Table of Contents

As filed with the Securities and Exchange Commission on September 22, 2006

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Laboratory Corporation of America Holdings

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

8071
(Primary Standard Industrial Classification Code Number)

13-3757370
(I.R.S. Employer Identification No.)

358 South Main Street
Burlington, North Carolina 27215
(336) 229-1127
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Bradford T. Smith
Executive Vice President, Corporate Affairs and Secretary
Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215
(336) 229-1127
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael J. Silver
Hogan & Hartson L.L.P.
111 South Calvert Street, Suite 1600
Baltimore, Maryland 21202
(410) 659-2700

Alan Dean
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective and the satisfaction or waiver of all other conditions pursuant to the exchange offer described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Calculation of Registration Fee

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Security to be Registered(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
Zero Coupon Convertible Subordinated Notes due 2021 ("New Notes")	$743,966,000.00	$739.83	$550,408,365.78	$58,893.70
Common Stock, $0.10 par value per share, and associated preferred stock purchase rights	(2)	(2)	(2)	(2)

(1) Estimated solely for the purpose of calculating the Registration Fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended. The proposed maximum offering price per $1,000 original principal amount at maturity of New Notes is based on the book value of the currently outstanding Liquid Yield Option™ Notes due 2021 (the "Old Notes") as of September 21, 2006 reduced by an exchange fee of $2.50 for each $1,000 principal amount at maturity.

(2) Includes such indeterminate number of shares of common stock and associated preferred stock purchase rights as may be issued upon conversion of the New Notes registered hereby; the shares and associated preferred stock purchase rights are not subject to an additional fee pursuant to Rule 457(i) of the Securities Act.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a)

of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus may change. We may not complete this exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Amendment, dated September 22, 2006

PROSPECTUS

Laboratory Corporation of America Holdings

OFFER TO EXCHANGE

a new series of Zero Coupon Convertible Subordinated Notes due 2021
and an Exchange Fee for all of our outstanding Liquid Yield Option™ Notes due 2021
Subject to the Terms and Conditions described in this Prospectus

The Exchange Offer

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus, a new series of Zero Coupon Convertible Subordinated Notes due 2021 and an exchange fee of $2.50 per $1,000 aggregate principal amount at maturity for all of our outstanding Liquid Yield Option™ Notes due 2021. We refer to this offer as the "exchange offer." We refer to our existing Liquid Yield Option™ Notes due 2021 as the "Old Notes" and to the new series of Zero Coupon Convertible Subordinated Notes due 2021 issued in exchange for the Old Notes in the exchange offer as the "New Notes." The CUSIP numbers of the Old Notes are 50540R AB 8 and 50540R AC 6.

- Tenders of Old Notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
- As explained more fully in this prospectus, the exchange offer is subject to a minimum of $371,983,000 of aggregate principal amount at maturity of Old Notes being tendered for exchange and customary conditions, which we may waive.
- **The exchange offer expires at 5:00 p.m., New York City time, on October 23, 2006, unless extended, which date we refer to as the expiration date.**

The New Notes

- Comparison: The terms of the New Notes differ from the terms of the outstanding Old Notes in the following ways:
  - Each New Note with a principal value of $1,000 at maturity is convertible if certain conditions are met into cash in an amount equal to the lesser of (a) the accreted principal amount of the New Notes to be converted on the conversion date and (b) the product of the then applicable conversion rate multiplied by the average of the sale prices of our common stock during the ten consecutive trading days beginning on the second trading day after the conversion date (which we refer to as the "conversion value"), and the remainder, if any, of the conversion value in excess of the accreted principal amount of the New Notes will be paid in shares of our common stock, subject to adjustment, under the circumstances and during the periods described in this prospectus. The Old Notes are convertible if certain conditions are met only into common stock.
  - The purchase price of any New Notes that a holder may require us to repurchase on September 11, 2011 must be satisfied in cash. The purchase price of the Old Notes may be paid at our election in cash, shares of our common stock, or a combination of both.
  - In the event of certain mergers, consolidations, binding share exchanges or transfers of all or substantially all of our assets in which holders of our common stock may elect the form of consideration, the New Notes will be convertible in certain circumstances (subject to net share settlement) into the consideration received per share of common stock that a majority of the holders of our common stock have elected to receive. In the event of certain mergers, consolidations, binding share exchanges or transfers of all or substantially all of our assets in which holders of our common stock may elect the form of consideration, the Old Notes are convertible into the consideration received per share of common stock by the plurality of the holders that did not make an election.
- Maturity: The New Notes will mature on September 11, 2021.
- Interest Payments: We will not pay interest on the New Notes prior to maturity unless contingent cash interest becomes payable, which is payable to the holders of New Notes for the six month period from September 12, 2006 to March 11, 2007 and during any six-month period from March 12 to September 11 and from September 12 to March 11, commencing March 12, 2007, if the average market price of a New Note for the applicable five trading day period as defined herein equals 120% or more of the sum of the initial principal amount of the New Notes upon issuance and accrued original issue discount for such New Notes. The amount of contingent interest payable for each $1,000 principal amount at maturity of New Notes in respect of any quarterly period within a six-month period in which contingent interest is payable will equal the greater of (1) 0.0625% of the average market price of $1,000 principal amount at maturity of New Notes for the applicable five trading day period or (2) regular cash dividends paid by us per share on our common stock during that quarterly period multiplied by the then applicable conversion rate; *provided* that if we do not pay regular cash dividends during a six-month period, we will pay contingent interest semiannually at a rate of 0.125% of the average market price of $1,000 principal amount at maturity of New Notes for the applicable five trading day period.
- Optional Redemption: We may redeem all or a portion of the New Notes for cash, at our option at any time, at the redemption prices set forth in this prospectus.
- Repurchase at Option of Holders: Holders may require us to purchase for cash all or a portion of their New Notes on September 11, 2011.

SEE " RISK FACTORS" BEGINNING ON PAGE 13 FOR A DISCUSSION OF ISSUES THAT YOU SHOULD CONSIDER WITH RESPECT TO THE EXCHANGE OFFER.

None of our Board of Directors, Laboratory Corporation of America Holdings, the exchange agent, the information agent, the dealer manager or any other person is making any recommendation as to whether you should choose to exchange your Old Notes for New Notes plus the exchange fee.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or this transaction, passed upon the merits or fairness of this transaction, or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

LEHMAN BROTHERS
Dealer Manager

, 2006

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the dealer manager has not, authorized anyone to provide you with different information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, prospects and consolidated financial condition and results of operations may have changed since that date. **This prospectus incorporates important business and financial information about us that is not included in or delivered with this document. This information is available without charge to securityholders upon written or oral request to Laboratory Corporation of America Holdings, Office of the Corporate Secretary, 358 South Main Street, Burlington, North Carolina 27215, telephone (336) 229-1127. In order for you to receive timely delivery of the documents before the expiration date of the exchange offer, you must request the information no later than October 16, 2006.**

SUMMARY

The following summary is qualified by, and should be read in conjunction with, the more detailed information included elsewhere or incorporated by reference in this prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus, as well as the information incorporated by reference, before making an investment decision. As used in this prospectus, the words "we," "us," "our" or "LabCorp" refer to Laboratory Corporation of America Holdings and its subsidiaries, unless otherwise specified or the context otherwise requires.

Laboratory Corporation of America Holdings

We are headquartered in Burlington, North Carolina, and are the second largest independent clinical laboratory company in the United States based on 2005 net revenues. Since our founding in 1971, we have grown into a national network of 36 primary laboratories and over 1,300 service sites, consisting of branches, patient service centers and STAT laboratories, which are laboratories that have the ability to perform certain routine tests quickly and report the results to the physician immediately. Through a national network of laboratories, we offer a broad range of clinical laboratory tests that are used by the medical profession in routine testing, patient diagnosis, and in the monitoring and treatment of disease. In addition, we have developed specialty and niche businesses based on certain types of specialized testing capabilities and client requirements, such as oncology testing, HIV genotyping and phenotyping, diagnostic genetics and clinical research trials.

We are a Delaware corporation, and our principal executive offices are located at 358 South Main Street, Burlington, North Carolina 27215, and our telephone number is (336) 229-1127.

The Exchange Offer

The following is a brief summary of the terms of the exchange offer. For a more complete description, see "The Exchange Offer."

Reasons for the Exchange Offer	The purpose of the exchange offer is to exchange the Old Notes for the New Notes with certain different terms, including the net share settlement feature on conversion, which we believe will reduce the likelihood and extent of dilution to our stockholders. We include the impact of the assumed conversion of our Old Notes into our common stock under the "if-converted" method when computing our diluted earnings per share when it has the effect of decreasing diluted earnings per share. We believe the terms of the New Notes will allow the number of shares used in computing our diluted earnings per share to be less than the number included under the terms of the Old Notes. For a more detailed description of these changes, see "—Material Differences Between the Old Notes and the New Notes."
Terms of the Exchange Offer and Exchange Fee	We are offering to exchange $1,000 in principal amount at maturity of New Notes and an exchange fee of $2.50 per $1,000 principal amount at maturity of New Notes for each $1,000 in principal amount at maturity of our Old Notes validly tendered and not validly withdrawn. New Notes will be issued in denominations of $1,000 and integral multiples of $1,000. You may tender all, some or none of your Old Notes.
Conditions to the Exchange Offer	The exchange offer is subject to a minimum of $371,983,000 of aggregate principal amount at maturity of Old Notes being tendered for exchange and customary conditions, including the condition that the registration statement of which this prospectus forms a part has become effective. See "The Exchange Offer—Conditions to the Exchange Offer."
Expiration Date; Extension	The exchange offer will expire at 5:00 p.m., New York City time, on October 23, 2006, unless extended or earlier terminated by us, which date we refer to as the "expiration date." We may extend the expiration date for any reason. If we decide to extend the exchange offer, we will announce the extension by press release or other permitted means no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration of the exchange offer.
Withdrawal of Tenders	The tender of the Old Notes pursuant to the exchange offer may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.
Procedures for Exchange	A holder who wishes to tender Old Notes in the exchange offer must transmit to the exchange agent an agent's message, which agent's message must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date. We intend to accept all Old Notes validly tendered and not withdrawn as of the expiration of

	the exchange offer and will issue the New Notes and pay the exchange fee promptly after expiration of the exchange offer, upon the terms and subject to the conditions in this prospectus.
	Old Notes may be tendered by electronic transmission of acceptance through The Depository Trust Company's, which we refer to as DTC, Automated Tender Offer Program, which we refer to as ATOP, procedures for transfer. Custodial entities that are participants in DTC must tender Old Notes through DTC's ATOP. A letter of transmittal need not accompany tenders effected through ATOP. Please carefully follow the instructions contained in this document on how to tender your securities. See "The Exchange Offer—Terms of the Exchange Offer."
Amendment of the Exchange Offer	We reserve the right to interpret or modify the terms of the exchange offer, provided that we will comply with applicable laws that may require us to extend the period during which securities may be tendered or withdrawn as a result of changes in the terms of or information relating to the exchange offer.
Use of Proceeds	We will not receive any cash proceeds from the exchange offer. Old Notes that are validly tendered and exchanged pursuant to the exchange offer will be retired and canceled.
Fees and Expenses	We estimate that the total fees and expenses of the exchange offer, assuming all of the Old Notes are exchanged for New Notes, will be approximately $3.2 million, including the exchange fee of $2.50 per $1,000 principal amount at maturity of New Notes.
Certain U.S. Federal Income Tax Consequences	The United States federal income tax consequences of the exchange of Old Notes for New Notes are not entirely clear. We intend to take the position, however, that the exchange of Old Notes for New Notes will not constitute a significant modification of the terms of the Old Notes and that, as a result, the New Notes will be treated as a continuation of the Old Notes and there will be no United States federal income tax consequences to holders who participate in the exchange offer, except that holders will have to recognize the amount of the exchange fee as ordinary income. Unless an exemption applies, we may withhold at a rate of 30% from the payment of the exchange fee to any Non-United States holder (as defined herein) participating in the exchange offer.
	By participating in the exchange offer, each holder will be deemed to have agreed, pursuant to the indenture governing the New Notes, to treat the exchange as not constituting a significant modification of the terms of the Old Notes. If, contrary to this position, the exchange of Old Notes for New Notes does constitute an exchange for United States federal income tax purposes, the tax consequences to holders could be materially different. For a discussion of the potential tax consequences of the exchange, see "Certain U.S. Federal Income Tax Consequences."

Old Notes Not Tendered or Accepted for Exchange	Any Old Notes not accepted for exchange for any reason will be returned without expense to you promptly after the expiration, termination or withdrawal of the exchange offer. If you do not exchange your Old Notes in the exchange offer, or if your Old Notes are not accepted for exchange, you will continue to hold your Old Notes, you will not receive the exchange fee, and you will be entitled to all the rights and subject to all the limitations applicable to the Old Notes.
Consequences of Not Exchanging Old Notes	If you do not exchange your Old Notes in the exchange offer, the liquidity of any trading market for Old Notes not tendered for exchange, or tendered for exchange but not accepted, could be significantly reduced to the extent that Old Notes are tendered and accepted for exchange in the exchange offer. Holders who do not exchange their Old Notes for New Notes will not receive the exchange fee. Holders of Old Notes who do not exchange their Old Notes for New Notes can continue to convert their Old Notes during the term of the Old Notes in accordance with the terms of the Old Notes.
Deciding Whether to Participate in the Exchange Offer	Neither we nor our officers or directors have made any recommendation as to whether you should tender or refrain from tendering all or any portion of your Old Notes in the exchange offer. Further, we have not authorized anyone to make any such recommendation. You should make your own decision as to whether you should tender your Old Notes in the exchange offer and, if so, the aggregate amount of Old Notes to tender after reading this prospectus, including the “Risk Factors” and the information incorporated by reference in this prospectus, and consulting with your advisors, if any, based on your own financial position and requirements.
Exchange Agent	The Bank of New York.
Dealer Manager	Lehman Brothers Inc.
Information Agent	D.F. King & Co., Inc.
Trading	Our common stock is traded on the New York Stock Exchange under the symbol “LH.” The Old Notes were not listed on any national securities exchange or automated quotation system and we do not intend to list the New Notes on any national securities exchange or automated quotation system.

Material Differences Between the Old Notes and the New Notes

While the terms of the New Notes are substantially similar to the terms of the Old Notes, certain material differences between the Old Notes and New Notes are described in the table below. The table below is qualified in its entirety by the information contained elsewhere in this prospectus and the documents governing the Old Notes and the New Notes, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part. For a more detailed description of the New Notes, see "Description of the New Notes."

	Old Notes	New Notes
Securities	$743,966,000 aggregate principal amount at maturity of outstanding Liquid Yield Option™ Notes due 2021 ("Old Notes").	Up to $743,966,000 aggregate principal amount at maturity of new Zero Coupon Convertible Subordinated Notes due 2021 "New Notes").
	The accreted principal amount of the Old Notes for the six month period beginning September 11, 2006 is $741.92 per $1,000 principal amount at maturity, and principal of the Old Notes will continue to accrete at a rate of 2.0% per year (computed on a semi-annual bond equivalent basis).	The New Notes will be issued at an original issue discount, with an initial principal amount upon issuance equal to the accreted principal amount of the Old Notes exchanged, and principal of the New Notes will accrete at a rate of 2.0% per year (computed on a semi-annual bond equivalent basis) from September 11, 2006. The principal amount of the New Notes will accrete on March 11 and September 11 of each year, beginning March 11, 2007. As consideration for exchanging the Old Notes for the New Notes, holders exchanging Old Notes will receive an exchange fee of $2.50 per $1,000 principal amount at maturity of Old Notes exchanged. The exchange fee will be payable to such holders of Old Notes on the exchange date.
Payment upon Conversion	Upon conversion of Old Notes, we will deliver shares of our common stock.	We will satisfy in cash our obligation with respect to the accreted principal amount of the New Notes to be converted, with the remaining amount, if any, to be satisfied in shares of our common stock, in each case as described below. The settlement amount will be computed for each $1,000 principal amount at maturity of the New Notes as follows: • a cash amount equal to the lesser of (i) the aggregate accreted principal amount of the New Notes to be converted on the conversion date and (ii) the conversion value (as defined below) of the New Notes to be converted; and

Old Notes	New Notes
	• if the conversion value exceeds the aggregate accreted principal amount of the New Notes to be converted, a number of shares of our common stock equal to the greater of (i) zero and (ii) the sum of, for each trading day of the cash settlement averaging period (as defined below), the quotient of (A) 10% of the difference between (1) the product of the conversion rate then in effect and the sale price of our common stock for such day and (2) the accreted principal amount of the New Notes on the conversion date, divided by (B) the sale price of our common stock for such day.

The “accreted principal amount” with respect to $1,000 principal amount at maturity of a New Note means, at any date of determination, the sum of (1) the initial principal amount of the New Note upon issuance and (2) the accrued original issue discount that has been accreted to the principal amount of the New Note.

The “conversion value” with respect to $1,000 principal amount at maturity of a New Note means, on any date of determination, the product of (1) the conversion rate then in effect and (2) the average of the sale prices of our common stock for each trading day in the cash settlement averaging period.

The “cash settlement averaging period” with respect to any New Note means the ten consecutive trading days beginning on the second trading day after the conversion date (as defined under “Description of the New Notes—Conversion Rights—Payment upon Conversion”) for those New Notes.

We will settle our obligation to deliver cash and shares of our common stock, if any, arising from any conversion on the third trading day following the final trading day of the relevant cash settlement averaging period.

	Old Notes	New Notes
		Unlike the Old Notes, the exact number of shares of common stock, if any, issuable upon conversion of the New Notes will not be known until the expiration of the ten-trading day cash settlement averaging period. As a result, the value of the common stock to be received on conversion may fluctuate between the time a conversion notice is delivered and the time a holder receives the common stock issued upon a conversion.
Settlement upon Conversion upon Certain Corporate Transactions	If we are party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of our assets, the right to convert an Old Note into shares of our common stock will be changed into a right to convert it into the kind and amount of securities, cash or other assets of LabCorp or another person which the holder would have received if the holder had converted the holder's Old Notes immediately prior to the transaction, assuming that such holder made no election with respect thereto and was treated alike with the plurality of non-electing holders.	If we are party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of our assets, the right to convert each $1,000 principal amount at maturity of New Notes into cash and shares of our common stock, if any, will be changed into a right to convert it into the kind and amount of securities, cash or other assets (the "reference property") of LabCorp or another person which the holder would have received if the holder had converted each $1,000 principal amount at maturity of the holder's New Notes immediately prior to the transaction into a number of shares of our common stock equal to the then applicable conversion rate. However, at and after the effective time of the transaction, the cash portion of the payment upon conversion will continue to be payable in cash (instead of reference property), but the conversion value will be calculated based on the sale prices of the reference property during the cash settlement averaging period instead of our common stock. In determining the amount of reference property to be received by the holder of a New Note in connection with a consolidation, merger, sale or binding share exchange in which our shareholders may elect the form of consideration, the holders of the New Notes will be assumed to have elected to receive the same consideration elected by a majority of the holders of our common stock.

	Old Notes	New Notes
		Unlike the Old Notes, the exact number of shares of common stock, if any, issuable upon conversion of the New Notes will not be known until the expiration of the ten-trading day cash settlement averaging period. As a result, the value of the common stock to be received on conversion may fluctuate between the time a conversion notice is delivered and the time a holder receives the common stock issued upon a conversion.
Settlement upon Repurchase at Option of Holders	If holders of the Old Notes require us to repurchase their Old Notes at their option on September 11, 2011, we may, at our option, pay the purchase price in cash or shares of our common stock, or a combination thereof.	If holders of the New Notes require us to repurchase their New Notes at their option on September 11, 2011, we must pay the purchase price in cash only.
Accounting Treatment	We currently use the "if converted" method of accounting and have used this method since the adoption of Emerging Issues Task Force ("EITF") 04-8. EITF 04-8 became effective for all reporting periods ending after December 15, 2004. Prior to the adoption of EITF 04-8, no shares underlying the Old Notes were included in our diluted earnings per share calculations unless the market price contingency relating to the conversion of the Old Notes was reached. However, with the adoption of EITF 04-8, the market price contingent conversion feature is effectively ignored for purposes of calculating our diluted earnings per share, and since the Old Notes provided for the delivery of shares of our common stock upon conversion in all cases, we have been accounting for the Old Notes under the "if converted" method (which provides that all shares underlying the New Notes be included when calculating our diluted earnings per share results) since the fourth quarter of 2004.	The terms of the New Notes require us to settle our conversion obligation in cash up to an amount equal to the accreted principal amount of the New Notes to be converted, with the remaining amount, if any, of our conversion obligation to be satisfied in shares of our common stock. As such, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings Per Share, EITF 90-19 and 04-8, we will be required to use the treasury stock equivalent method to calculate the dilutive impact on earnings per share. Under this method, our diluted shares outstanding will reflect only the shares of common stock issuable to settle the conversion obligation assuming conversion at period-end. Consequently, the New Notes will result in a lower diluted share count and higher diluted earnings per share in the future. The number of additional shares will be determined by the formula set forth in "Description of the New Notes—Conversion Rights—Payment upon Conversion."

Summary of the New Notes

The following is a summary of some of the terms of the New Notes. For a more complete description of the terms of the New Notes, see "Description of the New Notes."

Issuer	Laboratory Corporation of America Holdings.
New Notes Offered	Up to $743,966,000 aggregate principal amount at maturity of New Notes due September 11, 2021. We will not make periodic payments of interest on the New Notes prior to maturity unless contingent interest becomes payable as described below. Each New Note will be issued at an initial principal amount of $741.92 with a principal amount at maturity of $1,000.
Maturity of New Notes	September 11, 2021.
Yield to Maturity of New Notes	The New Notes will accrue original issue discount from September 11, 2006 at a rate of 2% per year, calculated on a semiannual bond equivalent basis from an initial principal amount of $741.92 to $1,000 principal amount at maturity, assuming no contingent cash interest is paid. The principal amount of the New Notes will accrete on March 11 and September 11 of each year, beginning March 11, 2007.
Conversion Rights	Holders may surrender New Notes for conversion into cash and, if applicable, shares of our common stock prior to the maturity date only if at least one of the following conditions is satisfied: • during any calendar quarter commencing after September 30, 2006, if the sale price of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is more than a specified percentage, beginning at 117.5642% and declining 0.1282% per calendar quarter thereafter until it reaches approximately 110% for the calendar quarter beginning July 1, 2021, of the accreted conversion price per share of common stock on the last day of such preceding calendar quarter; • during any period that the rating assigned to the New Notes by Standard & Poor's Ratings Services is BB– or lower; • if we have called the New Notes for redemption; or • if we make certain significant distributions to holders of our common stock or we enter into specified corporate transactions. Upon conversion, we will satisfy our obligation with respect to the accreted principal amount of the New Notes in cash, with the remaining amount, if any, to be satisfied in shares of our common stock, in each case as described below. The settlement amount for each $1,000 principal amount at maturity of the New Notes will be computed as follows: • a cash amount equal to the lesser of (i) the aggregate accreted principal amount of the New Notes to be converted on the conversion date and (ii) the conversion value (as defined below) of the New Notes to be converted; and

- if the conversion value exceeds the aggregate accreted principal amount of the New Notes to be converted, a number of shares of our common stock equal to the greater of (i) zero and (ii) the sum of, for each trading day of the cash settlement averaging period (as defined below), the quotient of (A) 10% of the difference between (1) the product of the conversion rate then in effect and the sale price of our common stock for such day and (2) the accreted principal amount of the New Notes on the conversion date, divided by (B) the sale price of our common stock for such day.

The initial conversion rate is 13.4108 shares of common stock per $1,000 principal amount at maturity, subject to adjustment upon occurrence of certain events described in the indenture.

The "accreted principal amount" with respect to $1,000 principal amount at maturity of a New Note means, at any date of determination, the sum of (1) the initial principal amount of the New Note upon issuance and (2) the accrued original issue discount that has been accreted to the principal amount of the New Note.

The "conversion value" with respect to $1,000 principal amount at maturity of a New Note means, on any date of determination, the product of (1) the conversion rate then in effect and (2) the average of the sale prices of our common stock for each trading day in the cash settlement averaging period.

The "cash settlement averaging period" with respect to any New Note means the ten consecutive trading days beginning on the second trading day after the conversion date (as defined under "Description of the New Notes—Conversion Rights—Payment upon Conversion") for those New Notes.

Ranking

Payment on the New Notes will, to the extent provided in the indenture, be subordinated in right of payment to the prior payment in full of all of our existing and future senior indebtedness. Payment on the New Notes will also effectively be subordinated to all of our subsidiaries' existing and future indebtedness and other liabilities, including trade payables.

Contingent Interest

Subject to the record date provisions described below, we will pay contingent cash interest to the holders of New Notes during any six-month period from September 12 to March 11 and from March 12 to September 11, with the initial six-month period commencing on September 12, 2006, if the average market price of a New Note for the five trading days ending on the third trading day immediately preceding the first day of the applicable six-month period equals 120% or more of the sum of the initial principal amount of the New Note upon issuance and accrued original issue discount for the New Note as of the day immediately preceding the first day of the applicable six-month period.

During any period when contingent cash interest shall be payable, the contingent cash interest payable for each $1,000 principal amount at maturity of New Note in respect of any quarterly period will equal the greater of 0.0625% of the average market price of $1,000 principal amount at maturity of the New Notes for the five trading day measurement period or any regular cash dividends paid by us per share on our common stock during that quarterly period multiplied by the then applicable conversion rate, provided that if we do not pay cash dividends during a semi-annual period, we will pay contingent cash interest semi-annually at a rate of 0.125% of the average market price of $1,000 principal amount at maturity of the New Notes for the measurement period. Notwithstanding the foregoing, contingent cash interest shall be payable on the New Notes for the six-month period from September 12, 2006 to March 11, 2007, and solely for the purpose of determining the amount of contingent cash interest payable during this six-month period, the average market price for the applicable measurement period will be determined by reference to the average market price of the Old Notes.

Contingent cash interest, if any, will accrue and be payable to holders of New Notes as of the record date, which shall be the 15th day preceding the last day of the relevant six-month period, or, if we pay a regular cash dividend on our common stock during a quarter within the relevant six-month period, to holders of New Notes as of the record date for the related common stock dividend. If we only pay a regular cash dividend on our common stock during one quarter within the relevant six-month period, the remaining contingent cash interest, if any, will accrue and be payable as of the 15th day preceding the last day of the relevant six-month period. We will make contingent cash interest payments on the last day of the relevant six-month period or, if we pay a regular cash dividend on our common stock during the relevant six-month period, on the payment date for the related common stock dividend. The payment of contingent cash interest will not affect the accrual of original issue discount.

Original Issue Discount

We will issue the New Notes at an initial principal amount significantly below the principal amount at maturity of the New Notes. The original issue discount accrues from September 11, 2006 at a rate of 2% per year, calculated on a semiannual bond equivalent basis, using a 360-day year comprised of twelve 30-day months. Original issue discount and contingent cash interest, if any, will cease to accrue on a New Note upon its maturity, conversion, purchase by us at the option of a holder or redemption. The principal amount of the New Notes will accrete on March 11 and September 11 of each year, beginning March 11, 2007.

Taxation of New Notes

As discussed above under “Summary—The Exchange Offer—Certain U.S. Federal Income Tax Consequences” we intend to take the position that the New Notes should be treated as a continuation of the Old Notes for U.S. federal income tax purposes. Consistent with that

	position and our treatment of the Old Notes, we intend to continue to treat the New Notes as debt instruments subject to the Treasury regulations that provide special rules for contingent payment debt instruments. The New Notes will continue to accrue original issue discount for U.S. federal income tax purposes. You will agree in the indenture to treat your New Notes as contingent payment debt instruments for U.S. federal income tax purposes and to be bound by our application of the Treasury regulations that govern contingent payment debt instruments, including our determination of the "comparable yield," which is the rate at which interest income will be deemed to accrue for U.S. federal income tax purposes. Under the contingent payment debt regulations, even if we do not pay any contingent cash interest on the New Notes, holders will be required to include accrued interest income, at a rate equal to the comparable yield, in their gross income for U.S. federal income tax purposes. The comparable yield will exceed the stated yield to maturity. See "Certain U.S. Federal Income Tax Consequences."
Sinking Fund	None.
Redemption of New Notes at the Option of LabCorp	We may redeem the New Notes for cash, as a whole at any time or from time to time in part, at the redemption prices set forth under "Description of the New Notes—Redemption of New Notes at the Option of LabCorp." We will give not less than 30 days' or more than 60 days' notice of redemption by mail to holders of New Notes.
Purchase of New Notes by LabCorp at the Option of the Holder	On September 11, 2011 (which we refer to as the purchase date), we may, at the option of the holder, be required to purchase any outstanding New Note at a purchase price of $819.54 in cash.
Trading Symbol of Our Common Stock	Our common stock is quoted on the New York Stock Exchange under the symbol "LH."
Trading	We do not intend to list the New Notes on any national securities exchange or automated quotation system.

RISK FACTORS

You should carefully consider the risks described below with the other information contained or incorporated by reference in this prospectus before exchanging Old Notes for New Notes. If any of the following risks actually occurs, our business, consolidated financial condition or results of operations could be materially and adversely affected. In that case the trading prices of the New Notes, the Old Notes and our common stock could decline substantially.

Risks Relating to New Notes

There is no current market for the New Notes and we cannot assure you that an active trading market will develop or that a significant amount of New Notes will be issued in connection with the exchange offer.

There is no established trading market for the New Notes. The Old Notes may be traded on the over-the-counter market. It is expected that the New Notes will be traded in the over-the-counter market, but there can be no assurance as to the liquidity of any market for the New Notes, the ability of the holders to sell their New Notes, or the prices at which holders of the New Notes would be able to sell their New Notes. The New Notes could trade at prices higher or lower than their initial principal amount upon issuance depending on many factors. Accordingly, there can be no assurance that an active trading market for the New Notes will develop. Furthermore, if an active trading market were to develop, the market price for the New Notes may be adversely affected by changes in prevailing interest rates, our operating results, the market price of our common stock, changes in the overall market for similar securities and changes in performance or prospects for companies in our industry.

The closing of the exchange offer is conditional upon a minimum amount of Old Notes being tendered and accepted in the exchange offer. To the extent that Old Notes are not tendered and accepted for exchange in the exchange offer, the trading market, if any, for New Notes could be significantly more limited than the trading market for the Old Notes. A debt security with a smaller outstanding principal amount available for trading (a smaller "float") may command a lower price than would a comparable debt security with a larger float. Therefore, the market price for the New Notes may be affected adversely. A limited float could also make the trading price of New Notes more volatile. Issuance of New Notes will also reduce the float of the Old Notes, which may adversely affect the market price of the Old Notes.

We may not have the ability to raise the funds necessary to finance the purchase of the New Notes at the option of the holders or the cash portion of the payment upon conversion of the New Notes.

On September 11, 2011, holders of the New Notes may require us to purchase their New Notes. In addition, we will be required to pay a portion of the amount due to holders of the New Notes on conversion in cash. However, it is possible that we would not have sufficient funds at that time to make the required purchase of New Notes or cash payment upon conversion of the New Notes. In addition, our ability to repurchase the New Notes or to make the cash payment upon conversion may be limited by law and the terms of the agreements relating to our indebtedness, as such indebtedness or agreements may be entered into, replaced, supplemented or amended from time to time. The use of available cash to fund the required cash payments may also impair our ability to obtain additional financing in the future. See "Description of the New Notes—Purchase of New Notes by LabCorp at the Option of the Holder" and "Description of the New Notes—Conversion Rights—Payment upon Conversion."

The conditional conversion feature of the New Notes could result in your not being able to receive the value of the cash and shares of our common stock, if any, into which a New Note is convertible.

The New Notes are convertible into cash and, if applicable, shares of our common stock only if specified conditions are met. If the specified conditions are not met, you will not be able to convert your New Notes, and you may not be able to receive the value of the cash and, if applicable, shares of our common stock into which the New Notes would otherwise be convertible.

The net share settlement feature of the New Notes may have adverse consequences.

The New Notes will be subject to net share settlement, which means that we will satisfy our conversion obligation to holders by paying cash in settlement of the lesser of the accreted principal amount and the conversion value of the New Notes and by delivering shares of our common stock in settlement of any conversion obligation in excess of the accreted principal amount of the New Notes, as described under "Description of the New Notes—Conversion Rights—Payment upon Conversion." Accordingly, upon conversion of a New Note, holders may not receive any shares of common stock. In addition, any settlement of a conversion of New Notes into cash and shares of our common stock will be delayed until at least the 14th trading day following our receipt of the holder's conversion notice. Accordingly, a converting holder may receive less value than expected because the value of the shares of common stock may decline (or fail to appreciate as much as the holder may expect) between the day that the holder exercise its conversion right and the day the conversion value of the New Notes is determined.

We expect that the trading value of the New Notes will be significantly affected by the price of our common stock and other factors.

The market price of the New Notes is expected to be significantly affected by the market price of our common stock. This may result in greater volatility in the trading value of the New Notes than would be expected for nonconvertible debt securities. In addition, the price of our common stock could be affected by possible sales of our common stock by investors who view the New Notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that may develop involving our common stock. This hedging or arbitrage could, in turn, affect the trading value of the New Notes.

The New Notes are not protected by restrictive covenants.

The indenture governing the New Notes will not contain any financial or operating covenants or restrictions on the payment of dividends, the incurrence of indebtedness or liens or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture for the New Notes also will not contain covenants or other provisions to afford protection to holders of the New Notes in the event of a change in control or other fundamental change involving us.

You should consider the U.S. federal income tax consequences of owning New Notes.

Every holder will agree with us to treat its New Notes as contingent payment debt instruments for U.S. federal income tax purposes. As a result, despite some uncertainty as to the proper application of the applicable Treasury regulations, you will be required to include in your gross income each year amounts of interest in excess of the initial yield to maturity of the New Notes. You will recognize gain or loss upon the sale, exchange, conversion or retirement of a New Note in an amount equal to the difference between the amount realized on the sale, exchange, conversion or retirement, including the fair market value of any of our common stock, if any, received, and your adjusted tax basis in the New Note. Any gain recognized by you on the sale, exchange, conversion or retirement of a New Note generally will be ordinary interest income; any loss will be ordinary loss to the extent of the interest previously included in income, and capital loss thereafter. See "Certain U.S. Federal Income Tax Consequences."

The New Notes are subordinated in right of payment to other indebtedness.

The New Notes will be unsecured obligations subordinated in right of payment to all of our existing and future senior indebtedness. As a result, our assets will be available to pay obligations on the New Notes only after all senior indebtedness has been paid in full, and we may not have sufficient assets remaining to repay in full all of the New Notes then outstanding if we become insolvent or are forced to liquidate our assets, we default on our senior indebtedness, or the New Notes are accelerated due to any other event of default. In addition, because we are a holding company whose operations are conducted through operating subsidiaries, the New Notes will be structurally subordinated to any and all existing and future indebtedness, whether or not secured, and other liabilities and claims of holders of preferred stock of any of our subsidiaries. The New Notes will be exclusively

obligations of LabCorp. Our subsidiaries have no obligation to pay any amounts due on the New Notes. Our subsidiaries are not required to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations. The incurrence of additional indebtedness and other liabilities could materially and adversely affect our ability to pay our obligations on the New Notes. The terms of the New Notes will not limit our ability to incur senior indebtedness, and do not and will not limit our ability or the ability of our subsidiaries to incur other indebtedness or other liabilities. As of June 30, 2006, we had senior indebtedness outstanding of approximately $603.3 million. See "Description of the New Notes—Subordination."

Risks Relating to the Exchange Offer

The U.S. federal income tax consequences of the exchange of the Old Notes for the New Notes are not entirely clear.

The U.S. federal income tax consequences of the exchange of Old Notes for New Notes are not entirely clear. We intend to take the position that the modifications to the Old Notes resulting from the exchange offer will not constitute a significant modification of the Old Notes. By participating in the exchange offer, each holder will be deemed to have agreed, pursuant to the indenture governing the New Notes, to treat the exchange as not constituting a significant modification of the terms of the Old Notes.

If the exchange of Old Notes for New Notes does not constitute a significant modification of the terms of the Old Notes for U.S. federal income tax purposes, the New Notes will be treated as a continuation of the Old Notes with no U.S. federal income tax consequences to a holder who exchanges Old Notes for New Notes pursuant to the exchange offer, apart from the receipt of the exchange fee, which will be treated as ordinary income. Unless an exemption applies, we may withhold at a rate of 30% from the payment of the exchange fee to any Non-U.S. Holder (as defined herein) participating in the exchange offer. If, contrary to our position, the exchange of the Old Notes for the New Notes does constitute a significant modification to the terms of the Old Notes, the U.S. federal income tax consequences to you could materially differ. See "Certain U.S. Federal Income Tax Consequences."

If you do not exchange your Old Notes, the Old Notes you retain may become less liquid as a result of the exchange offer.

If a significant number of Old Notes are exchanged in the exchange offer, the liquidity of the trading market for the Old Notes, if any, after the completion of the exchange offer may be substantially reduced. Any Old Notes exchanged will reduce the aggregate number of Old Notes outstanding. As a result, the Old Notes may trade at a discount to the price at which they would trade if the transactions contemplated by this prospectus were not consummated, subject to prevailing interest rates, the market for similar securities and other factors. We cannot assure you that an active market in the Old Notes will exist or be maintained and we cannot assure you as to the prices at which the Old Notes may be traded.

Our Board of Directors has not made a recommendation with regard to whether or not you should tender your Old Notes in the exchange offer and we have not obtained a third-party determination that the exchange offer is fair to holders of the Old Notes.

We are not making a recommendation as to whether holders of the Old Notes should exchange them. We have not retained and do not intend to retain any unaffiliated representative to act solely on behalf of the holders of the Old Notes for purposes of negotiating the terms of the exchange offer and/or preparing a report concerning the fairness of the exchange offer. The value of the New Notes received in the exchange offer may not in the future equal or exceed the value of the Old Notes tendered and we do not take a position as to whether you ought to participate in the exchange offer.

Risks Relating to Our Business

Changes in federal, state, local and third-party payer regulations or policies (or in the interpretation of current regulations or policies) may adversely affect governmental and third-party reimbursement for clinical laboratory testing.

Government payers, such as Medicare and Medicaid, as well as insurers, including managed care organizations, have increased their efforts to control the cost, utilization and delivery of health care services. From time to time, Congress has considered and implemented changes in the Medicare fee schedules in conjunction with budgetary legislation. Further reductions of reimbursement for Medicare services may be implemented from time to time. Reimbursement for the pathology services component of our business is also subject to statutory and regulatory reduction. Reductions in the reimbursement rates of other third-party payers may occur as well. Such changes in the past have resulted in reduced prices as well as added costs and have decreased test utilization for the clinical laboratory industry by adding often more complex new regulatory and administrative requirements. Further changes in federal, state, local and third-party payer regulations or policies may have a material adverse impact on our business.

We could face significant monetary damages and penalties and/or exclusion from the Medicare and Medicaid programs if we violate health care anti-fraud and abuse laws.

We are subject to extensive government regulation at the federal, state and local levels. Our failure to meet governmental requirements under these regulations, including those relating to billing practices and relationships with physicians and hospitals, could lead to civil and criminal penalties, exclusion from participation in Medicare and Medicaid and possible prohibitions or restrictions on the use of our laboratories. While we believe we have structured our operations and relationships with care in an effort to meet all statutory and regulatory requirements, there is a risk that government authorities might take a contrary position. Such occurrences, regardless of their outcome, could damage our reputation and adversely affect important business relationships we have with third parties.

Our business would be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, the law or regulations of the Clinical Laboratory Improvement Amendments of 1988 or those of Medicare, Medicaid or other federal, state or local agencies.

The clinical laboratory testing industry is subject to extensive regulation, and many of these statutes and regulations have not been interpreted by the courts. The Clinical Laboratory Improvement Amendments of 1988, which we refer to as CLIA, extend federal oversight to virtually all clinical laboratories by requiring that they be certified by the federal government or by a federally-approved accreditation agency. The sanction for failure to comply with CLIA requirements may be suspension, revocation or limitation of a laboratory's CLIA certificate, which is necessary to conduct business, as well as significant fines and/or criminal penalties. In addition, we are subject to regulation under state law. State laws may require that laboratories and/or laboratory personnel meet certain qualifications, specify certain quality controls or require maintenance of certain records.

We cannot assure you that applicable statutes and regulations will not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect our business. Potential sanctions for violation of these statutes and regulations include significant fines and the suspension or loss of various licenses, certificates and authorizations, which could have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us which may be costly.

Failure to comply with environmental, health and safety laws and regulations, including the federal Occupational Safety and Health Administration Act and the Needlestick Safety and Prevention Act, which may result in fines and penalties and loss of licensure, and have a material adverse effect upon our business.

We are subject to licensing and regulation under federal, state and local laws and regulations relating to the protection of the environment and human health and safety, including laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials as well

as to the safety and health of laboratory employees. All of our laboratories are subject to applicable federal and state laws and regulations relating to biohazard disposal of all laboratory specimens, and we utilize outside vendors for disposal of such specimens. In addition, the federal Occupational Safety and Health Administration has established extensive requirements relating to workplace safety for health care employers, including clinical laboratories, whose workers may be exposed to blood-borne pathogens such as HIV and the hepatitis B virus. These requirements, among other things, require work practice controls, protective clothing and equipment, training, medical follow-up, vaccinations and other measures designed to minimize exposure to, and transmission of, blood-borne pathogens. In addition, the Needlestick Safety and Prevention Act requires, among other things, that we include in our safety programs the evaluation and use of engineering controls such as safety needles if found to be effective at reducing the risk of needlestick injuries in the workplace.

Failure to comply with federal, state and local laws and regulations could subject us to denial of the right to conduct business, fines, criminal penalties and/or other enforcement actions which would have a material adverse effect on our business. In addition, compliance with future legislation could impose additional requirements on us which may be costly.

Regulations requiring the use of "standard transactions" for health care services issued under HIPAA may negatively impact our profitability and cash flows.

Pursuant to the Health Insurance Portability and Accounting Act of 1996, which we refer to as HIPAA, the Secretary of the Department of Health and Human Services, or HHS, has issued final regulations designed to improve the efficiency and effectiveness of the health care system by facilitating the electronic exchange of information in certain financial and administrative transactions while protecting the privacy and security of the information exchanged.

HHS issued guidance on July 24, 2003 stating that it will not penalize a covered entity for post-implementation date transactions that are not fully compliant with the transactions standards, if the covered entity can demonstrate its good faith efforts to comply with the standards. HHS' stated purpose for this flexible enforcement position was to "permit health plans to mitigate unintended adverse effects on covered entities' cash flow and business operations during the transition to the standards, as well as on the availability and quality of patient care." However, beginning October 1, 2005, the Center for Medicare and Medicaid Services no longer processes incoming non-HIPAA-compliant electronic Medicare claims.

The HIPAA transaction standards are complex, and subject to differences in interpretation by payers. For instance, some payers may interpret the standards to require us to provide certain types of information, including demographic information not usually provided to us by physicians. As a result of inconsistent application of transaction standards by payers or our inability to obtain certain billing information not usually provided to us by physicians, we could face increased costs and complexity, a temporary disruption in receipts and ongoing reductions in reimbursements and net revenues. In addition, new requirements for additional standard transactions, such as claims attachments or use of a national provider identifier, could prove technically difficult, time-consuming or expensive to implement. We are working closely with our payers to establish acceptable protocols for claims submissions and with our trade association and an industry coalition to present issues and problems as they arise to the appropriate regulators and standards setting organizations.

Compliance with the HIPAA security regulations and privacy regulations may increase our costs.

The HIPAA privacy and security regulations, which became fully effective in April 2003 and April 2005 respectively, establish comprehensive federal standards with respect to the uses and disclosures of protected health information by health plans, healthcare providers and healthcare clearinghouses, in addition to setting standards to protect the confidentiality, integrity and availability of protected health information. The regulations establish a complex regulatory framework on a variety of subjects, including:

- the circumstances under which uses and disclosures of protected health information are permitted or required without a specific authorization by the patient, including but not limited to treatment purposes, activities to obtain payments for our services, and our healthcare operations activities;

- a patient's right to access, amend and receive an accounting of certain disclosures of protected health information;
- the content of notices of privacy practices for protected health information; and
- administrative, technical and physical safeguards required of entities that use or receive protected health information.

We have implemented policies and procedures related to compliance with the HIPAA privacy and security regulations, as required by law. The privacy regulations establish a "floor" and do not supersede state laws that are more stringent. Therefore, we are required to comply with both federal privacy regulations and varying state privacy laws. In addition, for healthcare data transfers from other countries relating to citizens of those countries, we must comply with the laws of those other countries. The federal privacy regulations restrict our ability to use or disclose patient identifiable laboratory data, without patient authorization, for purposes other than payment, treatment or healthcare operations (as defined by HIPAA), except for disclosures for various public policy purposes and other permitted purposes outlined in the privacy regulations. The privacy and security regulations provide for significant fines and other penalties for wrongful use or disclosure of protected health information, including potential civil and criminal fines and penalties. Although the HIPAA statute and regulations do not expressly provide for a private right of damages, we also could incur damages under state laws to private parties for the wrongful use or disclosure of confidential health information or other private personal information.

Increased competition, including price competition, could have a material adverse impact on our net revenues and profitability.

The clinical laboratory business is intensely competitive both in terms of price and service. Pricing of laboratory testing services is one of the significant factors often used by health care providers and third-party payers in selecting a laboratory. As a result of the clinical laboratory industry undergoing significant consolidation, larger clinical laboratory providers are able to increase cost efficiencies afforded by large-scale automated testing. This consolidation results in greater price competition. We may be unable to increase cost efficiencies sufficiently, if at all, and as a result, our net earnings and cash flows could be negatively impacted by such price competition.

Additional competition, including price competition, could have a material adverse impact on our net revenues and profitability.

Failure to develop, or acquire, licenses for new or improved testing technologies, or our customers using new technologies to perform their own tests, may limit our ability to successfully achieve our business strategy.

The clinical laboratory testing industry is subject to changing technology and new product introductions. Our success in maintaining a leadership position in genomic and other advanced testing technologies will depend, in part, on our ability to license new and improved technologies for early diagnosis on favorable terms. We may not be able to negotiate acceptable licensing arrangements and we cannot be certain that such arrangements will yield commercially successful diagnostic tests. If we are unable to license these testing methods at competitive rates, our research and development costs may increase as a result. In addition, if we are unable to license new or improved technologies to expand our esoteric testing businesses, our testing methods may become outdated when compared with our competition and our testing volume and revenue may be materially and adversely affected.

In addition, advances in technology may lead to the development of more cost-effective point-of-care testing equipment that can be operated by physicians or other healthcare providers in their offices or by patients themselves without requiring the services of freestanding clinical laboratories. Development of such technology and its use by our customers would reduce the demand for our laboratory testing services and negatively impact our revenues.

Currently, most clinical laboratory testing is categorized as “high” or “moderate” complexity, and thereby is subject to extensive and costly regulation under CLIA. The cost of compliance with CLIA reduces the cost effectiveness for most physicians to operate clinical laboratories in their offices, and other laws limit the ability of physicians to have ownership in a laboratory and to refer tests to such a laboratory. However, manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care laboratory equipment to physicians and by selling test kits approved for home or physician office use to both physicians and patients. Diagnostic tests approved for home use are automatically deemed to be “waived” tests under CLIA, which may then be performed in physician office laboratories as well as by patients in their homes with minimal regulatory oversight. Other tests meeting certain Food and Drug Administration, or FDA, criteria also may be classified as “waived” for CLIA purposes. The FDA has regulatory responsibility over instruments, test kits, reagents and other devices used by clinical laboratories and has taken responsibility from the Centers for Disease Control for classifying the complexity of tests for CLIA purposes. Increased approval of “waived” test kits could lead to increased testing by physicians in their offices, which could affect our market for laboratory testing services and negatively impact our revenues.

Changes in payer mix, including an increase in capitated managed-cost health care or new national or networking managed care purchasing models, could have a material adverse impact on our net revenues and profitability.

Most testing services are billed to a party other than the physician or other authorized person that ordered the test. In addition, tests ordered by a single physician may be billed to different payers depending on the medical benefits of a particular patient. Increases in the percentage of services billed to government and managed care payers could have an adverse impact on our net revenues. For the year ended December 31, 2005, the percentage of accessions by payer was:

- private patients—2.4%;
- Medicare, Medicaid and other—21.3%;
- commercial clients—34.8%; and
- managed care—41.5%.

Managed care providers typically contract with a limited number of clinical laboratories and then designate the laboratory or laboratories to be used for tests ordered by participating physicians. The majority of our managed care testing is negotiated on a fee-for-service basis at a discount from our patient prices. Such discounts have historically resulted in price erosion and have negatively impacted our operating margins. In addition, managed care organizations have used capitated payment contracts in an attempt to fix the cost of laboratory testing services for their enrollees. Under a capitated payment contract, the clinical laboratory and managed care organization agree to a per member, per month payment to cover all laboratory tests during the month, regardless of the number or cost of the tests actually performed. Such contracts shift the risk of additional testing beyond that covered by the capitated payment to the clinical laboratory. Pursuant to legislation passed in late 2003, the percentage of Medicare beneficiaries enrolled in Medicare managed care plans is expected to increase. For the year ended December 31, 2005, capitated contracts accounted for approximately $136.5 million, or 4.1%, of our net sales.

Recently, managed care companies have announced their intention to adopt new national or networking managed care laboratory services purchasing models. If we are unable to participate in these new models, it would have a material adverse impact on our net revenues and profitability.

In addition, Medicare and Medicaid and private insurers have increased their efforts to control the cost, utilization and delivery of health care services, including clinical laboratory services. Measures to regulate health care delivery in general, and clinical laboratories in particular, have resulted in reduced prices, added costs and decreased test utilization for the clinical laboratory industry by increasing complexity and adding new regulatory and administrative requirements.

We expect efforts to impose reduced reimbursements and more stringent cost controls by government and other payers to continue. If we cannot offset additional reductions in the payments we receive for our services by reducing costs, increasing test volume and/or introducing new procedures, it would have a material adverse impact on our net revenues and profitability.

A failure to obtain and retain new customers and alliance partners, or a reduction in tests ordered or specimens submitted by existing customers, could impact our ability to successfully grow our business.

To offset efforts by payers to reduce the cost and utilization of clinical laboratory services, we need to obtain and retain new customers and alliance partners. In addition, a reduction in tests ordered or specimens submitted by existing customers, without offsetting growth in our customer base, could impact our ability to successfully grow our business and could have a material adverse impact on our net revenues and profitability. We compete primarily on the basis of the quality of our testing, reporting and information systems, our reputation in the medical community, the pricing of our services and our ability to employ qualified personnel. Our failure to successfully compete on any of these factors could result in the loss of customers and a reduction in our ability to expand our customer base.

In addition, we rely on developing alliances with hospitals to expand our business through traditional and non-traditional business models. Reference agreements, or the traditional business model, provide a means for hospitals to outsource patient laboratory testing services that are esoteric or complex, or that are not time critical. A non-traditional business model is where we provide technical support services in a variety of health care settings. Our ability to expand the number of alliances with hospitals and maintain current alliances, many of which are terminable on short notice, could impact our ability to successfully grow our business.

A failure to integrate newly acquired or contracted businesses and the costs related to such integration could have a material adverse impact on our net revenues and profitability.

The successful integration of any business we may acquire in the future entails numerous risks, including, among others:

- loss of key customers or employees;
- difficulty in consolidating redundant facilities and infrastructure and in standardizing information and other systems;
- failure to maintain the quality of services that such companies have historically provided;
- coordination of geographically-separated facilities and workforces; and
- diversion of management’s attention from the day-to-day business of our company.

We cannot assure you that current or future acquisitions or contracted businesses, if any, or any related integration efforts will be successful, or that our business will not be adversely affected by any future acquisitions. Even if we are able to successfully integrate the operations of companies or businesses we may acquire in the future, we may not be able to realize the benefits that we expect to result from such integration, including projected cost savings within the projected time frame or at all.

Adverse results in material litigation matters could have a material adverse effect upon our business.

Although we are not currently involved in any material legal actions, we may become subject in the ordinary course of business to material legal action related to, among other things, intellectual property disputes, professional liability and employee-related matters, as well as inquiries from governmental agencies and Medicare or Medicaid carriers requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties. Legal actions could result in substantial monetary damages as well as damage to our reputation with customers, which could have a material adverse effect upon our business.

An inability to attract and retain experienced and qualified personnel could adversely affect our business.

The loss of key management personnel or our inability to attract and retain experienced and qualified skilled employees at our clinical laboratories and research centers could adversely affect the business. Our success is dependent in part on the efforts of key members of our management team. Our success in maintaining our leadership position in genomic and other advanced testing technologies will depend in part on our ability to attract and retain skilled research professionals. In addition, the success of our clinical laboratories also depends on employing and retaining qualified and experienced laboratory professionals, including specialists, who perform our clinical laboratory testing services. In the future, if competition for the services of these professionals increases, we may not be able to continue to attract and retain individuals in our markets. Our revenues and earnings could be adversely affected if a significant number of professionals terminate their relationship with us or become unable or unwilling to continue their employment.

Failure to maintain our days sales outstanding levels would have an adverse effect on our business.

Billing for laboratory services is a complex process. Laboratories bill many different payers such as doctors, patients, hundreds of different insurance companies, Medicare, Medicaid and employer groups, all of which have different billing requirements. We believe that our bad debt expense, which was 5.3% of our net revenues at December 31, 2005, is the result of non-credit related issues which slow the billing process and patients who are unable or unwilling to pay. If we are unable to maintain our days sales outstanding level, or DSO, which as of December 31, 2005 was approximately 54 days, our bad debt expense and DSO could increase, which would have an adverse effect on our business.

Failure in our information technology systems could significantly increase testing turn-around time or billing processes and otherwise disrupt our operations.

Our laboratory operations depend, in part, on the continued and uninterrupted performance of our information technology systems. Despite network security measures and other precautions we have taken, our information technology systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. In addition, we are in the process of integrating the information technology systems of our recently acquired subsidiaries, and we may experience system failures or interruptions as a result of this process. Sustained system failures or interruption of our systems in one or more of our laboratory operations could disrupt our ability to process laboratory requisitions, perform testing, provide test results in a timely manner and/or bill the appropriate party. Failure of our information technology systems could adversely affect our business, profitability and financial condition.

Operations may be disrupted and adversely impacted by the effects of natural disasters such as hurricanes and earthquakes, or acts of terrorism or other criminal activities.

Our operations may be adversely impacted by the effects of natural disasters such as hurricanes and earthquakes, or acts of terrorism or other criminal activities. Such events may result in a temporary decline in the number of patients who seek laboratory testing services. In addition, such events may temporarily interrupt our ability to transport specimens, our ability to utilize certain laboratories or to receive material from our suppliers.

Failure to comply with the Sarbanes-Oxley Act of 2002, including Section 404 of that Act which requires management to report on, and our independent registered public accounting firm to attest to and report on, our internal controls, could cause sanctions and investigations by regulatory authorities, such as the SEC.

If we are not able to continue to comply with the requirements of Section 404 in a timely manner, our independent auditors may not be able to certify as to the effectiveness of our internal control over financial reporting and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, we may be required to incur costs in connection with continued testing and strengthening of our internal control system.

FORWARD-LOOKING INFORMATION

We make in this prospectus and the documents incorporated by reference into this prospectus forward-looking statements concerning our operations, performance and financial condition, as well as our 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, including, but not limited to, the risks described under the heading “Risk Factors.” Actual results could differ materially from those currently anticipated due to a number of factors in addition to those discussed elsewhere in this prospectus, in the documents incorporated by referenced into this prospectus and in our other public filings, press releases and discussions with our 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 reimbursement for clinical laboratory testing;

2. adverse results from investigations of clinical laboratories by the government, which may include significant monetary damages 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, the law or regulations of the Clinical Laboratory Improvement Act of 1967, and CLIA, 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 could result in penalties and loss of licensure;

5. failure to comply with HIPAA, which could result in significant fines;

6. failure of third party payers to complete testing with us, or accept or remit transactions in HIPAA-required standard transaction and code set format, which could result in an interruption in our cash flow;

7. increased competition, including price competition;

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

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

10. 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;

11. failure to effectively manage the integration of newly acquired businesses and the cost related to such integration;

12. adverse results in litigation matters;

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

14. failure to maintain our days sales outstanding levels;

15. decrease in credit ratings by Standard & Poor’s and/or Moody’s;

16. failure to develop or acquire licenses for new or improved technologies, or the use of new technologies by customers to perform their own tests;

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

18. inability to obtain and maintain adequate patent and other proprietary rights for protection of our products and services and successfully enforce our proprietary rights;

19. the scope, validity and enforceability of patents and other proprietary rights held by third parties that might have an impact on our ability to develop, perform, or market our tests or operate our business;

20. failure in our information technology systems resulting in an increase in testing turnaround time or a failure of billing processes or the failure to meet future regulatory or customer information technology and connectivity requirements;

21. failure of our existing and new financial information systems resulting in failure to meet required financial reporting deadlines;

22. failure of our disaster recovery plans to provide adequate protection against the interruption of business and/or the recovery of business operations;

23. 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;

24. failure by us to comply with the Sarbanes-Oxley Act of 2002, including Section 404 of that Act, which requires management to report on, and our independent registered public accounting firm to attest to and report on, our internal controls; and

25. liabilities that result from any future inability to comply with new corporate governance requirements.

Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated.

For purposes of the ratio of earnings to fixed charges, “earnings” represent income from continuing operations before income taxes plus fixed charges. “Fixed charges” represent interest expense plus that portion of rent expense that, in our opinion, approximates the interest factor included in rent expense. As of the date of this prospectus, we have no preferred stock outstanding.

	Year Ended December 31,					Six Months Ended June 30, 2006
	2001	2002	2003	2004	2005	
Ratio of Earnings to Fixed Charges (unaudited)	7.40	10.03	8.15	9.59	9.62	9.27

PRICE RANGE OF OUR COMMON STOCK

Our common stock is listed on the New York Stock Exchange under the symbol "LH." As of September 21, 2006, the last reported sale price of our common stock on the New York Stock Exchange was $67.00. As of September 21, 2006, there were approximately 566 stockholders of record.

The following table presents, for the periods indicated, the high and low sales prices per share of our common stock as reported on the New York Stock Exchange.

	High	Low
Year Ending on December 31, 2006		
3rd Quarter (through September 21, 2006)	$ 68.84	$ 61.94
2nd Quarter	62.80	56.39
1st Quarter	59.39	53.68
Year Ending on December 31, 2005		
4th Quarter	$ 55.00	$ 47.22
3rd Quarter	51.95	46.60
2nd Quarter	51.25	46.83
1st Quarter	50.60	44.63
Year Ending on December 31, 2004		
4th Quarter	$ 50.00	$ 41.10
3rd Quarter	43.75	36.80
2nd Quarter	42.47	38.57
1st Quarter	44.20	36.95

DIVIDEND POLICY

We have not historically paid dividends, and we currently do not intend to pay dividends on our common stock in the future. The payment of dividends by us is subject to the discretion of our board of directors and will depend on our financial position, capital requirements and liquidity, contractual and legal requirements, results of operations and other factors. In addition, our senior credit facilities place certain limits on the payment of dividends.

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the selected consolidated financial data set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, incorporated by reference to our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Report on Form 10-Q for the period ended June 30, 2006. The selected consolidated financial data as of December 31, 2004 and 2005 and for the years ended December 31, 2003, 2004 and 2005 are derived from audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2005 and incorporated by reference in this prospectus. The selected consolidated financial data as of December 31, 2001, 2002 and 2003 and for the years ended December 31, 2001 and 2002 are derived from our audited financial statements not included or incorporated by reference in this prospectus. The selected consolidated financial data as of June 30, 2006 and for the six months ended June 30, 2005 and 2006, are derived from unaudited financial statements included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 and incorporated by reference in this prospectus, and have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information, and in our opinion, reflect all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of our results of operations and financial position. The results of operations for the six months ended June 30, 2006 are not necessarily indicative of the results of operations to be expected for the full year or any future period.

	Year Ended December 31,					Six Months Ended June 30,	
	2005(a)	2004	2003(b)	2002(c)(d)	2001(e)	2006(f)	2005
						(Unaudited)	
	(In millions, except per share amounts)						
Statement of Operations Data:							
Net Sales	$ 3,327.6	$ 3,084.8	$ 2,939.4	$ 2,507.7	$ 2,199.8	$ 1,782.2	$ 1,652.4
Gross profit	1,390.3	1,289.3	1,224.6	1,061.8	925.6	765.5	703.2
Operating income	618.1	598.4	533.7	435.0	367.6	358.4	330.7
Net Earnings	386.2	363.0	321.0	254.6	179.5	218.3	202.6
Basic earnings per common share	$ 2.89	$ 2.60	$ 2.23	$ 1.78	$ 1.29	$ 1.75	$ 1.51
Diluted earnings per common share(g)	$ 2.71	$ 2.45	$ 2.11	$ 1.69	$ 1.26	$ 1.62	$ 1.41
Basic weighted average common shares outstanding	133.5	139.4	144.0	142.8	138.8	124.4	134.4
Diluted weighted average common shares outstanding	144.9	150.7	154.7	154.2	144.1	136.6	145.6

	As of December 31,					As of June 30,
	2005(a)	2004	2003(b)	2002(c)(d)	2001(e)	2006
						(Unaudited)
	(In millions)					
Balance Sheet Data:						
Cash and cash equivalents, and short-term investments	$ 63.1	$ 206.8	$ 123.0	$ 56.4	$ 149.2	$ 202.3
Goodwill and Intangible assets, net	2,122.7	1,857.4	1,857.3	1,217.5	968.5	2,098.1
Total assets	3,875.8	3,626.1	3,414.9	2,580.4	1,929.6	4,048.7
Long-term obligations(g)	1,148.9	889.3	879.5	516.0	503.1	1,153.2
Total shareholders equity	1,885.7	1,999.3	1,895.9	1,611.7	1,085.4	2,010.1

(a) During the third and fourth quarters of 2005, we began to implement our plan related to the integration of Esoterix, Inc. and US Pathology Labs, Inc. operations into our service delivery network. The plan is directed

at reducing redundant facilities, while maintaining the goal of providing excellent customer service. In connection with the integration plan, we recorded $11.9 million of costs associated with the execution of the plan. The majority of these integration costs related to employee severance and contractual obligations associated with leased facilities and equipment. Of this amount, $10.1 million related to employee severance benefits for approximately 700 employees, with the remainder primarily related to contractual obligations associated with leased facilities. Employee groups being affected as a result of this plan included those involved in the collection and testing of specimens, as well as administrative and other support functions. We also recorded a special charge of $5.0 million related to forgiveness of amounts owed by patients and clients as well as other costs associated with the areas of the Gulf Coast severely impacted by hurricanes Katrina and Rita.

(b) On January 17, 2003, we completed the acquisition of all of the outstanding shares of DIANON Systems, Inc. for $47.50 per share in cash, or approximately $595.6 million including transaction fees and expenses. We recorded net restructuring and other special charges of $1.5 million for 2003 in connection with the integrations of its recent acquisitions.

(c) On July 25, 2002, we completed the acquisition of all of the outstanding stock of Dynacare Inc. in a combination cash and stock transaction with a combined value of approximately $496.4 million, including transaction costs. During the third quarter of 2002, we recorded restructuring and other special charges totaling $17.5 million. These charges included a special bad debt provision of approximately $15.0 million related to the acquired Dynacare accounts receivable balance and restructuring expense of approximately $2.5 million relating to Dynacare integration costs of actions that impact our existing employees and operations.

(d) Effective January 1, 2002, we adopted Statement of Financial Accounting Standards No. 142 “Goodwill and Other Intangible Assets”. This Standard requires that goodwill and other intangibles that are acquired in business combinations and that have indefinite useful lives are not to be amortized.

(e) During the third quarter of 2001, we recorded a loss of $5.5 million relating to the write-off of unamortized bank fees associated with our term debt, which was repaid in September of 2001. We also recorded a charge of $8.9 million as a result of a payment made to a bank to terminate an interest rate swap agreement tied to our term loan.

(f) Effective January 1, 2006, we adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (“SFAS 123(R)”), which requires us to measure the cost of employee services received in exchange for all equity awards granted, based on the fair market value of the award as of the grant date. We have adopted SFAS 123(R) using the modified prospective application method of adoption which requires us to record compensation cost related to unvested stock awards as of December 31, 2005 by recognizing the unamortized grant date fair value of these awards over the remaining service periods of those awards with no change in historical reported earnings. As a result of adopting SFAS 123(R), our net earnings were reduced by $6.7 for the six months ended June 30, 2006. The impact on basic and diluted earnings per share for the six months ended June 30, 2006 was $0.05 and $0.05 per share, respectively.

(g) Long-term obligations primarily includes the Old Notes, the 5 1/2% senior notes due 2013, the 5 5/8% senior notes due 2015 and other long-term obligations. The accreted balance of the Old Notes was $544.4 million, $533.7 million, $523.2 million, $512.9 million, and $502.8 million, at December 31, 2005, 2004, 2003, 2002 and 2001, respectively, and $549.9 million at June 30, 2006. The balance of the 5 1/2% senior notes, including principal and unamortized portion of a deferred gain on an interest rate swap agreement, was $353.0 million, $353.4 million, $353.8 million, $0, and $0, at December 31, 2005, 2004, 2003, 2002, and 2001, respectively, and $352.8 at June 30, 2006. The principal balance of the 5 5/8% senior notes was $250.0 million at December 31, 2005 and $0 for all other years presented, and $250.0 at June 30, 2006. The remainder of other long-term obligations consisted primarily of mortgages payable with balances of $1.5 million, $2.2 million, $2.5 million, $3.1 million, and $0.3 million, at December 31, 2005, 2004, 2003, 2002, and 2001, respectively, and $0.5 million at June 30, 2006. Long-term obligations exclude amounts due to affiliates.

THE EXCHANGE OFFER

As used in this section, the words "we," "us," "our" or "LabCorp" refer only to Laboratory Corporation of America Holdings and do not include any current or future subsidiary of LabCorp.

Reasons for the Exchange Offer

The purpose of the exchange offer is to exchange the Old Notes for the New Notes with certain different terms, including a net share settlement feature on conversion, which we believe will reduce the likelihood and extent of dilution to our stockholders. We include the impact of the assumed conversion of our Old Notes into our common stock under the "if-converted" method when computing our diluted earnings per share when it has the effect of decreasing diluted earnings per share. We believe the terms of the New Notes will allow the number of shares used in computing our diluted earnings per share to be less than the amount included under the terms of the Old Notes. For a more detailed description of these changes, see "Summary—Material Differences Between the Old Notes and the New Notes."

Securities Subject to the Exchange Offer

We are offering, upon the terms and subject to the conditions set forth in this prospectus, to exchange $1,000 principal amount at maturity of New Notes and an exchange fee of $2.50 for each $1,000 principal amount at maturity of validly tendered and accepted Old Notes. We are offering to exchange all of the Old Notes. However, the exchange offer is subject to the conditions described in this prospectus.

Deciding Whether to Participate in the Exchange Offer

Neither our directors nor officers make any recommendation to the holders of Old Notes as to whether or not to tender all or any portion of your Old Notes. In addition, we have not authorized anyone to make any such recommendation. You should make your own decision whether to tender your Old Notes and, if so, the amount of Old Notes to tender.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth in this prospectus, we will accept any and all Old Notes validly tendered and not validly withdrawn prior to the expiration date, or another date and time to which we extend the offer. We will issue $1,000 principal amount at maturity of New Notes and an exchange fee of $2.50 in exchange for each $1,000 principal amount at maturity of outstanding Old Notes accepted in the exchange offer. Holders may tender some or all of their Old Notes pursuant to the exchange offer. However, Old Notes may be tendered only in integral multiples of $1,000 in principal amount at maturity.

Holders who tender Old Notes in the exchange offer will not be required to pay brokerage commissions or fees or transfer taxes with respect to the exchange of Old Notes in the exchange offer. We will pay all charges and expenses, other than some applicable taxes, applicable to the exchange offer. See "—Fees and Expenses."

As of the date of this prospectus, there was $743,966,000 principal amount at maturity of Old Notes outstanding and there was one registered holder, a nominee of The Depository Trust Company, or DTC. This prospectus is being sent to that registered holder and to others believed to have beneficial interests in the Old Notes. We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the Commission promulgated under the Exchange Act.

We will be deemed to have accepted validly tendered Old Notes when, as, and if we have given oral or written notice thereof to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the New Notes and the applicable exchange fee from us. If any tendered Old Notes are not accepted for exchange because of an invalid tender, the occurrence of other events set forth under the heading "—Conditions to the Exchange Offer" or otherwise, Old Notes will be returned, without expense, to the tendering holder of those Old Notes promptly after the expiration date, unless the exchange offer is extended.

Expiration Date; Extensions; Amendments

The expiration date will be 5:00 p.m., New York City time, on October 23, 2006, unless we, in our sole discretion, extend the exchange offer, in which case the expiration date will mean the latest date and time to which the exchange offer is extended. In order to extend the exchange offer, we will notify the exchange agent and each registered holder of any extension by oral or written notice, and announce the extension by press release or other permitted means, prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion:

- to delay accepting any Old Notes, to extend the exchange offer or, if any of the conditions set forth under "—Conditions to Exchange Offer" have not been satisfied, to terminate the exchange offer, by giving oral or written notice of the delay, extension or termination to the exchange agent; or
- to amend the terms of the exchange offer in any manner.

Procedures for Exchange

If you are a DTC participant that has Old Notes that are credited to your DTC account and that are held of record by DTC's nominee, you may directly tender your Old Notes by book-entry transfer as if you were the record holder. Because of this, references herein to registered or record holders include DTC participants with Old Notes credited to their accounts. If you are not a DTC participant, you may tender your Old Notes by book-entry transfer by contacting your broker or opening an account with a DTC participant.

A holder who wishes to exchange Old Notes in the exchange offer must cause to be transmitted to the exchange agent an agent's message, which agent's message must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date. In addition, the exchange agent must receive a timely confirmation of book-entry transfer of the Old Notes into the exchange agent's account at DTC through ATOP under the procedure for book-entry transfers described herein along with a properly transmitted agent's message, on or before the expiration date.

The term "agent's message" means a message, transmitted by DTC to, and received by, the exchange agent, and forming a part of the book-entry confirmation, that states that DTC has received an express acknowledgement from the tendering participant stating that the participant has received and agrees to be bound by the terms and subject to the conditions set forth in this prospectus and that we may enforce the agreement against the participant. To receive confirmation of valid tender of Old Notes, a holder should contact the exchange agent at the telephone number listed under "—Exchange Agent."

Any valid tender of Old Notes that is not withdrawn prior to the expiration date will constitute a binding agreement between the tendering holder and us upon the terms and subject to the conditions set forth in this prospectus. Only a registered holder of Old Notes may tender the Old Notes in the exchange offer. If you wish to tender Old Notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should promptly instruct the registered holder to tender on your behalf.

We will determine in our sole discretion all questions as to the validity, form, eligibility, including time of receipt, and acceptance of Old Notes tendered for exchange. We reserve the absolute right to reject any and all tenders of Old Notes not properly tendered or Old Notes our acceptance of which might, in the judgment of our counsel, be unlawful. We also reserve the absolute right to waive any defects, irregularities or conditions of tender as to any particular Old Notes. However, to the extent we waive any conditions of tender with respect to one tender of Old Notes, we will waive that condition for all tenders as well. Our interpretation of the terms and conditions of the exchange offer will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Notes must be cured within the time period we determine. Neither we, the exchange agent, the information agent nor any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give you notification of defects or irregularities with respect to tenders of your Old Notes.

Tenders of Old Notes involving any irregularities will not be deemed to have been made until such irregularities have been cured or waived. Old Notes received by the exchange agent in connection with the exchange offer that are not validly tendered and as to which the irregularities have not been cured within the time period we determine or waived will be returned by the exchange agent to the DTC participant who delivered such Old Notes by crediting an account maintained at DTC designated by such DTC participant promptly after the expiration date of the exchange offer or the withdrawal or termination of the exchange offer.

In addition, we reserve the right in our sole discretion to purchase or make offers for any Old Notes that remain outstanding after the expiration date or, as set forth under "—Conditions to the Exchange Offer," to terminate the exchange offer and, to the extent permitted by applicable law, purchase Old Notes in the open market, in privately negotiated transactions, or otherwise. The terms of any of these purchases or offers could differ from the terms of the exchange offer.

Subject to and effective upon the acceptance for exchange and exchange of New Notes and payment of the applicable exchange fee for Old Notes tendered by a holder of Old Notes causing an agent's message to be transmitted to the exchange agent, a tendering holder of Old Notes will be deemed to:

- have agreed to irrevocably sell, assign and transfer to or upon the order of LabCorp all right, title and interest in and to, and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, the Old Notes tendered thereby;
- have released and discharged us, and the trustee with respect to the Old Notes, from any and all claims such holder may have, now or in the future, arising out of or related to the Old Notes, including, without limitation, any claims that such holder is entitled to participate in any redemption of the Old Notes, but excluding any claims arising now or in the future under federal securities laws;
- have represented and warranted that the Old Notes tendered were owned as of the date of tender, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, other than restrictions imposed by applicable securities laws; and
- have irrevocably appointed the exchange agent the true and lawful agent and attorney-in-fact of the holder with respect to any tendered Old Notes, with full powers of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to cause the Old Notes tendered to be assigned, transferred and exchanged in the exchange offer.

Acceptance of Old Notes for Exchange

Upon satisfaction of all conditions to the exchange offer, we will accept, promptly after the expiration date, all Old Notes properly tendered and will issue the New Notes and pay the exchange fee promptly after acceptance of the Old Notes.

For purposes of the exchange offer, we will be deemed to have accepted validly tendered Old Notes for exchange when, as and if we have given oral or written notice of that acceptance to the exchange agent. For each Old Note accepted for exchange, you will receive a New Note having a principal amount at maturity equal to that of the surrendered Old Note and the applicable exchange fee.

In all cases, we will issue New Notes for Old Notes that we have accepted for exchange under the exchange offer only after the exchange agent timely receives:

- timely confirmation of book-entry transfer of your Old Notes into the exchange agent's account at DTC; and
- a properly transmitted agent's message.

If we do not accept any tendered Old Notes for any reason set forth in the terms of the exchange offer, we will credit the non-exchanged Old Notes to your account maintained with DTC.

Withdrawal Rights

You may withdraw your tender of Old Notes at any time before the exchange offer expires and, if not accepted for payment, after the expiration of 40 business days from the commencement of the exchange offer.

For a withdrawal to be effective, the holder must cause to be transmitted to the exchange agent an agent's message, which agent's message must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date. In addition, the exchange agent must receive a timely confirmation of book-entry transfer of the Old Notes out of the exchange agent's account at DTC under the procedure for book-entry transfers described herein along with a properly transmitted agent's message on or before the expiration date.

We will determine in our sole discretion all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal. Our determination will be final and binding on all parties. Any Old Notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer. The Old Notes will be credited to an account maintained with DTC for the Old Notes. You may retender properly withdrawn Old Notes by following the procedures described under "—Procedures for Tendering" at any time on or before the expiration date.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the transfer and exchange of Old Notes to us in the exchange offer. If transfer taxes are imposed for any other reason, the amount of those transfer taxes, whether imposed on the registered holder or any other persons, will be payable by the tendering holder.

Conditions to the Exchange Offer

Notwithstanding any other provision of the exchange offer, we are not required to accept for exchange, or to issue New Notes or pay the applicable exchange fee in exchange for, any Old Notes and may terminate or amend the exchange offer if:

- a minimum of $371,983,000 of aggregate principal amount at maturity of Old Notes have not been tendered for exchange prior to the expiration of the exchange offer;
- the registration statement of which this prospectus forms a part and any post-effective amendment to the registration statement is not effective under the Securities Act; or
- at any time before the expiration of the exchange offer, we determine that the exchange offer violates applicable law, any applicable interpretation of the staff of the SEC or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any of these conditions or may be waived by us in whole or in part at any time and from time to time in our sole discretion. Our failure to exercise any of the foregoing rights at any time is not a waiver of any of these rights and each of these rights will be an ongoing right which may be asserted at any time and from time to time.

In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for those Old Notes, if at the time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture governing the New Notes under the Trust Indenture Act of 1939, as amended. In any of those events, we will use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

We may not accept Old Notes for exchange and may take the actions listed below if, prior to the expiration date, any of the following events occur:

- any action, proceeding or litigation seeking to enjoin, make illegal or delay completion of the exchange offer or otherwise relating in any manner to the exchange offer is instituted or threatened;
- any order, stay, judgment or decree is issued by any court, government, governmental authority or other regulatory or administrative authority and is in effect, or any statute, rule, regulation, governmental order or injunction shall have been proposed, enacted, enforced or deemed applicable to the exchange offer, any of which would or might restrain, prohibit or delay completion of the exchange offer or impair the contemplated benefits of the exchange offer to us;
- any of the following occurs and the adverse effect of such occurrence shall, in our reasonable judgment, be continuing:
    - any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States;
    - any extraordinary or material adverse change in United States financial markets generally;
    - a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States;
    - any limitation, whether or not mandatory, by any governmental entity on, or any other event that would reasonably be expected to materially adversely affect, the extension of credit by banks or other lending institutions; or
    - a commencement of a war, act of terrorism or other national or international calamity directly or indirectly involving the United States, which would reasonably be expected to affect materially and adversely, or to delay materially, the completion of the exchange offer;
- any of the situations described above existed at the time of commencement of the exchange offer and that situation deteriorates materially after commencement of the exchange offer;
- any tender or exchange offer, other than this exchange offer by us, with respect to some or all of our outstanding common stock or any merger, acquisition or other business combination proposal involving us shall have been proposed, announced or made by any person or entity; or
- any event or events occur that have resulted or may result, in our reasonable judgment, in an actual or threatened change in the business condition, income, operations, stock ownership or prospects of us and our subsidiaries, taken as a whole that, in our reasonable judgment, would have a material adverse effect on us.

If any of the above events occur, we may:

- terminate the exchange offer and promptly return all tendered Old Notes to tendering noteholders;
- extend the exchange offer, subject to the withdrawal rights described in “The Exchange Offer—Withdrawal Rights” herein, and retain all tendered Old Notes until the extended exchange offer expires;
- amend the terms of the exchange offer, which may result in an extension of the period of time for which the exchange offer is kept open; or
- waive the unsatisfied condition, subject to any requirement to extend the period of time during which the exchange offer is open, complete the exchange offer.

Exchange Agent

We have retained The Bank of New York to act as the exchange agent in connection with the exchange offer. The exchange agent may contact holders of Old Notes by mail, telephone, facsimile transmission and personal interviews and may request brokers, dealers and other nominee holders to forward materials relating to

the exchange offer to beneficial owners. We have agreed to pay the exchange agent reasonable and customary fees for its services, and will reimburse it for its reasonable out-of-pocket expenses. In addition, the exchange agent will be indemnified against liabilities in connection with its services, including liabilities under the federal securities laws. You should direct any questions and requests for assistance and requests for additional copies of this prospectus to the exchange agent at the address set forth on the back cover page of this prospectus.

Information Agent

D.F. King & Co., Inc. has been appointed the information agent for the exchange offer, and will receive customary compensation for its expenses. Questions concerning tender procedures and requests for additional copies of this prospectus should be directed to the information agent at the address set forth on the back cover page of this prospectus. Holders of Old Notes may also contact their custodian bank, depositary, broker, trust company or other nominee for assistance concerning the exchange offer.

Neither the information agent nor the exchange agent has been retained to make solicitations or recommendations. The fees they receive will not be based on the principal amount of Old Notes tendered under the exchange offer.

Dealer Manager

Lehman Brothers Inc. is acting as the dealer manager in connection with the exchange offer and will receive a fee for its services as dealer manager. Lehman Brothers Inc. will also be reimbursed for its reasonable out-of-pocket expenses incurred in connection with the exchange offers (including reasonable fees and disbursements of counsel), whether or not the exchange offer is completed. Lehman Brother Inc.’s fees will be payable upon expiration or termination of the exchange offer.

We have agreed to indemnify Lehman Brothers Inc. against specified liabilities relating to or arising out of the exchange offer, including civil liabilities under the federal securities laws, and to contribute to payments which it may be required to make in respect thereof. Lehman Brothers Inc. may from time to time hold Old Notes and our common stock in their proprietary accounts, and to the extent it owns Old Notes in these accounts at the time of the exchange offer, Lehman Brothers Inc. may tender these Old Notes. In addition, Lehman Brothers Inc. may hold and trade New Notes in its proprietary accounts following the exchange offer.

From time to time, Lehman Brothers Inc. and its affiliates have provided, and may in the future provide, investment, lending and commercial banking and financial advisory services to us or our affiliates for customary compensation.

Other Fees and Expenses

We will not pay any fees or commissions to any broker or dealer, or any other person, other than Lehman Brothers Inc. for soliciting tenders of Old Notes under the exchange offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by us for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

The principal solicitation is being made by mail. However, additional solicitations may be made by facsimile transmission, telephone or in person by the dealer manager and the information agent, as well as by officers and other employees of LabCorp.

The total expense expected to be incurred in connection with the exchange offer, assuming all of the Old Notes are exchanged for New Notes, is estimated to be approximately $3.2 million, including the exchange fee of $2.50 per $1,000 principal amount at maturity of New Notes.

Accounting Treatment

For accounting purposes, we will not recognize any gain or loss upon the exchange of the New Notes for Old Notes. We will amortize the exchange fee paid to holders of the New Notes over the term of the New Notes. All other costs incurred in connection with the exchange will be expensed as incurred.

Effect of Tender

Any valid tender by a holder of Old Notes that is not validly withdrawn prior to the expiration date of the exchange offer will constitute a binding agreement between that holder and us upon the terms and subject to the conditions of the exchange offer set forth in this prospectus. The acceptance of the exchange offer by a tendering holder of Old Notes will constitute the agreement by that holder to deliver good and marketable title to the tendered Old Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

Absence of Dissenters' Rights

Holders of Old Notes do not have any appraisal or dissenters' rights under applicable law in connection with the exchange offer.

DESCRIPTION OF THE NEW NOTES

We will issue the New Notes under an indenture between us and The Bank of New York, as trustee. The following summary does not purport to be complete and is subject to, and qualified by reference to, all of the provisions of the indenture, which we urge you to read because they define your rights as a New Notes holder. As used in this description of New Notes, the words "we," "us," "our" or "LabCorp" refer only to Laboratory Corporation of America Holdings and do not include any current or future subsidiary of LabCorp.

General

The New Notes will be limited to $743,966,000 aggregate principal amount at maturity. The New Notes will mature on September 11, 2021. Each $1,000 principal amount at maturity of New Notes (a "New Note") will have an initial principal amount upon issuance of $741.92, which is equal to the original issue price of $671.65 for each $1,000 principal amount at maturity of Old Notes on September 11, 2001 plus accrued original issue discount of $70.27 to September 11, 2006. When used herein, principal amount at maturity means $1,000 per New Note. The New Notes will be payable at the principal corporate trust office of the paying agent, which initially will be an office or agency of the trustee, or an office or agency maintained by us for such purpose, in the Borough of Manhattan, The City of New York.

Each New Note will be offered at a substantial discount from its principal amount at maturity. Except as described below under "—Contingent Cash Interest," we will not make periodic payments of interest on the New Notes. The New Notes will accrue original issue discount while they remain outstanding. Original issue discount will accrue at the rate of 2.0% per year, calculated on a semi-annual bond equivalent basis using a 360-day year composed of twelve 30-day months. Original issue discount will begin to accrue on the New Notes from September 11, 2006. The principal amount of the New Notes will accrete on March 11 and September 11 of each year, beginning March 11, 2007.

We intend to treat the New Notes as debt instruments subject to the Treasury regulations that provide special rules for contingent payment debt instruments. Holders of the New Notes will continue to accrue original issue discount for U.S. federal income tax purposes. You agree in the indenture to treat your New Notes as contingent payment debt instruments for U.S. federal income tax purposes and to be bound by our application of the Treasury regulations that govern contingent payment debt instruments, including our determination of the rate at which interest, also referred to herein as tax original issue discount, will be considered to accrue for U.S. federal income tax purposes. Under the contingent payment debt regulations, even if we do not pay any contingent cash interest on the New Notes, holders will be required to include accrued tax original issue discount in their gross income for U.S. federal income tax purposes. The rate at which the tax original issue discount will accrue will exceed the stated yield to maturity. See "Certain U.S. Federal Income Tax Consequences."

Original issue discount and contingent cash interest, if any, will cease to accrue on a New Note upon its maturity, conversion, purchase by us at the option of a holder or redemption. We may not reissue a New Note that has matured or been converted, purchased by us at your option, redeemed or otherwise cancelled, except for registration of transfer, exchange or replacement of such New Note.

New Notes may be presented for conversion at the office of the conversion agent and for exchange or registration of transfer at the office of the registrar. The conversion agent and the registrar shall initially be the trustee. No service charge will be made for any registration of transfer or exchange of New Notes. However, we may require the holder to pay any tax, assessment or other governmental charge payable as a result of such transfer or exchange.

Subordination

Payment on the New Notes will, to the extent provided in the indenture, be subordinated in right of payment to the prior payment in full of all of our existing and future senior indebtedness. Payment on the New Notes will also effectively be subordinated to all of our subsidiaries' existing and future indebtedness and other liabilities, including trade payables.

Upon any payment or distribution of assets of LabCorp to its creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other similar proceedings, the holders of all senior indebtedness will first be entitled to receive payment in full of all amounts due or to become due thereon, or payment of such amounts will have been provided for, before the holders of the New Notes will be entitled to receive any payment or distribution with respect to any New Notes.

By reason of this subordination, in the event of our bankruptcy, dissolution or reorganization, holders of senior indebtedness may receive more, ratably, and holders of the New Notes may receive less, ratably, than our other creditors.

In addition, no payment of the principal amount at the maturity of the New Notes, initial principal amount of the New Notes upon issuance, accrued original issue discount, cash due upon conversion, redemption price, purchase price and contingent cash interest, if any, with respect to any New Notes may be made by us, nor may we pay cash with respect to the purchase price of any New Notes (other than for fractional shares) or acquire any New Notes for cash or property (except as set forth in the indenture) if:

(1) any payment default on any senior indebtedness has occurred and is continuing beyond any applicable grace period; or

(2) any default, other than a payment default with respect to senior indebtedness, occurs and is continuing that permits the acceleration of the maturity thereof and such default is either the subject of judicial proceedings or we receive a written notice of such default from the holders of such senior indebtedness.

Notwithstanding the foregoing, the payment blockage period will end and we may resume payments with respect to the New Notes and may acquire New Notes:

- when the default with respect to the senior indebtedness is cured or waived; or
- in the case of a default described in (2) above, 179 or more days pass after we receive notice of the default, provided that the terms of the indenture otherwise permit the payment or acquisition of the New Notes at that time.

No new period of payment blockage may be commenced pursuant to a similar notice relating to the same default on the same issue of senior indebtedness unless nine months have elapsed since we received the notice of default as provided above.

In addition, no payment may be made on the New Notes if any New Notes are declared due and payable prior to their stated maturity by reason of the occurrence of an event of default until the earlier of 120 days after the date of such acceleration or the payment in full of all senior indebtedness, but only if such payment is then otherwise permitted under the terms of the indenture. Notwithstanding the foregoing, upon the expiration of any payment blockage period described above, holders of the New Notes are required to pay over any amounts collected by such holders to the holders of senior indebtedness to the extent necessary to pay all holders of senior indebtedness in full.

The term “senior indebtedness” of LabCorp means the principal, premium (if any) and unpaid interest on all present and future:

(1) indebtedness of LabCorp for borrowed money;

(2) obligations of LabCorp evidenced by bonds, debentures, notes or similar instruments;

(3) obligations of LabCorp under (a) interest rate swaps, caps, collars, options, and similar arrangements, (b) any foreign exchange contract, currency swap contract, futures contract, currency option contract, or other foreign currency hedge, and (c) credit swaps, caps, floors, collars and similar arrangements;

(4) indebtedness incurred, assumed or guaranteed by LabCorp in connection with the acquisition by it or a subsidiary of LabCorp of any business, properties or assets (except purchase money indebtedness classified as accounts payable under generally accepted accounting principles);

(5) all obligations and liabilities, contingent or otherwise, in respect of leases of LabCorp required, in conformity with generally accepted accounting principles, to be accounted for as capitalized lease obligations on the balance sheet of LabCorp and all obligations and liabilities, contingent or otherwise, under any lease or related document, including a purchase agreement, in connection with the lease of real property which provides that LabCorp is contractually obligated to purchase or cause a third party to purchase the leased property and thereby guarantee a minimum residual value of the leased property to the lessor and the obligations of LabCorp under such lease or related document to purchase or to cause a third party to purchase such leased property;

(6) reimbursement obligations of LabCorp in respect of letters of credit relating to indebtedness or other obligations of LabCorp that qualify as indebtedness or obligations of the kind referred to in clauses (1) through (5) above; and

(7) obligations of LabCorp under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (1) through (6) above,

in each case unless in the instrument creating or evidencing the indebtedness or obligation or pursuant to which the same is outstanding it is provided that such indebtedness or obligation is not senior in right of payment to the New Notes or that such indebtedness or obligation is subordinated to any other indebtedness or obligation of LabCorp, unless such indebtedness or obligation expressly provides that such indebtedness or obligations are to be senior in right of payment to the New Notes. At June 30, 2006, we had approximately $603.3 million of senior indebtedness outstanding. The indenture does not restrict LabCorp from incurring additional indebtedness, including senior indebtedness.

Because we are a holding company whose operations are conducted through operating subsidiaries, the New Notes will be structurally subordinated to any and all existing and future indebtedness, whether or not secured, and other liabilities and claims of holders of preferred stock of any of our subsidiaries. Any right of LabCorp to participate in any distribution of the assets of any of its subsidiaries upon the liquidation, reorganization or insolvency of such subsidiary (and the consequent right of the holders of the New Notes to participate in those assets) will be subject to the claims of the creditors (including trade creditors) of such subsidiary, except to the extent that claims of LabCorp itself as a creditor of such subsidiary may be recognized, in which case the claims of LabCorp would still be subordinate to any security interest in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by LabCorp. The indenture does not restrict LabCorp's subsidiaries from incurring additional liabilities that rank senior to the New Notes.

Conversion Rights

Holders may surrender New Notes for conversion into cash and shares of our common stock, if any, only if at least one of the conditions described below is satisfied. In addition, a New Note for which a holder has delivered a purchase notice requiring us to purchase the New Notes may be surrendered for conversion only if such notice is withdrawn in accordance with the indenture.

The initial conversion rate is 13.4108 shares of common stock per New Note, subject to adjustment upon the occurrence of certain events described below. A holder of a New Note otherwise entitled to a fractional share will receive cash equal to the applicable portion of the then current sale price of our common stock on the trading day immediately preceding the conversion date.

The ability to surrender New Notes for conversion will expire at the close of business on September 11, 2021.

The conversion agent will, on our behalf, determine if the New Notes are convertible and notify the trustee and us accordingly. If one or more of the conditions to the conversion of the New Notes has been satisfied, we will promptly notify the holders of the New Notes thereof and use our reasonable best efforts to post this information on our website or otherwise publicly disclose this information.

Conversion Based on Common Stock Price. Holders may surrender New Notes for conversion in any calendar quarter commencing after September 30, 2006, if the sale price (as defined below) of our common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter is more than a specified percentage, beginning at 117.5642% and declining 0.1282% per calendar quarter thereafter until it reaches approximately 110% for the calendar quarter beginning July 1, 2021, of the accreted conversion price per share of common stock on the last day of such preceding calendar quarter. The accreted conversion price per share as of any day will equal the initial principal amount of a New Note upon issuance plus the accrued original issue discount as of such day, divided by the conversion rate in effect on that day, provided that, for the calendar quarter ended September 30, 2006, the accreted conversion price per share as of September 30, 2006 shall be $55.38.

The "sale price" of our common stock on any date means the closing per share sale price (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported in composite transactions for the principal United States securities exchange on which the common stock is traded or, if the common stock is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System or by Pink Sheets, LLC. In the absence of a quotation, we will determine the sale price on the basis of such quotations as we consider appropriate.

The table below shows the conversion trigger price per share of our common stock in respect of each of the first 20 calendar quarters following issuance of the New Notes. These conversion trigger prices reflect the accreted conversion price per share of common stock multiplied by the applicable percentage for the respective calendar quarter. Thereafter, the accreted conversion price per share of common stock increases each calendar quarter by the accreted original issue discount for the calendar quarter and the applicable percentage declines by 0.1282% per calendar quarter. The conversion trigger price for the calendar quarter beginning July 1, 2021 is $81.71.

Quarter*	(1) Accreted Conversion Price Per Share	(2) Applicable Percentage	(3) Conversion Trigger Price (1) x (2)
2006			
Fourth Quarter	$ 55.38	117.5642%	$ 65.11
2007			
First Quarter	$ 55.66	117.4360%	$ 65.36
Second Quarter	$ 55.94	117.3078%	$ 65.62
Third Quarter	$ 56.22	117.1796%	$ 65.87
Fourth Quarter	$ 56.50	117.0514%	$ 66.13
2008			
First Quarter	$ 56.78	116.9232%	$ 66.39
Second Quarter	$ 57.06	116.7950%	$ 66.65
Third Quarter	$ 57.35	116.6668%	$ 66.90
Fourth Quarter	$ 57.63	116.5386%	$ 67.16
2009			
First Quarter	$ 57.92	116.4104%	$ 67.42
Second Quarter	$ 58.21	116.2822%	$ 67.69
Third Quarter	$ 58.50	116.1540%	$ 67.95
Fourth Quarter	$ 58.79	116.0258%	$ 68.21
2010			
First Quarter	$ 59.08	115.8976%	$ 68.48
Second Quarter	$ 59.38	115.7694%	$ 68.74
Third Quarter	$ 59.68	115.6412%	$ 69.01
Fourth Quarter	$ 59.97	115.5130%	$ 69.28

Quarter*	(1) Accreted Conversion Price Per Share	(2) Applicable Percentage	(3) Conversion Trigger Price (1) x (2)
2011			
First Quarter	$ 60.27	115.3848%	$ 69.54
Second Quarter	$ 60.57	115.2566%	$ 69.81
Third Quarter	$ 60.87	115.1284%	$ 70.08

* This table assumes no events have occurred that would require an adjustment to the conversion rate.

Conversion Based on Credit Rating Downgrade. Holders may also surrender a New Note for conversion during any period that the rating assigned to the New Notes by Standard & Poor's Ratings Services is BB– or lower.

Conversion Based upon Notice of Redemption. A holder may surrender for conversion a New Note called for redemption at any time prior to the close of business on the second business day immediately preceding the redemption date, even if it is not otherwise convertible at such time. A New Note for which a holder has delivered a purchase notice, as described below, requiring us to purchase such New Note, may be surrendered for conversion only if such notice is withdrawn in accordance with the indenture.

A "business day" is any weekday that is not a day on which banking institutions in The City of New York are required or authorized to close. A "trading day" is a day during which trading in securities generally occurs on the NYSE or, if our common stock is not listed on the NYSE, on the principal other national or regional securities exchange on which our common stock is then listed or, if our common stock is not listed on a national or regional securities exchange, on the principal other market on which our common stock is then traded.

Conversion Upon Occurrence of Certain Corporate Transactions.

Certain Distributions on Our Common Stock. If we make:

- a distribution to all holders of our common stock of certain rights to purchase our common stock for a period expiring within 60 days at less than the then current sale price; or
- a distribution to the holders of our common stock of our assets (including shares of capital stock of a subsidiary) or debt securities or certain rights to purchase our securities (excluding cash dividends or other cash distributions from current or retained earnings, unless the amount thereof, together with all other cash dividends paid in the preceding 12 month period, per share exceeds the sum of (i) 5% of the sale price of our common stock on the day preceding the date of declaration of such dividend or other distribution and (ii) the quotient of the amount of any contingent interest paid on a New Note during such period divided by the conversion rate in effect on the contingent interest payment date) with a per share value equal to more than 15% of the sale price of our shares of common stock on the day preceding the declaration date for such distribution,

we will be required to give notice to the holders of New Notes at least 20 days prior to the ex-dividend date for such distribution and, upon the giving of such notice, the New Notes may be surrendered for conversion at any time until the close of business on the business day prior to the ex-dividend date or until we announce that such distribution will not take place.

Consolidations, Mergers and Certain Other Corporate Transactions. If we are party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of our assets pursuant to which our common stock would be converted into cash, securities or other property of LabCorp or another person, a New Note may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual effective date of such transaction, and at the effective date, the right to convert each $1,000 principal amount at maturity of New Notes into cash and

shares of our common stock, if any, will be changed into a right to convert it into the kind and amount of securities, cash or other assets of LabCorp or another person which the holder would have received if the holder had converted each $1,000 principal amount at maturity of the holder's New Notes immediately prior to the transaction into a number of shares of our common stock equal to the then applicable conversion rate, subject to the adjustments discussed under "— Conversion Right Adjustment upon Business Combinations and Asset Sales."

Payment upon Conversion. We will satisfy in cash our obligation with respect to the accreted principal amount of the New Notes to be converted, with the remaining amount, if any, to be satisfied in shares of our common stock, in each case as described below.

The settlement amount will be computed as follows:

- a cash amount equal to the lesser of (i) the aggregate accreted principal amount of the New Notes to be converted on the conversion date and (ii) the conversion value (as defined below) of the New Notes to be converted; and
- if the conversion value exceeds the aggregate accreted principal amount of the New Notes to be converted, a number of shares of our common stock equal to the greater of (i) zero and (ii) the sum of, for each trading day of the cash settlement averaging period (as defined below), the quotient of (A) 10% of the difference between (1) the product of the conversion rate then in effect and the sale price of our common stock for such day and (2) the accreted principal amount of a New Note on the conversion date, divided by (B) the sale price of our common stock for such day.

The "accreted principal amount" with respect to any New Note means, at any date of determination, the sum of (1) the initial principal amount of the New Note upon issuance and (2) the accrued original issue discount that has been accreted to the principal amount of the New Note.

The "conversion value" with respect to any New Note means, on any date of determination, the product of (1) the conversion rate then in effect and (2) the average of the sale prices of our common stock for each trading day in the cash settlement averaging period.

The "cash settlement averaging period" with respect to any New Note means the ten consecutive trading days beginning on the second trading day after the conversion date (as defined below) for those New Notes.

To convert a New Note represented by a global security, a holder must convert by book-entry transfer to the conversion agent (who will initially be the trustee) through the facilities of The Depository Trust Company, or DTC.

To convert a New Note that is represented by a certificated security, a holder must:

- complete and manually sign the conversion notice on the back of the New Note (or a facsimile thereof) and deliver the completed conversion notice to the conversion agent;
- surrender the New Note to the conversion agent;
- if required by the conversion agent, LabCorp or the trustee, furnish appropriate endorsements and transfer documents; and
- if required, pay all transfer or similar taxes.

The "conversion date" will be the date on which all of the foregoing requirements have been satisfied.

We will settle our obligation to deliver cash and shares of our common stock, if any, arising from any conversion on the third trading day following the final trading day of the relevant cash settlement averaging period.

On conversion of a New Note, a holder will not receive any cash payment representing contingent cash interest, if any, except as described below. Delivery to the holder of the cash and the full number of shares of common stock, if any, into which the New Note is convertible, together with any cash payment of such holder's fractional shares, will be deemed:

- to satisfy our obligation to pay the principal amount at maturity of the New Note; and
- to satisfy our obligation to pay accrued original issue discount attributable to the period from the issue date through the conversion date.

As a result, accrued original issue discount is deemed paid in full rather than cancelled, extinguished or forfeited.

We and each holder of a New Note also agree that delivery to the holder of the cash and the full number of shares of common stock, if any, into which the New Note is convertible, together with any cash payment of such holder's fractional shares, will be treated as a payment (in an amount equal to the sum of the then fair market value of such shares and such cash payment) on the New Note for purposes of the Treasury regulations applicable to debt instruments with contingent payments. See "Certain U.S. Federal Income Tax Consequences."

If contingent cash interest is payable to holders of New Notes during any particular six-month period, and such New Notes are converted after the applicable record date therefor and prior to the next succeeding interest payment date, holders of such New Notes at the close of business on the record date will receive the contingent cash interest payable on such New Notes on the corresponding interest payment date notwithstanding the conversion. Such New Notes, upon surrender for conversion, must be accompanied by funds equal to the amount of contingent cash interest payable on the New Notes so converted, unless such New Notes have been called for redemption, in which case no such payment shall be required.

The conversion rate will not be adjusted for accrued original issue discount or any contingent cash interest.

For a discussion of the tax treatment of a holder receiving shares of our common stock upon surrendering New Notes for conversion, see "Certain U.S. Federal Income Tax Consequences—Classification of the New Notes—U.S. Holders—Sale, Exchange, Conversion or Redemption of the New Notes."

Conversion Right Adjustment upon Business Combinations and Asset Sales. If we are a party to a consolidation, merger or a sale of all or substantially all of our assets in which we are not the continuing corporation, or we are a party to a merger or binding share exchange which reclassifies or changes our outstanding common stock, the right to convert each $1,000 principal amount at maturity of New Notes will be changed into a right to convert it into the securities, cash or other assets (the "reference property") that the holder of the New Notes would have received if the holder had converted each $1,000 principal amount at maturity of New Notes immediately before the effective date of the transaction into a number of shares of our common stock equal to the then applicable conversion rate. However, at and after the effective time of the transaction, the cash portion of the payment upon conversion will continue to be payable in cash (instead of reference property), but the conversion value will be calculated based on the sale prices of the reference property during the cash settlement averaging period instead of our common stock. In determining the amount of reference property to be received by the holder of a New Note in connection with a consolidation, merger, sale or binding share exchange in which our shareholders may elect the form of consideration, the holders of the New Notes will be assumed to have elected to receive the same consideration elected by a majority of the holders of our common stock.

Conversion Adjustments. We will adjust the conversion rate for:

- dividends or distributions on our common stock payable in our common stock or our other capital stock;
- subdivisions, combinations or certain reclassifications of our common stock;
- distributions to all holders of our common stock of certain rights to purchase our common stock for a period expiring within 60 days at less than the then current sale price; and

- distributions to the holders of our common stock of our assets (including shares of capital stock of a subsidiary) or debt securities or certain rights to purchase our securities (excluding cash dividends or other cash distributions from current or retained earnings, unless the amount thereof, together with all other cash dividends paid in the preceding 12 month period, per share exceeds the sum of (i) 5% of the sale price of our common stock on the day preceding the date of declaration of such dividend or other distribution and (ii) the quotient of the amount of any contingent interest paid on a New Note during such period divided by the conversion rate in effect on the contingent interest payment date).

In the event that we pay a dividend or make a distribution on shares of our common stock consisting of capital stock of, or similar equity interests in, a subsidiary or other business unit of ours, the conversion rate will be adjusted in accordance with the indenture based on the market value of the securities so distributed relative to the market value of our common stock, in each case based on the average closing prices (of if no closing sale price is reported, the average of the bid and ask prices or if more than one in either case, the average of the average bid and the average ask prices) of those securities for the 10 trading days commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such dividend or distribution on the NYSE or such other national or regional securities exchange or market on which the securities are then listed or quoted.

No adjustment to the conversion rate need be made if holders of the New Notes may participate in the transaction or in certain other cases.

If we were to implement a stockholders' rights plan providing that, upon conversion of the New Notes, the holders of such New Notes will receive, in addition to the cash and shares of common stock, if any, issuable upon such conversion, the rights related to such common stock, there shall not be any adjustment to the conversion privilege or conversion rate as a result of:

- the issuance of the rights;
- the distribution of separate certificates representing the rights;
- the exercise or redemption of such rights in accordance with any rights agreement; or
- the termination or invalidation of the rights.

The indenture permits us to increase the conversion rate from time to time. We are not required to adjust the conversion rate until adjustments greater than 1% have occurred.

Holders of the New Notes may, in certain circumstances, be deemed to have received a distribution subject to federal income tax as a dividend upon:

- a taxable distribution to holders of common stock which results in an adjustment of the conversion rate;
- an increase in the conversion rate at our discretion; or
- failure to adjust the conversion rate in some instances.

See "Certain U.S. Federal Income Tax Consequences—Classification of the New Notes—U.S. Holders—Constructive Dividends."

Contingent Cash Interest

Subject to the record date provisions described below, we will pay contingent cash interest to the holders of New Notes during any six-month period from September 12 to March 11 and from March 12 to September 11, with the initial six-month period commencing on September 12, 2006, if the average market price of a New Note for the five trading days ending on the third trading day immediately preceding the first day of the applicable six-month period equals 120% or more of the sum of the initial principal amount of the New Note upon issuance

and accrued original issue discount for the New Note as of the day immediately preceding the first day of the applicable six-month period. See "—Redemption of New Notes at the Option of LabCorp" for some of these values. Notwithstanding the above, if we declare a dividend for which the record date falls prior to the first day of a six-month period but the payment date falls within such six-month period, then the five trading day period for determining the average market price of a New Note will be the five trading days ending on the third trading day immediately preceding such record date.

During any period when contingent cash interest shall be payable, the contingent cash interest payable per New Note in respect of any quarterly period will equal the greater of 0.0625% of the average market price of a New Note for the five trading day measurement period or any regular cash dividends paid by us per share on our common stock during that quarterly period multiplied by the then applicable conversion rate, provided that if we do not pay cash dividends during a semi-annual period, we will pay contingent cash interest semi-annually at a rate of 0.125% of the average market price of a New Note for the measurement period. Notwithstanding the foregoing, contingent cash interest shall be payable on the New Notes for the six-month period from September 12, 2006 to March 11, 2007, and solely for the purpose of determining the amount of contingent cash interest payable during this six-month period, the average market price for the applicable measurement period will be determined by reference to the average market price of the Old Notes.

Contingent cash interest, if any, will accrue and be payable to holders of New Notes as of the record date, which shall be the 15th day preceding the last day of the relevant six-month period, or, if we pay a regular cash dividend on our common stock during a quarter within the relevant six-month period, to holders of New Notes as of the record date for the related common stock dividend. If we only pay a regular cash dividend on our common stock during one quarter within the relevant six-month period, the remaining contingent cash interest, if any, will accrue and be payable as of the 15th day preceding the last day of the relevant six-month period. We will make contingent cash interest payments on the last day of the relevant six-month period or, if we pay a regular cash dividend on our common stock during the relevant six-month period, on the payment date for the related common stock dividend. The payment of contingent cash interest will not affect the accrual of original issue discount.

Regular cash dividends mean quarterly or other periodic cash dividends on our common stock as declared by our Board of Directors as part of its cash dividend payment practices and that are not designated by it as extraordinary or special or other nonrecurring dividends.

The market price of a New Note on any date of determination means the average of the secondary market bid quotations per New Note obtained by the bid solicitation agent for $10 million principal amount at maturity of New Notes at approximately 4:00 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers we select, provided that if:

- at least three such bids are not obtained by the bid solicitation agent; or
- in our reasonable judgment, the bid quotations are not indicative of the secondary market value of the New Notes;

then the market price of a New Note will equal (a) the then applicable conversion rate of the New Notes multiplied by (b) the average sale price of our common stock on the five trading days ending on such determination date, appropriately adjusted.

The bid solicitation agent will initially be The Bank of New York. We may change the bid solicitation agent, but the bid solicitation agent will not be our affiliate. The bid solicitation agent will solicit bids from securities dealers that are believed by us to be willing to bid for the New Notes.

Upon determination that New Note holders will be entitled to receive contingent cash interest during a relevant six-month period, we will issue a press release and publish such information on our Web site or through such other public medium as we may use at that time as soon as practicable.

Redemption of New Notes at the Option of LabCorp

No sinking fund is provided for the New Notes. We may redeem the New Notes for cash, as a whole at any time or from time to time in part. We will give not less than 30 days' or more than 60 days' notice of redemption by mail to holders of New Notes.

If redeemed at our option, the New Notes will be redeemed at a price equal to the sum of the initial principal amount of the New Notes upon issuance plus accrued original issue discount on such New Notes as of the applicable redemption date. The table below shows the redemption prices of a New Note on October 24, 2006 (the assumed issue date of the New Notes), on each September 11 thereafter prior to maturity and at maturity on September 11, 2021. In addition, the redemption price of a New Note that is redeemed between the dates listed below would include an amount reflecting the additional accrued original issue discount that has accrued on such New Note since the immediately preceding date in the table below.

Redemption Date	(1) Initial Principal Amount of New Note*	(2) Accrued Original Issue Discount	(3) Redemption Price (1) + (2)
October 24, 2006	$ 741.92	$ 1.77	$ 743.69
September 11, 2007	741.92	14.91	756.83
September 11, 2008	741.92	30.13	772.05
September 11, 2009	741.92	45.64	787.56
September 11, 2010	741.92	61.47	803.39
September 11, 2011	741.92	77.62	819.54
September 11, 2012	741.92	94.10	836.02
September 11, 2013	741.92	110.90	852.82
September 11, 2014	741.92	128.04	869.96
September 11, 2015	741.92	145.53	887.45
September 11, 2016	741.92	163.37	905.29
September 11, 2017	741.92	181.56	923.48
September 11, 2018	741.92	200.12	942.04
September 11, 2019	741.92	219.06	960.98
September 11, 2020	741.92	238.38	980.30
At stated maturity	$ 741.92	$ 258.08	$1,000.00

* For purposes of this table, we have assumed that the New Notes will be issued on October 24, 2006.

If less than all of the outstanding New Notes are to be redeemed, the trustee will select the New Notes to be redeemed in principal amounts at maturity of $1,000 or integral multiples of $1,000. In this case, the trustee may select the New Notes by lot, pro rata or by any other method the trustee considers fair and appropriate. If a portion of a holder's New Notes is selected for partial redemption and the holder converts a portion of the New Notes, the converted portion will be deemed to be the portion selected for redemption.

Purchase of New Notes by LabCorp at the Option of the Holder

On September 11, 2011 (which we refer to as the purchase date), we may, at the option of the holder, be required to purchase any outstanding New Note for which a written purchase notice has been properly delivered by the holder and not withdrawn, subject to certain additional conditions. Holders may submit their New Notes for purchase to the paying agent at any time from the opening of business on the date that is 20 business days prior to such purchase date until the close of business on the first business day immediately preceding the purchase date.

The purchase price of a New Note on September 11, 2011 will be $819.54 in cash. This purchase price reflects a price equal to the sum of the initial principal amount of the New Notes upon issuance and accrued

original issue discount on the New Notes as of the purchase date. For a discussion of the tax treatment of a holder receiving cash upon such purchase, see "Certain U.S. Federal Income Tax Consequences—Classification of the New Notes—U.S. Holders—Sale, Exchange, Conversion or Redemption of the New Notes."

We will be required to give notice on a date not less than 20 business days prior to the purchase date to all holders at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, stating among other things:

- the amount of the purchase price; and
- the procedures that holders must follow to require us to purchase their New Notes.

The purchase notice given by each holder electing to require us to purchase New Notes shall state:

- if certificated New Notes have been issued, the certificate numbers of the holder's New Notes to be delivered for purchase;
- the portion of the principal amount at maturity of New Notes to be purchased, which must be $1,000 or an integral multiple of $1,000; and
- that the New Notes are to be purchased by us pursuant to the applicable provisions of the New Notes.

Any purchase notice may be withdrawn by the holder by a written notice of withdrawal delivered to the paying agent prior to the close of business on the first business day immediately preceding the purchase date.

The notice of withdrawal shall state:

- the principal amount at maturity being withdrawn;
- if certificated New Notes have been issued, the certificate numbers of the New Notes being withdrawn, or if not certificated, such notice must comply with appropriate DTC procedures; and
- the principal amount at maturity, if any, of the New Notes that remains subject to the purchase notice.

In connection with any purchase offer, we will:

- comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act which may then be applicable; and
- file Schedule TO or any other required schedule under the Exchange Act.

Payment of the purchase price for a New Note for which a purchase notice has been delivered and not validly withdrawn is conditioned upon delivery of the New Note, together with necessary endorsements, to the paying agent at any time after delivery of the purchase notice. Payment of the purchase price for the New Note will be made as soon as practicable following the later of the purchase date or the time of delivery of the New Note.

If the paying agent holds money sufficient to pay the purchase price of the New Note on the business day following the purchase date in accordance with the terms of the indenture, then, immediately after the purchase date, the New Note will cease to be outstanding and accrued original issue discount on such New Note will cease to accrue, whether or not the New Note is delivered to the paying agent. Thereafter, all other rights of the holder shall terminate, other than the right to receive the purchase price upon delivery of the New Note.

No New Notes may be purchased for cash at the option of holders if there has occurred and is continuing an event of default with respect to the New Notes, other than a default in the payment of the purchase price with respect to such New Notes.

Events of Default and Acceleration

The following are events of default under the indenture:

- default in the payment of any principal amount at maturity, initial principal amount of the New Notes upon issuance plus accrued original issue discount, cash due upon conversion, redemption price and purchase price, if any, with respect to the New Notes, whether or not such payment is prohibited by the provisions of the indenture;
- default in payment of any contingent cash interest, which default continues for 30 days;
- our failure to comply with any of our other agreements in the New Notes or the indenture upon our receipt of notice of such default from the trustee or from holders of not less than 25% in aggregate principal amount at maturity of the New Notes, and our failure to cure (or obtain a waiver of) such default within 60 days after we receive such notice; or
- (A) our failure to make any payment by the end of any applicable grace period after maturity of indebtedness, which term as used in the indenture means obligations (other than nonrecourse obligations) of LabCorp for borrowed money or evidenced by bonds, debentures, notes or similar instruments in an aggregate principal amount in excess of $25 million ("Indebtedness") and continuance of such failure, or (B) the acceleration of Indebtedness because of a default with respect to such Indebtedness without such Indebtedness having been discharged or such acceleration having been cured, waived, rescinded or annulled in case of (A) above, for a period of 30 days after written notice to us by the trustee or to us and the trustee by the holders of not less than 25% in aggregate principal amount at maturity of the New Notes then outstanding. However, if such failure or acceleration referred to in (A) or (B) above shall cease or be cured, waived, rescinded or annulled, then the event of default by reason thereof shall be deemed not to have occurred; or
- certain events of bankruptcy, insolvency or reorganization affecting LabCorp or our significant subsidiaries.

If an event of default shall have occurred and be continuing, either the trustee or the holders of not less than 25% in aggregate principal amount at maturity of the New Notes then outstanding may declare the initial principal amount of the New Notes upon issuance plus the original issue discount on the New Notes accrued through the date of such declaration, and any accrued and unpaid contingent cash interest through the date of such declaration, to be immediately due and payable. In the case of certain events of bankruptcy or insolvency of LabCorp, the initial principal amount of the New Notes upon issuance plus the original issue discount and any contingent cash interest through the occurrence of such event shall automatically become and be immediately due and payable.

Mergers and Sales of Assets

The indenture provides that we may not consolidate with or merge into any person or convey, transfer or lease our properties and assets substantially as an entirety to another person, unless:

- the resulting, surviving or transferee person is a corporation organized and existing under the laws of the United States, any state thereof or the District of Columbia and such corporation (if other than us) assumes all our obligations under the New Notes and the indenture; and
- we or such successor corporation shall not immediately thereafter be in default under the indenture.

Upon the assumption of our obligations by such corporation in such circumstances, subject to certain exceptions, we shall be discharged from all obligations under the New Notes and the indenture.

Modification

We and the trustee may modify or amend the indenture or the New Notes with the consent of the holders of not less than a majority in aggregate principal amount at maturity of the New Notes then outstanding. However, the consent of the holders of each outstanding New Note would be required to:

- alter the manner of calculation or rate of accrual of original issue discount or contingent cash interest on any New Note or extend the time of payment;
- make any New Note payable in money or securities other than that stated in the New Note;
- change the stated maturity of any New Note;
- reduce the amount of principal payable upon acceleration of maturity of the New Notes following a default;
- make any change that adversely affects the rights of a holder to convert any New Note;
- make any change that adversely affects the right to require us to purchase a New Note;
- impair the right to institute suit for the enforcement of any payment with respect to, or conversion of, the New Notes; and
- change the provisions in the indenture that relate to modifying or amending the indenture.

Without the consent of any holder of New Notes, we and the trustee may enter into supplemental indentures for any of the following purposes:

- to evidence a successor to us and the assumption by that successor of our obligations under the indenture and the New Notes;
- to add to our covenants for the benefit of the holders of the New Notes or to surrender any right or power conferred upon us;
- to secure our obligations in respect of the New Notes;
- to make any changes or modifications to the indenture to comply with the Trust Indenture Act , or to comply with any requirements of the SEC in connection with the qualifications of the indenture under the Trust Indenture Act;
- to cure any ambiguity or inconsistency in the indenture; provided that such amendment does not materially adversely affect the rights of any holder of the New Notes; or
- to make any change that does not adversely affect the rights of any holder of the New Notes, provided that any change made solely to conform the indenture to the description of the New Notes contained in this prospectus will not be deemed to adversely affect the rights of any holder of the New Notes.

The holders of a majority in principal amount at maturity of the outstanding New Notes may, on behalf of all the holders of all New Notes:

- waive compliance by us with restrictive provisions of the indenture, as detailed in the indenture; and
- waive any past default under the indenture and its consequences, except a default in the payment of the principal amount at maturity, initial principal amount of the New Notes upon issuance, accrued and unpaid interest, accrued original issue discount, redemption price or purchase price or obligation to deliver cash and common stock, if any, upon conversion with respect to any New Notes or in respect of any provision which under the indenture cannot be modified or amended without the consent of the holder of each outstanding New Note affected.

Discharge of the Indenture

We may satisfy and discharge our obligations under the indenture by delivering to the trustee for cancellation all outstanding New Notes or by depositing with the trustee, the paying agent or the conversion agent, if applicable, after the New Notes have become due and payable, whether at stated maturity or any redemption date, or any purchase date or upon conversion or otherwise, cash or shares of common stock (as applicable under the terms of the indenture) sufficient to pay all of the outstanding New Notes and paying all other sums payable under the indenture.

Calculations in Respect of New Notes

We will be responsible for making all calculations called for under the New Notes. These calculations include, but are not limited to, determination of the market prices of the New Notes and the amount of contingent cash interest, if any, payable on the New Notes. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of New Notes. We will provide a schedule of our calculations to the trustee, and the trustee is entitled to rely upon the accuracy of our calculations without independent verification.

Limitations of Claims in Bankruptcy

If a bankruptcy proceeding is commenced in respect of LabCorp, the claim of the holder of a New Note is, under Title 11 of the United States Code, limited to the initial principal amount of the New Note upon issuance plus the portion of the accrued original issue discount and any contingent cash interest that has accrued from the date of issue to the commencement of the proceeding. In addition, the holders of the New Notes will be subordinated in right of payment to senior indebtedness and effectively subordinated to the indebtedness and other liabilities of our subsidiaries.

Governing Law

The indenture and the New Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Information Concerning the Trustee

The Bank of New York is the trustee, registrar, paying agent and conversion agent under the indenture for the New Notes.

Book-Entry System

The New Notes will only be issued in the form of global securities held in book-entry form. DTC or its nominee will be the sole registered holder of the New Notes for all purposes under the indenture. Owners of beneficial interests in the New Notes represented by the global securities will hold their interests pursuant to the procedures and practices of DTC. As a result, beneficial interests in any such securities will be shown on, and may only be transferred through, records maintained by DTC and its direct and indirect participants and any such interest may not be exchanged for certificated securities, except in limited circumstances. Owners of beneficial interests must exercise any rights in respect of their interests, including any right to convert or require purchase of their interests in the New Notes, in accordance with the procedures and practices of DTC. Beneficial owners will not be holders and will not be entitled to any rights under the global securities or the indenture. LabCorp and the trustee, and any of their respective agents, may treat DTC as the sole holder and registered owner of the global securities.

Exchange of Global Securities

New Notes represented by a global security will be exchangeable for certificated securities with the same terms only if:

- DTC is unwilling or unable to continue as depositary or if DTC ceases to be a clearing agency registered under the Exchange Act and a successor depositary is not appointed by us within 90 days;
- we decide to discontinue use of the system of book-entry transfer through DTC (or any successor depositary), subject to DTC's (or such successor depositary's) procedures (DTC has advised that, under its current practices, it would notify its participants of our request, but will only withdraw beneficial interests from the global security at the request of each DTC participant.); or

- an event of default under the indenture occurs and is continuing.

DTC has advised us as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC facilitates the settlement of transactions among its participants through electronic computerized book-entry changes in participants’ accounts, eliminating the need for physical movement of securities certificates. DTC’s participants include securities brokers and dealers, including banks, trust companies, clearing corporations and other organizations, some of whom and/or whose representatives, own DTC. Access to DTC’s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of the material U.S. federal income tax consequences of the exchange offer and the ownership and disposition of the New Notes to holders of the Old Notes who participate in the exchange and who hold the Old Notes and the New Notes as capital assets. The discussion is general in nature, and does not discuss all aspects of the U.S. federal income taxation that may be relevant to a particular holder in light of the holder's particular circumstances (including, for example, the potential application of the alternative minimum tax), or to certain types of holders subject to special treatment under U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, financial institutions, brokers, persons holding the securities as part of a straddle, hedging or conversion transaction, persons whose functional currency is not the dollar and dealers in securities). In addition, the discussion does not consider the effect of any foreign, state, local, or other tax laws, or any U.S. tax considerations (e.g., estate or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular holders. We have not sought any rulings from the Internal Revenue Service (the "IRS") with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the IRS will agree with such statements and conclusions. This summary does not deal with persons that acquire New Notes subsequent to the exchange offer.

For purposes of the discussion herein, a "U.S. Holder" means a beneficial owner of an Old Note or a New Note, as the case may be, who is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a domestic corporation, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source or (iv) a trust if (1) it validly elects to be treated as a United States person for U.S. federal income tax purposes or (2) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

For purposes of the discussion herein, a "Non-U.S. Holder" means a beneficial owner of an Old Note or a New Note, as the case may be, other than a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) who is not a U.S. Holder for U.S. federal income tax purposes.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of an Old Note or a New Note, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A holder of an Old Note or a New Note that is a partnership and partners in such partnership should consult their tax advisors.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury Regulations, administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations that could affect the tax consequences described herein.

EACH HOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO ITS PARTICULAR SITUATION AS WELL AS ANY TAX CONSEQUENCES OF THE EXCHANGE OFFER AND THE OWNERSHIP AND DISPOSITION OF THE NEW SECURITIES AND OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX RULES OR UNDER THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY, AND ARISING AS A RESULT OF CHANGES IN U.S. FEDERAL INCOME TAX LAWS OR THE TAX LAWS OF SUCH OTHER JURISDICTIONS.

Exchange of Old Notes for New Notes

U.S. Holders

Characterization of the Exchange

Under current Treasury Regulations, the exchange of Old Notes for New Notes will be treated as a taxable exchange for U.S. federal income tax purposes (referred to in this discussion as a "Tax Exchange") only if, taking into account the differences between the terms of the Old Notes and the New Notes, there is deemed to be a "significant modification" of the Old Notes.

In general, these Treasury Regulations provide that a modification of a debt instrument is a significant modification if the legal rights or obligations that are altered and the degree to which they are altered are economically significant. We intend to take the position that the modifications to the Old Notes resulting from the exchange offer will not constitute a significant modification of the Old Notes. By participating in the exchange offer, each holder will be deemed to have agreed, pursuant to the indenture governing the New Notes, to treat the exchange as not constituting a significant modification of the terms of the Old Notes. This position, however, is subject to substantial uncertainty because of the absence of authoritative guidance as to when modifications such as those present here will be considered to be "economically significant." Accordingly, the IRS or the courts could disagree with our position.

U.S. Federal Income Tax Treatment If No Tax Exchange

If, consistent with our position, the exchange of Old Notes for New Notes does not constitute a significant modification of the Old Notes, the New Notes will be treated as a continuation of the Old Notes. In that case, apart from the income realized in respect of the amount of the exchange fee (discussed below), there will be no U.S. federal income tax consequences to a U.S. Holder who exchanges Old Notes for New Notes pursuant to the exchange offer, and any such holder will have the same adjusted tax basis and holding period in the New Notes as it had in the Old Notes immediately before the exchange. In addition, any such holder will continue to be subject to the same rules governing the treatment of contingent payment debt instruments as were applicable to the Old Notes. These rules and certain other U.S. federal income tax considerations relating to the holding and disposition of the New Notes are summarized below.

U.S. Federal Income Tax Treatment If Tax Exchange

There can be no assurance that the IRS will agree that the exchange does not constitute a Tax Exchange. U.S. Holders and their tax advisors should consider whether such a Tax Exchange would constitute a recapitalization for U.S. federal income tax purposes. Whether such a Tax Exchange qualifies as a recapitalization depends on, among other things, whether the Old Notes and the New Notes constitute "securities" for U.S. federal income tax purposes. We believe that the Old Notes and the New Notes would constitute securities for U.S. federal income tax purposes. However, the rules for determining whether debt instruments such as the Old Notes and the New Notes are securities are complex and unclear. The determination of whether a debt instrument is a security requires an overall evaluation of the nature of the debt instrument, with the term of the instrument usually regarded as one of the most significant factors. Although a debt instrument with a term of more than ten years is generally considered to be a security, no authority clearly addresses the impact of put and call features of the type included in the Old and New Notes on the analysis of whether a debt instrument is a security. If both the Old Notes and the New Notes constitute securities for U.S. federal income tax purposes, the exchange would qualify as a recapitalization for U.S. federal income tax purposes.

The proper application of the recapitalization rules to a debt instrument subject to the Treasury Regulations relating to contingent payment debt instruments is unclear. If the exchange of the Old Notes for New Notes is treated as a Tax Exchange, and if the Tax Exchange is treated as a recapitalization, we believe that, except to the extent of the amount of the exchange fee (discussed below), a U.S. Holder generally should not recognize any gain or loss as a result of the exchange, and generally should have the same tax basis and holding period in the New Notes as such U.S. Holder had in the Old Notes prior to the exchange.

If, contrary to our position, the exchange of the New Notes for the Old Notes is considered a Tax Exchange and, further, such Tax Exchange is not treated as a recapitalization, such Tax Exchange would be a fully taxable transaction, and an exchanging U.S. Holder would be required to recognize gain, if any, in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in the Old Notes surrendered. The amount realized would generally be the fair market value of the New Notes. Any gain generally would be treated as ordinary interest income. In addition, in such a case, a U.S. Holder's holding period in the New Notes would begin the day after the exchange, and such U.S. Holder's tax basis in the New Notes generally would equal the fair market value of the New Notes. Even if the exchange is not a recapitalization, a U.S. Holder may not be able to recognize a loss, if any, under the U.S. federal income tax rules relating to "wash sales."

In addition, if the exchange of the New Notes for the Existing Notes is considered a Tax Exchange (whether as a recapitalization or a taxable exchange), a U.S. Holder may be required to accrue interest income at a significantly different rate and on a significantly different schedule than is applicable to the Old Notes, may have significantly different treatment upon conversion of the New Notes, and may have a significantly different basis in their common stock acquired upon conversion of the New Notes.

HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE CONSEQUENCES TO THEM OF THE OWNERSHIP, SALE, EXCHANGE, CONVERSION OR REDEMPTION OF NEW SECURITIES IF THE EXCHANGE IS TREATED AS A TAX EXCHANGE.

Non-U.S. Holders

If, consistent with our position, the New Notes are treated as a continuation of the Old Notes, there will be no U.S. federal income tax consequences to a Non-U.S. Holder who participates in the exchange, except with respect to the receipt of the exchange fee. If, contrary to our position, the exchange of the Old Notes for New Notes constitutes a significant modification for U.S. federal income tax purposes, any gain realized by a Non-U.S. Holder will be subject to, or eligible for exemption from, U.S. federal income or withholding tax to the same extent as would be the case for gain realized upon any sale or exchange of the Old Notes.

Exchange Fee

Although the U.S. tax treatment is unclear under current law, we intend to treat payment of the exchange fee as consideration to holders for participating in the exchange offer. In that case, such payment would result in ordinary income to holders participating in the exchange offer and we will report such payments to holders and the IRS for information purposes in accordance with such treatment. In addition, because we intend to treat the payment of the exchange fee as ordinary income, any exchange fee paid to a Non-U.S. Holder may be subject to a withholding tax of 30% unless the Non-U.S. Holder provides to a withholding agent either an IRS Form W-8ECI certifying that such payment is effectively connected with such holder's conduct of a United States trade or business, or an IRS Form W-8BEN certifying that such payment is subject to a reduced rate of withholding under an applicable United States income tax treaty.

Tax Consequences of Holding the New Notes

Pursuant to the terms of the indenture, we and each holder of the New Notes agree, for U.S. federal income tax purposes, to treat the New Notes as indebtedness that is subject to the regulations governing contingent payment debt instruments, and the remainder of this discussion assumes that the New Notes will be so treated. However, no assurance can be given that the IRS will not assert that the New Notes should be treated differently. Such treatment could affect the amount, timing and character of income, gain or loss in respect of an investment in the New Notes.

U.S. Holders

Under the rules governing contingent payment debt obligations, you will be required to accrue interest income on the New Notes, in the amounts described below, regardless of whether you use the cash or accrual method of tax accounting. Accordingly, you would likely be required to include interest in taxable income in each year in excess of the accruals on the New Notes for non-tax purposes and in excess of any interest payments actually received in that year.

In general, you must accrue an amount of ordinary income for United States federal income tax purposes, for each accrual period prior to and including the maturity date of a New Note that equals:

- the product of (i) the adjusted issue price of the New Note as of the beginning of the accrual period; and (ii) the comparable yield to maturity (as defined below) of the New Note, adjusted for the length of the accrual period;

- divided by the number of days in the accrual period; and
- multiplied by the number of days during the accrual period that you held the New Note.

Assuming that, as discussed above, the New Notes are regarded as a continuation of the Old Notes, the issue price of a New Note will be the first price at which a substantial amount of the Old Notes was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The adjusted issue price of a New Note is its issue price increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals described below and decreased by the projected amounts of any payments previously made.

The term "comparable yield" means the annual yield that an issuer of a contingent payment debt obligation would pay, as of the initial issue date, on a fixed rate nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the instrument.

We are required to provide to you, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on the New Notes (which, assuming that there is no Tax Exchange, would be the same as the schedule prepared in connection with the Old Notes). This schedule must produce a yield to maturity that equals the comparable yield. The projected payment schedule includes estimates for payments of contingent interest and an estimate for a payment at maturity taking into account the exchange feature. The comparable yield and projected payment schedule are available from the Company by telephoning Laboratory Corporation of America Holdings, Office of the Corporate Secretary, at (336) 229-1127 or submitting a written request for such information to: Laboratory Corporation of America Holdings, Office of the Corporate Secretary, 358 South Main Street, Burlington, North Carolina 27215.

For U.S. federal income tax purposes, you must use the comparable yield and projected payment schedule in determining your interest accruals, and the adjustments thereto described below, in respect of the New Notes, unless you timely disclose and justify the use of other estimates to the IRS. If you determine your own comparable yield or projected payment schedule, you must also establish that our comparable yield or projected payment schedule is unreasonable.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE ARE NOT DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF YOUR INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE NEW NOTES FOR U.S. FEDERAL INCOME TAX PURPOSES AND DO NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO HOLDERS OF THE NEW NOTES.

Adjustments to Interest Accruals on the New Notes

If you receive actual payments with respect to a New Note in a taxable year that in the aggregate exceed the total amount of projected payments for that taxable year, you would incur a "net positive adjustment" equal to the amount of such excess. You would treat the "net positive adjustment" as additional interest income for the taxable year. For this purpose, the payments in a taxable year include the fair market value of property received in that year.

If you receive actual payments with respect to a New Note in a taxable year that in the aggregate were less than the amount of the projected payments for that taxable year, you would incur a "net negative adjustment" equal to the amount of such deficit. This adjustment will (a) reduce your interest income on the New Notes for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of your interest income on the New Note and the Old Note during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments. Any net negative adjustment in excess of the amounts described in (a) and (b) will be carried forward as a negative adjustment to offset future interest income with respect to the New Notes or to reduce the amount realized on a sale, exchange, conversion, redemption or repurchase of the New Notes. A net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemized deductions.

Sale, Exchange, Conversion or Redemption of the New Notes

Generally, the sale, exchange, conversion or redemption of a New Note will result in taxable gain or loss to you. As described above, our calculation of the comparable yield and the projected payment schedule for the New Notes includes the receipt of stock upon exchange as a contingent payment with respect to the New Notes. Accordingly, the receipt of our common stock by you upon the exchange or conversion of a New Note will be treated as a contingent payment. As described above, you are generally bound by our determination of the comparable yield and projected payment schedule. Under this treatment, an exchange or conversion will also result in taxable gain or loss to you. The amount of gain or loss on a taxable sale, exchange, conversion or redemption will be equal to the difference between (a) the amount of cash plus the fair market value of any other property received by you, including the fair market value of any common stock received, and (b) your adjusted tax basis in the New Note. Your adjusted tax basis in a New Note will generally be equal to your original purchase price for the Old Note, increased by any interest income previously accrued by you with respect to the Old Note and the New Note (determined without regard to any adjustments to interest accruals described above), decreased by the amount of any projected payments previously made on the Old Note and the New Note to you. Gain recognized upon a sale, exchange, conversion or redemption of a New Note will generally be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and thereafter, capital loss. The deductibility of net capital losses by individuals and corporations is subject to limitations.

Your tax basis in our common stock received upon conversion of a New Note will equal the then current fair market value of such common stock. Your holding period for the common stock received will commence on the day immediately following the date of conversion.

Constructive Dividends

If at any time we make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for federal income tax purposes and, in accordance with the anti-dilution provisions of the New Notes, the conversion rate of the New Notes is increased, such increase may be deemed to be the payment of a taxable dividend to you.

For example, an increase in the conversion rate in the event of distribution of our evidence of indebtedness or our assets or an increase in the event of an extraordinary cash dividend will generally result in deemed dividend treatment to you, but generally an increase in the event of stock dividends or the distribution of rights to subscribe for common stock will not.

Non-U.S. Holders

Payments Made With Respect to the New Notes

We are treating payments of contingent interest made to Non-U.S. Holders (other than (1) the receipt of common stock upon conversion or repurchase of a New Note and (2) any payment of contingent cash interest made in any period where the payment is based on the average market price of the New Note) as subject to U.S. federal withholding tax. Therefore, you are subject to withholding on these payments of contingent interest at a rate of 30%, subject to reduction by an applicable treaty or upon the receipt of a Form W-8ECI from you claiming that the payments are effectively connected with your conduct of a U.S. trade or business. If you are subject to withholding tax, we urge you to consult your own tax advisors as to whether you can obtain a refund for all or a portion of the withholding tax.

Assuming that the common stock and the New Notes continue to be actively traded and that, as discussed below, we are not considered to be or to have been a United States real property holding corporation, all other payments on the New Notes made to you, including a payment in our common stock in a conversion or repurchase, and any gain realized on a sale or exchange of the New Notes (other than gain attributable to accrued

contingent interest payments), should be exempt from U.S. federal income or withholding tax, provided that: (1) you do not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of our stock entitled to vote, you are not a controlled foreign corporation related, directly or indirectly, to us through stock ownership and you are not a bank receiving certain types of interest, (2) the certification requirement described below has been fulfilled with respect to you and (3) the payments and gain are not effectively connected with your conduct of a trade or business in the United States. However, if you are deemed to have received a constructive dividend (see "Dividends on Common Stock and Constructive Dividends," below), you will generally be subject to U.S. withholding tax at a 30% rate, subject to a reduction by an applicable treaty, on the taxable amount of the dividend. In addition, withholding tax may apply with respect to the exchange fee (see "Exchange Fee," above).

The certification requirement referred to in the preceding paragraph will generally be fulfilled if the beneficial owner of a New Note certifies on IRS Form W-8BEN, under penalties of perjury, that it is not a U.S. person, provides its name and address and otherwise satisfies applicable documentation requirements.

If you are engaged in a trade or business in the United States, and if payments on the New Note are effectively connected with the conduct of this trade or business, then although exempt from the withholding tax discussed above, you will generally be taxed in the same manner as a United States Holder (see "Tax Consequences to United States Holders" above), except that you will be required to provide to us or our paying agent a properly executed IRS Form W-8ECI in order to claim an exemption from withholding tax. We urge you to consult your own tax advisors with respect to other U.S. tax consequences of the ownership and disposition of New Notes including the possible imposition of a 30% branch profits tax.

Actual and Constructive Dividends on Common Stock

Dividends paid to you in respect of our common stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. Moreover, if you are a Non-U.S. Holder of a New Note and you receive a constructive dividend as a result of a change in the conversion rate of your New Note, we and other payors may withhold on other amounts payable to you if the relevant payor has control over, or custody, of money or property owned by you and knowledge of the facts that give rise to the withholding. In order to obtain a reduced rate of withholding with respect to such actual or constructive dividends, you will be required to provide an IRS Form W-8BEN certifying your entitlement to benefits under a treaty. In addition, where dividends are paid to a partnership or other pass-through entity, persons holding an interest in the entity may need to provide the certification.

The withholding tax does not apply to dividends paid to you if you provide a Form W-8ECI, certifying that the dividends are effectively connected with your conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. income tax as if you were a U.S. resident. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate) on an earnings amount that is net of the regular tax.

Sale or other Disposition of our Common Stock

You generally will not be subject to U.S. federal income tax on gain realized on a sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a trade or business in the United States,
- if you are a non-resident alien individual, you are present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or
- we are or have been a United States real property holding corporation at any time within the five-year period preceding the disposition or your holding period, whichever period is shorter.

A corporation is a United States real property holding corporation if, in general, the fair market value of the U.S. real property interests it holds equals or exceeds 50% of the fair market value of the sum of: (i) its U.S. real property interests, (ii) its interests in real property located outside the United States, and (iii) any other of its assets which are used or held for use in a trade or business. We believe that we are not and have not been, a U.S. real property holding corporation for United States federal income tax purposes, although we have not sought or obtained an opinion of legal counsel on this point.

Backup Withholding and Information Reporting

Payments of principal, the exchange fee, interest (including original issue discount and a payment in common stock pursuant to a conversion of the New Notes) and constructive dividends on, and the proceeds of dispositions of, the New Notes, as well as dividends on common stock, may be subject to U.S. federal backup withholding tax if the U.S. Holder thereof fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable U.S. certification requirements. In addition, a U.S. Holder may also be subject to information reporting with respect to income on the New Notes unless such holder provides proof of an applicable exemption from the information reporting rules. A Non-U.S. Holder may be subject to U.S. federal backup withholding tax on payments on the New Notes and the proceeds from a sale or other disposition of the New Notes, as well as dividends on common stock, unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person. In addition, information returns may be filed with the IRS in connection with payments on the New Notes to a Non-U.S. Holder, proceeds from their sale or other disposition and dividends. Any amounts withheld as backup withholding will be allowed as a credit against a holder’s U.S. federal income tax liability and may entitle a holder to a refund, provided that the required returns are timely furnished to the IRS.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock is based on our certificate of incorporation, bylaws, shareholder rights plan and applicable provisions of the General Corporation Law of Delaware. This information may not be complete in all respects and is qualified by referenced to the provisions our certificate of incorporation, bylaws and shareholder rights plan that are filed as exhibits to our reports incorporated by reference into the registration statement that includes this prospectus and the General Corporation Law of Delaware. For more information on how to obtain copies of our certificate of incorporation, bylaws and shareholder rights plan, see "Additional Information."

Common Stock

Our certificate of incorporation provides that we have authority to issue 265.0 million shares of our common stock, par value $0.10 per share. At June 30, 2006, there were 125.1 million shares of common stock issued and outstanding (net of shares held in treasury). In addition, as of that date, 5.5 million shares of common stock were issuable upon exercise of outstanding stock options, and approximately 10.0 million shares of common stock were issuable upon the conversion of outstanding convertible securities. The outstanding shares of our common stock are fully paid and nonassessable.

Voting Rights

Each holder of common stock is entitled to attend all special and annual meetings of the stockholders and to vote upon any matter, including, without limitation, the election of directors. Holders of common stock are entitled to one vote per share.

Liquidation Rights

In the event of any dissolution, liquidation or winding up of us, whether voluntary or involuntary, the holders of common stock will be entitled to participate in the distribution of any assets remaining after we have paid all of our debts and liabilities and have paid, or set aside for payment, to the holders of any class of stock having preference over the common stock in the event of dissolution, liquidation or winding up, the full preferential amounts, if any, to which they are entitled.

Dividends

Dividends may be paid on the common stock and on any class or series of stock entitled to participate therewith when and as declared by the board. We have not historically paid dividends on our common stock. In addition, our credit facilities in effect from time to time may place certain limits on the payment of dividends.

Other Rights and Restrictions

The holders of common stock have no preemptive or subscription rights to purchase additional securities issued by us, nor any rights to convert their common stock into other of our securities or to have their shares of common stock redeemed by us. Our common stock is not subject to redemption by us. Our certificate of incorporation and bylaws do not restrict the ability of a holder of common stock to transfer his or her shares of common stock. When we issue shares of common stock upon conversion of the New Notes under this prospectus, the shares will be fully paid and non-assessable.

Listing

Our common stock is listed on The New York Stock Exchange under the symbol "LH."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company.

Limitations of Director Liability

Delaware law authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breach of directors' fiduciary duty of care. Although Delaware law does not change directors' duty of care, it enables corporations to limit available relief to equitable remedies such as injunction or rescission. Our certificate of incorporation limits the liability of directors to us and our stockholders to the full extent permitted by Delaware law. Specifically, directors are not personally liable for monetary damages to us or our stockholders for breach of the director's fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

Indemnification

To the maximum extent permitted by law, our certificate of incorporation provides for mandatory indemnification of directors and officers against any expense, liability or loss to which they may become subject, or which they may incur as a result of being or having been a director or officer. In addition, we must advance or reimburse directors and officers for expenses they incur in connection with indemnifiable claims. We also maintain directors' and officers' liability insurance.

Shareholder Rights Plan

We adopted a stockholder rights plan effective as of December 13, 2001 that provides that each share of common stock outstanding has one right attached. Each right entitles the holder to purchase from us one-hundredth of a share of a new series of participating preferred stock at an initial purchase price of four hundred dollars. These rights will become exercisable and will detach from our common stock if any person becomes the beneficial owner of 15% or more of our common stock. In that event, each right will entitle the holder, other than the acquiring person, to purchase, for the initial purchase price, shares of our common stock having a value of twice the initial purchase price. The rights will expire on December 13, 2011, unless earlier exchanged or redeemed.

Preferred Stock

We are authorized to issue 30,000,000 shares of preferred stock, par value $.10 per share, of which none are issued and outstanding. The Board of Directors has the authority, without any further vote or action by the stockholders, to issue preferred stock in one or more series and to fix the number of shares, designations, relative rights (including voting rights), preferences and limitations of such series to the full extent now or hereafter permitted by Delaware law.

Our board is authorized to issue the preferred stock in one or more series and to fix and designate the rights, preferences, privileges and restrictions of the preferred stock, including:

- dividend rights;
- conversion rights;
- voting rights;
- redemption rights and terms of redemption; and
- liquidation preferences.

Our board may fix the number of shares constituting any series and the designations of these series.

The rights, preferences, privileges and restrictions of the preferred stock of each series will be fixed by a certificate of designations relating to each series that will specify the terms of the preferred stock, including:

- the maximum number of shares in the series and the distinctive designation;
- the terms on which dividends will be paid, if any;
- the terms on which the shares may be redeemed, if at all;
- the liquidation preference, if any;
- the terms of any retirement or sinking fund for the purchase or redemption of the shares of the series;
- the terms and conditions, if any, on which the shares of the series will be convertible into, or exchangeable for, shares of any other class or classes of capital stock;
- the voting rights, if any, on the shares of the series; and
- any or all other preferences and relative, participating, optional or other special rights or qualifications, limitations or restrictions of the shares.

Voting Rights

The General Corporation Law of Delaware provides that the holders of preferred stock will have the right to vote separately as a class on any proposal involving fundamental changes in the rights of holders of that preferred stock. This right is in addition to any voting rights that may be provided for in the applicable certificate of designations.

No shares of our preferred stock are currently issued and outstanding.

VALIDITY OF SECURITIES

The validity of the New Notes and the shares of common stock issuable upon conversion of the New Notes are being passed upon for Laboratory Corporation of America Holdings by Hogan & Hartson L.L.P., Baltimore, Maryland. The validity of the New Notes will be passed upon for the dealer manager by Davis Polk & Wardwell, New York, New York.

EXPERTS

The financial statements and management’s assessment of the effectiveness of internal control over financial reporting (which is included in Management’s Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2005 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, included therein and incorporated by reference herein, given on the authority of said firm as experts in auditing and accounting.

ADDITIONAL INFORMATION

We are required to file annual, quarterly and current reports, proxy statements, any amendments to those reports and other information with the SEC. You may read and copy any documents filed by us at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at http://www.sec.gov and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common stock is listed.

We have filed a registration statement on Form S-4 with the SEC relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all of the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of LabCorp, please be aware that the reference is only a summary and that you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's website.

The SEC's rules allow us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document. We incorporate by reference any reports filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules) after the date of this prospectus and before the date that the exchange offer is terminated which will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information previously filed with the SEC:

- Our Annual Report on Form 10-K for the year ended December 31, 2005;
- Our Quarterly Reports on Form 10-Q for the period ended March 31, 2006 and the period ended June 30, 2006;
- Our Current Reports on Form 8-K dated March 1, 2006 and July 21, 2006; and
- The description of our common stock, filed in our Registration Statement on Form 8-B filed on July 1, 1994, as amended by Amendment No. 1 thereto dated April 27, 1995, under the Securities Exchange Act of 1934, and the description of the related stock purchase rights in the Registration Statement filed on Form 8-A filed on December 21, 2001, including amendments thereto, and any report filed for the purpose of updating such descriptions.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from Laboratory Corporation of America Holdings, Office of the Corporate Secretary, 358 South Main Street, Burlington, North Carolina 27215, telephone (336) 229-1127.

The exchange agent for the exchange offer is:

The Bank of New York

By Facsimile (Eligible Institutions only):
(212) 298-1915
By Telephone:
(212) 815-3738

By Mail, Hand or Overnight Delivery:
The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street—Floor 7E
New York, NY 10286
Attention: Evangeline Gonzalez

Questions, requests for assistance and requests for additional copies of this prospectus may be directed to the information agent or the dealer manager at each of their addresses set forth below:

The information agent for the exchange offer is:

D.F. King & Co., Inc.

48 Wall Street
New York, New York 10005
Banks and brokers call: (212) 269-5550 (collect)
All others: (800) 859-8508 (U.S. toll free)

The dealer manager for the exchange offer is:

LEHMAN BROTHERS

745 Seventh Avenue, 5th Floor
New York, New York 10019
Attention: Convertible Origination Group
(212) 526-0111 (collect)
(800) 443-0892 (U.S. toll free)

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. ***Indemnification of Directors and Officers***

As authorized by Section 145 of the General Corporation Law of the State of Delaware ("Delaware Corporation Law"), each director and officer of the Registrant may be indemnified by the Registrant against expenses (including attorney's fees, judgments, fines, and amounts paid in settlement) actually and reasonably incurred in connection with the defense or settlement of any threatened, pending, or completed legal proceedings in which he/she is involved by reason of the fact that he/she is or was a director or officer of the Registrant; provided that he/she acted in good faith and in a manner that he/she reasonably believed to be in or not opposed to the best interest of the Registrant; and, with respect to any criminal action or proceeding, that he/she had no reasonable cause to believe that his/her conduct was unlawful. If the legal proceeding, however, is by or in the right of the Registrant, the director or officer may not be indemnified in respect of any claim, issue, or matter as to which he shall have adjudged to be liable for negligence or misconduct in the performance of his duty to the Registrant unless a court determines otherwise.

Section 102(b)(7) of the Delaware Corporation Law provides that a corporation may eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for willful or negligent conduct in paying dividends or repurchasing stock out of other than lawfully available funds, or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective.

Article Six of the Certificate of Incorporation of the Registrant provides that no director of the Registrant shall be personally liable to the Registrant or its stockholders for monetary damages for any breach of his fiduciary duty as director; provided, however, that such clause shall not apply to any liability of a director (i) for any breach of such director's duty of loyalty to the Registrant or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. In addition, the provisions of Article VII of the Registrant's By-laws provide that the Registrant shall indemnify persons entitled to be indemnified to the fullest extent permitted by the Delaware Corporation Law.

The Registrant maintains policies of officers' and directors' liability insurance in respect of acts or omissions of current and former officers and directors of the Registrant, its subsidiaries, and "constituent" companies that have been merged with the Registrant.

Item 21. ***Exhibits and Financial Statement Schedules***

1.1*	Form of Dealer Manager Agreement.
4.1	Specimen Common Stock Certificate (incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, File No. 001-11353).
4.2	Amended and Restated Certificate of Incorporation of the Registrant dated May 24, 2001 (incorporated herein by reference to the Registrant's Registration Statement on Form S-3, filed with the Commission on October 19, 2001, File No. 333-71896).
4.3	Amended and Restated By-Laws of the Registrant dated April 28, 1995 (incorporated herein by reference to the Registrant's report on Form 8-K, filed with the Commission on May 12, 1995, File No. 001-11353)).

4.4	Rights Agreement dated December 13, 2001 between the Registrant and American Stock Transfer & Trust Company, as rights Agent (incorporated herein by reference to the Registrant's Registration Statement on Form 8-A, filed with the Commission on December 21, 2001, File No. 001-11353)
4.5	Indenture related to the Old Notes, dated as of September 11, 2001, between the Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-3, as filed with the Securities and Exchange Commission on October 19, 2001, File No. 333-71896).
4.6*	Form of Indenture relating to the New Notes between Laboratory Corporation of America Holdings and The Bank of New York, as Trustee thereunder.
4.7	Form of Liquid Yield Option™ Note relating to the Old Notes (included in Exhibit 4.5).
4.8*	Form of Zero Coupon Convertible Subordinated Note relating to the New Notes (included in Exhibit 4.6).
5.1*	Opinion of Hogan & Hartson L.L.P.
8.1*	Tax Opinion of Hogan & Hartson L.L.P.
12.1	Statement re Computation of Ratios of Earnings to Fixed Charges (incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarterly period ended June 30, 2006, File No. 001-11353).
23.1*	Consent of PricewaterhouseCoopers LLP.
23.2*	Consents of Hogan & Hartson L.L.P. (included in Exhibits 5.1 and 8.1).
24.1*	Power of Attorney (included on the signature page hereof).
25.1*	Statement of Eligibility and Qualification of Trustee under the Trust Indenture Act of 1939, as amended on Form T-1.

* Filed herewith.

(a) The undersigned registrant (the "Registrant") hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

(d) The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning this transaction that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Burlington, State of North Carolina, on the 22nd day of September, 2006.

Laboratory Corporation of America Holdings

By: /S/ BRADFORD T. SMITH
Bradford T. Smith
Executive Vice President, Corporate Affairs and Secretary

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the individuals whose signatures appear below hereby constitute and appoint Bradford T. Smith and William B. Hayes, or each of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorney-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, or any of them, or their, his or her substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated:

Signature	Title	Date
/S/ THOMAS P. MAC MAHON **Thomas P. Mac Mahon**	Chairman of the Board President and Chief Executive Officer (Principal Executive Officer)	September 22, 2006
/S/ WILLIAM B. HAYES **William B. Hayes**	Executive Vice President, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 22, 2006
/S/ KERRII B. ANDERSON **Kerrii B. Anderson**	Director	September 22, 2006
/S/ JEAN-LUC BELINGARD **Jean-Luc Belingard**	Director	September 20, 2006
/S/ WENDY E. LANE **Wendy E. Lane**	Director	September 22, 2006
/S/ ROBERT E. MITTELSTAEDT, JR. **Robert E. Mittelstaedt, Jr.**	Director	September 20, 2006

Table of Contents

Signature	Title	Date
/S/ ARTHUR H. RUBENSTEIN **Arthur H. Rubenstein**	Director	September 20, 2006
/S/ ANDREW G. WALLACE, M.D. **Andrew G. Wallace, M.D.**	Director	September 20, 2006
/S/ M. KEITH WEIKEL **M. Keith Weikel**	Director	September 22, 2006

Table of Contents

EXHIBIT INDEX

1.1*	Form of Dealer Manager Agreement.
4.1	Specimen Common Stock Certificate (incorporated herein by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, File No. 001-11353).
4.2	Amended and Restated Certificate of Incorporation of the Registrant dated May 24, 2001 (incorporated herein by reference to the Registrant's Registration Statement on Form S-3, filed with the Commission on October 19, 2001, File No. 333-71896).
4.3	Amended and Restated By-Laws of the Registrant dated April 28, 1995 (incorporated herein by reference to the Registrant's report on Form 8-K, filed with the Commission on May 12, 1995, File No. 001-11353)).
4.4	Rights Agreement dated December 13, 2001 between the Registrant and American Stock Transfer & Trust Company, as rights Agent (incorporated herein by reference to the Registrant's Registration Statement on Form 8-A, filed with the Commission on December 21, 2001, File No. 001-11353)
4.5	Indenture related to the Old Notes, dated as of September 11, 2001, between the Registrant and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-3, as filed with the Securities and Exchange Commission on October 19, 2001, File No. 333-71896).
4.6*	Form of Indenture relating to the New Notes between Laboratory Corporation of America Holdings and The Bank of New York, as Trustee thereunder.
4.7	Form of Liquid Yield Option™ Note relating to the Old Notes (included in Exhibit 4.5).
4.8*	Form of Zero Coupon Convertible Subordinated Note relating to the New Notes (included in Exhibit 4.6).
5.1*	Opinion of Hogan & Hartson L.L.P.
8.1*	Tax Opinion of Hogan & Hartson L.L.P.
12.1	Statement re Computation of Ratios of Earnings to Fixed Charges (incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarterly period ended June 30, 2006, File No. 001-11353).
23.1*	Consent of PricewaterhouseCoopers LLP.
23.2*	Consents of Hogan & Hartson L.L.P. (included in Exhibits 5.1 and 8.1).
24.1*	Power of Attorney (included on the signature page hereof).
25.1*	Statement of Eligibility and Qualification of Trustee under the Trust Indenture Act of 1939, as amended on Form T-1.

* Filed herewith.

Exhibit 1.1

DEALER-MANAGER AGREEMENT

LABORATORY CORPORATION OF AMERICA HOLDINGS

September 22, 2006

LEHMAN BROTHERS INC.
745 Seventh Avenue – Floor 3
New York, New York 10019

Dear Ladies and Gentlemen:

1. *The Exchange Offer*. Laboratory Corporation of America Holdings, a Delaware corporation (the "***Company***"), intends to make an offer (together with any amendments and extensions thereof, the "***Exchange Offer***") to exchange its new Zero Coupon Convertible Subordinated Notes due 2021 (the "***New Securities***") and an exchange fee of $2.50 per $1,000 principal amount at maturity of Old Securities (as defined below) (the "***Exchange Fee***") for its outstanding Liquid Yield Option™[1] Notes due 2021 (the "***Old Securities***"), on the terms and subject to the conditions set forth in the Preliminary Prospectus attached hereto as Exhibit A.

The New Securities will be issued pursuant to an indenture (the "***New Indenture***") to be entered into by the Company and The Bank of New York, as Trustee (the "***New Trustee***"). The New Securities will be convertible into cash and, if applicable, duly and validly issued, fully paid and nonassessable shares of common stock, par value $0.10 per share (the "***Common Stock***"), of the Company (such shares, the "***Conversion Shares***"), together with the rights (the "***Rights***") evidenced by such Conversion Shares, to the extent provided in the Rights Agreement dated December 31, 2001 between the Company and American Stock Transfer & Trust Company, as rights agent.

The Preliminary Prospectus, the Prospectus, the Registration Statement relating to the Exchange Offer, any documents incorporated by reference in the Registration Statement, the Schedule TO relating to the Exchange Offer, all statements and other documents filed or to be filed with any federal, state or local governmental or regulatory agency or authority, including any exhibits thereto, and such other documents (including, but not limited to, any advertisements, press releases or summaries relating to the Exchange Offer and any forms of letters to brokers, dealers, banks, trust companies and other nominees relating to the Exchange Offer), in each case in the form first authorized for use by the Company in connection with the Exchange Offer and approved by the Dealer-Manager (as defined below), and thereafter in each case together with any amendments and supplements thereto made in accordance with the terms

---

[1] ™ Trademark of Merrill Lynch & Co., Inc.

of this agreement (this "***Agreement***"), are collectively referred to as the "***Exchange Offer Materials*.**"

2. ***Appointment as Dealer-Manager*.** The Company hereby appoints Lehman Brothers Inc. ("***Lehman Brothers***") as sole dealer-manager in connection with the Exchange Offer (in such capacity, the "***Dealer-Manager***"), and the Company hereby authorizes Lehman Brothers to act as such in connection with the Exchange Offer. On the basis of the representations and warranties and agreements of the Company contained in this Agreement and subject to and in accordance with the terms and conditions hereof, Lehman Brothers agrees in accordance with its customary practice, and in accordance with all applicable United States laws and regulations, to use its reasonable best efforts to solicit tenders of the Old Securities pursuant to the Exchange Offer and to communicate with brokers, dealers, banks, trust companies, nominees and other persons with respect to the Exchange Offer.

3. ***No Liability for Acts of Brokers, Dealers, Banks, Trust Companies, Nominees and Others*.** Lehman Brothers shall not be subject to any loss, claim, damage, liability or expense owed to the Company or any of the Company's affiliates or subsidiaries for any act or omission on the part of any broker or dealer in securities (other than Lehman Brothers), bank, trust company, nominee or any other person, and Lehman Brothers shall not be liable to the Company or any of the Company's affiliates or subsidiaries for its own acts or omissions in performing its obligations as Dealer-Manager except for any losses, claims, damages, liabilities and expenses determined in a final judgment by a court of competent jurisdiction to have resulted directly from any such acts or omissions undertaken or omitted to be taken by Lehman Brothers (including its employees and authorized agents) through its gross negligence, bad faith or willful misconduct. In soliciting or obtaining tenders of Old Securities, the Company hereby acknowledges that Lehman Brothers, as Dealer-Manager, is acting as an independent contractor and shall not be deemed to be acting as the agent of the Company or as the agent of any broker, dealer, bank, trust company, nominee or other person and no broker, dealer, bank, trust company, nominee or other person shall be deemed to be acting as the agent of Lehman Brothers, the Company or any of the Company's affiliates or subsidiaries.

4. ***The Exchange Offer Materials; Commencement; Withdrawal*.**

(a) The Company has prepared and filed with the Securities and Exchange Commission (the "***Commission***"), under the Securities Act of 1933, as amended, and the applicable rules and regulations of the Commission thereunder (collectively, the "***Securities Act***"), and the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations of the Commission thereunder and Regulation M-A of the Commission (collectively, the "***Exchange Act***"), a registration statement on Form S-4 (File No. 333-**[ ]**), including a prospectus, covering the registration of the exchange of New Securities and the Exchange Fee for Old Securities in the Exchange Offer. The term "***Registration Statement***" as used in this Agreement shall mean such registration statement, including financial statements, schedules and exhibits, and the documents incorporated by reference therein, in the form in which it becomes effective and, in the event of any further amendment or supplement thereto made in accordance with the terms of this Agreement, shall also mean (from and after the effectiveness of such amendment or supplement) such registration statement as so amended or supplemented, including in each case the information (if any) deemed to be part of the Registration Statement

pursuant to Rule 430C under the Securities Act. The term "***Preliminary Prospectus***" means the preliminary prospectus attached as Exhibit A hereto filed as part of the Registration Statement. The term "***Prospectus***" as used in this Agreement shall mean the prospectus included in the Registration Statement at the time the Registration Statement becomes effective and, in the event of any further amendment or supplement thereto made in accordance with the terms of this Agreement, shall also mean (from and after the time it is first provided by the Company for use in connection with the Exchange Offer) such prospectus as so amended or supplemented. Any reference herein to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 11 of Form S-4 under the Securities Act, as of the date of the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be, and any reference to any amendment or supplement to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be, under the Exchange Act and incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be. The term "***Holders***" as used in this Agreement shall mean the holders of the Old Securities.

(b) The Company agrees that on or prior to the Commencement Date (as defined below) it shall file with the Commission under the Exchange Act a Tender Offer Statement on Schedule TO with respect to the Exchange Offer (including the exhibits thereto and any documents incorporated by reference therein, the "***Schedule TO***"), a copy of which Schedule TO (including the documents required by Item 12 thereof to be filed as exhibits thereto) in the form in which it is filed, will be furnished to the Dealer-Manager promptly upon the filing thereof.

(c) The Company (i) shall furnish Lehman Brothers with as many copies as Lehman Brothers may reasonably request of the final forms of all Exchange Offer Materials filed with the Commission, mailed to the Holders, or provided to any other governmental authority or agency and, upon its request, any other documents filed or to be filed with the Commission, any federal, state or local governmental or regulatory agency or authority, any stock exchange or any court, in each case in connection with the Exchange Offer and (ii) authorizes Lehman Brothers to use copies of the Exchange Offer Materials in connection with the Exchange Offer. Lehman Brothers shall not disseminate any written materials in connection with the Exchange Offer other than the Exchange Offer Materials, information consistent with the Exchange Offer Materials or information otherwise authorized by the Company.

(d) The Exchange Offer Materials have been or will be prepared and approved by, and are the sole responsibility of, the Company, except for information provided by the Dealer-Manager in writing expressly for use in the Exchange Offer Materials, it being understood that the only information so provided by the Dealer-Manager expressly for use in the Exchange Offer Materials is the name, address and telephone number of Lehman Brothers, as Dealer-Manager (the "***Dealer-Manager Information***"). The Company represents and warrants that it will commence the Exchange Offer as soon as practicable by publicly announcing its commencement and by distributing, mailing, or causing to be mailed on its behalf, copies of, where necessary, the Exchange Offer Materials excluding the documents incorporated by reference in the Exchange Offer Materials (the "***Incorporated Documents***"), to the Holders for

delivery to the beneficial Holders (the date of such announcement and of the commencement of such distribution, the "***Commencement Date***").

(e) The Company represents and agrees that no solicitation material in addition to the Exchange Offer Materials, each of which shall be in a form approved by Lehman Brothers, which approval shall not be unreasonably withheld, shall be used in connection with the Exchange Offer or filed with any federal, state or local governmental or regulatory agency or authority, including the Commission, by or on behalf of the Company without Lehman Brothers' prior approval, which approval will not be unreasonably withheld. If (i) the Company uses or permits the use of any solicitation material in connection with the Exchange Offer or files any solicitation material with any federal, state or local governmental or regulatory agency or authority without Lehman Brothers' prior approval, (ii) the Company withdraws, terminates or cancels the Exchange Offer, (iii) at any time Lehman Brothers shall determine that any condition set forth in Section 9 shall not be satisfied, (iv) the Registration Statement containing all of the required information, including pricing information, and a prospectus that meets the requirements of Section 10(a) of the Securities Act, shall not have become effective on or prior to the expiration date of the Exchange Offer (the "***Expiration Date***") or (v) at any time during the Exchange Offer, a stop order suspending the effectiveness of the Registration Statement shall have been issued or a proceeding for that purpose shall have been instituted or shall be pending or threatened by the Commission, or a request for additional information on the part of the Commission shall not have been satisfied to the reasonable satisfaction of the Dealer-Manager or there shall have been issued, at any time during the Exchange Offer, any temporary restraining order or injunction restraining or enjoining Lehman Brothers from acting in its capacity as Dealer-Manager with respect to the Exchange Offer, then Lehman Brothers (A) shall have a reasonable period of time after discovering or being informed of such event to elect whether to continue to act as Dealer-Manager and shall be entitled to withdraw as Dealer-Manager in connection with the Exchange Offer without any liability or penalty to Lehman Brothers or any other person defined in Section 11 as an "Indemnified Person," (B) shall be entitled promptly to receive the payment of all fees and expenses payable to it under this Agreement which have accrued to the date of such withdrawal or which otherwise thereafter become payable and (C) shall continue to be entitled to the indemnification and contribution provisions contained in Section 11.

5. *Compensation*. The Company hereby agrees to pay Lehman Brothers as compensation for its services as Dealer-Manager, upon the acceptance by the Company for exchange of Old Securities tendered pursuant to the Exchange Offer, a fee equal to $700,000. The fee set forth in this Section shall be paid within three business days after the Expiration Date.

6. Reimbursement of Expenses and Payment of Other Costs. The Company shall (a) reimburse Lehman Brothers in connection with its services as Dealer-Manager for any expense incurred by Lehman Brothers in connection with the preparation, printing, filing, mailing and publishing of the Exchange Offer Materials and for all out-of-pocket expenses incurred by Lehman Brothers as Dealer-Manager, including, without limitation, the reasonable fees and disbursements of Lehman Brothers' legal counsel, Davis Polk & Wardwell, (b) pay all fees and expenses of the Exchange Agent (as defined below) and the Information Agent (as defined below), in each case, in connection with the Exchange Offer, (c) pay any fees

payable to brokers, dealers, banks, trust companies and nominees as reimbursement for their customary mailing and handling expenses incurred in forwarding the Exchange Offer Materials to their customers, if any, and (d) pay any advertising and public relations charges pertaining to the Exchange Offer. The Company shall promptly reimburse Lehman Brothers for all amounts owing under this Section after such expenses have been paid or accrued and an invoice therefor has been sent by Lehman Brothers to the Company, which may be sent from time to time as such expenses are paid or accrued, whether or not the Exchange Offer is consummated and in addition to the amounts owing to Lehman Brothers under the preceding Section.

7. ***The Exchange Agent; the Information Agent; Noteholder Lists.*** (a) The Company (i) has arranged for The Bank of New York to serve as exchange agent in connection with the Exchange Offer (the "***Exchange Agent***"), (ii) will arrange for the Exchange Agent to advise Lehman Brothers daily as to such matters as Lehman Brothers may reasonably request, including the aggregate principal amount of Old Securities that have been tendered pursuant to the Exchange Offer, and (iii) will arrange for the Exchange Agent to be responsible for the payment of the consideration offered by the Company to the Holders in connection with the Exchange Offer pursuant and subject to the Prospectus.

(b) The Company has arranged for D.F. King & Co., Inc. to serve as information agent in connection with the Exchange Offer (the "***Information Agent***") and to perform services in connection with the Exchange Offer that are customary for an information agent.

(c) The Company will provide, or will cause the Exchange Agent and Information Agent, as applicable, to provide, Lehman Brothers with the security listing position (or other cards or lists) containing the names and addresses of, and the aggregate principal amount of Old Securities held by, the Holders as of a recent date and will use its best efforts to cause Lehman Brothers to be advised, from time to time as Lehman Brothers may request, during the period of the Exchange Offer as to any transfers of record of Old Securities. In addition, the Company hereby authorizes Lehman Brothers to communicate with the New Trustee, the Exchange Agent and the Information Agent with respect to matters relating to the Exchange Offer.

8. ***Representations and Warranties of the Company*****.** In addition to the other representations and warranties made by the Company contained in this Agreement, the Company represents and warrants to Lehman Brothers, and agrees with Lehman Brothers, on each of the Commencement Date, the Expiration Date, the date on which the Company exchanges New Securities and the Exchange Fee for validly tendered Old Securities that it has accepted in accordance with the terms of the Exchange Offer (the "***Exchange Date***") and during the period of the Exchange Offer, that:

(a) The Registration Statement, including the Preliminary Prospectus and the Prospectus, setting forth information with respect to the Company, the Exchange Offer and the New Securities (i) has been or will be prepared by the Company in conformity in all material respects with the requirements of the Securities Act, (ii) has been or will be filed with the Commission under the Securities Act and the Exchange Act and (iii) is expected to become effective under the Securities Act not later than the Expiration Date. Copies of such Registration

Statement and all amendments and exhibits thereto have been, or will be at the time they are filed, made available by the Company to the Dealer-Manager. The Company has included in such Registration Statement, and will include in such Registration Statement, as amended at the time at which it is declared effective by the Commission, all information required by the Securities Act to be included in such registration statement and the related prospectus. As filed in accordance with Rule 424(b), the Prospectus will contain all required information, and the Preliminary Prospectus will contain all required information and will be in the form attached hereto as Exhibit A. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the Securities Act and no proceedings for that purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated by the Commission, and there has been no request on the part of the Commission for additional information. No other stop order and no injunction, restraining order or denial of any application for approval has been issued or proceedings, litigation or investigation initiated or, to the best knowledge of the Company, threatened with respect to the Exchange Offer by or before any governmental or regulatory agency, or any court.

(b) The conditions for use of Form S-4, as set forth in the General Instructions thereto, have been satisfied or waived.

(c) The Registration Statement, the Preliminary Prospectus, the Prospectus and the Schedule TO conform, and any further amendments or supplements to the Registration Statement, the Preliminary Prospectus, the Prospectus or Schedule TO will, when they become effective or are filed with the Commission, as the case may be, conform in all material respects to the requirements of the Securities Act, the Exchange Act and the Trust Indenture Act of 1939, as amended, and the applicable rules and regulations of the Commission thereunder (collectively, the "***Trust Indenture Act***"). The Registration Statement and any post-effective amendments thereto will not, at the time the Registration Statement or such post-effective amendment becomes effective, and will not, as of the Commencement Date or the Exchange Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Preliminary Prospectus does not, as of the Commencement Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Prospectus will not, as of the Expiration Date and the Exchange Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made in this subsection (c) as to information (i) contained in or omitted from the Preliminary Prospectus or the Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer-Manager specifically for inclusion therein, it being understood that the only information so provided by the Dealer-Manager expressly for use therein is the Dealer-Manager Information and (ii) included in the Statement of Eligibility and Qualification of the New Trustee under the Trust Indenture Act on Form T-1.

(d) The Incorporated Documents as amended or supplemented at the date hereof, when they were filed with the Commission, conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable. None of the Incorporated

Documents as amended or supplemented at the date hereof, when such documents were filed with the Commission, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any further documents so filed and incorporated by reference in the Exchange Offer Materials, when any such documents are filed with Commission will conform in all material respects to the requirements of the Exchange Act and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(e) The Company has duly filed or will duly file promptly by or on the Commencement Date with the Commission the Schedule TO; a copy of the Schedule TO (including the documents filed or to be filed therewith as exhibits thereto), in the form filed or to be filed with the Commission has been previously furnished or will be furnished promptly to the Dealer-Manager; the Schedule TO will comply as to form in all material respects with the applicable provisions of the Exchange Act; and the Company will file and disseminate, as required, any and all necessary amendments and supplements to the Schedule TO and the other documents to be filed with the Commission relating to the Exchange Offer and will promptly furnish to the Dealer-Manager an accurate and complete copy of each such amendment and supplement upon the filing thereof.

(f) The statements in (1) the Preliminary Prospectus and the Prospectus under the headings “Description of the New Notes” and “Description of Capital Stock,” (2) the Company’s Annual Report on Form 10-K for the year ended December 31, 2005 under the caption “Regulation and Reimbursement” in Item 1 and under Item 3 and (3) the Company’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006 under Part II, Item 1, insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings.

(g) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified individually or in the aggregate would not have a material adverse effect on the business, financial condition, properties or results of operations of the Company and its subsidiaries taken as a whole (a “***Material Adverse Effect***”).

(h) Each subsidiary of the Company has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each subsidiary of the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified individually or in the aggregate would not have a Material Adverse Effect; all of

the issued and outstanding capital stock of each subsidiary of the Company has been duly authorized and validly issued, are fully paid and nonassessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances equities or claims.

(i) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and non-assessable, and were issued in compliance with federal and state securities laws and not in violation of any preemptive right, resale right, right of first refusal or similar right. All of the Company's options, warrants and other rights to purchase or exchange any securities for shares of the Company's capital stock have been duly authorized and validly issued, conform to the description thereof contained in the Prospectus and were issued in compliance with federal and state securities laws.

(j) The New Indenture and the New Securities have been duly authorized by the Company; and assuming due execution and delivery of the New Indenture and authentication of the New Securities, in accordance with the New Indenture, by the New Trustee, when the New Securities and the Exchange Fee are delivered to Holders in exchange for the Old Securities pursuant to the Exchange Offer on the Exchange Date, the New Indenture and the New Securities will conform to the description thereof contained in the Preliminary Prospectus and the Prospectus, and the New Indenture and the New Securities will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(k) The Common Stock and the Rights conform to the description thereof contained in the Preliminary Prospectus and the Prospectus. The Conversion Shares have been duly authorized and reserved for issuance upon conversion of the New Securities by all necessary corporate action, and such Conversion Shares, when issued upon such conversion, will be validly issued and will be fully paid and non-assessable; no holder of such Conversion Shares will be subject to personal liability by reason of being such a holder; and the issuance of such Conversion Shares upon such conversion will not be subject to the preemptive or other similar rights of any security holder of the Company. The Rights, if any, relating to the Conversion Shares have been duly authorized and will be validly issued upon the issuance of the Conversion Shares upon conversion of the New Securities.

(l) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the execution, delivery and performance of the New Indenture, the New Securities and this Agreement, the making and consummation of the Exchange Offer by the Company, the use of the Exchange Offer Materials and the consummation by the Company of the transactions contemplated by this Agreement, the New Indenture, the New Securities and the Exchange Offer Materials and compliance with the terms and provisions thereof (collectively, the "***Transactions***"), except for (1) such as have been, or will be, obtained under the Securities Act, the Exchange Act and state securities or Blue Sky laws and (2) such consents, approvals, authorizations, orders or filings that the failure to obtain would not individually or in the aggregate (i) have a Material Adverse Effect or (ii) adversely affect in a material respect the ability of the Company to perform its obligations under the New

Indenture, the New Securities, the Exchange Offer or this Agreement, or would otherwise be material in the context of the Exchange Offer.

(m) None of the Transactions will result in a breach or violation of any of the terms and provisions of, or constitute a default under (i) any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, (ii) any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or (iii) the charter or by-laws of the Company or any such subsidiary, and the Company has full power and authority to authorize, issue and deliver the New Securities pursuant to the Exchange Offer, except in the case of clause (i) or (ii), any such breach, violation or default that would not (x) individually or in the aggregate have a Material Adverse Effect or (y) prevent the consummation of the Transactions.

(n) This Agreement has been duly authorized, executed and delivered by the Company.

(o) Except as disclosed in the Preliminary Prospectus and the Prospectus, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that individually or in the aggregate would have a Material Adverse Effect or materially interfere with the use made or to be made thereof by them; and except as disclosed in the Preliminary Prospectus and the Prospectus, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(p) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(q) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that could reasonably be expected to have a Material Adverse Effect.

(r) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "***intellectual property rights***") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(s) Except as disclosed in the Preliminary Prospectus and the Prospectus, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "***environmental laws***"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which could reasonably be expected to lead to such a claim.

(t) Except as disclosed in the Preliminary Prospectus and the Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under the New Indenture, the New Securities, the Exchange Offer or this Agreement, or which are otherwise material in the context of the Exchange Offer; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(u) The financial statements filed with the Commission as a part of or incorporated by reference in the Registration Statement and included or incorporated by reference in the Preliminary Prospectus and the Prospectus present fairly the consolidated financial position of the Company and its subsidiaries as of and at the dates indicated and the results of their operations and cash flows for the periods specified. Such financial statements and supporting schedules comply as to form with the applicable accounting requirements of the Securities Act and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. No other financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement. The financial data set forth in the Preliminary Prospectus and the Prospectus under the caption "Selected Consolidated Financial Data" fairly present the information set forth therein on a basis consistent with that of the audited and unaudited financial statements contained or incorporated by reference in the Registration Statement.

(v) Except as disclosed in the Preliminary Prospectus and the Prospectus, (i) since the date of the latest audited financial statements included as part of or incorporated by reference in the Preliminary Prospectus and the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial condition, business, properties or results of operations of the Company and its subsidiaries taken as a whole ("***Material Adverse Change***"); (ii) there have been no transactions entered into by the Company or any of its subsidiaries which are material to the Company and its subsidiaries, taken as a whole, other than those entered into in the ordinary course of business or in connection with the Exchange Offer; (iii) there has been no material change in the capital stock of the Company or any of its subsidiaries, except for changes pursuant to the issuance or exercise of options pursuant to the Company's stock option or other employment benefit plans

described in the Prospectus or conversion of outstanding securities described in the Preliminary Prospectus and the Prospectus; and (iv) except as disclosed in or contemplated by the Preliminary Prospectus and the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company or any of its wholly owned subsidiaries on any class of its capital stock.

(w) The Company is not an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the United States Investment Company Act of 1940 (the "***Investment Company Act***"); and the Company is not and, after giving effect to the Exchange Offer and the issuance of the New Securities as described in the Preliminary Prospectus and the Prospectus, will not be, an "investment company" as defined in the Investment Company Act.

(x) The Company's ratios of earnings to fixed charges set forth in the Preliminary Prospectus and the Prospectus under the caption "Ratio of Earnings to Fixed Charges" and in Exhibit 12 to the Registration Statement have been calculated in compliance with Item 503(d) of Regulation S-K under the Securities Act.

(y) The Company maintains (i) effective internal control over financial reporting as defined under the Exchange Act, and (ii) a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(z) Except as disclosed in the Preliminary Prospectus and the Prospectus or in any document incorporated by reference therein, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

9. ***Conditions to the Dealer-Manager's Obligations.*** Lehman Brothers' obligation to act as Dealer-Manager shall at all times be subject to the performance by the Company of its obligations herein and to the following additional conditions:

(a) At all times from the Commencement Date to and including the Exchange Date, the Company's representations and warranties contained herein shall be true and correct in all material respects and the Company shall have performed in all material respects all of the agreements contained in this Agreement and as set forth in the Exchange Offer Materials theretofore required by it to have been performed. The Company acknowledges that Lehman Brothers' agreement to act, or to continue to act, as Dealer-Manager at a time when it knows or should know that any such representation, warranty and agreement is or may be untrue or incorrect or not performed, as the case may be, in a material respect shall be without prejudice to

its right subsequently to cease so to act by reason of such untruth, incorrectness or nonperformance, as the case may be.

(b) No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall be pending or threatened by the Commission and no injunction suspending the offer, issuance, delivery or exchange of the New Securities pursuant to the Exchange Offer or the Transactions shall have been issued and no proceedings for that purpose shall be pending or have been threatened and no action, lawsuit, claim or governmental or administrative proceeding shall have been commenced or threatened with respect to the Exchange Offer or the other Transactions before any court, agency or other governmental or regulatory body of any jurisdiction that Lehman Brothers, in good faith after consultation with counsel, believes renders it inadvisable for Lehman Brothers to continue to act as Dealer-Manager.

(c) On each of the Commencement Date and the Exchange Date, the Company will furnish to Lehman Brothers a written certificate executed by the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company and the Chief Financial Officer or Chief Accounting Officer of the Company, dated as of the Commencement Date and the Exchange Date, respectively, to the effect that:

(i) the signers of such certificate have carefully examined the Registration Statement and the Prospectus and any amendment or supplement thereto and this Agreement;

(ii) solely with respect to the certificate to be delivered on the Exchange Date, for the period from and after the date of this Agreement and prior to the Exchange Date, there has not occurred any Material Adverse Change;

(iii) the representations and warranties of the Company set forth in Section 8 of this Agreement are true and correct on and as of the date of the certificate with the same force and effect as though expressly made on and as of the Commencement Date and the Exchange Date, as applicable;

(iv) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to the Commencement Date and the Exchange Date, as applicable;

(v) solely with respect to the certificate to be delivered on the Commencement Date, the Registration Statement and the Schedule TO have been timely filed with the Commission; and

(vi) solely with respect the certificate to be delivered on the Exchange Date, the Registration Statement, the Schedule TO and the Prospectus have been timely filed with the Commission; and no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose are pending or, to the best knowledge of such officers, threatened by the Commission.

(d) The Company shall have furnished to Lehman Brothers, (i) on each of the Commencement Date and the Exchange Date, an opinion of Hogan & Hartson L.L.P., counsel to the Company, addressed to Lehman Brothers and dated as of the Commencement Date and the Exchange Date, respectively, substantially in the form attached hereto as Schedule I, (ii) on the Exchange Date, a letter of Hogan & Hartson L.L.P., counsel to the Company, addressed to Lehman Brothers and dated as of the Exchange Date, substantially in the form attached hereto as Schedule II and (iii) an opinion of Bradford T. Smith, Executive Vice President and Secretary of the Company, addressed to Lehman Brothers and dated as of the Commencement Date and the Exchange Date, respectively, substantially in the form attached hereto as Schedule III.

(e) On each of the Commencement Date and the Exchange Date, Lehman Brothers shall have received an opinion of Davis Polk & Wardwell, counsel to the Dealer-Manager, addressed to Lehman Brothers, in form and substance reasonably satisfactory to the Lehman Brothers.

(f) On each of the Commencement Date and the Exchange Date, Lehman Brothers shall have received from PricewaterhouseCoopers LLP, independent registered public accounting firm for the Company, a letter dated as of the Commencement Date and the Exchange Date, respectively, and addressed to Lehman Brothers, containing statements and information of the type ordinarily included in accountants' comfort letters with respect to the financial statements and certain financial information contained or incorporated by reference in the Exchange Offer Materials.

(g) All opinions, letters and certificates required to be delivered pursuant to the terms hereof shall be in a form and substance satisfactory to Lehman Brothers.

10. *Additional* Agreements. In addition to the other agreements of the Company contained elsewhere in this Agreement, the Company hereby agrees and acknowledges, as applicable, that:

(a) The Company will advise Lehman Brothers promptly of any of the following: (i) the time when the Registration Statement has become effective and when any post-effective amendment thereto has been filed or becomes effective, or any amendment or supplement to the Prospectus or any amendment to the Schedule TO or any amended or additional Exchange Offer Materials shall have been filed, (ii) the occurrence of any event which may cause the Company to withdraw, terminate or cancel the Exchange Offer or would permit the Company to exercise any right not to accept Old Securities validly tendered in the Exchange Offer or otherwise not to consummate the Exchange Offer, (iii) the occurrence of any event or the discovery of any fact, the occurrence or existence of which it believes would require the making of any material change in the Exchange Offer Materials then being used or would cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect, (iv) any proposal or requirement to amend or supplement the Registration Statement, the Prospectus, the Schedule TO or the other Exchange Offer Materials or other filings required by the Securities Act, the Exchange Act or "blue sky" or other state securities laws in connection with the Exchange Offer or to make any other filing in connection with the Exchange Offer pursuant to any other applicable law, rule or regulation, (v) the issuance by the Commission or any other federal, state or local governmental or regulatory agency or authority

of any comment or order concerning the Exchange Offer, (vi) any material development in connection with the Exchange Offer or the other Transactions (including any change of the Expiration Date and of any consummation of the Exchange Offer) or (vii) any other information relating to the Exchange Offer which Lehman Brothers may from time to time reasonably request.

(b) If at any time the Commission shall issue any order suspending the effectiveness of the Registration Statement, any state securities commission or other governmental or regulatory agency or authority shall issue an order suspending the qualification of the New Securities under state securities or "blue sky" laws or any other governmental or regulatory agency or authority shall issue any order impeding the making or consummation of the Exchange Offer, the Company will use every reasonable effort to obtain the lifting or removal thereof as soon as possible.

(c) Until the Exchange Offer is completed or terminated, the Company will deliver to the Dealer-Manager, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent by the Company to its security holders, and of all current, regular and periodic reports filed by the Company with any securities exchange or with the Commission.

(d) In making and consummating the Exchange Offer, the Company will comply in a timely manner with the applicable requirements of the Securities Act, the Exchange Act and any other applicable laws, regulations and requirements.

(e) The Company agrees to make generally available to its security holders as soon as practicable an earnings statement that will satisfy the provisions of Section 11(a) of the Securities Act covering a twelve-month period beginning not later than the first day of its fiscal quarter next following the effective date of the Registration Statement.

(f) If the Company is required, or considers it advisable, to amend or supplement the Exchange Offer Materials or make any additional filings with any federal, state or local governmental or regulatory agency or authority in connection with the Exchange Offer, then it shall not make such amendment or supplement or filing without Lehman Brothers' prior approval, which shall not be unreasonably withheld.

(g) The Company will file and disseminate, as required, any necessary amendments or supplements to the Exchange Offer Materials and other documents that are filed with any federal, state or local governmental or regulatory agency or authority relating to the Exchange Offer, and, if there is any such filing, it will promptly furnish to Lehman Brothers an accurate and complete copy of each such amendment or supplement upon the filing thereof.

(h) The Company will perform the agreements and obligations it has that are set forth in or contemplated by the Exchange Offer Materials, including, but not limited to, accepting for exchange Old Securities that have been validly tendered and not withdrawn in accordance with and subject to the terms and conditions of the Exchange Offer and delivering New Securities in exchange therefor and paying the Exchange Fee in accordance with and subject to the terms and conditions of the Exchange Offer.

(i) The Company will list the Conversion Shares on the New York Stock Exchange.

(j) The Company recognizes and confirms that, in performing the services contemplated by this Agreement, Lehman Brothers will be relying on the information furnished by the Company, its officers, attorneys and other agents and information available from generally recognized public sources without independent verification.

11. ***Indemnification and Contribution*****.**

(a) The Company hereby agrees to hold harmless and indemnify Lehman Brothers and its affiliates and any officer, director, employee or agent of Lehman Brothers or any such affiliates and any person controlling (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) Lehman Brothers or any such affiliates (collectively, the "***Indemnified Persons***") from and against any loss, claim, damage, liability and expense whatsoever (as incurred or suffered, and including, but not limited to, any and all legal or other expenses incurred in connection with investigating, preparing to defend or defending any lawsuit, claim or other proceeding, commenced or threatened, whether or not resulting in any liability, which legal or other expenses shall be reimbursed by the Company promptly after receipt of any invoices therefor from Lehman Brothers or such other Indemnified Person), (i) arising out of or based upon (A) any untrue statement or alleged untrue statement of a material fact contained in the Exchange Offer Materials or in any other solicitation material used by the Company or authorized by it for use in connection with the Exchange Offer, or arising out of or based upon the omission or alleged omission to state in any such document a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (other than statements or omissions made in reliance upon and in conformity with information relating to Lehman Brothers as Dealer-Manager furnished by Lehman Brothers in writing to the Company expressly for use therein, it being understood that the only information so provided by Lehman Brothers for use in the Exchange Offer Materials consists of the Dealer-Manager Information), (B) any withdrawal, termination or cancellation by the Company of, or failure by the Company to make or consummate, the Exchange Offer, (C) any actions taken or omitted to be taken by an Indemnified Person pursuant to this Agreement or with the consent of the Company or in conformity with actions taken or omitted to be taken by the Company or (D) any breach by the Company of any representation or warranty, or any failure by the Company to comply with any agreement contained in this Agreement or (ii) arising out of, relating to or in connection with or alleged to arise out of, relate to or be in connection with the Exchange Offer, any of the other Transactions or the performance of Lehman Brothers' services as Dealer-Manager with respect to the Exchange Offer. However, the Company will not be obligated to indemnify an Indemnified Person for any loss, claim, damage, liability or expense pursuant to clause (i)(C) or clause (ii) of the preceding sentence, which has been determined in a final judgment by a court of competent jurisdiction to have resulted directly from the willful misconduct, bad faith or gross negligence on the part of such Indemnified Person. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to the Indemnified Person or to any director, officer, employee or controlling person of the Indemnified Person.

(b) If any lawsuit, claim or proceeding is brought against any Indemnified Person in respect of which indemnification may be sought against the Company pursuant to this Section 11, such Indemnified Person shall promptly notify the Company of the commencement of such lawsuit, claim or proceeding after receipt by such Indemnified Person of notice of such lawsuit, claim or proceeding; *provided*, *however*, that the failure to so notify the Company shall not relieve the Company from any obligation or liability which it may have under this Section 11 except to the extent that it has been prejudiced in any material respect by such failure and in any event shall not relieve the Company from any other obligation or liability which it may have to such Indemnified Person otherwise than under this Section 11. In case any such lawsuit, claim or proceeding shall be brought against any Indemnified Person and such Indemnified Person shall notify the Company of the commencement of such lawsuit, claim or proceeding, the Company shall be entitled to participate in such lawsuit, claim or proceeding, and, after written notice from the Company to such Indemnified Person, to assume the defense of such lawsuit, claim or proceeding with counsel of its choice at its expense; *provided*, *however*, that such counsel shall be satisfactory to the Indemnified Person in the exercise of its reasonable judgment. Notwithstanding the election of the Company to assume the defense of such lawsuit, claim or proceeding, such Indemnified Person shall have the right to employ separate counsel and to participate in the defense of such lawsuit, claim or proceeding, and the Company shall bear the fees, costs and expenses of such separate counsel (and shall pay such fees, costs and expenses promptly after receipt of any invoice therefor from Lehman Brothers) if (i) the use of counsel chosen by the Company to represent such Indemnified Person would present such counsel with a conflict of interest; (ii) the defendants in, or targets of, any such lawsuit, claim or proceeding include both an Indemnified Person and the Company, and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it or to other Indemnified Persons which are different from or in addition to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the Indemnified Person); (iii) the Company shall not have employed counsel satisfactory to such Indemnified Person, in the exercise of such Indemnified Person's reasonable judgment, to represent such Indemnified Person within a reasonable time after notice of the institution of any such lawsuit, claim or proceeding; or (iv) the Company shall authorize such Indemnified Person to employ separate counsel at the expense of the Company. The foregoing indemnification commitments shall apply whether or not the Indemnified Person is a formal party to any such lawsuit, claim or proceeding. The Company shall not be liable for any settlement of any lawsuit, claim or proceeding effected without its consent (which consent will not be unreasonably withheld), but if settled with such consent, or if there be a final judgment of the plaintiff in any such action, the Company agrees, subject to the provisions of this Section 11, to indemnify the Indemnified Person from and against any loss, damage or liability by reason of such settlement or final judgment, as the case may be. The Company agrees to notify Lehman Brothers promptly, or cause Lehman Brothers to be notified promptly, of the assertion of any lawsuit, claim or proceeding against the Company, any of its officers or directors or any person who controls any of the foregoing within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, arising out of or relating to the Exchange Offer. The Company further agrees that any settlement of a lawsuit, claim or proceeding against it arising out of or relating to the Exchange Offer or the consent to the entry of any judgment with respect to any pending or threatened lawsuit, claim or proceeding in respect of which indemnification or contribution may be sought under this Agreement (whether or not the Indemnified Person is an

actual or potential party to such claim or action) shall include an explicit and unconditional release from the parties bringing such lawsuit, claim or proceeding of all Indemnified Persons who are or could have been a party to such lawsuit, claim or proceeding if such Indemnified Persons could have sought indemnification hereunder, which release shall be satisfactory to Lehman Brothers.

(c) The Company and Lehman Brothers agree that if any indemnification sought by any Indemnified Person pursuant to this Section 11 is unavailable or is insufficient for any reason, other than that specified in the second sentence of Section 11(a), then (whether or not Lehman Brothers is the Indemnified Person) the Company, on the one hand, and Lehman Brothers, on the other hand, shall contribute to the losses, claims, damages, liabilities and expenses for which such indemnification is held unavailable or insufficient (i) in such proportion as is appropriate to reflect the relative benefits to the Company, on one hand, and Lehman Brothers, on the other hand, in connection with the matter giving rise to such losses, claims, damages, liabilities and expenses, or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in the foregoing clause (i) but also the relative faults of the Company, on the one hand, and Lehman Brothers, on the other, in connection with the matter giving rise to such losses, claims, damages, liabilities and expenses, and other equitable considerations, subject to the limitation that in any event Lehman Brothers' aggregate contribution to all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder shall not exceed the amount of fees actually received by Lehman Brothers pursuant to this Agreement. It is hereby agreed by the parties hereto that the relative benefits to the Company, on the one hand, and Lehman Brothers, on the other hand, with respect to the Exchange Offer and the other Transactions shall be deemed to be in the same proportion as (i) the aggregate value of the consideration paid or proposed to be paid to the beneficial holders of the Old Securities of the Company pursuant to the Exchange Offer and the other Transactions (whether or not the Exchange Offer and the other Transactions are consummated) bears to (ii) the fees payable to Lehman Brothers with respect to the Exchange Offer and the other Transactions pursuant to Section 5. It is further agreed that the relative faults of the Company, on the one hand, and Lehman Brothers, on the other hand, (i) in the case of an untrue or alleged untrue statement of a material fact or an omission or alleged omission to state a material fact, shall be determined by reference to, among other things, whether such statement or omission relates to information supplied by the Company or by Lehman Brothers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission and (ii) in the case of any other action or omission, shall be determined by reference to, among other things, whether such action or omission was taken or omitted to be taken by the Company or Lehman Brothers and the parties' relative intent, knowledge, access to information and opportunity to prevent such action or omission. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages, liabilities or expenses referred to in this Section shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating, preparing to defend or defending any such action or claim.

(d) In the event an Indemnified Person appears as a witness in any action brought by or on behalf of or against the Company (other than an action brought by the

Company against any Indemnified Person or an action brought by an Indemnified Person against the Company) in which such Indemnified Person is not named as defendant, the Company agrees to reimburse such Indemnified Person for all reasonable expenses incurred by it in connection with such Indemnified Person's appearing and preparing to appear as such a witness, including, without limitation, the reasonable fees and disbursements of its legal counsel.

(e) The Company also agrees that no Indemnified Person shall have any liability to the Company or any person asserting claims on behalf of or in right of the Company in connection with this Agreement or Lehman Brothers' acting as Dealer-Manager hereunder, except for liabilities determined in a final judgment by a court of competent jurisdiction to have resulted directly from any acts or omissions undertaken or omitted to be taken by such Indemnified Person through its or his, as the case may be, gross negligence or willful misconduct.

(f) The foregoing rights to indemnification and contribution shall be in addition to any other rights which Lehman Brothers and the other Indemnified Persons may have against the Company under common law or otherwise.

12. *Indemnification*, Representations and Warranties to Remain Operative. The rights to indemnification, contribution and exculpation contained in Section 11 and the representations, warranties and agreements of the Company set forth in this Agreement shall survive and remain operative and in full force and effect regardless of (a) the failure to commence the Exchange Offer, the consummation of the Exchange Offer, any withdrawal, termination or cancellation of the Exchange Offer for any reason whatsoever, the exchange of Old Securities pursuant to the Exchange Offer or any withdrawal by Lehman Brothers pursuant to Section 4, (b) any investigation made by or on behalf of any party hereto or any person controlling any party hereto within the meaning of Section 20(a) of the Exchange Act and (c) the completion of Lehman Brothers' services under this Agreement.

13. *Termination*. Except as set forth in Section 12, this Agreement shall terminate upon the earliest to occur of (a) the consummation or the termination, withdrawal or cancellation of the Exchange Offer by the Company, (b) the withdrawal by Lehman Brothers as the Dealer-Manager pursuant to Section 4 hereof and (c) the date that is one year from the date hereof; *provided* that, Sections 3, 5, 6, 8, 11-23 hereof shall survive the termination of this Agreement.

14. *No* Fiduciary Duty. The Company acknowledges and agrees that in connection with the Exchange Offer or any other services Lehman Brothers may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by Lehman Brothers: (i) no fiduciary or agency relationship between the Company and any other person, on the one hand, and Lehman Brothers, on the other, exists; (ii) Lehman Brothers is not acting as an advisor, expert or otherwise, to the Company and such relationship between the Company, on the one hand, and Lehman Brothers, on the other, is entirely and solely commercial, based on arms-length negotiations; (iii) any duties and obligations that Lehman Brothers may have to the Company shall be limited to those duties and obligations specifically stated herein; and (iv) Lehman Brothers and its affiliates may have interests that differ from

those of the Company. The Company hereby waives any claims that the Company may have against Lehman Brothers with respect to any breach of fiduciary duty in connection with the Exchange Offer.

15. ***Notices.*** All notices and other communications required or permitted to be provided under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) sent by facsimile with immediate telephonic confirmation or (c) sent by registered or certified mail, return receipt requested, postage prepaid, to the parties hereto as follows:

(a) if to Lehman Brothers:

Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
Attention: Liability Management Group, 3rd Floor
Facsimile: (212) 526-1244
Telephone: (212) 528-7581

with a copy to:

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Alan Dean, Esq.
Facsimile: (212) 450-3800
Telephone: (212) 450-4000

(b) if to the Company:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215
Attention: Chief Legal Officer
Facsimile: (336) 226-3835
Telephone: (336) 229-1127

with a copy to:

Hogan & Hartson L.L.P.
111 South Calvert Street, Suite 1600
Baltimore, Maryland 21202
Attention: Michael J. Silver, Esq.
Facsimile: (410) 539-6981
Telephone: (410) 659-2700

16. *Modifications*. This Agreement may not be amended or modified except in writing signed by each of the parties hereto.

17. ***Consent to Jurisdiction; Forum Selection; Waiver of Jury Trial.:***

(a) The Company hereby submits to the jurisdiction of the courts of the State of New York and the courts of the United States of America located in the State of New York over any suit, action or proceeding with respect to this Agreement or the transactions contemplated hereby.

(b) Any action, lawsuit or proceeding with respect to this Agreement or the transactions contemplated hereby may be brought only in the courts of the State of New York or the courts of the United States of America located in the State of New York, in each case, located in the Borough of Manhattan, City of New York, State of New York. The Company waives any objection that it may have to the venue of such action, lawsuit or proceeding in any such court or that such action, lawsuit or proceeding in such court was brought in an inconvenient court and agrees not to plead or claim the same.

(c) Any right to trial by jury with respect to any action, lawsuit, claim or other proceeding arising out of or relating to this Agreement or the services to be rendered by Lehman Brothers hereunder is expressly and irrevocably waived.

18. *Governing* Law. The terms of this Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

19. *Counterparts*. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of such counterparts, when so executed and delivered, shall be deemed to be an original, and all of such counterparts, taken together, shall constitute one and the same Agreement.

20. *Severability*. If any term or provision of this Agreement is deemed or rendered invalid or unenforceable in any jurisdiction, then such term or provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, which shall remain in full force and effect.

21. *Successors*. This Agreement is made solely for the benefit of Lehman Brothers and the Company and, to the extent expressly set forth herein, the Indemnified Persons and their executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement.

22. *Entire* Agreement. This Agreement constitutes the entire agreement by and among the parties hereto with respect to the subject matter thereof and supersedes all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof.

23. Headings. The headings to sections contained in this Agreement are included for ease of reference only, and the parties hereto agree that they are not to be given substantive meaning or otherwise affect each party's rights and duties hereunder.

[*The rest of this page has been left blank intentionally; the signature page follows.*]

Please indicate Lehman Brothers' willingness to act as Dealer-Manager and Lehman Brothers' acceptance of the foregoing provisions by signing in the space provided below for that purpose and returning to us a copy of this letter so signed, whereupon this letter and Lehman Brothers' acceptance shall constitute a valid and legally binding agreement between us.

Very truly yours,

LABORATORY CORPORATION OF AMERICA HOLDINGS

By: _____
Name:
Title:

Accepted and agreed as of the date
first above written:

LEHMAN BROTHERS INC.

By: _____
Authorized Representative

SCHEDULE I

Form of Legal Opinion of Hogan & Hartson L.L.P., Counsel to the Company,
to be delivered in connection with Dealer-Manager Agreement

(a) The Company is validly existing as a corporation and in good standing as of the date of the certificate specified in paragraph 11 of Schedule 1 attached hereto under the laws of the State of Delaware. The Company has the corporate power to execute, deliver and perform the Agreement, the Indenture and the New Notes. The execution, delivery and performance of the Agreement, the Indenture and the New Notes have been duly authorized by all necessary corporate action.

(b) The Agreement has been duly authorized, executed and delivered on behalf of the Company.

(c) [The Indenture has been duly authorized by the Company, and when executed and delivered on behalf of the Company, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.] [The Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.]

(d) [The New Notes have been duly authorized, executed and issued in the form of one or more Global Securities (as defined in the Indenture, the "Global Securities") by the Company and, when][The New Notes have been duly authorized by the Company and, when the Indenture is executed, and the New Notes are issued in the form of one or more Global Securities (as defined in the Indenture, the "Global Securities")) and] the Global Securities are authenticated in the manner provided for in the Indenture and delivered in exchange for the Old Notes in accordance with the terms of the Exchange, the registered holder of the Global Securities will be entitled to the benefits of the Indenture, and the New Notes as represented by the Global Securities will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

(e) The shares of common stock initially issuable upon conversion of the New Notes (the "Conversion Shares") have been duly authorized and reserved for issuance upon such conversion and, when issued upon conversion of the New Notes in accordance with the terms thereof, will be validly issued, fully paid and non-assessable. No holder of Conversion Shares will be subject to personal liability by reason of being such a holder, except as such holder may be liable by reason of such holder's own conduct and acts. No holder of outstanding shares of common stock of the Company has any statutory preemptive right under the Corporation Act or, to our knowledge, any contractual right to subscribe for any of the Conversion Shares.

(f) The New Notes conform in all material respects to the descriptions thereof set forth in the [Preliminary Prospectus][Prospectus] under the caption "Description of the New Notes."

(g) The execution, delivery and performance by the Company of the Transaction Documents and the making and consummation of the Exchange do not (i) require any approval of its shareholders that has not been obtained, (ii) violate the Corporation Act or the Certificate

of Incorporation or Bylaws of the Company, (iii) violate any provision of Applicable Federal Law or any provision of Applicable State Law, or (iv) violate any court or administrative orders, judgments, or decrees listed on Schedule 2 attached hereto, which have been identified to us by the Company as the only court or administrative orders, judgments or decrees that name the Company and are specifically directed to it or any of its property.

(h) [The Registration Statement has become effective under the Securities Act, and to our knowledge, no stop order suspending the effectiveness of the Registration Statement or suspending or preventing the use of the Prospectus has been issued and no proceedings for that purpose have been instituted or are threatened by the Securities and Exchange Commission. The Indenture has been qualified under the TIA.]

(i) The Registration Statement and the [Preliminary Prospectus][Prospectus] (except for the Form T-1, financial statements and supporting schedules included therein, as to which we express no opinion) comply as to form in all material respects with the requirements of the Securities Act and the applicable rules and regulations thereunder; and the Schedule TO-I (except for the financial statements and supporting schedules included therein, as to which we express no opinion) complies as to form in all material respects with the requirements of the Exchange Act and the applicable rules and regulations thereunder.

(j) Each of the Exchange Act Reports (except for the financial statements and supporting schedules included therein, as to which we express no opinion), at the time that it was filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the applicable rules and regulations thereunder.

(k) The information in the [Preliminary Prospectus][Prospectus] under the captions “Description of the New Notes” and “Description of Capital Stock,” to the extent that such information constitutes matters of law or legal conclusions or purports to describe certain provisions of the Indenture, the New Notes or the Conversion Shares, has been reviewed by us and is accurate in all material respects.

(l) The information in the [Preliminary Prospectus][Prospectus] under the captions “Certain U.S. Federal Income Tax Consequences” to the extent that such information constitutes matters of U.S. federal tax law or legal conclusions, has been reviewed by us and is accurate in all material respects.

(m) The Company is not, and after giving effect to the Exchange will not be, an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

SCHEDULE II

Form of Letter of Hogan & Hartson L.L.P., Counsel to the Company,
to be delivered in connection with Dealer-Manager Agreement

During the course of our professional engagement, we reviewed the Registration Statement on Form S-4 (No. 333-_____), [as amended by Amendments Nos. ____ and ____ thereto] (such Registration Statement, including the documents incorporated by reference therein and the information deemed to be a part thereof pursuant to Rule 430C under the Securities Act, the "Registration Statement") and the final Prospectus dated _____ ____, 2006 (such final Prospectus, including the documents incorporated by reference therein, the "Prospectus") and participated in conferences with officers and other representatives of the Company, with representatives of the independent public accountants of the Company and with you and your representatives at which the contents of the Registration Statement and the Prospectus and related matters were discussed. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Registration Statement and the Prospectus, and we have not undertaken any obligation to verify independently any of those factual matters. Accordingly, we do not assume any responsibility for the accuracy (except to the extent specific sections are addressed in our opinion delivered to you pursuant to Section 9(d) of the Agreement), completeness, or fairness of the statements in the Registration Statement and the Prospectus. Moreover, many of the determinations required to be made in the preparation of the Registration Statement and the Prospectus involve matters of a non-legal nature.

Subject to the foregoing, we confirm to you that, on the basis of the information we gained in the course of performing the services referred to above, no facts have come to our attention that cause us to believe that:

(i) the Registration Statement, at the time it became effective or at the completion of the Exchange Offer on the Exchange Date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(ii) the Prospectus, as of its date or the Exchange Date, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(iii) there are any legal or governmental proceedings pending or threatened against the Company that are required to be disclosed in the Registration Statement or the Prospectus, other than those disclosed therein;

provided that in making the foregoing statements, we do not express any belief with respect to the Form T-1 or with respect to the financial statements and supporting schedules and other financial or accounting information and data derived from such financial statements and schedules or the books and records of the Company contained or incorporated by reference in or omitted from the Registration Statement or the Prospectus.

SCHEDULE III

Form of Legal Opinion of Bradford T. Smith,
Executive Vice President and Secretary to the Company,
to be delivered in connection with Dealer-Manager Agreement

(a) The Company and each subsidiary (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as described in the Registration Statement and the [Preliminary] Prospectus and (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to result in a Material Adverse Effect. All of the issued and outstanding capital stock of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(b) No holder of outstanding shares of common stock of the Company has any statutory preemptive right under the General Corporation Law of the State of Delaware or, to my knowledge, any contractual right to subscribe for any of the Conversion Shares.

(c) The execution, delivery and performance of the Agreement, the Indenture and the New Notes by the Company, and the making and consummation of the Exchange Offer by the Company, (a) have been duly authorized by all requisite corporate and, if required, stockholder action of the Company and (b) will not (i) violate (A) any provision of law, statute, rule or regulation of the United States of America or the General Corporation Law of the State of Delaware or of the certificate or articles of incorporation or other constitutive documents or by-laws of the Company or any subsidiary, (B) any order of any court or governmental or regulatory agency or authority or (C) any provision of any indenture, agreement or other instrument to which the Company or any subsidiary is a party or by which any of them or any of their property is bound, the effect of which could reasonably be expected to (i) result in a Material Adverse Effect or would adversely affect the ability of the Company to perform its obligations under the Exchange Offer, the Indenture, the New Notes or the Agreement, or would otherwise be material in the context of the Exchange Offer, (ii) result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument, the effect of which could reasonably be expected to result in a Material Adverse Effect or would adversely affect the ability of the Company to perform its obligations under the Exchange Offer, the Indenture, the New Notes or the Agreement, or would otherwise be material in the context of the Exchange Offer or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned by the Company or any subsidiary.

(d) No action, consent or approval of, registration or filing with or any other action by any United States federal court or governmental or regulatory agency or authority, or to the extent required under state law, any state court or governmental or regulatory agency or authority, is required for the due execution, delivery and performance by the Company of the Agreement, the Indenture or the New Notes, or the making or consummation of the Exchange Offer by the Company, except for (1) such as have been obtained under the Securities Act, the Exchange Act and "blue sky" or other state securities laws and (2) such consents, approvals, authorizations, orders or filings that the failure to obtain would not individually or in the aggregate (i) have a Material Adverse Effect or (ii) adversely affect in a material respect the ability of the Company to perform its obligations under the Exchange Offer, the Indenture, the New Notes or the Agreement, or would otherwise be material in the context of the Exchange Offer.

(e) The issuance of the Rights relating to the Conversion Shares has been duly authorized.

(f) There are not any actions, suits or proceedings at law or in equity or by or before any court or governmental or regulatory agency or authority now pending or threatened or, to the best of such counsel's knowledge contemplated, against or affecting the Company or any subsidiary thereof that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or would materially and adversely affect the ability of the Company to perform its obligations under the Exchange Offer, the Indenture, the New Notes or the Agreement or which are otherwise material in the context of the Exchange Offer.

(g) The descriptions in the Registration Statement and the [Preliminary] Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information required to be shown.

EXHIBIT A

Preliminary Prospectus

[Attached]

EXHIBIT 4.6

LABORATORY CORPORATION OF AMERICA HOLDINGS

Zero Coupon Convertible Subordinated Notes
due 2021

INDENTURE

Dated as of October [ ], 2006

THE BANK OF NEW YORK

TRUSTEE

CROSS REFERENCE TABLE*

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	N.A.
(a)(3)	N.A.
(a)(4)	N.A.
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	N.A.
(b)	14.03
(c)	14.03
313(a)	7.06
(b)	7.06
(c)	N.A.
(d)	7.06
314(a)	4.02
(b)	N.A.
(c)	N.A.
(d)	N.A.
(e)	N.A.
(f)	N.A.
315(a)	7.01
(b)	7.05
(c)	N.A.
(d)	7.01
(e)	6.11
316(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	N.A.

N.A. means Not Applicable.

* Note: This Cross Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

TABLE OF CONTENTS*

Table of Contents

* Note: This Table of Contents shall not, for any purpose, be deemed to be part of the Indenture.

ARTICLE 14
MISCELLANEOUS

INDENTURE dated as of October [ ], 2006 between LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corporation ("Company"), and THE BANK OF NEW YORK, a New York banking corporation ("Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's Zero Coupon Convertible Subordinated Notes due 2021 (each a "Security" and, collectively, the "Securities"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

The "Accreted Principal Amount" with respect to any Security means, at any date of determination, the sum of (1) the Issue Price of the Security and (2) the Accrued Original Issue Discount that has been accreted to the principal amount of the Security.

"Accrued Original Issue Discount" of any Security represents the accrued portion of Original Issue Discount.

"Affiliate" of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "control" when used with respect to any specified person means the power to direct or cause the direction of the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of such board.

"Business Day" means each day of the year other than a Saturday or a Sunday or other day on which banking institutions in The City of New York are required or authorized to close.

"Capital Stock" for any corporation means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock or other equity issued by that corporation.

"Cash" or "cash" means such coin or currency of The United States of America as at any time of payment is legal tender for the payment of public and private debts.

"Cash Settlement Averaging Period" with respect to any Security means the ten consecutive trading days beginning on the second trading day after the Conversion Date for those Securities.

"Common Stock" means the shares of Common Stock, $0.10 par value, as it exists on the date of this Indenture of the Company or any other shares of Capital Stock of the Company into which the Common Stock shall be reclassified or changed.

"Company" means the party named as the "Company" in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor. The foregoing sentence shall likewise apply to any subsequent such successor or successors.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by any two Officers.

"Contingent Cash Interest" means such cash interest payable as described in Section 13.01.

"Conversion Value" with respect to any Security means, on any date of determination, the product of (1) the Conversion Rate then in effect and (2) the average of the Sale Prices of the Common Stock for each trading day in the Cash Settlement Averaging Period.

"Corporate Trust Office" means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 101 Barclay Street, Floor 21 West, New York, New York 10286, Attention: Corporate Trust Administration, or such other address as the Trustee may designate from time to time by notice to the Company, or the principal corporate trust office of any successor Trustee (or such other address as a successor Trustee may designate from time to time by notice to the Company).

"Debt" means with respect to the Company at any date, without duplication, obligations (other than nonrecourse obligations) for borrowed money or evidenced by bonds, debentures, notes or similar instruments.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Exchange Act" means the Exchange Act of 1934, as amended from time to time.

"Global Securities" means Securities that are in the form of the Securities attached hereto as Exhibit A-1.

"Holder" or "Securityholder" means a person in whose name a Security is registered on the Registrar's books.

"Indenture" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof, including the provisions of the TIA that are deemed to be a part hereof.

"Issue Date" of any Security means the date on which the Security was originally issued or deemed issued as set forth on the face of the Security.

"Issue Price" of any Security means, in connection with the original issuance of such Security, the initial issue price at which the Security is sold as set forth on the face of the Security.

"Officer" means the Chairman of the Board, the Vice Chairman, the Chief Executive Officer, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Treasurer or the Secretary or any Assistant Treasurer or Assistant Secretary of the Company.

"Officers' Certificate" means a written certificate containing the information specified in Sections 14.04 and 14.05, signed in the name of the Company by any two Officers, and delivered to the Trustee.

"Opinion of Counsel" means a written opinion containing the information specified in Sections 14.04 and 14.05, from legal counsel who is acceptable to the Trustee. The counsel may be an employee of, or counsel to, the Company or the Trustee.

"Original Issue Discount" of any Security means the amount that accrues in respect of such Security daily at a rate of 2.0% per year on the Issue Price plus any previously accrued amounts beginning on September 11, 2006. Original Issue Discount will be calculated on a semi-annual bond equivalent basis, using a 360-day year comprised of twelve 30-day months. The principal amount of the Security will accrete on March 11 and September 11 of each year, beginning March 11, 2007.

"person" or "Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"Principal Amount at Maturity" of a Security means the principal amount at maturity as set forth on the face of the Security.

"Prospectus" means the prospectus dated October [ ], 2006 relating to the Securities.

"Redemption Date" or "redemption date" means the date specified for redemption of the Securities in accordance with the terms of the Securities and this Indenture.

"Redemption Price" or "redemption price" has the meaning set forth in paragraph 6 of the Securities.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who, in each case, shall have direct responsibility for the administration of this Indenture.

"Sale Price" of Capital Stock on any date means the closing per share sale price (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date as reported in composite transactions for the principal United States securities exchange on which the Capital Stock is traded or, if the Capital Stock is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated

Quotation System or by Pink Sheets, LLC. In the absence of a quotation, the Company shall be entitled to determine the Sale Price on the basis of such quotations as it considers appropriate.

"SEC" means the Securities and Exchange Commission.

"Securities" means any of the Company's Zero Coupon Convertible Subordinated Notes due 2021, as amended or supplemented from time to time, issued under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Securityholder" or "Holder" means a person in whose name a Security is registered on the Registrar's books.

"Senior Indebtedness" means the principal, premium (if any) and unpaid interest on all present and future (i) indebtedness of the Company for borrowed money; (ii) obligations of the Company evidenced by bonds, debentures, notes or similar instruments; (iii) obligations of the Company under (a) interest rate swaps, caps, collars, options and similar arrangements, (b) any foreign exchange contract, currency swap contract, futures contract, currency option contract, or other foreign currency hedge and (c) credit swaps, caps, floors, collars and similar arrangements; (iv) indebtedness incurred, assumed or guaranteed by the Company in connection with the acquisition by it or a subsidiary of the Company of any business, properties or assets (except purchase-money indebtedness classified as accounts payable under U.S. generally accepted accounting principles); (v) all obligations and liabilities (contingent or otherwise) in respect of leases of the Company required, in conformity with U.S. generally accepted accounting principles, to be accounted for as capitalized lease obligations on the balance sheet of the Company and all obligations and liabilities (contingent or otherwise) under any lease or related document (including a purchase agreement) in connection with the lease or real property which provides that the Company is contractually obligated to purchase or cause a third party to purchase the leased property and thereby guarantee a minimum residual value of the leased property to the lessor and the obligations of the Company under such lease or related document to purchase or to cause a third party to purchase such leased property; (vi) reimbursement obligations of the Company in respect of letters of credit relating to indebtedness or other obligations of the Company that qualify as indebtedness or obligations of the kind referred to in clauses (i) through (v) above; and (vii) obligations of the Company under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (vi) above, in each case unless in the instrument creating or evidencing the indebtedness or obligation or pursuant to which the same is outstanding it is provided that (x) such indebtedness or obligation is not senior in right of payment to the Securities or (y) such indebtedness or obligation is subordinated to any other indebtedness or obligation of the Company, unless such indebtedness or obligation expressly provides that such indebtedness or obligations be senior in right of payment to the Securities.

"Significant Subsidiary" has the meaning set forth in Rule 1-02 of Regulation S-X under the Securities Act.

"Special Record Date" means for the payment of any Defaulted Interest, the date fixed by the Trustee pursuant to Section 12.02.

"Stated Maturity", when used with respect to any Security, means the date specified in such Security as the fixed date on which an amount equal to the Principal Amount at Maturity of such Security is due and payable.

"Subsidiary" means (i) a corporation, a majority of whose Capital Stock with voting power, under ordinary circumstances, to elect directors is, at the date of determination, directly or indirectly owned by the Company, by one or more Subsidiaries of the Company or by the Company and one or more Subsidiaries of the Company, (ii) a partnership in which the Company or a Subsidiary of the Company holds a majority interest in the equity capital or profits of such partnership, or (iii) any other person (other than a corporation or a partnership) in which the Company, a Subsidiary of the Company or the Company and one or more Subsidiaries of the Company, directly or indirectly, at the date of determination, has (x) at least a majority ownership interest or (y) the power to elect or direct the election of a majority of the directors or other governing body of such person.

"TIA" means the Trust Indenture Act of 1939 as in effect on the date of this Indenture, provided, however, that in the event the TIA is amended after such date, TIA means, to the extent required by any such amendment, the TIA as so amended.

"trading day" means a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not listed on a national or regional securities exchange, on the principal other market on which the Common Stock is then traded.

"Trustee" means the party named as the "Trustee" in the first paragraph of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor. The foregoing sentence shall likewise apply to any subsequent such successor or successors.

Section 1.02 Other Definitions.

Term	Defined in Section
"Act"	1.05(a)
"Agent Members"	2.12(b)
"Average Sale Price"	10.07
"Bankruptcy Law"	6.01
"Bid Solicitation Agent"	2.03
"Common Stock Record Date"	13.01
"Company Notice"	3.08(b)
"Contingent Cash Interest Payment Date"	13.02
"Contingent Cash Interest Record Date"	13.02
"Conversion Agent"	2.03

“Conversion Date”	10.02
“Conversion Rate”	10.01
“Custodian”	6.01
“Defaulted Interest”	12.02
“Depositary”	2.01(a)
“DTC”	2.01(a)
“Event of Default”	6.01
“Ex-Dividend Date”	10.08(b)
“Ex-Dividend Time”	10.07
“Extraordinary Cash Dividend”	10.08(a)
“Five-Trading-Day Measurement Period”	13.01
“Legal Holiday”	14.09
“LYONs”	4.06(8)
“Measurement Period”	10.08(a)
“Notice of Default”	6.01
“Paying Agent”	2.03
“Post-Distribution Price”	10.08(c)
“Purchase Date”	3.08
“Purchase Notice”	3.08
“Purchase Price”	3.08
“Reference Property”	10.14(b)
“Registrar”	2.03
“Regular Cash Dividends”	10.08(a)
“Relevant Cash Dividends”	10.08(a)
“Relevant Value”	13.01
“Rights”	10.19
“Rights Agreement”	10.19
“Security Market Price”	13.01
“Time of Determination”	10.07

Section 1.03 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

“Commission” means the SEC.

“Indenture securities” means the Securities.

“Indenture security holder” means a Securityholder.

“Indenture to be qualified” means this Indenture.

“Indenture trustee” or “institutional trustee” means the Trustee.

“Obligor” on the indenture securities means the Company.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

Section 1.04 Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with United States generally accepted accounting principles as in effect from time to time;

(3) "or" is not exclusive;

(4) "including" means including, without limitation; and

(5) words in the singular include the plural, and words in the plural include the singular.

Section 1.05 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such officer the execution thereof. Where such execution is by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner, which the Trustee deems sufficient.

(c) The ownership of Securities shall be proved by the register maintained by the Registrar.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a resolution of the Board of Directors, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the outstanding Securities shall be computed as of such record date; provided that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

ARTICLE 2
THE SECURITIES

Section 2.01 Form and Dating.

The Securities and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A-1, which is a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage (provided that any such notation, legend or endorsement required by usage is in a form acceptable to the Company). The Company shall provide any such notations, legends or endorsements to the Trustee in writing. Each Security shall be dated the date of its authentication.

(a) Initial Issuance. Securities shall be issued, initially in the form of one or more Global Securities, which shall be deposited with the Trustee at its Corporate Trust Office, as custodian for the Depositary and registered in the name of The Depository Trust Company ("DTC") or the nominee thereof (such depositary, or any successor thereto, and any such nominee being hereinafter referred to as the "Depositary"), duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate Principal Amount at Maturity of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary as hereinafter provided.

(b) Certificated Securities. Except as provided in Section 2.12, owners of beneficial interests in Global Securities will not be entitled to receive physical delivery of Securities in definitive form.

(c) Global Securities in General. Each Global Security shall represent such of the outstanding Securities as shall be specified therein and each shall provide that it shall represent the aggregate Principal Amount at Maturity of outstanding Securities from time to time endorsed thereon and that the aggregate Principal Amount at Maturity of outstanding Securities represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions and conversions.

Any adjustment of the aggregate Principal Amount at Maturity of a Global Security to reflect the amount of any increase or decrease in the Principal Amount at Maturity of outstanding Securities represented thereby shall be made by the Trustee in accordance with instructions given by the Holder thereof as required by Section 2.12 hereof and shall be made on the records of the Trustee and the Depositary.

(d) Book-Entry Provisions. This Section 2.01(d) shall apply only to Global Securities deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Section 2.01(d), authenticate and deliver initially one or more Global Securities that (a) shall be registered in the name of the Depositary, (b) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions and (c) shall bear legends substantially to the following effect:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS, IN WHOLE BUT NOT IN PART, TO NOMINEES OF THE DEPOSITORY TRUST COMPANY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ARTICLE TWO OF THE INDENTURE REFERRED TO ON THE REVERSE HEREOF."

Section 2.02 Execution and Authentication.

The Securities shall be executed on behalf of the Company by any Officer. The signature of the Officer on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of an individual who was at the time of the execution of the Securities the proper Officer of the Company shall bind the Company, notwithstanding that such individual has ceased to hold such office prior to the authentication and delivery of such Securities or did not hold such office at the date of authentication of such Securities.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized Officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

The Trustee shall authenticate and deliver Securities for original issue in an aggregate Principal Amount at Maturity of up to $743,966,000 aggregate Principal Amount at Maturity upon a Company Order without any further action by the Company. The aggregate Principal Amount at Maturity of Securities outstanding at any time may not exceed the amount set forth in the foregoing sentence, except as provided in Section 2.07.

The Securities shall be issued only in registered form without coupons and only in denominations of $1,000 of Principal Amount at Maturity and any integral multiple thereof.

Section 2.03 Registrar, Paying Agent, Conversion Agent and Bid Solicitation Agent.

The Company shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange ("Registrar"), an office or agency where Securities may be presented for purchase or payment ("Paying Agent") and an office or agency where Securities may be presented for conversion ("Conversion Agent"). The Company shall also appoint a bid solicitation agent (the "Bid Solicitation Agent") to act pursuant to Section 13.03 hereof and paragraph 3 of the Securities. The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more co-registrars, one or more additional paying agents and one or more additional conversion agents. The term Paying Agent includes any additional paying agent, including any named pursuant to Section 4.05. The term Conversion Agent includes any additional conversion agent, including any named pursuant to Section 4.05.

The Company shall enter into an appropriate agency agreement with any Registrar or co-registrar, Paying Agent, Conversion Agent or Bid Solicitation Agent (other than the Trustee). The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar, Paying Agent, Conversion Agent or Bid Solicitation Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any Subsidiary or an Affiliate of either of them may act as Paying Agent, Registrar, Conversion Agent or co-registrar. None of the Company or any Subsidiary or any Affiliate of any of them may act as Bid Solicitation Agent.

The Company initially appoints the Trustee as Registrar, Conversion Agent, Paying Agent and Bid Solicitation Agent in connection with the Securities.

Section 2.04 Paying Agent to Hold Money in Trust.

Except as otherwise provided herein, not later than 10:00 a.m., New York City time, on each due date of payments in respect of any Security, the Company shall deposit with the Paying Agent a sum of money (in immediately available funds if deposited on the due date) sufficient to make such payments when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Securityholders or the Trustee all money held by the Paying Agent for the making of payments in respect of the Securities and shall notify the Trustee of any default by the Company in making any such payment. At any time during the continuance of any such default, the Paying Agent shall, upon the written request of the Trustee, forthwith pay to the Trustee all money so held in trust. If the Company, a Subsidiary or an Affiliate of either of them acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by it. Upon doing so, the Paying Agent shall have no further liability for the money.

Section 2.05 Securityholder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Securityholders. If the Trustee is not the Registrar, the Company shall cause to be furnished to the Trustee at least semi-annually on September 1 and March 1 a listing of Securityholders dated within 15 days of the date on which the list is furnished and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders.

Section 2.06 Transfer and Exchange.

Subject to Section 2.12 hereof,

(a) Upon surrender for registration of transfer of any Security, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Securityholder or such Securityholder’s attorney duly authorized in writing, at the office or agency of the Company designated as Registrar or co-registrar pursuant to Section 2.03, the Company shall execute, and the Trustee upon receipt of a Company Order shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations, of a like aggregate Principal Amount at Maturity. The Company shall not charge a service charge for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges that may be imposed in connection with the registration of transfer or exchange of the Securities from the Securityholder requesting such registration of transfer or exchange.

At the option of the Holder, Certificated Securities may be exchanged for other Securities of any authorized denomination or denominations, of a like aggregate Principal Amount at

Maturity, upon surrender of the Securities to be exchanged, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Securityholder or such Securityholder's attorney duly authorized in writing, at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee upon receipt of a Company Order shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

The Company shall not be required to make, and the Registrar need not register, transfers or exchanges of Securities selected for redemption (except, in the case of Securities to be redeemed in part, the portion thereof not to be redeemed) or any Securities in respect of which a Purchase Notice has been given and not withdrawn by the Holder thereof in accordance with the terms of this Indenture (except, in the case of Securities to be purchased in part, the portion thereof not to be purchased) or any Securities for a period of 15 days before the mailing of a notice of redemption of Securities to be redeemed.

(b) Notwithstanding any provision to the contrary herein, so long as a Global Security remains outstanding and is held by or on behalf of the Depositary, transfers of a Global Security, in whole or in part, shall be made only in accordance with Section 2.12 and this Section 2.06(b). Transfers of a Global Security shall be limited to transfers of such Global Security in whole, or in part, to nominees of the Depositary or to a successor of the Depositary or such successor's nominee.

(c) Successive registrations and registrations of transfers and exchanges as aforesaid may be made from time to time as desired, and each such registration shall be noted on the register for the Securities.

(d) Any Registrar appointed pursuant to Section 2.03 hereof shall provide to the Trustee such information as the Trustee may reasonably require in connection with the delivery by such Registrar of Securities upon registration of transfer or exchange of Securities.

(e) No Registrar shall be required to make registrations of transfer or exchange of Securities during any periods designated in the text of the Securities or in this Indenture as periods during which such registration of transfers and exchanges need not be made.

(f) The Trustee and the Registrar shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depositary participants or beneficial owners of interests in any Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Section 2.07 Replacement Securities.

If (a) any mutilated Security is surrendered to the Trustee, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and

there is delivered to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its written request the Trustee shall authenticate and deliver, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and Principal Amount at Maturity, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, or is about to be purchased by the Company pursuant to Article 3 hereof, the Company in its discretion may, instead of issuing a new Security, pay or purchase such Security, as the case may be.

Upon the issuance of any new Securities under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 2.08 Outstanding Securities; Determinations of Holders' Action.

Securities outstanding at any time are all the Securities authenticated by the Trustee, except for those cancelled by it, those paid pursuant to Section 2.07 delivered to it for cancellation and those described in this Section 2.08 as not outstanding. A Security does not cease to be outstanding because the Company or an Affiliate thereof holds the Security; provided, however, that in determining whether the Holders of the requisite Principal Amount at Maturity of Securities have given or concurred in any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Subject to the foregoing, only Securities outstanding at the time of such determination shall be considered in any such determination (including, without limitation, determinations pursuant to Articles 6 and 9).

If a Security is replaced pursuant to Section 2.07, the replaced Security ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Security is held by a bona fide purchaser.

If the Paying Agent holds, in accordance with this Indenture, on a Redemption Date, or on the Business Day following the Purchase Date or on Stated Maturity, money or securities, if permitted hereunder, sufficient to pay Securities payable on that date, then immediately after such Redemption Date, Purchase Date or Stated Maturity, as the case may be, such Securities shall cease to be outstanding and Original Issue Discount and Contingent Cash Interest on such Securities shall cease to accrue; provided, that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been given pursuant to this Indenture.

If a Security is converted in accordance with Article 10, then from and after the time of conversion on the Conversion Date, such Security shall cease to be outstanding and Original Issue Discount and Contingent Cash Interest, if any, shall cease to accrue on such Security.

Section 2.09 Temporary Securities.

Subject to Article 12 hereof, pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 2.03, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and upon Company Order the Trustee shall authenticate and deliver in exchange therefor a like Principal Amount at Maturity of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

Section 2.10 Cancellation.

All Securities surrendered for payment, purchase by the Company pursuant to Article 3, conversion, redemption or registration of transfer or exchange shall, if surrendered to any person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. The Company may not issue new Securities to replace Securities it has paid or delivered to the

Trustee for cancellation or that any Holder has converted pursuant to Article 10. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with the Trustee's customary procedure.

Section 2.11 Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of the Security or the payment of any Redemption Price or Purchase Price or Contingent Cash Interest, if any, for the purpose of conversion and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Section 2.12 Global Securities.

(a) Transfer of Global Security. Notwithstanding any other provisions of this Indenture or the Securities, transfers of a Global Security, in whole or in part, shall be made only in accordance with Section 2.06 and this Section 2.12. A Global Security may not be transferred, in whole or in part, to any Person other than the Depositary or a nominee or any successor thereof, and no such transfer to any such other Person may be registered; provided that this clause (a) shall not prohibit any transfer of a Security that is issued in exchange for a Global Security but is not itself a Global Security. No transfer of a Security to any Person shall be effective under this Indenture or the Securities unless and until such Security has been registered in the name of such Person.

(b) The provisions of clauses (1), (2), (3) and (4) below shall apply only to Global Securities:

(1) Notwithstanding any other provisions of this Indenture or the Securities, except as provided in Section 2.12(a), a Global Security shall not be exchanged in whole or in part for a Security registered in the name of any Person other than the Depositary or one or more nominees thereof, provided that a Global Security may be exchanged for Securities registered in the names of any person designated by the Depositary in the event that (i) the Depositary has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or such Depositary has ceased to be a "clearing agency" registered under the Exchange Act, and a successor Depositary is not appointed by the Company within 90 days, (ii) an Event of Default has occurred and is continuing with respect to the Securities or (iii) the Company discontinues the use of a book entry transfer through DTC (or a successor thereof). Any Global Security exchanged pursuant to clause (i) above shall be so exchanged in whole and not in part, and any Global Security exchanged pursuant to clause (ii) above may be exchanged in whole or from time to time in part as directed by the Depositary. Any Security issued in exchange for a Global Security or any portion thereof shall be a Global Security; provided that any such

Security so issued that is registered in the name of a Person other than the Depository or a Nominee thereof shall not be a Global Security.

(2) Securities issued in exchange for a Global Security or any portion thereof shall be issued in definitive, fully registered form, without interest coupons, shall have an aggregate Principal Amount at Maturity equal to that of such Global Security or portion thereof to be so exchanged, shall be registered in such names and be in such authorized denominations as the Depositary shall designate and shall bear the applicable legends provided for herein. Any Global Security to be exchanged in whole shall be surrendered by the Depositary to the Trustee, as Registrar. With regard to any Global Security to be exchanged in part, either such Global Security shall be so surrendered for exchange or, if the Trustee is acting as custodian for the Depositary or its nominee with respect to such Global Security, the Principal Amount at Maturity thereof shall be reduced, by an amount equal to the portion thereof to be so exchanged, by means of an appropriate adjustment made on the records of the Trustee. Upon any such surrender or adjustment, the Trustee shall authenticate and deliver the Security issuable on such exchange to or upon the order of the Depositary or an authorized representative thereof.

(3) Subject to the provisions of clause (5) below, the registered Holder may grant proxies and otherwise authorize any Person, including Agent Members (as defined below) and persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Securities.

(4) In the event of the occurrence of any of the events specified in clause (1) above, the Company will promptly make available to the Trustee a reasonable supply of Certificated Securities in definitive, fully registered form, without interest coupons.

(5) Neither any members of, or participants in, the Depositary (collectively, the "Agent Members") nor any other Persons on whose behalf Agent Members may act shall have any rights under this Indenture with respect to any Global Security registered in the name of the Depositary or any nominee thereof, or under any such Global Security, and the Depositary or such nominee, as the case may be, may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and holder of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or such nominee, as the case may be, or impair, as between the Depositary, its Agent Members and any other person on whose behalf an Agent Member may act, the operation of customary practices of such Persons governing the exercise of the rights of a holder of any Security.

Section 2.13 CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any

notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE 3
REDEMPTION AND PURCHASES

Section 3.01 Right to Redeem; Notices to Trustee.

The Company, at its option, may at any time redeem the Securities in accordance with the provisions of paragraphs 6 and 8 of the Securities. If the Company elects to redeem Securities pursuant to paragraph 6 of the Securities, it shall notify the Trustee in writing of the Redemption Date, the Principal Amount at Maturity of Securities to be redeemed and the Redemption Price.

The Company shall give the notice to the Trustee provided for in this Section 3.01 by a Company Order, at least 35 days before the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee).

Section 3.02 Selection of Securities to Be Redeemed.

If less than all the Securities are to be redeemed, the Trustee shall select the Securities to be redeemed pro rata or by lot or by any other method the Trustee considers fair and appropriate (so long as such method is not prohibited by the rules of any stock exchange or quotation system on which the Securities are then listed or quoted). The Trustee shall make the selection at least 30 days but not more than 60 days before the Redemption Date from outstanding Securities not previously called for redemption. The Trustee may select for redemption portions of the Principal Amount at Maturity of Securities that have denominations larger than $1,000.

Securities and portions of them the Trustee selects shall be in Principal Amounts at Maturity of $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Company promptly of the Securities or portions of Securities to be redeemed.

If any Security selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Security so selected, the converted portion of such Security shall be deemed (so far as may be) to be the portion selected for redemption. Securities which have been converted during a selection of Securities to be redeemed may be treated by the Trustee as outstanding for the purpose of such selection.

Section 3.03 Notice of Redemption.

At least 30 days but not more than 60 days before a Redemption Date, the Company shall mail a notice of redemption by first-class mail, postage prepaid, to each Holder of Securities to be redeemed.

The notice shall identify the Securities to be redeemed and shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) the Conversion Rate;

(4) the name and address of the Paying Agent and Conversion Agent;

(5) that Securities called for redemption may be converted at any time before the close of business on the second Business Day immediately preceding the Redemption Date;

(6) that Holders who want to convert Securities must satisfy the requirements set forth in paragraph 9 of the Securities;

(7) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(8) if fewer than all the outstanding Securities are to be redeemed, the certificate number and Principal Amounts at Maturity of the particular Securities to be redeemed;

(9) that, unless the Company defaults in making payment of such Redemption Price or Securities called for redemption, Original Issue Discount and Contingent Cash Interest, if any, on Securities called for redemption will cease to accrue on and after the Redemption Date;

(10) the CUSIP number of the Securities; and

(11) any other information the Company wants to present.

At the Company's request, the Trustee shall give the notice of redemption to Holders in the Company's name and at the Company's expense, provided that the Company makes such request at least five Business Days (unless a shorter period shall be satisfactory to the Trustee) prior to the date such notice of redemption must be mailed.

Section 3.04 Effect of Notice of Redemption.

Once notice of redemption is given, Securities called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in the notice except for Securities which are converted in accordance with the terms of this Indenture. Upon surrender to the Paying Agent, such Securities shall be paid at the Redemption Price stated in the notice.

Section 3.05 Deposit of Redemption Price.

Prior to 10:00 a.m. (New York City time), on the Redemption Date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary or an Affiliate of either of them is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price for all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption which on or prior thereto have been delivered by the Company to the Trustee for cancellation or have been converted. The Paying Agent shall as promptly as practicable return to the Company any money not required for that purpose because of conversion of Securities pursuant to Article 10. If such money is then held by the Company in trust and is not required for such purpose it shall be discharged from such trust.

Section 3.06 Securities Redeemed in Part.

Upon surrender of a Security that is redeemed in part, the Company shall execute and the Trustee shall authenticate and deliver to the Holder a new Security in an authorized denomination equal in Principal Amount at Maturity to the unredeemed portion of the Security surrendered.

Section 3.07 Conversion Arrangement on Call for Redemption.

In connection with any redemption of Securities, the Company may arrange for the purchase and conversion of any Securities called for redemption by an agreement with one or more investment banks or other purchasers to purchase such Securities by paying to the Trustee in trust for the Securityholders, on or prior to 10:00 a.m. New York City time on the Redemption Date, an amount that, together with any amounts deposited with the Trustee by the Company for the redemption of such Securities, is not less than the Redemption Price of such Securities. Notwithstanding anything to the contrary contained in this Article 3, the obligation of the Company to pay the Redemption Price of such Securities shall be deemed to be satisfied and discharged to the extent such amount is so paid by such purchasers. If such an agreement is entered into, any Securities not duly surrendered for conversion by the Holders thereof may, at the option of the Company, be deemed, to the fullest extent permitted by law, acquired by such purchasers from such Holders and (notwithstanding anything to the contrary contained in Article 11) surrendered by such purchasers for conversion, all as of immediately prior to the close of business on the Business Day prior to the Redemption Date, subject to payment of the above amount as aforesaid. The Trustee shall hold and pay to the Holders whose Securities are selected for redemption any such amount paid to it for purchase and conversion in the same manner as it would moneys deposited with it by the Company for the redemption of Securities. Without the Trustee's prior written consent, no arrangement between the Company and such purchasers for the purchase and conversion of any Securities shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Trustee as set forth in this Indenture, and the Company agrees to indemnify the Trustee from, and hold it harmless against, any loss, liability or expense arising out of or in connection with any such arrangement for the purchase and conversion of any Securities between the Company and such purchasers, including the costs and expenses incurred by the Trustee in the defense of any claim or liability arising out of or in connection with the exercise or performance of any of its powers, duties, responsibilities or obligations under this Indenture.

Section 3.08 Purchase of Securities at Option of the Holder.

(a) Securities shall be purchased by the Company, at the option of the Holder thereof, pursuant to paragraph 7 of the Securities on September 11, 2011 (the "Purchase Date"), at the purchase price of $819.54 in cash per $1,000 of Principal Amount at Maturity (the "Purchase Price"), upon:

(1) delivery to the Paying Agent, by the Holder of a written notice of purchase (a "Purchase Notice") at any time from the opening of business on the date that is 20 Business Days prior to the Purchase Date until the close of business on the first Business Day immediately preceding the Purchase Date stating:

(A) if Securities in definitive form have been issued, the certificate numbers of the Security which the Holder will deliver to be purchased,

(B) the portion of the Principal Amount at Maturity of the Security which the Holder will deliver to be purchased, which portion must be a Principal Amount at Maturity of $1,000 or an integral multiple thereof,

(C) that such Security shall be purchased as of the Purchase Date pursuant to the terms and conditions specified in paragraph 7 of the Securities and in this Indenture; and

(2) delivery of such Security to the Paying Agent prior to, on or after the Purchase Date (together with all necessary endorsements) at the offices of the Paying Agent, such delivery being a condition to receipt by the Holder of the Purchase Price therefor; provided, however, that the Purchase Price shall be so paid pursuant to this Section 3.08 only if the Security so delivered to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice, as determined by the Company.

The Company shall purchase from the Holder thereof, pursuant to this Section 3.08, a portion of a Security if the Principal Amount at Maturity of such portion is $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to the purchase of all of a Security also apply to the purchase of such portion of such Security.

Any purchase by the Company contemplated pursuant to the provisions of this Section 3.08 shall be consummated by the delivery of the consideration to be received by the Holder as soon as practicable following the later of the Purchase Date and the time of delivery of the Security.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Purchase Notice contemplated by this Section 3.08 shall have the right to withdraw such Purchase Notice at any time prior to the close of business on the first Business Day immediately preceding the Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 3.09.

The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(b) The Company shall provide notice of the option of Holders to require the Company to purchase Securities not less than 20 Business Days prior to the Purchase Date (the "Company Notice"). Such Company Notice shall include a form of Purchase Notice and shall state:

(1) the Purchase Price and the Conversion Rate as of the Purchase Date;

(2) the name and address of the Paying Agent and the Conversion Agent;

(3) that Securities as to which a Purchase Notice has been given may be converted pursuant to Article 10 hereof only if the applicable Purchase Notice has been withdrawn in accordance with the terms of this Indenture;

(4) that Securities must be surrendered to the Paying Agent to collect payment of the Purchase Price and accrued and unpaid Contingent Cash Interest, if any;

(5) that the Purchase Price for any Security as to which a Purchase Notice has been given and not withdrawn will be paid as soon as practicable following the later of the Purchase Date and the time of surrender of such Security as described in (4);

(6) the procedures the Holder must follow to exercise rights under this Section 3.08 and a brief description of those rights;

(7) briefly, the conversion rights of the Securities;

(8) the procedures for withdrawing a Purchase Notice;

(9) that, unless the Company defaults in making payment of such Purchase Price, Original Issue Discount and Contingent Cash Interest, if applicable, on Securities surrendered for purchase will cease to accrue on and after the Purchase Date; and

(10) the CUSIP number of the Securities.

At the Company's request, the Trustee shall give such Company Notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such Company Notice shall be prepared by the Company.

Section 3.09 Effect of Purchase Notice.

Upon receipt by the Paying Agent of the Purchase Notice specified in Section 3.08(a) the Holder of the Security in respect of which such Purchase Notice was given shall (unless such Purchase Notice is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Purchase Price together with accrued and unpaid Contingent Cash Interest, if any. Such amounts shall be paid to such Holder, subject to receipts of funds and/or securities by the Paying Agent, as soon as practicable following the later of (x) the Purchase Date with

respect to such Security (provided the conditions in Section 3.08 have been satisfied) and (y) the time of delivery of such Security to the Paying Agent by the Holder thereof in the manner required by Section 3.08(a). Securities in respect of which a Purchase Notice has been given by the Holder thereof may not be converted pursuant to Article 10 hereof on or after the date of the delivery of such Purchase Notice unless such Purchase Notice has first been validly withdrawn as specified in the following two paragraphs.

A Purchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent in accordance with the Purchase Notice at any time prior to the close of business on the Business Day prior to the Purchase Date specifying:

(1) if Securities in definitive form have been issued, the certificate number of the Securities in respect of which such notice of withdrawal is being submitted,

(2) the Principal Amount at Maturity of the Securities with respect to which such notice of withdrawal is being submitted, and

(3) the Principal Amount at Maturity, if any, of such Securities which remains subject to the original Purchase Notice and which has been or will be delivered for purchase by the Company.

There shall be no purchase of any Securities pursuant to Section 3.08(a) if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such Securities, of the required Purchase Notice) and is continuing an Event of Default (other than a default in the payment of the Purchase Price). The Paying Agent will promptly return to the respective Holders thereof any Securities (x) with respect to which a Purchase Notice has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default in the payment of the Purchase Price), upon such return, the Purchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 3.10 Deposit of Purchase Price.

Prior to 10:00 a.m., New York City time, on the Business Day following the Purchase Date, the Company shall deposit with the Trustee or with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 2.04) an amount of money (in immediately available funds if deposited on such Business Day) sufficient to pay the aggregate Purchase Price of all the Securities or portions thereof which are to be purchased as of the Purchase Date.

Section 3.11 Securities Purchased in Part.

Any Security which is to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities, of any authorized denomination as

requested by such Holder in aggregate Principal Amount at Maturity equal to, and in exchange for, the portion of the Principal Amount at Maturity of the Security so surrendered which is not purchased.

Section 3.12 Covenant to Comply with Securities Laws upon Purchase of Securities.

In connection with any offer to purchase or purchase of Securities under Section 3.08 hereof (provided that such offer or purchase constitutes an "issuer tender offer" for purposes of Rule 13e-4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase or is otherwise subject to tender offer or other rules under the Federal or state securities laws), the Company shall (i) comply with Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act which may then be applicable, (ii) file the related Schedule TO (or any successor schedule, form or report) or any other schedule required under the Exchange Act, and (iii) otherwise comply with all Federal and state securities laws so as to permit the rights and obligations under Section 3.08 to be exercised in the time and in the manner specified in Section 3.08.

Section 3.13 Repayment to the Company.

The Trustee and the Paying Agent shall promptly return to the Company any cash that remains unclaimed as provided in paragraph 15 of the Securities, together with interest, if any, thereon (subject to the provisions of Section 7.01(f)), held by them for the payment of the Purchase Price provided, however, that to the extent that the aggregate amount of cash deposited by the Company pursuant to Section 3.10 exceeds the aggregate Purchase Price of the Securities or portions thereof which the Company is obligated to purchase as of the Purchase Date, whether as a result of withdrawal or otherwise, then promptly after the Business Day following the Purchase Date, the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon (subject to the provisions of Section 7.01(f)).

ARTICLE 4
COVENANTS

Section 4.01 Payment of Securities.

The Company shall promptly make all payments in respect of the Securities on the dates and in the manner provided in the Securities or pursuant to this Indenture. Any amounts to be given to the Trustee or Paying Agent, shall be deposited with the Trustee or Paying Agent by 10:00 a.m., New York City time, by the Company. Principal Amount at Maturity, Issue Price plus Accrued Original Issue Discount, Redemption Price, Purchase Price or Contingent Cash Interest, if any, shall be considered paid on the applicable date due if on such date (or, in the case of a Purchase Price, on the Business Day following the applicable Purchase Date) the Trustee or the Paying Agent holds, in accordance with this Indenture, money or securities, if permitted hereunder, sufficient to pay all such amounts then due.

The Company shall, to the extent permitted by law, pay interest on overdue amounts at the rate per annum set forth in paragraph 1 of the Securities, compounded semi-annually, which interest shall accrue from the date such overdue amount was originally due to the date payment

of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable on demand. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued accrual of Original Issue Discount and Contingent Cash Interest, if any.

Section 4.02 SEC and Other Reports.

If requested by the Trustee, the Company shall deliver to the Trustee, within 15 days after it files such annual and quarterly reports, information, documents and other reports with the SEC, copies of its annual report and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act. The Company shall send to the Trustee all reports required pursuant to the provisions of TIA Section 314(a). Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of the same shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 4.03 Compliance Certificate.

The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company (beginning with the fiscal year ending on December 31, 2006) an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

Section 4.04 Further Instruments and Acts.

Upon request of the Trustee, the Company will execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

Section 4.05 Maintenance of Office or Agency.

The Company will maintain in the Borough of Manhattan, The City of New York, an office or agency of the Trustee, Registrar, Paying Agent and Conversion Agent where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer, exchange, purchase, redemption or conversion and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The office of The Bank of New York, located at 101 Barclay Street, Floor 21 West, New York, New York 10286 (Attention: Corporate Trust Administration-Trustee Administration), shall initially be such office or agency for all of the aforesaid purposes. The Company shall give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency (other than a change in the location of the office of the Trustee). If at any

time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 14.02.

The Company may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes.

Section 4.06 Tax Matters.

The parties hereto hereby agree, and each Holder (or other person that acquires a beneficial interest in a Security) by its purchase of a Security or exchange therefor (or a beneficial interest therein) hereby agrees:

(1) to treat the Securities as indebtedness of the Company for all tax purposes;

(2) to treat the Securities as indebtedness that is subject to the special regulations governing contingent payment debt instruments that are contained in U.S. Treasury Regulation Section 1.1275-4;

(3) to treat any payment to and receipt by a holder of cash and shares of Common Stock (or of any cash in lieu of fractional shares), if any, upon the conversion of a Security as a contingent payment under U.S. Treasury Regulation Section 1.1275-4(b) that will result in an adjustment under U.S. Treasury Regulation Section 1.1275-4(b)(3)(iv) and U.S. Treasury Regulation Section 1.1275-4(b)(6);

(4) solely for U.S. federal income tax purposes, the Company shall accrue interest with respect to outstanding Securities as original issue discount according to the “noncontingent bond method,” as set forth in U.S. Treasury Regulation Section 1.1275-4(b);

(5) the Company has determined that the comparable yield, as defined in U.S. Treasury Regulation Section 1.1275-4(b)(4)(i), for the Securities is 8.68%, compounded semiannually;

(6) (i) the comparable yield and the projected payment schedule are not determined for any purpose other than for the purpose of applying U.S. Treasury Regulation Section 1.1275-4(b)(4) to the Securities and (ii) the comparable yield and the projected payment schedule do not constitute a projection or representation regarding the actual amounts payable on the Securities; and

(7) the projected payment schedule, as defined in U.S. Treasury Regulation Section 1.1275-4(b)(4)(ii) for the Securities is as set forth in Annex B hereto.

(8) The exchange of the Liquid Yield Option Notes due 2021 (the "LYONs") for the Securities on [_____], 2006 does not constitute a significant modification of the LYONs for United States federal income tax purposes.

ARTICLE 5
SUCCESSOR CORPORATION

Section 5.01 When Company May Merge or Transfer Assets.

The Company shall not consolidate with or merge with or into any other person or convey, transfer or lease all or substantially all of its properties and assets as an entirety to any person, unless:

(a) either (1) the Company shall be the continuing corporation or (2) the person (if other than the Company) formed by such consolidation or into which the Company is merged or the person which acquires by conveyance, transfer or lease the properties and assets of the Company substantially as an entirety (i) shall be a corporation organized and validly existing under the laws of the United States or any State thereof or the District of Columbia and (ii) shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all of the obligations of the Company under the Securities and this Indenture;

(b) immediately after giving effect to such transaction, no Default shall have occurred and be continuing; and

(c) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this Article 5 and that all conditions precedent herein provided for relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise) of the properties and assets of one or more Subsidiaries (other than to the Company or another Subsidiary), which, if such assets were owned by the Company, would constitute all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The successor person formed by such consolidation or into which the Company is merged or the successor person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the Company herein; and thereafter, except in the case of a lease and any obligations the Company may have under a supplemental indenture pursuant to Section 10.14, the Company shall be discharged from all obligations and covenants under this Indenture and the Securities. Subject to Section 9.06, the Company, the Trustee and the successor person shall enter into a supplemental indenture to evidence the succession and substitution of such successor person and such discharge and release of the Company.

ARTICLE 6
DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

An "Event of Default" means the occurrence of any one of the following events:

(1) the Company defaults in the payment of the Principal Amount at Maturity, Issue Price plus Accrued Original Issue Discount, cash due upon conversion, Redemption Price and Purchase Price on any Security when the same becomes due and payable at its Stated Maturity, upon redemption, upon declaration, when due for purchase by the Company or otherwise, whether or not such payment is prohibited by the provisions of this Indenture;

(2) failure by the Company to pay any Contingent Cash Interest on any Security when the same becomes due and payable, and such failure continues unremedied for a period of 30 or more days, whether or not such payment is prohibited by the provisions of this Indenture;

(3) failure of the Company to comply with any of its agreements in the Notes or this Indenture (other than those referred to in clauses (1) or (2) above) upon the receipt of notice of such default from the Trustee or from Holders of not less than 25% in aggregate Principal Amount at Maturity of the Securities then outstanding (a "Notice of Default") and such failure (or the failure to obtain a waiver thereof) continues uncured for 60 days after receipt by the Company of a Notice of Default;

(4) (a) failure of the Company to make any payment by the end of any applicable grace period after maturity of Debt in an amount (taken together with amounts in (b) below) in excess of $25,000,000 and continuance of such failure, or (b) the acceleration of Debt in an amount in excess of $25,000,000 because of a default with respect to such Debt without such Debt having been discharged or such acceleration having been cured, waived, rescinded or annulled, in the case of (a) above, for a period of 30 days after receipt by the Company of a Notice of Default from the Trustee or to the Company and Trustee from the holders of not less than 25% in Aggregate Principal Amount at Maturity of the Securities then outstanding, provided, however, that if any such failure or acceleration referred to in (a) or (b) above shall cease or be cured, waived, rescinded or annulled, then the Event of Default by reason thereof shall be deemed not to have occurred;

(5) the Company or any Significant Subsidiary pursuant to or under or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case or proceeding;

(B) consents to the entry of an order for relief against it in an involuntary case or proceeding or the commencement of any case against it;

(C) consents to the appointment of a Custodian of it or for any substantial part of its property;

(D) makes a general assignment for the benefit of its creditors;

(E) files a petition in bankruptcy or answer or consent seeking reorganization or relief; or

(F) consents to the filing of such petition or the appointment of or taking possession by a Custodian; or

(6) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Significant Subsidiary in an involuntary case or proceeding, or adjudicates the Company or any Significant Subsidiary insolvent or bankrupt;

(B) appoints a Custodian of the Company or any Significant Subsidiary or for any substantial part of its property; or

(C) orders the winding-up or liquidation of the Company or any Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 days.

"Bankruptcy Law" means Title 11, United States Code, or any similar federal or state law for the relief of debtors.

"Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

A Default under clause (3) or clause (4) above is not an Event of Default until the Trustee notifies the Company, or the Holders of at least 25% in aggregate Principal Amount at Maturity of the Securities at the time outstanding notify the Company and the Trustee, of the Default and the Company does not cure such Default (and such Default is not waived) within the time specified in clause (3) or clause (4) above after actual receipt of such notice. Any such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Trustee, within 30 days after it becomes aware of the occurrence thereof, written notice of any event which with the giving of notice or the lapse of time, or both, would become an Event of Default under clause (3) or clause (4) above, its status and what action the Company is taking or proposes to take with respect thereto.

Section 6.02 Acceleration.

If an Event of Default (other than an Event of Default specified in Section 6.01(5) or (6) in respect of the Company) occurs and is continuing, the Trustee by Notice to the Company, or the Holders of at least 25% in aggregate Principal Amount at Maturity of the Securities at the time outstanding by notice to the Company and the Trustee, may declare the Issue Price plus Accrued Original Issue Discount, accrued and unpaid Contingent Cash Interest, if any, through the date of such declaration, on all the Securities to be immediately due and payable. Upon such a declaration, such Issue Price plus Accrued Original Issue Discount, accrued and unpaid Contingent Cash Interest, if any, shall be due and payable immediately. If an Event of Default specified in Section 6.01(4) or (5) occurs in respect of the Company and is continuing, the Issue Price plus Accrued Original Issue Discount, accrued and unpaid Contingent Cash Interest, if any, on all the Securities shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Securityholders. The Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding, by notice to the Trustee (and without notice to any other Securityholder) may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of the Issue Price plus Accrued Original Issue Discount plus accrued and unpaid Contingent Cash Interest that have become due solely as a result of acceleration and if all amounts due to the Trustee under Section 7.07 have been paid. No such rescission shall affect any subsequent Default or impair any right consequent thereto.

Section 6.03 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of the Issue Price plus Accrued Original Issue Discount, accrued and unpaid Contingent Cash Interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if the Trustee does not possess any of the Securities or does not produce any of the Securities in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of, or acquiescence in, the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 6.04 Waiver of Past Defaults.

Subject to Section 6.02, the Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding, by notice to the Trustee (and without notice to any other Securityholder), may waive an existing Default and its consequences except (a) an Event of Default described in Section 6.01(1) or Section 6.01(2), a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Securityholder affected or (b) a Default which constitutes a failure to convert any Security in accordance with the terms of Article 10. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right. This Section 6.04 shall be in lieu of Section 316(a)1(B) of the TIA and such Section 316(a)1(B) is hereby expressly excluded from this Indenture, as permitted by the TIA.

Section 6.05 Control by Majority.

The Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines in good faith is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability unless the Trustee is offered indemnity satisfactory to it. This Section 6.05 shall be in lieu of Section 316(a)1(A) of the TIA and such Section 316(a)1(A) is hereby expressly excluded from this Indenture, as permitted by the TIA.

Section 6.06 Limitation on Suits.

A Securityholder may not pursue any remedy with respect to this Indenture or the Securities unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Holders of at least 25% in aggregate Principal Amount at Maturity of the Securities at the time outstanding make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer to the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of such notice, request and offer of security or indemnity; and

(5) the Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding do not give the Trustee a direction inconsistent with the request during such 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of any other Securityholder or to obtain a preference or priority over any other Securityholder.

Section 6.07 Rights of Holders to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, Redemption Price, Purchase Price and Contingent Cash Interest, if any, in respect of the Securities held by such Holder, on or after the respective due dates expressed in the Securities or any Redemption Date, and to convert the Securities in accordance with Article 10, or to bring suit for the enforcement of any such payment on or after such respective dates or the right to convert, shall not be impaired or affected adversely without the consent of such Holder.

Section 6.08 Collection Suit by Trustee.

If an Event of Default described in Section 6.01(1) or Section 6.01(2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount owing with respect to the Securities and the amounts provided for in Section 7.07.

Section 6.09 Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, Redemption Price, Purchase Price and Contingent Cash Interest, if any, in respect of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of any such amount) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, Redemption Price, Purchase Price or Contingent Cash Interest, if any, as the case may be, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel or any other amounts due the Trustee under Section 7.07) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities.

If the Trustee collects any money pursuant to this Article 6, it shall pay out the money in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to Securityholders for amounts due and unpaid on the Securities for the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, Redemption Price, Purchase Price and Contingent Cash Interest, if any, as the case may be, ratably, without preference or priority of any kind, according to such amounts due and payable on the Securities; and

THIRD: the balance, if any, to the Company.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section 6.10. At least 15 days before such record date, the Trustee shall mail to each Securityholder and the Company a notice that states the record date, the payment date and the amount to be paid.

Section 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant (other than the Trustee) in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 25% in aggregate Principal Amount at Maturity of the Securities at the time outstanding. This Section 6.11 shall be in lieu of Section 315(e) of the TIA and such Section 315(e) is hereby expressly excluded from this Indenture, as permitted by the TIA.

Section 6.12 Waiver of Stay, Extension or Usury Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which would prohibit or forgive the Company from paying all or any portion of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, Redemption Price, Purchase Price and Contingent Cash Interest, if any, in respect of Securities, or any interest on such amounts, as contemplated herein, or which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7
TRUSTEE

Section 7.01 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture and no others; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture, but in case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture, but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein.

This Section 7.01(b) shall be in lieu of Section 315(a) of the TIA and such Section 315(a) is hereby expressly excluded from this Indenture, as permitted by the TIA.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

Subparagraphs (c)(1), (2) and (3) shall be in lieu of Sections 315(d)(1), 315(d)(2) and 315(d)(3) of the TIA and such Sections 315(d)(1), 315(d)(2) and 315(d)(3) are hereby expressly excluded from this Indenture, as permitted by the TIA.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (e) of this Section 7.01.

(e) The Trustee may refuse to perform any duty or exercise any right or power or extend or risk its own funds or otherwise incur any financial liability unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee (acting in any capacity hereunder) shall be under no liability for interest on any money received by it hereunder unless otherwise agreed in writing with the Company.

Section 7.02 Rights of Trustee.

Subject to its duties and responsibilities under the provisions of Section 7.01, and, except as expressly excluded from this Indenture pursuant to said Section 7.01, under the TIA:

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officers' Certificate;

(c) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(d) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith which it believes to be authorized or within its rights or powers conferred under this Indenture;

(e) the Trustee may consult with counsel selected by it and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders, pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

(g) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a resolution of the Board of Directors;

(h) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation;

(i) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Securities and this Indenture;

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder; and

(k) the Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

Section 7.03 Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar, Conversion Agent or co-registrar may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

Section 7.04 Trustee's Disclaimer.

The Trustee makes no representation as to the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use or application of the proceeds from the Securities, it shall not be responsible for any statement in the registration statement for the Securities under the Securities Act or in the Indenture or the Securities (other than its certificate of authentication), or the determination as to which beneficial owners are entitled to receive any notices hereunder.

Section 7.05 Notice of Defaults.

If a Default occurs and if it is known to the Trustee, the Trustee shall give to each Securityholder notice of the Default within 90 days after it occurs unless such Default shall have been cured or waived before the giving of such notice. Except in the case of a Default described in Section 6.01(1) or 6.01(2), the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of Securityholders. The second sentence of this Section 7.05 shall be in lieu of the proviso to Section 315(b) of the TIA and such proviso is hereby expressly excluded from this Indenture, as permitted by the TIA. The Trustee shall not be deemed to have knowledge of a Default unless a Responsible Officer of the Trustee has received written notice of such Default.

Section 7.06 Reports by Trustee to Holders.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, the Trustee shall mail to each Securityholder a brief report dated as of such May 15 that complies with TIA Section 313(a), if required by such Section 313(a). The Trustee also shall comply with TIA Section 313(b).

A copy of each report at the time of its mailing to Securityholders shall be filed with the SEC and each securities exchange, if any, on which the Securities are listed. The Company agrees to promptly notify the Trustee whenever the Securities become listed on any securities exchange and of any delisting thereof.

Section 7.07 Compensation and Indemnity.

The Company agrees:

(a) to pay to the Trustee from time to time such compensation as the Company and the Trustee shall from time to time agree in writing for all services rendered by it hereunder (which compensation shall not be limited (to the extent permitted by law) by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the compensation and the expenses, advances and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(c) to indemnify the Trustee or any predecessor, Trustee and their agents for, and to hold them harmless against, any loss, damage, claim, liability, cost or expense (including attorney’s fees and taxes (other than taxes based upon, measured by or determined by the income of the Trustee)) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the reasonable costs and expenses of defending itself against any claim (whether asserted by the Company or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder.

To secure the Company's payment obligations in this Section 7.07, the Holders shall have been deemed to have granted to the Trustee a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, Redemption Price, Purchase Price and Contingent Cash Interest, if any, as the case may be, on particular Securities.

The Company's payment obligations pursuant to this Section 7.07 shall survive the discharge of this Indenture and the resignation or removal of the Trustee. When the Trustee incurs expenses after the occurrence of a Default specified in Section 6.01(4) or (5), the expenses including the reasonable charges and expenses of its counsel, are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.08 Replacement of Trustee.

The Trustee may resign by so notifying the Company; provided, however, no such resignation shall be effective until a successor Trustee has accepted its appointment pursuant to this Section 7.08. The Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding may remove the Trustee by so notifying the Trustee and the Company. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint, by resolution of its Board of Directors, a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company satisfactory in form and substance to the retiring Trustee and the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Securityholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding may petition any court of competent jurisdiction at the expense of the Company for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Securityholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Section 7.09 Successor Trustee by Merger.

If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

Section 7.10 Eligibility; Disqualification.

The Trustee shall at all times satisfy the requirements of TIA Sections 310(a)(1) and 310(b). The Trustee (or its parent holding company) shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. Nothing herein contained shall prevent the Trustee from filing with the Commission the application referred to in the penultimate paragraph of TIA Section 310(b).

Section 7.11 Preferential Collection of Claims Against Company.

The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE 8
DISCHARGE OF INDENTURE

Section 8.01 Discharge of Liability on Securities.

When (i) the Company delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.07) for cancellation or (ii) all outstanding Securities have become due and payable and the Company deposits with the Trustee, the Paying Agent or the Conversion Agent, as applicable, cash or Common Stock (as applicable in accordance with the terms hereof) sufficient to pay all amounts due and owing on all outstanding Securities (other than Securities replaced pursuant to Section 2.07), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 7.07, cease to be of further effect. The Trustee shall join in the execution of a document prepared by the Company acknowledging satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officers' Certificate and Opinion of Counsel and at the cost and expense of the Company.

Section 8.02 Repayment to the Company.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Securities that remains unclaimed for two years, subject to applicable unclaimed property law. After return to the Company, Holders entitled to the money or securities must look to the Company for

payment as general creditors unless an applicable abandoned property law designates another person and the Trustee and the Paying Agent shall have no further liability to the Securityholders with respect to such money or securities for that period commencing after the return thereof.

ARTICLE 9
AMENDMENTS

Section 9.01 Without Consent of Holders.

The Company and the Trustee may amend this Indenture or the Securities without the consent of any Securityholder:

(1) to cure any ambiguity, omission, defect or inconsistency; provided, however, that such amendment does not materially adversely affect the rights of any Securityholder;

(2) to comply with Article 5 or Section 10.14;

(3) to secure the Company's obligations under the Securities and this Indenture;

(4) to add to the Company's covenants for the benefit of the Securityholders or to surrender any right or power conferred upon the Company;

(5) to make any change to comply with the TIA, or any amendment thereto, or to comply with any requirement of the SEC in connection with the qualification of the Indenture under the TIA; or

(6) to make any change that does not adversely affect the rights of any Holders, provided that any changes made solely to conform the Indenture or the Securities to the "Description of the New Notes" section of the Prospectus shall not be deemed to adversely affect the rights of any Holders.

Section 9.02 With Consent of Holders.

With the written consent of the Holders of at least a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding, the Company and the Trustee may amend this Indenture or the Securities. However, without the consent of each Securityholder affected, an amendment to this Indenture or the Securities may not:

(1) change the provisions of this Indenture that relate to modifying or amending this Indenture;

(2) make any change in the manner of calculation or rate of accrual of Original Issue Discount, make any change in the manner of calculation or rate of accrual of, or that adversely affects the right to receive, Contingent Cash Interest, reduce the rate of interest referred to in paragraph 1 of the Securities, or extend the time for payment of Original Issue Discount, Contingent Cash Interest or interest, if any, on any Security;

(3) reduce the Principal Amount at Maturity, the Issue Price, Accrued Original Issue Discount or Contingent Cash Interest, if any, on, or change the Stated Maturity of, any Security;

(4) reduce the Redemption Price or Purchase Price of any Security;

(5) make any Security payable in money or securities other than that stated in the Security;

(6) make any change in Section 6.04, Section 6.07 or this Section 9.02, except to increase any percentage set forth therein;

(7) make any change that adversely affects the right to convert any Security;

(8) make any change that adversely affects the right to require the Company to purchase the Securities in accordance with the terms thereof and this Indenture;

(9) impair the right to institute suit for the enforcement of any payment with respect to, or conversion of, the Securities;

(10) reduce the amount of principal payable upon acceleration of maturity of the Securities following a Default.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section 9.02 becomes effective, the Company shall mail to each Holder a notice briefly describing the amendment.

Section 9.03 Compliance with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall comply with the TIA.

Section 9.04 Revocation and Effect of Consents, Waivers and Actions.

Until an amendment, waiver or other action by Holders becomes effective, a consent thereto by a Holder of a Security hereunder is a continuing consent by the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same obligation as the consenting Holder's Security, even if notation of the amendment, waiver or other action is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date as of which the amendment, waiver or action is made effective. After an amendment, waiver or action becomes effective, it shall bind every Securityholder.

Section 9.05 Notation on or Exchange of Securities.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for outstanding Securities.

Section 9.06 Trustee to Sign Supplemental Indentures.

The Trustee shall sign any supplemental indenture authorized pursuant to this Article 9 if the amendment contained therein does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign such supplemental indenture. In signing such supplemental indenture the Trustee shall receive, and (subject to the provisions of Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 14.04, an Officers' Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

Section 9.07 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

ARTICLE 10
CONVERSION

Section 10.01 Conversion Privilege.

A Holder of a Security may convert such Security into shares of Common Stock at any time during the period stated in paragraph 9 of the Securities, subject to the provisions of this Article 10. Subject to the method of settlement as set forth herein, the number of shares of Common Stock issuable upon conversion of a Security per $1,000 of Principal Amount at Maturity thereof (the "Conversion Rate") shall be that set forth in paragraph 9 in the Securities, subject to adjustment as herein set forth. The Company shall satisfy in cash its obligation with respect to the Accreted Principal Amount of the Securities to be converted, with the remaining amount, if any, to be satisfied in shares of Common Stock, in each case as set forth below. The settlement amount for each $1,000 Principal Amount at Maturity of the Securities shall be computed as follows:

(i) a cash amount equal to the lesser of (i) the aggregate Accreted Principal Amount of the Securities to be converted on the Conversion Date and (ii) the Conversion Value of the Securities to be converted; and

(ii) if the Conversion Value exceeds the aggregate Accreted Principal Amount of the Securities to be converted, a number of shares of Common Stock equal to the greater of (i) zero and (ii) the sum of, for each trading day of the Cash Settlement Averaging Period, the quotient of (A) 10% of the difference between (1) the product of

the Conversion Rate then in effect and the Sale Price of the Common Stock for such day and (2) the Accreted Principal Amount of the Securities on the Conversion Date, divided by (B) the Sale Price of the Common Stock for such day.

A Holder may convert a portion of the Principal Amount at Maturity of a Security if the portion is $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to conversion of all of a Security also apply to conversion of a portion of a Security.

In the event that the Ex-Dividend Time (or in the case of a subdivision, combination or reclassification, the effective date with respect thereto) with respect to a dividend, subdivision, combination or reclassification to which Section 10.06(1), (2), (3) or (5) applies occurs during the Cash Settlement Averaging Period, Sale Price shall be calculated for such period in a manner determined by the Board of Directors to reflect the impact of such dividend, subdivision, combination or reclassification on the Sale Price of the Common Stock during such period.

If one or more conditions to the conversion of the Securities as set forth in paragraph 9 of the Securities have been satisfied, the Company shall promptly notify the Holders and use its reasonable best efforts to post this information on its website or otherwise publicly disclose this information.

Section 10.02 Conversion Procedure.

To convert a Security, a Holder must satisfy the requirements in paragraph 9 of the Securities. The date on which the Holder satisfies all those requirements is the conversion date (the "Conversion Date"). The Conversion Agent shall notify the Company of the Conversion Date within one Business Day of the Conversion Date. The Company shall deliver to the Holder, through the Conversion Agent, on the third trading day following the final trading day of the relevant Cash Settlement Averaging Period, cash and, if applicable, a certificate for the number of full shares of Common Stock issuable upon the conversion and cash in lieu of any fractional share determined pursuant to Section 10.03. The Person in whose name the certificate representing such shares is registered shall be treated as a stockholder of record on and after the Conversion Date; provided, however, that no surrender of a Security on any date when the stock transfer books of the Company shall be closed shall be effective to constitute the person or persons entitled to receive the shares of Common Stock upon such conversion as the record holder or holders of such shares of Common Stock on such date, but such surrender shall be effective to constitute the person or persons entitled to receive such shares of Common Stock as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open; such conversion shall be at the Conversion Rate in effect on the date that such Security shall have been surrendered for conversion, as if the stock transfer books of the Company had not been closed. Upon conversion of a Security, such person shall no longer be a Holder of such Security.

No payment or adjustment will be made for accrued interest or dividends on, or other distributions with respect to, any Common Stock except as provided in this Article 10. On conversion of a Security, (i) that portion of Accrued Original Issue Discount attributable to the period from the Issue Date to, but excluding, the Conversion Date, (ii) original issue discount, as imputed for United States federal income tax purposes pursuant to Section 1.1275-4(b) of the

Treasury Regulations and (iii) (except as provided below) that portion of accrued Contingent Cash Interest attributable to the period from the last Contingent Cash Interest Payment Date (or Issue Date, if such date has not occurred) ("Contingent Cash Interest Payment Date") to but excluding the Conversion Date with respect to the converted Security shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the Common Stock (together with the cash payment, if any, in lieu of fractional shares) in exchange for the Security being converted pursuant to the provisions hereof; and the fair market value of such shares of Common Stock (together with any such cash payment in lieu of fractional shares) shall be treated as delivered pro rata, to the extent thereof, first in exchange for (i) Accrued Original Issue Discount to, but excluding the Conversion Date, (ii) original issue discount, as imputed for United States federal income tax purposes pursuant to Section 1.1275-4(b) of the Treasury Regulations and (iii) accrued Contingent Cash Interest to, but excluding, the Conversion Date, and the balance, if any, of such cash and/or the fair market value of such Common Stock (together with any such cash payment in lieu of fractional shares) shall be treated as delivered in exchange for the Issue Price of the Security being converted pursuant to the provisions hereof. Notwithstanding the foregoing, accrued but unpaid Contingent Cash Interest will be payable upon conversion of Securities made concurrently with or after acceleration of Securities following an Event of Default.

If the Holder converts more than one Security at the same time, the cash and number of shares of Common Stock, if any, issuable upon the conversion shall be based on the total Principal Amount at Maturity of the Securities converted.

A Security surrendered for conversion by a Holder during the period from the close of business on any Common Stock Record Date to the opening of business on the next Contingent Cash Interest Payment Date must be accompanied by payment of an amount equal to the Contingent Cash Interest that the Holder is to receive on the Securities surrendered for conversion, unless the Company has provided such Holder with a notice of redemption with respect to such Securities pursuant to Section 3.03 herein, in which case no such payment shall be made.

If the last day on which a Security may be converted is a Legal Holiday, the Security may be surrendered on the next succeeding day that is not a Legal Holiday.

Upon surrender of a Security that is converted in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder, a new Security in an authorized denomination equal in Principal Amount at Maturity to the unconverted portion of the Security surrendered.

Section 10.03 Fractional Shares.

The Company will not issue a fractional share of Common Stock upon conversion of a Security. Instead, the Company will deliver cash for the current market value of the fractional share. The current market value of a fractional share shall be determined, to the nearest 1/1,000th of a share, by multiplying the Sale Price of the Common Stock, on the last trading day prior to the Conversion Date, of a full share by the fractional amount and rounding the product to the nearest whole cent.

Section 10.04 Taxes on Conversion.

If a Holder converts a Security, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of Common Stock, if any, upon the conversion. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may refuse to deliver the certificates representing the Common Stock being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which will be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulations.

Section 10.05 Company to Provide Stock.

The Company shall, prior to issuance of any Securities under this Article 10, and from time to time as may be necessary, reserve out of its authorized but unissued Common Stock a sufficient number of shares of Common Stock to permit the conversion of the Securities.

All shares of Common Stock delivered upon conversion of the Securities shall be newly issued shares or treasury shares, shall be duly and validly issued and fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim.

The Company will endeavor promptly to comply with all federal and state securities laws regulating the offer and delivery of shares of Common Stock upon conversion of Securities, if any, and will list or cause to have quoted such shares of Common Stock on each national securities exchange or in the over-the-counter market or such other market on which the Common Stock is then listed or quoted.

Section 10.06 Adjustment for Change in Capital Stock.

If, after the Issue Date of the Securities, the Company:

(1) pays a dividend or makes a distribution on its Common Stock in shares of its Common Stock;

(2) subdivides its outstanding shares of Common Stock into a greater number of shares;

(3) combines its outstanding shares of Common Stock into a smaller number of shares;

(4) pays a dividend or makes a distribution on its Common Stock in shares of its Capital Stock (other than Common Stock or rights, warrants or options for its Capital Stock); or

(5) issues by reclassification of its Common Stock any shares of its Capital Stock (other than rights, warrants or options for its Capital Stock),

then the conversion privilege and the Conversion Rate in effect immediately prior to such action shall be adjusted so that the Holder of a Security thereafter converted may receive the number of shares of Capital Stock of the Company which such Holder would have owned immediately following such action if such Holder had converted the Security immediately prior to such action.

The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification.

If after an adjustment a Holder of a Security upon conversion of such Security may receive shares of two or more classes of Capital Stock of the Company, the Conversion Rate shall thereafter be subject to adjustment upon the occurrence of an action taken with respect to any such class of Capital Stock as is contemplated by this Article 10 with respect to the Common Stock, on terms comparable to those applicable to Common Stock in this Article 10.

Section 10.07 Adjustment for Rights Issue.

If after the Issue Date of the Securities, the Company distributes any rights, warrants or options to all holders of its Common Stock entitling them, for a period expiring within 60 days after the record date for such distribution, to purchase shares of Common Stock at a price per share less than the Sale Price of the Common Stock as of the Time of Determination, the Conversion Rate shall be adjusted in accordance with the formula:

$$R' = R \times \frac{(O + N)}{O + (N \times P)/M}$$

where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

O = the number of shares of Common Stock outstanding on the record date for the distribution to which this Section 10.07 is being applied.

N = the number of additional shares of Common Stock offered pursuant to the distribution.

P = the offering price per share of the additional shares.

M = the Average Sale Price, minus, in the case of (i) a distribution to which Section 10.06(4) applies or (ii) a distribution to which Section 10.08 applies, for which, in each case, (x) the record date shall occur on or before the record date for the distribution to which this Section 10.07 applies and (y) the Ex-Dividend Time shall occur on or after the date of the Time of Determination for the distribution to

which this Section 10.07 applies, the fair market value (on the record date for the distribution to which this Section 10.07 applies) of the:

(1) Capital Stock of the Company distributed in respect of each share of Common Stock in such Section 10.06(4) distribution; and

(2) assets of the Company or Debt securities or any rights, warrants or options to purchase securities of the Company distributed in respect of each share of Common Stock in such Section 10.08 distribution.

The Board of Directors shall determine fair market values for the purposes of this Section 10.07.

"Average Sale Price" means the average of the Sale Prices of the Common Stock for the shorter of

(i) 30 consecutive trading days ending on the last full trading day prior to the Time of Determination with respect to the rights, warrants or options or distribution in respect of which the Average Sale Price is being calculated, or

(ii) the period (x) commencing on the date next succeeding the first public announcement of (a) the issuance of rights, warrants or options or (b) the distribution, in each case, in respect of which the Average Sale Price is being calculated and (y) proceeding through the last full trading day prior to the Time of Determination with respect to the rights, warrants or options or distribution in respect of which the Average Sale Price is being calculated (excluding days within such period, if any, which are not trading days), or

(iii) the period, if any, (x) commencing on the date next succeeding the Ex-Dividend Time with respect to the next preceding (a) issuance of rights, warrants or options or (b) distribution, in each case, for which an adjustment is required by the provisions of Section 10.06(4), 10.07 or 10.08 and (y) proceeding through the last full trading day prior to the Time of Determination with respect to the rights, warrants or options or distribution in respect of which the Average Sale Price is being calculated (excluding days within such period, if any, which are not trading days).

In the event that the Ex-Dividend Time (or in the case of a subdivision, combination or reclassification, the effective date with respect thereto) with respect to a dividend, subdivision, combination or reclassification to which Section 10.06(1), (2), (3) or (5) applies occurs during the period applicable for calculating Average Sale Price pursuant to the definition in the preceding sentence, Average Sale Price shall be calculated for such period in a manner determined by the Board of Directors to reflect the impact of such dividend, subdivision, combination or reclassification on the Sale Price of the Common Stock during such period.

"Time of Determination" means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options or a distribution, in each case, to which Section 10.07 or 10.08 applies and (ii) the time ("Ex-Dividend Time") immediately prior

to the commencement of "ex-dividend" trading for such rights, warrants or options or distribution on the New York Stock Exchange or such other national or regional exchange or market on which the Common Stock is then listed or quoted.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the rights, warrants or options to which this Section 10.07 applies. If all of the shares of Common Stock subject to such rights, warrants or options have not been issued when such rights, warrants or options expire, then the Conversion Rate shall promptly be readjusted to the Conversion Rate which would then be in effect had the adjustment upon the issuance of such rights, warrants or options been made on the basis of the actual number of shares of Common Stock issued upon the exercise of such rights, warrants or options.

No adjustment shall be made under this Section 10.07 if the application of the formula stated above in this Section 10.07 would result in a value of R' that is equal to or less than the value of R.

Section 10.08 Adjustment for Other Distributions.

(a) If, after the Issue Date of the Securities, the Company distributes to all holders of its Common Stock any of its assets excluding distributions of Capital Stock or equity interests referred to in Section 10.08(b), or evidences of indebtedness of the Company or any rights, warrants or options to purchase securities of the Company (including securities or cash, but excluding (x) distributions of Capital Stock referred to in Section 10.06 and distributions of rights, warrants or options referred to in Section 10.07 and (y) cash dividends or other cash distributions that are paid out of consolidated current net earnings or earnings retained in the business as shown on the books of the Company, unless such cash dividends or other cash distributions are Extraordinary Cash Dividends (as defined below)) (except for the above restrictions, "Regular Cash Dividends") the Conversion Rate shall be adjusted, subject to the provisions of Section 10.08(c), in accordance with the formula:

$$R' = \frac{R \times M}{M - F}$$

where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

M = the Average Sale Price, minus, in the case of a distribution to which Section 10.06(4) applies, for which (i) the record date shall occur on or before the record date for the distribution to which this Section 10.08(a) applies and (ii) the Ex-Dividend Time shall occur on or after the date of the Time of Determination for the distribution to which this Section 10.08(a) applies, the fair market value (on the record date for the distribution to which this Section 10.08(a) applies) of any

Capital Stock of the Company distributed in respect of each share of Common Stock in such Section 10.06(4) distribution.

F = the fair market value (on the record date for the distribution to which this Section 10.08(a) applies) of the assets, securities, rights, warrants or options to be distributed in respect of each share of Common Stock in the distribution to which this Section 10.08(a) is being applied (including, in the case of cash dividends or other cash distributions giving rise to an adjustment, all such cash distributed concurrently).

The Board of Directors shall determine fair market values for the purposes of this Section 10.08(a).

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the distribution to which this Section 10.08(a) applies.

No adjustment shall be made under this Section 10.08(a) if the application of the formula stated above in this Section 10.08(a) would result in a value of R' that is equal to or less than the value of R.

For purposes of this Section 10.08(a), the term "Extraordinary Cash Dividend" shall mean any cash dividend with respect to the Common Stock the amount of which, together with the aggregate amount of cash dividends on the Common Stock to be aggregated with such cash dividend in accordance with the provisions of this paragraph, equals or exceeds the threshold percentage set forth in item (i) below. For purposes of item (i) below, the "Measurement Period" with respect to a cash dividend on the Common Stock shall mean the 365 consecutive day period ending on the date prior to the Ex-Dividend Time with respect to such cash dividend, and the "Relevant Cash Dividends" with respect to a cash dividend on the Common Stock shall mean the cash dividends on the Common Stock with Ex-Dividend Times occurring in the Measurement Period.

(i) If, upon the date prior to the Ex-Dividend Time with respect to a cash dividend on the Common Stock, the aggregate amount of such cash dividend together with the amounts of all Relevant Cash Dividends equals or exceeds on a per share basis the sum of (a) 5% of the Sale Price of the Common Stock on the last trading day preceding the date of declaration by the Board of Directors of the cash dividend or distribution with respect to which this provision is being applied, and (b) the quotient of the amount of any Contingent Cash Interest paid on a Security during the Ex-Dividend Measurement Period and divided by the Conversion Rate in effect on the relevant Contingent Interest Payment Date, then such cash dividend together with all Relevant Cash Dividends, shall be deemed to be an Extraordinary Cash Dividend and for purposes of applying the formula set forth above in this Section 10.08(a), the value of "F" shall be equal to (y) the aggregate amount of such cash dividend together with the amount of all Relevant Cash Dividends, minus (z) the aggregate amount of all Relevant Cash Dividends for which a prior adjustment in the Conversion Rate was previously made under this Section 10.08(a).

In making the determinations required by item (i) above, the amount of cash dividends paid on a per share basis and the amount of any Relevant Cash Dividends specified in item (i) above, shall be appropriately adjusted to reflect the occurrence during such period of any event described in Section 10.06.

(b) If, after the Issue Date of the Securities, the Company pays a dividend or makes a distribution to all holders of its Common Stock consisting of Capital Stock of any class or series, or similar equity interests, of or relating to a Subsidiary or other business unit of the Company, the Conversion Rate shall be adjusted in accordance with the formula:

$$R' = R \times (1 + F/M)$$

where:

R' = the adjusted Conversion Rate.

R = the current Conversion Rate.

M = the average of the Post-Distribution Prices of the Common Stock for the 10 trading days commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such dividend or distribution on the principal United States exchange or market which such securities are then listed or quoted (the "Ex-Dividend Date").

F = the fair market value of the securities distributed in respect of each share of Common Stock for which this Section 10.08(b) is being applied shall mean the number of securities distributed in respect of each share of Common Stock multiplied by the average of the Post-Distribution Prices of those securities distributed for the 10 trading days commencing on and including the fifth trading day after the Ex-Dividend Date.

(c) "Post-Distribution Price" of Capital Stock or any similar equity interest on any date means the closing per unit sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date for trading of such units on a "when issued" basis without due bills (or similar concept) as reported in the composite transactions for the principal United States securities exchange on which such Capital Stock or equity interest is traded or, if the Capital Stock or equity interest, as the case may be, is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System or by the National Quotation Bureau Incorporated; provided that if on any date such units have not traded on a "when issued" basis, the Post-Distribution Price shall be the closing per unit sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on such date for trading of such units on a "regular way" basis without due bills (or similar concept) as reported in the composite transactions for the principal United States securities exchange on which such Capital Stock or equity interest is traded or, if the Capital Stock or equity interest, as the case may be, is not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System or by the National Quotation Bureau Incorporated. In the absence of such

quotation, the Company shall be entitled to determine the Post-Distribution Price on the basis of such quotations, which reflect the post-distribution value of the Capital Stock or equity interests, as it considers appropriate.

Section 10.09 When Adjustment May Be Deferred.

No adjustment in the Conversion Rate need be made unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment.

All calculations under this Article 10 shall be made to the nearest cent or to the nearest 1/1,000th of a share, as the case may be (with one-half of a cent and 5/10,000ths of a share being rounded upward).

Section 10.10 When No Adjustment Required.

No adjustment need be made for a transaction referred to in Section 10.06, 10.07, 10.08, 10.14 or 10.19 if Securityholders are to participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction. Such participation by Securityholders may include participation upon conversion provided that an adjustment shall be made at such time as the Securityholders are no longer entitled to participate.

No adjustment need be made for rights to purchase Common Stock pursuant to a Company plan for reinvestment of dividends or interest.

No adjustment need be made for a change in the par value or no par value of the Common Stock.

The Company is not required to make an adjustment until adjustments greater 1% have occurred.

To the extent the Securities become convertible pursuant to this Article 10 into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash. The Conversion Rate shall not be adjusted for any Accrued Original Issue Discount or Contingent Cash Interest.

Section 10.11 Notice of Adjustment.

Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Securityholders a notice of the adjustment and use its reasonable best efforts to post this information on its website or otherwise publicly disclose this information. The Company shall file with the Trustee and the Conversion Agent such notice and a certificate from the Company's independent public accountants briefly stating the facts requiring the adjustment and the manner of computing it. The certificate shall be conclusive evidence that the adjustment is correct. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with

respect to any such certificate except to exhibit the same to any Holder desiring inspection thereof.

Section 10.12 Voluntary Increase.

The Company from time to time may increase the Conversion Rate by any amount for any period of time. Whenever the Conversion Rate is increased, the Company shall mail to Securityholders and file with the Trustee and the Conversion Agent a notice of the increase. The Company shall mail the notice at least 15 days before the date the increased Conversion Rate takes effect. The notice shall state the increased Conversion Rate and the period it will be in effect.

A voluntary increase of the Conversion Rate does not change or adjust the Conversion Rate otherwise in effect for purposes of Section 10.06, 10.07 or 10.08.

Section 10.13 Notice of Certain Transactions.

If:

(1) the Company takes any action that would require an adjustment in the Conversion Rate pursuant to Section 10.06, 10.07 or 10.08 (unless no adjustment is to occur pursuant to Section 10.10); or

(2) the Company takes any action that would require a supplemental indenture pursuant to Section 10.14; or

(3) there is a liquidation or dissolution of the Company;

then the Company shall mail to Securityholders and file with the Trustee and the Conversion Agent a notice stating the proposed record date for a dividend or distribution or the proposed effective date of a subdivision, combination, reclassification, consolidation, merger, binding share exchange, transfer, liquidation or dissolution. The Company shall file and mail the notice at least 20 days before such date. Failure to file or mail the notice or any defect in it shall not affect the validity of the transaction.

Section 10.14 Reorganization of Company; Special Distributions.

(a) If the Company is a party to a transaction subject to Section 5.01 (other than a sale of all or substantially all of the assets of the Company in a transaction in which the holders of Common Stock immediately prior to such transaction do not receive securities, cash or other assets of the Company or any other person) or a merger or binding share exchange which reclassifies or changes the outstanding Common Stock, the person obligated to deliver securities, cash or other assets upon conversion of Securities shall enter into a supplemental indenture. If the issuer of securities deliverable upon conversion of Securities is an Affiliate of the successor Company, that issuer shall join in the supplemental indenture.

The supplemental indenture shall provide that the Holder of a Security may convert it into the kind and amount of securities, cash or other assets which such Holder would have received immediately after the consolidation, merger, binding share exchange or transfer if such Holder had converted the Security immediately before the effective date of the transaction into a number of shares of Common Stock equal to the then applicable Conversion Rate, subject to adjustment as set forth in Section 10.14(b).

(b) If the Company is a party to a consolidation, merger or a sale of all or substantially all of our assets in which it is not the continuing corporation, or the Company is a party to a merger or binding share exchange which reclassifies or changes the outstanding Common Stock, the right to convert each $1,000 Principal Amount at Maturity of Securities shall be changed into a right to convert such Securities into the securities, cash or other assets (the "Reference Property") that the Holder would have received if the Holder had converted each $1,000 Principal Amount at Maturity of Securities immediately before the effective date of the transaction into a number of shares of Common Stock equal to the then applicable Conversion Rate; provided, however, that at and after the effective time of the transaction, (i) the cash portion of the payment upon conversion will continue to be payable in cash (instead of Reference Property) and (ii) the Conversion Value will be calculated based on the Sale Prices of the Reference Property during the Cash Settlement Averaging Period in lieu of the Common Stock. In determining the amount of Reference Property to be received by the Holder in connection with a consolidation, merger, sale or binding share exchange in which the Company's shareholders may elect the form of consideration, the Holders will be assumed to have elected to receive the same consideration elected by a majority of the holders of the Common Stock.

(c) The supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Article 10. The successor Company shall mail to Securityholders a notice briefly describing the supplemental indenture.

(d) If this Section applies, neither Section 10.06 nor 10.07 applies.

(e) If the Company makes a distribution to all holders of its Common Stock of any of its assets, or Debt securities or any rights, warrants or options to purchase securities of the Company that, but for the provisions of Section 10.09, would otherwise result in an adjustment in the Conversion Rate pursuant to the provisions of Section 10.08(a), then, from and after the record date for determining the holders of Common Stock entitled to receive the distribution, a Holder of a Security that converts such Security in accordance with the provisions of this Indenture shall upon such conversion be entitled to receive, in addition to the cash and shares of Common Stock, if any, into which the Security is convertible, the kind and amount of securities, cash or other assets comprising the distribution that such Holder would have received if such Holder had converted the Security immediately prior to the record date for determining the holders of Common Stock entitled to receive the distribution into a number of shares of Common Stock equal to the then applicable Conversion Rate.

Section 10.15 Company Determination Final.

Any determination that the Company or the Board of Directors must make pursuant to Section 10.03, 10.06, 10.07, 10.08, 10.09, 10.10, 10.14 or 10.17 is conclusive.

Section 10.16 Trustee's Adjustment Disclaimer.

The Trustee has no duty to determine when an adjustment under this Article 10 should be made, how it should be made or what it should be. The Trustee has no duty to determine whether a supplemental indenture under Section 10.14 need be entered into or whether any provisions of any supplemental indenture are correct. The Trustee shall not be accountable for and makes no representation as to the validity or value of any securities or assets issued upon conversion of Securities. The Trustee shall not be responsible for the Company's failure to comply with this Article 10. Each Conversion Agent shall have the same protection under this Section 10.16 as the Trustee.

Section 10.17 Simultaneous Adjustments.

In the event that this Article 10 requires adjustments to the Conversion Rate under more than one of Sections 10.06(4), 10.07 or 10.08, and the record dates for the distributions giving rise to such adjustments shall occur on the same date, then such adjustments shall be made by applying, first, the provisions of Section 10.06, second, the provisions of Section 10.08 and, third, the provisions of Section 10.07.

Section 10.18 Successive Adjustments.

After an adjustment to the Conversion Rate under this Article 10, any subsequent event requiring an adjustment under this Article 10 shall cause an adjustment to the Conversion Rate as so adjusted.

Section 10.19 Rights Issued in Respect of Common Stock Issued Upon Conversion.

Each share of Common Stock issued upon conversion of Securities pursuant to this Article 10 shall be entitled to receive the appropriate number of rights ("Rights"), if any, and the certificates representing the Common Stock issued upon such conversion shall bear such legends, if any, in each case as may be provided by the terms of any shareholder rights agreement adopted by the Company, as the same may be amended from time to time (in each case, a "Rights Agreement"). Provided that such Rights Agreement requires that each share of Common Stock issued upon conversion of Securities at any time prior to the distribution of separate certificates representing the Rights be entitled to receive such Rights, then, notwithstanding anything else to the contrary in this Article 10, there shall not be any adjustment to the conversion privilege or Conversion Rate as a result of the issuance of Rights, the distribution of separate certificates representing the Rights, the exercise or redemption of such Rights in accordance with any such Rights Agreement, or the termination or invalidation of such Rights.

ARTICLE 11
SUBORDINATION

Section 11.01 Securities Subordinate to Senior Indebtedness.

The Company covenants and agrees, and each Holder of a Security, by his acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article 11, the indebtedness represented by the Securities and the payment of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price, Purchase Price and Contingent Cash Interest, if any, in respect of each and all of the Securities are hereby expressly made subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, as the case may be.

Section 11.02 Payment over of Proceeds upon Dissolution, Etc.

Upon any distribution of assets of the Company in the event of:

(a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or to its respective creditors, as such, or to its respective assets, or

(b) any liquidation, dissolution or other winding-up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or

(c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company, or

(d) any other event that would constitute an Event of Default specified in Section 6.01(5) or 6.01(6),

then, and in any such event, the holders of Senior Indebtedness shall be entitled to receive:

(1) payment in full in cash of all amounts due or to become due on or in respect of all Senior Indebtedness in cash or cash equivalents, or provision shall be made for such payment, before the Holders of the Securities are entitled to receive any payment on account of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price, Purchase Price and Contingent Cash Interest, if any, in respect of the Securities, and

(2) any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of the Securities in any such case, proceeding, dissolution, liquidation or other winding-up or event, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities.

In the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities, before all Senior Indebtedness is paid in full in cash or payment thereof provided for, and if such fact

shall, at or prior to the time of such payment or distribution, have been made known to the Trustee or, as the case may be, such Holder, then, in such event, such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, Custodian, assignee, agent or other Person making payment or distribution of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full in cash or as payment thereof is otherwise provided for (as such phrase is defined below), after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

For purposes of this Article 11 only, the words "cash, property or securities" shall not be deemed to include shares of Capital Stock of the Company, as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan or reorganization or readjustment the payment of which is subordinated, at least to the extent provided in this Article 11 with respect to the Securities, to the payment of all Senior Indebtedness which may at the time be outstanding; provided, however, that (i) Senior Indebtedness is assumed by the new corporation, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment.

The consolidation or share exchange of the Company with, or the merger of the Company into, another person or the liquidation or dissolution of the Company following the conveyance or transfer of its properties and assets substantially as an entirety to another person upon the terms and conditions set forth in Article 5 shall not be deemed a dissolution, winding-up, liquidation, reorganization, assignment for the benefit of creditors or marshalling of assets and liabilities of the Company for the purposes of this Section if the person formed by such consolidation or share exchange or into which the Company is merged or the person which acquires by conveyance or transfer such properties and assets of the Company, as the case may be, substantially as an entirety, as the case may be, shall; as part of such consolidation, share exchange, merger, conveyance or transfer, comply with the conditions set forth in Article 5.

Section 11.03 Acceleration of Securities.

In the event that any Securities are declared due and payable before their Stated Maturity pursuant to Section 6.02, then and in such event the Company shall promptly notify holders of Senior Indebtedness of such acceleration. The Company may not pay the Securities until the earlier of (i) 120 days after the date of such acceleration or (ii) the payment in full of all Senior Indebtedness or as payment thereof is otherwise provided for (as such phrase is defined below), and may thereafter pay the Securities if this Indenture permits the payment at that time.

In the event that, notwithstanding the foregoing, (a) the Company shall make any payment to the Trustee or the Holder of any Securities prohibited by the foregoing provisions of this Section 11.03, and (b) with respect to any payment made before 120 days after the date of such acceleration, if such facts shall, at or prior to the time of such payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Company by or on behalf of the person holding such payment for the benefit of the holders of Senior Indebtedness.

The provisions of this Section 11.03 shall not apply to any payment with respect to which Section 11.04 would be applicable.

Section 11.04 Default on Senior Indebtedness.

The Company may not make any payment of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price or Contingent Cash Interest, if any, in respect of the Securities and may not pay cash with respect to the Purchase Price of any Security (other than for fractional shares) or otherwise acquire any Securities for cash or property (except as set forth in this Indenture) if:

(1) any payment default on any Senior Indebtedness has occurred and is continuing beyond any applicable grace period with respect thereto; or

(2) a default (other than a default referred to in the preceding clause (1)) on any Senior Indebtedness occurs and is continuing that permits holders of such Senior Indebtedness to accelerate the maturity thereof and the default is the subject of judicial proceedings or the Company receives a notice of default thereof from any person who may give such notice pursuant to the instrument evidencing or document governing such Senior Indebtedness.

If the Company receives any such notice, then a similar notice received within nine months thereafter relating to the same default on the same issue of Senior Indebtedness shall not be effective for purposes of this Section 11.04.

Notwithstanding the foregoing, the Company may resume payment on the Securities and may acquire Securities if and when:

(a) the default referred to above is cured or waived as provided or permitted in accordance with the terms of the applicable Senior Indebtedness; or

(b) in the case of a default referred to in clause (2) of the preceding paragraph, 179 or more days pass after the receipt by the Company of the notice described in clause (2) above; and

this Indenture otherwise permits the payment or acquisition at that time; provided, however, that with respect to payments made after the 179-day period referred to in clause (b) of this Section 11.04, the Trustee or the Holder of any Securities shall pay over and deliver forthwith to the Company for the benefit of the holders of Senior Indebtedness any amounts received by the Trustee or any such Holder to the extent necessary to pay all holders of Senior Indebtedness in full in cash or otherwise provide for such payment thereof (as such phrase is defined above).

In the event that, notwithstanding the foregoing, (a) the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, and (b) with respect to any payment made after the expiration of the 179-day period if such fact shall then have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment shall (to the extent permitted by law) be paid over and

delivered forthwith to the Company by or on behalf of the person holding such payment for the benefit of the holders of the Senior Indebtedness.

The provisions of this Section shall not apply to any payment with respect to which Section 11.02 would be applicable.

Section 11.05 Payment Permitted if No Default.

Nothing contained in this Article 11 or elsewhere in this Indenture or in any of the Securities shall prevent (a) the Company at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding-up, assignment for the benefit of creditors or other marshalling of assets and liabilities of the Company referred to in Section 11.02 or under the conditions described in Section 11.03 or 11.04, from making payments at any time of Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price, Purchase Price or Contingent Cash Interest, if any, as the case may be, in respect of the Securities if the Trustee did not, at the time of such application, have actual knowledge that such payment would have been prohibited by the provisions of this Article 11 or (b) the application by the Trustee of any money deposited with it hereunder to payment of or on account of the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price, Purchase Price or Contingent Cash Interest, as the case may be, in respect of the Securities, or the retention of such payment by the Holders of the Securities, if, at the time of such application by the Trustee, the Trustee did not have actual knowledge that such payment would have been prohibited by the provisions of this Article 11.

Section 11.06 Subrogation to Rights of Holders of Senior Indebtedness.

Subject to payment in full of all Senior Indebtedness to the extent and in the manner set forth in this Article 11, the Holders of the Securities shall be subrogated to the extent of the payments or distributions made to the holders of such Senior Indebtedness pursuant to the provisions of this Article 11 (equally and ratably with the holders of all indebtedness of the Company which by its express terms is subordinated to indebtedness of the Company to substantially the same extent as the Securities are subordinated and is entitled to like rights of subrogation) to the rights of the holders of such Senior Indebtedness to receive payments or distributions of cash, property and securities applicable to the Senior Indebtedness until the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price, Purchase Price or Contingent Cash Interest, if any, as the case may be, in respect of the Securities shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of the Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article 11, and no payments over pursuant to the provisions of this Article 11 to the holders of Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among the Company, the creditors of the Company, other than holders of Senior Indebtedness and the Holders of the Securities, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

Section 11.07 Provisions Solely to Define Relative Rights.

The provisions of this Article 11 are intended solely for the purpose of defining the relative rights of the Holders of the Securities, on the one hand, and the holders of Senior Indebtedness, on the other hand. Nothing contained in this Article 11 or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among the Company, the creditors of the Company other than holders of Senior Indebtedness and the Holders of the Securities, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities the Principal Amount at Maturity, Issue Price, Accrued Original Issue Discount, cash due upon conversion, Redemption Price, Purchase Price or Contingent Cash Interest, if any, as the case may be, in respect of the Securities as and when the same shall become due and payable in accordance with the terms of the Securities and this Indenture; or (b) affect the relative rights against the Company of the Holders of the Securities and creditors of the Company other than the holders of Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article 11 of the holders of Senior Indebtedness to receive cash, property and securities otherwise payable or deliverable to the Trustee or such Holder.

Section 11.08 Trustee to Effectuate Subordination.

Each Holder of a Security by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article 11 and appoints the Trustee his attorney-in-fact for any and all such purposes.

Section 11.09 No Waiver for Subordination Provisions.

No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act by any such holder, or by any non-compliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article 11 or the obligations hereunder of the Holders of the Securities to the holders of Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew, increase or alter, Senior Indebtedness, or otherwise amend or supplement in any manner Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (iii) release any person liable in any manner for the collection of Senior Indebtedness; and (iv) exercise or refrain from exercising any rights against the Company and any other Person.

Section 11.10 Notice to Trustee.

The Company shall give prompt written notice to a Responsible Officer of the Trustee of any facts known to the Company, which would prohibit the making of any payment to or by the Trustee in respect of the Securities. Notwithstanding the provisions of this Article 11 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof from the Company, or a holder of Senior Indebtedness or from any trustee therefor; and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist.

The Trustee shall be entitled to conclusively rely on the delivery to it of a written notice by a person representing himself to be a holder of Senior Indebtedness (or a trustee therefor) to establish that such notice has been given by a holder of Senior Indebtedness (or a trustee therefor). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article 11, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article 11, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

Section 11.11 Reliance on Judicial Order or Certificate of Liquidating Agent.

Upon any payment or distribution of assets of the Company referred to in this Article 11, the Trustee and the Holders of the Securities shall be entitled to rely upon any final, nonappealable order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding-up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, liquidating trustee, Custodian, receiver, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 11.

Section 11.12 Trustee Not Fiduciary for Holders of Senior Indebtedness.

The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and shall not be liable to any such holders if it shall in good faith mistakenly pay over or distribute to Holders of Securities or to the Company or to any other person cash, property or securities to which any holders of Senior Indebtedness shall be entitled by virtue of this Article 11 or otherwise. The Trustee shall not be charged with knowledge of the existence of Senior Indebtedness or of any facts that would prohibit any payment hereunder or that would permit the resumption of any such payment unless a Responsible Officer of the Trustee shall have received notice to that effect at the address of the Trustee set forth in Section 14.02. With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe

only such of its covenants or obligations as are specifically set forth in this Article 11 and no implied covenants or obligations with respect to holders of Senior Indebtedness shall be read into this Indenture against the Trustee.

Section 11.13 Rights of Trustee as Holder of Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article 11 with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.07.

Section 11.14 Article 11 Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article 11 shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article 11 in addition to or in place of the Trustee; provided, however, that Sections 11.10 and 11.12 shall not apply to the Company or an Affiliate of the Company if the Company or any such Affiliate acts as Paying Agent.

ARTICLE 12
PAYMENT OF INTEREST

Section 12.01 Interest Payments.

If applicable Contingent Cash Interest, if any, on any Security that is payable in cash, and is punctually paid or duly provided for, on the Contingent Cash Interest Payment Date shall be paid to the person in whose name that Security is registered at the close of business on the Common Stock Record Date or Contingent Cash Interest Payment Date, as the case may be, for such interest at the office or agency of the Company maintained for such purpose. Contingent Cash Interest, if any, on any Security shall be paid in same-day funds by transfer to an account maintained by the payee located inside the United States, if the Trustee shall have received proper wire transfer instructions from such payee not later than the related Common Stock Record Date or Contingent Cash Interest Record Date accrual date, as the case may be, or, if no such instructions have been received, by check drawn on a bank in New York City mailed to the payee at its address set forth on the Registrar's books. In the case of a permanent Global Security, Contingent Cash Interest, if any, payable on any applicable payment date will be paid to the Depositary, with respect to that portion of such permanent Global Security held for its account by Cede & Co. for the purpose of permitting such party to credit the interest received by it in respect of such permanent Global Security to the accounts of the beneficial owners thereof

Section 12.02 Defaulted Interest.

Except as otherwise specified with respect to the Securities, any Contingent Cash Interest on any Security that is payable, but is not punctually paid or duly provided for, within 30 days following any applicable Contingent Cash Interest Payment Date (herein called "Defaulted Interest", which term shall include any accrued and unpaid interest that has accrued on such defaulted amount in accordance with paragraph 1 of the Securities), shall forthwith cease to be payable to the registered Holder thereof on the relevant Common Stock Record Date or Contingent Cash Interest Record Date, as the case may be, by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the persons in whose names the Securities are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment (which shall not be less than 20 days after such notice is received by the Trustee), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date (the "Special Record Date") for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities at his address as it appears on the list of Securityholders maintained pursuant to Section 2.05 not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Securities are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Section 12.03 Interest Rights Preserved.

Subject to the foregoing provisions of this Article 12 and Section 2.06, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any

other Security shall carry the rights to Contingent Cash Interest accrued and unpaid which were carried by such other Security.

ARTICLE 13
CONTINGENT CASH INTEREST

Section 13.01 Contingent Cash Interest.

Commencing on September 12, 2006, the Company shall make payments of additional interest to the Holders of Securities ("Contingent Cash Interest"), as set forth in Section 13.02 below, during any six month period from September 12 to March 11 and from March 12 to September 11 (each a "Semi-annual Period") if, but only if, the average Security Market Price of a Security with $1,000 Principal Amount at Maturity for the five trading days in the relevant Five-Trading-Day Measurement Period (as defined below) equals 120% or more of the Relevant Value of such Security. During any Semi-annual Period when Contingent Cash Interest is payable pursuant to this section, each Contingent Cash Interest payment due and payable on each $1,000 Principal Amount at Maturity of Security shall be calculated for any quarterly period of the applicable Semi-annual Period, and in each instance shall equal the greater of (i) 0.0625% of the average Security Market Price for the relevant Five-Trading-Day Measurement Period or (ii) the sum of all Regular Cash Dividends paid by the Company per share on the Common Stock during the applicable quarter of such Semi-annual Period multiplied by the then applicable Conversion Rate, provided, however, that if Regular Cash Dividends are not paid in such Semi-annual Period, the Contingent Cash Interest shall be paid semi-annually at a rate of 0.125% of the average Security Market Price for the relevant Five-Trading-Day Measurement Period. Contingent Cash Interest shall accrue and be payable as of the record date, which shall be the 15th day preceding the last day of the relevant Semi-annual Period or if the Company pays a regular cash dividend on its Common Stock during a quarter within the relevant Semi-annual Period, to Securityholders as of the record date for such Common Stock dividend.

As used in this Article 13, "Five-Trading-Day Measurement Period" means the five trading days ending on the third trading day immediately preceding the first day of the applicable Semi-annual Period; provided, however, that if the Company declares a dividend on its Common Stock for which the record date for such dividend (the "Common Stock Record Date") falls prior to the first day of the next Semi-annual Period, but the payment date for such dividend falls within such Semi-annual Period, then, the "Five-Trading-Day Measurement Period" shall mean the five trading days ending on the third trading day immediately preceding such Common Stock Record Date. "Relevant Value" means the sum of the Issue Price and the Accrued Original Issue Discount on such Security as of the day immediately preceding the first day of the applicable Semi-annual Period. "Security Market Price" means, as of any date of determination, the average of the secondary market bid quotations per $1,000 Principal Amount at Maturity of Securities obtained by the Bid Solicitation Agent for $10 million Principal Amount at Maturity of Securities at approximately 4:00 p.m., New York City time, on such determination date from three independent nationally recognized securities dealers (none of which shall be an Affiliate of the Company) selected by the Company; provided, however, that if (a) at least three such bids are not obtained by the Bid Solicitation Agent or (b) in the Company's reasonable judgment, the bid quotations are not indicative of the secondary market value of the Securities as of such

determination date, then the Security Market Price for such determination date shall equal the product of (i) the Conversion Rate in effect as of such determination date multiplied by (ii) the average Sale Price of the Common Stock for the five trading days ending on such determination date, appropriately adjusted to take into account the occurrence, during the period commencing on the first of such trading days during such five trading day period and ending on such determination date, of any event described in Section 10.06, 10.07 or 10.08 (subject to the conditions set forth in Sections 10.09 and 10.10).

Notwithstanding anything herein to the contrary, Contingent Cash Interest shall be payable on the Securities for the Semi-annual Period from September 12, 2006 to March 11, 2007, and, solely for the purpose of determining the average Security Market Price for the Five-Trading-Day Measurement Period applicable to such Semi-annual Period, all references to "Securities" in the definition of Security Market Price shall be deemed to refer to "LYONs".

The Original Issue Discount of the Securities will continue to accrue whether or not Contingent Cash Interest payments are made or are payable.

Section 13.02 Payment of Contingent Cash Interest; Contingent Cash Interest Rights Preserved.

If payable, Contingent Cash Interest shall be payable as of the record date, which shall be the 15th day preceding the last day of the relevant Semi-annual Period (in each case, a "Contingent Cash Interest Payment Date") or, if the Company pays a Regular Cash Dividend on the Common Stock during a quarter within a Semi-annual Period, on the record date for the related Common Stock dividend. Contingent Cash Interest payments on any Security that are payable, and are punctually paid or duly provided for, on any Contingent Cash Interest Payment Date shall be paid to the Person who is the Holder of that Security on the 15th day preceding the last day of such Semi-annual Period (the "Contingent Cash Interest Record Date") or, if the Company pays regular cash dividends on the Common Stock during one quarter within such Semi-annual Period, the Common Stock Record Date. Each payment of Contingent Cash Interest on any Security shall be paid (A) if such Security is held in the form of a Global Security, in same-day funds by transfer to an account maintained by the payee located inside the United States, or (B) if such Security is held in the form of a Certificated Note, by check, mailed to the address of such Holder as set forth in the Security Register. In the case of a Global Security, interest payable on any Contingent Cash Interest Payment Date will be paid to the Depositary for the purpose of permitting DTC to credit the interest received by it in respect of such Global Security to the accounts of the beneficial owners thereof. If the Company only pays a Regular Cash Dividend on the Common Stock during one quarter within such Semi-annual Period, the remaining Contingent Cash Interest payments, if any, will accrue and be payable as of the 15th day preceding the last day of such Semi-annual Period.

Upon determination that Holders of Securities will be entitled to receive Contingent Cash Interest during a Semi-annual Period, as soon as practicable, the Company will issue a press release and publish such information on its Web site or through such other public medium as the Company may use at that time.

Section 13.03 Bid Solicitation Agent.

The Bid Solicitation Agent shall solicit bids from securities dealers, which the Company indicates that it believes are willing to bid for the Securities. The Company initially appoints the Trustee to act as the Bid Solicitation Agent. The Company may change the Bid Solicitation Agent at its discretion; provided, however, that the Bid Solicitation Agent may not be an Affiliate of the Company.

ARTICLE 14
MISCELLANEOUS

Section 14.01 Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies, or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

Section 14.02 Notices.

Any request, demand, authorization, notice, waiver, consent or communication shall be in writing and delivered in person or delivery by courier guaranteeing overnight delivery or mailed by first-class mail, postage prepaid, addressed as follows or transmitted by facsimile transmission (confirmed by guaranteed overnight courier) to the following facsimile numbers:

if to the Company:

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, NC 27215
Telephone No.: (336) (584-5171)
Facsimile No.: (336) 229-1127
Attention: Bradford T. Smith

if to the Trustee:

The Bank of New York
101 Barclay Street,
Floor 21 West
New York, New York 10286
Telephone No.: (212) 815-2745
Facsimile No.: (212) 815-5915
Attention: Corporate Trust Administration

with a copy of any notice given pursuant to Article 6 to:

Hogan & Hartson L.L.P.
111 South Calvert Street, 16th Floor
Baltimore, MD 21202
Telephone No.: (410) 659-2700
Facsimile No.: (410) 539-6981
Attention: Michael J. Silver, Esq.

The Company or the Trustee by notice given to the other in the manner provided above may designate additional or different addresses for subsequent notices or communications.

Any notice or communication given to a Securityholder shall be mailed to the Securityholder, by first-class mail, postage prepaid, at the Securityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not received by the addressee.

If the Company mails a notice or communication to the Securityholders, it shall mail a copy to the Trustee and each Registrar, Paying Agent, Conversion Agent or co-registrar.

Section 14.03 Communication by Holders with Other Holders.

Securityholders may communicate pursuant to TIA Section 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar, the Paying Agent, the Conversion Agent and anyone else shall have the protection of TIA Section 312(c).

Section 14.04 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(1) an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 14.05 Statements Required in Certificate or Opinion.

Each Officers' Certificate or Opinion of Counsel with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that each person making such Officers' Certificate or Opinion of Counsel has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Officers' Certificate or Opinion of Counsel are based;

(3) a statement that, in the opinion of each such person, he has made such examination or investigation as is necessary to enable such person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement that, in the opinion of such person, such covenant or condition has been complied with.

Section 14.06 Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 14.07 Rules by Trustee, Paying Agent, Conversion Agent and Registrar.

The Trustee may make reasonable rules for action by or a meeting of Securityholders. The Registrar, Conversion Agent and the Paying Agent may also make reasonable rules for their respective functions.

Section 14.08 Calculations.

The calculation of the Purchase Price, Conversion Rate, Sale Price of the Common Stock and each other calculation to be made hereunder shall be the obligation of the Company. All calculations made by the Company as contemplated pursuant to this Section 14.08 shall be made in good faith and shall be final and binding on the Company and the Holders absent manifest error. The Trustee, Paying Agent, Conversion Agent and Bid Solicitation Agent shall not be obligated to recalculate, recompute or confirm any such calculations.

Section 14.09 Legal Holidays.

A "Legal Holiday" is any day other than a Business Day. If any specified date (including a date for giving notice) is a Legal Holiday, the action shall be taken on the next succeeding day that is not a Legal Holiday, and, if the action to be taken on such date is a payment in respect of the Securities, no Original Issue Discount or Contingent Cash Interest, if any, shall accrue for the intervening period.

Section 14.10 GOVERNING LAW.

THIS INDENTURE AND THE SECURITIES WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 14.11 No Recourse Against Others.

A director, officer, employee, agent, representative, stockholder or equity holder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Securities.

Section 14.12 Successors.

All agreements of the Company in this Indenture and the Securities shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

Section 14.13 Multiple Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed this Indenture on behalf of the respective parties hereto as of the date first above written.

LABORATORY CORPORATION OF AMERICA HOLDINGS

By: _____
Name:
Title:

THE BANK OF NEW YORK, as Trustee

By: _____
Name:
Title:

EXHIBIT A-1

[**FORM OF FACE OF GLOBAL SECURITY**]

THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR U.S. FEDERAL INCOME TAX PURPOSES. THE HOLDER OF THIS SECURITY MAY CONTACT BRADFORD T. SMITH, LABORATORY CORPORATION OF AMERICA HOLDINGS, 358 SOUTH MAIN STREET, BURLINGTON, NC 27215 FOR INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE, YIELD TO MATURITY, COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE OF THIS SECURITY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE DEPOSITORY TRUST COMPANY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ARTICLE TWO OF THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

LABORATORY CORPORATION OF AMERICA HOLDINGS
Zero Coupon Convertible Subordinated Note due 2021

No. R-
Issue Date: October [ ], 2006
Issue Price: $[ ]
(for each $1,000 Principal
Amount at Maturity)

CUSIP:
Original Issue Discount: $
(for each $1,000 Principal
Amount at Maturity)

LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corporation, promises to pay to Cede & Co. or registered assigns, the Principal Amount at Maturity of _____ DOLLARS ($_____) on September 11, 2021.

This Security shall not bear interest except as specified on the other side of this Security. Original Issue Discount will accrue as specified on the other side of this Security. This Security is convertible as specified on the other side of this Security.

Additional provisions of this Security are set forth on the other side of this Security.

Dated:

LABORATORY CORPORATION
OF AMERICA HOLDINGS

By: _____
Title:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

THE BANK OF NEW YORK,
as Trustee, certifies that this
is one of the Securities referred
to in the within-mentioned Indenture.

By: _____
Authorized Officer

Dated:

1. Interest.

This Security shall not bear interest, except as specified in this paragraph or in paragraph 5. If the Principal Amount at Maturity hereof or any portion of such Principal Amount at Maturity is not paid when due (whether upon acceleration pursuant to Section 6.02 of the Indenture, upon the date set for payment of the Redemption Price pursuant to paragraph 6 hereof, upon the date set for payment of the Purchase Price pursuant to paragraph 7 hereof or upon the Stated Maturity of this Security) or if Contingent Cash Interest, if any, due hereon or any portion of such interest is not paid when due in accordance with paragraph 5 hereof, then in each such case the overdue amount shall, to the extent permitted by law, bear interest at the rate of 2.0% per annum, compounded semiannually, which interest shall accrue from the date such overdue amount was originally due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable on demand. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued accrual of Original Issue Discount.

Original Issue Discount of any Security means the amount that accrues in respect of such Security daily at a rate of 2.0% per year on September 11, 2006 plus any previously accrued amounts beginning on the Issue Date. Original Issue Discount will be calculated on a semi-annual bond equivalent basis, using a 360-day year comprised of twelve 30-day months. The principal amount of the Security will accrete on March 11 and September 11 of each year, beginning March 11, 2007.

2. Method of Payment.

Subject to the terms and conditions of the Indenture, the Company will make payments in respect of Redemption Prices, Purchase Prices and at Stated Maturity to Holders who surrender Securities to a Paying Agent to collect such payments in respect of the Securities. In addition, the Company will pay Contingent Cash Interest, if any, to the extent not already included in the calculation of such other amounts. The Company will pay any cash amounts in Cash. However, the Company may make such cash payments by check payable in such money.

3. Paying Agent, Conversion Agent, Registrar and Bid Solicitation Agent.

Initially, The Bank of New York, a New York banking corporation (the “Trustee”), will act as Paying Agent, Conversion Agent, Registrar and Bid Solicitation Agent. The Company may appoint and change any Paying Agent, Conversion Agent, Registrar or co-registrar or Bid Solicitation Agent without notice, other than notice to the Trustee except that the Company will maintain at least one Paying Agent in the State of New York, Borough of Manhattan, which shall initially be an office or agency of the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent, Registrar or co-registrar. None of the Company, any of its Subsidiaries or any of their Affiliates shall act as Bid Solicitation Agent.

4. Indenture.

The Company issued the Securities under an Indenture dated as of October [ ], 2006 (the "Indenture"), between the Company and the Trustee. The terms of the Securities include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as in effect from time to time (the "TIA"). Capitalized terms used herein and not defined herein have the meanings ascribed thereto in the Indenture. The Securities are subject to all such terms, and Securityholders are referred to the Indenture and the TIA for a statement of those terms.

The Securities are general unsecured and subordinated obligations of the Company limited to $743,966,000 aggregate Principal Amount at Maturity. The Indenture does not limit other indebtedness of the Company, secured or unsecured.

5. Contingent Cash Interest.

Subject to the conditions of the Indenture and the record date provisions specified in this paragraph 5, the Company shall pay Contingent Cash Interest to the Holders during any six-month period (a "Contingent Cash Interest Period") from September 12 to March 11 and from March 12 to September 11, with the initial six-month period commencing on September 12, 2006, if the average Security Market Price for the Five-Trading-Day Measurement Period preceding the first day of the Contingent Cash Interest Period equals 120% or more of the sum of the Issue Price of a Security and Original Issue Discount accrued thereon for such Security as of the day immediately preceding the first day of the applicable Contingent Cash Interest Period; provided, however, that if the Company declares a Common Stock dividend for which the record date for such dividend (the "Common Stock Record Date") falls prior to the first day of a Contingent Cash Interest Period, but the payment date for such dividend falls within such Contingent Cash Interest Period, then the "Five-Trading-Day Measurement Period" shall mean the five trading days ending on the third trading day immediately preceding such Common Stock Record Date.

Contingent Cash Interest, if any, will accrue and be payable to Holders as of the record date, which shall be the 15th day preceding the last day of the applicable six-month period. Original Issue Discount will continue to accrue whether or not Contingent Cash Interest is paid.

During any period when Contingent Cash Interest shall be payable, the amount of Contingent Cash Interest payable per $1,000 Principal Amount at Maturity hereof in respect of any quarterly period of the applicable Contingent Cash Interest Period shall equal the greater of (x) 0.0625% of the average Security Market Price for the relevant Five-Trading-Day Measurement Period and (y) the sum of all Regular Cash Dividends paid by the Company per share on its Common Stock during that quarterly period of the applicable Contingent Cash Interest Period multiplied by the number of shares of Common Stock into which $1,000 Principal Amount at Maturity hereof is convertible pursuant to paragraph 9 hereof as of the accrual date for such Contingent Cash Interest; provided that if the Company does not pay cash dividends during a Contingent Cash Interest Period, the Company will pay contingent cash interest semi-annually at a rate of 0.125% of the Security Market Price for the Five-Trading-Day Measurement Period.

Notwithstanding anything herein to the contrary, Contingent Cash Interest shall be payable on the Securities for the Contingent Cash Interest Period from September 12, 2006 to March 11, 2007, and, solely for the purpose of determining the average Security Market Price for the Five-Trading-Day Measurement Period applicable to such Contingent Cash Interest Period, all references to "Securities" in the definition of Security Market Price shall be deemed to refer to "LYONs".

Upon determination that Holders will be entitled to receive Contingent Cash Interest during a Contingent Cash Interest Period, as soon as practicable, the Company shall issue a press release and publish such information on its Web site or through such other public medium as the Company may use at that time.

6. Redemption at the Option of the Company.

No sinking fund is provided for the Securities. The Securities are redeemable as a whole, or from time to time in part, at any time at the option of the Company in accordance with Article 3 of the Indenture at a Redemption Price equal to the sum of the Issue Price and the Accrued Original Issue Discount as of the applicable Redemption Date.

The table below shows Redemption Prices of a Security per $1,000 Principal Amount at Maturity on the dates shown below and at Stated Maturity, which prices reflect the Issue Price plus Accrued Original Issue Discount calculated to each such date. In addition, the Redemption Price payable with respect to all Securities or portions thereof to be redeemed as of a Redemption Date between the dates listed below shall include an amount reflecting the additional Accrued Original Issue Discount that has accrued on such Securities since the immediately preceding date in the table below.[1]

Redemption Date	(1) Security Issue Price	(2) Accrued Original Issue Discount	(3) Redemption Price (1) + (2)
October [24], 2006	$ 741.92	$ 1.77	$ 743.69
September 11,			
2007	741.92	14.91	756.83
2008	741.92	30.13	772.05
2009	741.92	45.64	787.56
2010	741.92	61.47	803.39
2011	741.92	77.62	819.54
2012	741.92	94.10	836.02
2013	741.92	110.90	852.82
2014	741.92	128.04	869.96
2015	741.92	145.53	887.45
2016	741.92	163.37	905.29
2017	741.92	181.56	923.48
2018	741.92	200.12	942.04
2019	741.92	219.06	960.98
2020	741.92	238.38	980.30
At Stated Maturity	741.92	258.08	1,000.00

[1] Table to be updated, if necessary, based on actual initial issue date.

7. Purchase by the Company at the Option of the Holder.

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, the Securities held by such Holder on September 11, 2011 at the Purchase Price of $819.54 per $1,000 Principal Amount at Maturity, upon delivery of a Purchase Notice containing the information set forth in the Indenture, at any time from the opening of business on the date that is 20 Business Days prior to such Purchase Date until the close of business on the first Business Day immediately preceding such Purchase Date and upon delivery of the Securities to the Paying Agent by the Holder as set forth in the Indenture.

The Purchase Price (equal to the Issue Price plus Accrued Original Issue Discount for the Purchase Date) shall be paid in cash.

A third party may make the offer and purchase of the Securities in lieu of the Company in accordance with the Indenture.

In addition to the Purchase Price payable with respect to all Securities or portions thereof to be purchased as of the Purchase Date, the Holders of such Securities (or portions thereof) shall be entitled to receive accrued and unpaid Contingent Cash Interest, if any, with respect thereto, which Contingent Cash Interest shall be paid in cash promptly following the later of the Purchase Date and the time of delivery of such Securities to the Paying Agent pursuant to the Indenture.

Holders have the right to withdraw any Purchase Notice by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

If cash sufficient to pay the Purchase Price of, together with any accrued and unpaid Contingent Cash Interest with respect to, all Securities or portions thereof to be purchased as of the Purchase Date is deposited with the Paying Agent on the Business Day following the Purchase Date, Original Issue Discount and Contingent Cash Interest, if any, shall cease to accrue on such Securities (or portions thereof) on such Purchase Date and the Holder thereof shall have no other rights as such (other than the right to receive the Purchase Price and accrued and unpaid Contingent Cash Interest, if any, upon surrender of such Security).

8. Notice of Redemption.

Notice of redemption will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of Securities to be redeemed at the Holder’s registered address. If money sufficient to pay the Redemption Price of, and accrued and unpaid Contingent Cash Interest, if any, with respect to, all Securities (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent prior to or on the Redemption Date, on such Redemption Date, Original Issue Discount and Contingent Cash Interest, if any, shall cease to accrue on such Securities or portions thereof. Securities in denominations larger than $1,000 of Principal Amount at Maturity may be redeemed in part but only in integral multiples of $1,000 of Principal Amount at Maturity.

9. Conversion.

(a) Conversion Based on Common Stock Price. Subject to the provisions of this paragraph 9, Holders may convert the Securities into cash and shares of Common Stock, if any, on a Conversion Date in any calendar quarter commencing after September 30, 2006, if, as of the last day of the preceding calendar quarter, the Sale Price of the Common Stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of such preceding calendar quarter is greater than the conversion trigger price. The "conversion trigger price" for any calendar quarter shall be a reference percentage, beginning at 117.5642%, and declining 0.1282% per calendar quarter thereafter until it reaches 110.000% for the calendar quarter beginning July 1, 2021, of the accreted conversion price per share of Common Stock on the last day of such preceding calendar quarter.

The "accreted conversion price" per share of Common Stock as of any day equals the quotient of:

- the Issue Price and Accrued Original Issue Discount to that day, divided by
- the Conversion Rate in effect on that day;

provided that, for the calendar quarter ended September 30, 2006, the accreted conversion price per share as of September 30, 2006 shall be $55.38.

(b) Conversion Based on Credit Rating. Subject to the provisions of this paragraph 9, Holders may convert the Securities into cash and shares of Common Stock, if any, on a Conversion Date during any period in which the credit rating assigned to the Securities by a Rating Agency is at or below the Applicable Rating. "Rating Agency" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc., and its successors ("Standard & Poor's") or if Standard & Poor's is not making ratings of the Securities publicly available, a nationally recognized U.S. rating agency or agencies, as the case may be, selected by the Company, which will be substituted for Standard & Poor's, as the case may be. "Applicable Rating" means, in the case of Standard & Poor's, BB- (or its equivalent, under any successor ratings categories of Standard & Poor's) or the equivalent in respect of ratings categories of any Rating Agencies substituted for Standard & Poor's.

(c) Conversion Based on Redemption. Subject to the provisions of this paragraph 9, a Holder may convert into cash and shares of Common Stock, if any, a Security or portion of a Security which has been called for redemption pursuant to paragraph 6 hereof, even if the Securities are not otherwise convertible at such time, but such Securities may be surrendered for conversion prior to the close of business on the second Business Day immediately preceding the Redemption Date.

(d) Conversion Upon Occurrence of Certain Corporate Transactions. Subject to the provisions of this paragraph 9, in the event that the Company declares a distribution described in Section 10.07 of the Indenture, or a distribution described in Section 10.08 of the Indenture where the fair market value of such distribution per share of Common Stock, as determined in the Indenture, exceeds 15% of the Sale Price of the Common Stock on the day preceding the declaration date for such distribution, the Company will be required to give notice to the Holders of Securities at least 20 days prior to the Ex-Dividend Date for such distribution and, upon the

giving of such notice, the Securities may be surrendered for conversion at any time until the close of business on the Business Day prior to the Ex-Dividend Time or until the Company announces that such distribution will not take place.

(e) Consolidations, Mergers and Certain Other Corporate Transactions. Subject to the provisions of this paragraph 9, in the event the Company is a party to a consolidation, merger or binding share exchange or a transfer of all or substantially all assets of the Company pursuant to which the Common Stock would be converted into cash, securities or other property as set forth in Section 10.14 of the Indenture, the Securities may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date until 15 days after the actual effective date of such transaction, and at the effective date of such transaction the right to convert each $1,000 Principal Amount at Maturity of Securities into cash and shares of Common Stock, if any, will be deemed to have changed into a right to convert it into the kind and amount of cash, securities or other assets of the Company or another person which the Holder would have received if the Holder had converted each $1,000 Principal Amount at Maturity of the Holder's Securities immediately prior to the transaction into a number of shares of Common Stock equal to the then applicable Conversion Rate, subject to the adjustments discussed under Section 10.14(b) of the Indenture.

(f) Conversion Formula and Procedures. Subject to the next two succeeding sentences, a Holder of a Security may convert it into cash and shares of Common Stock, if any, of the Company in accordance with the provisions of this paragraph 9 before the close of business on September 11, 2021. If the Security is called for redemption, the Holder may convert it at any time prior to the close of business on the second Business Day immediately preceding the Redemption Date. A Security in respect of which a Holder has delivered a Purchase Notice exercising the option of such Holder to require the Company to purchase such Security may be converted only if such notice of exercise is withdrawn in accordance with the terms of the Indenture.

The initial Conversion Rate is 13.4108 shares of Common Stock per $1,000 Principal Amount at Maturity, subject to adjustment upon occurrence of certain events described in the Indenture. The Company will deliver cash in lieu of any fractional share of Common Stock.

A Security surrendered for conversion by a Holder during the period from the close of business on any Common Stock Record Date to the opening of business on the next Contingent Cash Interest Payment Date must be accompanied by payment of an amount equal to the Contingent Cash Interest, if any, that the Holder is to receive on the Securities surrendered for conversion, unless the Company has provided such Holder with a notice of redemption with respect to such Securities pursuant to Section 3.03 of the Indenture, in which case no such payment shall be made.

To convert a Security represented by a Global Security, a Holder must convert by book-entry transfer to the Conversion Agent through the facilities of DTC.

To convert a Security in definitive form, a Holder must (1) complete and manually sign the conversion notice below (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Security to the Conversion Agent,

(3) furnish appropriate endorsements and transfer documents if required by the Conversion Agent, the Company or the Trustee and (4) pay any transfer or similar tax, if required.

A Holder may convert a portion of a Security if the Principal Amount at Maturity of such portion is $1,000 or an integral multiple of $1,000. No payment or adjustment will be made for dividends on the Common Stock except as provided in the Indenture.

The Conversion Rate will be adjusted for dividends or distributions on Common Stock payable in Common Stock or other Capital Stock; subdivisions, combinations or certain reclassifications of Common Stock; distributions to all holders of Common Stock of certain rights to purchase Common Stock for a period expiring within 60 days at less than the Sale Price at the Time of Determination; and distributions to such holders of assets or Debt securities of the Company or certain rights to purchase securities of the Company (excluding certain cash dividends or distributions). However, no adjustment need be made if Securityholders may participate in the transaction or in certain other cases. The Company from time to time may voluntarily increase the Conversion Rate.

If the Company is a party to a consolidation, merger or binding share exchange or a transfer of all or substantially all of its assets, or upon certain distributions described in the Indenture, the right to convert a Security into cash and shares of Common Stock, if any, may be changed into a right to convert it into the kind and amount of securities, cash or other assets of the Company or another person which the Holder would have received if the Holder had converted its Securities immediately prior to the transaction into a number of shares of Common Stock equal to the then applicable Conversion Rate, subject to the adjustments discussed under Section 10.14(b) of the Indenture.

The Conversion Rate will not be adjusted for any Accrued Original Issue Discount or any accrued Contingent Cash Interest, if any.

10. Conversion Arrangement on Call for Redemption.

Any Securities called for redemption, unless surrendered for conversion before the close of business on the Redemption Date, may be deemed to be purchased from the Holders of such Securities at an amount not less than the Redemption Price, by one or more investment banks or other purchasers who may agree with the Company to purchase such Securities from the Holders, to convert them into cash and shares of Common Stock, if any, and to make payment for such Securities to the Trustee in trust for such Holders.

11. Subordination.

The Securities are subordinated to the Senior Indebtedness of the Company. To the extent provided in the Indenture, Senior Indebtedness of the Company must be paid before the Securities may be paid. The Company and each Holder of Securities, by accepting a Security, agrees to the subordination provisions contained in the Indenture and authorizes the Trustee to give it effect and appoints the Trustee as attorney-in-fact for such purpose.

12. Defaulted Interest.

Except as otherwise specified with respect to the Securities, any Defaulted Interest on any Security shall forthwith cease to be payable to the registered Holder thereof on the relevant record date therefor by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company as provided for in Section 12.02 of the Indenture.

13. Denominations; Transfer; Exchange.

The Securities are in fully registered form, without coupons, in denominations of $1,000 of Principal Amount at Maturity and integral multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or any Securities in respect of which a Purchase Notice has been given and not withdrawn (except, in the case of a Security to be purchased in part, the portion of the Security not to be purchased) or any Securities for a period of 15 days before the mailing of a notice of redemption of Securities to be redeemed.

14. Persons Deemed Owners.

The registered Holder of this Security may be treated as the owner of this Security for all purposes.

15. Unclaimed Money or Securities.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Securities that remains unclaimed for two years, subject to applicable unclaimed property laws. After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another person.

16. Amendment; Waiver.

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Securities may be amended with the written consent of the Holders of at least a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding and (ii) certain Defaults may be waived with the written consent of the Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding. Subject to certain exceptions set forth in the Indenture, without the consent of any Securityholder, the Company and the Trustee may amend the Indenture or the Securities to cure any ambiguity, omission, defect or inconsistency, to comply with Article 5 or Section 10.14 of the Indenture, to secure the Company’s obligations under this Security, to add to the Company’s covenants for the benefit of the Securityholders or to surrender any right or power conferred, to comply with any requirement of the SEC in connection with the qualification of the Indenture under the TIA or to make any

change that does not adversely affect the rights of any Holders, provided that any changes made solely to conform the Indenture or the Securities to the "Description of the New Notes" section of the Prospectus shall not be deemed to adversely affect the rights of any Holders.

17. Defaults and Remedies.

Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Securities unless it receives indemnity or security reasonably satisfactory to it. Subject to certain limitations, Holders of a majority in aggregate Principal Amount at Maturity of the Securities at the time outstanding may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default (except a Default in payment of amounts specified in Sections 6.01(1) and (2) of the Indenture) if it determines that withholding notice is in their interests.

18. Trustee Dealings with the Company.

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

19. No Recourse Against Others.

A director, officer, employee, agent, representative, stockholder or equity holder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities.

20. Authentication.

This Security shall not be valid until an authorized signatory of the Trustee manually signs the Trustee's Certificate of Authentication on the other side of this Security.

21. Abbreviations.

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with right of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

22. GOVERNING LAW.

THIS INDENTURE AND THE SECURITIES WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish to any Securityholder upon written request and without charge a copy of the Indenture which has in it the text of this Security in larger type. Requests may be made to:

LABORATORY CORPORATION OF AMERICA HOLDINGS
358 South Main Street
Burlington, NC 27215
Attention: General Counsel

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

_____

_____

(Insert assignee's soc. sec. or tax ID no.)

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint

_____ agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

CONVERSION NOTICE

To convert this Security into cash and Common Stock of the Company, if any, check the box:

To convert only part of this Security, state the Principal Amount at Maturity to be converted (which must be $1,000 or an integral multiple of $1,000):

$_____

If you want the stock certificate, if any, made out in another person's name, fill in the form below:

_____

_____

(Insert other person's soc. sec. or tax ID no.)

_____

_____

_____

_____

(Print or type other person's name, address and zip code)

Date: _____ Your Signature: _____

_____

(Sign exactly as your name appears on the other side of this Security)

ANNEX B

Projected Payment Schedule*

Semi-annual Period Ending	Projected Payment per Security
March 11, 2007	—
September 11, 2007	
March 11, 2008	
September 11, 2008	$ 1.24
March 11, 2009	1.31
September 11, 2009	1.37
March 11, 2010	1.44
September 11, 2010	1.51
March 11, 2011	1.59
September 11, 2011	1.67
March 11, 2012	1.75
September 11, 2012	1.84
March 11, 2013	1.94
September 11, 2013	2.03
March 11, 2014	2.13
September 11, 2014	2.24
March 11, 2015	2.35
September 11, 2015	2.47
March 11, 2016	2.60
September 11, 2016	2.73
March 11, 2017	2.86
September 11, 2017	3.01
March 11, 2018	3.16
September 11, 2018	3.32
March 11, 2019	3.49
September 11, 2019	3.66
March 11, 2020	3.84
September 11, 2020	4.04
March 11, 2021	4.24
September 11, 2021	$3,567.85

* The comparable yield and the schedule of projected payments are determined on the basis of an assumption of linear growth of the stock price and a constant dividend yield and are not determined for any purpose other than for the determination of interest accruals and adjustments thereof in respect of the Securities for United States federal income tax purposes. The comparable yield and the schedule of projected payments do not constitute a projected or representation regarding the amounts payable on Securities.

Exhibit 5.1

[HOGAN & HARTSON L.L.P. LETTERHEAD]

September 22, 2006

Board of Directors
Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215

Re: Laboratory Corporation of America Holdings Registration Statement on Form S-4

Ladies and Gentlemen:

We are acting as counsel to Laboratory Corporation of America Holdings, a Delaware corporation (the "**Company**"), in connection with its registration statement on Form S-4 (the "**Registration Statement**"), to be filed with the Securities and Exchange Commission on the date hereof relating to the proposed offer (the "**Exchange Offer**") of a new series of Zero Coupon Convertible Subordinated Notes due 2021 (the "**New Notes**") and an exchange fee of $2.50 per $1,000 aggregate principal amount at maturity for all of the Company's outstanding Liquid Yield Option™ Notes due 2021. The New Notes will be convertible into cash and, if applicable, duly and validly issued, fully paid and nonassessable shares of common stock, par value $0.10 per share, of the Company (such shares, the "**Conversion Shares**"). The New Notes will be issued pursuant to an indenture (the "**Indenture**") to be entered into by the Company and The Bank of New York, a New York banking association, as Trustee (the "**Trustee**"). This opinion letter is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(5) of Regulation S-K, 17 C.F.R. § 229.601(b)(5), in connection with the Registration Statement.

For purposes of this opinion letter, we have examined copies of the following documents:

1. An executed copy of the Registration Statement.

2. The Amended and Restated Certificate of Incorporation of the Company, as amended, as certified by the Secretary of the State of the State of Delaware on September 18, 2006 and by the Secretary of the Company on the date hereof as being complete, accurate and in effect.

3. The Amended and Restated By-Laws of the Company, as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.

4. The Form of Indenture filed as Exhibit 4.6 to the Registration Statement.

5. Resolutions of the Board of Directors of the Company adopted at a meeting held on September 15, 2006, as certified by the Secretary of the Company on the date hereof as being complete, accurate, and in effect, relating to the issuance and sale of the New Notes and arrangements in connection therewith.

6. The Form of Zero Coupon Convertible Subordinated Note relating to the New Notes included in Exhibit 4.6 to the Registration Statement.

In our examination of the aforesaid documents, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents, and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). This opinion letter is given, and all statements herein are made, in the context of the foregoing.

This opinion letter is based as to matters of law solely on the applicable provisions of the following, as currently in effect: (i) as to the opinions given in paragraph (a), the laws of the State of New York, and (ii) as to the opinions given in paragraph (b), the Delaware General Corporation Law, as amended. We express no opinion herein as to any other laws, statutes, ordinances, rules, or regulations. As used herein, the term “Delaware General Corporation Law, as amended” includes the statutory provisions contained therein, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting these laws.

Based upon, subject to and limited by the foregoing, we are of the opinion that:

(a) Upon (i) due execution and delivery of the Indenture on behalf of the Company and the Trustee, (ii) due authentication of the New Notes by the Trustee, and (iii) due execution, issuance and delivery of the New Notes by the Company upon consummation of the Exchange Offer against receipt of the Old Notes surrendered in exchange therefor in accordance with the terms of the Exchange Offer, and as otherwise contemplated by the Indenture and the Registration Statement, the New Notes will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

(b) With respect to any Conversion Shares issued upon the conversion of New Notes, following valid issuance of the New Notes and upon due exercise of applicable conversion rights in accordance with the terms of the New Notes, the Conversion Shares will be validly issued, fully paid and nonassessable.

This opinion letter has been prepared for your use in connection with the Registration Statement and speaks as of the date hereof. We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the reference to this firm under the caption “Legal Matters” in the

prospectus constituting a part of the Registration Statement. In giving this consent, we do not thereby admit that we are an “expert” within the meaning of the Securities Act of 1933, as amended.

Very truly yours,

/s/ HOGAN & HARTSON L.L.P.

Hogan & Hartson L.L.P.

Exhibit 8.1

[Hogan & Hartson L.L.P. Letterhead]

September 22, 2006

Laboratory Corporation of America Holdings
358 South Main Street
Burlington, North Carolina 27215

Ladies and Gentlemen:

This firm has acted as counsel to Laboratory Corporation of America Holdings, a Delaware corporation (the "**Company**"), in connection with its registration statement on Form S-4 (the "**Registration Statement**"), to be filed with the Securities and Exchange Commission on the date hereof relating to the proposed offer (the "**Exchange Offer**") of a new series of Zero Coupon Convertible Subordinated Notes due 2021 (the "**New Notes**") and an exchange fee of $2.50 per $1,000 aggregate principal amount at maturity for all of the Company's outstanding Liquid Yield Option™ Notes due 2021 (the "**Old Notes**"). This opinion letter is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(8) of Regulation S-K, 17 C.F.R. §229.601(b)(8), in connection with the Registration Statement. Capitalized terms used in this letter and not otherwise defined herein shall have the meanings set forth in the prospectus (the "**Prospectus**") included as part of the Registration Statement.

This opinion letter is based as to matters of law solely on the Internal Revenue Code of 1986, as amended, its legislative history, judicial authority, current administrative rulings and practice, and existing and proposed Treasury Regulations, all as in effect and existing on the date hereof (collectively, "federal income tax laws"). These provisions and interpretations are subject to changes, which may or may not be retroactive in effect, that might result in material modifications of our opinion. We express no opinion herein as to any other laws, statutes, regulations, or ordinances. Our opinion does not foreclose the possibility of a contrary determination by the Internal Revenue Service (the "IRS") or a court of competent jurisdiction, or of a contrary position by the IRS or the Treasury Department in regulations or rulings issued in the future. In this regard, although we believe that our opinion set forth herein will be sustained if challenged, an opinion of counsel with respect to an issue is not binding on the IRS or the courts, and is not a guarantee that the IRS will not assert a contrary position with respect to such issue or that a court will not sustain such a position asserted by the IRS.

In rendering the following opinion, we have examined such statutes, regulations, records, certificates and other documents as we have considered necessary or appropriate as a basis for such opinion, including (but not limited to) the following: (i) the Registration Statement; (ii) the forms of the Old Notes and the New Notes; (iii) the indenture for the Old Notes; and (iv) the indenture for the New Notes.

In our review, we have assumed that all of the representations and statements set forth in such documents are true and correct, and all of the obligations imposed by any such documents on the parties thereto have been and will continue to be performed or satisfied in accordance with their terms. We also have assumed the genuineness of all signatures, the proper execution of all documents, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents, and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). This opinion letter is given, and all statements herein are made, in the context of the foregoing.

For purposes of rendering our opinion, we have not made an independent investigation of the facts set forth in any of the above-referenced documents, including the Prospectus. We have consequently relied upon representations and information presented in such documents.

We hereby confirm that, based upon and subject to the foregoing and the assumptions and qualifications set forth in the Prospectus, the discussion set forth in the Prospectus under the heading “Certain U.S. Federal Income Tax Consequences” constitutes our opinion insofar as it sets forth United States federal income tax consequences to holders of Old Notes of the exchange of Old Notes for New Notes.

We assume no obligation to advise you of any changes in the foregoing subsequent to the effective date of the Registration Statement. This opinion letter has been prepared solely for your use in connection with the filing of the Registration Statement on the date of this opinion letter and should not be quoted in whole or in part or otherwise referred to, nor filed with or furnished to, any other governmental agency or other person or entity without the prior written consent of this firm.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ HOGAN & HARTSON L.L.P.

HOGAN & HARTSON L.L.P.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Laboratory Corporation of America Holdings of our report dated February 27, 2006 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in Laboratory Corporation of America Holdings' Annual Report on Form 10-K for the year ended December 31, 2005. We also consent to the references to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Greensboro, North Carolina
September 22, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2) |__|

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York **(State of incorporation if not a U.S. national bank)**	**13-5160382** **(I.R.S. employer identification no.)**
One Wall Street, New York, N.Y. **(Address of principal executive offices)**	**10286** **(Zip code)**

Laboratory Corporation of America Holdings
(Exact name of obligor as specified in its charter)

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

Zero Coupon Convertible Subordinated Notes due 2021
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 21st day of September, 2006.

THE BANK OF NEW YORK

By: /S/ CHERYL CLARKE
Name: CHERYL CLARKE
Title: VICE PRESIDENT

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business June 30, 2006, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,372,000
Interest-bearing balances	11,005,000
Securities:	
Held-to-maturity securities	2,269,000
Available-for-sale securities	23,124,000
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	490,000
Securities purchased under agreements to resell	252,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,722,000
LESS: Allowance for loan and lease losses	414,000
Loans and leases, net of unearned income and allowance	36,308,000
Trading assets	5,770,000
Premises and fixed assets (including capitalized leases)	848,000
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	302,000
Not applicable	
Intangible assets:	
Goodwill	2,177,000
Other intangible assets	750,000
Other assets	7,196,000
Total assets	93,863,000

LIABILITIES	
Deposits:	
In domestic offices	40,014,000
Noninterest-bearing	21,153,000
Interest-bearing	18,861,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	31,312,000
Noninterest-bearing	286,000
Interest-bearing	31,026,000
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased in domestic offices	839,000
Securities sold under agreements to repurchase	396,000
Trading liabilities	3,045,000
Other borrowed money: (includes mortgage indebtedness and obligations under capitalized leases)	1,670,000
Not applicable	
Not applicable	
Subordinated notes and debentures	1,955,000
Other liabilities	6,011,000
Total liabilities	85,242,000
Minority interest in consolidated subsidiaries	150,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,112,000
Retained earnings	5,444,000
Accumulated other comprehensive income	-220,000
Other equity capital components	0
Total equity capital	8,471,000
Total liabilities, minority interest, and equity capital	93,863,000

I, Thomas J. Mastro, Executive Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Executive Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell
] Directors