



Analyst & Institutional Investor Day

New York City, NY
March 3rd, 2008



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.

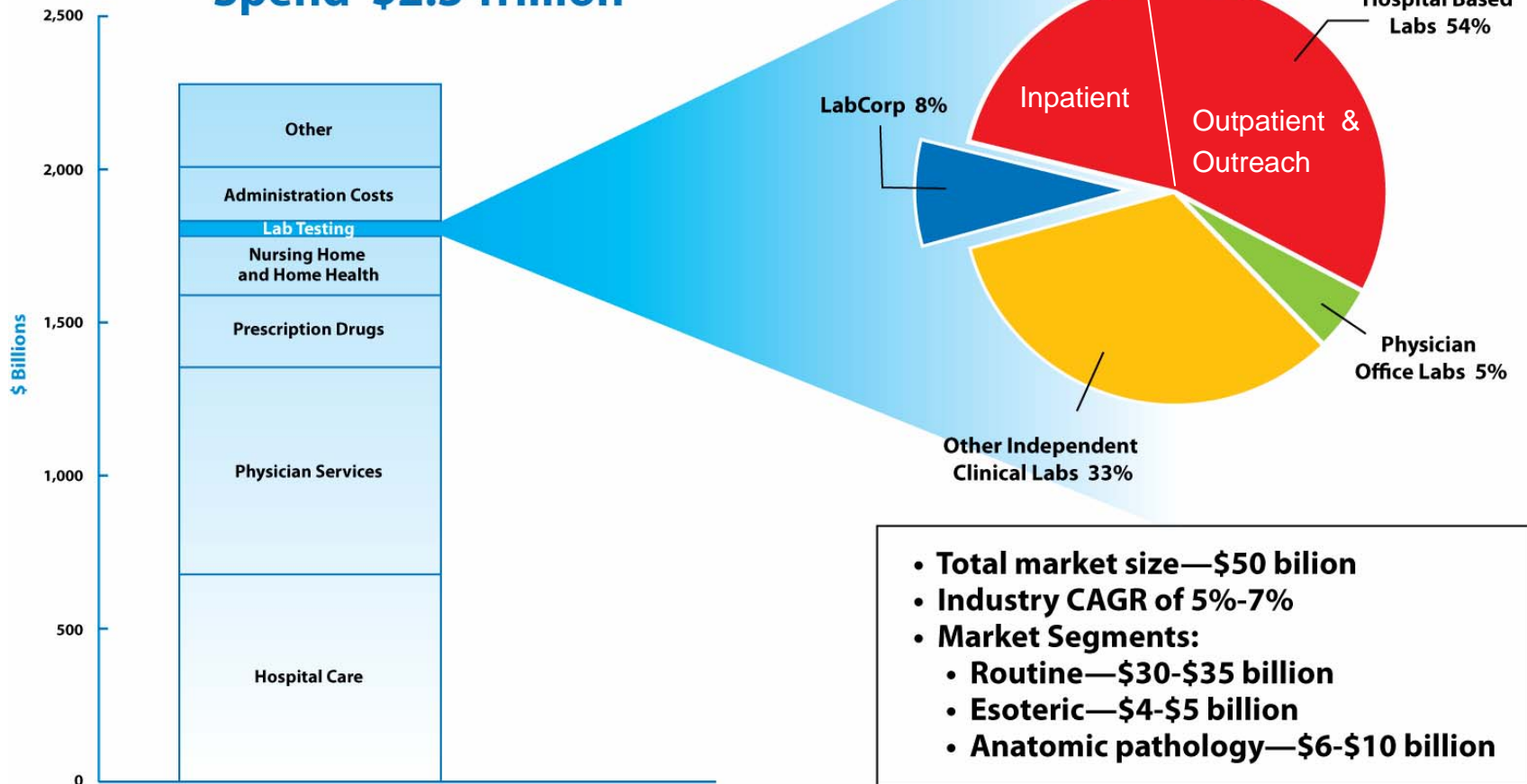


Agenda

- **General Overview**
 - **Financial Results**
 - **Licensing Overview**
 - **Scientific Leadership**
 - **Break**
 - **Questions and Answers**
- **Dave King**
 - **Brad Hayes**
 - **Brad Smith**
 - **Dr. Andrew Conrad**

The US Healthcare & Clinical Laboratory Testing Market

2007 Projected US Healthcare Spend \$2.3 Trillion



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

The Value of Lab Testing

In the past, lab testing was primarily used to diagnose disease

Now, lab testing now plays an increasingly large role in the full continuum of healthcare delivery

PREVENTION

DIAGNOSIS

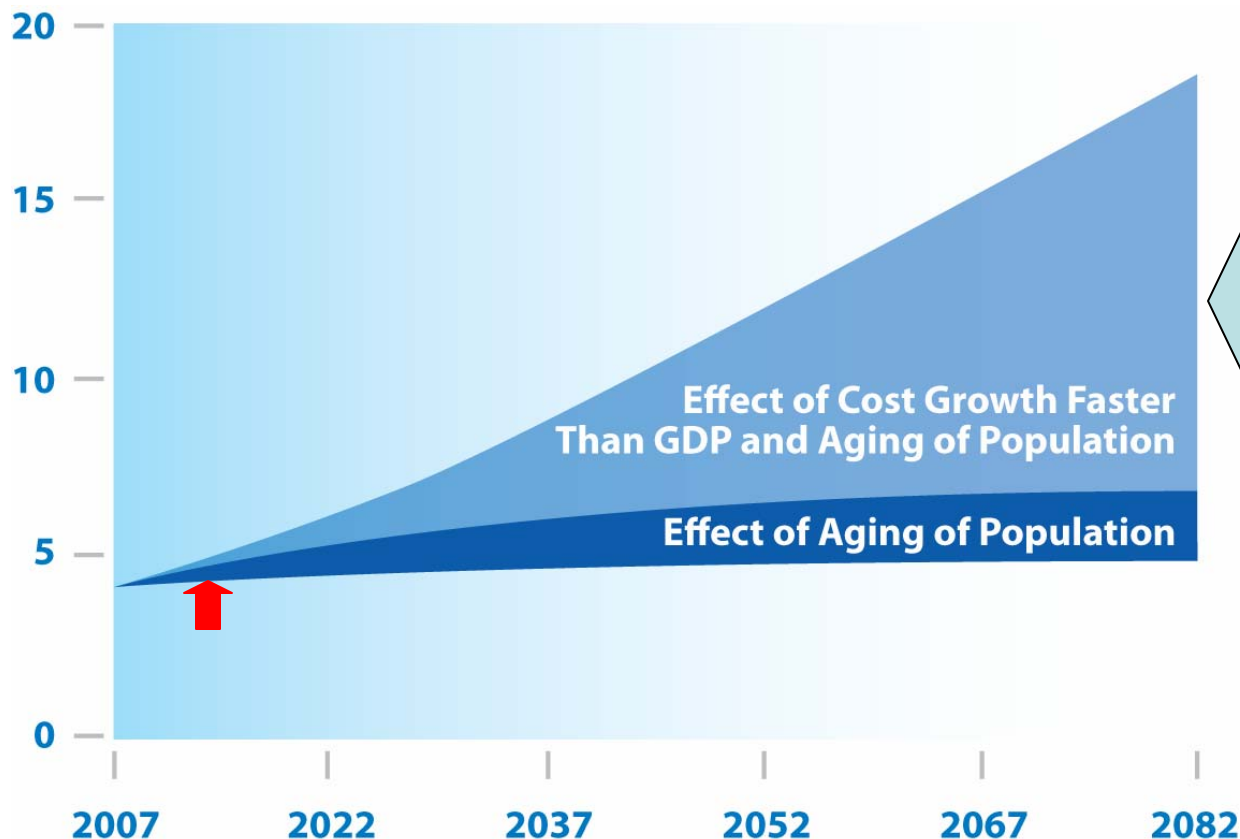
TREATMENT

MONITORING



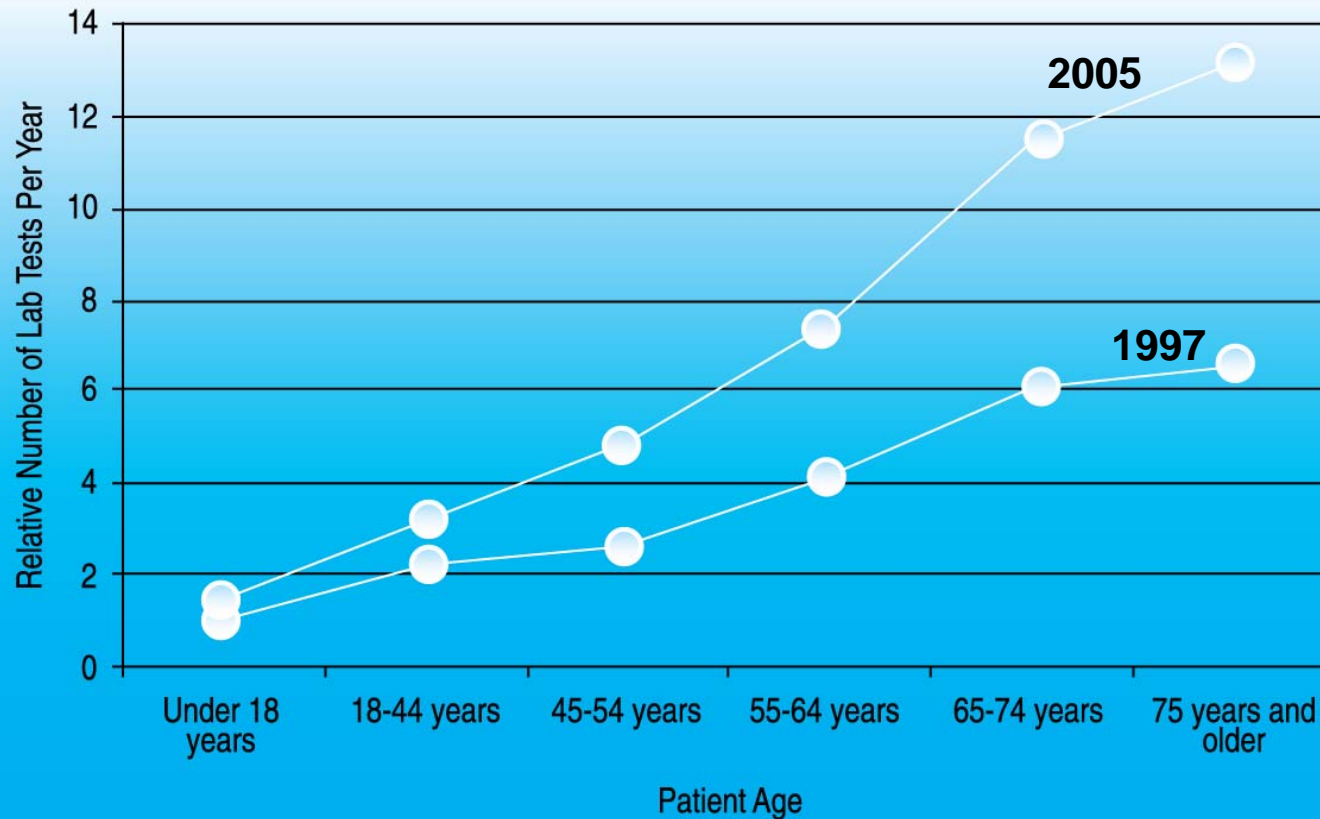
The Value of Lab Testing

Sources of Growth in Projected Federal Spending on Medicare and Medicaid (Percentage of GDP)



Lab testing can guide and reduce overall healthcare spend

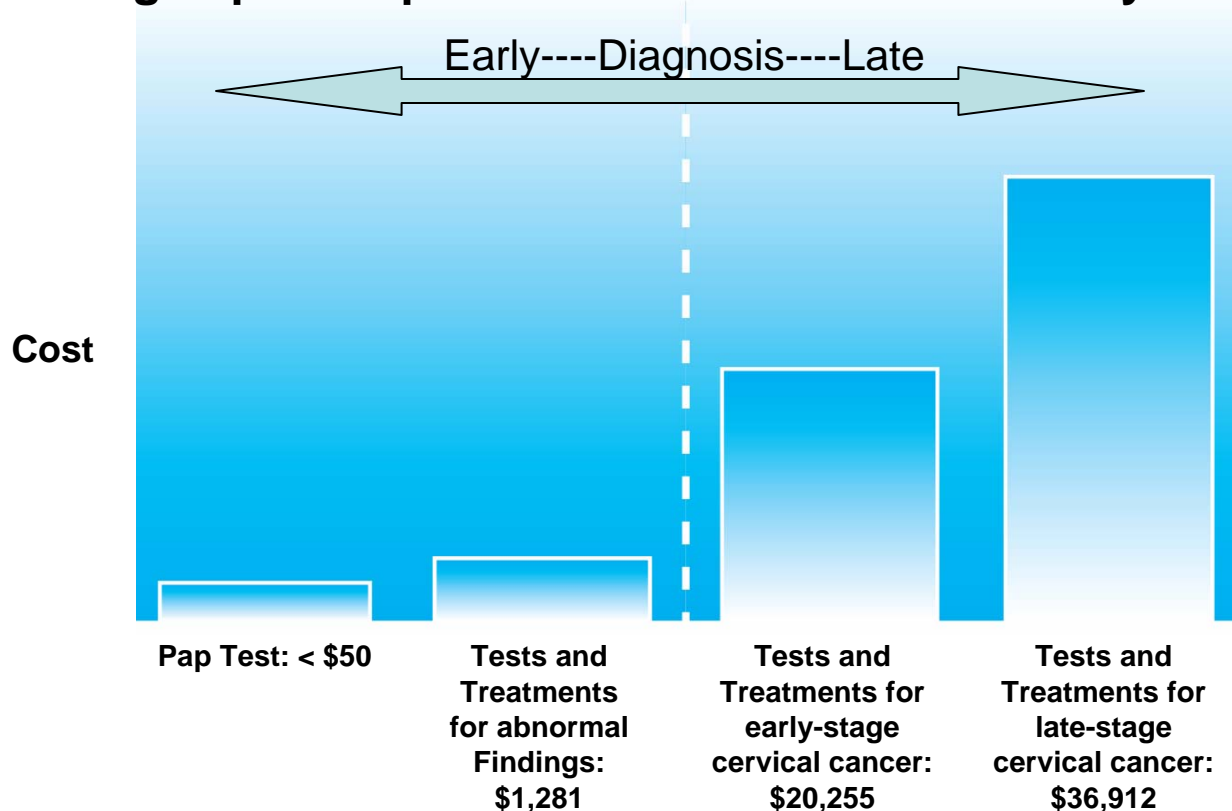
Lab Utilization and the Aging Population



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

The Cost Effectiveness of Lab Testing

Lab testing improves patient outcomes at dramatically reduced costs



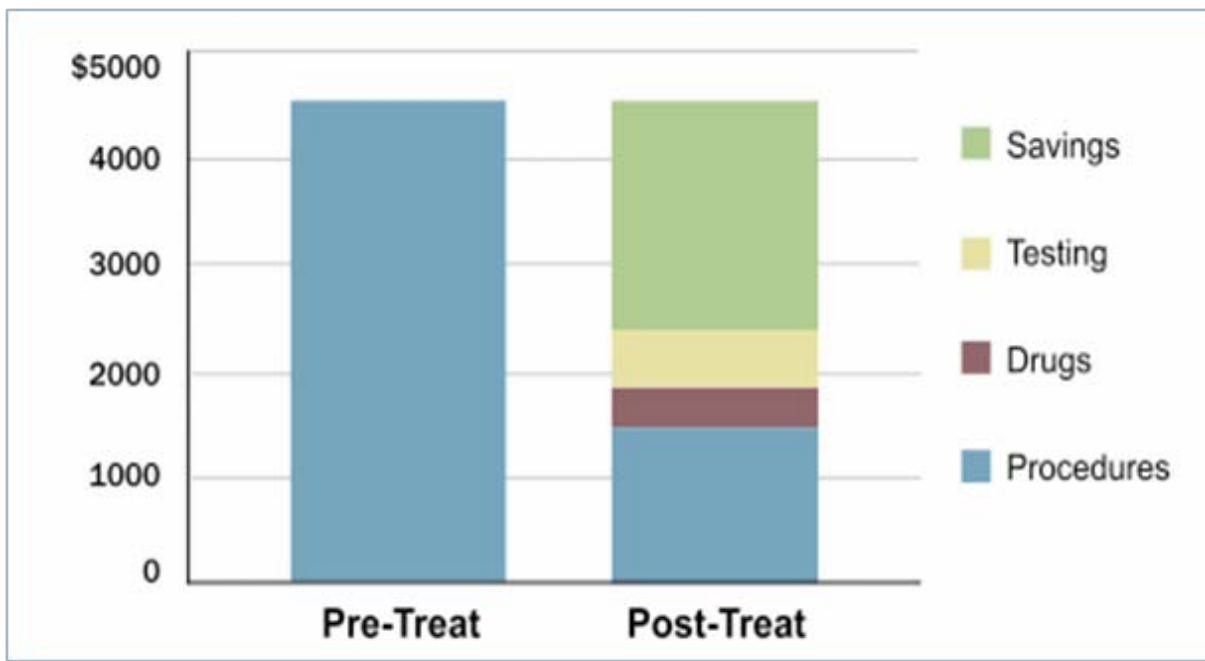
LabCorp performs more than 10 million pap tests per year

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

The Cost Effectiveness of Lab Testing

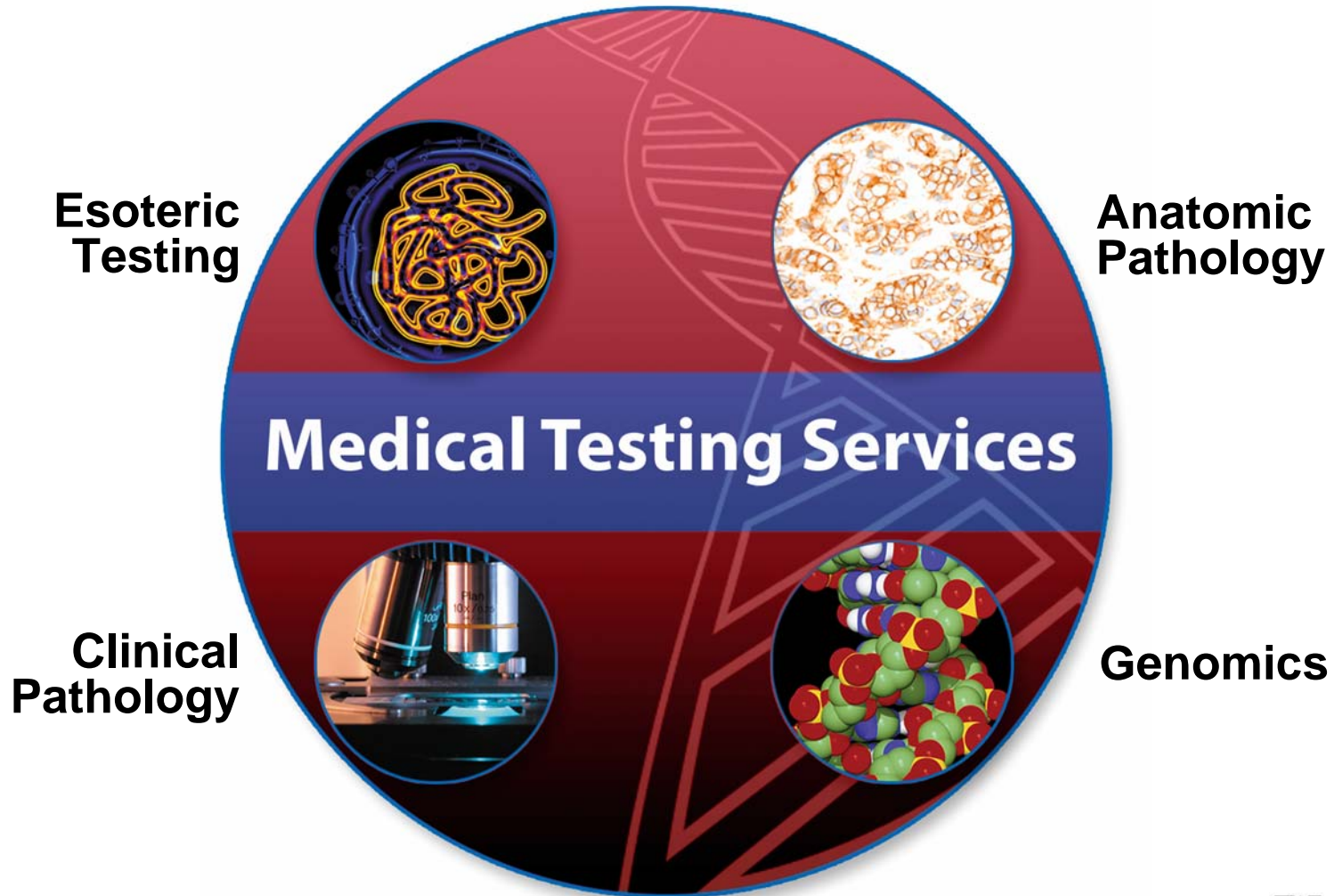
Litholink Kidney Stone Disease Program

\$2,000+ Annual Cost Reductions Per Patient Per Year *



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

What is LabCorp



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



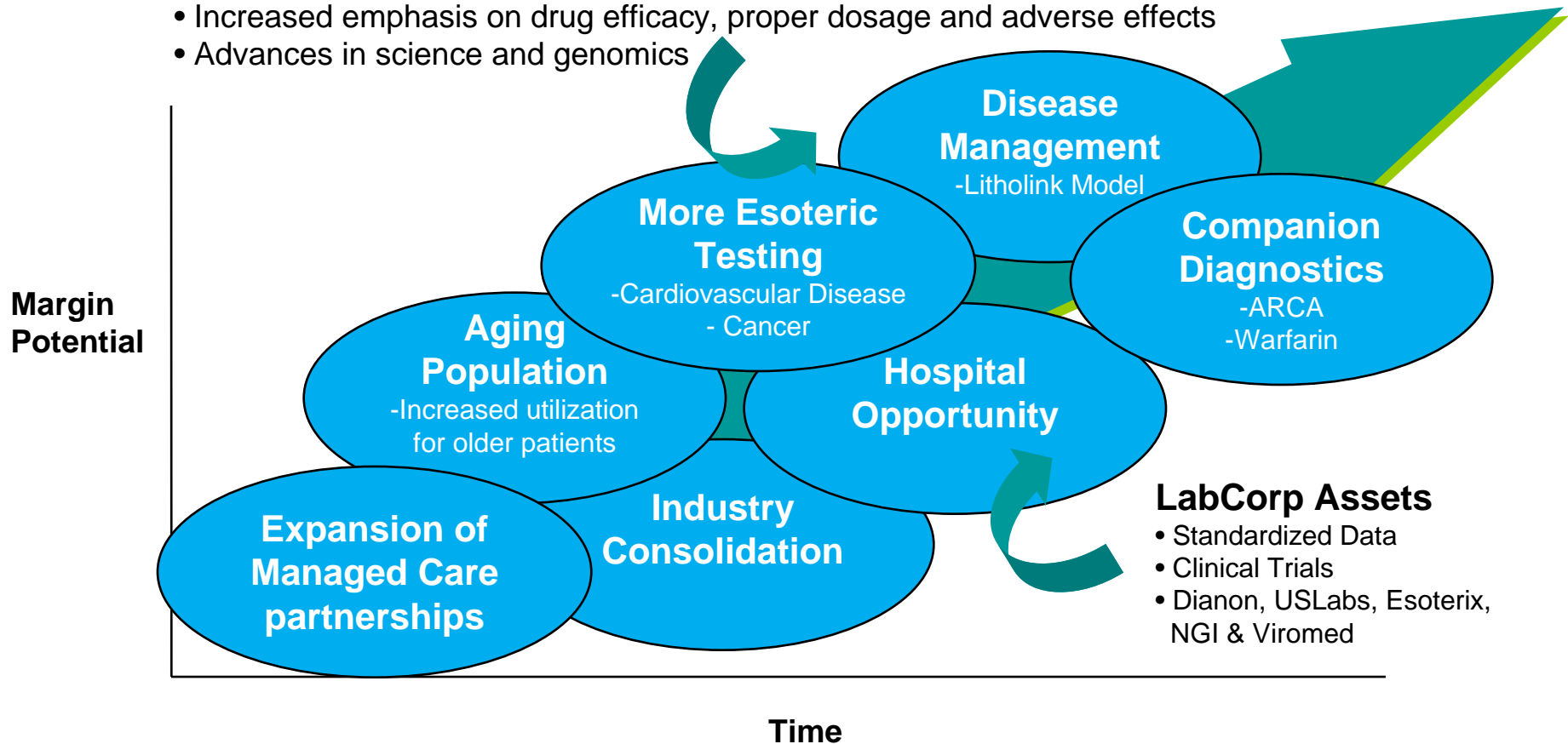
Customer Focus

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

Revenue Growth Drivers

Industry Forces

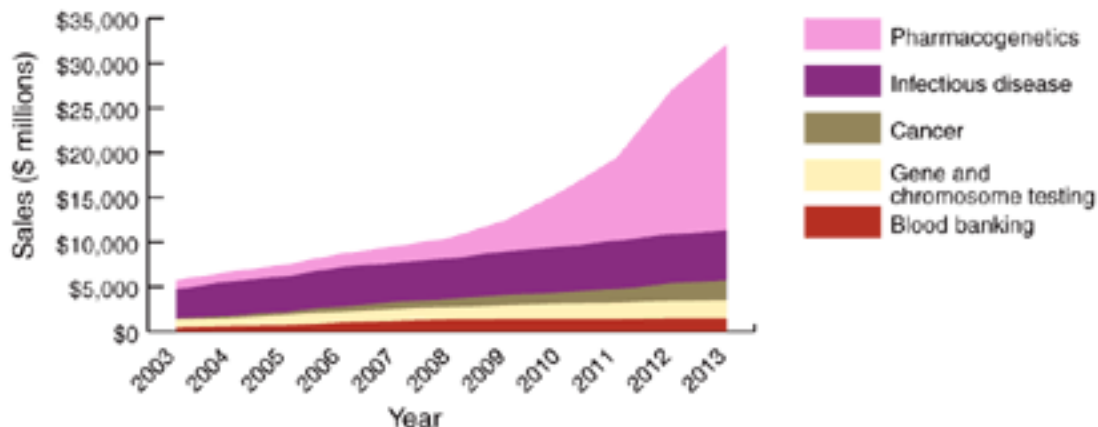
- Focus on Outcomes and Cost Containment (Medical & Drug)
- Increased emphasis on drug efficacy, proper dosage and adverse effects
- Advances in science and genomics



Revenue Drivers Molecular Testing

US molecular diagnostic testing market

Pharmacogenetic tests aren't expected to see aggressive revenue growth until around 2010.

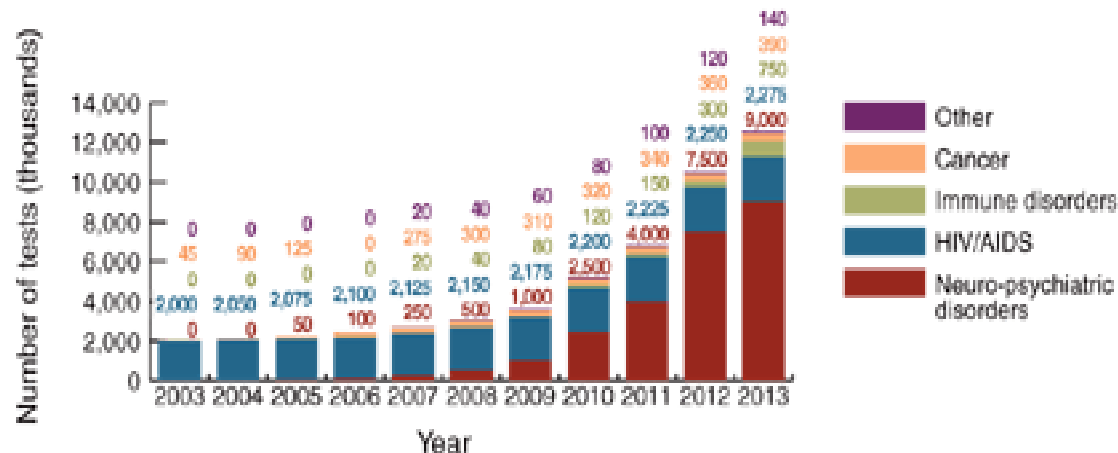


Source: Kalorama Information

Revenue Drivers Pharmacogenetics

Projected number of pharmacogenetic tests in US by indication

Neuro-psychiatric disorders, for which there are few means of diagnosis, are expected to dominate pharmacogenetic testing.



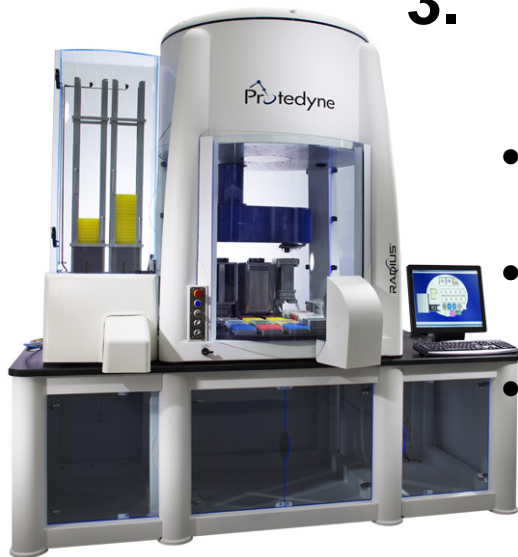
Source: Kalorama Information

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
- Improvement in collections / bad debt

A blue-tinted background image showing laboratory glassware, including a test tube and a beaker, with light reflecting off their surfaces.

LabCorp's Investment and Performance Fundamentals

- **Industry-leading EBITDA margins**
- **Significant free cash flow**
- **Focus on returning value to shareholders**
 - Strategic acquisitions
 - Organic growth opportunities
 - Share repurchase
 - \$425.8 Million available as of 12/31/07
- **Flexibility for future growth opportunities**

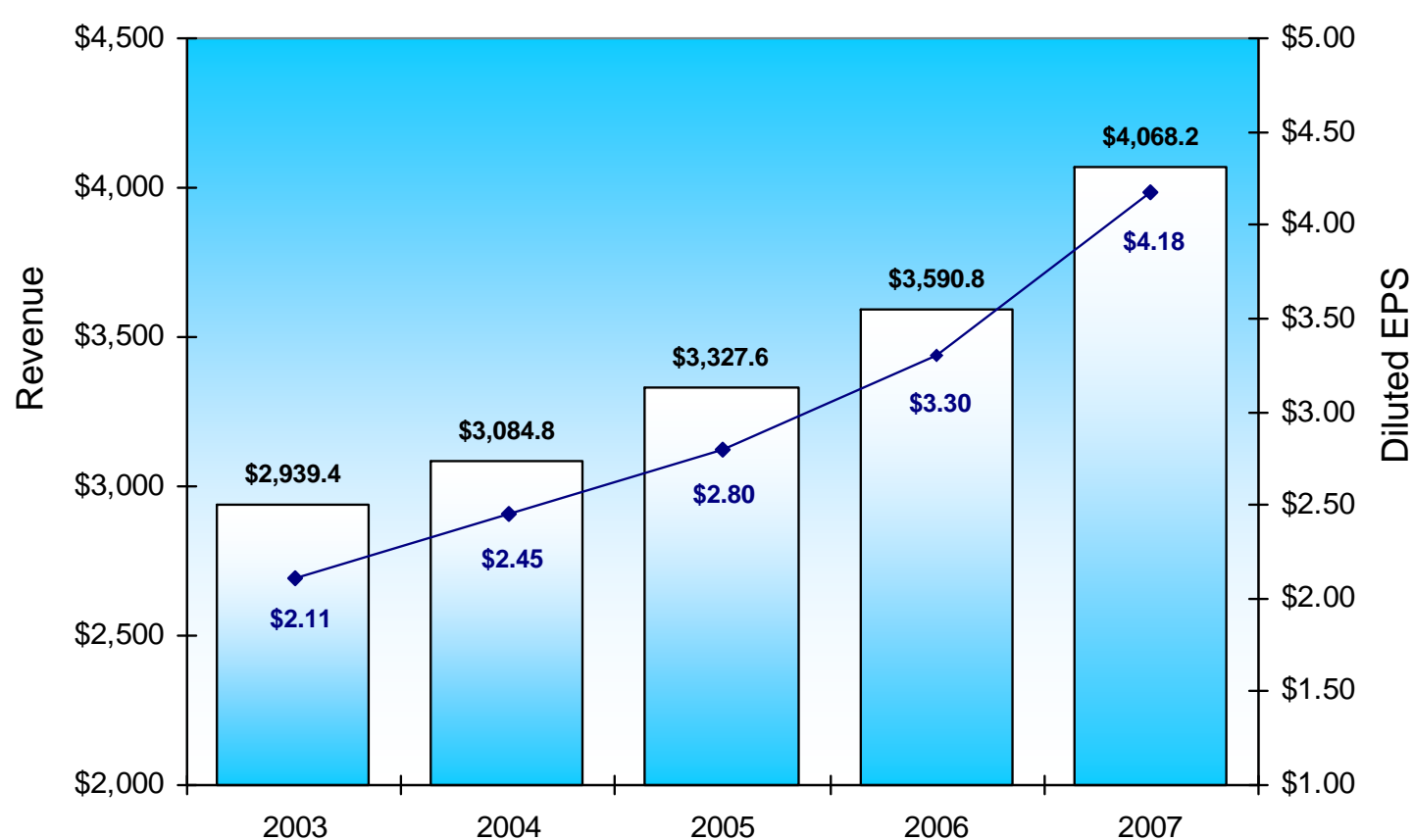


LabCorp
Laboratory Corporation of America

Financial Results

Five-Year Revenue and EPS Trend

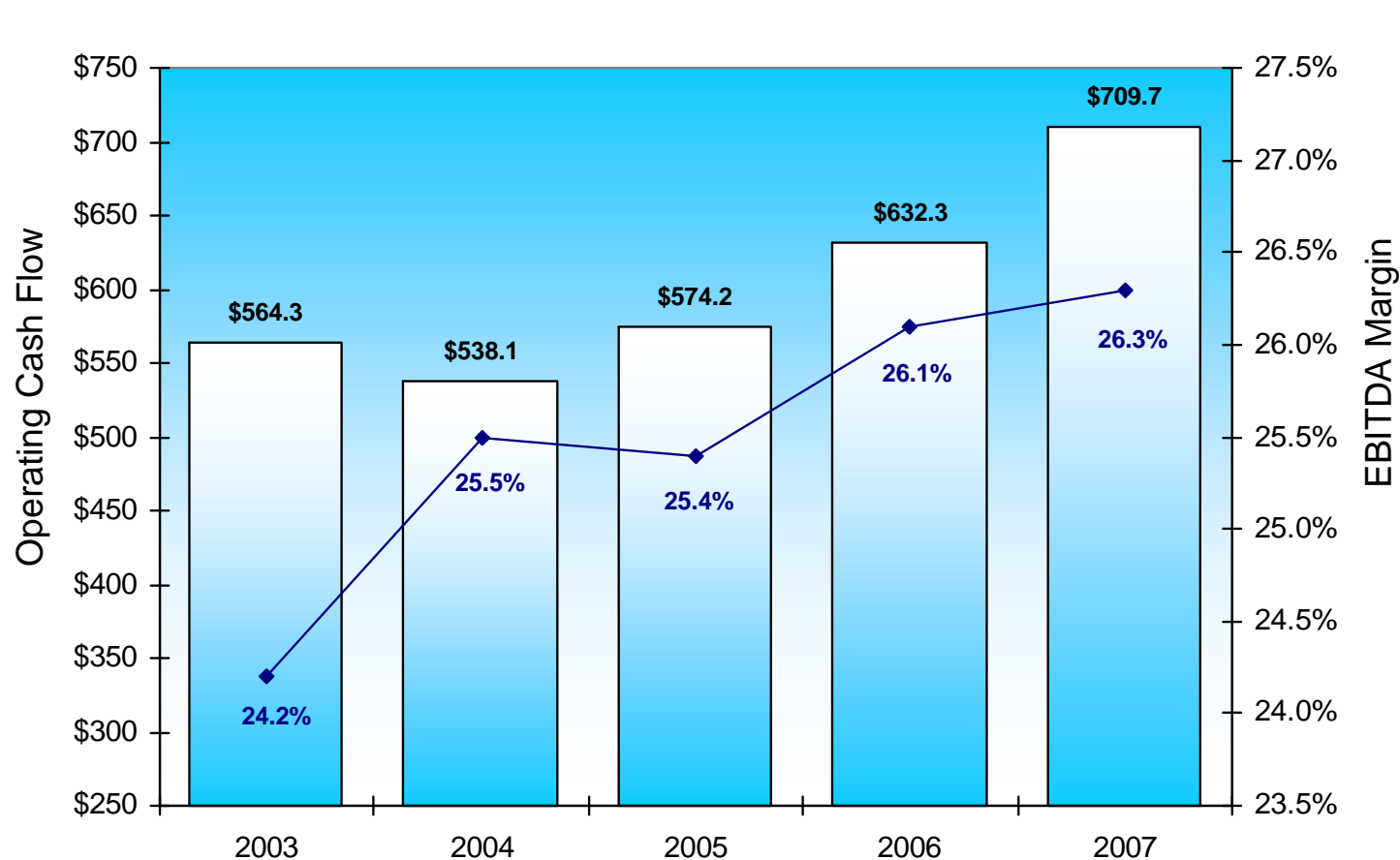
Revenue CAGR of 8.5% – Diluted EPS CAGR of 18.6%



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.



Fourth Quarter Results

(In millions, except per share data)

	<u>12/31/2006</u>	<u>12/31/2007</u>	<u>+/(-)</u>
Revenue	\$ 898.6	\$ 1,005.8	11.9%
EBITDA ⁽¹⁾	\$ 227.7	\$ 258.7	13.6%
EBITDA Margin	25.3%	25.7%	40 bp
Diluted EPS ⁽²⁾	\$ 0.85	\$ 1.04	22.4%

(1) Excludes restructuring and other special charges of \$7.7 and \$12.3 million recorded by the Company in the fourth quarter of 2006 and 2007, respectively.

(2) Excludes the \$0.04 and \$0.06 per diluted share impact of the restructuring and other special charges recorded in the fourth quarter of 2006 and 2007, respectively.




Full Year Results

(In millions, except per share data)

	<u>12/31/2006</u>	<u>12/31/2007</u>	<u>+/(-)</u>
Revenue	\$ 3,590.8	\$ 4,068.2	13.3%
EBITDA ⁽¹⁾	\$ 935.7	\$ 1,071.3	14.5%
EBITDA Margin	26.1%	26.3%	20 bp
Diluted EPS ⁽²⁾	\$ 3.30	\$ 4.18	26.7%

(1) Excludes restructuring and other special charges of \$13.4 and \$50.6 million recorded by the Company in 2006 and 2007, respectively.

(2) Excludes the \$0.06 and \$0.25 per diluted share impact of the restructuring and other special charges by the Company in 2006 and 2007, respectively.

A close-up photograph of laboratory glassware, including a beaker and a graduated cylinder, filled with a blue liquid. The background is a solid blue color.

2007 Fourth Quarter Financial Achievements

- **Diluted EPS of \$1.04 ⁽¹⁾**
- **EBITDA margin of 25.7% of net sales⁽²⁾**
- **Operating cash flow of \$240.4 million**
- **Increased revenues 11.9% (11.0% volume; 0.9% price)**
- **Repurchased approximately \$403.4 million of LabCorp stock**

(1) Excludes the \$0.06 per diluted share impact of the restructuring and other special charges recorded in the fourth quarter of 2007.

(2) Based on EBITDA of \$258.7 million, excluding the \$12.3 million impact of restructuring and other special charges recorded in the fourth quarter of 2007.

A close-up photograph of laboratory glassware, including a test tube and a beaker, filled with a blue liquid. The background is a solid blue color.

2007 Full Year Financial Achievements

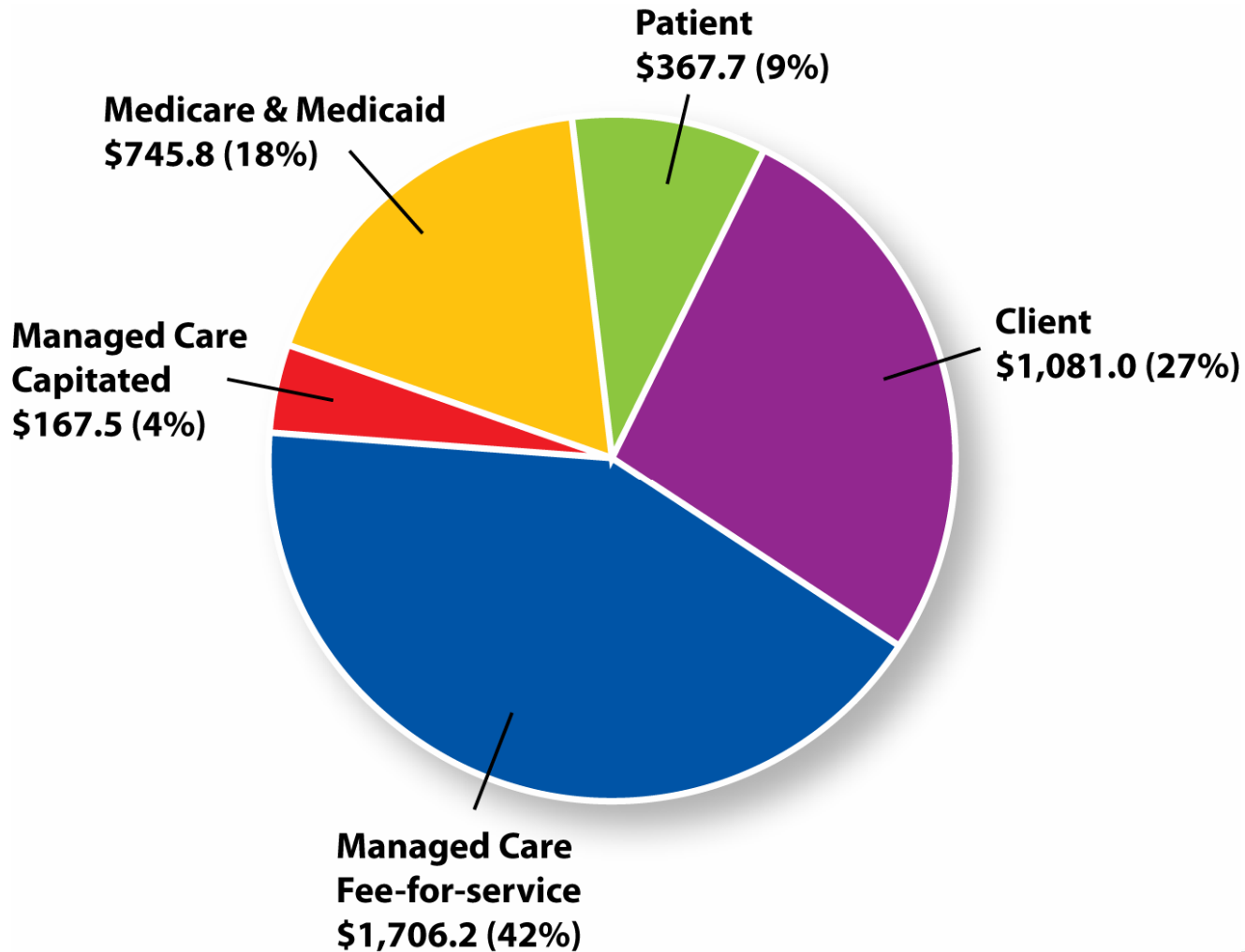
- **Diluted EPS of \$4.18 ⁽¹⁾**
- **EBITDA margin of 26.3% of net sales ⁽²⁾**
- **Operating cash flow of \$709.7 million**
- **Increased revenues 13.3% (12.3% volume; 1.0% price)**
- **Repurchased approximately \$924.2 million of LabCorp stock**

(1) Excludes the \$0.25 per diluted share impact of the restructuring and other special charges recorded in 2007.

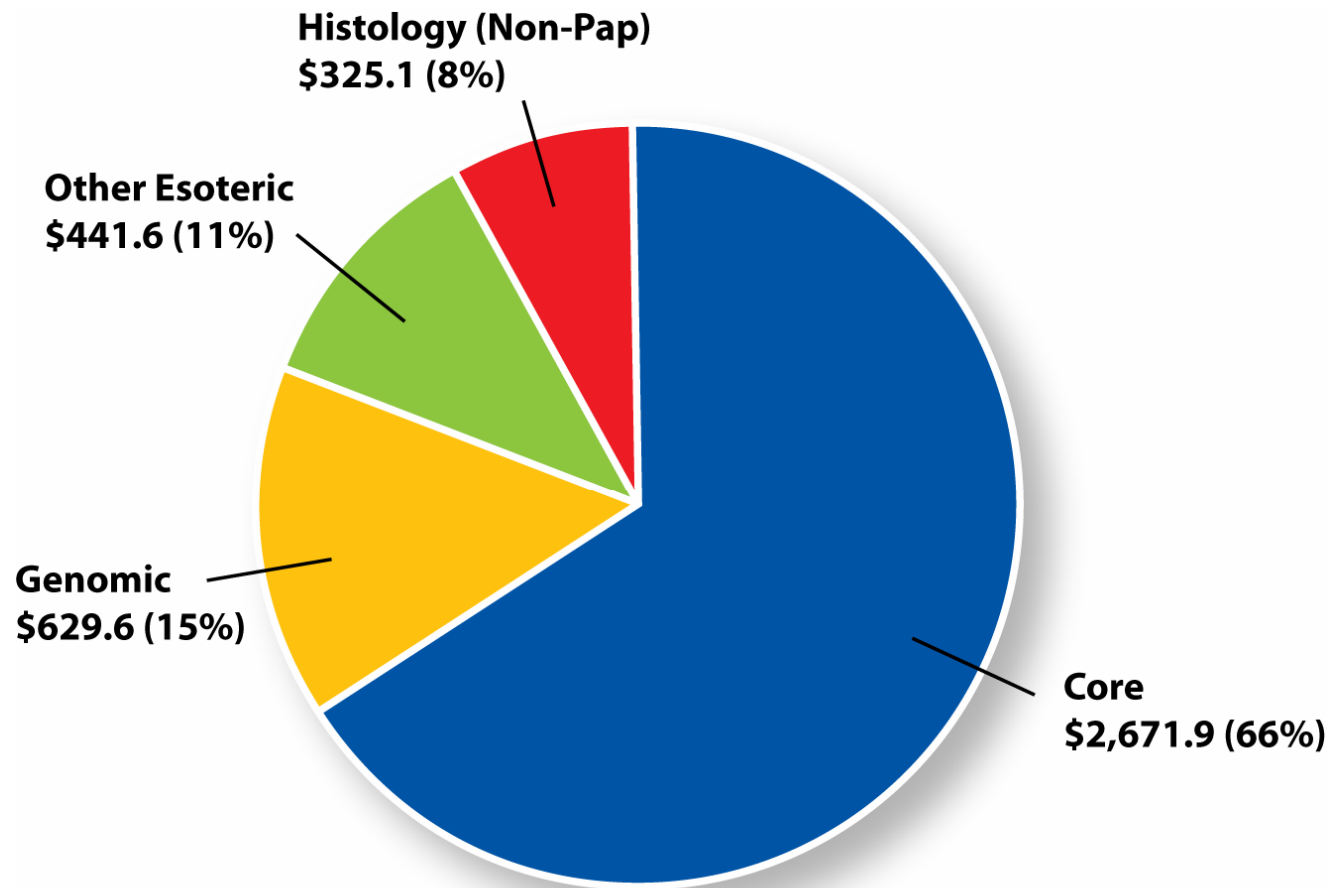
(2) Based on EBITDA of \$1,071.3 million, excluding the \$50.6 million impact of restructuring and other special charges recorded in 2007

Revenue by Payor 2007

In millions)

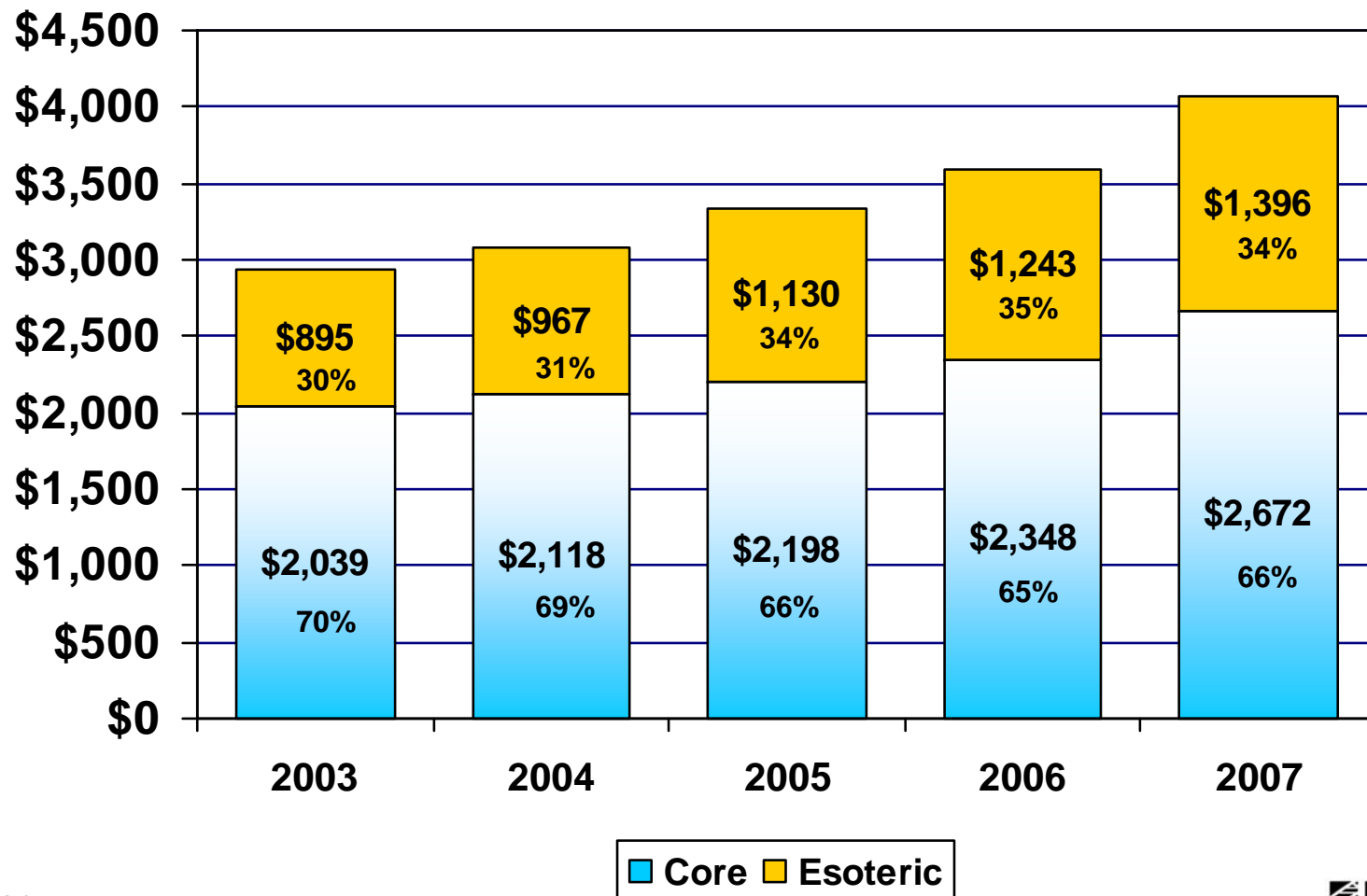


Revenue by Business Area 2007 (In millions)



Revenue Mix by Business Area

(In millions)



Reconciliation of Non-GAAP Financial Measures

(In millions)

- 1) EBITDA represents earnings before interest, income taxes, depreciation, amortization, and nonrecurring charges, 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-month period and year ended December 31, 2007 and 2006:

	Three Months		Year Ended	
	Ended December 31,		December 31,	
	2007	2006	2007	2006
Earnings before income taxes	\$186.9	\$ 169.8	\$ 802.3	\$720.9
Add (subtract):				
Interest expense	18.8	12.4	56.6	47.8
Investment income	(2.1)	(3.3)	(5.4)	(7.7)
Other (income) expense, net	(0.1)	0.9	1.4	2.8
Depreciation	27.4	26.0	106.4	102.2
Amortization	14.3	13.2	54.9	52.2
Restructuring and other special charges	12.3	7.7	50.6	13.4
Joint venture partnerships' depreciation and amortization	1.2	1.0	4.5	4.1
EBITDA	<u>\$258.7</u>	<u>\$ 227.7</u>	<u>\$ 1,071.3</u>	<u>\$935.7</u>



Licensing Overview



Role of Licensing

- Strategic enhancement of LabCorp's scientific capabilities through partnerships, licenses and various other types of contractual relationships
- Licensing is mainly focused on acquiring the rights and capabilities for novel tests that the scientific team has identified
- Licensing is focused on test development, not research



New Test Selection

Primary Focus Items

- Provides actionable result (clinical utility)
- Addresses unmet medical need (clinical utility)
- Degree of scientific and clinical support (clinical validity)
- Cost effective to perform

Secondary Focus Items

- Market potential
- Intellectual property position
- Partner's involvement
- Regulatory requirements
- Access to clinical samples
- Analytical validation and performance characteristics



Publicly Announced Relationships

PARTNER

ARCA Discovery
Celera Diagnostics
Duke University
Exact Sciences
Intema Ltd.
Ipsogen
Medco Health Solutions
SmartGene
Third Wave Technologies
Veridex
Yale University

CLINICAL AREA

Companion Diagnostics (CVD)
Breast Cancer
Lung Cancer
Colon Cancer
Prenatal Testing
Molecular Diagnostics
Companion Diagnostics
Bioinformatics Tools
Companion Diagnostics (CVD)
Prostate Cancer
Ovarian Cancer

A close-up photograph of laboratory glassware, including a beaker and a graduated cylinder, filled with a blue liquid. The background is a solid blue color.

Areas Of Interest

CLINICAL AREA

SPECIFIC OPPORTUNITIES

Companion Diagnostics

Oncology
Cardiovascular Disease
Neural and Degenerative Diseases
Psychiatry

Oncology

Chemotherapy Selection
Lung Cancer Prognosis
Prostate Cancer Prognosis
Bladder Cancer Prognosis/Recurrence
Applications Related to Circulating Tumor Cells

Autoimmune

Rheumatoid Arthritis
Lupus
Colitis
Inflammatory Bowel Disease

Cardiovascular Disease

Risk Assessment
Pre-Diabetes

Neurological

Autism

Infectious Disease

New Platform Technologies



Scientific
Leadership



The Healthcare Conundrum

- Our perception of what is important to our health does not match reality
- Most people are too concerned with issues that are unlikely to have any effect on their lives and ignore the real issues
- Science can help change this phenomenon

A close-up photograph of laboratory glassware, including a test tube and a beaker, filled with a blue liquid. The background is a solid blue color.

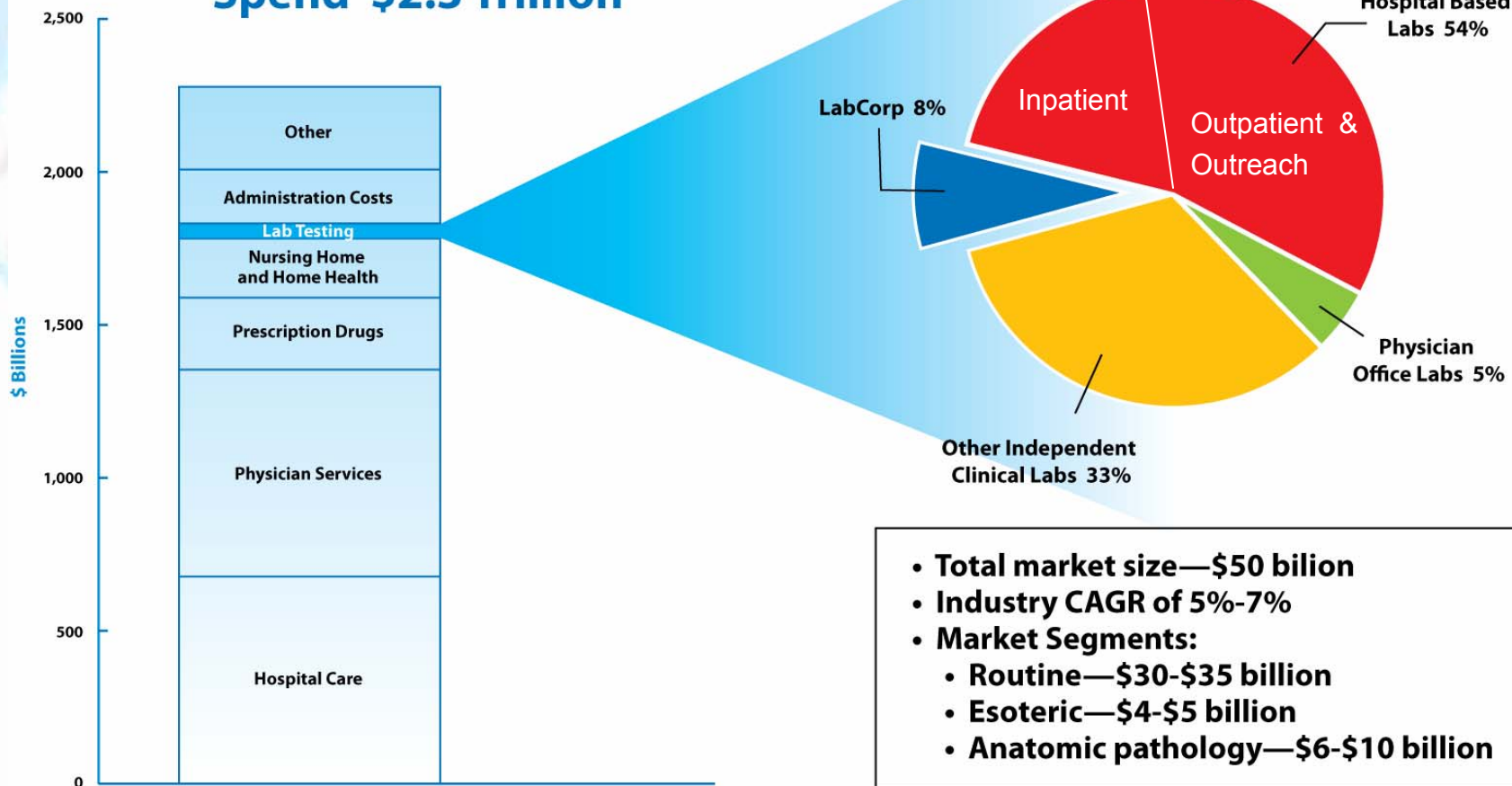
The Facts

- Fact: The Mad Cow Disease scare reduced beef consumption more profoundly than a series of comprehensive publications that demonstrated that trans-fats, cholesterol and other animal fats found in red meat increased the risk of heart disease and cancer
- Fact: Mad Cow Disease has not killed anyone in America
- Fact: Heart Disease and cancer kill more than 1,000,000 people in America every year
- Solution: The incidence, prevalence and mortality associated with these diseases could be profoundly impacted by prevention and screening and appropriate treatment

Jeffrey Kluger in the December 4th, 2006 TIME magazine wrote an article about the perception of risk.

The US Healthcare & Clinical Laboratory Testing Market

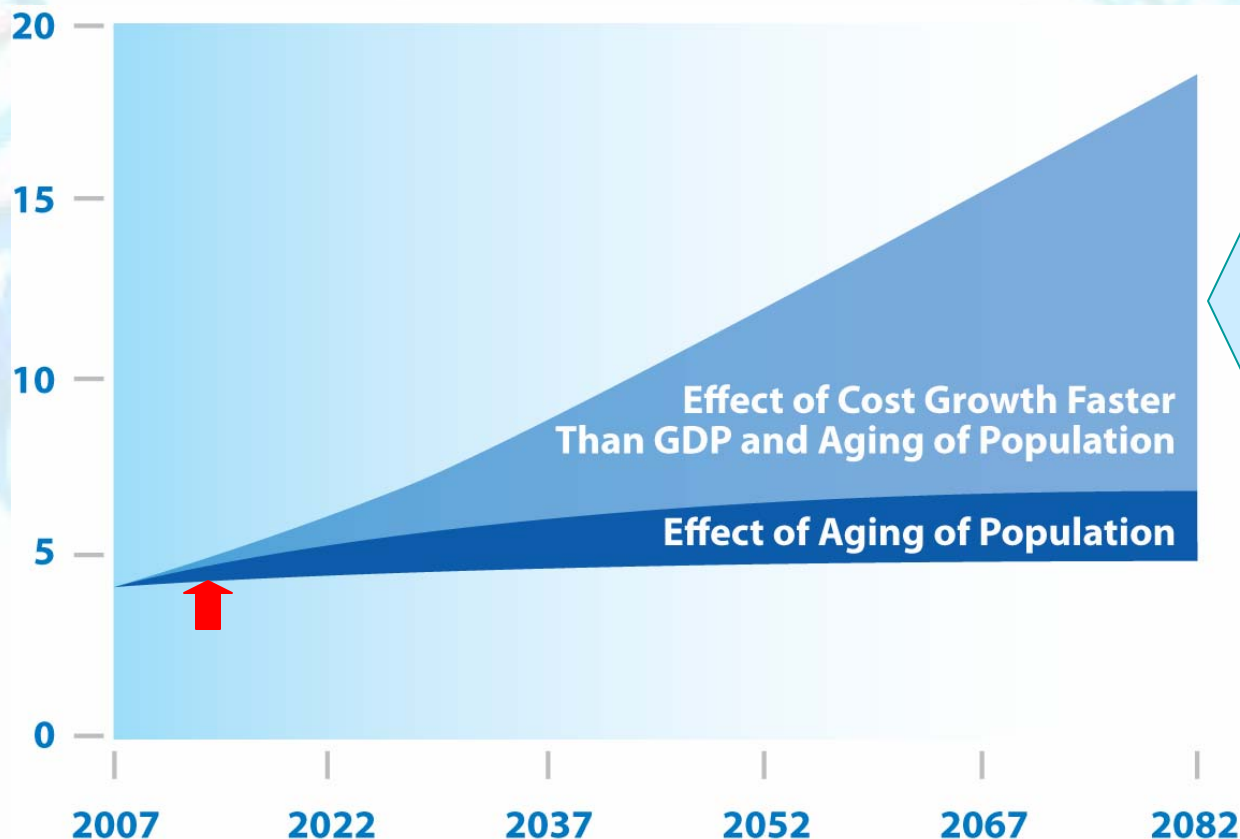
2007 Projected US Healthcare Spend \$2.3 Trillion



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

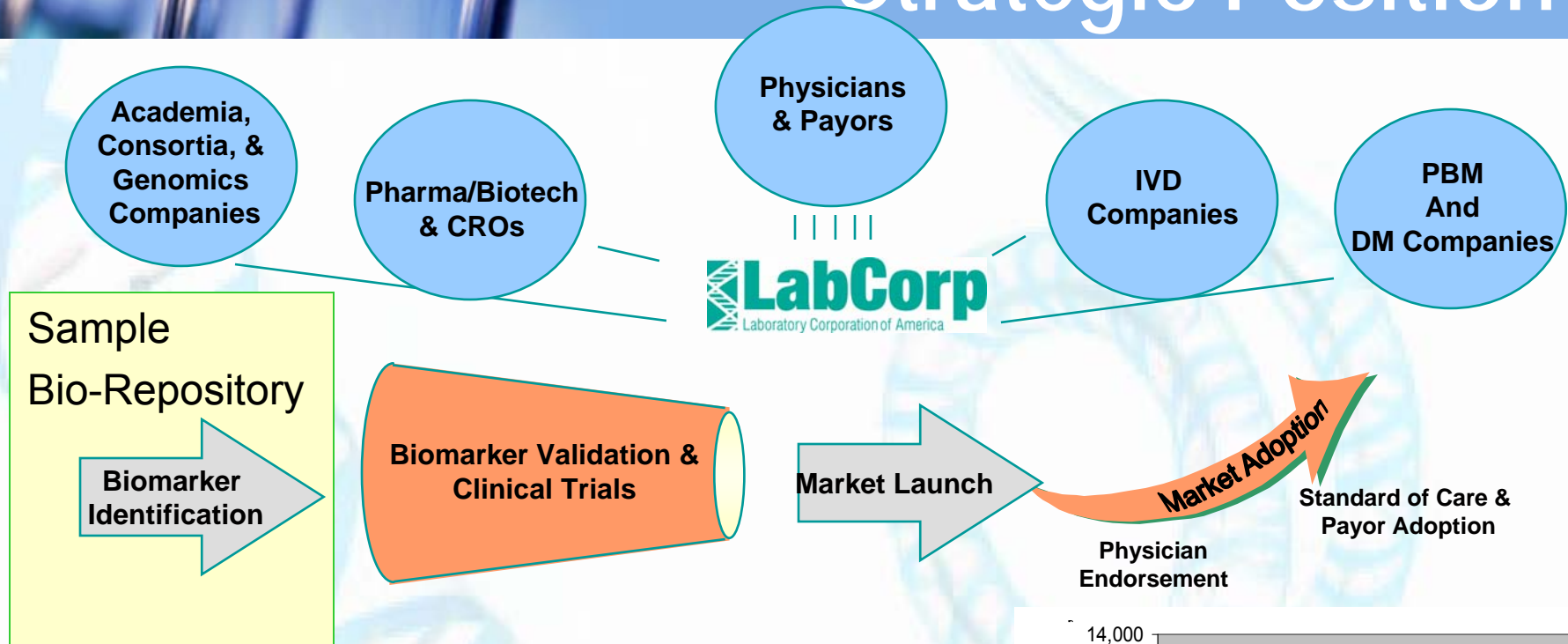
The Value of Lab Testing

Sources of Growth in Projected Federal Spending on Medicare and Medicaid (Percentage of GDP)



Lab testing can guide and reduce overall healthcare spend

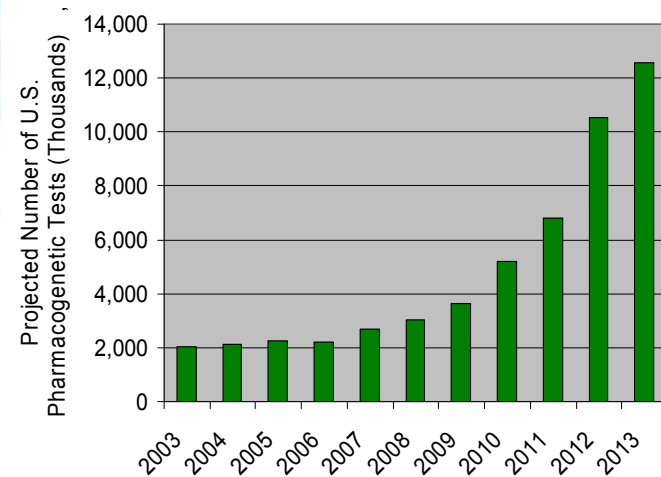
LabCorp's Unique Strategic Position



- The number of genes associated with disease has doubled in the past five years
- The number of whole genome association studies continues to grow exponentially as the cost per genotype has dropped from \$1 to \$0.001 in the past five years

- Approximately 20% of compounds in clinical trials have associated biomarkers
- The percentage of oncology drugs in clinical trials having associated biomarkers has increased from 10% to 40% in the past five years
- Spend on biomarker discovery has increased tenfold since 2003 and now exceeds \$1 billion per year

- Biomarkers are now included on 16 FDA approved drug labels
- The number of pharmacogenetic tests in the U.S. is expected to grow more than 300% by 2013



The background of the slide features a blue-tinted image of laboratory glassware, including test tubes and beakers, on the left side. A large, faint, light-blue DNA double helix structure is overlaid across the center and right side of the slide, serving as a background for the text.

LabCorp Resources

- Relationships with academic institutions (Duke, Yale)
- A robust Clinical Trials organization that has substantial relationships with pharmaceutical companies.
 - ◆ Tandem Labs gives a GLP Metabolomics and IA discovery. Centers of Excellence (CMBP, NGI, US Labs) provide platforms for biomarker discovery in heavily regulated environments
- Our new 10,000,000 sample bio-repository in collaboration with DCRI
- Our industry leading relationships with managed care
- Remarkable technology and world class science



Screening and Bio-Marker Discovery

- 1) Genomics, Transcriptomics, Proteomics and Metabolomics all become the framework for the discovery of new diagnostic tests
- 2) We will present our algorithm of new bio-marker and companion diagnostic development, and provide specific examples
- 3) We will demonstrate a model where we are working with managed care to adopt a new approach to the use of laboratory medicine

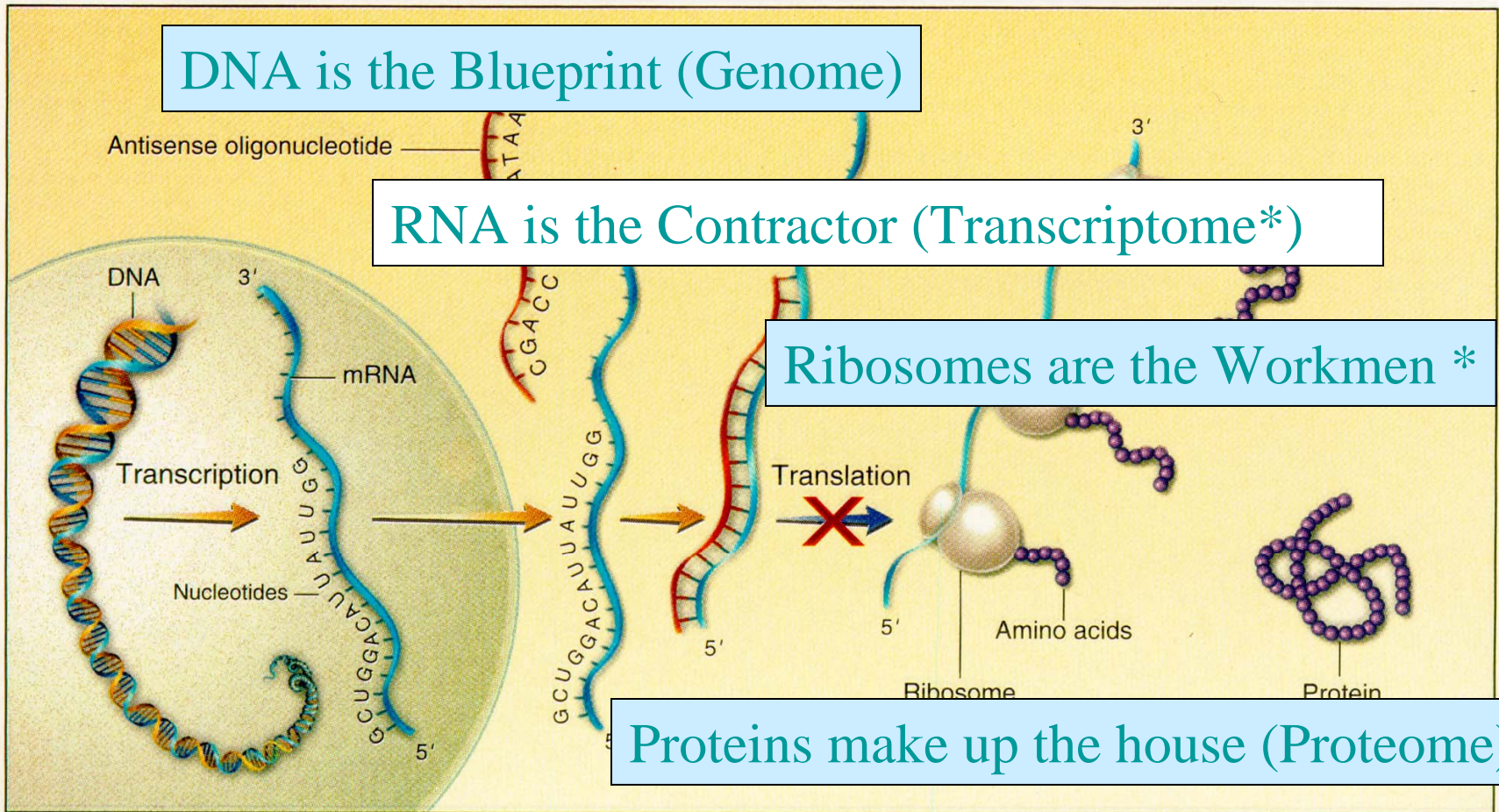
Path to Discovery DNA, RNA, Protein

DNA is the Blueprint (Genome)

RNA is the Contractor (Transcriptome*)

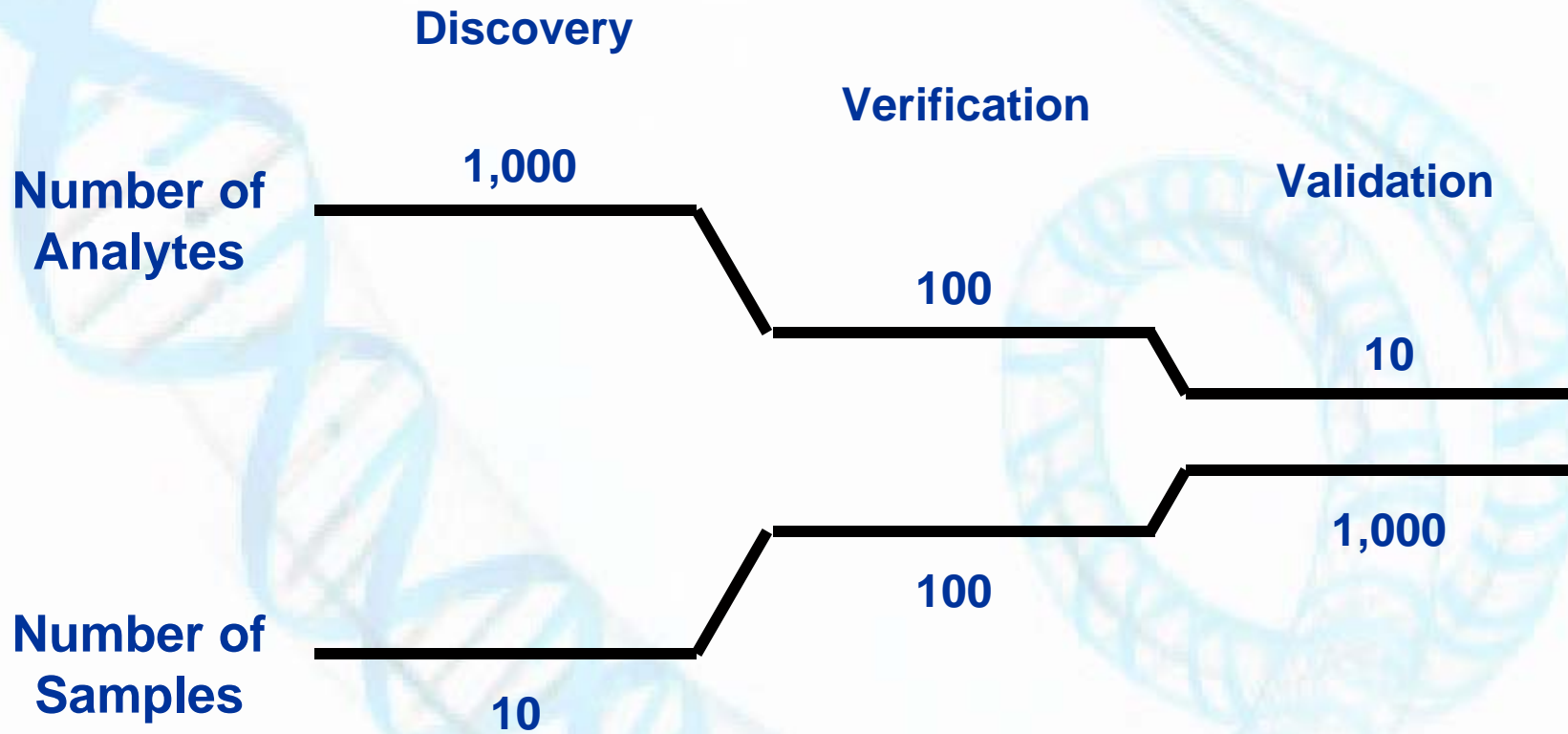
Ribosomes are the Workmen *

Proteins make up the house (Proteome)



Discovery Techniques

- Companion Diagnostics / Bio-markers



Failure rate of bio-marker candidates expected to be similar to failure rate of drug candidates

Genome Wide Association Studies (GWAS)

Unbiased genome wide approach using 1000's of individuals across very high density SNP chip arrays

Illumina

370k

550k/650kY

1 million ~95%

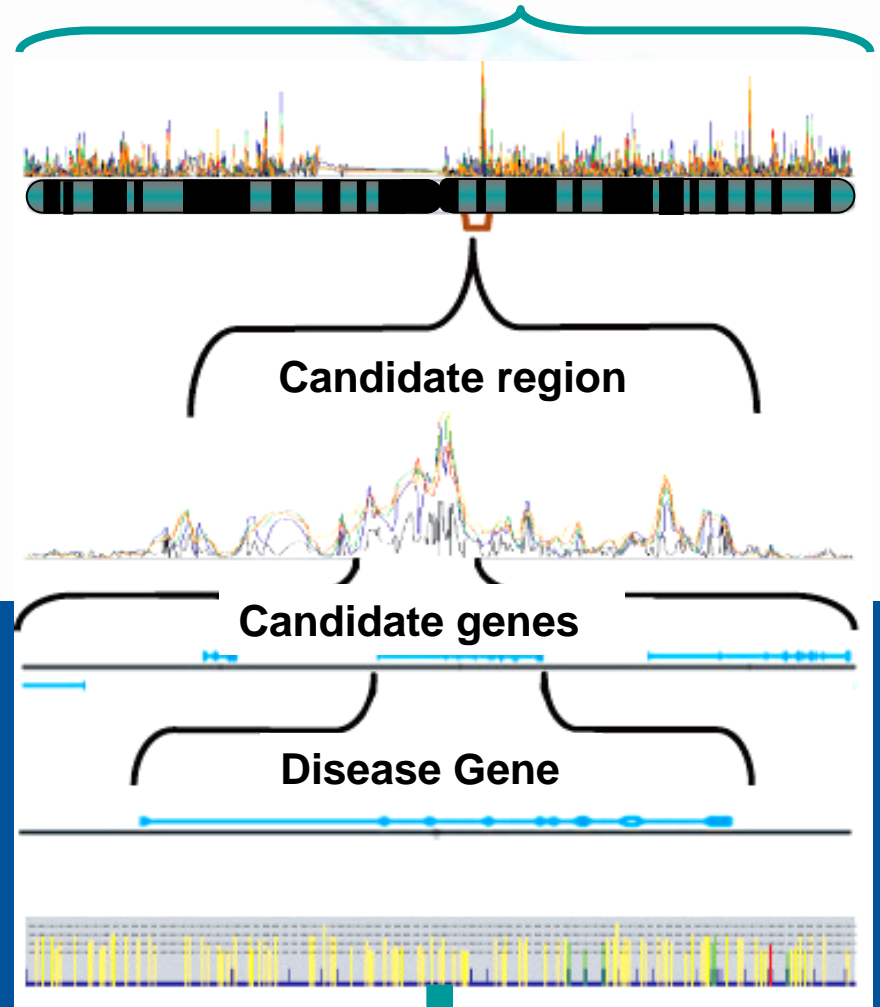
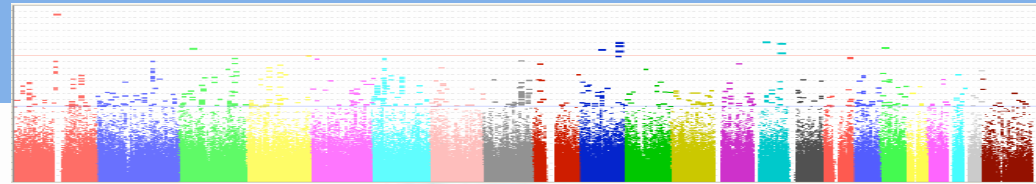


Affymetrix

100k

500k

1 million ~93%



from Genizon.com

2007: The year of GWAS

The NEW ENGLAND

OR

**A Common
9p21 Affect
Myocardial**

nature
genetics

**Whole-Genome
Amyotrophic**

The **NEW ENGLAND
JOURNAL of MEDICINE**

ESTABLISHED IN 1812

AUGUST 30, 2007

VOL. 357 NO. 9

**Risk Alleles for Multiple Sclerosis Identified
by a Genomewide Study**

The International Multiple Sclerosis Genetics Consortium*

less legs syndrome
genomic regions

pke², Lan Xiong⁴,
Stephanie Hauk^{1,3},
ng Oertel⁷,
Jacques Montplaisir^{11,12},
ch Wichmann^{14,15},

uzzatto,

nature
genetics

**A Whole
Study
for H**

Jacques Fell
Mike Weale
Alessandro
Simon Mall
Josiane Wyr
Andrew J. M

**Genome-wide association study identifies new
susceptibility loci for Crohn disease and implicates
autophagy in disease pathogenesis**

John D Rioux^{1,2}, Ramnik J Xavier³, Kent D Taylor⁴, Mark S Silverberg⁵, Philippe Goyette¹, Alan Huett³,
Todd Green², Petric Kuballa³, M Michael Barmada⁶, Lisa Wu Datta⁷, Yin Yao Shugart⁸, Anne M Griffiths⁹,
Stephan R Targan⁴, Andrew F Ippoliti⁴, Edmond-Jean Bernard¹⁰, Ling Mei⁴, Dan L Nicolae¹¹,
Miguel Regueiro¹², L Philip Schumm¹³, A Hillary Steinhart⁵, Jerome I Rotter⁴, Richard H Duerr^{6,12},
Judy H Cho^{14,16}, Mark J Daly^{2,15,16} & Steven R Brant^{7,8,16}

Steven Lubbe², Lynn Martin⁴, Gabrielle Sellick², Emma Jaeger¹, Richard Hubner³, Ruth Wild³,
Andrew Rowan¹, Sarah Fielding³, Kimberley Howarth¹, the CORGI Consortium, Andrew Silver²,
Wendy Atkin⁴, Kenneth Muir⁵, Richard Logan⁶, David Kerr⁶, Elaine Johnstone⁶, Oliver Sieber⁷,
Richard Gray⁸, Huw Thomas⁹, Julian Peto^{10,11}, Jean-Baptiste Cazier¹² & Richard Houlston³

**n of tag SNPs identifies
rectal cancer at 8q24.21**

Peter Broderick^{3,13}, Zoe Kemp^{1,13},
man¹, Wendy Wood³, Ella Barclay¹,

Transcriptomics and Proteomics

Black Swallowtail – larvae and butterfly same DNA

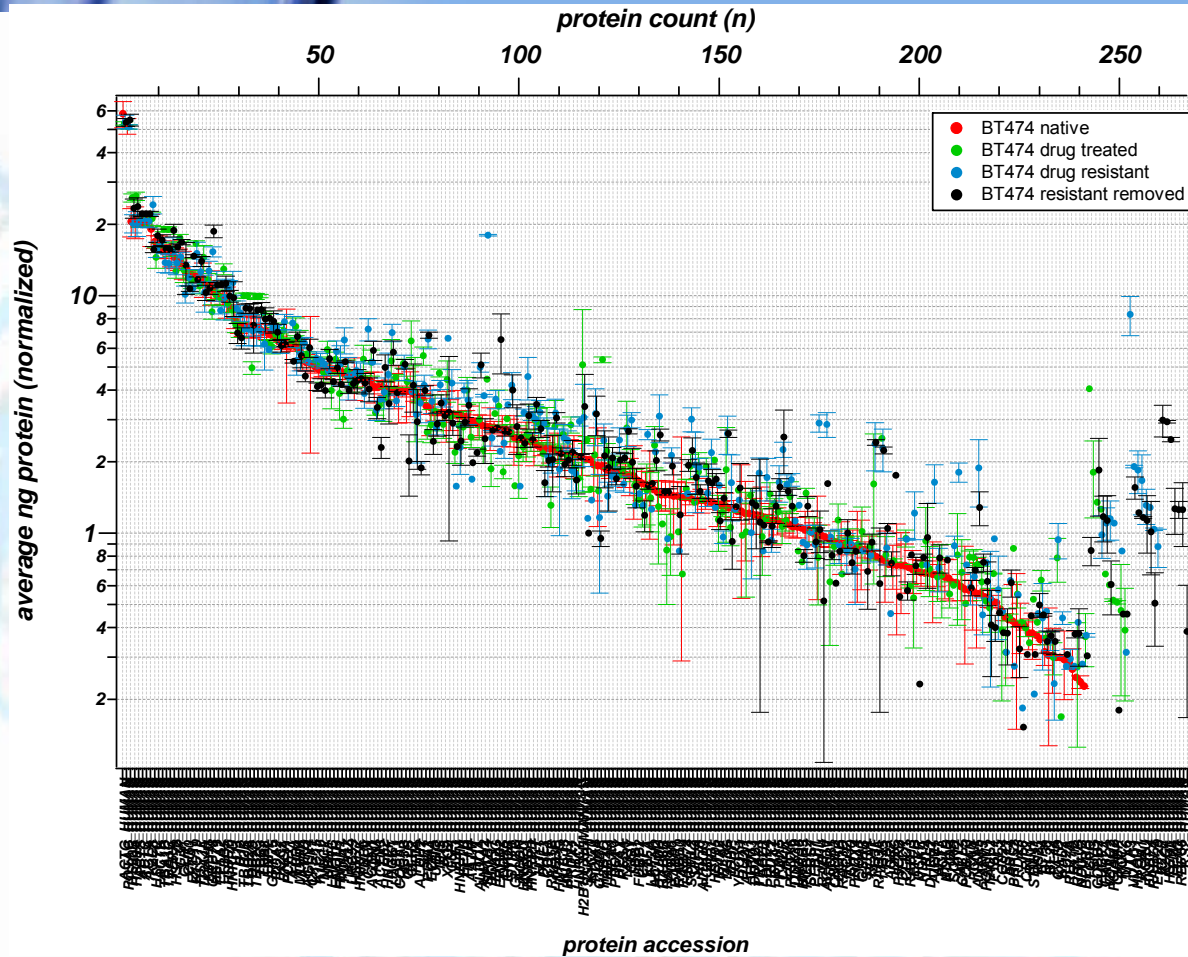


Same DNA but very different proteome

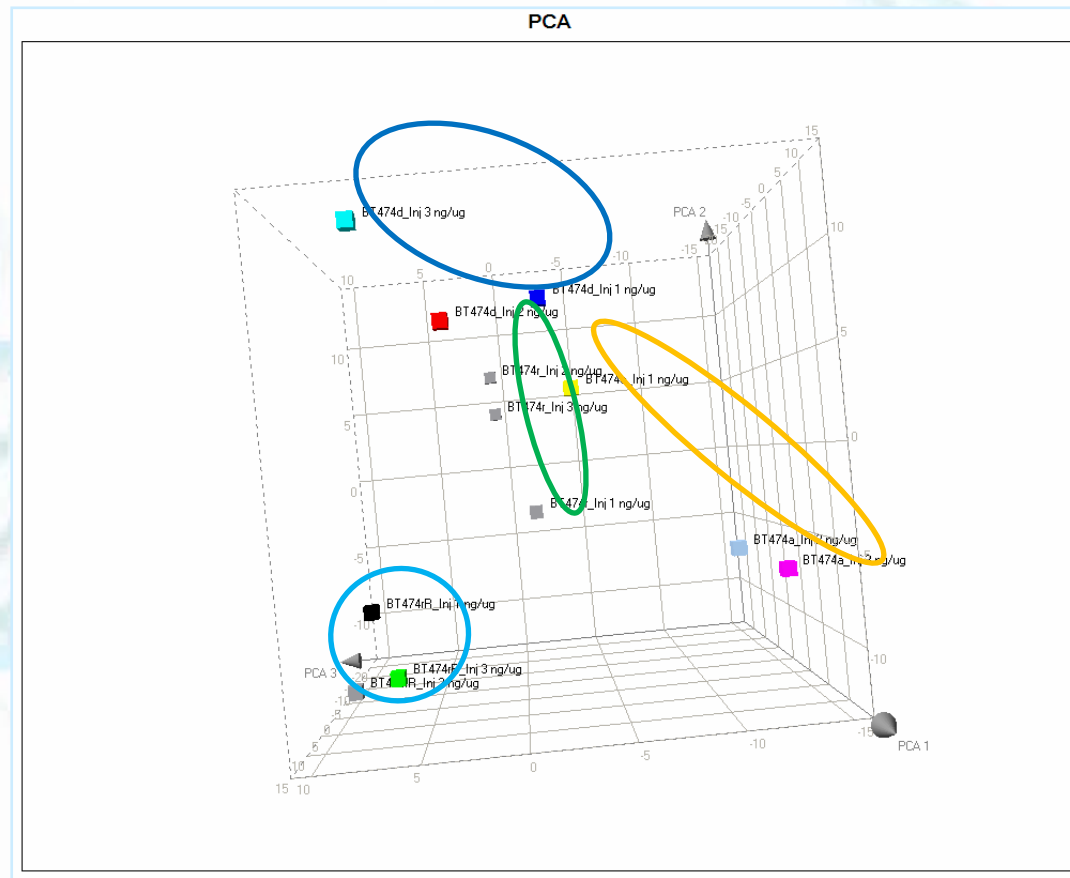
- One cannot understand the biology without understanding the proteome

Biomarker Discovery in Cancer Cell Line

- protein quantitation in four phenotypes



47



Companion Diagnostics – Genomics

- **ARCA: Bucindolol Response Polymorphisms**
 - ◆ Beta 1 SNP and Alpha 2c 12 BP deletion
 - ◆ Determines safety and efficacy of class of drug (Beta blocker)
 - ◆ Exclusive
- **Amgen: Vectibix(TM) (panitumumab) K-ras somatic mutation.**
 - ◆ Rare mutation detected in tumor
 - ◆ Requires AP and molecular techniques
 - ◆ Contracted to perform trials
- **GSK: HLA B 5701 Screening for Abacavir (Ziagen) Hypersensitivity**
 - ◆ 8% of patients who take drug develop a rash. In some cases the reaction is severe
 - ◆ Feb 8th NEJM article Predict 1: definitive association with hypersensitivity, LabCorp performed all of the testing

The background of the slide features a blue-tinted image of laboratory glassware, including test tubes and beakers, on the left side. A large, faint, light-blue DNA double helix structure is overlaid across the center and right side of the slide, extending from the top to the bottom.

Bio-Marker Discovery

■ **Duke: Lung Cancer Markers. Exclusive**

- ◆ A Spiral CT screening, of 31,567 people looking for heart disease revealed that approximately 800 had suspicious lesions. After biopsy, 412 had stage 1 lung cancer and equal number of patients had no malignant disease. For those with cancer, the ten year survival rate was 92%. The patients who were biopsied but did not have cancer suffered a significant number of adverse events
- ◆ Four serum proteins—carcinoembryonic antigen, retinol binding protein, 1-antitrypsin, and squamous cell carcinoma antigen—were collectively found to correctly classify the vast majority of lung cancer and control patients
- ◆ The test decreases false positives and differentiates cancer from benign lesions of the lung

The background of the slide features a blue-tinted image of laboratory glassware, including a test tube and a beaker, on the left side. A large, faint, light-blue DNA double helix structure is visible in the background, spanning across the middle and right sections of the slide.

Bio-Marker Discovery

- **Yale: Ovarian Cancer Screening. Exclusive**
 - ◆ This year, approximately 20,180 women will be diagnosed with ovarian cancer, and 15,310 will die from the disease
 - ◆ The Yale technology is based on a number of individual serum proteins associated with cancer biology. Each protein marker is individually analyzed and results evaluated to determine ovarian cancer status
 - ◆ The test has nearly 100% positive predictive value

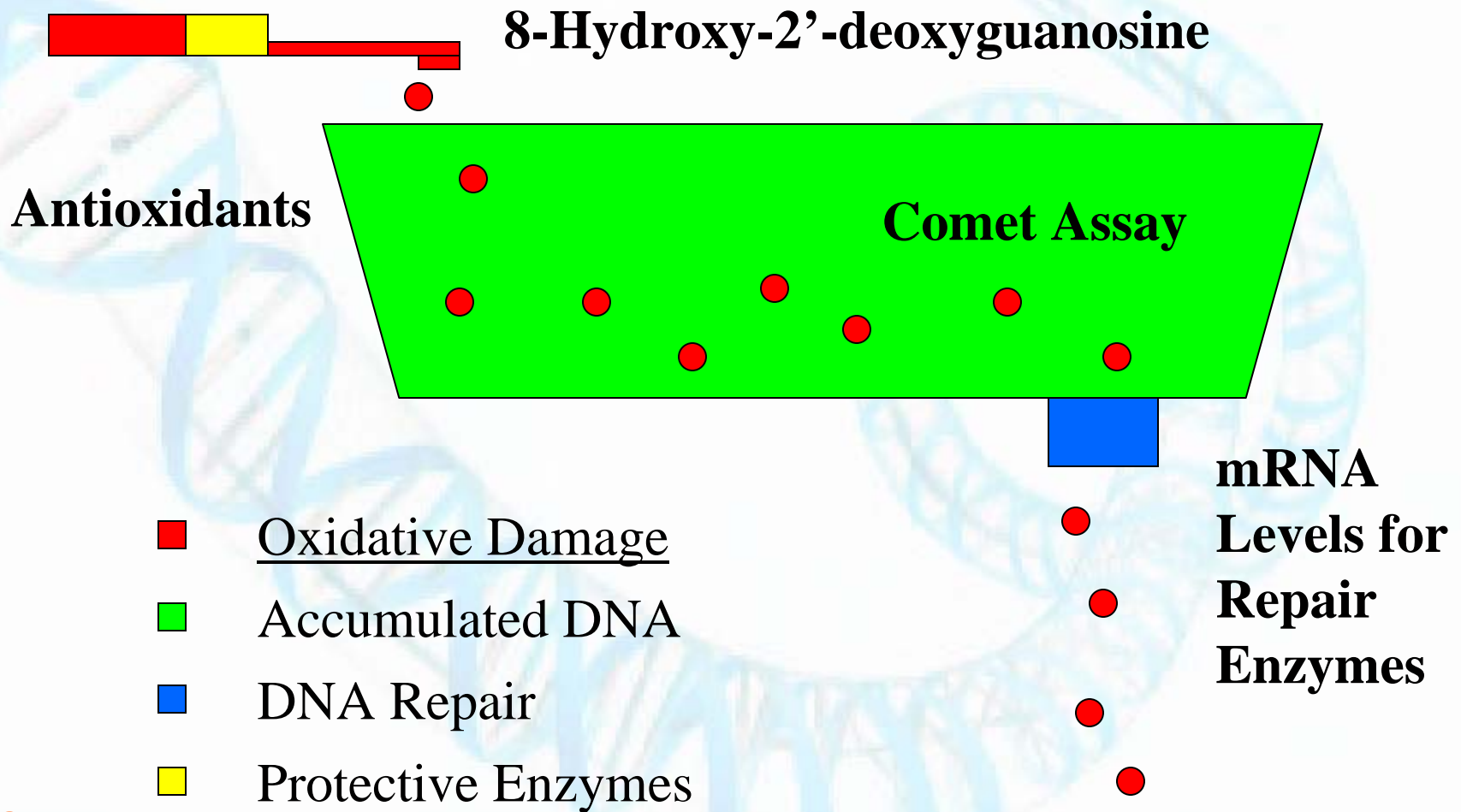


Early Detection of Disease – An Alternative Model

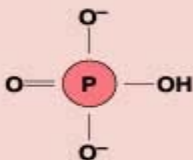
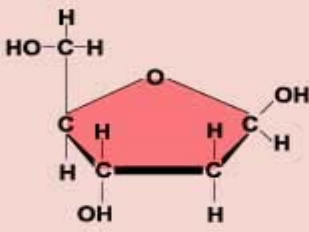
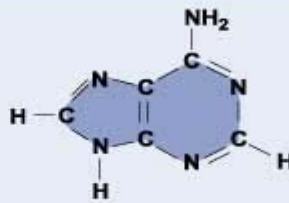
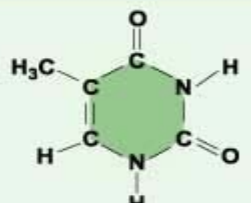

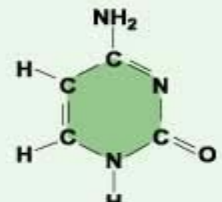
- Prevention and early detection are difficult because one needs to influence individual behavior
- These are of paramount importance to our managed care partners and the healthcare system
- Strategic partner with WellPoint
- Our scientists have invented these next tests and we have filed for patent protection

Measuring the Balance of DNA Damage and Repair.

To find out which way to go you have to know where you are. Life is like a bath tub!



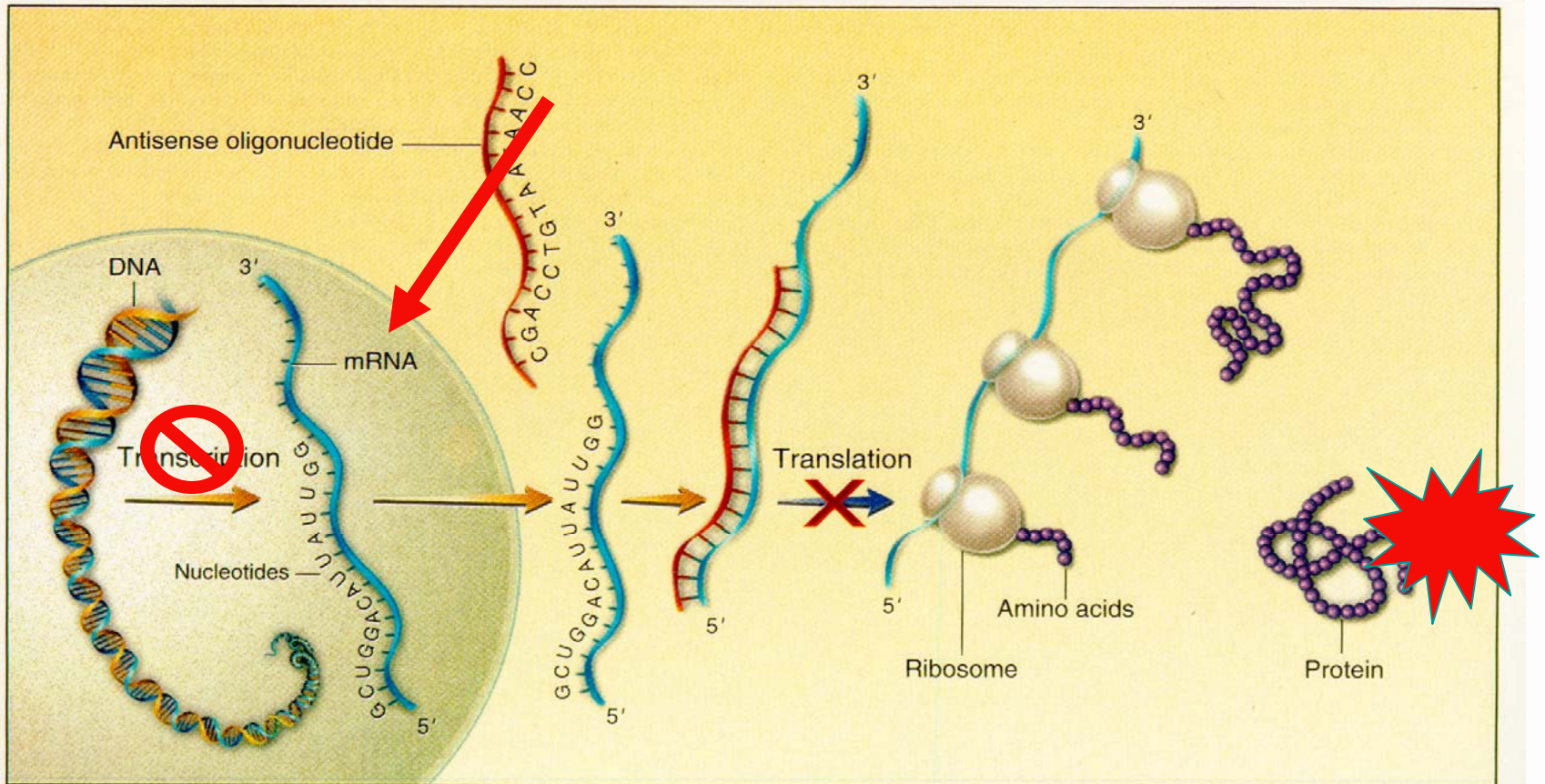
DNA is made from 4 distinct molecules.
There is a finite number of breakdown products

PHOSPHATE GROUP	SUGAR	BASES	
	 Deoxyribose	 Adenine (A)	 Thymine (T)
		 Guanine (G)	 Cytosine (C)

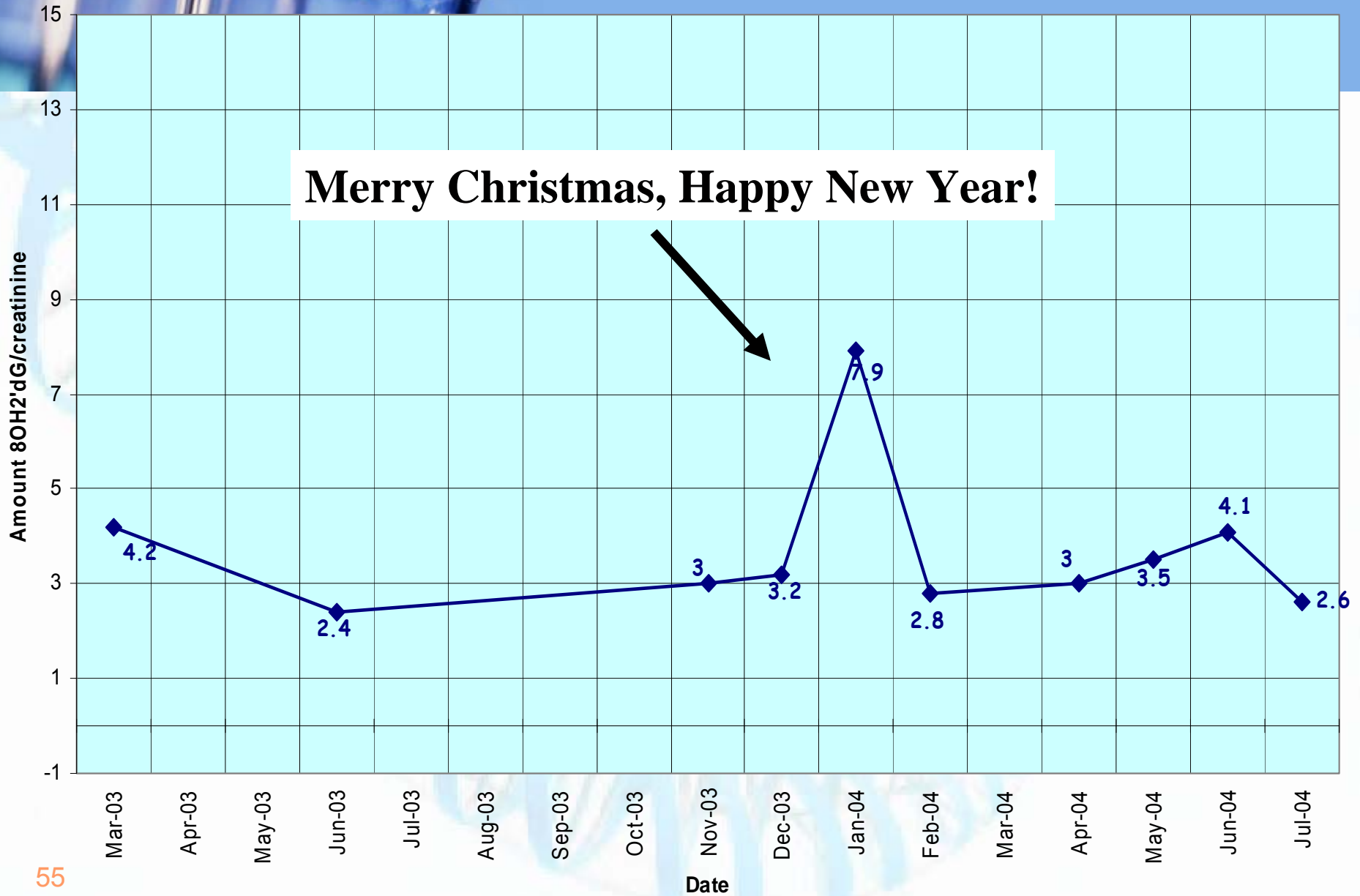
A C G T

DNA, RNA, Protein Path

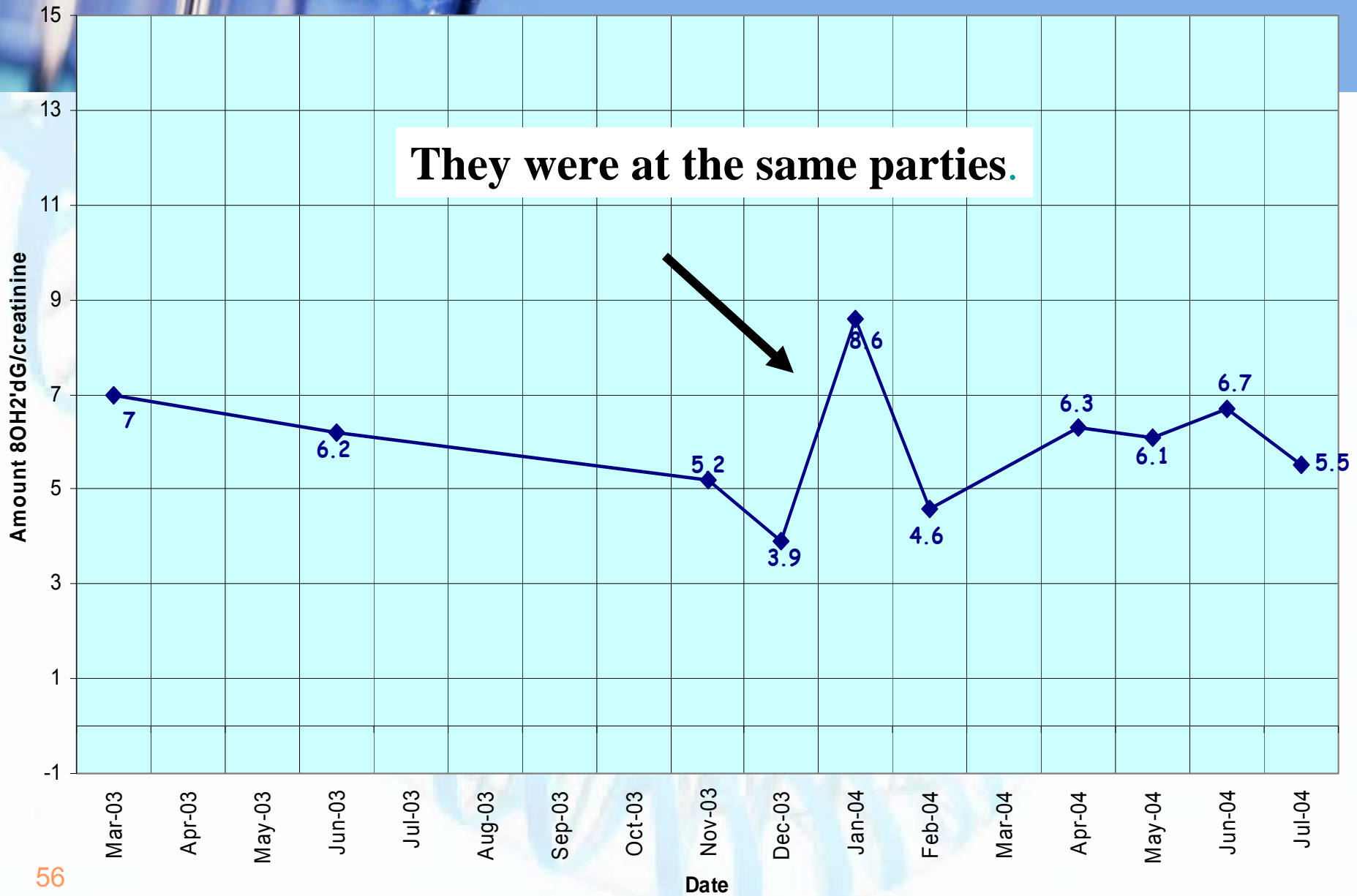
The damaged DNA makes an incorrect message which is translated into a bad protein which can cause secondary effects



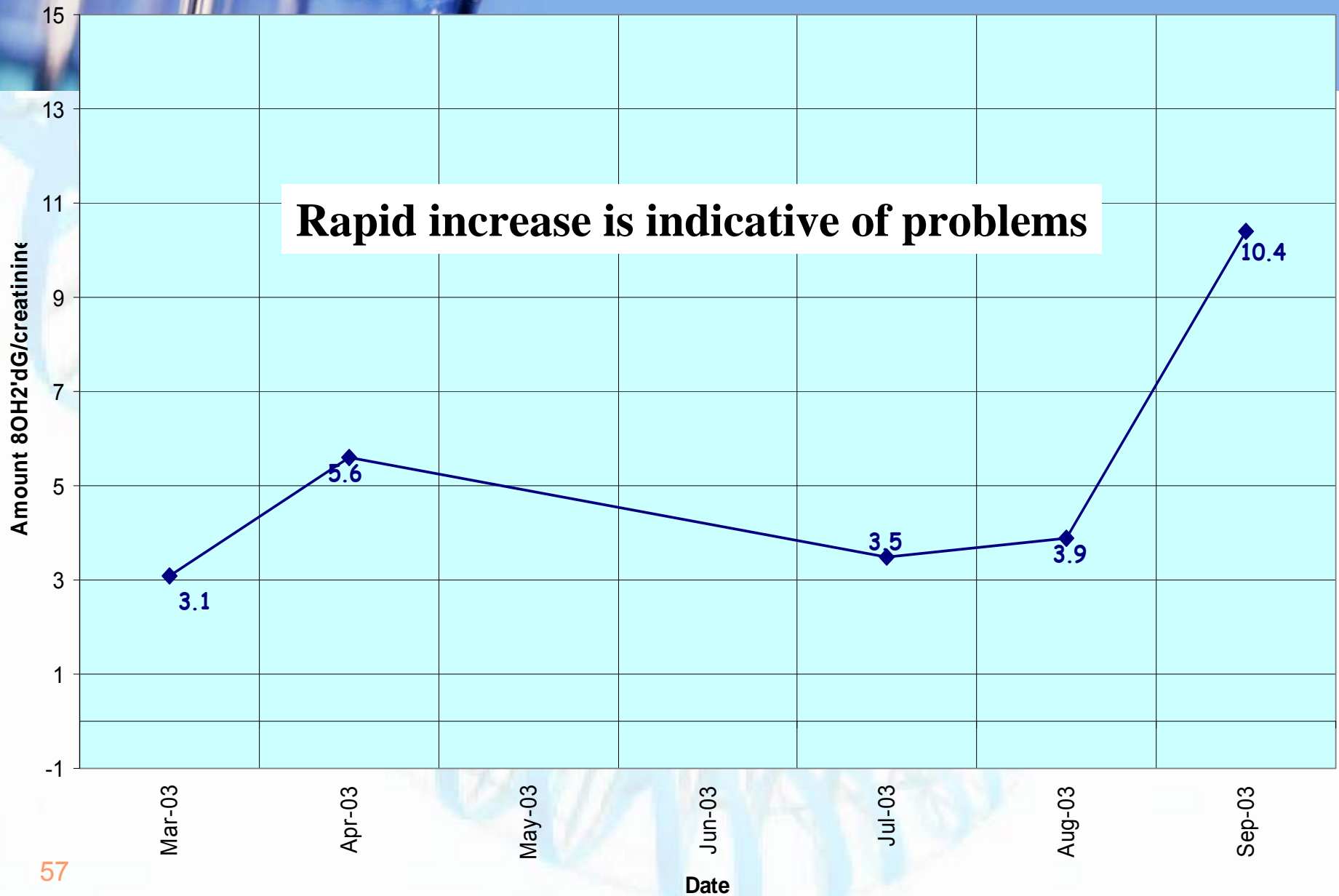
ReiCa, 8OH2'dG profile



ReiEs, 8OH2'dG profile

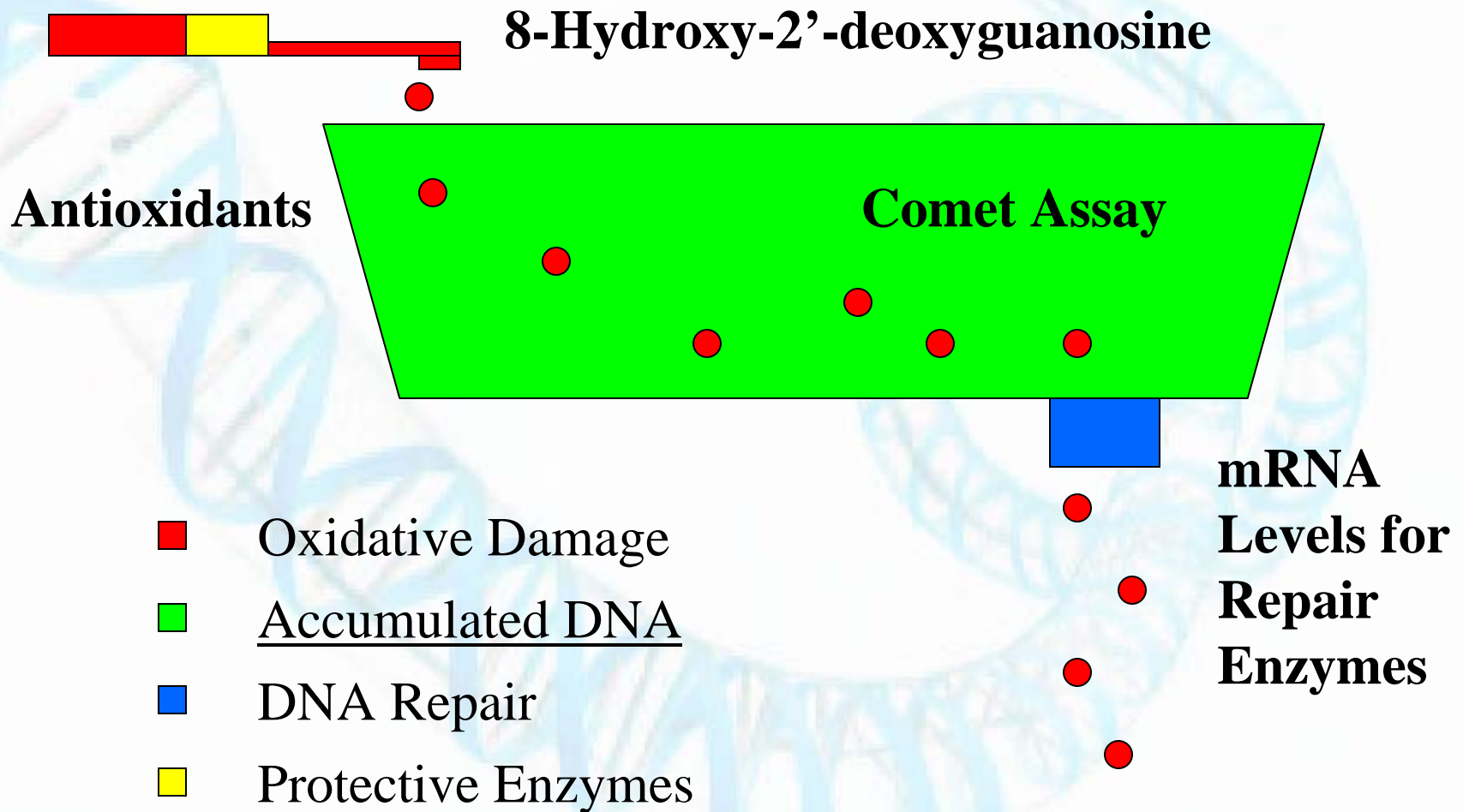


WesHo, 8OH2'dG profile



Measuring The Balance of DNA Damage and Repair.

To find out which way to go you have to know where you are



DNA damage may be calculated using different measurements

Tail Length



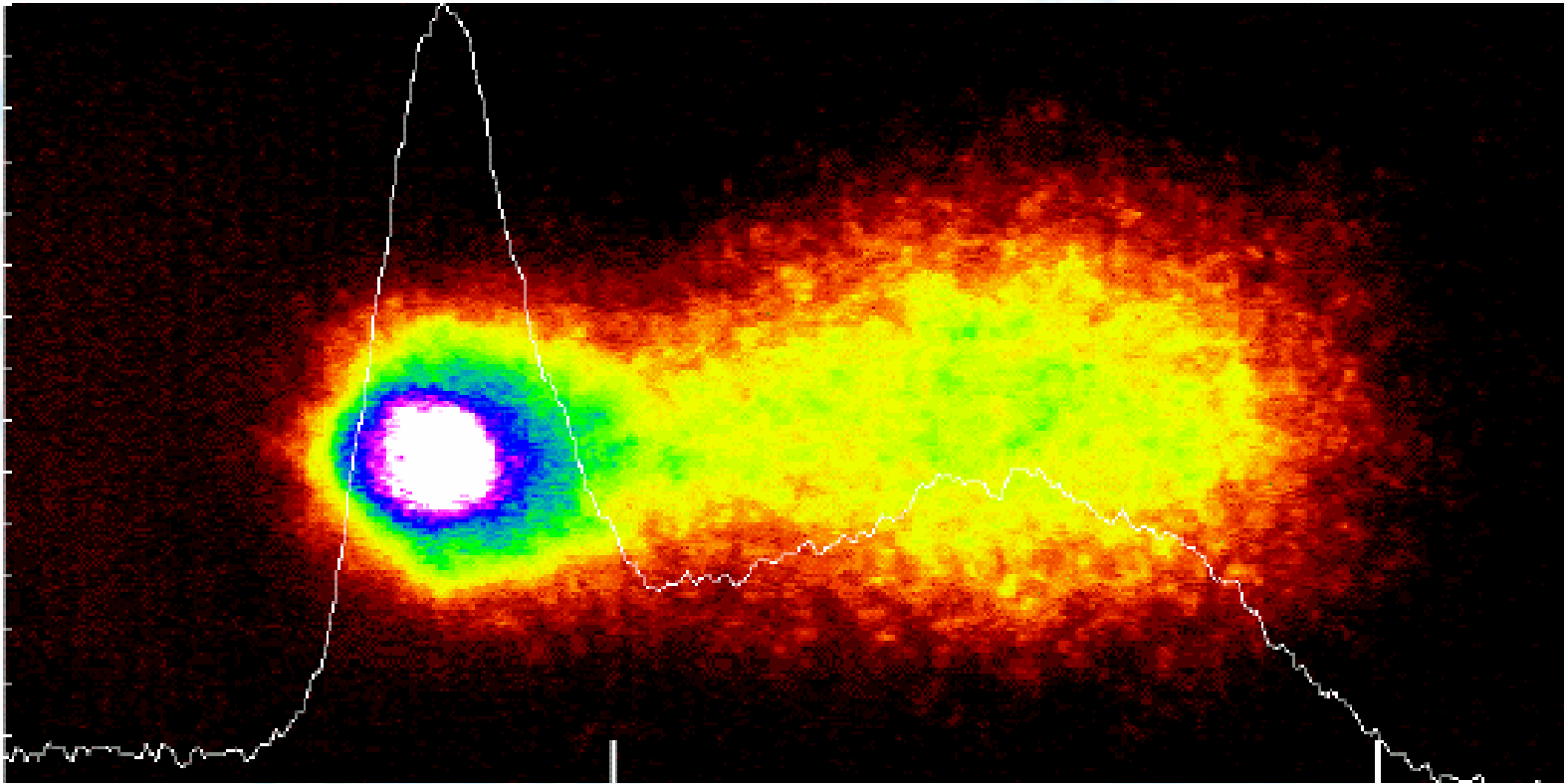
Tail Extent Moment



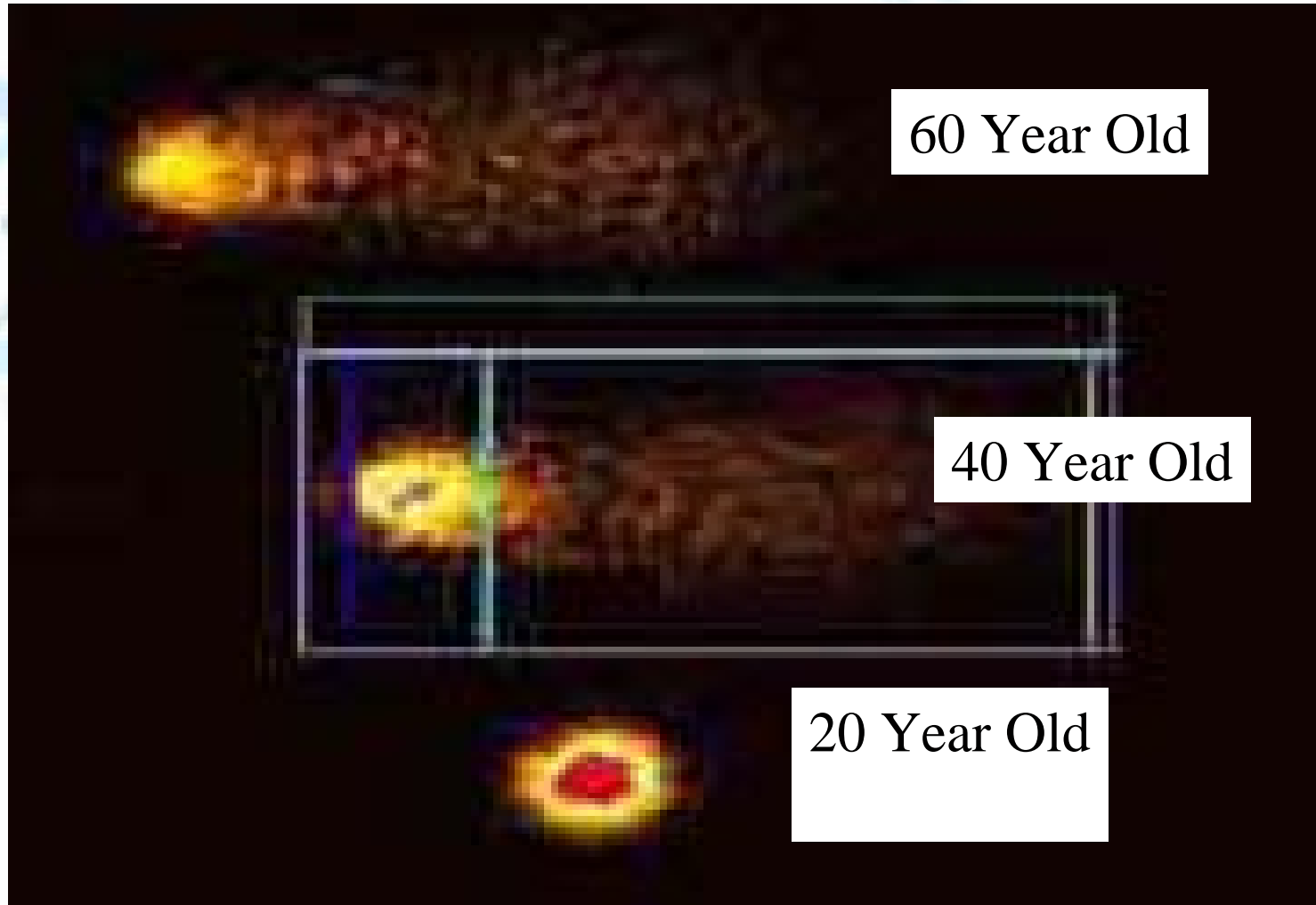
Olive Tail Moment



Measurement of DNA Damage

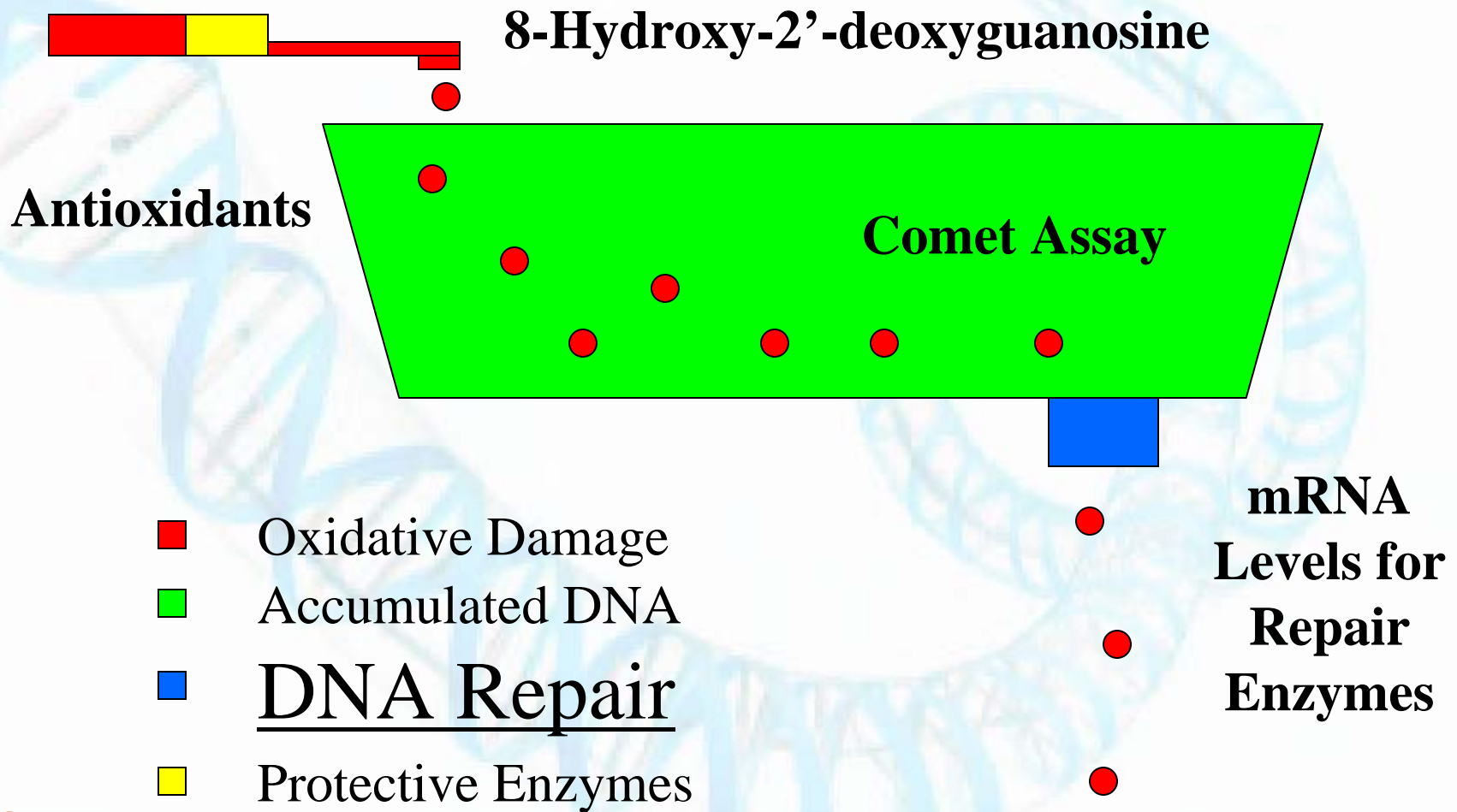


Color enhanced comet assay photo. We can tell you your real DNA age

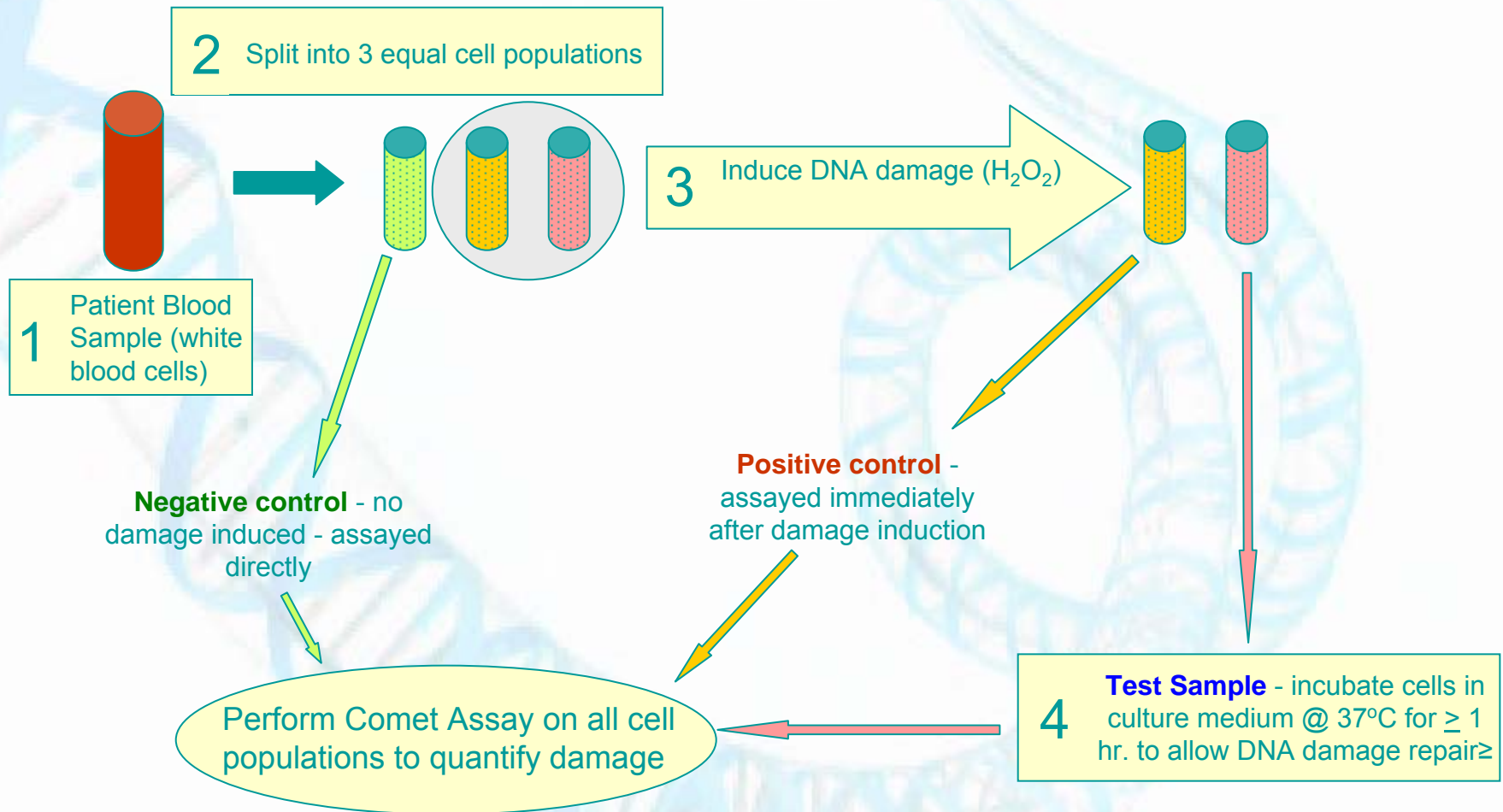


Measuring the Balance of DNA Damage and Repair.

To find out which way to go you have to know where you are



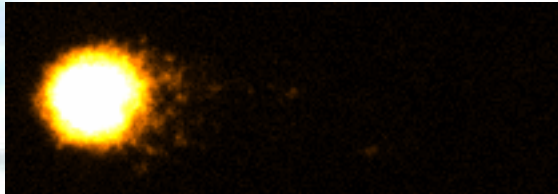
DNA Repair Capacity Analysis Assay



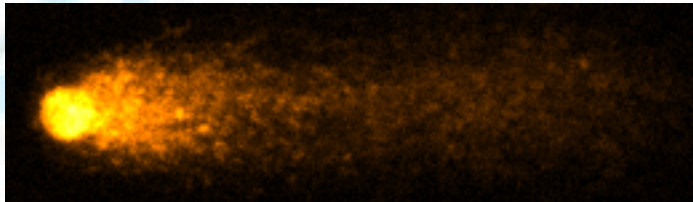
Titration H₂O₂ to induce DNA damage

Jurkat E6-1 cell line

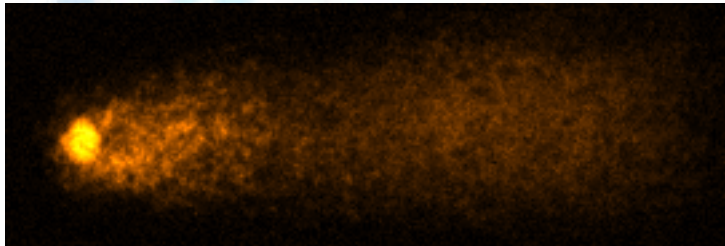
Negative Control



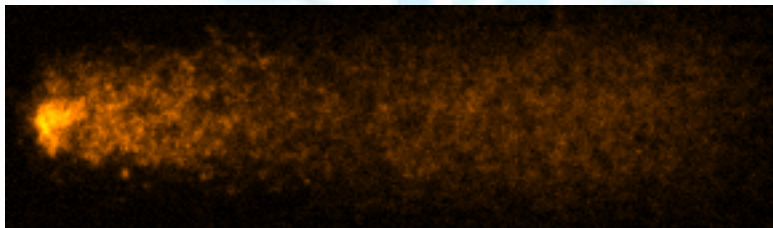
200 μ M H₂O₂



600 μ M H₂O₂



1000 μ M H₂O₂



Tail Extent Moment

Olive Tail Moment

Tail Length

8.4

2.2

28.7

51.8

17.7

75.7

58.6

21.4

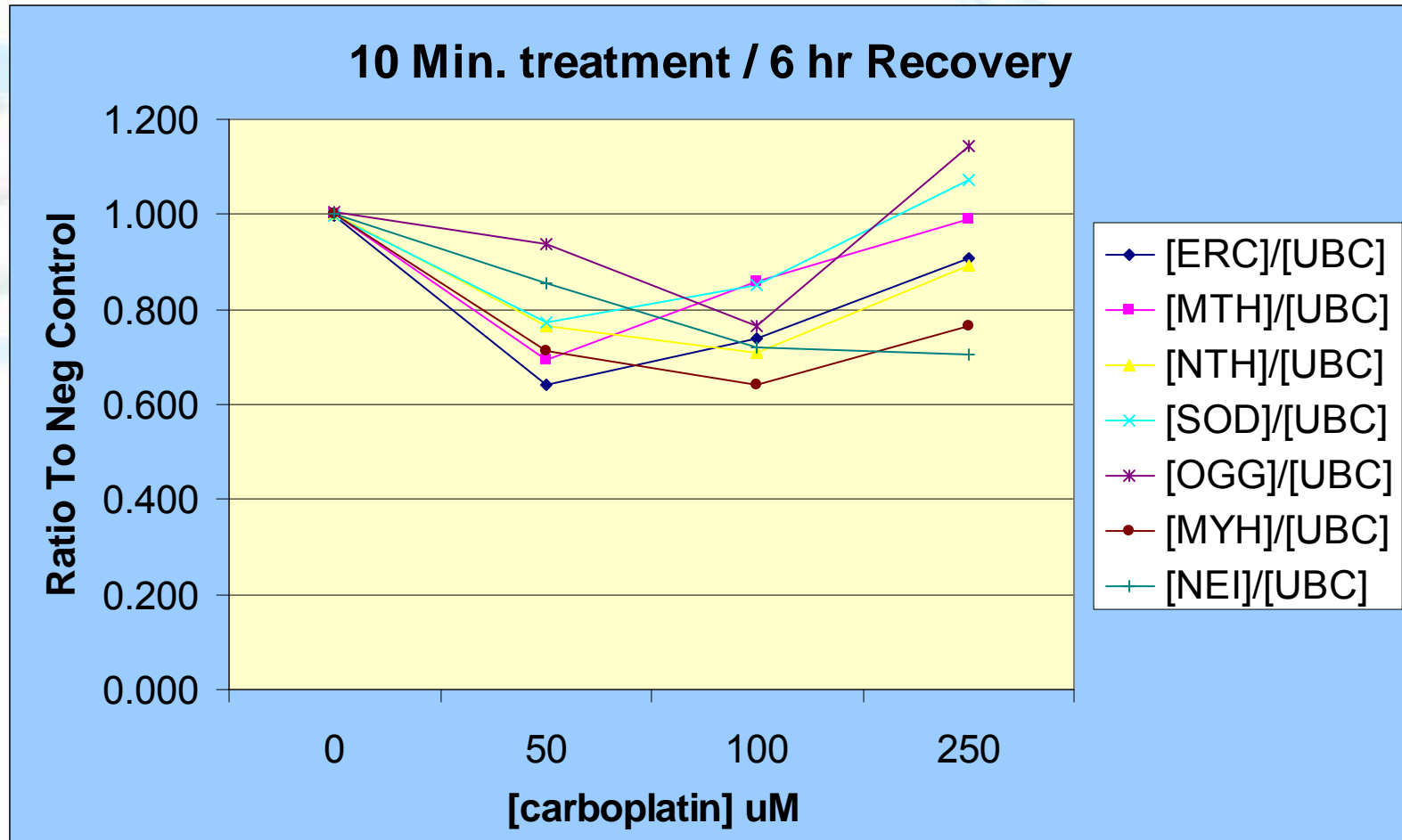
79.8

64.8

23.8

85.2

Results with Carboplatin



The background of the slide features a blue-tinted image of laboratory glassware, including test tubes and beakers, on the left side. A large, faint, light-blue DNA double helix structure is overlaid across the center and right side of the slide, creating a scientific and medical theme.

Conclusions

- **We need to re-think the role of diagnostics in our healthcare system**
- **Laboratory medicine will have an increasingly important role in prevention, screening, early diagnosis and treatment of chronic disease**
- **Our assets and relationships uniquely enable us to discover and commercialize bio-markers and companion diagnostics**
- **The future is now**
- **Thank you for listening (it's lonely in the lab)**