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Laboratory Corporation of America

J.P. MORGAN HEALTHCARE CONFERENCE

JANUARY 13, 2015 | **SAN FRANCISCO, CA**

FORWARD LOOKING STATEMENT

Cautionary Statement Regarding Forward Looking Statements

This presentation contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These statements, as they relate to Laboratory Corporation of America Holdings ("LabCorp") or Covance Inc. ("Covance"), the management of either such company or the proposed transaction between LabCorp and Covance, involve risks and uncertainties that may cause results to differ materially from those set forth in the statements. These statements are based on current plans, estimates and projections, and therefore, you are cautioned not to place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. LabCorp and Covance undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by law. Forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the business and future financial results of the pharmaceutical industry, and other legal, regulatory and economic developments. We use words such as "anticipates," "believes," "plans," "expects," "projects," "future," "intends," "may," "will," "should," "could," "estimates," "predicts," "potential," "continue," "guidance," and similar expressions to identify these forward-looking statements that are intended to be covered by the safe harbor provisions of the PSLRA. Actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including, but not limited to, those described in the documents LabCorp and Covance have filed with the U.S. Securities and Exchange Commission (the "SEC") as well as the possibility that (1) LabCorp and Covance may be unable to obtain stockholder or regulatory approvals required for the proposed transaction or may be required to accept conditions that could reduce the anticipated benefits of the merger as a condition to obtaining regulatory approvals; (2) the length of time necessary to consummate the proposed transaction may be longer than anticipated; (3) problems may arise in successfully integrating the businesses of LabCorp and Covance or such integration may be more difficult, time-consuming or costly than expected; (4) the proposed transaction may involve unexpected costs; (5) the businesses may suffer as a result of uncertainty surrounding the proposed transaction, including difficulties in maintaining relationships with customers or retaining key employees; (6) the parties may be unable to meet expectations regarding the timing, completion and accounting and tax treatments of the transaction; or (7) the industry may be subject to future risks that are described in the "Risk Factors" section of the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the SEC by LabCorp and Covance. Neither LabCorp nor Covance gives any assurance that either LabCorp or Covance will achieve its expectations.

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Investors and security holders will be able to obtain free copies of the registration statement, proxy statement/prospectus and all other relevant documents filed or that will be filed by Covance or LabCorp with the SEC through the website maintained by the SEC at www.sec.gov.

In addition, investors and security holders may obtain free copies of the proxy statement/prospectus and other relevant documents filed by Covance with the SEC by accessing Covance's website at www.covance.com or upon written request to Covance Inc., Office of the Secretary, 210 Carnegie Center, Princeton, New Jersey 08540. Free copies of the registration statement, proxy statement/prospectus and other relevant documents filed by LabCorp with the SEC are available on LabCorp's website at www.labcorp.com or upon written request to Laboratory Corporation of America Holdings, Office of the Secretary, 358 South Main Street, Burlington, North Carolina 27215.

Participants in Solicitation

LabCorp, Covance and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Covance's stockholders in connection with the proposed transaction. Information regarding Covance's directors and executive officers is contained in the proxy statement for Covance's 2014 Annual Meeting of Shareholders, which was filed with the SEC on March 24, 2014. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing Covance's website at www.covance.com. Information regarding LabCorp's executive officers and directors is contained in the proxy statement for LabCorp's 2014 Annual Meeting of Shareholders filed with the SEC on April 4, 2014. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing LabCorp's website at www.labcorp.com. Additional information regarding those persons and other persons who may be deemed participants in the proxy solicitation, including their respective direct and indirect interests in the proposed transaction, by security holdings or otherwise, is contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC. You may obtain free copies of these documents as described in the preceding paragraph.

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INTRODUCTION TO LABCORP

Leading National Clinical Laboratory

- ~$6B in revenue last year
- $60B US Clinical Laboratory market
- 34,000+ employees worldwide
- National network of 37 primary laboratories and 1,750 patient service centers
- Offers broad range of 4,500+ clinical, anatomic pathology, genetic and genomic tests
- Processes ~500,000 patient specimens daily
- Serves >220,000 physicians, government agencies, managed care organizations, hospitals, clinical labs and pharmaceutical companies
- Comprehensive logistics and IT connectivity capabilities

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CORE BUSINESS STRENGTH

Deploy capital to investments that enhance our business and return capital to shareholders

Enhance IT capabilities to improve physician and patient experience

Continue to improve efficiency to offer the most compelling value in laboratory services

Scientific innovation at appropriate pricing

Development of knowledge services

Our Five Pillar strategy and ongoing initiatives continue without interruption:

Attractive opportunities for capital deployment	**IT innovation**	**Business process re-engineering**	**174 new tests launched in 2014**	**BeaconLBS Enlighten Health**

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TODAY'S DISCUSSION: CREATING THE WORLD'S LEADING HEALTHCARE DIAGNOSTICS COMPANY

Announced Agreement to Acquire Covance

- **Consideration**: $75.76 in cash and 0.2686 LabCorp shares per Covance share
- **Valuation:** Enterprise value of $5.6B
- **Financing**: $4.25B of committed debt
- **Timing:** Closing expected Q1 2015

COVANCE
SOLUTIONS MADE REAL™

Growth: New value for pharma, payers, providers, and consumers

Today's discussion focuses on how this merger creates value and delivers sustained profitable growth

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INTRODUCTION TO COVANCE

Leading CRO & Drug Development Services Provider

- ~$2.5B in revenue last year
- Serves $140 billion global pharmaceutical R&D market
- Only provider of full spectrum of drug development services
  - Involved in the development of all of the top 50 drugs on the market
  - #1 in central laboratory / preclinical services
  - ~$900M revenue in Phase I-IV clinical trial management services
- Generates more safety and efficacy data than any other CRO
- Market leader in nutritional chemistry and food safety testing
- 12,500+ employees worldwide
- Global network of operations in 30+ countries with trial activity in over 100 countries

COVANCE®
SOLUTIONS MADE REAL™

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TRANSFORMATIVE COMBINATION: CREATING THE WORLD'S LEADING HEALTHCARE DIAGNOSTICS COMPANY

Powerful combination of personnel, assets, and capabilities

- Strong management teams
- Commercial infrastructure and global footprint
- Breadth of relationships (physicians, pharma, consumers, payers, hospitals, etc.)
- Physician and consumer access and connectivity
- Scientific, bioinformatics and analytics expertise
- Continued innovation and targeted investment
- Complementary datasets
- Industry growth

Trends favor high quality, efficient providers that deliver better outcomes at lower cost

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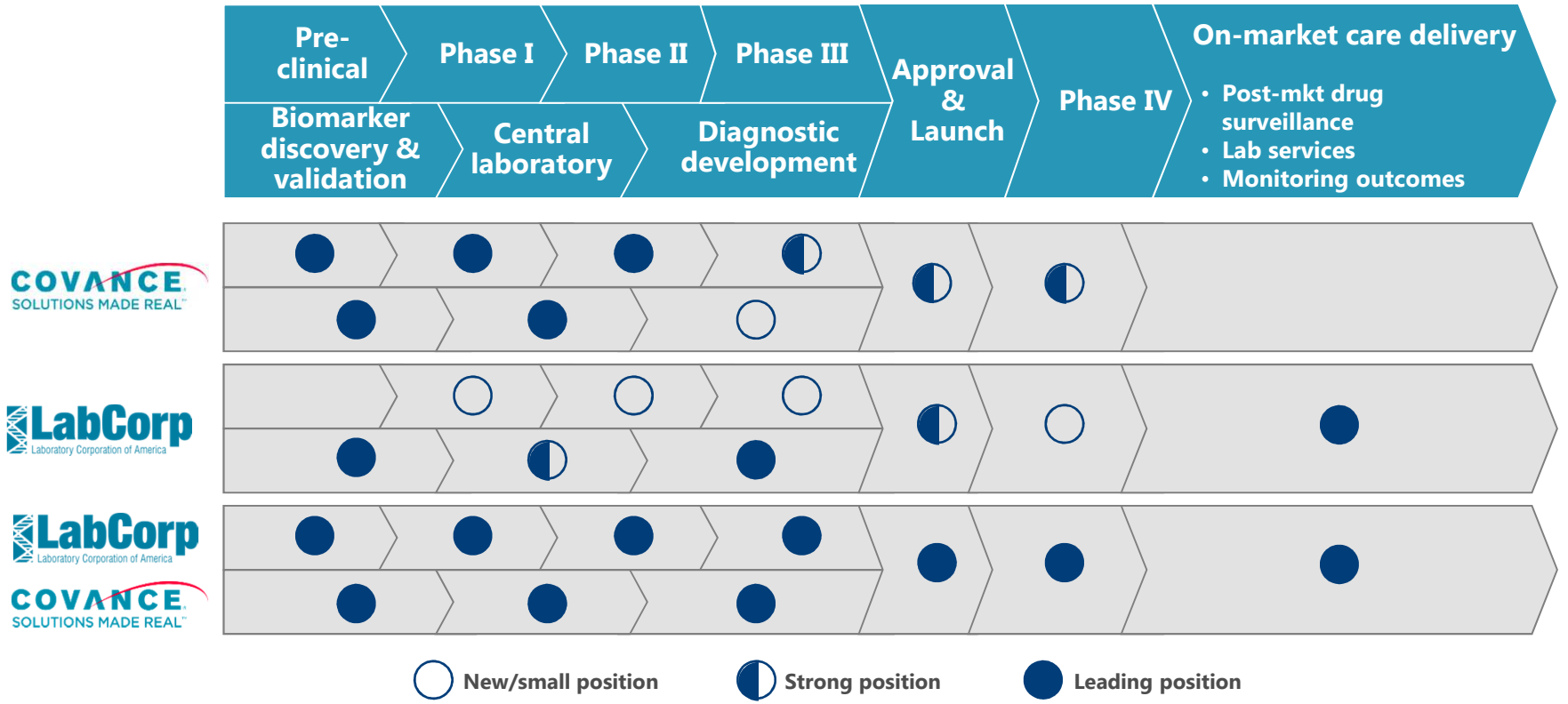
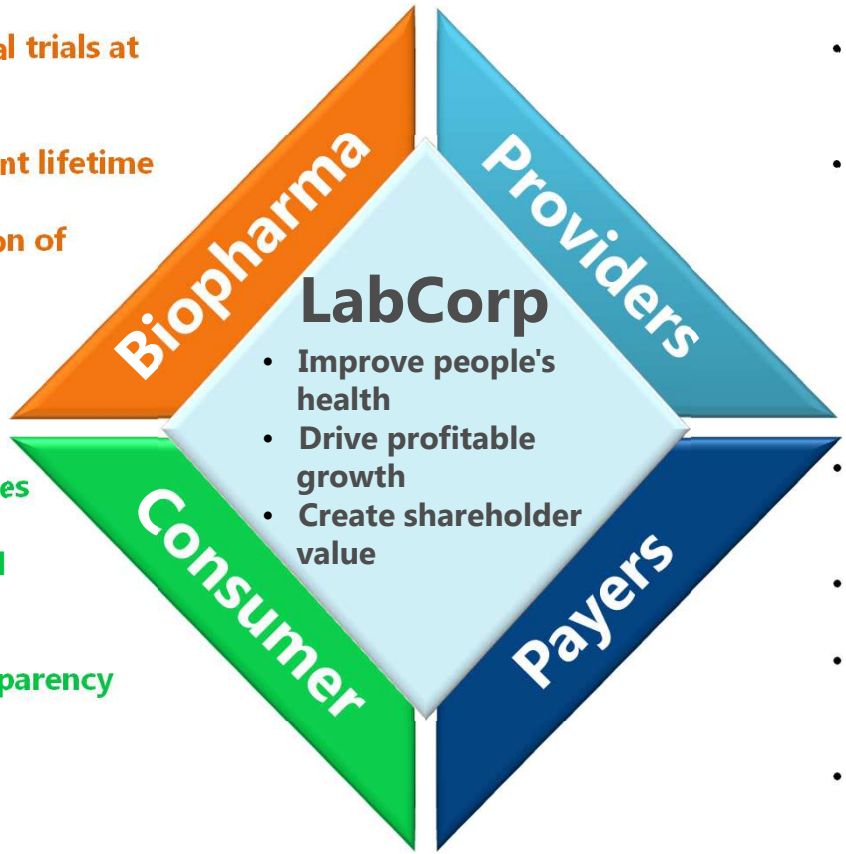
COMBINATION CREATES THE BEST END-TO-END PARTNER FOR PHARMACEUTICAL AND BIOTECH DEVELOPMENT



LABCORP WILL BE THE PARTNER OF CHOICE FOR BIOPHARMA *AND* IMPROVE THE LIVES OF PATIENTS

- Faster, higher quality clinical trials at lower cost
- Increased sales during patent lifetime
- Expedited commercialization of companion diagnostics
- Data analytics reduce safety recalls
- More personalized medicines
- Extended life and improved quality of life
- Greater access to and transparency regarding clinical trials



- Greater access to clinical trials for patients
- Data & analytics drive increased confidence in prescriptions for:
  - ...the right drug...
  - ...the right patient...
  - ...the right time
- Improved patient outcomes at lower cost
- Fewer failures of therapy
- Data & analytics to inform prescribing decisions
- Reduced hospitalization costs

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2015 AND 2016 PRIORITIES

Continue core business initiatives
(Business process re-engineering, BeaconLBS, Enlighten Health)

Unify organizations

Capitalize on the enhanced capabilities of our combined lab organizations

Deliver synergies
($100M annual cost reduction by 2017)

Fully deploy top three value creation opportunities

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COMBINATION PROVIDES SIGNIFICANT NEW GROWTH AVENUES

Wave One

1. Deliver faster clinical trial enrollment
2. Partner of choice to develop and commercialize companion diagnostics
3. Enhance Phase IV trial experience and post-market surveillance

Wave Two

- International expansion
- Predictive analytics for stakeholders
- Food safety & nutritional chemistry

Prioritized top 3 opportunities based on materiality, feasibility, and strategic fit

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DETAIL ON THE TOP THREE OPPORTUNITIES

	Incremental 2018 Revenue
1 Deliver faster clinical trial enrollment	>$150M
2 Partner of choice to develop and commercialize companion diagnostics	>$100M
3 Enhance Phase IV trial experience and post-market surveillance	>$50M

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TOP THREE VALUE CREATORS TO BRING TO MARKET IN 2016

1. **Deliver faster clinical trial enrollment**
2. Partner of choice to develop and commercialize companion diagnostics
3. Enhance Phase IV trial experience and post-market surveillance

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ACQUISITION ALLOWS US TO IDENTIFY AND TARGET PATIENT POPULATIONS WITH SPECIFIC DISEASE CONDITIONS

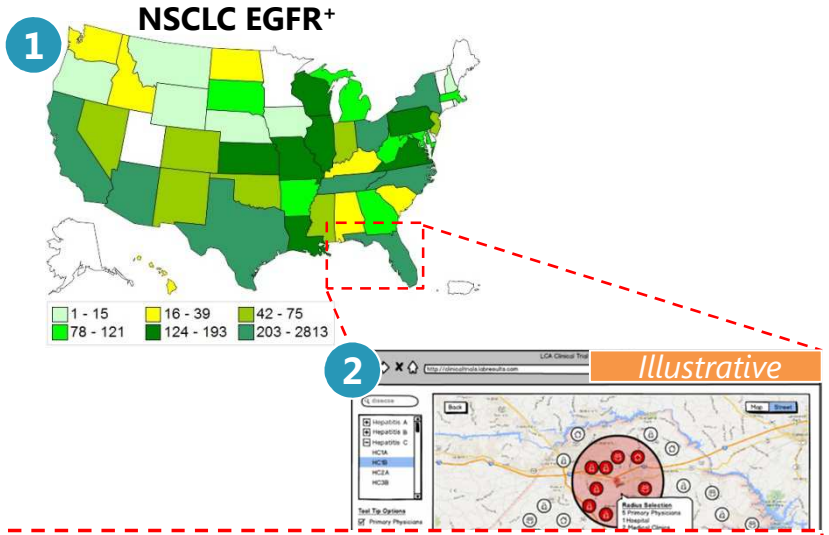
1

Example: Non-small cell lung cancer with EGFR+ mutation

Before: Direct outreach to cancer center in search for patients

1 major cancer center in Florida with 15-30 NSCLC EGFR+ patients[1]

Now: Leveraging LabCorp database for (1) patient locations & (2) viable sites



>1000 patients in Florida with at least 25 viable sites[2]

1. NCI-designated cancer centers. Estimated number of patients based on average number of patients in an oncology Phase III trial and average number of sites.
2. South Florida Business Journal, 2014 – Top 25 centers in South Florida with ~1000-6000 patients per center
Source: www.cancer.gov

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COMBINED COMPANY HAS THE OPPORTUNITY TO BENEFIT FROM CRO MARKET EXPANSION AND AN INCREASE IN SHARE

1

	2014	2016	2018	
Biopharma spend on Phase II-III trials[1]	**$30B**	**$32B**	**$34B**	***Phase II-III trial market growing***
CRO served Phase II-III trial spend *(% served by CROs)[1]*	**$12B** *(40%)*	**$13B** *(42%)*	**$15B** *(44%)*	***CRO revenue capture increasing***
Combined company revenue for Phase II-III trials *(% share)[2]*	**$750M** *(~6%)*	**~850M** *(~6-7%)*	**~$1B** *(~6-7%)*	***Maintain current growth trend***
		$900M+ *(~7%)*	**$1.1B+ *(~7-8%)***	***Combined company poised to increase Phase III share***

$50M+ increase **$150M+ increase**

Equivalent to winning ~1-2 incremental Phase III trials per year[3]

1. Covance market research; Numbers rounded to the nearest $1B 2. Numbers rounded to the nearest $50M 3. Assumes average Phase III trial cost of $75M and that CRO served revenue per trial varies between 30-60% of total cost, amortized over a period of 3 years (approximate length of a Phase III trial)
Note: Numbers may not sum due to rounding. Source: Covance market research

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TOP THREE VALUE CREATORS TO BRING TO MARKET IN 2016

1. Deliver faster clinical trial enrollment
2. **Partner of choice to develop and commercialize companion diagnostics**
3. Enhance Phase IV trial experience and post-market surveillance

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COMBINED COMPANY WILL DRIVE CRO SHARE GAIN FOR DRUG TRIALS REQUIRING CD_x PROGRAMS

2

Drug-CDx approval and commercialization

- Preclinical and early stage trials
- Late stage trials
- Drug-CDx approval and launch
- Drug-CDx market delivery

LabCorp Laboratory Corporation of America	COVANCE SOLUTIONS MADE REAL™
Capabilities	**Capabilities**
CDx development enabled by biomarker discovery and validation	Market-leading biomarker and early stage trial support
Execution on lab-based CDx for clinical validation in trials	Late stage trial support linked seamlessly with CDx validation
CDx approval and commercialization	Peri-approval and market access support
Experience with utilization of lab network to offer CDx at wide scale and/or enable kit development	Phase IV and post-marketing surveillance support

Early stage services strength followed by seamless execution of CDx will boost share of clinical trials

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COMPANION DIAGNOSTICS CAPABILITIES ADD >$100M REVENUE BY 2018

2

Sources of new value for combined company	2018 added opportunity	Revenue generator	Key figures for estimate
Biomarker & central lab testing	$60M+	50-200 added biomarker development and testing contracts per year	$1.8M total downstream testing revenue per biomarker contract[1]
CDx development services	$40M+	~30 new CDx partner opportunities now; ~$240M potential annual revenue[2]	15-40% of potential revenue captured; 10% CAGR to 2018[3]
Early-Phase clinical trials share	$30M+	1-2 incremental Phase II trials won per year by 2018[4]	$30M revenue per Phase II trial[5]

1. Based on estimated biomarker testing revenue of $200K per compound and total historical downstream testing revenue equal to 8.6x biomarker testing revenue 2. Covance estimates for currently obtainable projects with CDx development partner onboard 3. Assumptions based on market conditions expected by Covance 4. 2018 range corresponds to 1% additional market share on estimated 6% baseline for Covance in Phase II currently 5. Based on Credit Suisse 2013 analyst report figures for total trial cost by phase and CRO-addressable trial costs
Note: "Opportunity" column shows potential yearly incremental revenue reasonably achievable as a result of CDx development and commercialization offerings
Source: Credit Suisse 2013, Jefferies 2014, KeyBanc 2014, Covance

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TOP THREE VALUE CREATORS TO BRING TO MARKET IN 2016

1. Deliver faster clinical trial enrollment
2. Partner of choice to develop and commercialize companion diagnostics
3. **Enhance Phase IV trial experience and post-market surveillance**

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UNMET NEEDS ADDRESSED BY COMBINED COMPANY'S ENHANCED PHASE IV PATIENT EXPERIENCE AND POST-MARKET SURVEILLANCE

Combined company positioned to deliver superior Phase IV trial experience

1,750 LabCorp patient service centers and ~5,000 phlebotomists in physician offices make testing more convenient

LabCorp patient web portal eliminates scheduling hassle

12 Billion test results and 70M+ unique patients enable Post-market surveillance

Real World Safety: prevent drugs from being recalled

Real World Efficacy: expand commercial indications

Identify safety signals early

Modify prescription guidelines

Avoid recall

Combined co. real world evidence

Identify new indications

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COMBINED COMPANY HAS OPPORTUNITY TO GROW SHARE IN PHASE IV TRIALS AND POST-MARKET SURVEILLANCE

3

	2014	2016	2018	
Biopharma Phase IV and post-market spend[1]	**$12B**	**$13B**	**$14B**	***Phase IV trial market growing***
CRO served Phase IV / post-market spend (% served by CROs) [1]	**$5B** *(38%)*	**$5B** *(39%)*	**$6B** *(40%)*	***CRO revenue capture increasing***
Combined company revenue for Phase IV / post-market *(% share)[2]*	**~$150M** *(~3%)*	**~$180** *(~4%)*	**~$220** *(~4%)*	***Maintain current growth trend***
		$200M+ ***(~4%)***	**$270M+** ***(~4-5%)***	***Combination poised to increase Phase IV/post-mkt share***
		$20M+ increase	**$50M+ increase**	

Equivalent to winning ~2-4 <u>incremental Phase IV / post-market trials</u> per year[3]

1. Covance market research; Numbers rounded to the nearest $1B 2. Numbers rounded to the nearest $10M 3. Assumes average Phase IV trial cost of $10M and length of <1 year, and average post-market surveillance cost of $30-40M and length of ~5 years; assumes CRO served revenue per trial varies between 30-60% of total cost (Covance market research, Parexel Biopharmaceutical Statistical Sourcebook 2014) Note: Numbers may not sum due to rounding.

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COMBINED COMPANY RETAINS FINANCIAL STRENGTH

Financial review and closing comments

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COMBINED COMPANY RETAINS FINANCIAL STRENGTH: NO FUNDAMENTAL SHIFT IN LONG-TERM CAPITAL ALLOCATION STRATEGY

- **Accretive to Adjusted EPS before synergies in Year 1; Earns cost of capital by Year 4**
- **Commitment to investment grade balance sheet**
- **Near-Term Free Cash Flow used to pay down debt and invest in fold-in acquisitions**
- **Share buyback program resumes as we approach 2.5x target leverage ratio**

LTM Ended Sept. 30, 2014

($ in Millions)	LabCorp	Covance	Pro Forma Combined
Revenue	$5,936	$2,510	$8,446
Adjusted EBITDA[1, 2]	$1,191	$424	$1,615
EBITDA Margin	20.1%	16.9%	19.1%
Operating Cash Flow	$774	$325	1,099
Capital Expenditures	$217	$164	$381
Free Cash Flow	$557	$161	$718

(1) LabCorp EBITDA adjusted to exclude restructuring and other special charges of $29.6 million
(2) Covance EBITDA adjusted to exclude restructuring and asset impairment charges of $71.2 million

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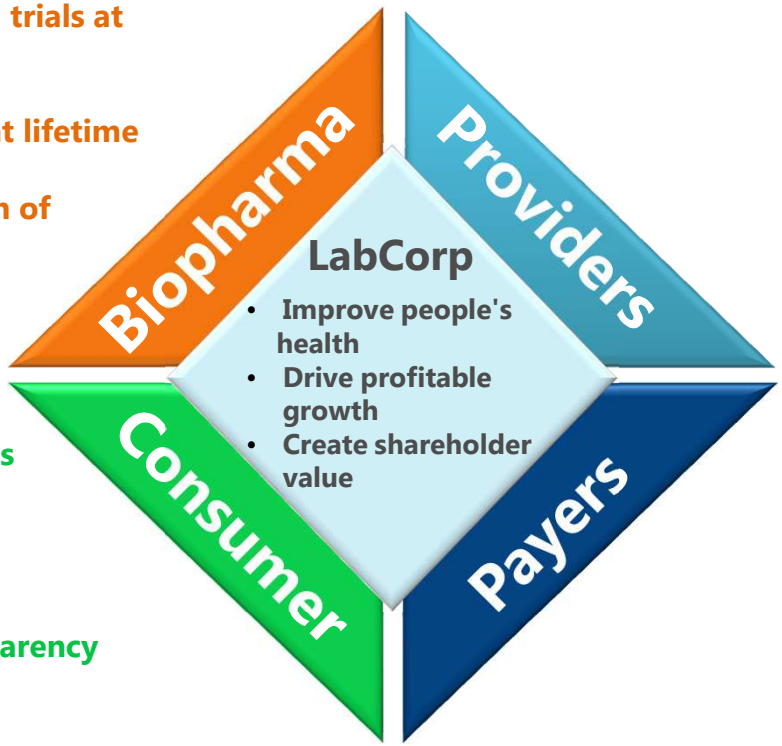

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