LabCorp
Laboratory Corporation of America

# J.P. MORGAN HEALTHCARE CONFERENCE

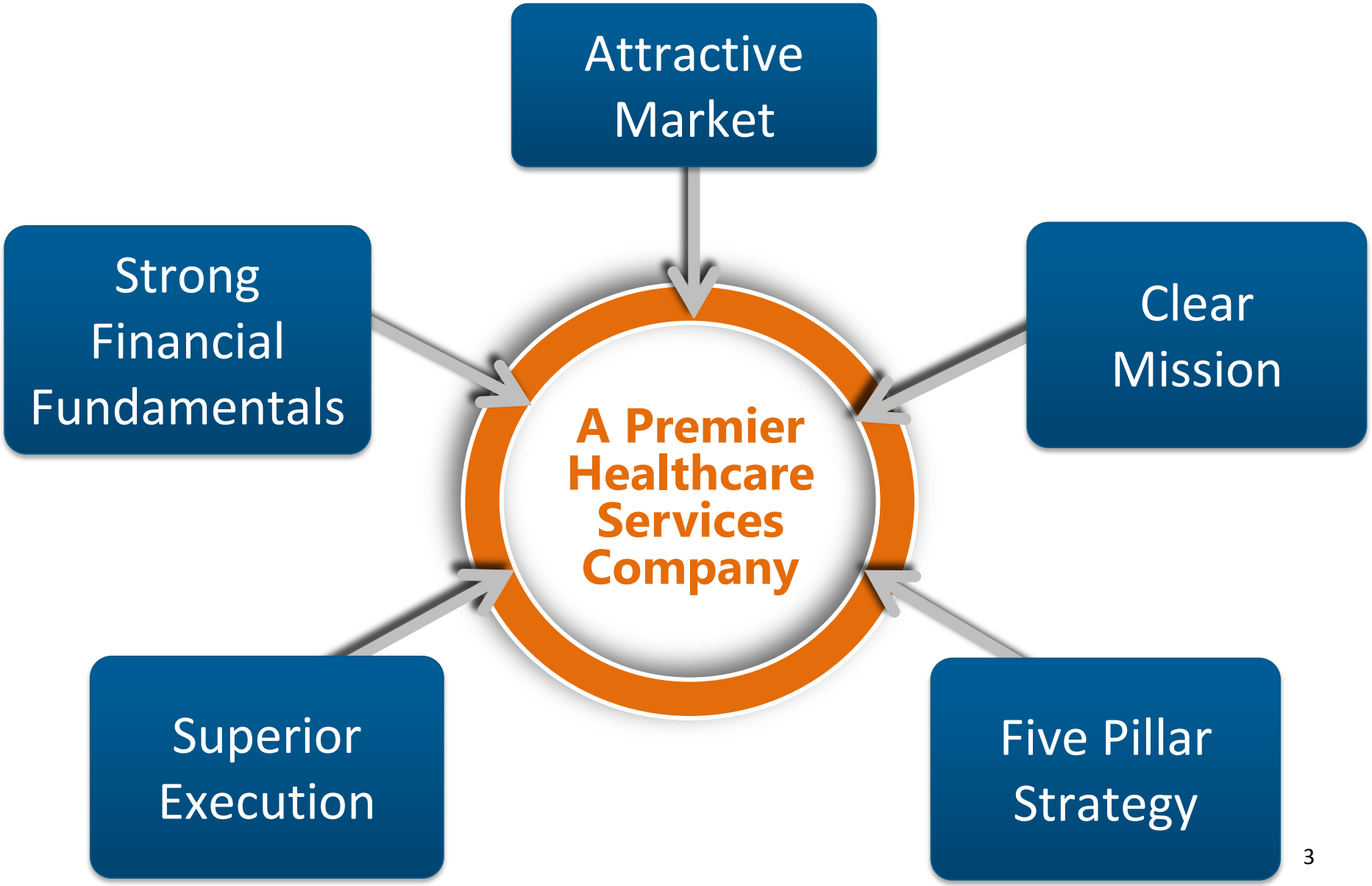
JANUARY 14, 2014 | **SAN FRANCISCO, CA**

# 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.

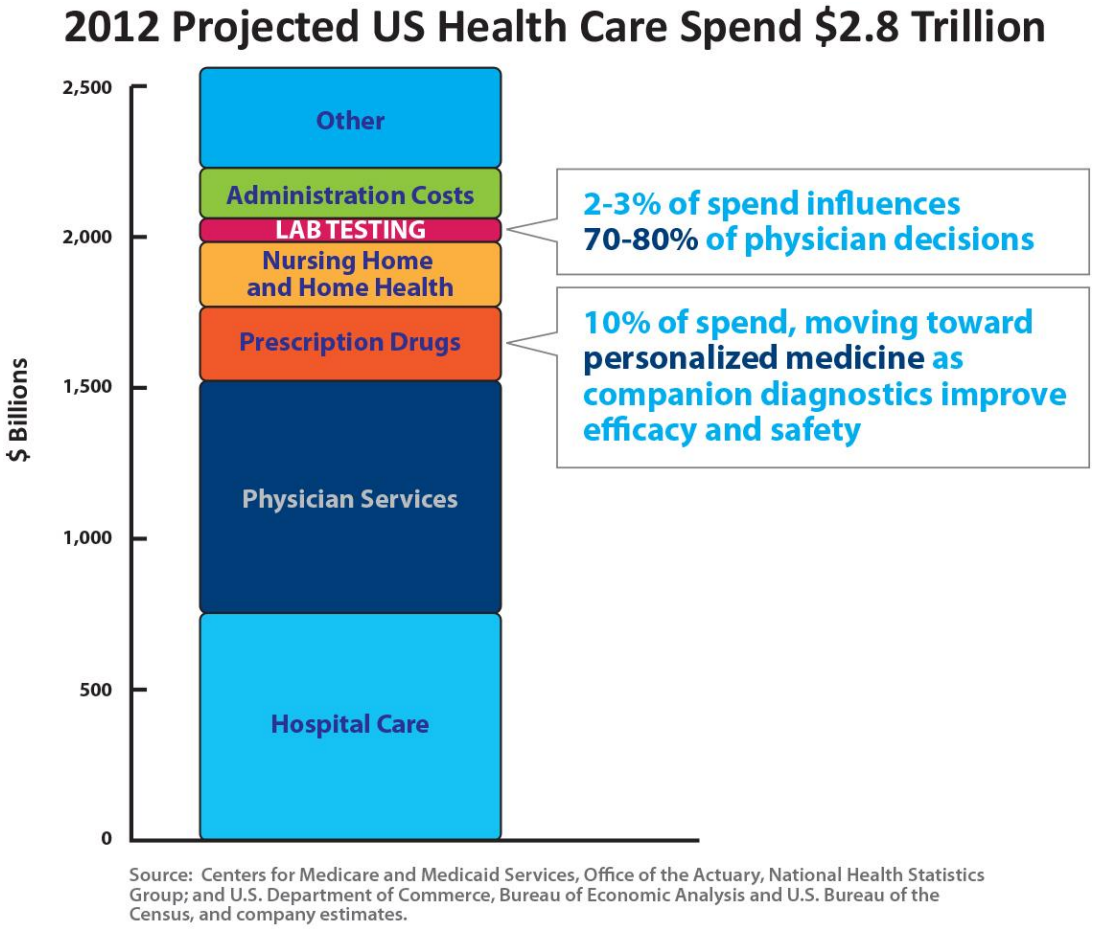
Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 2012, and subsequent SEC filings.

# LABCORP A PREMIER HEALTHCARE SERVICES COMPANY



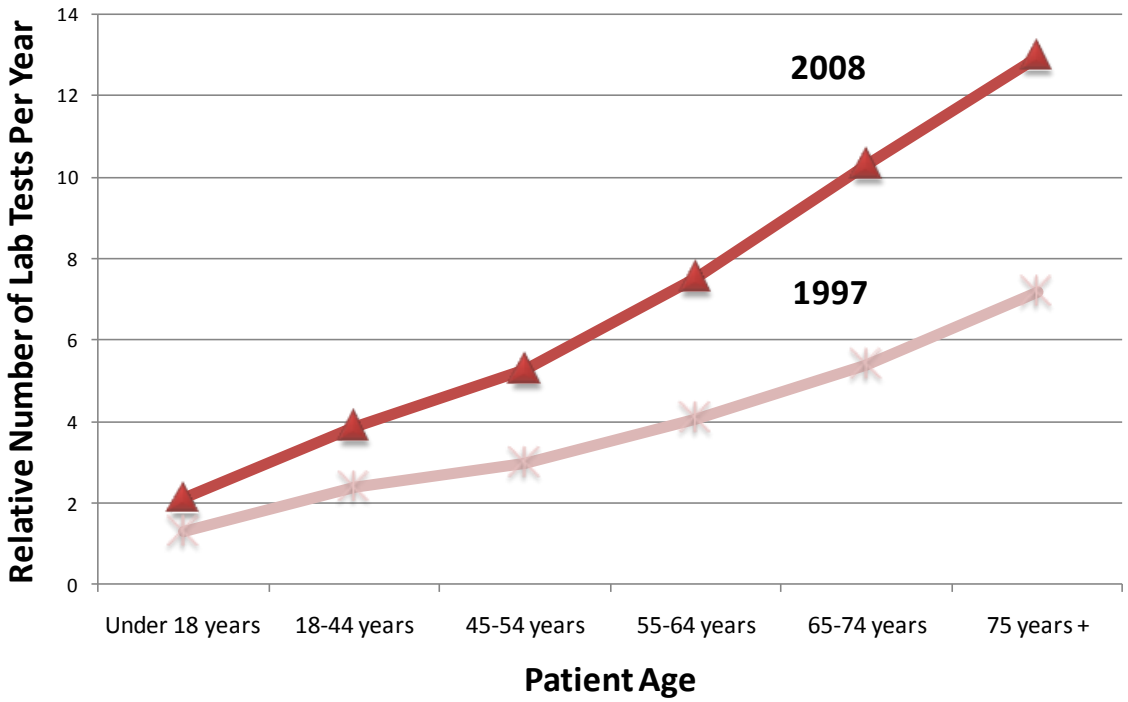
# Valuable Service

- Small component of total cost influences large percentage of clinical decisions
- Screening, early detection, and monitoring reduce downstream costs
- Decision support tools guide providers to better patient outcomes



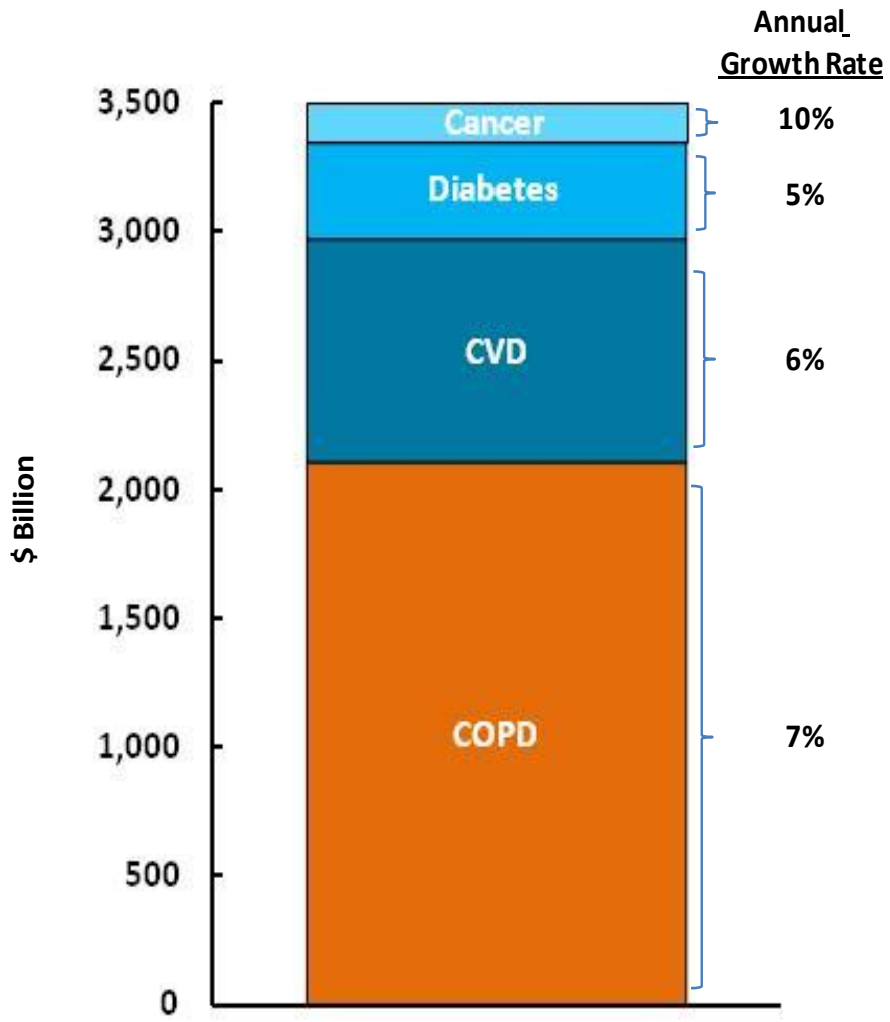
# Growth Drivers

- Aging population
- Industry consolidation
- Advances in genomics
- Pharmacogenomics/ companion diagnostics
- 2014 coverage expansion
- Key managed care partnerships
- Cost pressures will reward more efficient labs




Source: CDC National Ambulatory Medical Care Survey and Company Estimates

# Four Chronic Diseases Account for More Than Half of the Global Healthcare Spend…




**… and lab testing is critical to the diagnosis and treatment of each**

Source: World Economic Forum

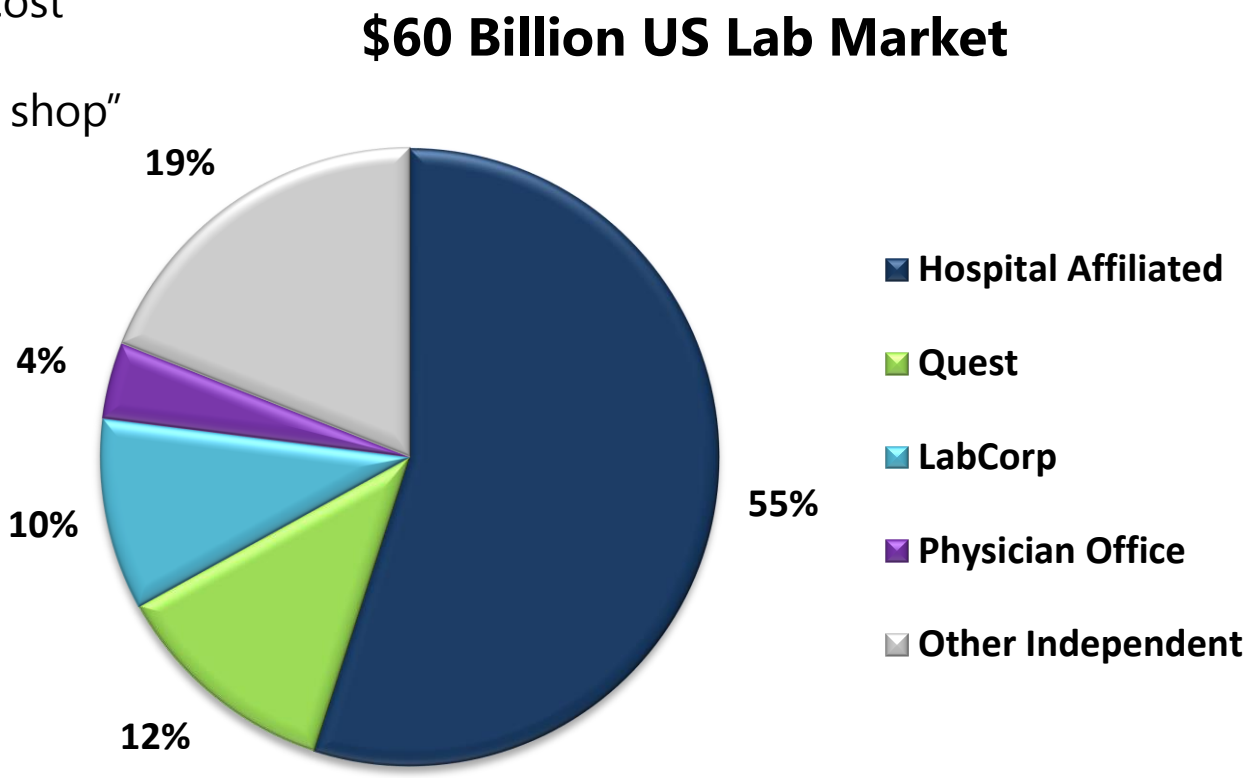
# International Opportunities

- Manageable capital outlay – capital light model
- 2010 global healthcare spend of approximately $4.0 trillion, ex U.S.
  - Est. $160 billion global diagnostics market, ex U.S.
  - Chronic conditions growing at approximately 20% annually
- Growing middle class in large Asian and Latin American populations
- Will look at opportunities in countries with the following characteristics:
  - Large self-pay segment
  - 20%+ of population mid to upper class
  - Majority of population concentrated in a small number of cities
  - Diagnostic segment approximately 4% of healthcare spend
  - Physician community aware of, and educated in, complex diagnostics
  - Infrastructure – airports and roads

Source: Emergo Group and Company estimates

# Opportunity to Take Share

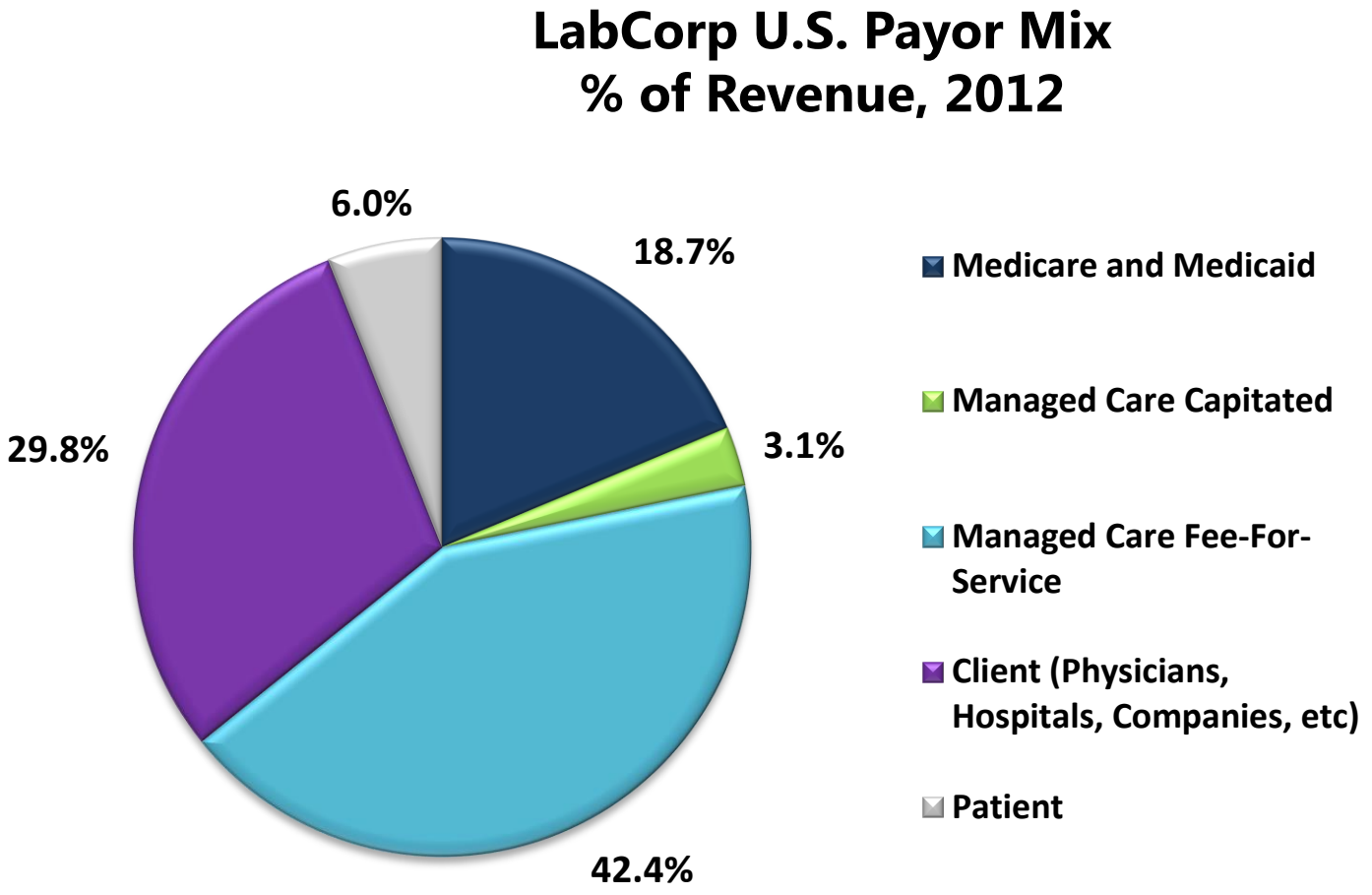
- Approximately 5,000 independent labs
- Less efficient, higher cost competitors
- Full service, "one stop shop"



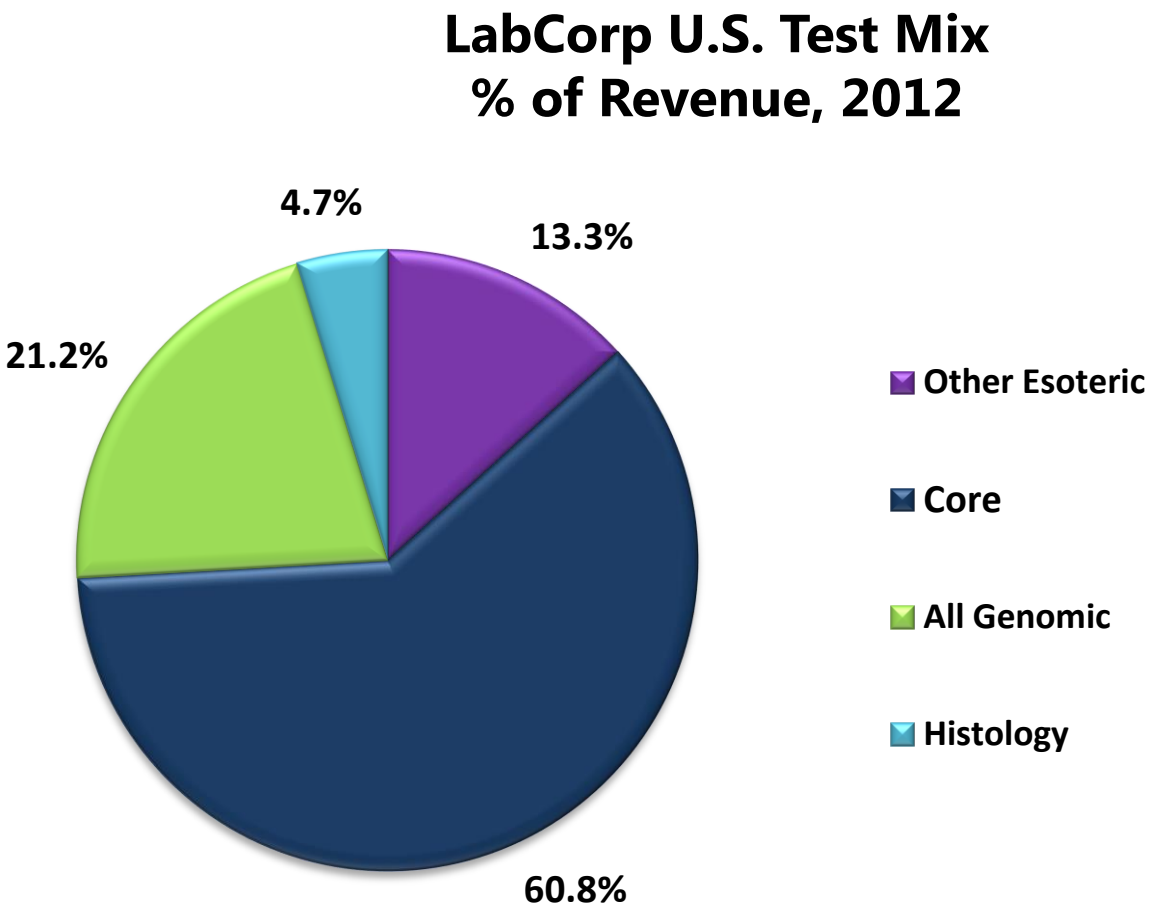

Source: Washington G-2 Reports and Company estimates

# Diversified Payor Mix

No customer > 10% of revenue



# Diversified Test Mix



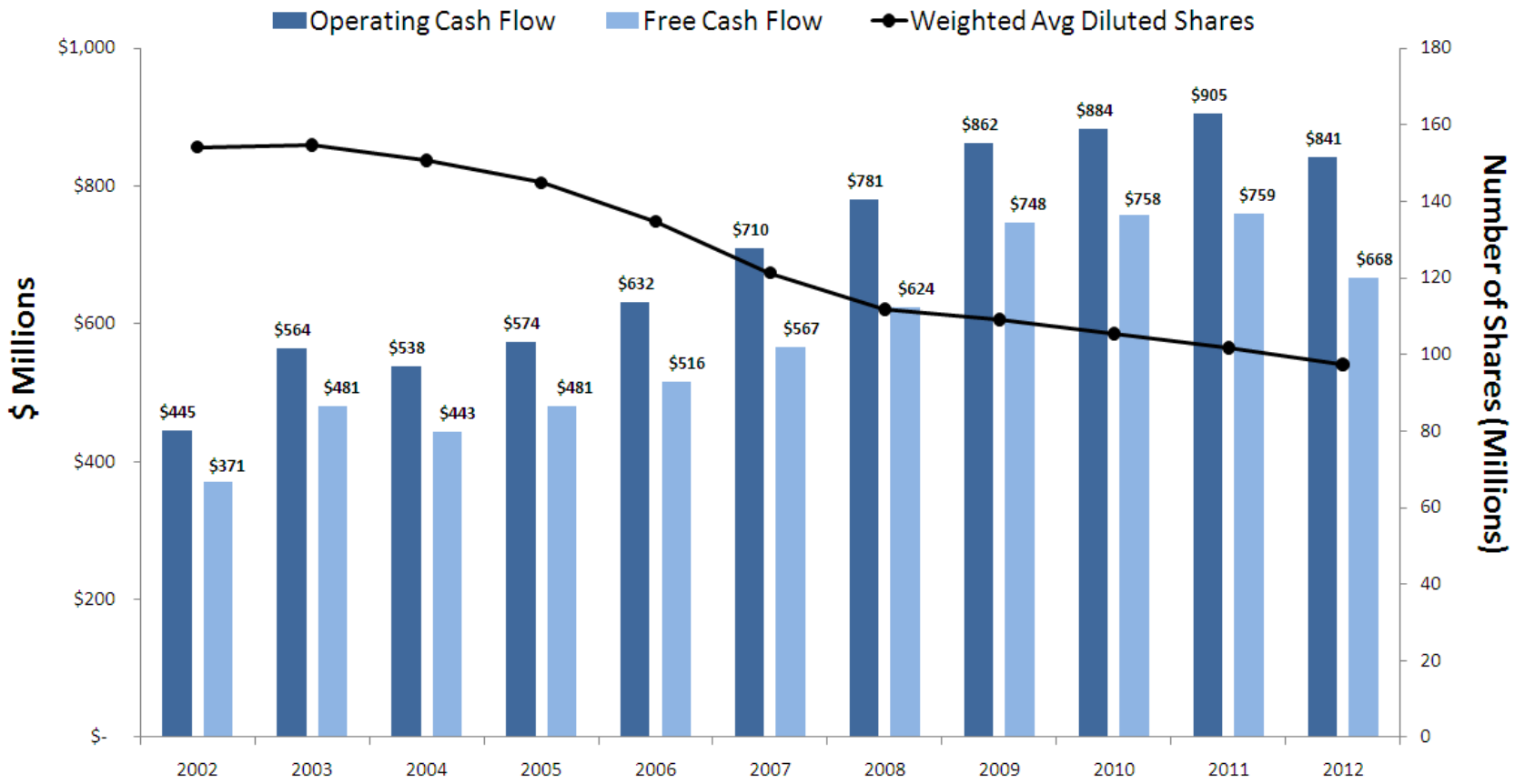
# MISSION STATEMENT

## We Will Be a Trusted Knowledge Partner for Stakeholders, Leading to Growth in Our Business and Continued Creation of Shareholder Value

We Will Achieve This Mission by Continuing to Execute Our Five Pillar Strategy

# Deploy Capital to Investments That Enhance Our Business and Return Capital to Shareholders

# 10.3% FCF CAGR from 2001-2012




| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Weighted Average Diluted Shares (millions) | 154.2 | 154.7 | 150.7 | 144.9 | 134.7 | 121.3 | 111.8 | 109.1 | 105.4 | 101.8 | 97.4 |

Note: 2011 Free Cash Flow calculation above does not include the $49.5 million Hunter Labs settlement
Free Cash Flow is a non-GAAP metric (see reconciliation of non-GAAP Financial Measures included herein)
Free Cash Flow CAGR calculation uses 2001 data (2001 Free Cash Flow was $228 million)

# Five-Year Capital Snapshot

- Acquisitions: Genzyme Genetics*, Orchid Cellmark, MEDTOX Scientific
- Approximately $2.1 billion of share repurchase since 2008
- Approximate 50/50 split between acquisitions and share repurchase since 2008

**LabCorp Capital Deployment**

| | 2008 | 2009 | 2010 | 2011 | 2012 | Total |
|---|---|---|---|---|---|---|
| Cash from Operating Activities | $ 780.9 | $ 862.4 | $ 883.6 | $ 855.6 | $ 841.4 | $4,223.9 |
| Total Capital Deployed | $ 839.2 | $ 603.6 | $1,650.0 | $ 927.9 | $1,025.4 | $5,046.1 |
| Capital Expenditures | $ 156.7 | $ 114.7 | $ 126.1 | $ 145.7 | $ 173.8 | $ 717.0 |
| **% Total Capital Deployed** | ***19%*** | ***19%*** | ***8%*** | ***16%*** | ***17%*** | ***14%*** |
| Cash Used for Acquisitions | $ 348.9 | $ 215.9 | $1,185.8 | $ 138.3 | $ 335.1 | $2,224.0 |
| **% Total Capital Deployed** | ***42%*** | ***36%*** | ***72%*** | ***15%*** | ***33%*** | ***44%*** |
| Cash Used for Share Repurchase | $ 333.6 | $ 273.0 | $ 338.1 | $ 643.9 | $ 516.5 | $2,105.1 |
| **% Total Capital Deployed** | ***40%*** | ***45%*** | ***20%*** | ***69%*** | ***50%*** | ***42%*** |

Source: SEC Filings

# Future Capital Deployment Strategy

- Target Leverage Ratio of approximately 2.5 to 1 (Debt/EBITDA) over time
- Acquisitions
- Share Repurchase

# Enhance IT Capabilities To Improve Physician and Patient Experience

# LabCorp Beacon™ Platform

- **Rich web portal and mobility framework**
  - Physician, Patient and Payor portals
  - Mobility solutions
- **Enhanced Efficiency and Service**
  - Online appointment scheduling
  - Express Orders
  - AccuDraw™
  - Integrated results, enhanced reports
- **Lab Analytics**
  - One-click trending of patient, test and population
  - View lab history
- **Services Oriented Architecture**
  - Rules based engines
  - Content aggregation
  - Plug in model for seamless integration with practice workflow
  - Scalable, big data model

# Patient Portal

- Patients receive lab results as easily as checking email
- Provides greater patient intimacy
- Over 400,000 patients have signed up for this innovative service
- 2014 enhancements will focus on adding content to assist patients in understanding results

# Continue to Improve Efficiency to Offer the Most Compelling Value in Laboratory Services

# Our Focus on Efficiency

- Comprehensive review of cost structure
- Standardization
    - Lab platforms, instruments and processes
    - Billing system
- Supply chain optimization
- Automation of pre-analytics
- Facility rationalization
- Propel splitting and sorting robotics

PROPEL

# Scientific Innovation
# At Appropriate Pricing

## Launched 152 new tests in 2013

## Recent test introductions

- BRCA 1/2 Sequencing
- Intelligen NGS Therapeutic Panel
- 4th Generation HIV test
- HistoPlus SM: Lung Cancer
- GeneSeq(R): Cardiomyopathy NGS panels
- Thiopurine metabolites, expanded Inflammatory Bowel Disease (IBD) offerings
- SNP Microarray-Oncology
- NanoString Prosigna™ Breast Cancer Prognostic Gene Signature Assay

## Coming in 2014

- HLA by NGS
- NGS Universal Carrier Screening
- NGS Gene Panels

# Development of Knowledge Services

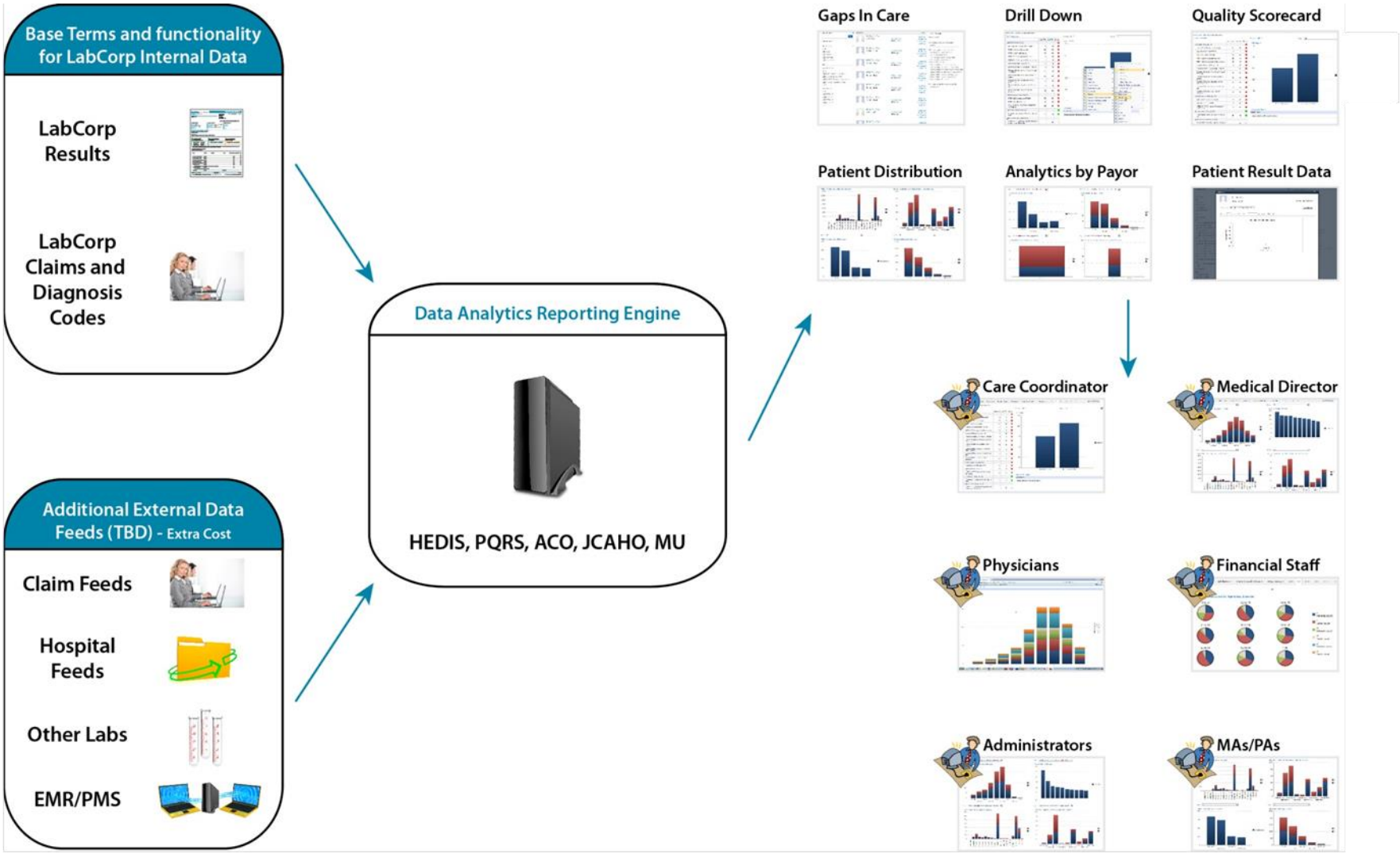
## Key Elements

- Transform data into actionable intelligence
- Develop knowledge solutions through delivery of content, resulting in better care at lower cost
    - BeaconLBS
    - Population health management/data analytics
    - Decision support
    - Personalized medicine
    - Genetic counseling
    - Mobile health
    - Connected devices
    - Care in the home

# BeaconLBS - A platform for health plans and physicians to deliver high quality and appropriate lab services through:

- **Access to a high-quality lab-of-choice network**
  - Labs-of-choice must meet specific credentialing criteria for certain specialized tests and comply with test coding and billing requirements.
- **Physician decision support tools that guide lab and test selection**
  - Decision support tools are integrated in *existing* physician workflows which minimizes/eliminates disruption to the physician's office.
  - Our decision support tools can be accessed through (a) our proprietary internet-based multi-lab ordering system; EHR-partner ordering systems; and, labs-of-choice ordering systems.
  - Our clinical guidelines are supported by evidence and expert opinion.
- **Clinical and administrative rules engine that supports the health plan's claim adjudication process**
  - Our proprietary rules engine interfaces seamlessly with a health plan's claim adjudication system.
  - Rules engine based health plan claims are adjudicated subject to evidence-based guidelines, administrative edits, and labs-of-choice economics.

# FIVE PILLAR STRATEGY **PILLAR FIVE**
# DATA ANALYTICS TOOLS – BIG DATA ANALYTICS



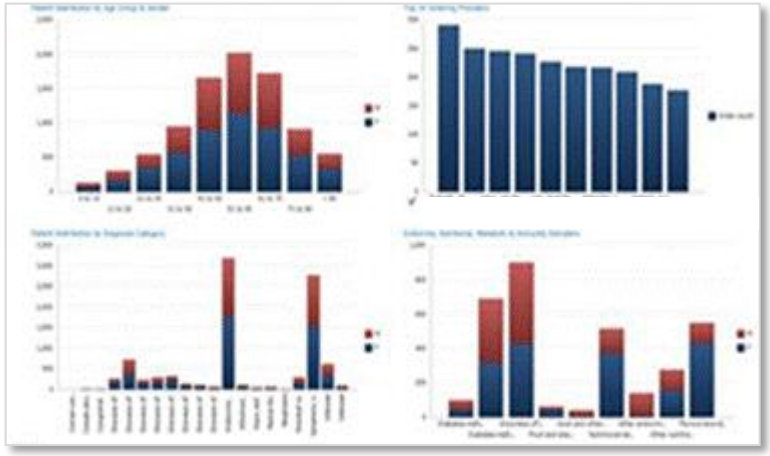
# FIVE PILLAR STRATEGY **PILLAR FIVE**
# POPULATION HEALTH ANALYTICS – BIG DATA ANALYTICS

- **Comprehensive platform**
  Healthcare business intelligence across hospital, physician practice and ACO market
- **Robust rules engine and 600+ clinical quality measures**

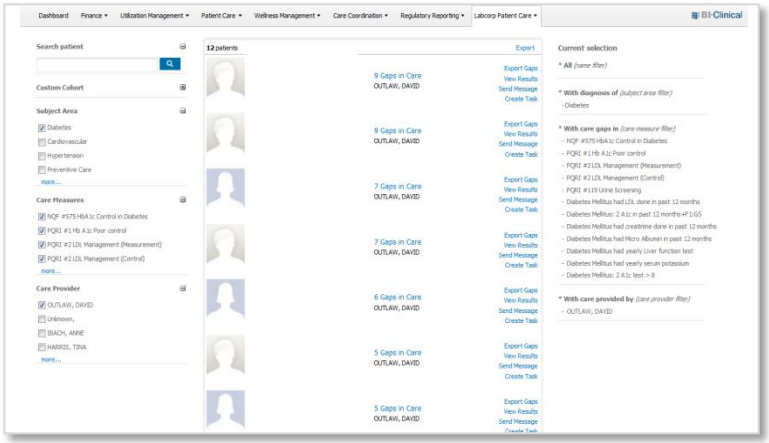
  100% compliance to Meaningful Use requirements (EP & EH)

  100% compliance to ACO, JCAHO and PQRS reporting requirements
- **Real time clinical alerts**
  Gaps in care alerts for patient populations and at the individual patient level

## Analytics Views



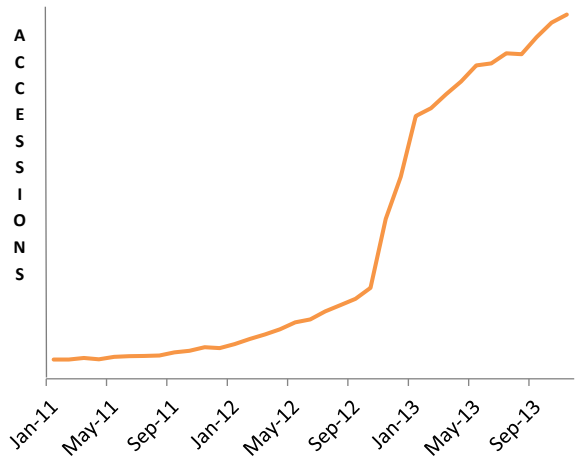
## Gaps-in-Care



# FIVE PILLAR STRATEGY **PILLAR FIVE**
# CLINICAL DECISION SUPPORT – SMALL DATA ANALYTICS

- Report augmentation engine for LabCorp
- Translation of medical guidelines and protocols to actionable results
- Individualized, rules-based reporting to reflect patient-specific results
- Current Programs
  - Kidney Stone Management
  - Chronic Kidney Disease
  - Cardiovascular Disease
  - Metabolic Bone Disease
  - Disorders of Coagulation

**CDS ADOPTION SINCE 2011**




## Chronic Kidney Disease

Analysis & Treatment Suggestions

| GENDER | DIABETES | SELF-REPORTED RACE | CURRENT eGFR | MOST RECENT CKD STAGE |
|---|---|---|---|---|
| F | Yes | Missing | 46 | 3a |

**Prognosis of CKD by GFR And Albuminuria Categories**

| GFR Categories: (ml/min/1.73m²) | | | A1 | A2 | A3 |
|---|---|---|---|---|---|
| G1 | >=90 | NORMAL OR HIGH | | | |
| G2 | 60-89 | MILDLY DECREASED | | | |
| G3a | 45-59 | MILDLY TO MODERATELY DECREASED | | ● | |
| G3b | 30-44 | MODERATELY TO SEVERELY DECREASED | | | |
| G4 | 15-29 | SEVERELY DECREASED | | | |
| G5 | <15 | KIDNEY FAILURE | | | |

Persistent Albuminura Categories

**A1** = NORMAL TO MILDLY INCREASED; ACR <30 ug/mg; PCR <=200 mg/g
**A2** = MODERATELY INCREASED; ACR 30-300 ug/mg; PCR 201-500 mg/g
**A3** = SEVERELY INCREASED; ACR >300 ug/mg; PCR >500 mg/g

= LOW RISK = MODERATELY INCREASED RISK
= HIGH RISK = VERY HIGH RISK
● = PATIENT'S RESULT

Kidney Disease: Improving Global Outcomes (KDIGO) CKD Work Group. KDIGO 2012 Clinical Practice Guideline for the Evaluation and Management of Chronic Kidney Disease. *Kidney inter., Suppl.* 2013; 3: 1-150.

**eGFR, Blood Pressure, and Proteinuria**

The regression of eGFR with time is not statistically significant. Current eGFR is 46 mL/min/1.73mE2 corresponding to CKD stage 3a. Multiply eGFR by 1.159 if patient is African American. Potassium is within goal and has decreased, was 4.0 and now is 3.5 mmol/L. Glycemic control (HB A1c: 7.8 %) is not within goal and additional action is indicated. Previous urine protein measurement was elevated.

**Treatment Suggestions**

Based upon current eGFR and presence of moderate proteinuria, patient is at high risk for adverse outcomes such as CKD progression, CVD, and mortality. Guidelines suggest a target blood pressure of 130/80 mmHg or less in patients with albuminuria or proteinuria to reduce cardiovascular risk and CKD progression.

**Bone & Mineral**

Intact PTH is above goal and has not changed significantly, was 68 and now is 67 pg/mL. Phosphorus is within goal and has not changed significantly, was 3.2 and now is 3.4 mg/dL. Calcium is within goal and has not changed significantly, was 8.8 and now is 8.8 mg/dL. Carbon Dioxide is below goal and has not changed significantly, was 20 and now is 21 mmol/L. KDOQI guidelines recommend the measurement of 25-hydroxy vitamin D in patients with CKD.

**Treatment Suggestions**

Restrict diet phosphate to 800 - 1000 mg/d. Monitor trend in PTH and consider further therapy if PTH is rising. If not on alkali, begin sodium bicarbonate, one 650 mg pill 2-3 times daily, otherwise increase dose.

**Lipids**

LDL-C is within goal and has not changed significantly, was 50 and now is 43 mg/dL. Triglyceride is above goal and has risen, was 302 and now is 354 mg/dL. Non-HDL Cholesterol is within goal and has not changed significantly, was 110 and now is 114 mg/dL. HDL-C is within goal and has decreased, was 97 and now is 64 mg/dL.

**Treatment Suggestions**

Therapeutic lifestyle changes are always valuable to maintain optimal blood lipid status (diet, exercise, weight management). Continue statin, if in use.

**Anemia**

Hemoglobin is low and has decreased, was 12.0 and now is 11.1 g/dL. Hemoglobin target assumes ESA is not in use.

**Treatment Suggestions**

Iron deficiency is a common cause of anemia in CKD. Recommend measurement of Ferritin and TSAT.

**Follow-Up Suggestions for CKD**

| Recommended by KDOQI guidelines, at least yearly | Due | 3 months |
|---|---|---|
| ● 25-Hydroxy Vitamin D | ● Spot Urine Panel (Albumin preferred)<br>● Fe/TIBC (TSAT) and Ferritin with CBC | ● Hemoglobin A1C<br>● Fasting PTH with Renal Panel<br>● Fasting Lipid Panel<br>● CBC |

# FIVE PILLAR STRATEGY **PILLAR FIVE**
# CLINICAL DECISION SUPPORT – SMALL DATA ANALYTICS

| PATIENT | DATE OF BIRTH | GENDER | DATE OF SERVICE | PHYSICIAN |
|---|---|---|---|---|
| **CVD, TEST1A** | 01/31/1955 | M | 04/07/2013 | |

LabCorp Account #: 12005000

Accessions: 09844599800

**DISCLAIMER**: *These assessments and treatment suggestions are provided as a convenience in support of the physician-patient relationship and are not intended to replace the physician's clinical judgment. They are derived from the national guidelines in addition to other evidence and expert opinion. The clinician should consider this information within the context of clinical opinion and the individual patient.*
*SEE GUIDANCE FOR CARDIOVASCULAR RISK ASSESSMENT: National Heart, Lung, and Blood Institute's Third Report of the NCEP Expert Panel on Detection, Evaluation and Treatment of High Blood Cholesterol in Adults (ATP III) (2001. NIH publication 01-3670). Brunzell et al (Diabetes Care. 2008;31(4):811-82), and Contois et al (Clin Chem. 2009;55(3):407-419).*

**Note**: *Please refer to your LabCorp Report for all results as well as any test-specific and specimen-specific comments.*

## Cardiovascular Risk Assessment

Analysis & Treatment Suggestions

### Patient Risk Assessment

Current available clinical information suggests the patient's risk category is at least HIGH. Your patient appears to have one CHD risk equivalent (chronic kidney disease). Two additional major risk factors are present (age over 45 and HDL-C less than 40). Consider targeting optional goals for very high risk patients.

Cardiac biomarker results may be used to further modify your patient's risk category. Cardiac CRP result (8.10 mg/L) indicates increased risk for future cardiovascular events.

TSH is high and suggests hypothyroidism, which can elevate LDL cholesterol. Nephrotic syndrome and liver disease can cause secondary dyslipidemia. Consider evaluation if clinically indicated.

Therapeutic lifestyle changes are always valuable to achieve optimal blood lipid status (diet, exercise, weight management).

### Patient Risk Category

*Select one patient risk category (based upon medical history and clinical judgment) for lipid assessment and treatment suggestions. In cardiovascular disease prevention, the intensity of risk-reduction therapy should be adjusted to the level of patient risk. Additional risk factors such as personal or family history of premature CHD, smoking, and hypertension modify a patient's goals of therapy.*

▽ = PATIENT'S RESULT

| ANALYTE / RESULT | Patient Risk Category (select one) LOW | INTERMEDIATE | HIGH |
|---|---|---|---|
| LDL-C **74 mg/dL** | ▽ GOAL / HIGH — 160 | ▽ OPTIONAL / GOAL / HIGH — 100 / 130 | ▽ OPTIONAL / GOAL / HIGH — 70 / 100 |
| non-HDL **134 mg/dL** | ▽ GOAL / HIGH — 190 | ▽ OPTIONAL / GOAL / HIGH — 130 / 160 | ▽ OPTIONAL / GOAL / HIGH — 100 / 130 |
| LDL-P **1365 nmol/L** | ▽ GOAL / HIGH — 1600 | ▽ OPTIONAL / GOAL / HIGH — 1000 / 1300 | ▽ OPTIONAL / GOAL / HIGH — 800 / 1000 |
| **Lipid Assessment** | LDL-C is at goal. Non-HDL-C is at goal. LDL-P is at goal. | LDL-C is at goal. Non-HDL-C is at goal for moderate risk but not at optional goal for moderate high risk. LDL-P is not at goal. | LDL-C is at goal for high risk but not at optional goal for very high risk. Non-HDL-C is not at goal. LDL-P is not at goal. |
| **Treatment Suggestions** | Elevated triglycerides are present and may represent a residual source of cardiovascular risk. Co-morbid conditions should be evaluated and treated. | When LDL-C and LDL-P are discordant, cardiovascular risk tracks with LDL-P. To achieve optional goal, non-HDL-C should be lowered by 3 %. Options for therapy include starting or increasing statin or use of combination therapy. Given elevated triglycerides, combination therapy or statin alternatives include use of an intestinal agent (ezetimibe or bile acid sequestrant), niacin, and/or fish oil. | Cardiovascular risk may be further increased due to elevated LDL-P. To achieve optional goal, LDL-C should be lowered by 5 %. To achieve minimal goal, non-HDL-C should be lowered by 3 %. To achieve optional goal, non-HDL-C should be lowered by 25 %. Options for therapy include starting or increasing statin or use of combination therapy. Given elevated triglycerides, combination therapy or statin alternatives include use of an intestinal agent (ezetimibe or bile acid sequestrant), niacin, and/or fish oil. |

LabCorp Laboratory Corporation of America
Mitchell B. Laks, PhD, Laboratory Director, CLIA# 14D0887314
Litholink, A LabCorp Company, 2250 West Campbell Park Drive, Chicago, Illinois 60612
800 338 4333 Telephone, 888 361 7939 Facsimile, www.litholink.com


| PATIENT | DATE OF BIRTH | GENDER | DATE OF SERVICE | PHYSICIAN |
|---|---|---|---|---|
| **APS, TEST2** | 03/13/1982 | F | 06/03/2013 | **Litholink, Testing** |

LabCorp Account #: 12005000

Accessions: 15699099060

**DISCLAIMER**: *These assessments and interpretations are provided as a convenience in support of the physician-patient relationship and are not intended to replace the physician's clinical judgment. They are derived from the national guidelines in addition to other evidence and expert opinion. The clinician should consider this information within the context of clinical opinion and the individual patient.*
*SEE GUIDANCE FOR ANTIPHOSPHOLIPID SYNDROME ASSESSMENT:(1) Pengo V et al. J Thromb Haemost. 2009; 7(10):1737-1740. (2) Miyakis S et al. J Thromb Haemost. 2006;4(2):295-306. (3) Garcia DA et al. Blood. 2007;110(9): 3122-3127.*

**Note**: *Please refer to your LabCorp Report for all results as well as any test-specific and specimen-specific comments.*

## Coagulation Studies

Interpretive Assessment and Summary

### Antiphospholipid Syndrome Assessment

**Assessment**

A lupus anticoagulant is detected. Antiphospholipid antibody(ies) (aCL IgG and B2GP1 IgG) are elevated. Clinical significance is proportional to the number and titer of antibodies detected.

**Summary**

Persistence of both a lupus anticoagulant and antiphospholipid antibodies (aCL and/or B2GP1) has been demonstrated and fulfills the laboratory criteria for antiphospholipid syndrome (J Thromb Haemost. 2006; 7(10):1737-1740). This pattern of results in the current sample is consistent with a high-risk antiphospholipid antibody profile (triple positivity). Triple positivity has significant potential for thrombotic and obstetric risk (Blood. 2011; 118(17):4714-4718; Thromb Haemost. 2006; 96(3):337-41). In patients with a prior history, triple positivity indicates a high risk for recurrence (J Thromb Haemost. 2010; 8(2):237-242). The general consensus is to treat patients with thrombosis and triple positivity with an indefinite duration of anticoagulant therapy (Blood 2007; 110(9):3122-3127). Asymptomatic individuals who have persistent triple positivity have approximately a 5% annual incidence of thrombosis (Blood. 2011; 118(17):4714-4718). Individuals with persistent aPL may benefit from thromboprophylaxis in high risk situations such as surgery, the post-partum period and prolonged immobilization.

**Definitions**

aCL- anticardiolipin (antibodies to cardiolipin); LA- lupus anticoagulant (which is identified with the dRVVT and/or hexagonal phospholipid neutralization assays); aPL- antibodies to protein/phospholipid complexes such as LA, aCL, and B2GP1 antibodies; APS- antiphospholipid syndrome; DTI-direct thrombin inhibitors.

**Medical Director:**

For questions regarding panel interpretation, please contact Dorothy (Adcock) Funk, M.D., or Karen Moser, M.D. at Esoterix Coagulation at 1-800-444-9111.

### Flow Sheets

The 8 most recent lab results are reported.

**Antiphospholipid Syndrome Assessment**

| Date | aPTT | aPTT 1:1 NP | Prothrombin Time | INR | Thrombin Time | Thrombin Neutralization | dRVVT | dRVVT Confirm | Hexagonal Phase Phospholipid | Anticardiolipin Ab, IgG | Anticardiolipin Ab, IgM | Beta-2 Glycoprotein I Ab, IgG | Beta-2 Glycoprotein I Ab, IgM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 06/03/13 | 42.0 | 38.0 | 12.9 | 18.0 | 1.0 | n/a | 58.0 | 2.1 | 10.0 | 85 | 20 | 93 | 30 |
| 02/03/13 | 45.0 | 38.0 | 12.9 | 18.0 | 1.0 | n/a | 57.0 | 2.1 | 10.0 | 85 | 20 | 92 | 35 |
| Ref. Interval | 23.4-38.4 | 23.4-38.4 | 11.8-14.1 | 0.9-1.2 | 0.0-20.0 | | 0.0-55.1 | 0.0-1.4 | 0.0-8.0 | 0-14 | 0-12 | 0-20 | 0-32 |

LabCorp Laboratory Corporation of America
Mitchell B. Laks, PhD, Laboratory Director, CLIA# 14D0887314
Litholink, A LabCorp Company, 2250 West Campbell Park Drive, Chicago, Illinois 60612
800 338 4333 Telephone, 888 361 7939 Facsimile, www.litholink.com

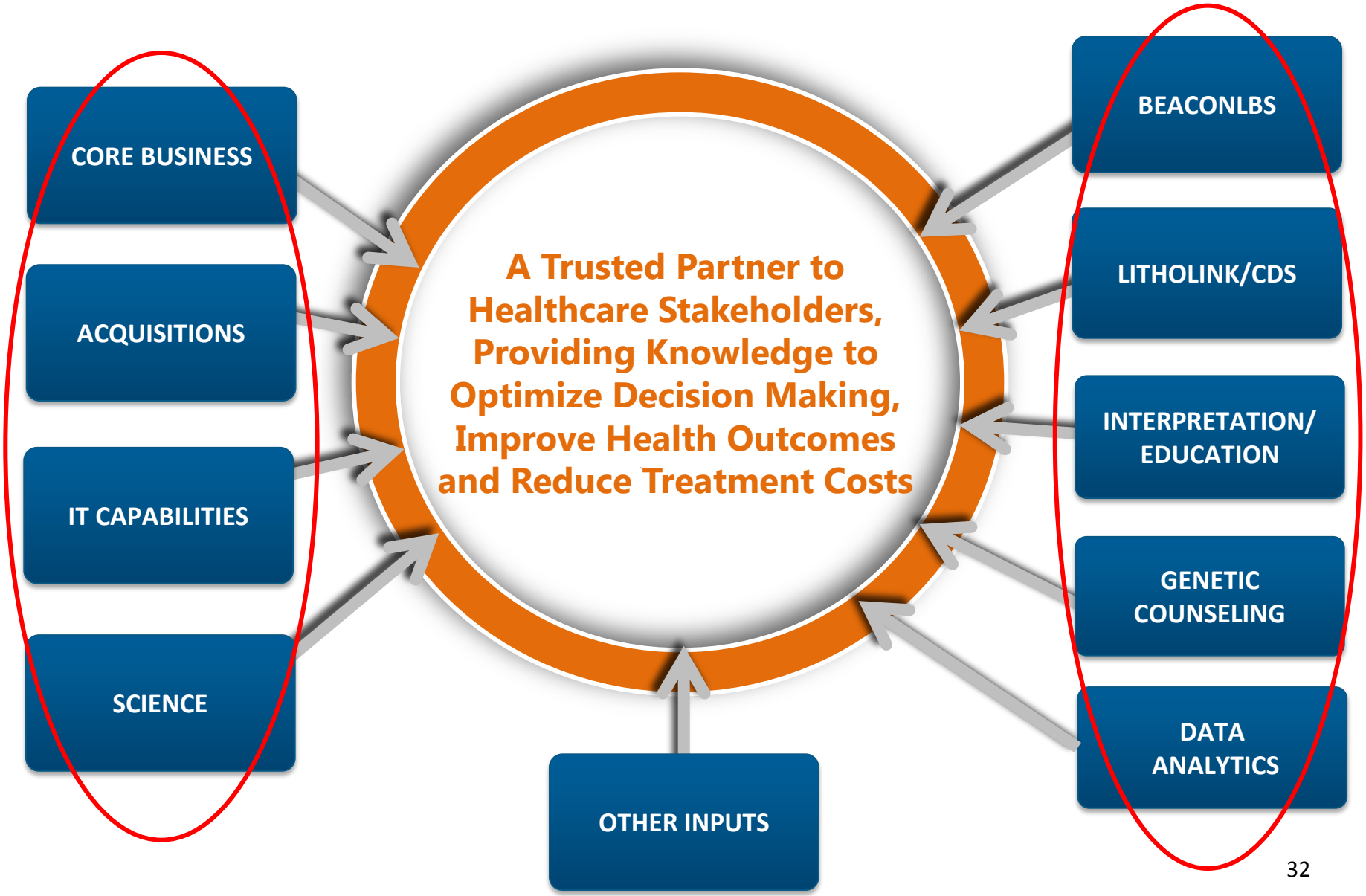
# LabCorp Leadership in Companion Diagnostics

- Therascreen ® K-RAS
- COBAS Taqman HCV 2.0
- HCV Q80K for OLYSIO™
- HCV GenoSure® NS3/4A
- PhenoSense®, PhenoSense GT®
- HERmark®
- COBAS EGFR
- Beta-1 Cardiac Receptor – Gencaro (atrial fibrillation)

## Capabilities and Applications

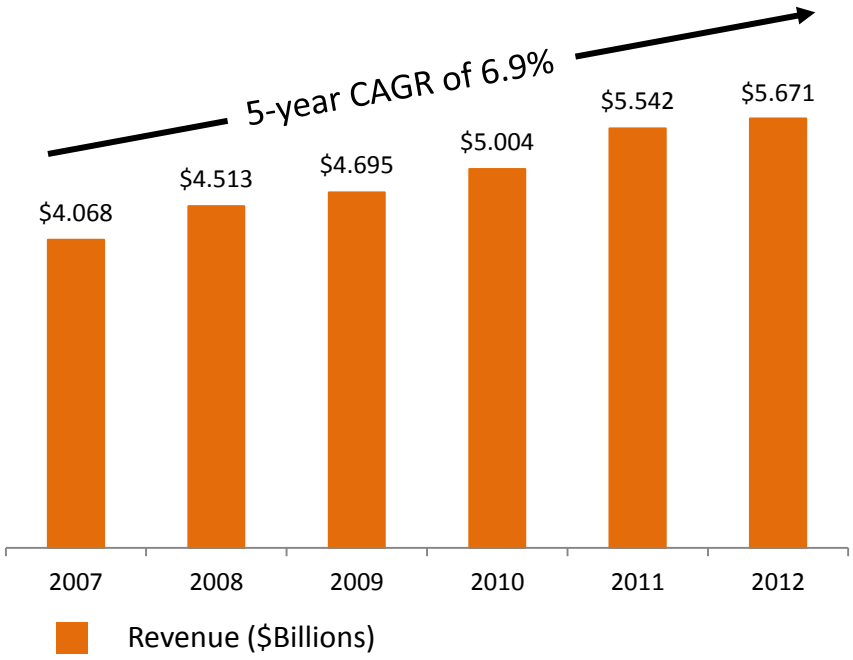
- Staff of 122 Board-certified genetic counselors and 9 medical geneticists
- Extensive experience in physician and patient counseling about the meaning and interpretation of genetic testing
- Applications include reproductive genetics, BRCA and oncology panels
- Importance of this capability increasing as more complex genetic testing comes to market, and payors, physicians and patients require justification for performing molecular testing and assistance with interpreting results

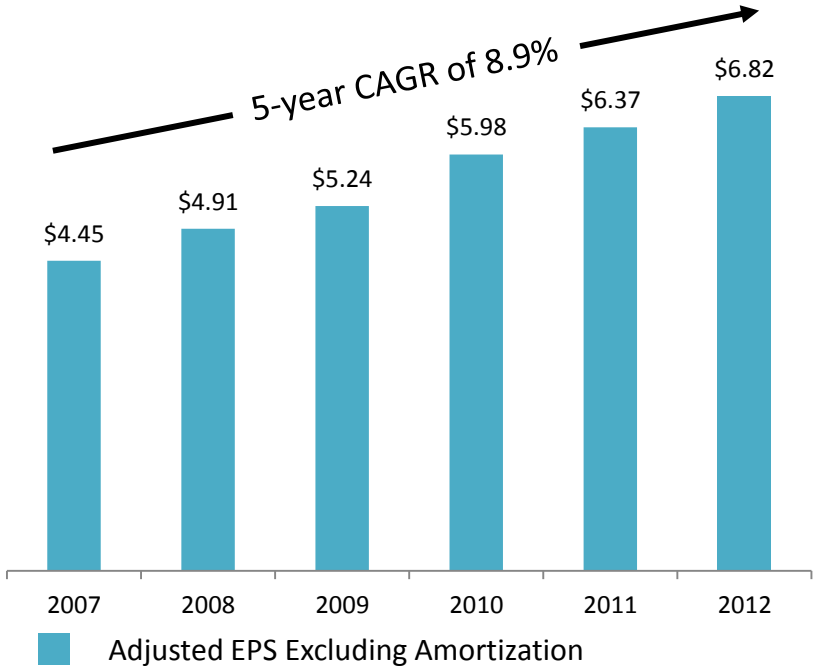
# CLEAR MISSION THE LABCORP OF THE FUTURE



# EXCELLENT PERFORMANCE

## Revenue and Adjusted EPS Excluding Amortization Growth: 2007 – 2012 [1,2,3]




1. Excluding the $0.25 per diluted share impact of restructuring and other special charges and the $0.27 per diluted share impact from amortization in 2007; excluding the $0.44 per diluted share impact of restructuring and other special charges and the $0.31 per diluted share impact from amortization in 2008; excluding the ($0.09) per diluted share impact of restructuring and other special charges and the $0.35 per diluted share impact from amortization in 2009; excluding the $0.26 per diluted share impact of restructuring and other special charges and the $0.43 per diluted share impact from amortization in 2010; excluding the $0.72 per diluted share impact of restructuring and other special charges, the $0.03 per diluted share impact from a loss on the divestiture of assets and the $0.51 per diluted share impact from amortization in 2011; excluding the $0.29 per diluted share impact of restructuring and other special charges and the $0.54 per diluted share impact from amortization in 2012

2. EPS, as presented represents adjusted, non-GAAP financial measures. Diluted EPS, as reported in the Company's Annual Report were: $3.93 in 2007; $4.16 in 2008; $4.98 in 2009; $5.29 in 2010; $5.11 in 2011; and $5.99 in 2012

3. 2008 revenue includes a $7.5 million adjustment relating to certain historic overpayments made by Medicare for claims submitted by a subsidiary of the Company

# RECONCILIATION **FREE CASH FLOW**

**Reconciliation of non-GAAP Financial Measures**

(In millions, except per share data)

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Cash flows from operations[1] | $841.4 | $905.1 | $883.6 | $862.4 | $780.9 | $709.7 | $632.3 | $574.2 | $538.1 | $564.3 | $444.9 |
| Capital expenditures | (173.8) | (145.7) | (126.1) | (114.7) | (156.7) | (142.6) | (115.9) | (93.6) | (95.0) | (83.6) | (74.3) |
| Free cash flow[2] | 667.6 | 759.4 | 757.5 | 747.7 | 624.2 | 567.1 | 516.4 | 480.6 | 443.1 | 480.7 | 370.6 |
| Weighted average diluted shares outstanding | 97.4 | 101.8 | 105.4 | 109.1 | 111.8 | 121.3 | 134.7 | 144.9 | 150.7 | 144.8 | 144.2 |

(1) 2011 cash flows from operations excludes the $49.5 million Hunter Labs settlement payment
(2) Free cash flow represents cash flows from operations less capital expenditures