



8-K Filed April 21, 2010



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 will be included in the Company's Form 10-K for the year ended December 31, 2009, and subsequent SEC filings. The Company has no obligation to provide any updates to these forward-looking statements even if its expectations change.

First Quarter Results

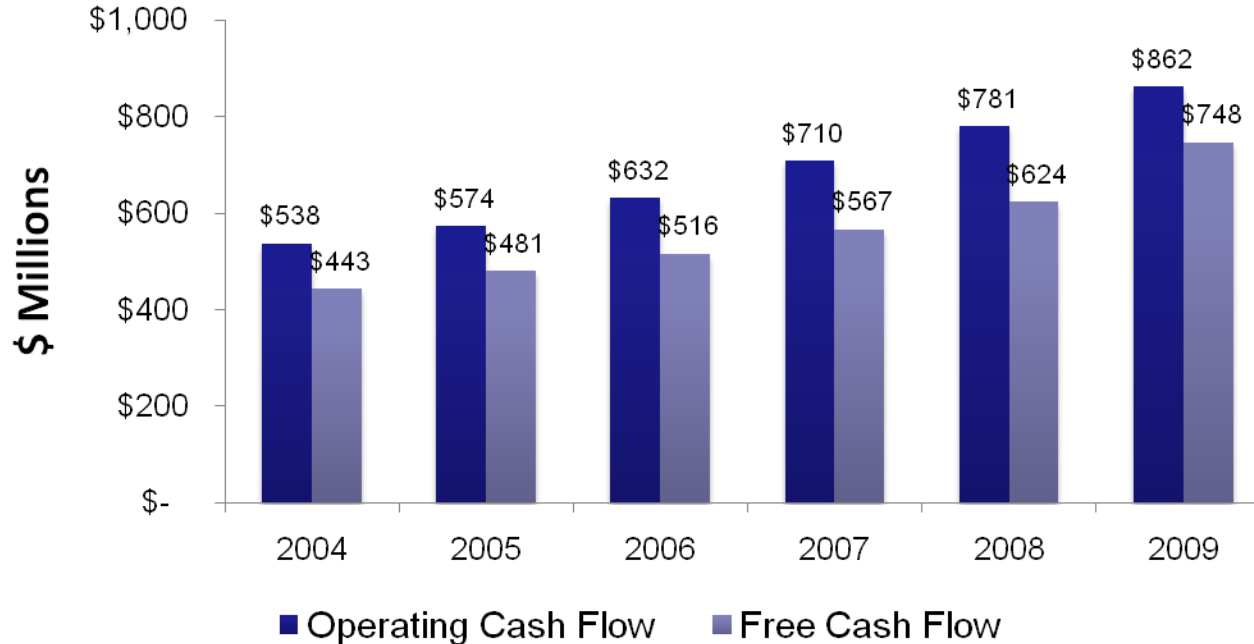
(In millions, except per share data)

	Three Months Ended Mar 31,		
	2010	2009	+/(-)
Revenue	\$ 1,193.6	\$ 1,155.7	3.3%
Adjusted Operating Income ⁽¹⁾	\$ 243.5	\$ 240.5	1.2%
Adjusted Operating Income Margin ⁽¹⁾	20.4%	20.8%	(40) bp
Adjusted EPS ⁽¹⁾	\$ 1.30	\$ 1.22	6.6%
Operating Cash Flow	\$ 232.0	\$ 208.9	11.1%
Less: Capital Expenditures	\$ (24.5)	\$ (30.7)	(20.2%)
Free Cash Flow	\$ 207.5	\$ 178.2	16.4%

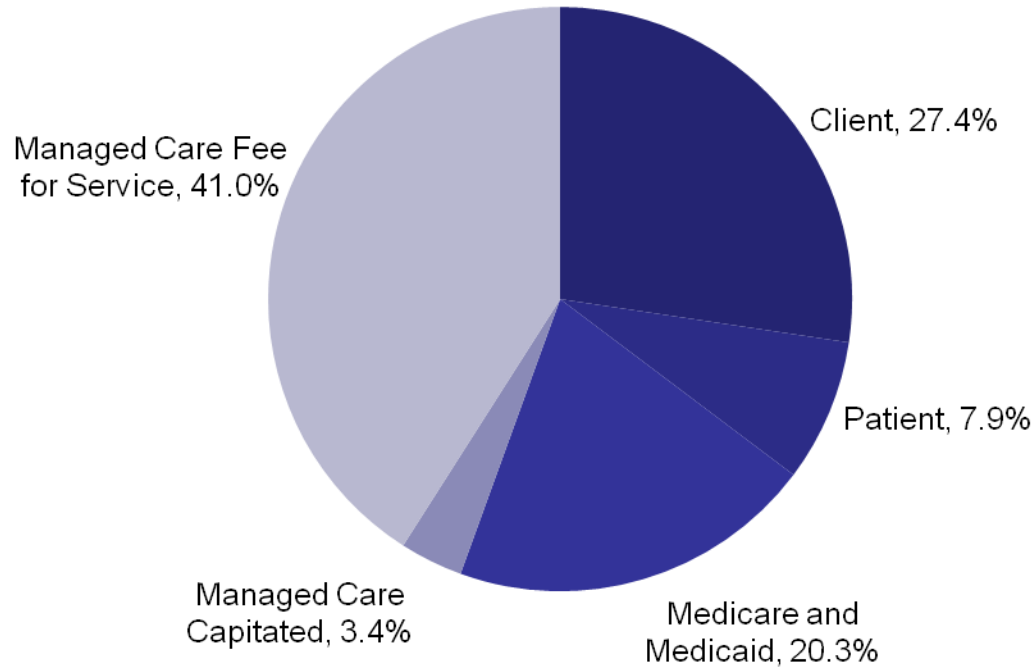
(1) See Reconciliation of non-GAAP Financial Measures (included herein)

Cash Flow Trends

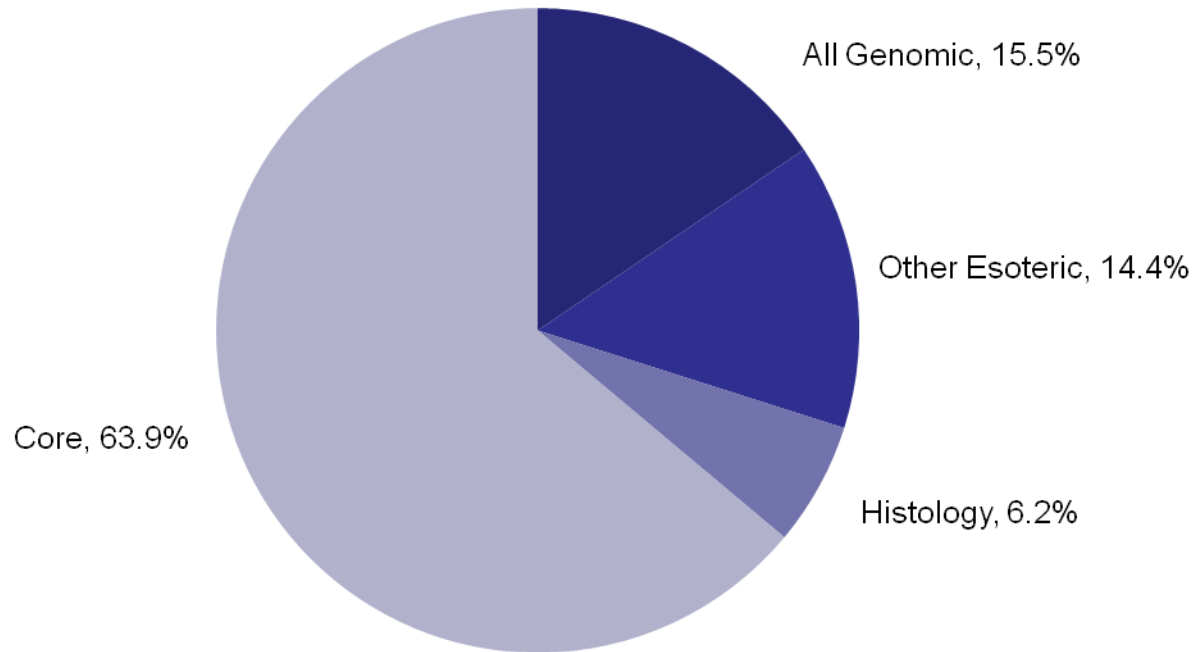
**11% FCF CAGR
2004-2009**



Revenue by Payer- US 2010 YTD



Revenue by Business Area - US 2010 YTD



Revenue by Payer

(in millions, except PPA)

	YTD Q1-2008				YTD Q1-2009				YTD Q1-2010			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
Client	\$ 285.4	27%	8.638	\$ 33.04	\$ 303.3	28%	8.918	\$ 34.01	\$ 307.9	27%	8.598	\$ 35.80
Patient	97.9	9%	0.590	\$ 165.98	83.7	8%	0.531	\$ 157.57	88.3	8%	0.536	\$ 164.81
Third Party												
(Medicare/Medicaid)	198.8	19%	4.728	\$ 42.05	220.3	20%	4.983	\$ 44.21	228.5	20%	4.927	\$ 46.37
Managed Care:												
- Capitated	42.4	4%	3.691	\$ 11.49	44.6	4%	3.665	\$ 12.16	39.0	3%	3.225	\$ 12.11
- Fee for service	414.6	40%	9.339	\$ 44.39	448.3	41%	9.584	\$ 46.78	461.0	41%	9.491	\$ 48.57
Total Managed Care	457.0	44%	13.030	\$ 35.07	492.9	45%	13.249	\$ 37.20	500.0	44%	12.716	\$ 39.32
LabCorp Total - US	\$ 1,039.1	100%	26.986	\$ 38.51	\$ 1,100.1	100%	27.681	\$ 39.74	\$ 1,124.7	100%	26.777	\$ 42.00
LabCorp Total - Canada	\$ 64.1	-	1.835	\$ 34.90	\$ 55.6	-	2.269	\$ 24.50	\$ 68.9	-	2.287	\$ 30.14
LabCorp Total	\$ 1,103.2		28.821	\$ 38.28	\$ 1,155.7		29.950	\$ 38.59	\$ 1,193.6		29.064	\$ 41.07

Revenue by Business Area

(in millions, except PPA)

	YTD Q1-2008				YTD Q1-2009				YTD Q1-2010			
	Revenue		Accns	PPA	Revenue		Accns	PPA	Revenue		Accns	PPA
	\$'s	%			\$'s	%			\$'s	%		
All Genomic	\$ 156.4	15%	2.144	\$ 72.94	\$ 172.4	16%	2.250	\$ 76.64	\$ 174.5	16%	2.189	\$ 79.68
Other Esoteric	118.1	11%	2.881	40.98	140.2	13%	3.303	42.44	161.8	14%	3.734	43.33
Histology	79.2	8%	0.629	125.99	73.5	7%	0.609	120.69	70.1	6%	0.564	124.28
All Genomic / Esoteric	353.7	34%	5.654	62.55	386.1	35%	6.162	62.67	406.4	36%	6.487	62.65
Core	685.5	66%	21.332	32.13	714.0	65%	21.520	33.18	718.3	64%	20.290	35.40
LabCorp Total - US	\$ 1,039.1	100%	26.986	\$ 38.51	\$ 1,100.1	100%	27.681	39.74	\$ 1,124.7	100%	26.777	42.00
LabCorp Total - Canada	\$ 64.1	-	1.835	\$ 34.90	\$ 55.6	-	2.269	\$ 24.50	\$ 68.9	-	2.287	\$ 30.14
LabCorp Total	\$ 1,103.2		28.821	\$ 38.28	\$ 1,155.7		29.950	\$ 38.59	\$ 1,193.6		29.064	\$ 41.07

Financial Guidance - 2010

Excluding the impact of restructuring and other special charges and share repurchase activity after March 31, 2010, guidance for 2010 is:

• Revenue growth:	Approximately 2.5% – 4.5%
• Adjusted EPS:	\$5.35 to \$5.55
• Operating cash flow of approximately ⁽¹⁾ :	\$870 Million
• Capital expenditures of approximately:	\$135 Million

(1) Operating cash flow guidance excludes any transition payments to UnitedHealthcare.

Supplemental Financial Information

Laboratory Corporation of America

Other Financial Information

March 31, 2010

(\$ in millions)

	<u>Q1 10</u>
Depreciation	\$32.2
Amortization	\$17.4
Capital expenditures	\$24.5
Cash flows from operations	\$232.0
Bad debt as a percentage of sales	5.05%
Effective interest rates on debt:	
Zero-coupon subordinated notes	2.00%
5 1/2% Senior Notes	5.38%
5 5/8% Senior Notes	5.75%
Term loan	3.67%
Revolving credit facility (weighted average)	0.58%
Days sales outstanding	46
UnitedHealthcare transition payments - Billed	\$10.1
UnitedHealthcare transition payments - Paid	\$14.5

Reconciliation of non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended Mar 31,	
	<u>2010</u>	<u>2009</u>
<u>Adjusted Operating Income</u>		
Operating income	\$234.2	\$240.5
Restructuring and other special charges	9.3	-
Adjusted operating income	<u>\$243.5</u>	<u>\$240.5</u>
<u>Adjusted EPS</u>		
Diluted earnings per common share	\$1.25	\$1.22
Impact of restructuring and other special charges (1)	0.05	-
Adjusted EPS	<u>\$1.30</u>	<u>\$1.22</u>

(1) After tax impact of restructuring and other special charges, \$5.7 million divided by 106.5 million shares



 **LabCorp**
Laboratory Corporation of America