UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-11353

LABORATORY CORPORATION OF AMERICA HOLDINGS

(Exact name of registrant as specified in its charter)

Delaware	**13-3757370**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
358 South Main Street, Burlington, North Carolina	**27215**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **336-229-1127**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (paragraph 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated Filer ☐
Non-accelerated filer☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑.

The number of shares outstanding of the issuer's common stock is 108.3 million shares, net of treasury stock as of April 28, 2009.

INDEX

PART I. FINANCIAL INFORMATION

Item 1	Financial Statements:	
	Condensed Consolidated Balance Sheets March 31, 2009 and December 31, 2008	
	Condensed Consolidated Statements of Operations Three month periods ended March 31, 2009 and 2008	
	Condensed Consolidated Statements of Changes in Shareholders' Equity Three months ended March 31, 2009 and 2008	
	Condensed Consolidated Statements of Cash Flows Three months ended March 31, 2009 and 2008	
	Notes to Unaudited Condensed Consolidated Financial Statements	
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	
Item 3	Quantitative and Qualitative Disclosures about Market Risk	
Item 4	Controls and Procedures	

PART II. OTHER INFORMATION

Item 1	Legal Proceedings	
Item 1A	Risk Factors	
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	
Item 6	Exhibits	

PART I – FINANCIAL INFORMATION

Item 1. – Financial Statements

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)
(unaudited)

	March 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 373.2	$ 219.7
Accounts receivable, net of allowance for doubtful accounts of $162.0 and $161.0 at March 31, 2009 and December 31, 2008, respectively	669.0	631.6
Supplies inventories	77.8	91.0
Prepaid expenses and other	70.9	83.8
Deferred income taxes	23.0	6.7
Total current assets	1,213.9	1,032.8
Property, plant and equipment, net	502.4	496.4
Goodwill, net	1,776.3	1,772.2
Intangible assets, net	1,199.3	1,222.6
Investments in joint venture partnerships	64.1	72.0
Other assets, net	71.6	73.5
Total assets	$ 4,827.6	$ 4,669.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 170.3	$ 159.7
Accrued expenses and other	306.8	266.4
Short-term borrowings and current portion of long-term debt	120.8	120.8
Total current liabilities	597.9	546.9
Long-term debt, less current portion	1,590.7	1,600.5
Deferred income taxes and other tax liabilities	547.0	522.9
Other liabilities	155.0	189.6
Total liabilities	2,890.6	2,859.9
Commitments and contingent liabilities	—	—
Noncontrolling interest	119.0	121.3
Shareholders' equity		
Common stock, 108.3 and 108.2 shares outstanding at March 31, 2009 and December 31, 2008, respectively	12.8	12.8
Additional paid-in capital	249.9	237.4
Retained earnings	2,517.4	2,384.6
Less common stock held in treasury	(932.5)	(929.8)
Accumulated other comprehensive loss	(29.6)	(16.7)
Total shareholders' equity	1,818.0	1,688.3
Total liabilities and shareholders' equity	$ 4,827.6	$ 4,669.5

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2009	**2008**
Net sales	$ 1,155.7	$ 1,103.2
Cost of sales	666.3	632.7
Gross profit	489.4	470.5
Selling, general and administrative expenses	233.8	215.6
Amortization of intangibles and other assets	15.1	13.8
Operating income	240.5	241.1
Other income (expenses):		
Interest expense	(17.0)	(19.9)
Income from joint venture partnerships, net	2.8	4.4
Investment income	0.4	0.5
Other, net	(0.5)	(0.6)
Earnings before income taxes	226.2	225.5
Provision for income taxes	90.4	91.6
Net earnings	135.8	133.9
Less: Net earnings attributable to the noncontrolling interest	(3.0)	(3.6)
Net earnings attributable to Laboratory Corporation of America Holdings	$ 132.8	$ 130.3
Basic earnings per common share	$ 1.23	$ 1.18
Diluted earnings per common share	$ 1.22	$ 1.14

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(in millions)
(unaudited)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive (Loss) Earnings	Total Shareholders' Equity
BALANCE AT DECEMBER 31, 2007	$ 13.2	$ 460.9	$ 2,028.3	$ (897.1)	$ 120.0	$ 1,725.3
Comprehensive earnings:						
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	130.3	—	—	130.3
Other comprehensive earnings:						
Foreign currency translation adjustments	—	—	—	—	(22.4)	(22.4)
Tax effect of other comprehensive earnings adjustments	—	—	—	—	8.7	8.7
Comprehensive earnings						116.6
Issuance of common stock under employee stock plans	0.1	29.0	—	—	—	29.1
Surrender of restricted stock awards	—	—	—	(11.0)	—	(11.0)
Conversion of zero-coupon convertible debt	—	0.1	—	—	—	0.1
Stock compensation	—	8.9	—	—	—	8.9
Value of noncontrolling interest put	—	(125.8)	—	—	—	(125.8)
Income tax benefit from stock options exercised	—	15.4	—	—	—	15.4
Purchase of common stock	(0.1)	(55.6)	—	—	—	(55.7)
BALANCE AT MARCH 31, 2008	$ 13.2	$ 332.9	$ 2,158.6	$ (908.1)	$ 106.3	$ 1,702.9
BALANCE AT DECEMBER 31, 2008	$ 12.8	$ 237.4	$ 2,384.6	$ (929.8)	$ (16.7)	$ 1,688.3
Comprehensive earnings:						
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	132.8	—	—	132.8
Other comprehensive earnings:						
Foreign currency translation adjustments	—	—	—	—	(21.1)	(21.1)
Interest rate swap adjustments	—	—	—	—	0.4	0.4
Tax effect of other comprehensive earnings adjustments	—	—	—	—	7.8	7.8
Comprehensive earnings						119.9
Issuance of common stock under employee stock plans	—	5.7	—	—	—	5.7
Surrender of restricted stock awards	—	—	—	(2.7)	—	(2.7)
Stock compensation	—	7.2	—	—	—	7.2
Income tax benefit adjustments related to stock options exercised	—	(0.4)	—	—	—	(0.4)
BALANCE AT MARCH 31, 2009	$ 12.8	$ 249.9	$ 2,517.4	$ (932.5)	$ (29.6)	$ 1,818.0

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Three Months Ended March 31,	
	2009	**2008**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 135.8	$ 133.9
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	47.3	43.5
Stock compensation	7.2	8.9
Loss on sale of assets	0.3	0.2
Accreted interest on zero-coupon subordinated notes	2.8	2.8
Cumulative earnings less than (in excess of) distribution from joint venture partnerships	0.6	(2.2)
Deferred income taxes	10.3	34.2
Change in assets and liabilities (net of effects of acquisitions):		
Increase in accounts receivable (net)	(38.4)	(52.8)
(Increase) decrease in inventories	7.7	(0.3)
Decrease in prepaid expenses and other	13.7	11.0
Increase in accounts payable	15.1	3.2
Increase (decrease) in accrued expenses and other	6.5	(5.9)
Net cash provided by operating activities	208.9	176.5
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(30.7)	(37.9)
Proceeds from sale of assets	—	0.2
Deferred payments on acquisitions	(0.4)	(0.4)
Purchases of short-term investments	—	(72.8)
Proceeds from sale of short-term investments	—	182.7
Investment in equity affiliate	(4.3)	—
Acquisition of businesses, net of cash acquired	(5.9)	(249.6)
Net cash used for investing activities	(41.3)	(177.8)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	—	65.0
Payments on revolving credit facilities	—	(45.0)
Principal payments on term loan	(12.5)	(6.2)
Decrease in bank overdraft	(3.9)	—
Noncontrolling interest distributions	(2.0)	(3.1)
Tax benefit adjustments related to stock based compensation	(0.4)	13.4
Net proceeds from issuance of stock to employees	5.7	29.1
Purchase of common stock	—	(58.7)
Net cash used for financing activities	(13.1)	(5.5)
Effect of exchange rate changes on cash and cash equivalents	(1.0)	0.5
Net increase (decrease) in cash and cash equivalents	153.5	(6.3)
Cash and cash equivalents at beginning of period	219.7	56.4
Cash and cash equivalents at end of period	$ 373.2	$ 50.1

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

(dollars and shares in millions, except per share data)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

The consolidated financial statements include the accounts of Laboratory Corporation of America Holdings (the "Company") and its majority-owned subsidiaries over which it exercises control. Long-term investments in affiliated companies in which the Company exercises significant influence, but which it does not control, are accounted for using the equity method. Investments in which the Company does not exercise significant influence (generally, when the Company has an investment of less than 20% and no representation on the investee's board of directors) are accounted for using the cost method. All significant inter-company transactions and accounts have been eliminated. The Company does not have any variable interest entities or special purpose entities whose financial results are not included in the condensed consolidated financial statements.

The financial statements of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average monthly exchange rates prevailing during the period. Resulting translation adjustments are included in "Accumulated other comprehensive loss."

The accompanying condensed consolidated financial statements of the Company are unaudited. In the opinion of management, all adjustments necessary for a fair statement of results of operations, cash flows and financial position have been made. Except as otherwise disclosed, all such adjustments are of a normal recurring nature. Interim results are not necessarily indicative of results for a full year. The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles.

The financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in the Company's 2008 annual report on Form 10-K. Therefore, the interim statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's annual report.

2. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing net earnings including the impact of dilutive adjustments by the weighted average number of common shares outstanding plus potentially dilutive shares, as if they had been issued at the beginning of the period presented. Potentially dilutive common shares result primarily from the Company's outstanding stock options, restricted stock awards, performance share awards, and shares issuable upon conversion of zero-coupon subordinated notes.

The following represents a reconciliation of basic earnings per share to diluted earnings per share:

	Three months ended March 31, 2009			Three months ended March 31, 2008		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic earnings per share:						
Net earnings	$ 132.8	108.1	$ 1.23	$ 130.3	110.4	$ 1.18
Dilutive effect of employee stock options and awards	—	0.6		—	1.8	
Effect of convertible debt, net of tax	—	0.1		—	2.2	
Diluted earnings per share:						
Net earnings including impact of dilutive adjustments	$ 132.8	108.8	$ 1.22	$ 130.3	114.4	$ 1.14

(dollars and shares in millions, except per share data)

The following table summarizes the potential common shares not included in the computation of diluted earnings per share because their impact would have been antidilutive:

	Three Months Ended March 31,	
	2009	2008
Stock options	4.0	1.4

3. RESTRUCTURING RESERVES

The following represents the Company's restructuring activities for the period indicated:

	Severance and Other Employee Costs	Lease and Other Facility Costs	Total
Balance as of December 31, 2008	$ 11.3	$ 22.4	$ 33.7
Cash payments and other adjustments	(4.7)	(2.3)	(7.0)
Balance as of March 31, 2009	$ 6.6	$ 20.1	$ 26.7

Current	$ 16.2
Non-current	10.5
	$ 26.7

4. NONCONTROLLING INTEREST PUT

Effective January 1, 2008 the Company acquired additional partnership units in its Ontario, Canada ("Ontario") joint venture, bringing the Company's percentage interest owned to 85.6%. Concurrent with this acquisition, the terms of the joint venture's partnership agreement were amended. The amended joint venture's partnership agreement enables the holders of the noncontrolling interest to put the remaining partnership units to the Company in defined future periods, at an initial amount equal to the consideration paid by the Company in 2008, and subject to adjustment based on market value formulas contained in the agreement. The contractual value of the put, in excess of the current noncontrolling interest of $23.5, totals $95.5 at March 31, 2009.

Net sales of the Ontario joint venture were $55.6 and $64.1 for the three months ended March 31, 2009 and 2008, respectively.

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the three-month period ended March 31, 2009 and for the year ended December 31, 2008 are as follows:

	March 31, 2009	December 31, 2008
Balance as of January 1	$ 1,772.2	$ 1,639.5
Goodwill acquired during the period	4.9	135.4
Adjustments to goodwill	(0.8)	(2.7)
Balance at end of period	$ 1,776.3	$ 1,772.2

(dollars and shares in millions, except per share data)

The components of identifiable intangible assets are as follows:

	March 31, 2009		December 31, 2008	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer lists	$ 794.4	$ (304.6)	$ 793.2	$ (294.1)
Patents, licenses and technology	94.9	(56.0)	94.7	(54.2)
Non-compete agreements	37.3	(28.8)	37.0	(28.2)
Trade name	115.3	(35.6)	115.3	(33.4)
Canadian licenses	582.4	—	592.3	—
	$ 1,624.3	$ (425.0)	$ 1,632.5	$ (409.9)

Amortization of intangible assets for the three month periods ended March 31, 2009 and 2008 was $15.1 and $13.8, respectively. Amortization expense for the net carrying amount of intangible assets is estimated to be $45.1 for the remainder of fiscal 2009, $59.2 in fiscal 2010, $54.5 in fiscal 2011, $50.0 in fiscal 2012, $47.1 in fiscal 2013 and $361.0 thereafter.

The Ontario operation had $582.4 and $592.3 of value assigned to the partnership's indefinite lived Canadian licenses to conduct diagnostic testing services in the province as of March 31, 2009 and December 31, 2008, respectively.

6. DEBT

Short-term borrowings and the current portion of long-term debt at March 31, 2009 and December 31, 2008 consisted of the following:

	March 31, 2009	December 31, 2008
Term loan, current	50.0	50.0
Revolving credit facility	70.8	70.8
Total short-term borrowings and current portion of long-term debt	$ 120.8	$ 120.8

Long-term debt at March 31, 2009 and December 31, 2008 consisted of the following:

	March 31, 2009	December 31, 2008
Senior notes due 2013	$ 351.6	$ 351.7
Senior notes due 2015	250.0	250.0
Term loan, non-current	412.5	425.0
Zero-coupon convertible subordinated notes	576.3	573.5
Other long-term debt	0.3	0.3
Total long-term debt	$ 1,590.7	$ 1,600.5

Zero-coupon Subordinated Notes

The Company's common stock trading price conversion feature of its zero-coupon subordinated notes was not triggered by first quarter 2009 trading prices. As a result, the zero-coupon subordinated notes may not be converted during the period of April 1, 2009 through June 30, 2009 based on this conversion feature.

The Company's common stock trading price contingent cash interest feature of its zero-coupon subordinated notes was not triggered by the average market price of the Company's common stock for the five trading days ended March 9, 2009. As a result, the zero-coupon subordinated notes will not accrue contingent cash interest for the period of March 12, 2009 to September 11, 2009.

(dollars and shares in millions, except per share data)

Credit Facilities

The balances outstanding on the Company's Term Loan Facility at March 31, 2009 and December 31, 2008 were $462.5 and $475.0, respectively. The balance outstanding on the Company's Revolving Facility at March 31, 2009 and December 31, 2008 was $70.8. The Term Loan Facility and Revolving Facility bear interest at varying rates based upon LIBOR plus a percentage based on the Company's credit rating with Standard & Poor's Ratings Services. The Term Loan Facility and Revolving Facility contain certain debt covenants that require that the Company maintain certain financial ratios. The Company was in compliance with all covenants as of March 31, 2009.

On September 15, 2008, Lehman Brothers Holdings, Inc. ("Lehman"), whose subsidiaries have a $28.0 commitment in the Company's Revolving Facility, filed for bankruptcy. Accordingly, the Company does not expect Lehman will fulfill its pro rata share of any future borrowing requests under the Revolving Facility. The Company is considering various options regarding this current limitation on the Revolving Facility.

As of March 31, 2009, the interest rates on the Term Loan Facility and Revolving Facility were 3.67% and 0.97%, respectively.

7. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 265.0 shares of common stock, par value $0.10 per share. The Company's treasury shares are recorded at aggregate cost. The Company is authorized to issue up to 30.0 shares of preferred stock, par value $0.10 per share. There were no preferred shares outstanding as of March 31, 2009.

The changes in common shares issued and held in treasury are summarized below:

	Issued	Held in Treasury	Outstanding
Common shares at December 31, 2008	130.3	(22.1)	108.2
Common stock issued under employee stock plans	0.1	—	0.1
Common shares at March 31, 2009	130.4	(22.1)	108.3

Share Repurchase Program

During the three months ended March 31, 2009, the Company did not purchase any shares of its common stock. As of March 31, 2009, the Company had outstanding authorization from the Board of Directors to purchase approximately $95.2 of Company common stock.

8. INCOME TAXES

The gross unrecognized income tax benefits were $76.6 and $72.5 at March 31, 2009 and December 31, 2008, respectively. It is anticipated that the amount of the unrecognized income tax benefits will change within the next twelve months; however, these changes are not expected to have a significant impact on the results of operations, cash flows or the financial position of the Company.

The Company recognizes interest and penalties related to unrecognized income tax benefits in income tax expense. Accrued interest and penalties related to uncertain tax positions totaled $15.7 and $14.2 as of March 31, 2009 and December 31, 2008, respectively.

As of March 31, 2009 and December 31, 2008, $74.3 and $70.2, respectively, is the approximate amount of unrecognized income tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods.

The Company has substantially concluded all U.S. federal income tax matters for years through 2004. Substantially all material state and local income tax matters have been concluded through 2002 and substantially all foreign income tax matters have been concluded through 2001.

The Company's 2006 U.S. federal income tax return is currently under examination by the Internal Revenue Service. In addition, the Company has various state income tax examinations ongoing throughout the year. Management believes adequate provisions have been recorded related to all open tax years.

9. NEW ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51." SFAS No. 160 requires all entities to report noncontrolling (minority) interests in subsidiaries as equity in the consolidated financial statements. The Company adopted this Statement as of January 1, 2009 and pursuant to the provisions of this standard, the presentation and disclosure requirements have been applied retrospectively for all periods presented. Due to the nature of the noncontrolling interest put, the Company has not included the noncontrolling interest in its Ontario joint venture in the equity section of the accompanying condensed consolidated balance sheets.

In December 2007, the FASB issued SFAS No. 141(R), a revised version of SFAS No. 141, "Business Combinations." The revision is intended to simplify existing guidance and converge rulemaking under U.S. generally accepted accounting principles (GAAP) with international accounting rules. This statement applies prospectively to business combinations where the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The Company adopted this Statement as of January 1, 2009, and the Company began recording acquisitions in accordance with SFAS 141(R). As a result, acquisition related costs, primarily legal related, of $1.4 were included in selling, general and administrative expenses for the three months ended March 31, 2009.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133." SFAS 161 requires additional disclosures about the objectives of using derivative instruments, the method by which the derivative instruments and related hedged items are accounted for under FASB Statement No. 133 and its related interpretations, and the effect of derivative instruments and related hedged items on financial position, financial performance, and cash flows. SFAS 161 also requires disclosure of the fair values of derivative instruments and their gains and losses in a tabular format. SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. In the first quarter of 2009, the Company provided the additional disclosures in accordance with SFAS 161 (see note 14 to the notes to unaudited condensed consolidated financial statements).

In April 2008, the FASB issued FASB Staff Position No. FAS 142-3, "Determination of the Useful Life of Intangible Assets," which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, "Goodwill and Other Intangible Assets." This pronouncement requires enhanced disclosures concerning a company's treatment of costs incurred to renew or extend the term of a recognized intangible asset. FSP 142-3 is effective for fiscal years beginning after December 15, 2008. The adoption of FSP 142-3 in the first quarter of 2009 did not have any impact on the Company's consolidated financial statements.

In May 2008, the FASB issued SFAS 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS 162 identifies the sources of accounting principles and the framework for selecting the accounting principles to be used. Any effect of applying the provisions of this statement will be reported as a change in accounting principle in accordance with SFAS No. 154, "Accounting Changes and Error Corrections." SFAS 162 is effective sixty days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles." The adoption of this statement did not have a material impact on the Company's consolidated financial statements.

In May 2008, the FASB issued Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments that May be Settled in Cash Upon Conversion." APB 14-1 requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) be separately accounted for in a manner that reflects an issuer's nonconvertible debt borrowing rate. The resulting debt discount is amortized over the period the convertible debt is

expected to be outstanding as additional non-cash interest expense. APB 14-1 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Retrospective application to all periods presented is required except for instruments that were not outstanding during any of the periods that will be presented in the annual financial statements for the period of adoption but were outstanding during an earlier period. APB 14-1 impacts the Company's zero-coupon subordinated notes, and requires that additional interest expense essentially equivalent to the portion of issuance proceeds retroactively allocated to the instrument's equity component be recognized over the period from the zero-coupon subordinated notes' issuance in 2001 through September 2004 (the first date holders of these notes had the ability to put them back to the Company). As anticipated, the adoption of APB 14-1 and its retrospective application did not have an impact on results of operations for periods following 2004, but it did result in an increase of $215.4 in opening additional paid-in capital and a corresponding decrease in opening retained earnings as of January 1, 2007, net of deferred tax impacts, on post-2004 consolidated balance sheets.

In December 2008, the FASB issued FASB Staff Position No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" ("FSP 132(R)-1"). FSP 132(R)-1 applies to an employer that is subject to the disclosure requirements of SFAS No. 132(R). The objectives of the disclosures about plan assets in an employers' defined benefit pension or other postretirement plan are to provide users of financial statements with an understanding of: (1) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies, (2) the major categories of plan assets, (3) the inputs and valuation techniques used to measure the fair value of plan assets, (4) the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period, and (5) significant concentrations of risk within plan assets. An employer should consider those overall objectives in providing detailed disclosures about plan assets. FSP 132(R)-1 is effective for years ending after December 15, 2009. Early application is permitted. Upon initial application, the provisions of FSP 132(R)-1 are not required for earlier periods that are presented for comparative periods. The Company is currently evaluating the impact the adoption of FSP 132(R)-1 could have on its consolidated financial statements.

10. COMMITMENTS AND CONTINGENCIES

The Company was an appellant in a patent case originally filed by Competitive Technologies, Inc. and Metabolite Laboratories, Inc. in the United States District Court for the District of Colorado. After a jury trial, the district court entered judgment against the Company for patent infringement, with total damages and attorney's fees payable by the Company of approximately $7.8. The underlying judgment has been paid. The Company vigorously contested the judgment and appealed the case ultimately to the United States Supreme Court. On June 22, 2006, the Supreme Court dismissed the Company's appeal and the case was remanded to the District Court for further proceedings including resolution of a related declaratory judgment action initiated by the Company addressing the plaintiffs' claims for post trial damages. On August 15, 2008, the District Court entered judgment in favor of the Company on all of the plaintiffs' remaining claims. The plaintiffs have filed a notice of appeal. The Company does not expect the resolution of these issues to have a material adverse effect on its financial position, results of operations or liquidity.

The Company is also involved in various claims and legal actions arising in the ordinary course of business. These matters include, but are not limited to, intellectual property disputes, professional liability, employee related matters, and inquiries, including subpoenas and other civil investigative demands, from governmental agencies and Medicare or Medicaid payers and managed care payers reviewing billing practices or requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties. The Company receives civil investigative demands or other inquiries from various governmental bodies in the ordinary course of its business. Such inquiries can relate to the Company or other healthcare providers. The Company works cooperatively to respond to appropriate requests for information.

As previously reported, on May 22, 2006 the Company received a subpoena from the California Attorney General seeking documents related to billing to the state's Medicaid program. The Company subsequently reported during the third quarter of 2008 that it received a request from the California Attorney General for additional information. On March 20, 2009, a qui tam lawsuit, *California ex rel. Hunter Laboratories, LLC et al. v. Quest Diagnostics Incorporated, et al.*, which was joined by the California Attorney General and to which the previous subpoena related, was unsealed. The lawsuit was

brought against the Company and several other major laboratories operating in California and alleges that the defendants improperly billed the state Medicaid program.

The Company is also named from time to time in suits brought under the qui tam provisions of the False Claims Act and comparable state laws. These suits typically allege that the Company has made false statements and/or certifications in connection with claims for payment from federal or state health care programs. They may remain under seal (hence, unknown to the Company) for some time while the government decides whether to intervene on behalf of the qui tam plaintiff. Such claims are an inevitable part of doing business in the health care field today.

Several of these matters are in their early stages of development and management cannot predict the outcome of such matters. In the opinion of management, the ultimate disposition of such matters is not expected to have a material adverse effect on the financial position of the Company but may be material to the Company's results of operations or cash flows in the period in which such matters are finally determined or resolved.

The Company believes that it is in compliance in all material respects with all statutes, regulations and other requirements applicable to its clinical laboratory operations. The clinical laboratory testing industry is, however, subject to extensive regulation, and the courts have not interpreted many of these statutes and regulations. There can be no assurance therefore that those applicable statutes and regulations might not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant fines and the loss of various licenses, certificates and authorizations.

During the fourth quarter of 2008, the Company recorded a $7.5 cumulative revenue adjustment relating to certain historic overpayments made by Medicare for claims submitted by a subsidiary of the Company. The Company has initiated communication with the Medicare carrier to resolve the overpayments.

Under the Company’s present insurance programs, coverage is obtained for catastrophic exposure, as well as those risks required to be insured by law or contract. The Company is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers’ compensation. The self-insured retentions are on a per occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company’s estimates of the aggregated liability of claims incurred. At March 31, 2009 and December 31, 2008, the Company had provided letters of credit aggregating approximately $97.4, primarily in connection with certain insurance programs and as security for the Company’s contingent obligation to reimburse up to $200.0 in transition costs under a customer contract. The Company’s availability under its Revolving Facility is reduced by the amount of these letters of credit. Subsequent to March 31, 2009, the requirement to maintain a $50.0 letter of credit was waived by one of the Company's customers.

Effective January 1, 2007, the Company commenced its successful implementation of its ten-year agreement with United Healthcare Insurance Company (“UnitedHeathcare”) and became its exclusive national laboratory provider. During the first three years of the ten-year agreement, the Company has committed to reimburse UnitedHealthcare up to $200.0 for transition costs related to developing expanded networks in defined markets. Since the inception of this agreement, approximately $80.1 of such transition payments were billed to the Company by UnitedHealthcare and approximately $79.9 had been remitted by the Company. Based on the trend rates of the transition payment amounts billed by UnitedHealthcare during the first quarter of 2009 and for 2008 and 2007, the Company believes that its total reimbursement commitment under this agreement will be approximately $125.6. The Company is amortizing the total estimated transition costs over the life of the contract.

At March 31, 2009, the Company was a guarantor on approximately $6.4 of equipment leases. These leases were entered into by a joint venture in which the Company owns a fifty percent interest and have a remaining term of approximately three years.

(dollars and shares in millions, except per share data)

11. PENSION AND POSTRETIREMENT PLANS

Substantially all employees of the Company are covered by a defined benefit retirement plan (the "Company Plan"). The benefits to be paid under the Company Plan are based on years of credited service and average final compensation. The Company's policy is to fund the Company Plan with at least the minimum amount required by applicable regulations.

The Company has a second non-qualified defined benefit retirement plan (the "PEP") that covers its senior management group that provides for the payment of the difference, if any, between the amount of any maximum limitation on annual benefit payments under the Employee Retirement Income Security Act of 1974 and the annual benefit that would be payable under the Company Plan but for such limitation. This plan is an unfunded plan.

The effect on operations for the Company Plan and the PEP is summarized as follows:

	Three Months Ended March 31,	
	2009	2008
Service cost for benefits earned	$ 5.2	$ 5.1
Interest cost on benefit obligation	4.6	4.3
Expected return on plan assets	(4.3)	(5.5)
Net amortization and deferral	3.1	0.6
Defined benefit plan costs	$ 8.6	$ 4.5

For the three months ended March 31, 2008, the Company did not make any contributions to the Company Plan. However, based upon the underlying value of the Company Plan's assets and the amount of the Company Plan's benefit obligation as of December 31, 2008, the Company made contributions of $41.0 during the three months ended March 31, 2009. The Company plans to contribute an additional $13.8 to the Company Plan during 2009.

Due to the stock market's performance in 2008, the fair value of assets in the Company Plan decreased significantly from January 1, 2008 to December 31, 2008. As a result, the Company's projected pension expense for the Company Plan and the nonqualified supplemental retirement plan will increase from $19.5 in 2008 to $34.2 in 2009.

The Company assumed obligations under a subsidiary's postretirement medical plan. Coverage under this plan is restricted to a limited number of existing employees of the subsidiary. This plan is unfunded and the Company's policy is to fund benefits as claims are incurred. The effect on operations of the postretirement medical plan is shown in the following table:

	Three Months Ended March 31,	
	2009	2008
Service cost for benefits earned	$ 0.1	$ 0.1
Interest cost on benefit obligation	0.6	0.7
Net amortization and deferral	(0.4)	(0.4)
Postretirement benefit expense	$ 0.3	$ 0.4

(dollars and shares in millions, except per share data)

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2009	2008
Supplemental schedule of cash flow information:		
Cash paid during period for:		
Interest	$ 14.1	$ 16.9
Income taxes, net of refunds	7.6	6.3
Disclosure of non-cash financing and investing activities:		
Accrued repurchases of common stock	$ —	$ (3.0)
Purchase of equipment in accrued expenses	2.8	—

13. FAIR VALUE MEASUREMENTS

The Company's population of financial assets and liabilities subject to fair value measurements as of March 31, 2009 and December 31, 2008 are as follows:

	Fair value as of March 31, 2009	Fair Value Measurements as of March 31, 2009 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Noncontrolling interest put	$ 119.0	$ —	$ 119.0	$ —
Derivatives				
Embedded derivatives related to the zero-coupon subordinated notes	$ —	$ —	$ —	$ —
Interest rate swap liability	13.1	—	13.1	—
Total fair value of derivatives	$ 13.1	$ —	$ 13.1	$ —

	Fair value as of December 31, 2008	Fair Value Measurements as of December 31, 2008 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Noncontrolling interest put	$ 121.3	$ —	$ 121.3	$ —
Derivatives				
Embedded derivatives related to the zero-coupon subordinated notes	$ —	$ —	$ —	$ —
Interest rate swap liability	13.5	—	13.5	—
Total fair value of derivatives	$ 13.5	$ —	$ 13.5	$ —

The noncontrolling interest put is valued at its contractually determined value, which approximates fair value. The fair values for the embedded derivatives and interest rate swap are based on observable inputs or quoted market prices from various banks for similar instruments.

Effective this quarter, the Company implemented Statement of Financial Accounting Standards No. 157, "Fair Value Measurements," or SFAS 157, for the Company's nonfinancial assets and liabilities that are remeasured at fair value on a non-recurring basis. The adoption of SFAS 157 for the Company's nonfinancial assets and liabilities that are remeasured at fair value on a non-recurring basis did not impact the Company's financial position or results of operations; however, it could have an impact in future periods. In addition, the Company may have additional disclosure requirements in the event the Company completes an acquisition or incurs impairment of the Company's assets in future periods.

14. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Effective January 1, 2009, the Company implemented Statement of Financial Accounting Standards No. 161, "Disclosures About Derivative Instruments and Hedging Activities," or SFAS 161. As a result of adopting this standard the Company enhanced its disclosures for derivative instruments and hedging activities by providing additional information about the Company's objectives for using derivative instruments, the level of derivative activity the Company engages in, as well as how derivative instruments and related hedged items affect the Company's financial position and performance. Since SFAS 161 requires only additional disclosures concerning derivatives and hedging activities, the adoption of SFAS 161 did not affect the presentation of the Company's financial position or results of operations.

The Company addresses its exposure to market risks, principally the market risk associated with changes in interest rates, through a controlled program of risk management that includes, from time to time, the use of derivative financial instruments such as interest rate swap agreements (see Interest Rate Swap section below). Although the Company's zero-coupon subordinated notes contain features that are considered to be embedded derivative instruments (see Embedded Derivative section below), the Company does not hold or issue derivative financial instruments for trading purposes. The Company does not believe that its exposure to market risk is material to the Company's financial position or results of operations.

Interest Rate Swap

The Company has an interest rate swap agreement with a remaining term of two years to hedge variable interest rate risk on the Company's variable interest rate term loan. On a quarterly basis under the swap, the Company pays a fixed rate of interest (2.92%) and receives a variable rate of interest based on the three-month LIBOR rate on an amortizing notional amount of indebtedness equivalent to the term loan balance outstanding. The swap has been designated as a cash flow hedge. Accordingly, the Company recognizes the fair value of the swap in the condensed consolidated balance sheets and any changes in the fair value are recorded as adjustments to accumulated other comprehensive income (loss), net of tax. The fair value of the interest rate swap agreement is the estimated amount that the Company would pay or receive to terminate the swap agreement at the reporting date. The fair value of the swap was a liability of $13.1 and $13.5 at March 31, 2009 and December 31, 2008, respectively, and is included in other liabilities in the condensed consolidated balance sheets. The Company is exposed to credit-related losses in the event of nonperformance by the counterparty to the swap agreement. Management does not expect the counterparty to fail to meet its obligation.

Embedded Derivatives Related to the Zero-Coupon Subordinated Notes

The Company's zero-coupon subordinated notes contain the following two features that are considered to be embedded derivative instruments under SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities":

1) The Company will pay contingent cash interest on the zero-coupon subordinated notes after September 11, 2006, if the average market price of the notes equals 120% or more of the sum of the issue price, accrued original issue discount and contingent additional principal, if any, for a specified measurement period.

2) Holders may surrender zero-coupon subordinated notes for conversion during any period in which the rating assigned to the zero-coupon subordinated notes by Standard & Poor's Ratings Services is BB- or lower.

The Company believes these embedded derivatives had no fair value at March 31, 2009 and December 31, 2008. These embedded derivatives also had no impact on the condensed consolidated statements of operations for the three months ended March 31, 2009 and 2008.

(dollars and shares in millions, except per share data)

The following table summarizes the fair value and presentation in the consolidated balance sheets for derivatives designated as hedging instruments under SFAS No. 133 as of March 31, 2009 and December 31, 2008, respectively:

Period	Interest Rate Swap Liability Derivative	
	Balance Sheet Location	Fair Value
March 31, 2009	Other liabilities	$ 13.1
December 31, 2008	Other liabilities	$ 13.5

The following table summarizes the effect of derivative instruments on other comprehensive income for the three months ended March 31, 2009 and 2008:

Period	Interest Rate Swap Amount Recognized in Other Comprehensive Income on Derivative Gain/(Loss) (Effective Portion)
Three Months ended March 31, 2009	$ 0.4
Three Months ended March 31, 2008	$ —

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

The Company has made in this report, and from time to time may otherwise make in its public filings, press releases and discussions by Company management, forward-looking statements concerning the Company's operations, performance and financial condition, as well as its strategic objectives. Some of these forward-looking statements can be identified by the use of forward-looking words such as "believes", "expects", "may", "will", "should", "seeks", "approximately", "intends", "plans", "estimates", or "anticipates" or the negative of those words or other comparable terminology. Such forward-looking statements are subject to various risks and uncertainties and the Company claims the protection afforded by the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those currently anticipated due to a number of factors in addition to those discussed elsewhere herein and in the Company's other public filings, press releases and discussions with Company management, including:

1. changes in federal, state, local and third party payer regulations or policies (or in the interpretation of current regulations) affecting governmental and third-party coverage or reimbursement for clinical laboratory testing;

2. adverse results from investigations or audits of clinical laboratories by the government, which may include significant monetary damages, refunds and/or exclusion from the Medicare and Medicaid programs;

3. loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or interpretations of, the law or regulations of the Clinical Laboratory Improvement Act of 1967, and the Clinical Laboratory Improvement Amendments of 1988, or those of Medicare, Medicaid, the False Claims Act or other federal, state or local agencies;

4. failure to comply with the Federal Occupational Safety and Health Administration requirements and the Needlestick Safety and Prevention Act, which may result in penalties and loss of licensure;

5. failure to comply with HIPAA, including changes to federal and state privacy and security obligations and changes to HIPAA, including those changes included within the Health Information Technology for Economic and Clinical Health Act ("HITECH"), which could result in increased costs, denial of claims and/or significant penalties;

6. failure of third-party payers to complete testing with the Company, or accept or remit transactions in HIPAA-required standard transaction and code set format, (including NPI), which could result in an interruption in the Company's cash flow;

7. failure of the Company, third party payors or physicians to comply with Version 5010 Transactions or the ICD-10-CM and ICD-10-PCS Code Sets issued by the Department of Health and Human Services and effective for claims submitted as of October 1, 2013;

8. increased competition, including competition from companies that do not comply with existing laws or regulations or otherwise disregard compliance standards in the industry;

9. increased price competition, competitive bidding for laboratory tests and/or changes or reductions to fee schedules;

10. changes in payer mix, including an increase in capitated managed-cost health care or the impact of a shift to consumer-driven health plans;

11. failure to obtain and retain new customers and alliance partners, or a reduction in tests ordered or specimens submitted by existing customers;

12. failure to retain or attract managed care business as a result of changes in business models, including new risk based or network approaches, or other changes in strategy or business models by managed care companies;

13. failure to effectively integrate and/or manage newly acquired businesses and the cost related to such integration;

14. adverse results in litigation matters;

15. inability to attract and retain experienced and qualified personnel;

16. failure to maintain the Company's days sales outstanding and/or bad debt expense levels;

17. decrease in the Company's credit ratings by Standard & Poor's and/or Moody's;

18. discontinuation or recalls of existing testing products;

19. failure to develop or acquire licenses for new or improved technologies, or if customers use new technologies to perform their own tests;

20. inability to commercialize newly licensed tests or technologies or to obtain appropriate coverage or reimbursement for such tests, which could result in impairment in the value of certain capitalized licensing costs;

21. changes in government regulations or policies affecting the approval, availability of, and the selling and marketing of diagnostic tests;

22. inability to obtain and maintain adequate patent and other proprietary rights for protection of the Company's products and services and successfully enforce the Company's proprietary rights;

23. the scope, validity and enforceability of patents and other proprietary rights held by third parties which might have an impact on the Company's ability to develop, perform, or market the Company's tests or operate its business;

24. failure in the Company's information technology systems resulting in an increase in testing turnaround time or billing processes or the failure to meet future regulatory or customer information technology, data security and connectivity requirements;

25. failure of the Company's financial information systems resulting in failure to meet required financial reporting deadlines;

26. failure of the Company's disaster recovery plans to provide adequate protection against the interruption of business and/or to permit the recovery of business operations;

27. business interruption or other impact on the business due to adverse weather (including hurricanes), fires and/or other natural disasters and terrorism or other criminal acts;

28. liabilities that result from the inability to comply with corporate governance requirements;

29. significant deterioration in the economy or financial markets which could negatively impact the Company's testing volumes, cash collections and the availability of credit for general liquidity or other financing needs; and

30. changes in reimbursement by foreign governments and foreign currency fluctuations.

GENERAL

During the first quarter of 2009, the Company continued to strengthen its financial performance through the implementation of the Company's strategic plan and the expansion of its national platform. The Company has been successful in growing many of its focus areas, in such areas as esoteric testing, disease management and companion diagnostics.

RESULTS OF OPERATIONS (amounts in millions except Revenue Per Accession info)

Three months ended March 31, 2009 compared with three months ended March 31, 2008

Net Sales

	Quarter Ended March 31,		
	2009	**2008**	**% Change**
Net Sales			
Routine Testing	$ 714.0	$ 685.5	4.2%
Genomic and Esoteric	386.1	353.6	9.2%
Ontario, Canada	55.6	64.1	(13.2%)
Total	$ 1,155.7	$ 1,103.2	4.8%

	Number of Accessions Quarter Ended March 31,		
	2009	**2008**	**% Change**
Volume			
Routine Testing	21.5	21.4	0.9%
Genomic and Esoteric	6.2	5.6	9.0%
Ontario, Canada	2.2	1.8	23.6%
Total	29.9	28.8	3.9%

	Quarter Ended March 31,		
	2009	**2008**	**% Change**
Revenue Per Accession			
Routine Testing	$ 33.18	$ 32.13	3.3%
Genomic and Esoteric	62.67	62.55	0.2%
Ontario, Canada	24.50	34.90	(29.8%)
Total	$ 38.59	$ 38.28	0.8%

The increase in net sales for the three months ended March 31, 2009 as compared with the corresponding 2008 period was driven primarily by growth in the Company's Managed Care business and the Company's continued shift in test mix to higher priced genomic and esoteric tests. Managed Care revenue as a percentage of net sales for routine testing and genomic and esoteric increased from 44.0% in 2008 to 44.8% in 2009. Genomic and esoteric volume as a percentage of volume for routine and genomic and esoteric increased from 21.0% in 2008 to 22.3% in 2009. Net sales of the Ontario joint venture were $55.6 for the three months ended March 31, 2009 compared to $64.1 in the corresponding 2008 period, a decrease of $8.5, or 13.2%. The decrease in net sales for the Ontario joint venture was due to the exchange rate impact of a stronger U.S. dollar in 2009 as compared with 2008.

Cost of Sales

	Quarter Ended March 31,		
	2009	**2008**	**% Change**
Cost of sales	$ 666.3	$ 632.7	5.3%
Cost of sales as a % of sales	57.7%	57.4%	

Cost of sales, which includes primarily laboratory and distribution costs, increased 5.3% in 2009 as compared with 2008 primarily due to increased volume and the continued shift in test mix to higher cost genomic and esoteric testing. As a percentage of net sales, cost of sales increased to 57.7% in 2009 from 57.4% in 2008. The increase in cost of sales as a percentage of net sales is primarily due to increases in

the cost of materials, which is caused by shifts in the Company's test mix to higher cost genomic and esoteric tests.

Selling, General and Administrative Expenses

	Quarter Ended March 31,		
	2009	2008	% Change
Selling, general and administrative expenses	$ 233.8	$ 215.6	8.4%
SG&A as a % of sales	20.2%	19.5%	

Selling, general and administrative expenses increased 8.4% in 2009 as compared with 2008 primarily due to increases in bad debt expense, personnel costs (primarily employee benefit costs) and acquisition and legal costs.

Amortization of Intangibles and Other Assets

	Quarter Ended March 31,		
	2009	2008	% Change
Amortization of intangibles and other assets	$ 15.1	$ 13.8	9.4%

The increase in amortization of intangibles and other assets primarily reflects certain acquisitions closed during 2008.

Interest Expense

	Quarter Ended March 31,		
	2009	2008	% Change
Interest expense	$ 17.0	$ 19.9	(14.6%)

The decrease in interest expense was primarily driven by lower interest rates in connection with the Term Loan Facility as a result of the three-year interest rate swap agreement the Company entered into on March 31, 2008 to hedge variable interest rate risk on the Term Loan Facility.

Income from Joint Venture Partnerships

	Quarter Ended March 31,		
	2009	2008	% Change
Income from joint venture partnerships	$ 2.8	$ 4.4	(36.4%)

Income from investments in joint venture partnerships represents the Company's ownership share in joint venture partnerships. A significant portion of this income is derived from the investment in Alberta, Canada, and is earned in Canadian dollars. As a result, the decrease in income from joint venture partnerships was primarily due to the exchange rate impact of a stronger U.S. dollar in 2009 as compared with 2008.

Income Tax Expense

	Quarter Ended March 31,		
	2009	2008	% Change
Income tax expense	$ 90.4	$ 91.6	(1.3%)
Income tax expense as a % of income before tax	40.0%	40.6%	

The decrease in the effective tax rate for 2009 as compared to 2008 was primarily the result of a lower rate of taxes on foreign related earnings.

LIQUIDITY AND CAPITAL RESOURCES (dollars and shares in millions)

The Company's operations provided $208.9 and $176.5 of cash, net of $5.5 and $13.0 in transition payments to UnitedHealthcare, for the three months ended March 31, 2009 and 2008, respectively, and net of the $41.0 contribution to the Company's defined benefit retirement plan ("Company Plan") during the three months ended March 31, 2009. The increase in cash flows primarily resulted from improved cash collections and general working capital management.

For the three months ended March 31, 2008, the Company did not make any contributions to the Company Plan. However, based upon the underlying value of the Company Plan's assets and the amount of the Company Plan's benefit obligation as of December 31, 2008, the Company made contributions of $41.0 during the three months ended March 31, 2009. The Company plans to contribute an additional $13.8 to the Company Plan during 2009.

Due to the stock market's performance in 2008, the fair value of assets in the Company Plan decreased significantly from January 1, 2008 to December 31, 2008. As a result, the Company's projected pension expense for the Company Plan and the nonqualified supplemental retirement plan will increase from $19.5 in 2008 to $34.2 in 2009.

Capital expenditures were $30.7 and $37.9 for the three months ended March 31, 2009 and 2008, respectively. The Company expects capital expenditures of approximately $130.0 in 2009. The Company will continue to make important investments in its business, including information technology. Such expenditures are expected to be funded by cash flow from operations, as well as borrowings under the Company's revolving credit facilities as needed.

On September 15, 2008, Lehman Brothers Holdings, Inc. ("Lehman"), whose subsidiaries have a $28.0 commitment in the Company's Revolving Facility, filed for bankruptcy. Accordingly, the Company does not expect Lehman will fulfill its pro rata share of any future borrowing requests under the Revolving Facility. The Company is considering various options regarding this current limitation on the Revolving Facility.

The Company has an interest rate swap agreement with a remaining term of two years to hedge variable interest rate risk on the Company's variable interest rate term loan. On a quarterly basis under the swap, the Company pays a fixed rate of interest (2.92%) and receives a variable rate of interest based on the three-month LIBOR rate on an amortizing notional amount of indebtedness equivalent to the term loan balance outstanding. The swap has been designated as a cash flow hedge. Accordingly, the Company recognizes the fair value of the swap in the condensed consolidated balance sheets and any changes in the fair value are recorded as adjustments to accumulated other comprehensive income (loss), net of tax. The fair value of the interest rate swap agreement is the estimated amount that the Company would pay or receive to terminate the swap agreement at the reporting date. The fair value of the swap was a liability of $13.1 and $13.5 at March 31, 2009 and December 31, 2008, respectively, and is included in other liabilities in the condensed consolidated balance sheets. The Company is exposed to credit-related losses in the event of nonperformance by the counterparty to the swap agreement. Management does not expect the counterparty to fail to meet its obligation.

At March 31, 2009, the Company provided letters of credit aggregating approximately $97.4, primarily in connection with certain insurance programs and contractual guarantees on obligations under the Company's contract with UnitedHealthcare. Subsequent to March 31, 2009, UnitedHealthcare waived its requirement that the Company provide a $50.0 letter of credit, as security for the Company's contingent obligation to reimburse up to $200.0 in transition costs during the first three years of the contract. Letters of credit provided by the Company are secured by the Company's senior credit facilities and are renewed annually, around mid-year.

During the three months ended March 31, 2009, the Company did not purchase any shares of its common stock. As of March 31, 2009, the Company had outstanding authorization from the Board of Directors to purchase approximately $95.2 of Company common stock.

The Company had a $92.3 and $86.7 reserve for unrecognized income tax benefits, including interest and penalties, at March 31, 2009 and December 31, 2008, respectively. Substantially all of these tax reserves are classified in other long-term liabilities in the Company's Condensed Consolidated Balance Sheets at March 31, 2009 and December 31, 2008, respectively.

Based on current and projected levels of operations, coupled with availability under its senior credit facilities, the Company believes it has sufficient liquidity to meet both its anticipated short-term and long-term cash needs; however, the Company continually reassesses its liquidity position in light of market conditions and other relevant factors.

Zero-coupon Subordinated Notes

The Company's common stock trading price conversion feature of its zero-coupon subordinated notes was not triggered by first quarter 2009 trading prices. As a result, the zero-coupon subordinated notes may not be converted during the period of April 1, 2009 through June 30, 2009 based on this conversion feature.

The Company's common stock trading price contingent cash interest feature of its zero-coupon subordinated notes was not triggered by the average market price of the Company's common stock for the five trading days ended March 9, 2009. As a result, the zero-coupon subordinated notes will not accrue contingent cash interest for the period of March 12, 2009 to September 11, 2009.

Noncontrolling Interest Put

Effective January 1, 2008 the Company acquired additional partnership units in its Ontario, Canada ("Ontario") joint venture, bringing the Company's percentage interest owned to 85.6%. Concurrent with this acquisition, the terms of the joint venture's partnership agreement were amended. The amended joint venture's partnership agreement enables the holders of the noncontrolling interest to put the remaining partnership units to the Company in defined future periods, at an initial amount equal to the consideration paid by the Company in 2008, and subject to adjustment based on market value formulas contained in the agreement. The contractual value of the put, in excess of the current noncontrolling interest of $23.5, totals $95.5 at March 31, 2009.

ITEM 3. Quantitative and Qualitative Disclosure about Market Risk

The Company addresses its exposure to market risks, principally the market risk associated with changes in interest rates, through a controlled program of risk management that includes from time to time, the use of derivative financial instruments such as interest rate swap agreements. Although, as set forth below, the Company's zero-coupon subordinated notes contain features that are considered to be embedded derivative instruments, the Company does not hold or issue derivative financial instruments for trading purposes. The Company does not believe that its exposure to market risk is material to the Company's financial position or results of operations.

The Company's zero-coupon subordinated notes contain the following two features that are considered to be embedded derivative instruments under SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities":

1) The Company will pay contingent cash interest on the zero-coupon subordinated notes after September 11, 2006, if the average market price of the notes equals 120% or more of the sum of the issue price, accrued original issue discount and contingent additional principal, if any, for a specified measurement period.

2) Holders may surrender zero-coupon subordinated notes for conversion during any period in which the rating assigned to the zero-coupon subordinated notes by Standard & Poor's Ratings Services is BB- or lower.

ITEM 4. Controls and Procedures

As of the end of the period covered by the Form 10-Q, the Company carried out, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2009.

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10 to the Company's Unaudited Condensed Consolidated Financial Statements for the three months ended March 31, 2009, which is incorporated by reference.

Item 1A Risk Factors

Information regarding risk factors appears in Part I-Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

The following risk factor is provided to supplement and update the risk factors contained in the Company's Annual Report on Form 10-K:

Failure of the Company, third party payors or physicians to comply with Version 5010 Transactions or the ICD-10-CM and ICD-10-PCS Code Sets could adversely impact the Company's reimbursement.

The Company is within the assessment and inventory phase to adopt Version 5010 Transactions and to adopt the ICD-10-CM and ICD-10-PCS Code Sets issued by the Department of Health and Human Services ("HHS") on January 16, 2009. The compliance date for Version 5010 is January 1, 2012; the compliance date for ICD-10-CM and ICD-10-PCS Code Sets is October 1, 2013. The Company will continue its assessment of information systems, applications and processes for compliance with these requirements. Clinical laboratories are typically required to submit health care claims with diagnosis codes to third party payors. The diagnosis codes must be obtained from the ordering physician. The failure of the Company, third party payors or physicians to transition within the required timeframe could have an adverse impact on reimbursement, days sales outstanding and cash collections.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds (Shares and dollars in millions, except per share data)

The following table sets forth information with respect to purchases of shares of the Company's common stock made during the three months ended March 31, 2009, by or on behalf of the Company:

	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares that May Yet Be Repurchased Under the Program
January 1 – January 31	—	$ —	—	$ 95.2
February 1 – February 28	—	—	—	95.2
March 1 - March 31	—	—	—	95.2
	—	$ —	—	

At January 1, 2007, the Company had authorization to repurchase up to $350.0 of shares of the Company's common stock ($100.0 authorized on April 21, 2005 and $250.0 authorized on October 20, 2006). On March 9, 2007, the Board of Directors authorized the purchase of $500.0 of additional shares of the Company's common stock. On November 2, 2007, the Board of Directors authorized the purchase of $500.0 of additional shares of the Company's common stock. As of March 31, 2009, the Company had outstanding authorization from the Board of Directors to purchase approximately $95.2 of Company common stock.

Item 6. Exhibits

(a) Exhibits

10.1*	-	Amended and Restated Master Senior Executive Severance Plan
10.2*	-	Master Senior Executive Change-in-Control Severance Plan
12.1*	-	Ratio of earnings to fixed charges
31.1*	-	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)
31.2*	-	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)
32*	-	Written Statement of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

* filed herewith

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, thereunto duly authorized.

LABORATORY CORPORATION OF AMERICA HOLDINGS
Registrant

By: /s/ DAVID P. KING
David P. King
President and
Chief Executive Officer

By: /s/ WILLIAM B. HAYES
William B. Hayes
Executive Vice President,
Chief Financial Officer and
Treasurer

April 30, 2009

Exhibit 10.1

LABORATORY CORPORATION OF AMERICA HOLDINGS
AMENDED AND RESTATED MASTER SENIOR EXECUTIVE SEVERANCE PLAN
(Effective February 10, 2009)

PURPOSE

The purpose of this Laboratory Corporation of America Holdings Amended and Restated Master Senior Executive Severance Plan (the "**Plan**") is to provide severance benefits for a select group of management employees. The Plan is not intended to duplicate severance benefits provided to certain employees who have entered into individual agreements relating to employment or the termination thereof or who are entitled to receive a severance payment under the Laboratory Corporation of America Holdings Master Senior Executive Change in Control Severance Plan ("Change In Control Severance Plan")

ARTICLE I
DEFINITIONS

When used in this Plan and initially capitalized, the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

1.1 "**Base Salary**" shall mean, as to any Covered Employee for any period, his annual base salary rate, as of his Qualifying Termination, which is paid to him by the Company during his employment for such period, before reduction because of an election between benefits or cash provided under a plan of the Company maintained pursuant to Section 125 or 401(k) of the Internal Revenue Code of 1986, as amended, and before reduction for any other amounts contributed to any other employee benefit plan.

1.2 "**Cause**" shall mean, as to any Covered Employee, that such Covered Employee shall have committed prior to his termination of employment with the Company any of the following acts:

(a) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with his duties or in the course of his employment with the Company;

(b) the conviction of or entering of a plea of nolo contendere to a felony;

(c) alcohol intoxication on the job or current illegal drug use;

(d) intentional wrongful damage to tangible assets of the Company;

(e) intentional wrongful disclosure of material confidential information of the Company and/or materially breaching the noncompetition or confidentiality provisions of the Company's Employment Agreement and Confidentiality Statement or any other noncompetition or confidentiality provisions covering the activities of such employee;

(f) knowing and intentional breach of any employment policy of the Company; or

(g) gross neglect or misconduct, disloyalty, dishonesty, or breach of trust in the performance of the Covered Employee's duties that is not corrected to the Board's satisfaction within 30 days of the Covered Employee receiving notice thereof.

1.3 "**Company**" shall mean Laboratory Corporation of America Holdings and any successor corporation.

1.4 "**Covered Employee**" shall mean an employee described in Article II of the Plan.

1.5 "**Designated Group**" shall mean any one of the groups of employees designated as such on Schedule 1 attached hereto.

1.6 "**Effective Date**" shall mean December 31, 2008.

1.7 "**Employer**" shall mean the Company.

1.8 "**Good Reason**" shall mean:

(a) a material reduction in the base salary or targeted bonus as a percent of a base salary without the consent of the employee;

(b) relocation to an office location more than 75 miles from the employee's current office without the consent of the employee; or

(c) a material reduction in job responsibilities and duties or transfer to another job without the consent of the employee.

Notwithstanding the foregoing, "Good Reason" shall not include a reduction in base salary or target bonus of the Covered Employee where such reduction is pursuant to a Company-wide reduction of base salaries and/or target bonuses.

1.9 "**MIB Average Bonus**" shall mean the total dollar amount of the last three MIB Bonuses paid to the Covered Employee divided by 3. If, however, the Covered Employee has received less than three MIB Bonuses during the term of the Covered Employee's employment, then the MIB Average Bonus shall equal the total dollar amount of the MIB Bonuses paid to the Covered Employee divided by the number of MIB Bonuses received by the Covered Employee.

1.10 "**MIB Bonus"** shall mean the bonus paid to the Covered Employee under the Laboratory Corporation of America Holdings Management Incentive Bonus Plan.

1.11 "**Plan**" shall mean the Laboratory Corporation of America Holdings Amended and Restated Master Senior Executive Severance Plan, as the same may hereafter be amended from time to time.

1.12 "**Qualifying Termination**" shall mean:

(a) involuntary Termination without Cause or

(b) voluntary Termination with Good Reason; however, notwithstanding the foregoing, the voluntary Termination by the Covered Employee must occur within 90 days after the occurrence of the Good Reason and after the Company has received notice of the Good Reason event and failed to cure within 30 days after receiving such notice. Otherwise, such Termination shall be considered voluntary termination without Good Reason and not a Qualifying Termination.

Notwithstanding the foregoing, "Qualifying Termination" shall not mean any Termination of an employee's employment with the Company by reason of death, disability, or retirement of the employee.

1.13 "**Severance Pay**" shall mean the sum payable as set forth in Section 3.1 of the Plan.

1.14 "**Term**" shall mean the period commencing on the Effective Date and ending at the time determined in accordance with Section 7.2.

1.15 "**Termination**" shall cover all terminations of employment referred to under this Plan and shall mean a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") as amended.

ARTICLE II
COVERED EMPLOYEES

2.1 Status as a Covered Employee. Any management employee of the Company designated by the Board to participate in the Plan and who is at the time of a Qualifying Termination such a designated employee shall be eligible to receive the benefits described in the Plan. As of the Effective Date, those employees so designated by the Board are as set forth on the attached Schedule 1. No employee who is entitled to receive payments under (1) an individual agreement relating to benefits payable upon said employee's termination of employment or (2) the Change in Control Severance Plan shall be a Covered Employee, even if his or her position is listed on Schedule 1.

ARTICLE III
SEVERANCE PAY

3.1 **Amount of Severance.** Subject to Sections 3.2 and 3.3, upon the occurrence of a Qualifying Termination and the execution by the employee of a Special Severance Agreement in substantially the form attached as Exhibit A (such agreement to be executed within 30 days of the Qualifying Termination or within 45 days of the Qualifying Termination if necessary to comply with the requirements of the Age Discrimination in Employment Act of 1967), which will contain, among other things, noncompetition, nonsolicitation, duty of loyalty, confidentiality, and release provisions that shall apply to each severance arrangement during, and in certain instances after, the time when any severance payments are being made to each

employee, the Company shall pay Severance Pay to a Covered Employee in an amount equal to the mathematical product of multiplying the factor shown on Schedule 1 for the Designated Group to which the employee belongs at the time of termination, times the sum of the Covered Employee's Base Salary plus MIB Average Bonus. Additionally, such Covered Employee shall be entitled, for up to six months following a Qualifying Termination, to reimbursement by the Company of the Applicable Premium for the continuation of those health benefits for which he or she qualified at the time of the Qualifying Termination, pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), to the extent actually paid by the Covered Employee.

3.2 **Effect on Other Benefit Programs.**

(a) The Severance Pay provided for hereunder is not intended to duplicate any payments to which a Covered Employee would otherwise be entitled under any individual agreement relating to employment (or the termination thereof) with the Company. Accordingly, no Severance Payment shall be payable under the Plan to any employee of the Company who is a party to such an agreement, unless such employee expressly waives his right to receive all payments and all other benefits thereunder and expressly elects to receive Severance Payments pursuant to this Plan in lieu of any payment and other consideration that would otherwise be provided to him pursuant to any such agreement.

(b) By the acceptance of any Severance Pay under the Plan, a Covered Employee shall be deemed to waive, release, and forever discharge any and all claims to the payment of any severance benefit under any severance plan or program of the Company other than the Plan or Agreement.

3.3 **Limitation on Amount of Severance Pay.** Notwithstanding any other provision of this Plan, the total of the Severance Pay plus the Applicable Premiums to be paid to or on behalf of a Covered Employee shall not exceed three times the Covered Employee's Annual Compensation during the year immediately preceding his termination of service. "**Annual Compensation**" means the total of all compensation, including wages, salary, and any other benefit of monetary value, whether paid in the form of cash or otherwise, that was paid as consideration for the employee's service during the year or that would have been so paid at the employee's usual rate of compensation if the employee had worked a full year.

3.4 **No Duty to Mitigate.** A Covered Employee shall not be required by reason of the Plan to mitigate damages or the amount of his Severance Pay under the Plan by seeking other employment or otherwise, nor shall the amount of such payments be reduced or adjusted by compensation earned by the Covered Employee as a result of employment after his Qualifying Termination.

ARTICLE IV
CESSATION OF BENEFITS

4.1 **Reemployment With the Company.** If an employee already has received benefits under the Plan, a Covered Employee who recommences employment with the Company shall not be entitled to any further benefits under the Plan.

4.2 **Breach of the Special Severance Agreement.** If an employee breaches any material term of the Special Severance Agreement, he or she shall be entitled to no further benefits under the Plan. For purposes of this section, any violation of the confidentiality, noncompetition, nonsolicitation, release, or duty of loyalty provisions shall be considered "material**.**"

ARTICLE V
DISTRIBUTION OF CASH PAYMENTS

5.1 **Severance Pay.** The Company shall pay the Covered Employee the amount to which he or she is entitled under Section 3.1 as follows: (a) 50 percent of the total Severance Pay due, less statutory deductions, shall be paid within 30 days following the execution of a Special Severance Agreement, but in no event shall be paid later than March 15 of the year following the year in which the Qualifying Termination occurred; and (b) the remaining 50 percent of Severance Pay, less statutory deductions, shall be paid within 30 days following the one-year anniversary of the execution of the Special Severance Agreement, but only if the employee has complied in all material respects with the terms and conditions of the Special Severance Agreement. Notwithstanding the foregoing, all payments due hereunder shall be completed within 24 months of the termination of the Covered Employee's employment, but payments shall be due hereunder only if the employee has complied in all material respects with the terms and conditions of the Special Severance Agreement. Each payment specified under this Section 5.1 shall be deemed to be separate payments.

Notwithstanding any provisions of this Plan to the contrary, if the Covered Employee is a "specified employee" (within the meaning of Section 409A of the Code and determined pursuant to procedures adopted by the Company) at the time of such Covered Employee's Qualifying Termination and if any portion of the payments or benefits to be received by the Covered Employee upon a Qualifying Termination would be considered deferred compensation under Section 409A of the Code, amounts that would otherwise be payable pursuant to this Plan during the six-month period immediately following the Covered Employee's Qualifying Termination (the "Delayed Payments") and benefits that would otherwise be provided pursuant to this Plan (the "Delayed Benefits") during the six-month period immediately following the Covered Employee's Qualifying Termination (such period, the "Delay Period") shall instead be paid or made available on the earlier of (i) the first business day of the seventh (7^{th}) month following the date of the Covered Employee's Qualifying Termination or (ii) the Covered Employee's death (the applicable date, the "Permissible Payment Date"). The Company shall also reimburse the Covered Employee for the after-tax cost incurred by the Covered Employee in independently obtaining any Delayed Benefits (the "Additional Delayed Payments").

With respect to any amount of expenses eligible for reimbursement under Section 3.1 and 5.1, such expenses shall be reimbursed by the Company within thirty (30) calendar days following the date on which the Company receives the applicable invoice from the Covered Employee but in no event later than December 31 of the year following the year in which the Covered Employee incurs the related expenses; provided, that with respect to reimbursement relating to the Additional Delayed Payments, such reimbursement shall be made on the Permissible Payment Date. In no event shall the reimbursements or in-kind benefits to be provided by the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall the Covered Employee's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

It is the intention of the parties that payments or benefits payable under this Plan not be subject to the additional tax imposed pursuant to Section 409A of the Code. To the extent such potential payments or benefits could become subject to such Section, the Company may amend this Plan with the goal of giving the Covered Employee the economic benefits described herein in a manner that does not result in such tax being imposed.

FOR PURPOSES OF SECTION 409A OF THE CODE, A COVERED EMPLOYEE'S RIGHT TO RECEIVE ANY "INSTALLMENT" PAYMENTS PURSUANT TO THIS PLAN SHALL BE TREATED AS A RIGHT TO RECEIVE A SERIES OF SEPARATE AND DISTINCT PAYMENTS.

ARTICLE VI
ADMINISTRATION OF PLAN

6.1 **In General: Delegation.** The Plan shall be administered by the Board. The Board shall have sole and absolute discretion to interpret where necessary all provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to determine the rights and status under the Plan of employees or other persons, to resolve questions or disputes arising under the Plan, and to make any determinations with respect to the benefits payable hereunder and the persons entitled thereto as may be necessary for the purposes of the Plan. Without limiting the generality of the foregoing, the Board is hereby granted the authority (i) to determine whether a particular termination of employment constitutes a "**Qualifying Termination,**" and (ii) to determine whether a particular employee is a "**Covered Employee**" under the Plan.

The Board may delegate any of its administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval, and payment of Severance Pay to a named administrator or administrators. The Board's determination of the rights of any employee hereunder shall be final and binding on all persons.

6.2 **Regulations.** The Board may promulgate any rules and regulations that it deems necessary to carry out the purposes of this Plan, or to interpret the terms and conditions of the Plan; provided, however, that no rule, regulation, or interpretation shall be contrary to the provisions of the Plan. The rules, regulations, and interpretations made by the Board, and any determination of entitlement to benefits hereunder, shall be final and binding on any employee or former employee of the Company.

6.3 **Claims for Benefits and Review of Denials.** A terminating Covered Employee will be considered for benefits under the Plan automatically. Any other employee of the Company who believes he is entitled to a benefit under the Plan may make a claim for such benefit by submitting a written statement to the Board of Directors setting forth the benefit to which the claimant deems himself entitled, and the factual basis for his claim.

The Board of Directors or its delegate (hereinafter "**Board of Directors**" for purposes of Section 6.3 only) will make a determination of whether an employee recognized by the Board of Directors as a Covered Employee is entitled to benefits under this Plan no later than the day prior to the date of such employee's termination. The Board of Directors will act on any other application (including a claim of status as a Covered Employee made as part of a claim for benefits) or make any other determination it is requested to make under the Plan and will inform the employee of its decision within 30 days of the date the application or request is made, unless a longer time is required by special circumstances, in which event the claimant will be notified in writing of the special circumstances and of the expected decision date. The determination will be made no later than 90 days after the date the application or request is received. If the determination is a denial of a claim, the Board of Directors will notify the claimant in writing of the denial, setting forth the specific reasons for the denial and referring specifically to the Plan provisions on which the denial is based. The notice also will contain a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary. The notice will provide appropriate information to the claimant on steps to appeal the denial. The claimant will have 60 days from the date of the notice to request review of the decision by the Board of Directors and may review pertinent documents and submit any additional information along with the request for review that he or she deems pertinent. A decision on review will be made within 60 days of receipt of the request for review, except that the time for rendering the decision may be extended to 120 days when special circumstances make it necessary to do so, in which event the claimant will be notified in writing of the extension, informed of the special circumstances, and informed of an expected decision date. The decision on review, if it is a denial of the claim, will be in writing, will specify the provisions of the Plan on which it is based, and will set forth specific reasons for the denial.

ARTICLE VII
AMENDMENT OR TERMINATION OF PLAN

7.1 **Right to Amend or Terminate.** The Company reserves the right to alter, amend, or terminate the Plan at any time. Any change in the terms of the Plan (including termination of the Plan) that results from the exercise of the Company's right to alter, amend, or terminate the Plan may be applicable to active and/or former employees, including employees who separated from service prior to the date on which the Company exercises its power to alter, amend, or terminate the Plan, provided, however, that no such change in the terms of the Plan will affect the amount of any benefit that was paid prior to the date on which such change is adopted, or any benefit promised in a Special Severance Agreement that was fully executed prior to the date on which such change is adopted. Only the Board of Directors may exercise the Company's reserved rights under this paragraph. No officer, employee, or representative of the Company has the authority to promise or represent that anyone's coverage and/or benefit under the Plan is or will be exempt from the Company's reserved right to alter, amend, or terminate the Plan at any time, unless such promise or representation is in writing and signed by hand by the President of

the Company. Notwithstanding the foregoing, the Plan and a Covered Employee's participation in the Plan shall not be terminated for 36 months following a Change in Control.

7.2 **Termination.** This Plan shall continue in force until such time as the Board shall terminate the Plan. Notwithstanding the foregoing, the Plan and a Covered Employee's participation in the Plan shall not be terminated for 36 months following a Change in Control.

ARTICLE VIII
METHOD OF FUNDING

8.1 **Plan is Not Funded.** The Company shall pay benefits under the Plan from current operating funds. No property of the Company is or shall be, by reason of this Plan, held in trust for any employee of the Company, nor shall any person have any interest in or any lien or prior claim upon any property of the Company by reason of this Plan or the Company's obligations to make payments hereunder.

ARTICLE IX
MISCELLANEOUS

9.1 **Limitation on Rights.** Neither the establishment of the Plan nor participation herein shall give any employee the right to be retained in the service of the Company or any rights to any benefits whatsoever, except to the extent specifically set forth herein.

9.2 **Headings.** Headings of Articles and Sections in this instrument are for convenience only and do not constitute any party of the Plan.

9.3 **Gender and Number.** Unless the context clearly indicates otherwise, the masculine gender when used in the Plan shall include the feminine, and the singular number shall include the plural and the plural number the singular.

9.4 **Tax Withholding.** The Company may withhold from any amounts payable under this Plan all federal, state, city, or other taxes as shall be required to be withheld pursuant to any law or governmental regulation or ruling.

9.5 **Governing Law.** The Plan shall be construed and governed in all respects in accordance with the internal substantive laws of the State of Delaware.

IN WITNESS WHEREOF, the undersigned authorized officer of the Company has executed this document on the 10th day of February, 2009.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By:/s/ F. Samuel Eberts III

Schedule 1 to
Amended and Restated Master Senior Executive Severance Plan

Designated Groups, Covered Employees,
and Benefit Levels

Designated Group	Covered Employees	Severance Benefit for all other Qualifying Terminations as a Multiple of Base Salary Plus MIB Average Bonus
President	President	2X
Executive Vice Presidents	All Executive Vice Presidents	2X
Senior Vice Presidents	All Senior Vice Presidents	1X

Laboratory Corporation of America

Confidential

DATE

Employee Name and Address

Re: Employment Separation Agreement and General Release

Dear _____:

I am writing on behalf of Laboratory Corporation of America Holdings (the "Company") to offer you (the "Employee") the following Employment Separation Agreement and General Release (the "Agreement") in accordance with the terms of the Laboratory Corporation of America Holdings Amended and Restated Master Senior Executive Severance Plan (the "Plan"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan. The terms and conditions of the Agreement are as follows:

1.0 Termination of Employment

1.1 Effective _____, 200__ (the "Termination Date"), Employee shall resign his/her employment [(including his/her resignation as an Officer of the Company)] and shall perform no further services for the Company; his/her status as an employee [and Officer] of the Company shall cease on that date. Employee and the Company further agree that the relationship created by this Agreement is purely contractual and that no employer-employee relationship is intended, nor shall such be inferred from the performance of obligations under this Agreement. Employee further agrees that any payments and/or benefits payable pursuant to this Agreement are contingent upon Employee's execution and fulfillment of his/her obligations under this Agreement.

2.0 Separation Pay

2.1 In consideration for the covenants, promises and agreements herein and in particular Employee's covenants not to solicit, not to compete and not to disclose confidential information, the Company will pay Employee a severance in the total amount of _____, less applicable taxes and withholdings, representing a payment of ___ times the sum of Employee's current base salary of _____ *plus* the Employee's MIB Average Bonus of _____. The Company will remit a payment of $_____, less applicable taxes and withholdings, within 30 days following the Effective Date of this Agreement, but in no event later than March 15 of the year following the year in which the Termination Date occurred. The Company will remit another payment of $_____, less applicable taxes and withholdings, within 30 days following the one-year anniversary of the Effective Date of this Agreement.

EXHIBIT A – SAMPLE AGREEMENT

2.2 The Company shall not be responsible for making any payment under this Section 2.0 and its sub-parts if Employee has not complied in all material respects with the terms and conditions of this Agreement.

3.0 Continuation of Benefits

3.1 In addition to the consideration contained in Section s 2.0 and 3.0 (including the sub-parts thereto), Employee, his/her spouse, and his/her other dependent(s) may be eligible to elect continued health care coverage under the group medical and dental plans sponsored by the Company, as provided in the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), which provides generally that certain employees and their dependents may elect to continue coverage under employer-sponsored group health plans for a period of at least eighteen (18) months under certain conditions, including payment by Employee of the "Applicable Premium" as defined in Section 604 of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 *et seq*. ("ERISA"). In the event Employee elects continuation of coverage under COBRA for himself/herself and his/her spouse and dependents, the Company will reimburse Employee for the applicable premium for such coverage (medical, dental, optical and prescription coverage for spouse and dependants) for the six (6) months, thereof, to the extent actually paid by the Employee.

3.2 Employee shall be eligible for such benefits under the Company's existing qualified plans as are provided under the circumstances (taking into account termination of employment as of the Termination Date) pursuant to the terms of the Plan documents governing each of these plans. Except as otherwise provided herein or in the terms of any documents governing any employee benefit plan maintained by the Company, Employee will cease to be a participant in and will no longer have any coverage or entitlement to benefits, accruals, or contributions under any of the Company's employee benefit plans effective upon the termination of his/her employment. Employee agrees that the payments made to him/her by the Company pursuant to this Agreement do not constitute compensation for purposes of calculating the amount of benefits Employee may be entitled to under the terms of any pension plan or for the purposes of accruing any benefit, receiving any allocation of any contribution, or having the right to defer any income in any profit-sharing or other employee pension benefit plan, including any cash or deferred arrangement.

4.0 Compromise

4.1 This Agreement shall never be construed as an admission by the Company of any liability, wrongdoing or responsibility on its part or on the part of any other person or entity described in Section 5.1 of this Agreement. The Company expressly denies any such liability, wrongdoing or responsibility.

5.0 Release

5.1 Employee, on behalf of himself/herself and his/her heirs, assigns, transferees and representatives, hereby releases and forever discharges the Company, and its predecessors, successors, parents, subsidiaries, affiliates, assigns, representatives and agents, as well as all of their present and former directors, officers, employees, agents, shareholders, representatives,

attorneys and insurers (collectively, the "Releasees"), from any and all claims, causes of actions, demands, damages or liability of any nature whatsoever, known or unknown, which Employee has or may have which arise out of his/her employment or cessation of employment with the Company, or which concern or relate in any way to any acts or omissions done or occurring prior to and including the date of this Agreement, including, but not limited to, claims arising under the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*; the Equal Pay Act, 29 U.S.C. § 206(a) and interpretive regulations; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.*; the Lilly Ledbetter Fair Pay Act; 42 U.S.C. § 1981 *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 *et seq.*; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 *et seq.*; any and all claims for wrongful termination and/or retaliation; claims for breach of contract, express or implied; claims for breach of the covenant of good faith and fair dealing; claims for compensation, including but not limited to wages, bonuses, or commissions except as otherwise contained herein; claims for benefits or fringe benefits, including, but not limited to, claims for severance pay and/or termination pay, except as otherwise contained herein; claims for, or relating to stock or stock options (except that nothing in this Agreement shall prohibit Employee from exercising any vested stock options or affect Employee's claims to vested benefits in the Company's Employees' Retirement Savings Plan, Deferred Compensation Plan, Employee Stock Purchase Plan, or Cash Balance Retirement Plan, in accordance with the terms of the applicable stock option agreement(s) and applicable plan documents); claims for unaccrued vacation pay; claims arising in tort, including, but not limited to, claims for invasion of privacy, intentional infliction of emotional distress and defamation; claims for quantum meruit and/or unjust enrichment; and any and all other claims arising under any other federal, state, local or foreign laws, as well as any and all other common law legal or equitable claims.

5.2 Employee is hereby advised in accordance with the Older Workers' Benefit Protection Act (the "OWBPA") that: (i) he/she should consult with an attorney (at his/her own expense) prior to executing this Agreement; (ii) he/she is waiving, among other things, any age discrimination claims under the Age Discrimination in Employment Act, provided, however, he/she is not waiving any claims that may arise after the date this Agreement is executed; (iii) he/she has twenty-one (21) days within which to consider the execution of this Agreement, before signing it; and (iv) for a period of seven (7) days following the execution of this Agreement, he/she may revoke this Agreement by delivering written notice (by the close of business on the seventh day) to the Company in accordance with Section 12.7 herein.

5.3 Notwithstanding the provisions of Section 5.1, said release does not apply to any and all statutory or other claims that are prohibited from waiver by Federal, State or local law.

5.4 Employee represents that he/she has not initiated any action or charge against any of the Releasees with any federal, state or local court or administrative agency. If such an action or charge has been filed by Employee, or on Employee's behalf, he/she will use his/her best efforts to cause it immediately to be withdrawn and dismissed with prejudice. Failure to cause the withdrawal and dismissal with prejudice of any action or charge shall render this Agreement null and void, and any consideration paid hereunder shall be repaid immediately by the Employee upon receipt of such notice.

5.5 Employee further agrees that he/she will not institute any lawsuits, either individually or as a class representative or member, against any of the Releasees as to any matter based upon, arising from or relating to his/her employment relationship with the Company, from the beginning of time to the date of execution of this Agreement. Employee knowingly and intentionally waives any rights to any additional recovery that might be sought on his/her behalf by any other person, entity, local, state or federal government or agency thereof, including specifically and without limitation, the North Carolina Department of Labor, the United States Department of Labor, or the Equal Employment Opportunity Commission.

5.6 The parties agree that the Company has no prior legal obligation to make the additional payments set forth above in Sections 2.0 and 3.0 (including the sub-parts thereto) and that it has been exchanged for the promises of Employee stated in this Agreement. It is specifically understood and agreed that the additional payments, and each of them, are good and adequate consideration to support the waivers, releases and obligations contained herein, including, without limitation, Sections 6.0, 7.0, 8.0, and 9.0 and their respective sub-parts, and that all of the payments set forth Sections 2.0 and 3.0 (including the sub-parts thereto) are of value in addition to anything to which Employee already was entitled prior to the execution of this Agreement.

6.0 Confidentiality

6.1 Employee understands and agrees that all discussions, negotiations and correspondence relating to this Agreement are strictly confidential and that this confidentiality provision is a material term of this Agreement. Accordingly, Employee agrees not to disclose to anyone (other than counsel, accountants, immediate family members) such information unless such disclosure is (i) lawfully required by any government agency; (ii) otherwise required to be disclosed by law (including legally required financial reporting) and/or by court order; or (iii) necessary in any legal proceeding in order to enforce any provision of this Agreement.

6.2 The parties acknowledge that during the course of Employee's employment with the Company, he/she was given access, on a confidential basis, to Confidential Information which the Company has for years collected, developed, and/or discovered through a significant amount of effort and at great expense. The parties acknowledge that the Confidential Information of the Company is not generally known or easily obtained in the Company's trade, industry, business, or otherwise and that maintaining the secrecy of the Confidential Information is extremely important to the Company's ability to compete with its competitors.

6.3 Employee agrees that for a period of seven (7) years from the date of this Agreement, Employee shall not, without the prior written consent of the Company, divulge to any third party or use for his/her own benefit, or for any purpose other than the exclusive benefit of the Company, any Confidential Information of the Company; provided however, that nothing herein contained shall restrict Employee's ability to make such disclosures as such disclosures may be required by law; and further providing that nothing herein contained shall restrict Employee from divulging information that is readily available to the general public as long as such information did not become available to the general public as a direct or indirect result of Employee's breach of this section of this Agreement.

6.4 The term "Confidential Information" in this Agreement shall mean information that is not readily and easily available to the public or to persons in the same business, trade, or industry of the Company, and that concerns the Company's prices, pricing methods, costs, profits, profit margins, suppliers, methods, procedures, processes or combinations or applications thereof developed in, by, or for the Company's business, research and development projects, data, business strategies, marketing strategies, sales techniques, customer lists, customer information, or any other information concerning the Company or its business that is not readily and easily available to the public or to those persons in the same business, trade, or industry of the Company. The term "customer information" as used in this Agreement shall mean information that is not readily and easily available to the public or to those persons in the same business, trade, or industry and that concerns the course of dealing between the Company and its customers or potential customers solicited by the Company, customer preferences, particular contracts or locations of customers, negotiations with customers, and any other information concerning customers obtained by the Company that is not readily and easily available to the public or to those in the business, trade, or industry of the Company.

6.5 Employee hereby agrees that any failure to fully and completely comply with this provision shall entitle the Company to seek damages for a demonstrated breach of the confidentiality provision. Notwithstanding this Section, Employee may disclose the contents of Section 7.0 and its sub-parts to any subsequent employer.

6.6 Employee further agrees that he/she will notify the Company in writing within five (5) calendar days of the receipt of any subpoena, court order, administrative order or other legal process requiring disclosure of information subject to Section 6.0 and sub-parts thereto.

7.0 **Non-Solicitation/Non-Compete**

7.1 For a period of [twelve (12)][eighteen (18)] [twenty-four (24)] months following the termination of Employee's employment for any reason (the "Restriction Period"), Employee shall not, within the Prohibited Territory, become employed by, retained by or provide services to any person (including on Employee's on behalf), business, partnership, or other entity that competes with the Company's Business if and only if the employment, retention or services provided would require the Employee to perform the same or substantially similar duties and responsibilities typically performed by a Senior Vice President, Executive Vice President or Chief Executive Officer of the Company. Employee acknowledges that this Section contains reasonable limitations as to time, geographic area, and scope of activities to be restricted and that such promises do not impose a greater restraint on Employee than is necessary to protect the Company's goodwill, investment in the Employee's training, access to confidential, proprietary, and/or trade secrets of the Company, and other legitimate business interests of the Company. "Company's Business" means the provision of clinical medical testing, esoteric medical testing, anatomic pathology testing, occupational testing, DNA testing and analysis, clinical trials and other commercial medical testing product or service offered by the Company. "Prohibited Territory" means the United States.

7.2 For a period of [twelve (12)] [eighteen (18)] [twenty-four (24)] months following the termination of Employee's employment for any reason, Employee will not solicit or attempt to solicit, either directly or indirectly, or on behalf of any person, business, partnership, or other

entity, call upon, contact, or solicit any customer or customer prospect of the Company, or any representative of the same, with a view toward the sale or providing of any service or product competitive with the Company's Business; provided, however, the restrictions set forth in this Section shall apply only to customers or prospects of the Company, or representatives of the same, with which the Employee had contact during the last twenty-four (24) months of Employee's employment with the Company or who were known by Employee to be customers or prospects, or representatives of the same, of the Company. The parties agree and affirm that their intention with respect to Section 7.2 of this Agreement is that Employee's activities be limited only for a [twelve (12)] [eighteen (18)] [twenty-four (24)] month period after termination of Employee's employment with Company for any reason. The provisions calling for a "look back" of twenty four calendar months prior to the Termination Date are intended solely as a means of identifying the clients to which such restrictions apply and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction.

7.3 For a period of [twelve (12)] [eighteen (18)] [twenty-four (24)] months following the termination of Employee's employment for any reason, Employee shall not directly or indirectly through a subordinate, co-worker, peer, or any other person or entity contact, solicit, encourage or induce any officer, director or employee of LabCorp to work for or provide services to Employee and/or any other person or entity that either (i) directly provides products or services that compete with the Company's Business in the Restricted Territory or (ii) supplies, services, advises or consults with a person, trade or business that directly provides products or services that compete with the Company's Business in the Restricted Territory.

7.4 Employee acknowledges and agrees that the foregoing restrictions are necessary for the reasonable and proper protection of the Company; are reasonable in respect to subject matter, length of time, geographic scope, customer scope, and scope of activity to be restrained; and are not unduly harsh and oppressive so as to deprive Employee of his/her livelihood or to unduly restrict Employee's opportunity to earn a living after termination of Employee's employment with the Company. Employee further acknowledges and agrees that if any restrictions set forth in Section 7.0 and its subparts are found by any court of competent jurisdiction to be unenforceable or otherwise against public policy, the restriction shall be interpreted to extend only over the maximum period of time or other restriction as to which it would otherwise be enforceable.

8.0 Return of Company Property

8.1 Employee agrees that he/she will immediately return any and all Company documents and any copies thereof, in any form whatsoever, including computer records or files, containing secret, confidential and/or proprietary information or ideas, and any other Company property (including, but not limited to, any cell phones, pagers and/or computer equipment) in Employee's possession or control.

9.0 Duty to Cooperate and of Loyalty/Nondisparagement

9.1 Without limitation as to time, Employee agrees to cooperate and make all reasonable and lawful efforts to assist the Company in addressing any issues which may arise concerning any matter with which he/she was involved during his/her employment with the

Company, including, but not limited to cooperating in any litigation arising therefrom. The Company shall reimburse Employee at a fair and reasonable rate for services provided by the Employee to the Company in connection with services provided under this provision.

9.2 Employee will not (except as required by law) communicate to anyone, whether by word or deed, whether directly or through any intermediary, and whether expressly or by suggestion or innuendo, any statement, whether characterized as one of fact or of opinion, that is intended to cause or that reasonably would be expected to cause any person to whom it is communicated to have (1) a lowered opinion of the Company or any affiliates, including a lowered opinion of any products manufactured, sold, or used by, or any services offered or rendered by the Company or its affiliates; and/or (2) a lowered opinion of the Company's creditworthiness or business prospects. Employee's obligation in this regard extends to the reputation of the Company and any other person or entity described in Section 5.1 of this Agreement.

10.0 Section 409A of the Code

10.1 Notwithstanding any provisions of this Agreement to the contrary, no amounts shall be paid hereunder unless the Employee's termination is a Qualifying Termination.

10.2 Notwithstanding any provisions of this Agreement to the contrary, if the Employee is a "specified employee" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and determined pursuant to procedures adopted by the Company) at the time of such Employee's Qualifying Termination and if any portion of the payments or benefits to be received by the Employee upon a Qualifying Termination would be considered deferred compensation under Section 409A of the Code, amounts that would otherwise be payable pursuant to the Plan and this Agreement during the six-month period immediately following the Employee's Qualifying Termination (the "Delayed Payments") and benefits that would otherwise be provided pursuant to the Plan and this Agreement (the "Delayed Benefits") during the six-month period immediately following the Employee's Qualifying Termination (such period, the "Delay Period") shall instead be paid or made available on the earlier of (i) the first business day of the seventh (7^{th}) month following the Termination Date or (ii) the Employee's death (the applicable date, the "Permissible Payment Date"). The Company shall also reimburse the Employee for the after-tax cost incurred by the Employee in independently obtaining any Delayed Benefits (the "Additional Delayed Payments").

10.3 With respect to any amount of expenses eligible for reimbursement under Sections 3.1 and 10.2, such expenses shall be reimbursed by the Company within thirty (30) calendar days following the date on which the Company receives the applicable invoice from the Employee but in no event later than December 31 of the year following the year in which the Employee incurs the related expenses; provided, that with respect to reimbursement relating to the Additional Delayed Payments, such reimbursement shall be made on the Permissible Payment Date. In no event shall the reimbursements or in-kind benefits to be provided by the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall the Employee's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

10.4 It is the intention of the parties that payments or benefits payable under this Agreement not be subject to the additional tax imposed pursuant to Section 409A of the Code. To the extent such potential payments or benefits could become subject to such Section, the Company may amend this Agreement with the goal of giving the Covered Employee the economic benefits described herein in a manner that does not result in such tax being imposed.

10.5 For purposes of Section 409A of the Code, an Employee's right to receive any "installment" payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

11.0 Miscellaneous

11.1 This Agreement is binding on, and shall inure to the benefit of, the Parties hereto and their heirs, representatives, transferees, principals, executors, administrators, predecessors, successors, parents, subsidiaries, affiliates, assigns, agents, directors, officers and employees.

11.2 The Plan is incorporated herein by reference. This Agreement constitutes the complete agreement between, and contains all of the promises and undertakings by the Parties. Employee agrees that the only considerations for signing this Agreement are the terms stated herein above and that no other representations, promises, or assurances of any kind have been made to him/her by the Company, its attorneys, or any other person as an inducement to sign this Agreement. Any and all prior agreements, representations, negotiations and understandings among the Parties, oral or written, express or implied, with respect to the subject matter hereof are hereby superseded and merged herein.

11.3 This Agreement may not be revised or modified without the mutual written consent of the Parties.

11.4 The Parties acknowledge and agree that they have each had sufficient time to consider this Agreement and consult with legal counsel of their choosing concerning its meaning prior to entering into this Agreement. In entering into this Agreement, no Party has relied on any representations or warranties of any other Party other than the representations or warranties expressly set forth in this Agreement. Employee acknowledges that he/she has read this Agreement and that he/she possesses sufficient education and experience to fully understand the terms of this Agreement as it has been written, the legal and binding effect of this Agreement, and the exchange of benefits and payments for promises hereunder, and that he/she has had a full opportunity to discuss or ask questions about all such terms.

11.5 Except as otherwise provided in this Section, if any provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement; provided that, if any provision contained in this Agreement shall be adjudicated to be invalid or unenforceable because such provision is held to be excessively broad as to duration, geographic scope, activity or subject, such provision shall be deemed amended by limiting and reducing it so as to be valid and enforceable to the maximum extent compatible with the applicable laws of such jurisdiction, and such amendment only to apply with respect to the operation of such provision in

the applicable jurisdiction in which the adjudication is made. If Section 7.0 or any of its sub-parts of this Agreement is deemed invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, this entire Agreement shall be null and void, and any consideration paid hereunder shall be repaid immediately by Employee upon receipt of notice thereof.

11.6 Employee agrees that because he/she has rendered services of a special, unique, and extraordinary character, damages may not be an adequate or reasonable remedy for breach of his/her obligations under this Agreement. Accordingly, in the event of a breach or threatened breach by Employee of the provisions of this Agreement, the Company shall be entitled to (a) an injunction restraining Employee from violating the terms hereof, or from rendering services to any person, firm, corporation, association, or other entity to which any confidential information, trade secrets, or proprietary materials of the Company have been disclosed or are threatened to be disclosed, or for which Employee is working or rendering services, or threatens to work or render services; (b) all such other remedies available at law or in equity, including without limitation the recovery of damages, reasonable attorneys' fees and costs; and (c) withholding of any further payments under this Agreement which become due and owing after the occurrence of said violation, breach or threatened breach. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach of this Agreement, including the right to terminate any payments to Employee pursuant to this Agreement or the recovery of damages from Employee. Employee agrees that the issuance of the injunction described in this Section may be without the posting of any bond or other security by the Company.

11.7 Such notice and any other notices required under this Agreement shall be served upon the Company via telecopier and U.S. Mail as follows:

If to the Company:

Laboratory Corporation of America Holdings
531 S. Spring Street
Burlington, NC 27215
Telephone No.: (336) 436-4226
Telecopier No.: (336) 436-4177
Attention: General Counsel

With a copy to:

Laboratory Corporation of America Holdings
531 S. Spring Street
Burlington, NC 27215
Attention: Director of HR Compliance

If to the Employee:

_____
_____
_____

11.8 This Agreement shall be construed in accordance with and governed by the laws, except choice of law provisions, of the State of North Carolina and shall govern to the exclusion of the laws of any other forum including but not limited to the laws of the State of California. The parties further agree that any action, special proceeding or other proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the State of North Carolina. ***Employee and Company irrevocably consent to the jurisdiction of the Federal and State courts of North Carolina and that Employee hereby consents and submits to personal jurisdiction in the State of North Carolina. Employee and Company irrevocably waive any objection, including an objection or defense based on lack of personal jurisdiction, improper venue or forum non-conveniens which either may now or hereafter have to the bringing of any action or proceeding in connection with this Agreement. Employee acknowledges and recognizes that in the event that he/she has breached this Agreement, the Company may initiate a lawsuit against him/her in North Carolina and that Employee will be required to travel to and defend himself/herself in North Carolina.***

11.9 The Effective Date of this Agreement shall be either (a) the Termination Date or (b) the day after expiration of the seven (7) day revocation period set forth in Section 5.2 of this

Agreement, whichever date is later.

If you agree with the foregoing, please sign below and return two (2) originals to me. You should retain one (1) original copy of this Agreement for your records.

Sincerely,

David P. King
President and Chief Executive Officer

Agreed to and accepted:

_____ Dated: _____

Exhibit 10.2

LABORATORY CORPORATION OF AMERICA HOLDINGS
MASTER SENIOR EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN
(Effective February 10, 2009)

PURPOSE

The purpose of this Laboratory Corporation of America Holdings Master Senior Executive Severance Change In Control Plan (the "**Plan**") is to provide severance benefits for a select group of management employees in the event that there is a Change in Control of Laboratory Corporation of America Holdings ("LabCorp"). The Plan is not intended to duplicate severance benefits provided to certain employees who have entered into individual agreements relating to employment or the termination thereof or are receiving benefits under the Laboratory Corporation of America Holdings Amended and Restated Master Senior Executive Severance Plan

ARTICLE I
DEFINITIONS

When used in this Plan and initially capitalized, the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

1.1 "**Base Salary**" shall mean, as to any Covered Employee for any period, his annual base salary rate, as of his Qualifying Termination, which is paid to him by the Company during his employment for such period, before reduction because of an election between benefits or cash provided under a plan of the Company maintained pursuant to Section 125 or 401(k) of the Internal Revenue Code of 1986, as amended, and before reduction for any other amounts contributed to any other employee benefit plan.

1.2 "**Cause**" shall mean, as to any Covered Employee, that such Covered Employee shall have committed prior to his termination of employment with the Company any of the following acts:

(a) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with his duties or in the course of his employment with the Company;

(b) the conviction of or entering of a plea of nolo contendere to a felony;

(c) alcohol intoxication on the job or current illegal drug use;

(d) intentional wrongful damage to tangible assets of the Company;

(e) intentional wrongful disclosure of material confidential information of the Company and/or materially breaching the noncompetition or confidentiality provisions of

the Company's Employment Agreement and Confidentiality Statement or any other noncompetition or confidentiality provisions covering the activities of such employee;

(f) knowing and intentional breach of any employment policy of the Company; or

(g) gross neglect or misconduct, disloyalty, dishonesty, or breach of trust in the performance of the Covered Employee's duties that is not corrected to the Board's satisfaction within 30 days of the Covered Employee receiving notice thereof.

1.3 "**Change in Control**" shall mean an event of a nature that:

(a) any "**person**" (as the term is defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended ("**the Exchange Act**")) who is not now presently but becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 40percent or more of the Company's outstanding securities except for any securities purchased by any tax-qualified employee benefit plan of the Company; or

(b) individuals who constitute the Board on the Effective Date (the "**Incumbent Board**") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to the date hereof whose election was approved by a vote of at least three-quarters of the directors comprising the Incumbent Board (including any such directors whose election was so approved), or whose nomination for election by the Company's stockholders was approved by the Incumbent Board (including such directors whose election was so approved), shall be for purposes of this clause (b), considered as though he or she were a member of the Incumbent Board; or

(c) a plan of reorganization, merger, consolidation, sale of all or substantially all the assets of the Company or similar transaction occurs in which the Company is not the resulting entity.

1.4 1.4 "**Company**" shall mean Laboratory Corporation of America Holdings and any successor corporation.

1.5 "**Covered Employee**" shall mean an employee described in Article II of the Plan.

1.6 "**Designated Group**" shall mean any one of the groups of employees designated as such on Schedule 1 attached hereto.

1.7 "**Effective Date**" shall mean February 10, 2009.

1.8 "**Employer**" shall mean the Company.

1.9 "**Good Reason**" shall mean:

(a) a material reduction in the base salary or targeted bonus as a percent of a base salary without the consent of the employee;

(b) relocation to an office location more than 75 miles from the employee's current office without the consent of the employee; or

(c) a material reduction in job responsibilities and duties or transfer to another job without the consent of the employee.

Notwithstanding the foregoing, "Good Reason" shall not include a reduction in base salary or target bonus of the Covered Employee where such reduction is pursuant to a Company-wide reduction of base salaries and/or target bonuses.

1.10 "**Plan**" shall mean the Laboratory Corporation of America Holdings Master Senior Executive Change in Control Severance Plan, as the same may hereafter be amended from time to time.

1.11 "**Qualifying Termination**" shall mean:

(a) involuntary Termination without Cause within 36 months following a Change in Control; or

voluntary Termination with Good Reason within 36 months following a Change in Control; however, notwithstanding the foregoing, the voluntary Termination by the Covered Employee must occur within 90 days after the occurrence of the Good Reason and after the Company has received notice of the Good Reason event and failed to cure within 30 days after receiving such notice. Otherwise, such Termination shall be considered voluntary Termination without Good Reason and not a Qualifying Termination.

Notwithstanding the foregoing, "Qualifying Termination" shall not mean any Termination of an employee's employment with the Company by reason of death, disability, or retirement of the employee.

1.12 "**Severance Pay**" shall mean the sum payable as set forth in Section 3.1 of the Plan.

1.13 "**MIB Average Bonus**" shall mean the total dollar amount of the last three MIB Bonuses paid to the Covered Employee divided by 3. If, however, the Covered Employee has received less than three MIB Bonuses during the term of the Covered Employee's employment, then the MIB Average Bonus shall equal the total dollar amount of the MIB Bonuses paid to the Covered Employee divided by the number of MIB Bonuses received by the Covered Employee.

1.14 "**MIB Bonus"** shall mean the bonus paid to the Covered Employee under the Laboratory Corporation of America Holdings Management Incentive Bonus Plan.

1.15 "**Term**" shall mean the period commencing on the Effective Date and ending at the time determined in accordance with Section 7.2.

1.16 "**Termination**" shall cover all terminations of employment referred to under this Plan and shall mean a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") as amended.

ARTICLE II
COVERED EMPLOYEES

2.1 **Status as a Covered Employee**. Any management employee of the Company designated by the Board to participate in the Plan and who is at the time of a Qualifying Termination such a designated employee shall be eligible to receive the benefits described in the Plan. As of the Effective Date, those employees so designated by the Board are as set forth on the attached Schedule 1. No employee who is entitled to receive payments under (1) an individual agreement relating to benefits payable upon said employee's termination of employment, or (2) the Amended and Restated Master Senior Executive Severance Plan, shall be a Covered Employee, even if his or her position is listed on Schedule 1.

ARTICLE III
SEVERANCE PAY

3.1 **Amount of Severance.** Subject to Sections 3.2 and 3.3, upon the occurrence of a Qualifying Termination and the execution by the employee of a Special Severance Agreement in substantially the form attached as Exhibit A (such agreement to be executed within 30 days of the Qualifying Termination or within 45 days of the Qualifying Termination if necessary to comply with the requirements of the Age Discrimination in Employment Act of 1967), which will contain, among other things, noncompetition, nonsolicitation, duty of loyalty, confidentiality, and release provisions that shall apply to each severance arrangement during, and in certain instances after, the time when any severance payments are being made to each employee, the Company shall pay Severance Pay to a Covered Employee in an amount equal to the mathematical product of multiplying the factor shown on Schedule 1 for the Designated Group to which the employee belongs at the time of termination, times the sum of the Covered Employee's Base Salary plus MIB Average Bonus. Additionally, such Covered Employee shall be entitled, for up to six months following a Qualifying Termination, to reimbursement by the Company of the Applicable Premium for the continuation of those health benefits for which he or she qualified at the time of the Qualifying Termination, pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), to the extent actually paid by the Covered Employee.

3.2 **Effect on Other Benefit Programs.**

(a) The Severance Pay provided for hereunder is not intended to duplicate any payments to which a Covered Employee would otherwise be entitled under any individual agreement relating to employment (or the termination thereof) with the Company. Accordingly, no Severance Payment shall be payable under the Plan to any employee of the Company who is a party to such an agreement, unless such employee expressly waives his right to receive all payments and all other benefits thereunder and expressly elects to receive Severance Payments pursuant to this Plan in lieu of any

payment and other consideration that would otherwise be provided to him pursuant to any such agreement.

(b) By the acceptance of any Severance Pay under the Plan, a Covered Employee shall be deemed to waive, release, and forever discharge any and all claims to the payment of any severance benefit under any severance plan or program of the Company other than the Plan or Agreement.

3.3 **Limitation on Amount of Severance Pay.** Notwithstanding any other provision of this Plan, the total of the Severance Pay plus the Applicable Premiums to be paid to or on behalf of a Covered Employee shall not exceed three times the Covered Employee's Annual Compensation during the year immediately preceding his termination of service. "**Annual Compensation**" means the total of all compensation, including wages, salary, and any other benefit of monetary value, whether paid in the form of cash or otherwise, that was paid as consideration for the employee's service during the year or that would have been so paid at the employee's usual rate of compensation if the employee had worked a full year.

3.4 **No Duty to Mitigate.** A Covered Employee shall not be required by reason of the Plan to mitigate damages or the amount of his Severance Pay under the Plan by seeking other employment or otherwise, nor shall the amount of such payments be reduced or adjusted by compensation earned by the Covered Employee as a result of employment after his Qualifying Termination.

ARTICLE IV
CESSATION OF BENEFITS

4.1 **Reemployment With the Company.** If an employee already has received benefits under the Plan, a Covered Employee who recommences employment with the Company shall not be entitled to any further benefits under the Plan.

4.2 **Breach of the Special Severance Agreement.** If an employee breaches any material term of the Special Severance Agreement, he or she shall be entitled to no further benefits under the Plan. For purposes of this section, any violation of the confidentiality, noncompetition, nonsolicitation, release, or duty of loyalty provisions shall be considered "material."

ARTICLE V
DISTRIBUTION OF CASH PAYMENTS

5.1 **Severance Pay.** The Company shall pay the Covered Employee the amount to which he or she is entitled under Section 3.1 as follows: (a) 50 percent of the total Severance Pay due, less statutory deductions, shall be paid within 30 days following the execution of a Special Severance Agreement, but in no event shall be paid later than March 15 of the year following the year in which the Qualifying Termination occurred; and (b) the remaining 50 percent of Severance Pay, less statutory deductions, shall be paid within 30 days following the one-year anniversary of the execution of the Special Severance Agreement, but only if the employee has complied in all material respects with the terms and conditions of the Special Severance Agreement. Notwithstanding the foregoing, all payments due hereunder shall be completed

within 24 months of the termination of the Covered Employee's employment, but payments shall be due hereunder only if the employee has complied in all material respects with the terms and conditions of the Special Severance Agreement. Each payment specified under this Section 5.1 shall be deemed to be separate payments.

Notwithstanding any provisions of this Plan to the contrary, if the Covered Employee is a "specified employee" (within the meaning of Section 409A of the Code and determined pursuant to procedures adopted by the Company) at the time of such Covered Employee's Qualifying Termination and if any portion of the payments or benefits to be received by the Covered Employee upon a Qualifying Termination would be considered deferred compensation under Section 409A of the Code, amounts that would otherwise be payable pursuant to this Plan during the six-month period immediately following the Covered Employee's Qualifying Termination (the "Delayed Payments") and benefits that would otherwise be provided pursuant to this Plan (the "Delayed Benefits") during the six-month period immediately following the Covered Employee's Qualifying Termination (such period, the "Delay Period") shall instead be paid or made available on the earlier of (i) the first business day of the seventh (7^{th}) month following the date of the Covered Employee's Qualifying Termination or (ii) the Covered Employee's death (the applicable date, the "Permissible Payment Date"). The Company shall also reimburse the Covered Employee for the after-tax cost incurred by the Covered Employee in independently obtaining any Delayed Benefits (the "Additional Delayed Payments").

With respect to any amount of expenses eligible for reimbursement under Section 3.1 and 5.1, such expenses shall be reimbursed by the Company within thirty (30) calendar days following the date on which the Company receives the applicable invoice from the Covered Employee but in no event later than December 31 of the year following the year in which the Covered Employee incurs the related expenses; provided, that with respect to reimbursement relating to the Additional Delayed Payments, such reimbursement shall be made on the Permissible Payment Date. In no event shall the reimbursements or in-kind benefits to be provided by the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall the Covered Employee's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

It is the intention of the parties that payments or benefits payable under this Plan not be subject to the additional tax imposed pursuant to Section 409A of the Code. To the extent such potential payments or benefits could become subject to such Section, the Company may amend this Plan with the goal of giving the Covered Employee the economic benefits described herein in a manner that does not result in such tax being imposed.

For purposes of Section 409A of the Code, a Covered Employee's right to receive any "installment" payments pursuant to this Plan shall be treated as a right to receive a series of separate and distinct payments.

5.2 Gross-Up for Excise Tax. In the event that the Covered Employee becomes entitled to payment hereunder pursuant to Section 3.1, if such Covered Employee will be subject to excise tax (the "Excise Tax") under Section 4999 of the Code, the Company shall pay to such Covered Employee as additional Severance Pay an amount (the "Gross-Up Payment") which, after payment by such Covered Employee of all taxes (including any federal, state and local

income tax and excise tax upon the payment provided for by this Section 5.2) allows the Covered Employee to retain an amount of the Gross-Up Payment equal to the Excise Tax. For purposes of determining whether a Covered Employee will be subject to the Excise Tax and the amount of such Excise Tax, (i) any other payments or benefits received or to be received by such Covered Employee in connection with a Change in Control of the Company or the Covered Employee's termination of employment (whether pursuant to the terms of any other plan, arrangement or agreement with the Company, any entity whose actions result in a Change in Control of the Company or any entity affiliated with the Company or such entity) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and reasonably acceptable to the Covered Employee such other payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Section 280G(b)(4)(A) of the Code, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, or are otherwise not subject to the Excise Tax, (ii) the amount of payments treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of payments or benefits conferred on such Covered Employees by reason of the Change of Control or (B) the amount of excess parachute payments within the meaning of Section 280G(b)(1) of the Code (after applying clause (i), above), and (iii) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder, the Covered Employee shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of Gross-Up Payment attributable to such reduction (plus that portion of the Gross-Up Payment attributable to the Excise Tax and federal, state and local income tax deduction) plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Covered Employee with respect to such excess) at the time that the amount of such excess finally is determined. The Covered Employee and the Company each shall reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence of liability for Excise Tax. The Gross-Up Payment shall be reduced by the amount of any other such gross-up payment made to the Covered Employee pursuant to a separate agreement or provision of any award which would be included in the calculation of "parachute payments" described above, to avoid the duplication of any gross-up payments. Any Gross-Up payment made by the Company shall be paid to the Covered Employee no later than the end of the Covered Employee's taxable year following the Covered Employee's taxable year in which he or she remits the taxes to the taxing authority.

ARTICLE VI
ADMINISTRATION OF PLAN

6.1 **In General: Delegation.** The Plan shall be administered by the Board. The Board shall have sole and absolute discretion to interpret where necessary all provisions of the Plan

(including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to determine the rights and status under the Plan of employees or other persons, to resolve questions or disputes arising under the Plan, and to make any determinations with respect to the benefits payable hereunder and the persons entitled thereto as may be necessary for the purposes of the Plan. Without limiting the generality of the foregoing, the Board is hereby granted the authority (i) to determine whether a particular termination of employment constitutes a "**Qualifying Termination,**" and (ii) to determine whether a particular employee is a "**Covered Employee**" under the Plan.

The Board may delegate any of its administrative duties, including, without limitation, duties with respect to the processing, review, investigation, approval, and payment of Severance Pay to a named administrator or administrators. The Board's determination of the rights of any employee hereunder shall be final and binding on all persons.

6.2 **Regulations.** The Board may promulgate any rules and regulations that it deems necessary to carry out the purposes of this Plan, or to interpret the terms and conditions of the Plan; provided, however, that no rule, regulation, or interpretation shall be contrary to the provisions of the Plan. The rules, regulations, and interpretations made by the Board, and any determination of entitlement to benefits hereunder, shall be final and binding on any employee or former employee of the Company.

6.3 **Claims for Benefits and Review of Denials.** A terminating Covered Employee will be considered for benefits under the Plan automatically. Any other employee of the Company who believes he is entitled to a benefit under the Plan may make a claim for such benefit by submitting a written statement to the Board of Directors setting forth the benefit to which the claimant deems himself entitled, and the factual basis for his claim.

The Board of Directors or its delegate (hereinafter "**Board of Directors**" for purposes of Section 6.3 only) will make a determination of whether an employee recognized by the Board of Directors as a Covered Employee is entitled to benefits under this Plan no later than the day prior to the date of such employee's termination. The Board of Directors will act on any other application (including a claim of status as a Covered Employee made as part of a claim for benefits) or make any other determination it is requested to make under the Plan and will inform the employee of its decision within 30 days of the date the application or request is made, unless a longer time is required by special circumstances, in which event the claimant will be notified in writing of the special circumstances and of the expected decision date. The determination will be made no later than 90 days after the date the application or request is received. If the determination is a denial of a claim, the Board of Directors will notify the claimant in writing of the denial, setting forth the specific reasons for the denial and referring specifically to the Plan provisions on which the denial is based. The notice also will contain a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary. The notice will provide appropriate information to the claimant on steps to appeal the denial. The claimant will have 60 days from the date of the notice to request review of the decision by the Board of Directors and may review pertinent documents and submit any additional information along with the request for review that he or she deems pertinent. A decision on review will be made within 60 days of receipt of the request for review, except that the time for rendering the decision may be extended to 120 days when

special circumstances make it necessary to do so, in which event the claimant will be notified in writing of the extension, informed of the special circumstances, and informed of an expected decision date. The decision on review, if it is a denial of the claim, will be in writing, will specify the provisions of the Plan on which it is based, and will set forth specific reasons for the denial.

ARTICLE VII
AMENDMENT OR TERMINATION OF PLAN

7.1 **Right to Amend or Terminate.** The Company reserves the right to alter, amend, or terminate the Plan at any time. Any change in the terms of the Plan (including termination of the Plan) that results from the exercise of the Company's right to alter, amend, or terminate the Plan may be applicable to active and/or former employees, including employees who separated from service prior to the date on which the Company exercises its power to alter, amend, or terminate the Plan, provided, however, that no such change in the terms of the Plan will affect the amount of any benefit that was paid prior to the date on which such change is adopted, or any benefit promised in a Special Severance Agreement that was fully executed prior to the date on which such change is adopted. Only the Board of Directors may exercise the Company's reserved rights under this paragraph. No officer, employee, or representative of the Company has the authority to promise or represent that anyone's coverage and/or benefit under the Plan is or will be exempt from the Company's reserved right to alter, amend, or terminate the Plan at any time, unless such promise or representation is in writing and signed by hand by the President of the Company. Notwithstanding the foregoing, the Plan and a Covered Employee's participation in the Plan shall not be terminated for 36 months following a Change in Control.

7.2 **Termination.** This Plan shall continue in force until such time as the Board shall terminate the Plan. Notwithstanding the foregoing, the Plan and a Covered Employee's participation in the Plan shall not be terminated for 36 months following a Change in Control.

ARTICLE VIII
METHOD OF FUNDING

8.1 **Plan is Not Funded.** The Company shall pay benefits under the Plan from current operating funds. No property of the Company is or shall be, by reason of this Plan, held in trust for any employee of the Company, nor shall any person have any interest in or any lien or prior claim upon any property of the Company by reason of this Plan or the Company's obligations to make payments hereunder.

ARTICLE IX
MISCELLANEOUS

9.1 **Limitation on Rights.** Neither the establishment of the Plan nor participation herein shall give any employee the right to be retained in the service of the Company or any rights to any benefits whatsoever, except to the extent specifically set forth herein.

9.2 **Headings.** Headings of Articles and Sections in this instrument are for convenience only and do not constitute any party of the Plan.

9.3 **Gender and Number.** Unless the context clearly indicates otherwise, the masculine gender when used in the Plan shall include the feminine, and the singular number shall include the plural and the plural number the singular.

9.4 **Tax Withholding.** The Company may withhold from any amounts payable under this Plan all federal, state, city, or other taxes as shall be required to be withheld pursuant to any law or governmental regulation or ruling.

Governing Law. The Plan shall be construed and governed in all respects in accordance with the internal substantive laws of the State of Delaware.

IN WITNESS WHEREOF, the undersigned authorized officer of the Company has executed this document on the 10th day of February, 2009.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By: /s/ F. Samuel Eberts III

Schedule 1 to
Amended and Restated Master Senior Executive Severance Plan

Designated Groups, Covered Employees,
and Benefit Levels

Designated Group	Covered Employees	Severance Benefit for Change In Control Event as a Multiple of Base Salary Plus MIB Average Bonus
President	President	3X
Executive Vice Presidents	All Executive Vice Presidents	2X
Senior Vice Presidents	All Senior Vice Presidents	1X

Exhibit 12.1

STATEMENT OF COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(dollars in millions, except ratio information)

	Fiscal Years Ended December 31,					
	Adjusted (b) 2004	2005	2006	2007	Adjusted (a) 2008	Three Months Ended March 31, 2009
Income from continuing operations before income taxes	530.5	640.7	720.9	802.3	785.7	226.2
Fixed Charges:						
Interest on long-term and short-term debt including amortization of debt expense	120.9	34.4	47.8	56.6	72.0	17.0
Portion of rental expense as can be demonstrated to be representative of the interest factor	35.5	39.9	43.6	53.0	58.4	15.3
Total fixed charges	156.4	74.3	91.4	109.6	130.4	32.3
Earnings before income taxes plus fixed charges	686.9	715.0	812.3	911.9	916.1	258.5
Ratio of earnings to fixed charges	4.39	9.62	8.89	8.32	7.03	8.00

(a) In accordance with SFAS No. 160 (a new accounting standard that became effective January 1, 2009), the amounts reported for 2008 have been retrospectively adjusted. Retrospective adoption was required as discussed in Note 9, "New Accounting Pronouncements," in *Notes to Unaudited Condensed Consolidated Financial Statements.*

(b) In accordance with Staff Position No. APB 14-1 (a new staff position that became effective January 1, 2009), the amounts reported for 2004 have been retrospectively adjusted. Retrospective adoption was required as discussed in Note 9, "New Accounting Pronouncements," in *Notes to Unaudited Condensed Consolidated Financial Statements.*

Exhibit 31.1

Certification

I, David P. King, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Laboratory Corporation of America Holdings;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2009

By: /s/ DAVID P. KING
David P. King
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification

I, William B. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Laboratory Corporation of America Holdings;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2009

By: /s/ WILLIAM B. HAYES
William B. Hayes
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Written Statement of
Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer and the Chief Financial Officer of Laboratory Corporation of America Holdings (the "Company"), each hereby certifies that, to his knowledge on the date hereof:

(a) the Form 10-Q of the Company for the Period Ended March 31, 2009 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ DAVID P. KING
David P. King
Chief Executive Officer
April 30, 2009

By: /s/ WILLIAM B. HAYES
William B. Hayes
Chief Financial Officer
April 30, 2009