

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

April 26, 2007  
(Date of earliest event reported)

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS**

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(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

(State or other jurisdiction  
of Incorporation)

**1-11353**

(Commission  
File Number)

**13-3757370**

(I.R.S. Employer  
Identification No.)

**358 SOUTH MAIN STREET,  
BURLINGTON, NORTH CAROLINA**

(Address of principal executive offices)

**27215**

(Zip Code)

**336-229-1127**

(Registrant's telephone number including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. Regulation FD Disclosure

Summary information of the Company dated April 26, 2007.

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**SIGNATURES**

Pursuant to the requirements of the Securities 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)

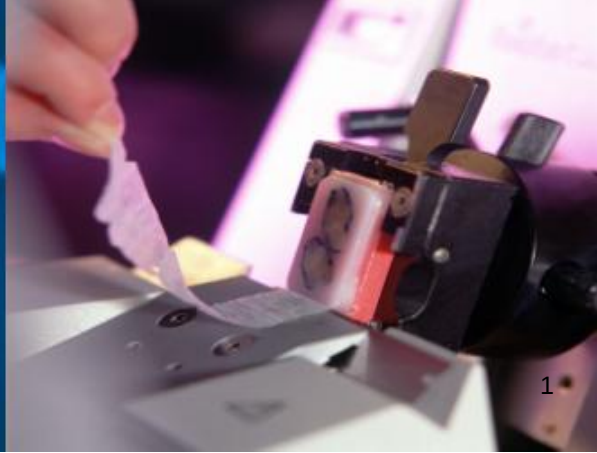
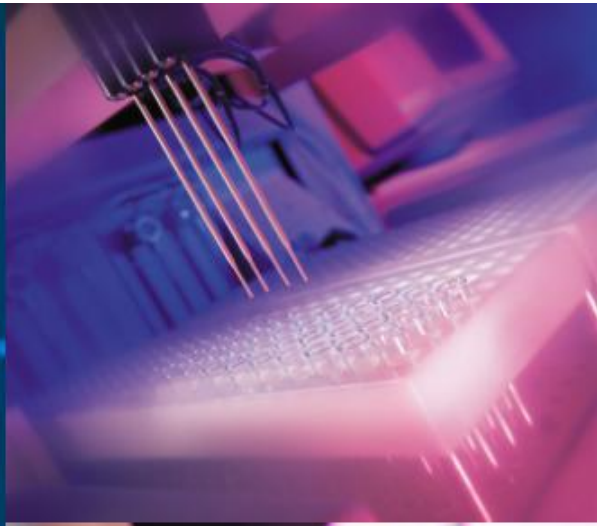
Date: April 26, 2007

By: /s/Bradford T. Smith  
Bradford T. Smith, Executive Vice President  
and Secretary

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8-K Filed April 26, 2007

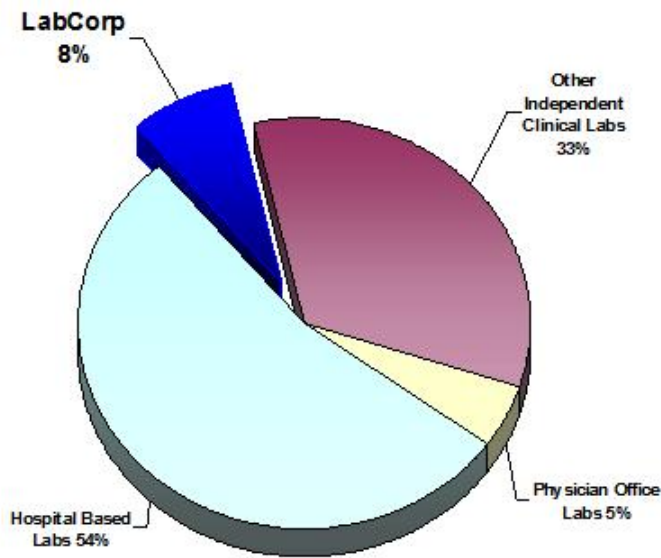


This slide presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors. Actual results could differ materially from 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, 2006, and subsequent SEC filings.



# The Clinical Laboratory Testing Market

## > \$40 - \$50 billion Annually



- Industry CAGR of 5% - 7%
- Market segments:
  - Routine ~ \$30 - \$35 billion
  - Esoteric ~ \$4 - \$5 billion
  - Anatomic pathology ~ \$6 - \$10 billion
- Growth opportunities:
  - Consolidation
  - Esoteric and anatomic pathology testing
  - Hospital outpatient and outreach



Source: Company estimates, industry reports and 2006 revenue for LabCorp.

# Industry Profile

- Integral to quality healthcare
  - Screening for and early diagnosis of disease leads to improved outcomes
  - Monitoring of treatment effectiveness and disease recurrence
  - Correct therapy decisions based on known genetic markers
- Cost effectiveness
- Cutting-edge technologies
- Influences 70% - 80% of healthcare decisions
- Rigorous quality standards

# Profile of LabCorp

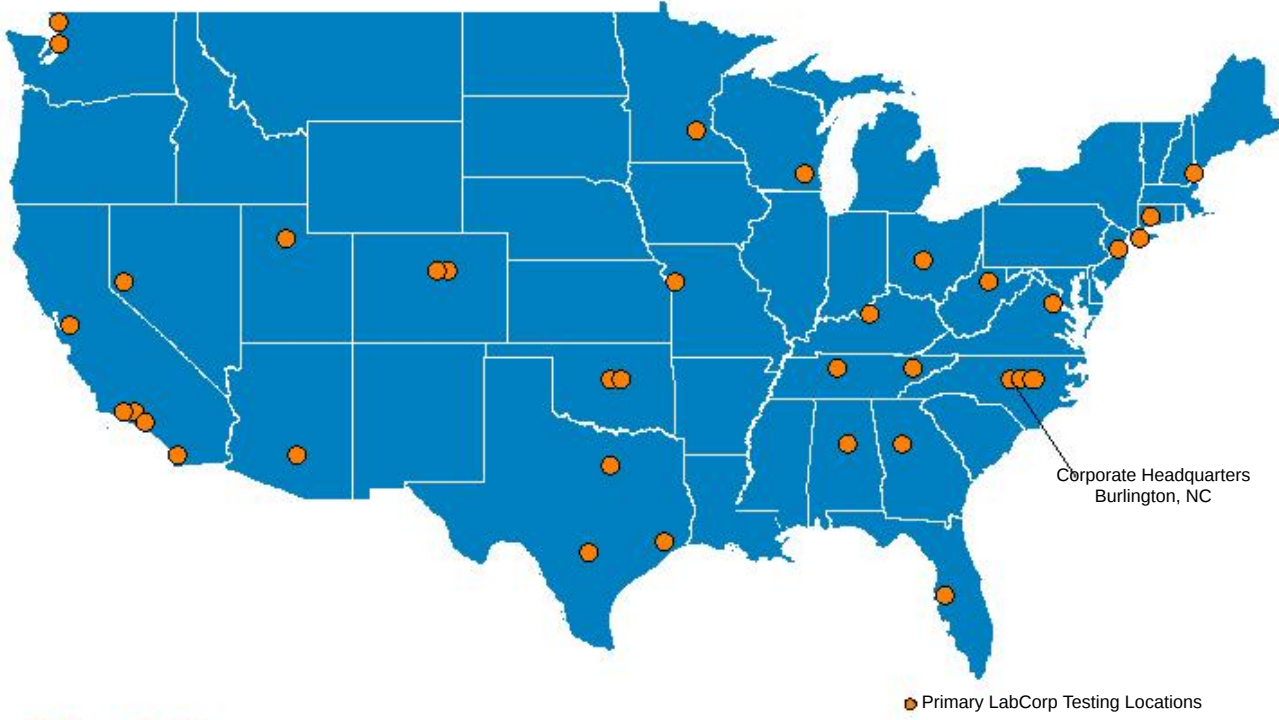
- The leader in the esoteric and genomic testing market and second-largest clinical laboratory company in North America
- Offers the broadest range of clinical and anatomic pathology services to aid clinicians in diagnosis, monitoring, prediction and prevention of disease
- Conducts > 300 million tests annually
- Connectivity with physicians offices
  - 90% of results delivered electronically
  - 70% of tests ordered electronically

# Profile of LabCorp

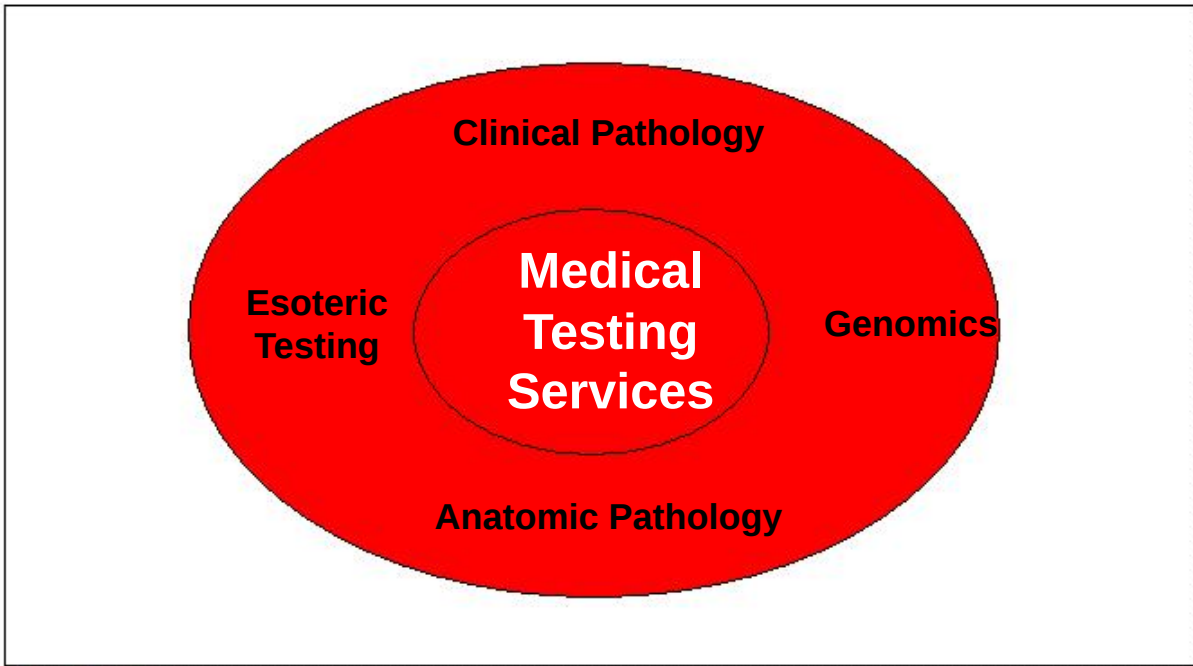
- More than 25,000 employees nationwide
  - 6,200 phlebotomists
  - 2,600 couriers
- 700 MDs and PhDs
- 1,700 conveniently located patient service centers
- Rigorously monitored, industry-leading quality and service metrics
- Highest quality, CAP inspected and CLIA certified laboratories



# Primary Testing Locations



# 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

# UnitedHealthcare

- Exclusive national laboratory provider
- \$3 billion in additional revenue over a 10-year contract term
- EBITDA margins at least equal to our existing, industry-leading level
- Revenue will ramp during 2007 and later years
- Transition payments capped at \$200 million

# UnitedHealthcare

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- Phase 1 – exclusivity in mature markets (MAMSI, Neighborhood, Pacificare Colorado), network manager for Oxford, plus sole national laboratory in all other markets
- Phase 2 – establish additional networks
- Phase 3 – use networks and standardized data to enhance development of evidence-based medicine

# UnitedHealthcare as a Growth Driver

- United opportunity:
  - Mature markets
  - Direct business
  - Indirect business
  - Networks
- Over 450 new patient access points:
  - Innovative Duane Reade agreement
  - 430 other locations opened since 10/3/06
  - Available to all patients
- New employees trained and on-board prior to 1/1/07 – lab techs, phlebotomists, sales reps, couriers.
- Primary connectivity with more physician offices in key markets

# Revenue Growth Drivers

- Managed Care
  - Partner of choice for major managed care organizations
  - Recognition of value from standardized lab data
  - Breadth of test menu, quality, convenience
- Cancer diagnostics
  - Anatomic pathology - \$6 - \$10 billion fragmented market
  - Treatment decisions/monitoring
  - Recurrence testing
- Cardiovascular disease
  - Lab testing is foundation for determining need for imaging, invasive procedures, pharmaceutical treatments
  - VAP, NMR, high-sensitivity CRP

# EBITDA Margin Growth Drivers

- Increased volumes through fixed-cost infrastructure
- Larger number of esoteric tests offered, more esoteric tests ordered
- Further operational efficiencies
  - Increase automation in pre-analytic processes
  - Logistics / route structure optimization
  - Supply chain management
- Improvement in collections / bad debt

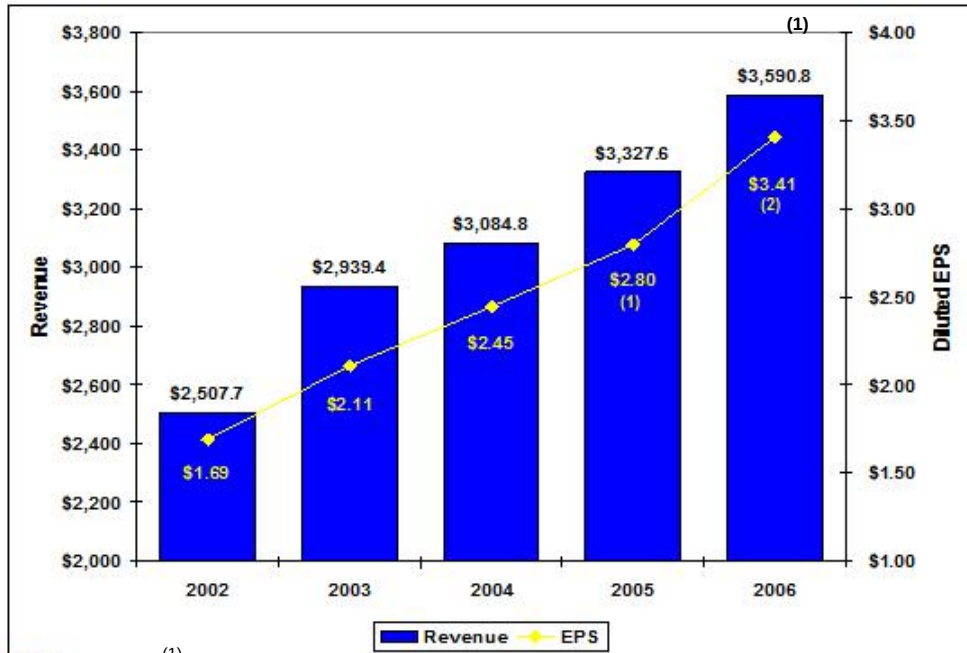


# LabCorp's Investment and Performance Fundamentals

- Industry-leading EBITDA margins
- Significant free cash flow
- Focus on returning value to shareholders
  - Strategic acquisitions
  - Organic growth opportunities
  - Share repurchase – additional \$500 million authorization announced 3/13/07
- Flexibility for future growth opportunities

# Five-Year Revenue and EPS Trend

Revenue CAGR of 9% - Diluted EPS CAGR of 19%

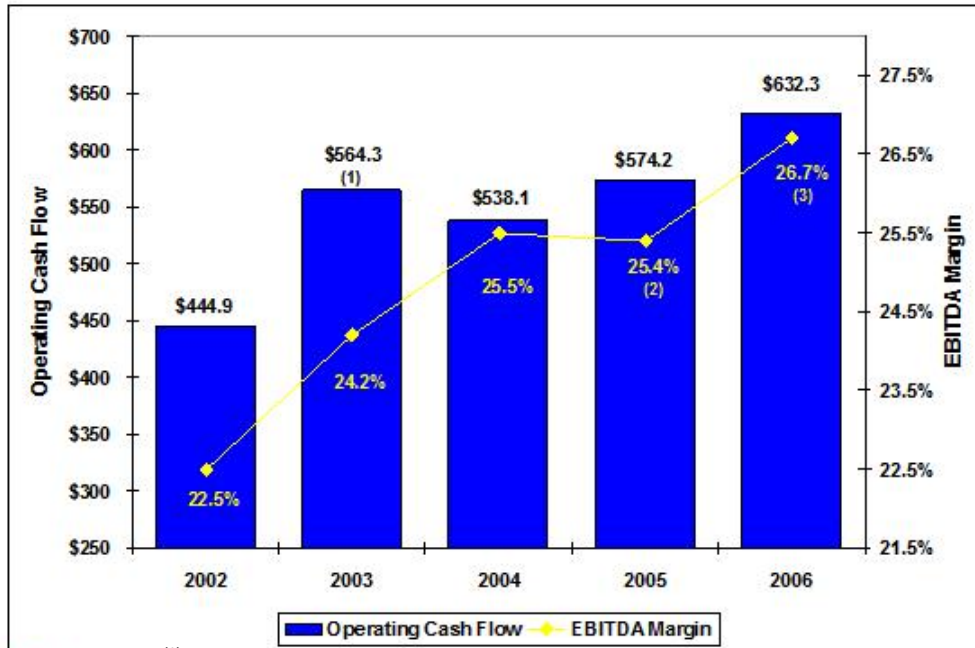


(1) Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss.

(2) Excluding the \$0.07 per diluted share impact in 2006 of restructuring and other special charges, and the \$0.10 per diluted share impact in 2006 of adoption of SFAS 123(R).

# Five-Year OCF and EBITDA Margin Trend

OCF CAGR of 9% - EBITDA Margin Growth of 420 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 of restructuring and other special charges and of the adoption of SFAS 123(R).

# First Quarter Results

(in millions, except per share data)

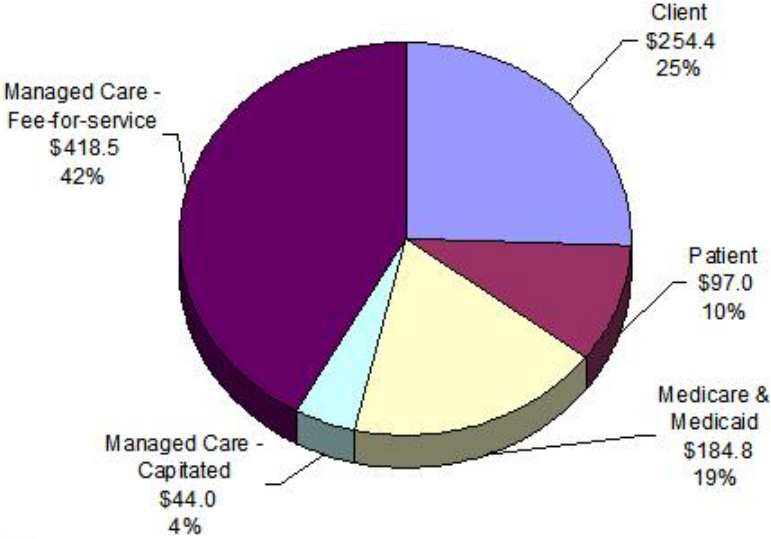
	<u>3/31/2006</u>	<u>3/31/2007</u>	<u>+ / (-)</u>
Revenue	\$ 878.5	\$ 998.7	13.7%
EBITDA	\$ 223.8	\$ 260.5	16.4%
EBITDA Margin	25.5%	26.1%	60 bp
Diluted EPS	\$ 0.76	\$ 0.98	28.9%

# 2007 First Quarter Financial Achievements

- Diluted EPS of \$0.98
- EBITDA margin of 26.1% of net sales
- Operating cash flow of \$185.8 million
- Increased revenues 13.7% (12.3% volume; 1.4% price)
- Repurchased approximately \$358 million of LabCorp stock

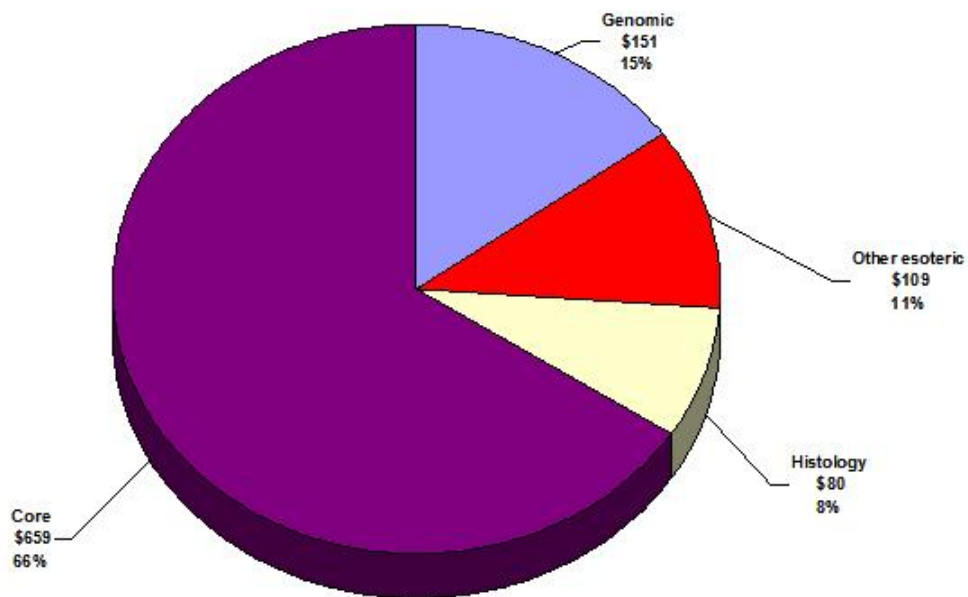
# Revenue by Payer – Q1-2007

(in millions)



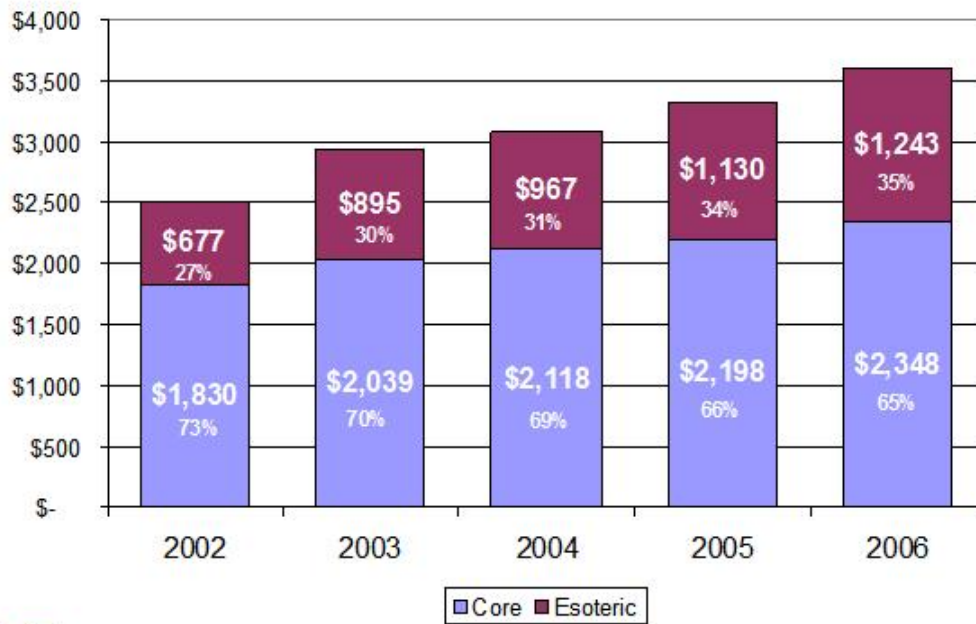
# Revenue by Business Area – Q1-2007

(in millions)



# Revenue Mix by Business Area

(in millions)





# Revenue by Payer

(in millions, except PPA)

	YTD Q1-2005				YTD Q1-2006				YTD Q1-2007			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
<b>Client</b>	\$ 225.2	28%	7.781	\$ 28.94	\$ 240.1	27%	8.300	\$ 28.92	\$ 254.4	25%	8.425	\$ 30.19
<b>Patient</b>	75.8	9%	0.608	\$ 124.64	84.2	10%	0.574	\$ 146.66	97.0	10%	0.612	\$ 158.46
<b>Third Party (Medicare/Medicaid)</b>	174.8	22%	4.809	\$ 36.34	185.1	21%	4.504	\$ 41.09	184.8	19%	4.566	\$ 40.47
<b>Managed Care:</b>												
- Capitated	33.8	4%	3.236	\$ 10.46	35.4	4%	3.377	\$ 10.49	44.0	4%	3.827	\$ 11.50
- Fee for service	289.6	36%	6.215	\$ 46.59	333.8	38%	6.918	\$ 48.25	418.5	42%	9.138	\$ 45.80
<b>Total Managed Care</b>	323.4	40%	9.451	\$ 34.22	369.2	42%	10.295	\$ 35.86	462.5	46%	12.965	\$ 35.67
<b>LabCorp Total</b>	\$ 799.1	100%	22.649	\$ 35.28	\$ 878.5	100%	23.673	\$ 37.11	\$ 998.7	100%	26.568	\$ 37.59

# Revenue Mix by Business Area

(in millions, except PPA)

	YTD Q1-2005				YTD Q1-2006				YTD Q1-2007			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$s	%			\$s	%			\$s	%		
All Genomic	\$ 123.6	15%	1,643	\$ 75.22	\$ 134.4	15%	1,741	\$ 77.18	\$ 150.8	15%	2,091	\$ 72.15
Other Esoteric	74.7	9%	1,839	40.61	93.7	11%	2,254	41.57	109.3	11%	2,639	41.44
Histology	59.7	7%	0,578	103.39	72.2	8%	0,580	124.56	79.9	8%	0,668	119.63
All Genomic / Esoteric	258.0	32%	4,060	63.55	300.2	34%	4,575	65.63	340.1	34%	5,398	63.02
Core	541.1	68%	18,589	29.11	578.3	66%	19,098	30.28	658.5	66%	21,170	31.11
LabCorp Total	\$ 799.1	100%	22,649	\$ 35.28	\$ 878.5	100%	23,673	\$ 37.11	\$ 998.7	100%	26,568	\$ 37.59

# 2007 Financial Guidance

- Excluding the impact of any share repurchase activity after March 31, 2007, guidance for 2007 is as follows:
  - Net sales growth of approximately 12% to 14% compared to 2006
  - EBITDA margins of 26.4% to 26.9% of net sales
  - Diluted EPS in the range of \$4.11 to \$4.27
  - Operating cash flow of between \$690 and \$710 million, excluding any transition payments related to the Company's agreement with UnitedHealthcare
  - Capital expenditures of between \$110 and \$120 million, excluding any additional capital expenditures related to the Company's agreement with UnitedHealthcare
  - Net interest expense of approximately \$45 million
  - Bad debt rate of approximately 4.8% of net sales

# Supplemental Financial Information

**Laboratory Corporation of America**  
**Supplemental Financial Information**  
**March 31, 2007**  
**(\$ in million's)**

	<u>Q1 07</u>
Depreciation	\$ 26.3
Amortization	\$ 13.3
Capital expenditures	\$ 40.8
Cash flows from operations	\$ 185.8
Bad debt as a percentage of sales	4.83%
Effective interest rate on debt:	
Zero coupon-subordinated notes	2.00%
5 1/2% Senior Notes (including effect of interest rate swap)	5.38%
5 5/8% Senior Notes	5.75%
Revolving credit facility (weighted average)	5.80%
Days sales outstanding	55

# 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 periods ended March 31, 2007 and 2006:

	<b>Three Months</b>	
	<b>Ended March 31,</b>	
	<u>2007</u>	<u>2006</u>
Earnings before income taxes	\$ 208.9	\$ 172.1
Add (subtract):		
Interest expense	12.6	11.9
Investment income	(2.1)	(0.4)
Other (income) expense, net	0.4	0.6
Depreciation	26.3	25.3
Amortization	13.3	13.0
Joint venture partnerships' depreciation and amortization	<u>1.1</u>	<u>1.3</u>
EBITDA	\$ 260.5	\$ 223.8

