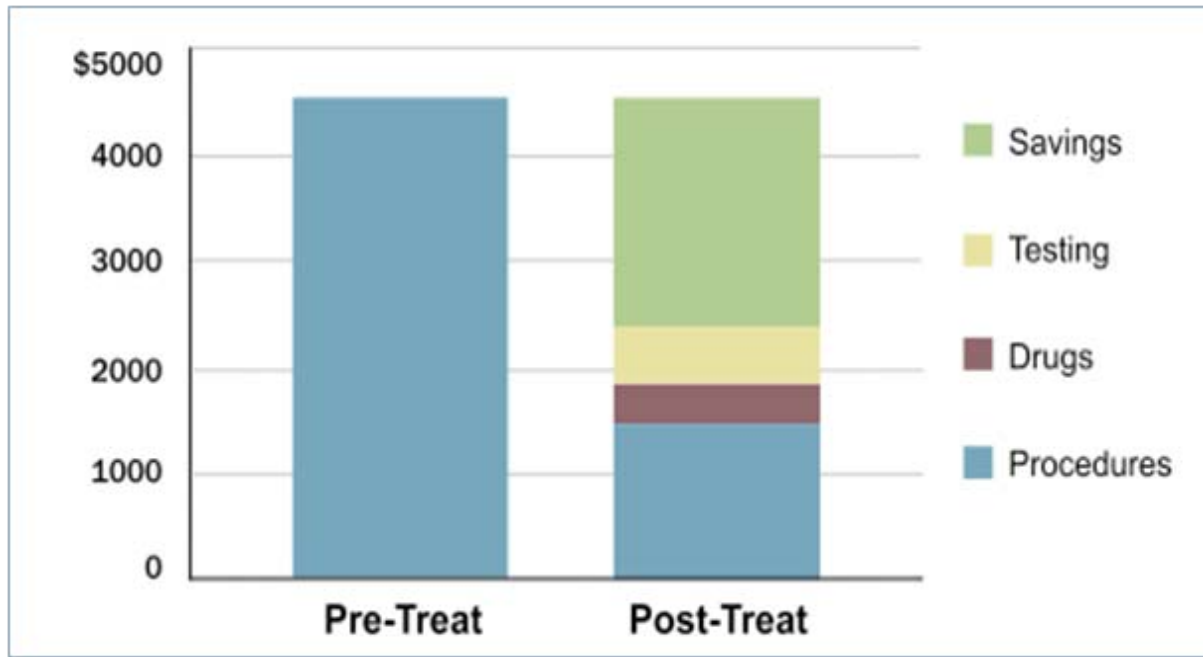
- Focus on Outcomes and Cost Containment (Medical & Drug)
- Increased emphasis on drug efficacy, proper dosage and adverse effects
- Advances in science and genomics



Outcome Improvement Programs: Kidney Stone Recurrence

Litholink Kidney Stone Program

80% reduction in recurrence rate PLUS
\$2,000+ Annual Cost Reductions Per Patient Per Year *



* Parks JH, Coe FL, *Kidney International*, vol. 50 (1996), pp. 1706-1712.

Outcome Improvement Programs: Chronic Kidney Disease

Chronic Kidney Disease Facts

- Chronic Kidney Disease (CKD) affects more than 26 million Americans
- CKD prevalence has increase 30% during the past decade
- 90% of the 16.2 million people with late stage chronic kidney disease do not know they have the disease even though they have lost more than half of their kidney function
- Moderate to Severe CKD (stages 3 and 4) and End Stage Renal Disease (stage 5) cost the U.S. close to \$37 billion each year
- CKD program developed based on input from an international advisory panel of CKD experts

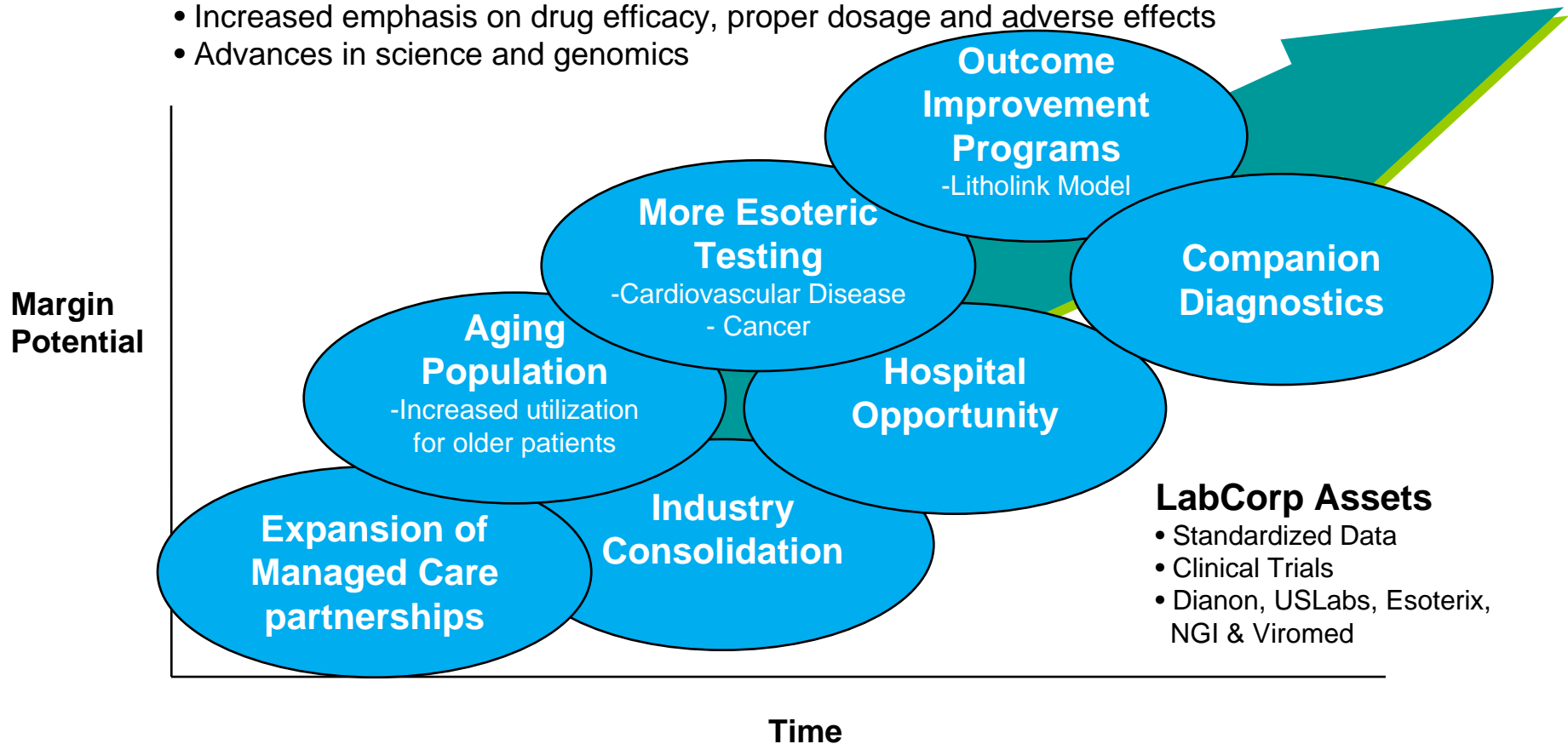
LabCorp's Chronic Kidney Disease Program

- Detection: We are partnering with the National Kidney Foundation and physicians to detect CKD at early stages
- Treatment: We provide patient-specific guidance to help physicians manage patients prior to the development of End Stage Renal Disease. We do this by combining critical clinical data with sophisticated information technology and expert treatment guidance.

Revenue Growth Drivers

Industry Forces

- Focus on Outcomes and Cost Containment (Medical & Drug)
- Increased emphasis on drug efficacy, proper dosage and adverse effects
- Advances in science and genomics





Personalized Medicine: Companion Diagnostics

HLA-B*5701

- In 2005, LabCorp became the first commercial laboratory to introduce a test for the HLA-B*5701 allele that identifies patients at higher risk for hypersensitivity to Abacavir, an AIDS treatment drug
- Test volumes grew rapidly beginning July 2007 after data from two critical studies were released at the International AIDS Society Conference in Sydney, Australia

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.

K-RAS

“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

- In the U.S., approximately 150,000 people will be diagnosed with colorectal cancer this year. Approximately 30,000 of these people will present with metastatic colorectal cancer
- 30 to 50 percent of colorectal cancer patients have a mutated K-RAS gene making them unlikely to respond to standard late-stage anti-EGFR therapies
- In 2007, approximately \$850 million was spent in the U.S. on Erbitux® and Vectibix®, standard late-stage anti-EGFR therapies

Publicly Announced Relationships

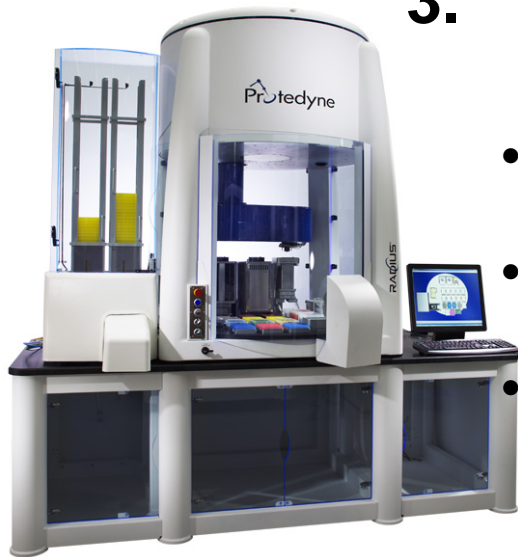
Partner	Clinical Area
ARCA biopharma	Companion Diagnostics (CVD) (exclusive)
Celera Diagnostics	Breast Cancer
Duke University	Lung Cancer (exclusive)
Exact Sciences	Colon Cancer
Intema Ltd.	Prenatal Testing
Ipsogen	Molecular Diagnostics
Medco Health Solutions	Companion Diagnostics (Research)
OncoMethylome 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 (Oncology) (exclusive)
Veridex	Prostate Cancer
Yale University	Ovarian Cancer (exclusive)

EBITDA Margin Growth Drivers

1. Increased volumes through fixed-cost infrastructure
2. Larger number of esoteric tests offered, more esoteric tests ordered

3. Further operational efficiencies

- Increase automation in pre-analytic processes
- Logistics / route structure optimization
- Supply chain management



- Improved patient experience and data capture

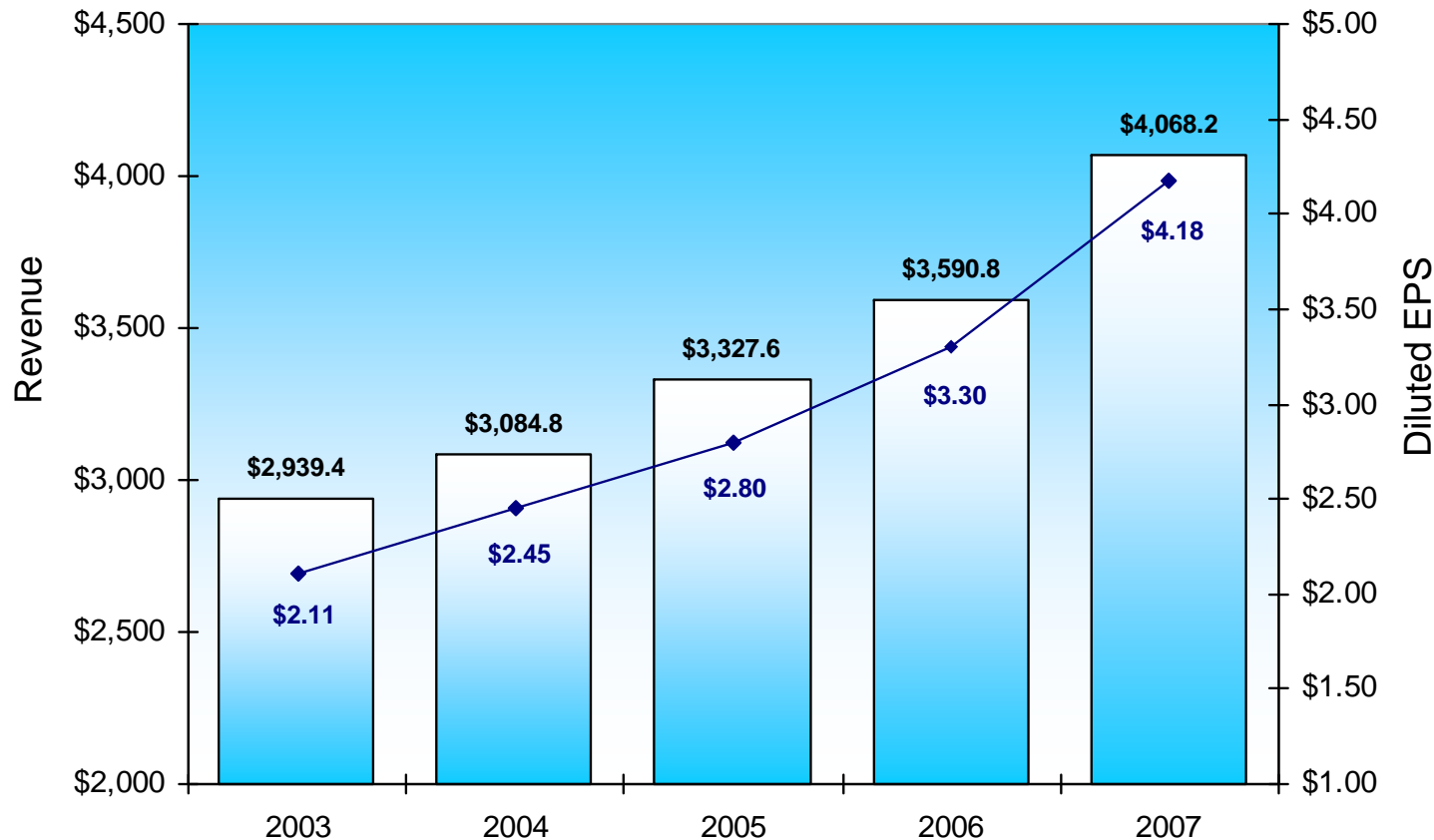
A photograph of laboratory glassware, including a beaker and a graduated cylinder, set against a blue background. The glassware is partially filled with a clear liquid.

LabCorp's Investment and Performance Fundamentals

- **Industry-leading EBITDA margins**
- **Significant free cash flow**
- **Focus on providing value to shareholders**
 - Strategic acquisitions
 - Organic growth opportunities
 - Share repurchase
 - \$95.4 Million available as of 9/30/08
- **Flexibility for future growth opportunities**

Five-Year Revenue and EPS Trend

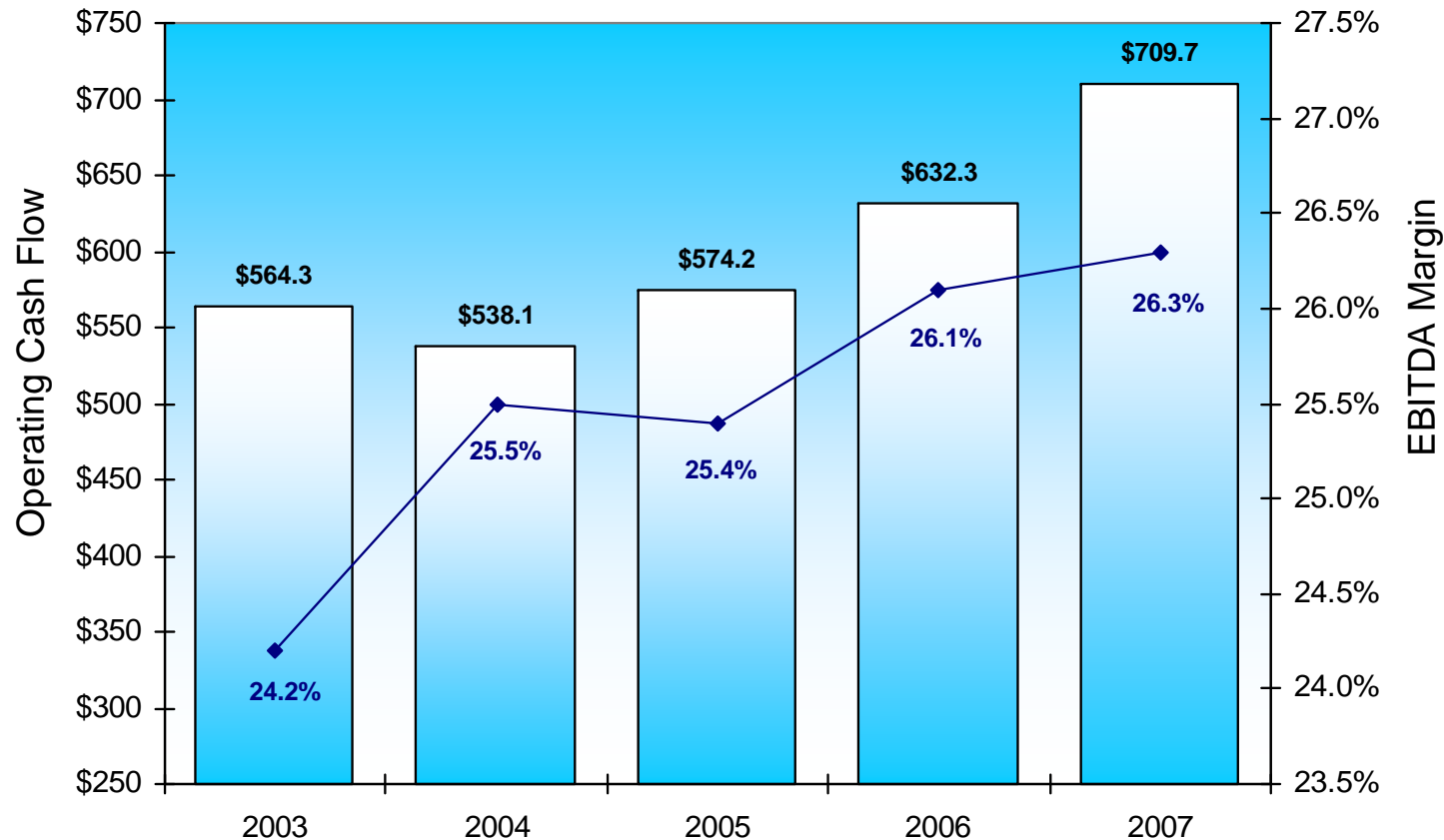
Revenue CAGR of 8.5% – Diluted EPS CAGR of 18.6%



1. Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss.
2. Excluding the \$0.06 per diluted share impact in 2006 of restructuring and other special charges.
3. Excluding the \$0.25 per diluted share impact in 2007 of restructuring and other special charges.

Five-Year OCF and EBITDA Margin Trend

OCF CAGR of 6% – EBITDA Margin Growth of 210 bps



1. Includes approximately \$50 million of benefit from one-time tax credits recorded in 2003.
2. Excluding the impact in 2005 of restructuring and other special charges and a non-recurring investment loss.
3. Excluding the impact in 2006 and 2007 of restructuring and other special charges
4. As a result of adopting FASB 123(R) in 2006, the Company recorded incremental stock compensation expense of \$23.3 and \$26.7 in 2006 and 2007, respectively.

Third Quarter Results

(In millions, except per share data)

	<u>9/30/2007</u>	<u>9/30/2008</u>	<u>+/(-)</u>
Revenue	\$ 1,020.6	\$ 1,135.1	11.2%
EBITDA⁽¹⁾	\$ 272.5	\$ 265.8	-2.5%
EBITDA Margin	26.7%	23.4%	(330) bp
Diluted EPS⁽²⁾	\$ 1.07	\$ 1.10	2.8%

(1) Excludes restructuring and other special charges of \$31.3 and \$17.7 million recorded by the Company in the third quarter of 2007 and 2008, respectively.

(2) Excludes the \$0.15 and \$0.10 per diluted share impact of the restructuring and other special charges recorded in the third quarter of 2007 and 2008, respectively.

YTD Third Quarter Results

(In millions, except per share data)

	<u>9/30/2007</u>	<u>9/30/2008</u>	<u>+ / (-)</u>
Revenue	\$ 3,062.4	\$ 3,386.1	10.6%
EBITDA⁽¹⁾	\$ 812.6	\$ 852.4	4.9%
EBITDA Margin	26.5%	25.2%	(130) bp
Diluted EPS⁽²⁾	\$ 3.13	\$ 3.48	11.2%

(1) Excludes restructuring and other special charges of \$38.3 and \$78.7 million recorded by the Company through the third quarter of 2007 and 2008, respectively.

(2) Excludes the \$0.18 and \$0.42 per diluted share impact of the restructuring and other special charges recorded through the third quarter of 2007 and 2008, respectively.



2008 Third Quarter Financial Achievements

- **Diluted EPS of \$1.10 ⁽¹⁾**
- **EBITDA margin of 23.4% of net sales⁽²⁾**
- **Operating cash flow of \$194.4 million**
- **Increased revenues**
 - **11.2% (10.6% volume; 0.6% price)**
 - **Excl. Canada 5.4% (3.1% volume, 2.3% price)**
- **Repurchased approximately \$263.9 million of LabCorp stock**

(1) Excludes the \$0.10 per diluted share impact of the restructuring and other special charges recorded in the third quarter of 2008.

(2) Excludes restructuring and other special charges of \$17.7 million recorded by the Company in the third quarter of 2008.

A close-up photograph of several glass beakers or test tubes in a laboratory setting, with a blue tint. The focus is on the rim of one beaker in the foreground, with others blurred in the background.

2008 YTD Third Quarter Financial Achievements

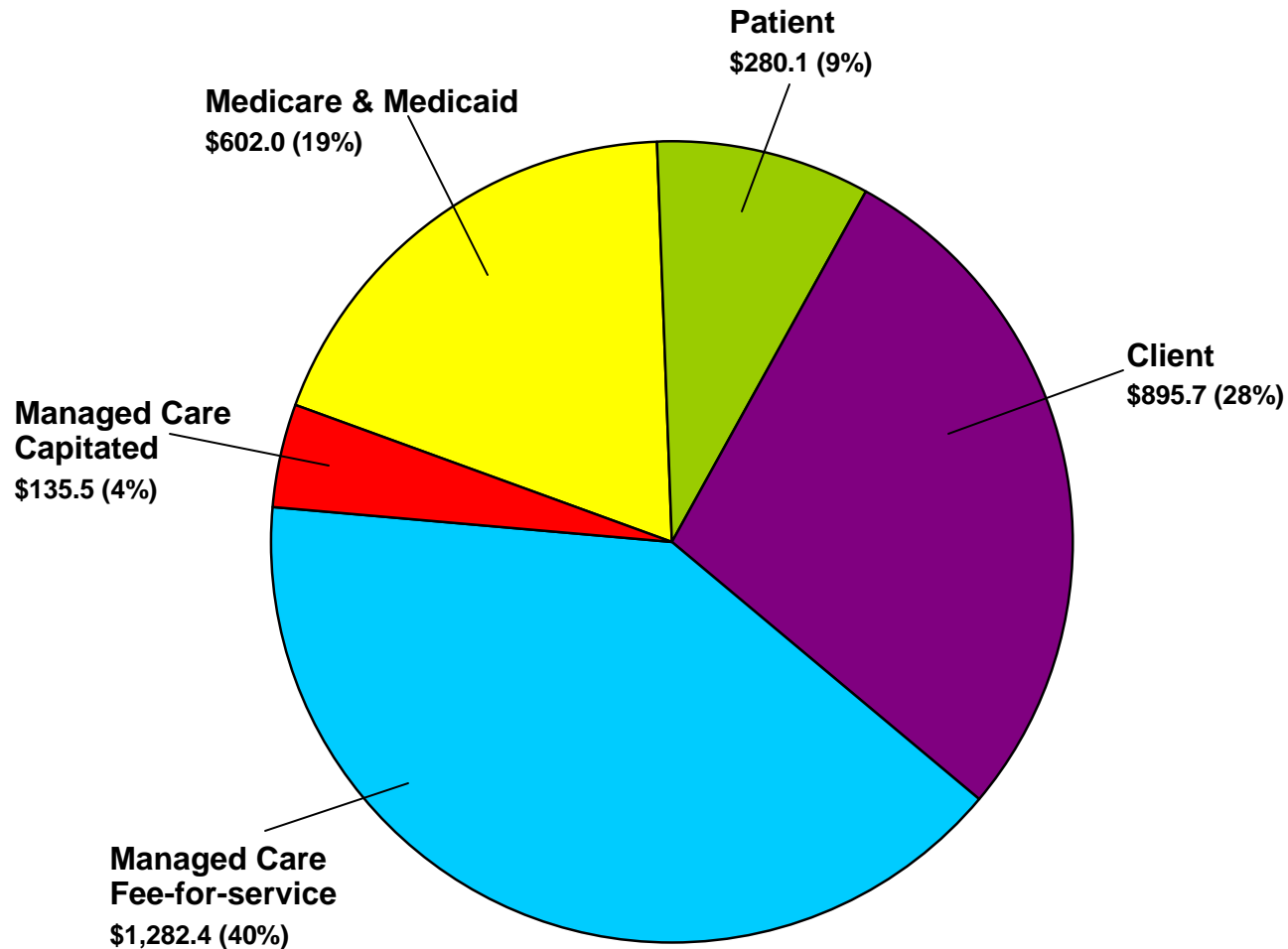
- **Diluted EPS of \$3.48 ⁽¹⁾**
- **EBITDA margin of 25.2% of net sales⁽²⁾**
- **Operating cash flow of \$565.6 million**
- **Increased revenues**
 - **10.6% (9.4% volume; 1.2% price)**
 - **Excl. Canada 4.3% (2.0% volume, 2.3% price)**
- **Repurchased approximately \$330.4 million of LabCorp stock**

(1) Excludes the \$0.42 per diluted share impact of the restructuring and other special charges recorded through the third quarter of 2008.

(2) Excludes restructuring and other special charges of \$78.7 million recorded by the Company through the third quarter of 2008.

Revenue by Payer- US YTD Q3 2008

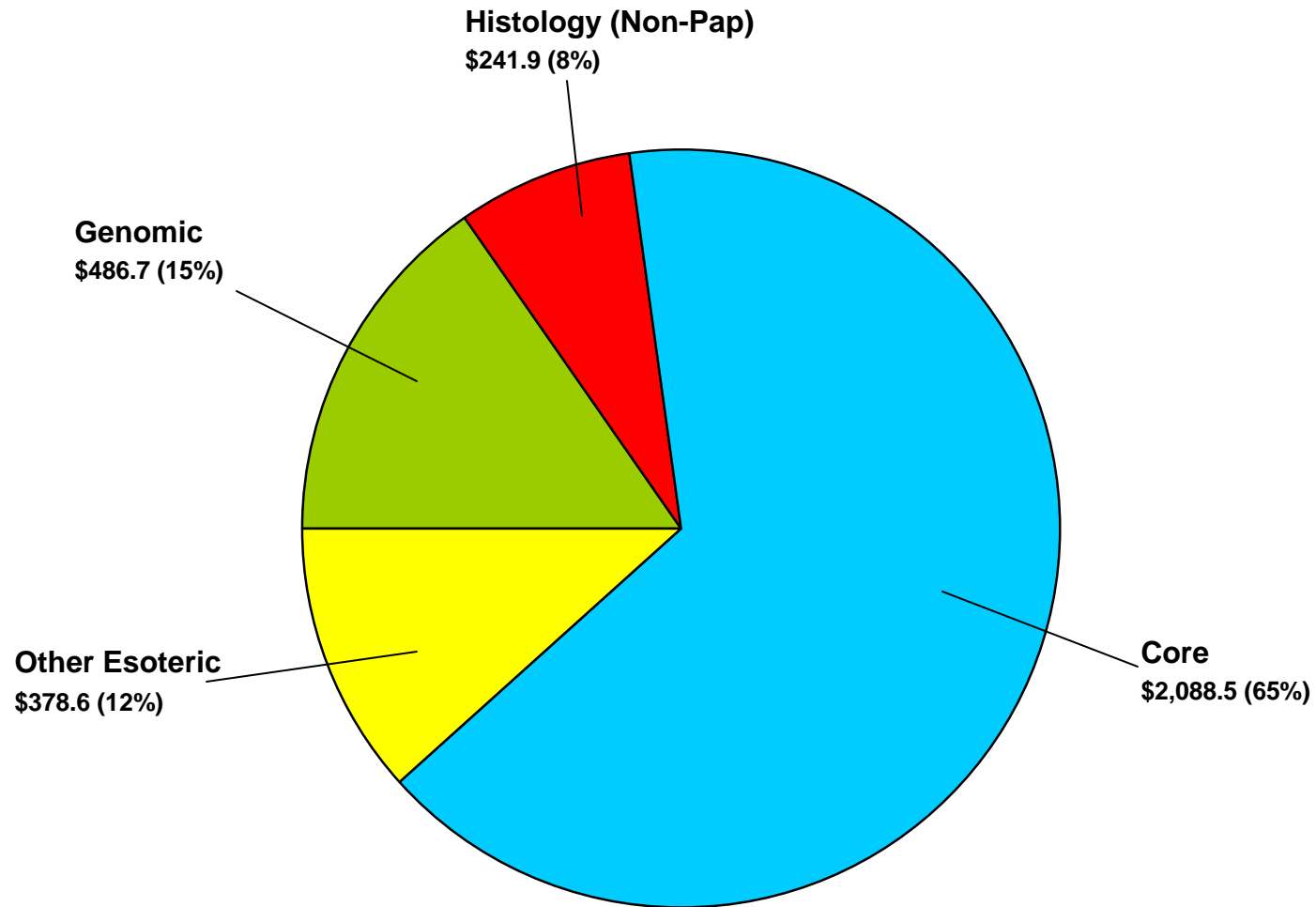
(In millions)



Revenue by Business Area - US

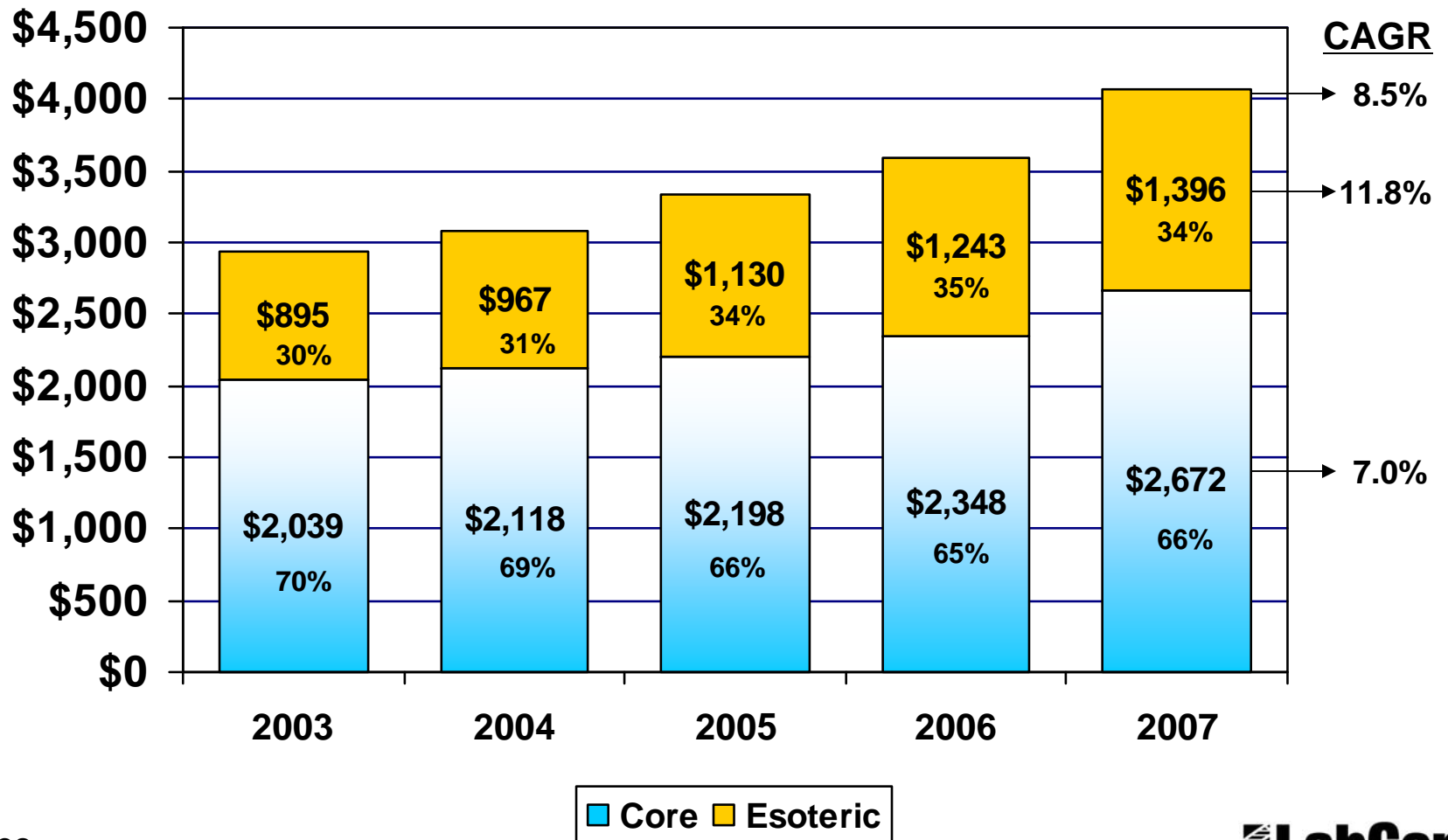
YTD Q3 2008

(In millions)



Revenue Mix by Business Area

(In millions)



Reconciliation of Non-GAAP Financial Measures

(In millions)

- EBITDA represents earnings before interest, income taxes, depreciation and amortization, and includes the Company's proportional share of the underlying EBITDA of the income from joint venture partnerships. The Company uses EBITDA extensively as an internal management performance measure and believes it is a useful, and commonly used measure of financial performance in addition to earnings before taxes and other profitability measurements under generally accepted accounting principles ("GAAP"). EBITDA is not a measure of financial performance under GAAP. It should not be considered as an alternative to earnings before income taxes (or any other performance measure under GAAP) as a measure of performance or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. The following table reconciles earnings before income taxes, representing the most comparable measure under GAAP, to EBITDA for the three- and nine-month periods ended September 30, 2008 and 2007:

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2008	2007	2008	2007
Earnings before income taxes	\$ 186.9	\$ 187.1	\$ 586.6	\$ 615.4
Add (subtract):				
Interest expense	16.8	12.6	54.0	37.8
Investment income	(1.0)	(0.5)	(2.1)	(3.3)
Other (income) expense, net	0.2	0.6	1.5	1.5
Depreciation	30.2	26.6	89.2	79.1
Amortization	14.6	13.9	43.0	40.6
Restructuring and other special charges	17.7	31.3	78.7	38.3
Joint venture partnerships' depreciation and amortization	0.4	0.9	1.5	3.2
EBITDA	\$ 265.8	\$ 272.5	\$ 852.4	\$ 812.6



 **LabCorp**
Laboratory Corporation of America