

**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

February 7, 2014
(Date of earliest event reported)

**LABORATORY CORPORATION OF
AMERICA HOLDINGS**

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-11353

13-3757370

(State or other jurisdiction of Incorporation)

(Commission File Number)

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

**358 South Main Street,
Burlington, North Carolina**

27215

336-229-1127

(Address of principal executive offices)

(Zip Code)

(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 communication 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 February 7, 2014.

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

By:

/s/ F. SAMUEL EBERTS III

F. Samuel Eberts III

Chief Legal Officer and Secretary

February 7, 2014



 **LabCorp**
Laboratory Corporation of America

8-K Filed February 7, 2014



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, 2012, and subsequent SEC filings, and will be available in the Company's Form 10-K for the year ended December 31, 2013, when filed. The Company has no obligation to provide any updates to these forward-looking statements even if its expectations change.

Fourth Quarter Results

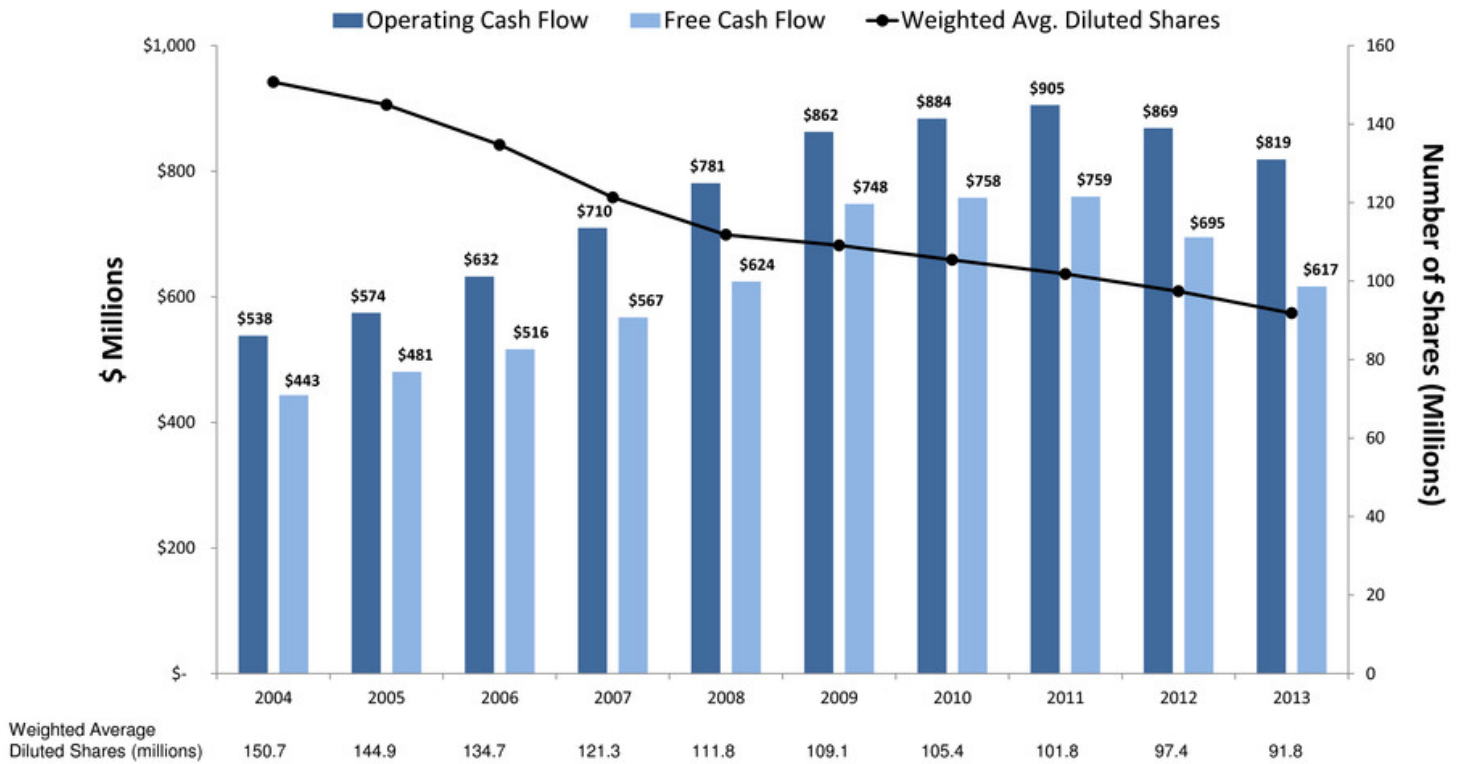
(In millions, except per share data)

	Three Months Ended Dec 31,		+ / (-)
	2013 ⁽²⁾	2012	
Revenue	\$ 1,437.0	\$ 1,405.3	2.3%
Adjusted Operating Income ⁽¹⁾	\$ 219.0	\$ 242.2	-9.6%
Adjusted Operating Income Margin ⁽¹⁾	15.2%	17.2%	(200) bp
Adjusted EPS Excluding Amortization ⁽¹⁾	\$ 1.61	\$ 1.54	4.5%
Operating Cash Flow	\$ 248.7	\$ 254.2	-2.2%
Less: Capital Expenditures	\$ (59.6)	\$ (61.4)	-2.9%
Free Cash Flow	\$ 189.1	\$ 192.8	-1.9%

(1) See Reconciliation of non-GAAP Financial Measures on slide 7

(2) During the fourth quarter, government payment reductions and molecular pathology payment issues reduced the Company's year over year margins by approximately 170 basis points and reduced year over year operating cash flow by more than \$30 million

Cash Flow Trends



Note: 2011 Operating Cash Flow and Free Cash Flow calculation above does not include the \$49.5 million Hunter Labs settlement. During 2013, government payment reductions and molecular pathology payment issues reduced the Company's Operating Cash Flow and Free Cash Flow by more than \$100 million. Free Cash Flow is a non-GAAP metric (see reconciliation of non-GAAP Financial Measures included herein).





Financial Guidance - 2014

Excluding the impact of restructuring and other special charges and share repurchase activity after December 31, 2013, guidance for 2014 is:

• Revenue growth:	Approximately 2.0%
• Adjusted EPS Excluding Amortization:	\$6.35 - \$6.65
• Operating cash flow:	Approximately \$780 Million - \$820 Million
• Capital expenditures:	Approximately \$185 Million - \$205 Million

Supplemental Financial Information

Laboratory Corporation of America
Other Financial Information
December 31, 2013
(\$ in millions)

	Q1 13	Q2 13	Q3 13	Q4 13	YTD
Depreciation	\$ 35.1	\$ 35.4	\$ 34.7	\$ 39.5	\$ 144.7
Amortization	\$ 19.5	\$ 20.5	\$ 20.3	\$ 21.4	\$ 81.7
Capital expenditures	\$ 41.7	\$ 48.8	\$ 52.1	\$ 59.6	\$ 202.2
Cash flows from operations	\$ 198.2	\$ 137.6	\$ 234.2	\$ 248.7	\$ 818.7
Bad debt as a percentage of sales	4.3%	4.3%	4.3%	4.7%	4.4%
Effective interest rate on debt:					
Zero coupon-subordinated notes	2.00%	2.00%	2.00%	2.00%	2.00%
3 1/8% Senior Notes	3.27%	3.27%	3.27%	3.27%	3.27%
4 5/8% Senior Notes	4.74%	4.74%	4.74%	4.74%	4.74%
5 5/8% Senior Notes	5.75%	5.75%	5.75%	5.75%	5.75%
2 1/5% Senior Notes	2.24%	2.24%	2.24%	2.24%	2.24%
3 3/4% Senior Notes	3.76%	3.76%	3.76%	3.76%	3.76%
4% Senior Notes				4.16%	4.16%
2 1/2% Senior Notes				2.52%	2.52%
Revolving credit facility (weighted average)	1.25%	1.24%	1.23%	1.14%	1.14%
Days sales outstanding	50	50	50	49	49

Reconciliation of non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended Dec 31,	
	2013	2012
<u>Adjusted Operating Income</u>		
Operating income	\$ 215.0	\$ 215.3
Restructuring and other special charges ^{(1) (2)}	4.0	20.7
Termination of licensing agreement ⁽²⁾	-	6.2
Adjusted operating income	<u>\$ 219.0</u>	<u>\$ 242.2</u>
<u>Adjusted EPS Excluding Amortization</u>		
Diluted earnings per common share	\$ 1.43	\$ 1.26
Impact of restructuring and other special charges ^{(1) (2)}	0.03	0.13
Amortization expense ⁽³⁾	0.15	0.15
Adjusted EPS Excluding Amortization	<u>\$ 1.61</u>	<u>\$ 1.54</u>

Note: Please see footnotes for this reconciliation on slide 9

Reconciliation of non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Year Ended Dec 31,	
	<u>2013</u>	<u>2012</u>
<u>Adjusted Operating Income</u>		
Operating income	\$ 990.9	\$ 1,023.5
Restructuring and other special charges ^{(1) (2)}	21.8	25.3
Termination of licensing agreement ⁽²⁾	-	6.2
Acquisition fees and expenses ⁽²⁾	-	9.9
Adjusted operating income	<u>\$ 1,012.7</u>	<u>\$ 1,064.9</u>
<u>Adjusted EPS Excluding Amortization</u>		
Diluted earnings per common share	\$ 6.25	\$ 5.99
Impact of restructuring and other special charges ^{(1) (2)}	0.15	0.29
Amortization expense ⁽³⁾	0.55	0.54
Adjusted EPS Excluding Amortization	<u>\$ 6.95</u>	<u>\$ 6.82</u>

Note: Please see footnotes for this reconciliation on slide 9

Reconciliation of non-GAAP Financial Measures - Footnotes

- 1) During the fourth quarter of 2013, the Company recorded net restructuring and other special charges of \$4.0 million. The charges consisted of \$3.6 million in severance related liabilities and \$0.7 million in net costs associated with facility closures and general integration initiatives; partially offset by the reversal of previously established reserves of \$0.3 million in unused facility-related costs. The after tax impact of these charges decreased net earnings for the three months ended December 31, 2013, by \$2.5 million and diluted earnings per share by \$0.03 (\$2.5 million divided by 88.3 million shares).

During the first three quarters of 2013, the Company recorded net restructuring and other special charges of \$17.8 million. The charges included \$11.8 million in severance related liabilities and \$8.8 million in costs associated with facility closures and general integration initiatives; partially offset by the reversal of previously established reserves of \$0.7 million in severance related liabilities and \$2.1 million in unused facility-related costs.

The after tax impact of these combined charges decreased net earnings for the year ended December 31, 2013, by \$13.4 million and diluted earnings per share by \$0.15 (\$13.4 million divided by 91.8 million shares).

- 2) During the fourth quarter of 2012, the Company recorded net restructuring and other special charges of \$20.7 million. The charges consisted of \$4.8 million in severance-related liabilities and \$17.1 million in net facility-related costs associated with ongoing consolidation of recent acquisitions and other operations. These charges were partially offset by the reversal of previously established reserves of \$1.2 million in unused severance. The after tax impact of these net charges decreased net earnings for the three months ended December 31, 2012 by \$12.8 million and diluted earnings per share by \$0.13 (\$12.8 million divided by 95.3 million shares).

During the first three quarters of 2012, the Company recorded net restructuring and other special charges of \$4.6 million. The charges consisted of \$11.4 million in severance-related liabilities and \$2.5 million in net facility-related costs primarily associated with ongoing consolidation of recent acquisitions and other operations and the termination of an executive vice president. These charges were partially offset by the reversal of previously established reserves of \$5.7 million in unused severance and \$3.6 million in unused facility-related costs. The Company also recorded \$9.9 million in fees associated with the successful completion of its acquisition of MEDTOX Scientific, Inc. ("MEDTOX") on July 31, 2012. As part of the Clearstone integration, the Company recorded a \$6.9 million loss in other income (expense) relating to the disposal of one of its European subsidiaries. In addition, in conjunction with the liquidation of one of its joint ventures, the Company recorded a one-time increase of \$2.9 million in equity method income.

For the year ended December 31, 2012, the after tax impact of these combined net charges decreased net earnings by \$27.9 million and diluted earnings per share by \$0.29 (\$27.9 million divided by 97.4 million shares).

The Company also recorded accelerated amortization of \$6.2 million related to its termination of a licensing agreement in November 2012. The after tax impact of this accelerated amortization decreased net earnings for the three months and year ended December 31, 2012 by \$3.8 million and diluted earnings per share by \$0.04 and \$0.04, respectively (\$3.8 million divided by 95.3 and 97.4 million shares, respectively).

- 3) The Company continues to grow its business through acquisitions and uses Adjusted EPS Excluding Amortization as a measure of operational performance, growth and shareholder returns. The Company believes adjusting EPS for amortization provides investors with better insight into the operating performance of the business. For the three months ended December 31, 2013 and 2012, intangible amortization was \$21.4 million and \$23.2 million, respectively (\$13.2 million and \$14.4 million net of tax, respectively) and decreased EPS by \$0.15 (\$13.2 million divided by 88.3 million shares) and \$0.15 (\$14.3 million divided by 95.3 million shares), respectively. For the years ended December 31, 2013 and 2012, intangible amortization was \$81.7 million and \$86.3 million respectively (\$50.3 million and \$53.2 million net of tax, respectively) and decreased EPS by \$0.55 (\$50.3 million divided by 91.8 million shares) and \$0.54 (\$53.2 million divided by 97.4 million shares), respectively.

Reconciliation of Free Cash Flow

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Cash flows from operations ¹	\$818.7	\$841.4	\$905.1	\$883.6	\$862.4	\$780.9	\$709.7	\$632.3	\$574.2	\$538.1
Capital expenditures	(202.2)	(173.8)	(145.7)	(126.1)	(114.7)	(156.7)	(142.6)	(115.9)	(93.6)	(95.0)
Free cash flow ²	<u>616.5</u>	<u>667.6</u>	<u>759.4</u>	<u>757.5</u>	<u>747.7</u>	<u>624.2</u>	<u>567.1</u>	<u>516.4</u>	<u>480.6</u>	<u>443.1</u>
Weighted average diluted shares outstanding	91.8	97.4	101.8	105.4	109.1	111.8	121.3	134.7	144.9	150.7

(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



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