

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended March 31, 2017
OR

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

For the transition period from _____ to _____

Commission file number 1-11353

**LABORATORY CORPORATION OF
AMERICA HOLDINGS**

(Exact name of registrant as specified in its charter)

Delaware

13-3757370

(State or other jurisdiction of incorporation or organization)

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

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

27215

(Address of principal executive offices)

(Zip Code)

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares outstanding of the issuer's common stock is 102.3 million shares, net of treasury stock as of April 26, 2017.

INDEX

PART I. FINANCIAL INFORMATION

Item 1.	Financial Statements:	
	Condensed Consolidated Balance Sheets	2
	March 31, 2017 and December 31, 2016	
	Condensed Consolidated Statements of Operations	3
	Three months ended March 31, 2017 and 2016	
	Condensed Consolidated Statements of Comprehensive Earnings	4
	Three months ended March 31, 2017 and 2016	
	Condensed Consolidated Statements of Changes in Shareholders' Equity	5
	Three months ended March 31, 2017 and 2016	
	Condensed Consolidated Statements of Cash Flows	6
	Three months ended March 31, 2017 and 2016	
	Notes to Unaudited Condensed Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	29
Item 4.	Controls and Procedures	30

PART II. OTHER INFORMATION

Item 1.	Legal Proceedings	31
Item 1A.	Risk Factors	31
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	31
Item 6.	Exhibits	31

PART I – FINANCIAL INFORMATION**Item 1. Financial Statements****LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS****(in millions)
(unaudited)**

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 365.5	\$ 433.6
Accounts receivable, net of allowance for doubtful accounts of \$245.8 and \$235.6 at March 31, 2017 and December 31, 2016, respectively	1,356.9	1,328.7
Unbilled services	220.7	190.0
Supplies inventories	199.8	205.2
Prepaid expenses and other	343.1	321.2
Total current assets	2,486.0	2,478.7
Property, plant and equipment, net	1,720.0	1,718.6
Goodwill, net	6,502.1	6,424.4
Intangible assets, net	3,469.3	3,400.5
Joint venture partnerships and equity method investments	58.1	57.6
Deferred income tax assets	2.1	2.1
Other assets, net	190.4	165.1
Total assets	<u>\$ 14,428.0</u>	<u>\$ 14,247.0</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 484.9	\$ 508.4
Accrued expenses and other	564.7	593.7
Unearned revenue	184.4	176.0
Short-term borrowings and current portion of long-term debt	519.2	549.5
Total current liabilities	1,753.2	1,827.6
Long-term debt, less current portion	5,401.9	5,300.0
Deferred income taxes and other tax liabilities	1,212.4	1,206.4
Other liabilities	394.3	392.0
Total liabilities	8,761.8	8,726.0
Commitments and contingent liabilities		
Noncontrolling interest	15.5	15.2
Shareholders' equity:		
Common stock, 102.6 and 102.7 shares outstanding at March 31, 2017 and December 31, 2016, respectively	12.1	12.1
Additional paid-in capital	2,051.1	2,131.7
Retained earnings	5,148.0	4,955.8
Less common stock held in treasury	(1,033.4)	(1,012.7)
Accumulated other comprehensive income	(527.1)	(581.1)
Total shareholders' equity	5,650.7	5,505.8
Total liabilities and shareholders' equity	<u>\$ 14,428.0</u>	<u>\$ 14,247.0</u>

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

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

	Three Months Ended March 31,	
	2017	2016
Net revenue	\$ 2,408.1	\$ 2,295.2
Reimbursable out-of-pocket expenses	38.9	72.8
Total revenues	2,447.0	2,368.0
Net cost of revenues	1,604.5	1,517.9
Reimbursable out-of-pocket expenses	38.9	72.8
Total cost of revenues	1,643.4	1,590.7
Gross profit	803.6	777.3
Selling, general and administrative expenses	419.4	414.3
Amortization of intangibles and other assets	47.6	44.3
Restructuring and other special charges	3.9	19.2
Operating income	332.7	299.5
Other income (expenses):		
Interest expense	(52.4)	(54.5)
Equity method income, net	2.3	1.4
Investment income	0.3	0.5
Other, net	(3.2)	6.7
Earnings before income taxes	279.7	253.6
Provision for income taxes	87.2	89.2
Net earnings	192.5	164.4
Less: Net earnings attributable to the noncontrolling interest	(0.3)	(0.3)
Net earnings attributable to Laboratory Corporation of America Holdings	\$ 192.2	\$ 164.1
Basic earnings per common share	\$ 1.87	\$ 1.61
Diluted earnings per common share	\$ 1.84	\$ 1.58

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

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

	Three Months Ended	
	March 31,	
	2017	2016
Net earnings	\$ 192.5	\$ 164.4
Foreign currency translation adjustments	59.3	54.5
Net benefit plan adjustments	0.6	3.4
Other comprehensive earnings before tax	59.9	57.9
Provision for income tax related to items of other comprehensive earnings	(5.9)	(29.2)
Other comprehensive earnings, net of tax	54.0	28.7
Comprehensive earnings	246.5	193.1
Less: Net earnings attributable to the noncontrolling interest	(0.3)	(0.3)
Comprehensive earnings attributable to Laboratory Corporation of America Holdings	\$ 246.2	\$ 192.8

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

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

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
BALANCE AT DECEMBER 31, 2015	\$ 12.0	\$ 1,974.5	\$ 4,223.7	\$ (978.1)	\$ (287.0)	\$ 4,945.1
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	164.1	—	—	164.1
Other comprehensive loss, net of tax	—	—	—	—	28.7	28.7
Issuance of common stock under employee stock plans	—	11.9	—	—	—	11.9
Surrender of restricted stock and performance share awards	—	—	—	(15.1)	—	(15.1)
Stock compensation	—	31.8	—	—	—	31.8
BALANCE AT MARCH 31, 2016	<u>\$ 12.0</u>	<u>\$ 2,018.2</u>	<u>\$ 4,387.8</u>	<u>\$ (993.2)</u>	<u>\$ (258.3)</u>	<u>\$ 5,166.5</u>
BALANCE AT DECEMBER 31, 2016	\$ 12.1	\$ 2,131.7	\$ 4,955.8	\$ (1,012.7)	\$ (581.1)	\$ 5,505.8
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	192.2	—	—	192.2
Other comprehensive loss, net of tax	—	—	—	—	54.0	54.0
Issuance of common stock under employee stock plans	0.1	26.9	—	—	—	27.0
Surrender of restricted stock and performance share awards	—	—	—	(20.7)	—	(20.7)
Conversion of zero-coupon convertible debt	—	12.7	—	—	—	12.7
Stock compensation	—	27.7	—	—	—	27.7
Purchase of common stock	(0.1)	(147.9)	—	—	—	(148.0)
BALANCE AT MARCH 31, 2017	<u>\$ 12.1</u>	<u>\$ 2,051.1</u>	<u>\$ 5,148.0</u>	<u>\$ (1,033.4)</u>	<u>\$ (527.1)</u>	<u>\$ 5,650.7</u>

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)
(unaudited)

	Three Months Ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 192.5	\$ 164.4
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	128.1	122.4
Stock compensation	27.7	31.8
Loss/(gain) on sale of assets	0.5	(8.4)
Accreted interest on zero-coupon subordinated notes	0.2	0.5
Cumulative earnings less than distributions from equity method investments	0.1	0.2
Deferred income taxes	18.7	18.2
Change in assets and liabilities (net of effects of acquisitions):		
Increase in accounts receivable (net)	(27.9)	(105.8)
Increase in unbilled services	(30.0)	(14.7)
Decrease in inventories	4.9	2.4
Increase in prepaid expenses and other	(21.9)	(22.5)
Decrease in accounts payable	(28.0)	(34.1)
Increase in unearned revenue	8.3	19.8
Decrease in accrued expenses and other	(39.4)	(46.6)
Net cash provided by operating activities	<u>233.8</u>	<u>127.6</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(72.2)	(71.4)
Proceeds from sale of assets	0.8	2.5
Proceeds from sale of investment	—	12.7
Acquisition of licensing technology	(1.2)	—
Investments in equity affiliates	(21.1)	(2.1)
Acquisition of businesses, net of cash acquired	(151.8)	(93.3)
Net cash used for investing activities	<u>(245.5)</u>	<u>(151.6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	229.7	—
Payments on revolving credit facilities	(133.7)	—
Payments on zero-coupon subordinated notes	(30.8)	—
Noncontrolling interest distributions	(0.3)	(1.3)
Deferred payments on acquisitions	(1.4)	(9.8)
Payments on long-term lease obligations	(2.3)	(1.5)
Net proceeds from issuance of stock to employees	27.0	11.9
Purchase of common stock	(148.0)	—
Net cash used for financing activities	<u>(59.8)</u>	<u>(0.7)</u>
Effect of exchange rate changes on cash and cash equivalents	3.4	4.6
Net decrease in cash and cash equivalents	(68.1)	(20.1)
Cash and cash equivalents at beginning of period	433.6	716.4
Cash and cash equivalents at end of period	<u>\$ 365.5</u>	<u>\$ 696.3</u>

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

Laboratory Corporation of America[®] Holdings together with its subsidiaries (the Company) is a leading global life sciences company that is deeply integrated in guiding patient care, providing comprehensive clinical laboratory and end-to-end drug development services. The Company's mission is to improve health and improve lives by delivering world-class diagnostic solutions, bringing innovative medicines to patients faster and using technology to improve the delivery of care. The Company serves a broad range of customers, including managed care organizations (MCOs), biopharmaceutical companies, governmental agencies, physicians and other healthcare providers (e.g., physician assistants and nurse practitioners, generally referred to herein as physicians), hospitals and health systems, employers, patients and consumers, contract research organizations, food and nutritional companies and independent clinical laboratories. The Company believes that it generated more revenue from laboratory testing than any other company in the world in 2016.

The Company reports its business in two segments, LabCorp Diagnostics (LCD) and Covance Drug Development (CDD). For further financial information about these segments, see Note 14 (Business Segment Information). During the three months ended March 31, 2017, LCD and CDD contributed 71.3% and 28.7%, respectively, of net revenues to the Company.

The condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries for which it exercises control. Long-term investments in affiliated companies in which the Company exercises significant influence, but which it does not control, are accounted for using the equity method. Investments in which the Company does not exercise significant influence (generally, when the Company has an investment of less than 20.0% and no representation on the investee's board of directors) are accounted for using the cost method. All significant inter-company transactions and accounts have been eliminated. The Company does not have any variable interest entities or special purpose entities whose financial results are not included in the condensed consolidated financial statements.

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

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

The condensed consolidated financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in the Company's 2016 Annual Report on Form 10-K. Therefore, the interim statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued the converged standard on revenue recognition with the objective of providing a single, comprehensive model for all contracts with customers to improve comparability in the financial statements of companies reporting using International Financial Reporting Standards and U.S. Generally Accepted Accounting Principles. The standard contains principles that an entity must apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity must recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. An entity can apply the revenue standard retrospectively to each prior reporting period presented (full retrospective method) or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application in retained earnings. The standard will be effective for the Company beginning January 1, 2018, with early adoption permitted for annual periods beginning after December 16, 2016.

The Company plans to adopt the full retrospective method effective January 1, 2018, and is continuing to evaluate the expected impact of the standard. Currently, the Company has completed the initial adoption analysis for LCD and expects this standard to impact LCD margins due to the recording of LCD bad debt expense against net revenues (versus selling, general and administrative expense) as an implicit price concession. The Company has also completed the initial adoption analysis for each of the major revenue streams within CDD and expects this standard to also impact CDD reported revenue and margins due to the inclusion of reimbursable out-of-pocket expenses in net revenues and net cost of sales, as well as the recognition of fees paid to investigators

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

in net revenues and net costs of sales. In addition, the Company expects the timing of revenue recognition in the clinical business to accelerate, as revenue from study-related change orders and fixed price gains is recognized as the performance obligation is satisfied over the service period (versus the Company's current practice of lump-sum recognition resulting from a signed change order or when studies are near completion). The Company is currently performing a detailed contract review which must be completed before it can quantify the expected impact of the standard. The Company also anticipates enhanced financial statement disclosures surrounding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In January 2016, the FASB issued a new accounting standard that addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. A financial instrument is defined as cash, evidence of ownership interest in a company or other entity, or a contract that both: (i) imposes on one entity a contractual obligation either to deliver cash or another financial instrument to a second entity or to exchange other financial instruments on potentially unfavorable terms with the second entity, and (ii) conveys to that second entity a contractual right either to receive cash or another financial instrument from the first entity or to exchange other financial instruments on potentially favorable terms with the first entity. The standard will be effective for the Company beginning January 1, 2018, with early adoption permitted. The Company is evaluating the impact that this new standard will have on the consolidated financial statements.

In February 2016, the FASB issued a new accounting standard that sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for based on guidance similar to current guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on January 1, 2019, with early adoption permitted. The Company is evaluating the impact that this new standard will have on the consolidated financial statements.

In June 2016, the FASB issued a new accounting standard intended to provide financial statement users with more decision-useful information about expected credit losses and other commitments to extend credit held by the reporting entity. The standard replaces the incurred loss impairment methodology in current GAAP with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The update is effective on January 1, 2020, with early adoption permitted. The Company is currently evaluating the impact this new standard will have on the consolidated financial statements.

In August 2016, the FASB issued a new accounting standard that will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective on January 1, 2018, and will require adoption on a retrospective basis. The Company is currently evaluating the impact this new standard will have on the Company's consolidated financial statements.

In January 2017, the FASB issued a new accounting standard that changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. This update is effective on January 1, 2018, with early adoption permitted. This adoption of this standard is not expected to have a material impact on the consolidated financial statements.

In January 2017 the FASB issued a new accounting standard that eliminates Step 2 of the goodwill impairment test. Instead, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The update is effective for public business entities for the first interim and annual reporting periods beginning after January 1, 2020 with early adoption permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company has adopted this standard effective January 1, 2017, and will utilize this approach for any interim or annual goodwill impairment tests performed in 2017.

In March 2017, the FASB issued a new accounting standard that requires employers that present a measure of operating income in their statement of income to include only the service cost component of net periodic pension cost and net periodic post-retirement benefit cost in operating expenses with other employee compensation costs. The other components of net benefit cost, including amortization of prior service cost/credit, and settlement and curtailment effects are to be included in non-operating expenses. This update is effective on January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact this new standard will have on the consolidated financial statements.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Reclassifications

The Company changed its financial statement classification for certain gross receipts taxes in 2016, removing these taxes from its provision for income taxes and moving this expense into selling, general and administrative expenses. Certain gross receipts taxes of \$2.4 were reclassified in the first quarter of 2016.

In March 2016, the FASB issued a new accounting standard intended to simplify aspects of share-based payment accounting. The standard changes how companies account for certain aspects of share-based payment awards to employees, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as the classification of related matters in the statement of cash flows. The Company early adopted this standard in the quarter ended September 30, 2016. As a result of the adoption, a tax benefit of \$3.9 was recorded for the quarter ended March 31, 2016. Weighted average diluted shares for the three months ended March 31, 2016 increased by 0.2 due to the adoption of this standard.

2. BUSINESS ACQUISITIONS

During the three months ended March 31, 2017, the Company acquired various laboratories and related assets for approximately \$151.8 in cash (net of cash acquired). The purchase consideration for these acquisitions has been allocated to the estimated fair market value of the net assets acquired, including approximately \$92.9 in identifiable intangible assets (primarily customer relationships and non-compete agreements) and a residual amount of goodwill of approximately \$58.0. These acquisitions were made primarily to extend the Company's geographic reach in important market areas and/or enhance the Company's scientific differentiation and esoteric testing capabilities. While the purchase price allocations for one of the 2017 first quarter acquisitions and one of the 2016 fourth quarter acquisitions are substantially complete, they are still preliminary and subject to change. The areas of the purchase price allocation that are not yet finalized relate primarily to the intangible assets, goodwill and the impact of finalizing deferred taxes. Accordingly, adjustments may be made as additional information is obtained about the facts and circumstances that existed as of the valuation date. The Company expects the purchase price allocation to be finalized during the second half of 2017. Any adjustments will be recorded in the period in which they were identified. The Company also expects to close on the third and final tranche of the outreach laboratory operations of a healthcare system in the Northeast during the second quarter.

3. EARNINGS PER SHARE

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

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

	Three Months Ended March 31,					
	2017			2016		
	Earnings	Shares	Per Share Amount	Earnings	Shares	Per Share Amount
Basic earnings per share:						
Net earnings	\$ 192.2	102.5	\$ 1.87	\$ 164.1	101.6	\$ 1.61
Dilutive effect of employee stock options and awards	—	1.7		—	1.6	
Effect of convertible debt	—	0.1		—	0.6	
Diluted earnings per share:						
Net earnings including impact of dilutive adjustments	\$ 192.2	104.3	\$ 1.84	\$ 164.1	103.8	\$ 1.58

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

	Three Months Ended March 31,	
	2017	2016
Stock options	0.1	0.3

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

4. RESTRUCTURING AND OTHER SPECIAL CHARGES

During the first three months of 2017, the Company recorded net restructuring and other special charges of \$3.9; \$1.5 within LCD and \$2.4 within CDD. The charges were comprised of \$2.7 related to severance and other personnel costs along with \$1.6 in costs associated with facility closures. The charges were offset by the reversal of previously established reserves of \$0.4 in unused severance reserves. The Company incurred legal and other costs of \$0.9 relating to the recently completed acquisitions. The Company also recorded \$2.6 in consulting expenses relating to fees incurred as part of its Covance Inc. acquisition (Acquisition) integration costs and compensation analysis, along with \$0.9 in short-term equity retention arrangements relating to the Acquisition. In addition, the Company incurred \$2.7 of non-capitalized costs associated with the implementation of a major system as part of LaunchPad, LCD's comprehensive, enterprise-wide business process improvement initiative (all recorded in selling, general and administrative expenses).

During the first three months of 2016, the Company recorded net restructuring and other special charges of \$19.2; \$3.2 within LCD and \$16.0 within CDD. The charges were comprised of \$4.5 related to severance and other personnel costs along with \$17.0 in costs associated with facility closures. A substantial portion of these costs relate to the planned closure of duplicative data center operations. The Company reversed previously established reserves of \$2.3 in unused severance reserves primarily as the result of selling one of CDD's minimum volume contract facilities to a third party. The Company incurred additional legal and other costs of \$1.6 relating to the wind-down of its minimum volume contract operations. The Company also recorded \$1.7 in consulting expenses relating to fees incurred as part of its Acquisition integration costs and compensation analysis, along with \$1.2 in short-term equity retention arrangements relating to the Acquisition and \$4.1 of accelerated equity compensation relating to the announced retirement of a Company executive. In addition, the Company incurred \$1.5 of non-capitalized costs associated with the implementation of a major system as part of LaunchPad (all recorded in selling, general and administrative expenses).

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

	LCD		CDD		Total
	Severance and Other Employee Costs	Lease and Other Facility Costs	Severance and Other Employee Costs	Lease and Other Facility Costs	
Balance as of December 31, 2016	\$ 7.5	\$ 14.1	\$ 28.2	\$ 32.5	\$ 82.3
Restructuring charges	1.8	—	0.8	1.7	4.3
Reduction of prior restructuring accruals	(0.3)	—	(0.1)	—	(0.4)
Cash payments and other adjustments	(5.3)	(0.9)	(9.3)	(3.4)	(18.9)
Balance as of March 31, 2017	\$ 3.7	\$ 13.2	\$ 19.6	\$ 30.8	\$ 67.3
Current					\$ 34.6
Non-current					32.7
					\$ 67.3

Certain restructuring reserves for lease and other facility costs, totaling \$9.8 as of December 31, 2016, have been reclassified from the LCD segment to the CDD segment.

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the three-month period ended March 31, 2017 and for the year ended December 31, 2016 are as follows:

	LCD		CDD		Total	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Balance as of January 1	\$ 3,644.8	\$ 3,137.7	\$ 2,779.6	\$ 3,064.4	\$ 6,424.4	\$ 6,202.1
Goodwill acquired during the period	56.2	398.3	1.8	—	58.0	398.3
Adjustments to goodwill	(1.0)	108.8	20.7	(284.8)	19.7	(176.0)
Balance at end of period	\$ 3,700.0	\$ 3,644.8	\$ 2,802.1	\$ 2,779.6	\$ 6,502.1	\$ 6,424.4

The components of identifiable intangible assets are as follows:

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

	March 31, 2017			December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 3,367.3	\$ (890.5)	\$ 2,476.8	\$ 3,275.3	\$ (855.2)	\$ 2,420.1
Patents, licenses and technology	398.1	(168.8)	229.3	395.3	(163.3)	232.0
Non-compete agreements	68.6	(43.4)	25.2	53.0	(42.1)	10.9
Trade names	409.4	(148.4)	261.0	406.3	(141.6)	264.7
Land use right	10.0	(1.7)	8.3	10.0	(1.4)	8.6
Canadian licenses	468.7	—	468.7	464.2	—	464.2
	\$ 4,722.1	\$ (1,252.8)	\$ 3,469.3	\$ 4,604.1	\$ (1,203.6)	\$ 3,400.5

Amortization of intangible assets for the three-month periods ended March 31, 2017 and 2016 was \$47.6 and \$44.3, respectively. Amortization expense for the net carrying amount of intangible assets is estimated to be \$125.0 for the remainder of fiscal 2017, \$187.5 in fiscal 2018, \$179.9 in fiscal 2019, \$173.0 in fiscal 2020, \$169.5 in fiscal 2021 and \$2,030.8 thereafter.

Based upon performance in the first quarter of 2017, the Company will continue to monitor the financial performance of, and assumptions for, two of the CDD reporting units for which an income approach for goodwill impairment was performed in 2016. A future impairment charge for goodwill or intangible assets could have a material effect on the Company's operating income as presented in its Consolidated Statement of Operations.

6. DEBT

Short-term borrowings and the current portion of long-term debt at March 31, 2017 and December 31, 2016 consisted of the following:

	March 31, 2017	December 31, 2016
Zero-coupon convertible subordinated notes	\$ 11.8	\$ 42.4
2.20% senior notes due 2017	500.0	500.0
Debt issuance costs	(1.1)	(1.3)
Current portion of capital leases	7.4	8.4
Current portion of note payable	1.1	—
Total short-term borrowings and current portion of long-term debt	\$ 519.2	\$ 549.5

Long-term debt at March 31, 2017 and December 31, 2016 consisted of the following:

	March 31, 2017	December 31, 2016
2.50% senior notes due 2018	\$ 400.0	\$ 400.0
4.625% senior notes due 2020	618.5	614.6
2.625% senior notes due 2020	500.0	500.0
3.75% senior notes due 2022	500.0	500.0
3.20% senior notes due 2022	500.0	500.0
4.00% senior notes due 2023	300.0	300.0
3.60% senior notes due 2025	1,000.0	1,000.0
4.70% senior notes due 2045	900.0	900.0
Revolving credit facility	96.0	—
Term loan	565.0	565.0
Debt issuance costs	(41.2)	(43.0)
Capital leases	55.4	56.2
Note payable	8.2	7.2
Total long-term debt	\$ 5,401.9	\$ 5,300.0

Senior Notes

On September 30, 2016, the Company announced the successful completion of the consent solicitations for the 5.00% convertible senior notes due 2017 and 2018, totaling \$130.0, assumed as part of the 2016 acquisition of Sequenom. On October 20, 2016, the

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

Company retired \$129.9 of these outstanding notes, and paid an additional \$5.6 relating to the early retirement of the subsidiary indebtedness (recorded as interest expense in the Condensed Consolidated Statement of Operations).

During the third quarter of 2013, the Company entered into two fixed-to-variable interest rate swap agreements for its 4.625% senior notes due 2020 with an aggregate notional amount of \$600.0 and variable interest rates based on one-month LIBOR plus 2.298% to hedge against changes in the fair value of a portion of the Company's long-term debt. These derivative financial instruments are accounted for as fair value hedges of the senior notes due 2020. These interest rate swaps are included in other long-term assets and added to the value of the senior notes, with an aggregate fair value of \$18.5 at March 31, 2017 and \$14.6 at December 31, 2016.

Zero-Coupon Subordinated Notes

On March 13, 2017, the Company announced that for the period from March 12, 2017 to September 11, 2017, the zero-coupon subordinated notes will accrue contingent cash interest at a rate of no less than 0.125% of the average market price of a zero-coupon subordinated note for the five trading days ended March 8, 2017, in addition to the continued accrual of the original issue discount.

During the three months ended March 31, 2017, the Company settled notices to convert \$20.0 aggregate principal amount at maturity of its zero-coupon subordinated notes with a conversion value of \$62.1. The total cash used for these settlements was \$30.8 and the Company also issued 0.2 shares of common stock. As a result of these conversions, the Company also reversed deferred tax liabilities of \$12.8.

On April 3, 2017, the Company announced that its zero-coupon subordinated notes may be converted into cash and common stock at the conversion rate of 13.4108 per \$1,000.0 principal amount at maturity of the notes, subject to the terms of the zero-coupon subordinated notes and the indenture, dated as of October 24, 2006 between the Company and The Bank of New York Mellon, as trustee and the conversion agent. In order to exercise the option to convert all or a portion of the zero-coupon subordinated notes, holders are required to validly surrender their zero-coupon subordinated notes at any time during the calendar quarter beginning April 1, 2017 through the close of business on the last business day of the calendar quarter, which is 5:00 p.m., New York City time, on Friday, June 30, 2017. If notices of conversion are received, the Company plans to settle the cash portion of the conversion obligation with cash on hand and/or borrowings under the revolving credit facility.

Credit Facilities

As part of its financing of the Acquisition, the Company entered into a \$1,000.0 term loan in December 2014. The term loan credit facility will mature five years after the closing date of the Acquisition and may be prepaid without penalty. The term loan balance at March 31, 2017 and December 31, 2016 was \$565.0.

On December 19, 2014, the Company entered into an amendment and restatement of its existing senior revolving credit facility, which was originally entered into on December 21, 2011. The senior revolving credit facility consists of a five-year revolving facility in the principal amount of up to \$1,000.0, with the option of increasing the facility by up to an additional \$250.0, subject to the agreement of one or more new or existing lenders to provide such additional amounts and certain other customary conditions. The revolving credit facility also provides for a subfacility of up to \$100.0 for swing line borrowings and a subfacility of up to \$125.0 for issuances of letters of credit. The revolving credit facility is permitted to be used for general corporate purposes, including working capital, capital expenditures, funding of share repurchases and certain other payments, and acquisitions and other investments. The outstanding balance on the Company's revolving credit facility was \$96.0 and \$0.0 at March 31, 2017 and December 31, 2016, respectively.

Under the term loan facility and the revolving credit facility, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment grade-rated borrowers, and the Company is required to maintain certain leverage ratios that decline over time. The Company was in compliance with all covenants in the term loan facility and the revolving credit facility at March 31, 2017. As of March 31, 2017, the ratio of total debt to consolidated trailing 12 month EBITDA was 3.1 to 1.0.

The term loan credit facility accrues interest at a per annum rate equal to, at the Company's election, either a LIBOR rate plus a margin ranging from 1.125% to 2.00%, or a base rate determined according to a prime rate or federal funds rate plus a margin ranging from 0.125% to 1.00%. Advances under the revolving credit facility will accrue interest at a per annum rate equal to, at the Company's election, either a LIBOR rate plus a margin ranging from 1.00% to 1.60%, or a base rate determined according to a prime rate or federal funds rate plus a margin ranging from 0.00% to 0.60%. Fees are payable on outstanding letters of credit under the revolving credit facility at a per annum rate equal to the applicable margin for LIBOR loans, and the Company is required to pay a facility fee on the aggregate commitments under the revolving credit facility, at a per annum rate ranging from

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

0.125% to 0.40%. The interest margin applicable to the credit facilities, and the facility fee and letter of credit fees payable under the revolving credit facility, are based on the Company's senior credit ratings as determined by Standard & Poor's and Moody's, which are currently BBB and Baa2, respectively.

As of March 31, 2017, the effective interest rate on the revolving credit facility was 2.02% and the effective interest rate on the term loan was 2.23%.

7. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 265.0 shares of common stock, par value \$0.10 per share. The Company's treasury shares are recorded at aggregate cost. The Company is authorized to issue up to 30.0 shares of preferred stock, par value \$0.10 per share. There were no preferred shares outstanding as of March 31, 2017 and December 31, 2016.

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

	Issued	Held in Treasury	Outstanding
Common shares at December 31, 2016	125.6	(22.9)	102.7
Common stock issued under employee stock plans	1.1	—	1.1
Common stock issued upon conversion of zero-coupon subordinated notes	0.2	—	0.2
Surrender of restricted stock and performance share awards	—	(0.3)	(0.3)
Retirement of common stock	(1.1)	—	(1.1)
Common shares at March 31, 2017	125.8	(23.2)	102.6

Share Repurchase Program

At the end of 2016, including purchase commitments that had not yet settled, the Company had outstanding authorization from the Board of Directors to purchase up to \$739.5 of Company common stock. During the three months ended March 31, 2017, the Company purchased 1.1 shares of its common stock at a total cost of \$148.0. The Company also initiated purchases of \$8.0 which settled directly after March 31, 2017. As of March 31, 2017, including purchase commitments that had not yet settled, the Company had outstanding authorization from the Board of Directors to purchase up to \$589.5 of Company common stock. The repurchase authorization has no expiration.

Accumulated Other Comprehensive Earnings

The components of accumulated other comprehensive earnings are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Accumulated Other Comprehensive Earnings (Loss)
Balance at December 31, 2016	\$ (470.7)	\$ (110.4)	\$ (581.1)
Other comprehensive earnings before reclassifications	59.3	1.1	60.4
Amounts reclassified from accumulated other comprehensive earnings to the Condensed Consolidated Statement of Operations ^(a)	—	(0.5)	(0.5)
Tax effect of adjustments	(5.5)	(0.4)	(5.9)
Balance at March 31, 2017	\$ (416.9)	\$ (110.2)	\$ (527.1)

^(a) The amortization of prior service cost is included in the computation of net periodic benefit cost. See Note 10 (Pension and Post-retirement Plans) below for additional information regarding the Company's net periodic benefit cost.

In the first quarter of 2016, the Company finalized measurement period adjustments relating to the Acquisition and incorrectly recorded them retrospectively to the interim periods in 2015. The final measurement period adjustments consisted of foreign cumulative translation adjustments related to the final allocation of goodwill and intangibles to the applicable international geographies which were completed in the first quarter of 2016. In order to record these adjustments in the correct accounting period, the Company has reduced the foreign currency translation adjustment by \$80.4 in its first quarter 2016 Statement of Comprehensive Income, in accordance with Accounting Standards Update 2015-16 *Simplifying the Accounting for Measurement-Period Adjustments*. The Company concluded that the correction of this error was not material individually or in the aggregate to the prior period noted.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

8. INCOME TAXES

The Company does not recognize a tax benefit unless the Company concludes that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Company recognizes a tax benefit measured at the largest amount of the tax benefit that the Company believes is greater than 50% likely to be realized.

The gross unrecognized income tax benefits were \$19.1 and \$18.4 at March 31, 2017 and December 31, 2016, respectively. It is anticipated that the amount of the unrecognized income tax benefits will change within the next 12 months; however, these changes are not expected to have a significant impact on the results of operations, cash flows or the financial position of the Company.

As of March 31, 2017 and December 31, 2016, \$19.1 and \$18.4, respectively, are the approximate amounts of gross unrecognized income tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods.

The Company recognizes interest and penalties related to unrecognized income tax benefits in income tax expense. Accrued interest and penalties related to uncertain tax positions totaled \$10.0 and \$9.9 as of March 31, 2017 and December 31, 2016, respectively.

The valuation allowance provided as a reserve against certain deferred tax assets is \$32.3 and \$31.3 as of March 31, 2017 and December 31, 2016, respectively.

The Company has substantially concluded all U.S. federal income tax matters for years through 2012. Substantially all material state and local and foreign income tax matters have been concluded through 2011 and 2004, respectively.

The Internal Revenue Service concluded the examination of the Company's 2014 federal consolidated income tax return in 2016, which did not include Covance Inc. Covance Inc.'s 2013 federal consolidated income tax return is currently under examination by the Internal Revenue Service. The Canada Revenue Agency is currently examining the Company's 2013 and 2014 Canadian subsidiaries' tax returns. The Company has various state and foreign income tax examinations ongoing throughout the year. The Company believes adequate provisions have been recorded related to all open tax years.

9. COMMITMENTS AND CONTINGENCIES

The Company is involved from time to time in various claims and legal actions, including arbitrations, class actions, and other litigation (including those described in more detail below), arising in the ordinary course of business. Some of these actions involve claims that are substantial in amount. These matters include, but are not limited to, intellectual property disputes; commercial and contract disputes; professional liability; employee-related matters; and inquiries, including subpoenas and other civil investigative demands, from governmental agencies and Medicare or Medicaid payers and MCOs reviewing billing practices or requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties. The Company receives civil investigative demands or other inquiries from various governmental bodies in the ordinary course of its business. Such inquiries can relate to the Company or other parties, including physicians and other healthcare providers. The Company works cooperatively to respond to appropriate requests for information.

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

The Company believes that it is in compliance in all material respects with all statutes, regulations and other requirements applicable to its commercial laboratory operations and drug development support services. The healthcare diagnostics and drug development industries are, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. There can be no assurance, therefore, that the applicable statutes and regulations will not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant fines; the loss of various licenses, certificates and authorizations; and/or exclusion from participation in government programs.

Many of the current claims and legal actions against the Company are in preliminary stages, and many of these cases seek an indeterminate amount of damages. The Company records an aggregate legal reserve, which is determined using calculations based on historical loss rates and assessment of trends experienced in settlements and defense costs. In accordance with FASB Accounting Standards Codification Topic 450 "Contingencies," the Company establishes reserves for judicial, regulatory, and arbitration

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

matters outside the aggregate legal reserve if and when those matters present loss contingencies that are both probable and estimable and would exceed the aggregate legal reserve. When loss contingencies are not both probable and estimable, the Company does not establish separate reserves.

The Company is unable to estimate a range of reasonably probable loss for the proceedings described in more detail below in which damages either have not been specified or, in the Company's judgment, are unsupported and/or exaggerated and (i) the proceedings are in early stages; (ii) there is uncertainty as to the outcome of pending appeals or motions; (iii) there are significant factual issues to be resolved; and/or (iv) there are novel legal issues to be presented. For these proceedings, however, the Company does not believe, based on currently available information, that the outcomes will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

As previously reported, the Company reached a settlement in the previously disclosed lawsuit, *California ex rel. Hunter Laboratories, LLC et al. v. Quest Diagnostics Incorporated, et al.* (Hunter Labs Settlement Agreement), to avoid the uncertainty and costs associated with prolonged litigation. Pursuant to the executed Hunter Labs Settlement Agreement, the Company recorded a litigation settlement expense of \$34.5 in the second quarter of 2011 (net of a previously recorded reserve of \$15.0) and paid the settlement amount of \$49.5 in the third quarter of 2011. The Company also agreed to certain reporting obligations regarding its pricing for a limited time period and, at the option of the Company in lieu of such reporting obligations, to provide Medi-Cal with a discount from Medi-Cal's otherwise applicable maximum reimbursement rate from November 1, 2011, through October 31, 2012. In 2011, the California legislature enacted Assembly Bill No. 97, which imposed a 10.0% Medi-Cal payment cut on most providers of healthcare services, including clinical laboratories. In 2012, the California legislature enacted Assembly Bill No. 1494, which directed the Department of Healthcare Services (DHCS) to establish new reimbursement rates for Medi-Cal commercial laboratory services based on payments made to California clinical laboratories for similar services by other third-party payers, and provided that until the new rates are set through this process, Medi-Cal payments for commercial laboratory services would be reduced (in addition to a 10.0% payment reduction imposed by Assembly Bill No. 97 in 2011) by "up to 10 percent" for tests with dates of service on or after July 1, 2012, with a cap on payments set at 80.0% of the lowest maximum allowance established under the Medicare program. Under the terms of the Hunter Labs Settlement Agreement, the enactment of this California legislation terminated the Company's reporting obligations (or obligation to provide a discount in lieu of reporting) under that agreement. In April 2015, CMS approved a 10.0% payment reduction under Assembly Bill No. 1494. The new rate methodology established new rates that were effective July 1, 2015, but these new rates were not entered into the state computer system until February 2016. The 2016 rates have been implemented. Recoupments associated with these changes are anticipated, but have not begun. Taken together, these changes are not expected to have a material impact on the Company's consolidated revenues or results of operations.

As previously reported, the Company responded to an October 2007 subpoena from the U.S. Department of Health & Human Services Office of Inspector General's regional office in New York. On August 17, 2011, the United States District Court for the Southern District of New York unsealed a False Claims Act lawsuit, *United States of America ex rel. NPT Associates v. Laboratory Corporation of America Holdings*, which alleges that the Company offered UnitedHealthcare kickbacks in the form of discounts in return for Medicare business. The Plaintiff's Third Amended Complaint further alleges that the Company's billing practices violated the False Claims Acts of fourteen states and the District of Columbia. The lawsuit seeks actual and treble damages and civil penalties for each alleged false claim, as well as recovery of costs, attorney's fees, and legal expenses. Neither the U.S. government nor any state government has intervened in the lawsuit. The Company's Motion to Dismiss was granted in October 2014 and Plaintiff was granted the right to replead. On January 11, 2016, Plaintiff filed a motion requesting leave to file an amended complaint under seal and to vacate the briefing schedule for the Company's motion to dismiss, while the government reviews the amended complaint. The Court granted the motion and vacated the briefing dates. Plaintiff then filed an amended complaint under seal. The Company will vigorously defend the lawsuit.

In addition, the Company has received various other subpoenas since 2007 related to Medicaid billing. In October 2009, the Company received a subpoena from the State of Michigan Department of Attorney General seeking documents related to its billing to Michigan Medicaid. In June 2010, the Company received a subpoena from the State of Florida Office of the Attorney General requesting documents related to its billing to Florida Medicaid. In October 2013, the Company received a civil investigative demand from the State of Texas Office of the Attorney General requesting documents related to its billing to Texas Medicaid. The Company is cooperating with these requests.

On November 4, 2013, the State of Florida through the Office of the Attorney General filed an Intervention Complaint in a False Claims Act lawsuit, *State of Florida ex rel. Hunter Laboratories, LLC and Chris Riedel v. Quest Diagnostics Incorporated, et al.*, in the Circuit Court for the Second Judicial Circuit for Leon County. The lawsuit, originally filed by a competitor laboratory, alleges that the Company overcharged Florida's Medicaid program. The lawsuit seeks actual and treble damages and civil penalties for each alleged false claim, as well as recovery of costs, attorney's fees, and legal expenses. The Company's Motion to Dismiss

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

was denied in February 2015. In December 2016, the Court granted the Company's Motion for Partial Summary Judgment. In April 2017, the Company filed a Motion for Summary Judgment and this motion remains pending. The Company will vigorously defend the remaining claims in the lawsuit.

On May 2, 2013, the Company was served with a False Claims Act lawsuit, *State of Georgia ex rel. Hunter Laboratories, LLC and Chris Riedel v. Quest Diagnostics Incorporated, et al.*, filed in the State Court of Fulton County, Georgia. The lawsuit, filed by a competitor laboratory, alleges that the Company overcharged Georgia's Medicaid program. The State of Georgia filed a Notice of Declination on August 13, 2012, before the Company was served with the Complaint. The case was removed to the United States District Court for the Northern District of Georgia. The lawsuit seeks actual and treble damages and civil penalties for each alleged false claim, as well as recovery of costs, attorney's fees, and legal expenses. On March 14, 2014, the Company's Motion to Dismiss was granted. The Plaintiffs replied their complaint, and the Company filed a Motion to Dismiss the First Amended Complaint. In May 2015, the Court dismissed the Plaintiffs' anti-kickback claim and remanded the remaining state law claims to the State Court of Fulton County. In July 2015, the Company filed a Motion to Dismiss these remaining claims. The Plaintiffs filed an opposition to the Company's Motion to Dismiss in August 2015. Also, the State of Georgia filed a brief as amicus curiae. The Company will vigorously defend the lawsuit.

On June 7, 2012, the Company was served with a putative class action lawsuit, *Yvonne Jansky v. Laboratory Corporation of America, et al.*, filed in the Superior Court of the State of California, County of San Francisco. The lawsuit alleges that the defendants committed unlawful and unfair business practices, and violated various other state laws by changing screening codes to diagnostic codes on laboratory test orders, thereby resulting in customers being responsible for co-payments and other debts. The lawsuit seeks injunctive relief, actual and punitive damages, as well as recovery of attorney's fees, and legal expenses. In June 2015, Plaintiff's Motion for Class Certification was denied. The Plaintiff appealed the denial of Class Certification, and the Court of Appeal affirmed the denial of the Motion for Class Certification on January 20, 2017. The Company will vigorously defend the lawsuit.

On August 24, 2012, the Company was served with a putative class action lawsuit, *Sandusky Wellness Center, LLC, et al. v. MEDTOX Scientific, Inc., et al.*, filed in the United States District Court for the District of Minnesota. The lawsuit alleges that on or about February 21, 2012, the defendants violated the U.S. Telephone Consumer Protection Act (TCPA) by sending unsolicited facsimiles to Plaintiff and more than 39 other recipients without the recipients' prior express invitation or permission. The lawsuit seeks the greater of actual damages or the sum of \$0.0005 for each violation, subject to trebling under the TCPA, and injunctive relief. In September of 2014, Plaintiff's Motion for Class Certification was denied. In January of 2015, the Company's Motion for Summary Judgment on the remaining individual claim was granted. Plaintiff filed a notice of appeal. On May 3, 2016, the United States Court of Appeals for the Eighth Circuit issued its decision and order reversing the District Court's denial of class certification. The Eighth Circuit remanded the matter for further proceedings. On December 7, 2016, the District Court granted the Plaintiff's renewed Motion for Class Certification. The Company will vigorously defend the lawsuit.

On August 31, 2015, the Company was served with a putative class action lawsuit, *Patty Davis v. Laboratory Corporation of America, et al.*, filed in the Circuit Court of the Thirteenth Judicial Circuit for Hillsborough County, Florida. The complaint alleges that the Company violated the Florida Consumer Collection Practices Act by billing patients who were collecting benefits under the Workers' Compensation Statutes. The lawsuit seeks injunctive relief and actual and statutory damages, as well as recovery of attorney's fees and legal expenses. In April 2017, the Circuit Court granted the Company's Motion for Judgment on the Pleadings. The Company will vigorously defend the lawsuit.

In December 2014, the Company received a Civil Investigative Demand issued pursuant to the U.S. False Claims Act from the U.S. Attorney's Office for South Carolina, which requests information regarding remuneration and services provided by the Company to physicians who also received draw and processing/handling fees from competitor laboratories Health Diagnostic Laboratory, Inc. and Singulex, Inc. The Company is cooperating with the request.

Prior to the Company's acquisition of Sequenom, between August 15, 2016, and August 24, 2016, six putative class-action lawsuits were filed on behalf of purported Sequenom stockholders (captioned *Malkoff v. Sequenom, Inc., et al.*, No. 16-cv-02054- JAH-BLM, *Gupta v. Sequenom, Inc., et al.*, No. 16-cv-02084-JAH-KSC, *Fruchter v. Sequenom, Inc., et al.*, No. 16-cv-02101- WQH-KSC, *Asiatrade Development Ltd. v. Sequenom, Inc., et al.*, No. 16-cv-02113-AJB-JMA, *Nunes v. Sequenom, Inc., et al.*, No. 16-cv-02128-AJB-MDD, and *Cusumano v. Sequenom, Inc., et al.*, No. 16-cv-02134-LAB-JMA) in the United States District Court for the Southern District of California challenging the acquisition transaction. The complaints asserted claims against Sequenom and members of its Board of Directors (the Individual Defendants). The *Nunes* action also named the Company and Savoy Acquisition Corp. (Savoy), a wholly owned subsidiary of the Company, as defendants. The complaints alleged that the defendants violated Sections 14(e), 14(d)(4) and 20 of the Securities Exchange Act of 1934 by failing to disclose certain allegedly material information. In addition, the complaints in the *Malkoff* action, *Asiatrade* action, and *Cusumano* action alleged that the Individual Defendants breached their fiduciary duties to Sequenom shareholders. The actions sought, among other things, injunctive

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

relief enjoining the merger. On August 30, 2016, the parties entered into a Memorandum of Understanding (MOU) in each of the above-referenced actions. In connection with the settlement, Sequenom agreed to make certain additional disclosures to its stockholders. In September 6, 2016, the Court entered an order consolidating for all pre-trial purposes the six individual actions described above under the caption *In re Sequenom, Inc. Shareholder Litig.*, Lead Case No. 16-cv-02054-JAH-BLM, and designating the complaint from the *Malkoff* action as the operative complaint for the consolidated action. On November 11, 2016, two competing motions were filed by two separate stockholders (James Reilly and Shikha Gupta) seeking appointment as lead plaintiff under the terms of the Private Securities Litigation Reform Act of 1995. On January 12, 2017, the Court entered an order declaring Mr. Reilly the presumptive lead plaintiff, but denying Mr. Reilly's request for immediate approval as lead plaintiff. The Company is awaiting the Court's appointment of a permanent lead plaintiff. The parties agree that the MOU has been terminated and are awaiting further direction from the Court as to how the litigation will proceed.

On August 3, 2016, the Company was served with a putative class action lawsuit, *Daniel L. Bloomquist v. Covance Inc., et al.*, filed in the Superior Court of California, County of San Diego. The complaint alleges that Covance Inc. violated the California Labor Code and California Business & Professions Code by failing to provide overtime wages, failing to provide meal and rest periods, failing to pay for all hours worked, failing to pay for all wages owed upon termination, and failing to provide accurate itemized wage statements to Clinical Research Associates and Senior Clinical Research Associates employed by Covance Inc. in California. The lawsuit seeks monetary damages, civil penalties, injunctive relief, and recovery of attorney's fees and costs. On October 13, 2016, the case was removed to the United States District Court for the Southern District of California. The Company will vigorously defend the lawsuit.

On February 7, 2017, Sequenom received a subpoena from the U.S. Securities and Exchange Commission (SEC) relating to an SEC investigation into the trading activity of Sequenom shares in connection with the Company's July 2016 announcement regarding the Sequenom merger. On March 7, 2017, the Company received a similar subpoena. The Company is cooperating with these requests.

On March 10, 2017, the Company was served with a putative class action lawsuit, *Victoria Bouffard, et al. v. Laboratory Corporation of America Holdings*, filed in the United States District Court for the Middle District of North Carolina. The complaint alleges that the Company's patient list prices unlawfully exceed the rates negotiated for the same services with private and public health insurers in violation of various state consumer protection laws. The lawsuit also alleges breach of implied contract or quasi-contract, unjust enrichment, and fraud. The lawsuit seeks statutory, exemplary, and punitive damages, injunctive relief, and recovery of attorney's fees and costs. The Company will vigorously defend the lawsuit.

Under the Company's present insurance programs, coverage is obtained for catastrophic exposure as well as those risks required to be insured by law or contract. The Company is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred. As of March 31, 2017, the Company had provided letters of credit aggregating approximately \$66.0, primarily in connection with certain insurance programs. The Company's availability under its revolving credit facility is reduced by the amount of these letters of credit.

10. PENSION AND POST-RETIREMENT PLANS

The Company's defined contribution retirement plan (401K Plan) covers substantially all pre-Acquisition employees. All employees eligible for the 401K Plan receive a minimum 3% non-elective contribution concurrent with each payroll period. The 401K Plan also permits discretionary contributions by the Company of up to 1% and up to 3% of pay for eligible employees based on years of service with the Company. The cost of this plan was \$14.5 and \$13.3 for the three months ended March 31, 2017 and 2016, respectively. As a result of the Acquisition, the Company also incurred expense of \$15.0 and \$13.7 for the Covance 401K plan during the three months ended March 31, 2017 and 2016, respectively. All of the Covance U.S. employees are eligible to participate in the discretionary Covance 401K plan, which features a maximum 4.5% Company match, based upon a percentage of the employee's contributions.

The Company also maintains a frozen defined benefit retirement plan (Company Plan), which as of December 31, 2009 covered substantially all employees. The benefits to be paid under the Company Plan are based on years of credited service through December 31, 2009 and ongoing interest credits. Effective January 1, 2010, the Company Plan was closed to new participants. The Company's policy is to fund the Company Plan with at least the minimum amount required by applicable regulations.

The Company maintains a second unfunded, non-contributory, non-qualified defined benefit retirement plan (PEP), which as of December 31, 2009 covered substantially all of its senior management group. The PEP supplements the Company Plan and was closed to new participants effective January 1, 2010.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

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

	Three Months Ended March 31,	
	2017	2016
Service cost for administrative expenses	\$ 1.4	\$ 1.2
Interest cost on benefit obligation	3.7	3.9
Expected return on plan assets	(4.1)	(4.2)
Net amortization and deferral	2.8	2.8
Defined benefit plan costs	<u>\$ 3.8</u>	<u>\$ 3.7</u>

During the three months ended March 31, 2017, the Company contributed \$2.5 to the Company Plan.

As a result of the Acquisition, the Company also has a frozen non-qualified Supplemental Executive Retirement Plan (SERP). The SERP, which is not funded, is intended to provide retirement benefits for certain executive officers of the Company who were formerly employees of Covance. Benefit amounts are based upon years of service and compensation of the participating employees. The components of the net periodic pension cost for the three months ended March 31, 2017 and March 31, 2016 are as follows:

	Three Months Ended March 31,	
	2017	2016
Interest cost	\$ 0.1	\$ 0.2
Settlement gain	(0.1)	—
Net periodic pension cost	<u>\$ —</u>	<u>\$ 0.2</u>

The Company has assumed the obligations under a subsidiary's post-retirement medical plan. Coverage under this plan is restricted to a limited number of existing employees of the subsidiary. The Company funds the plan through monthly contributions to a Health Reimbursement Arrangement, which can be used by eligible participants to purchase health care insurance through insurance exchanges. Effective January 1, 2017, Health Reimbursement Arrangement contributions for Medicare eligible participants ceased. The effect on operations of the post-retirement medical plan is shown in the following table:

	Three Months Ended March 31,	
	2017	2016
Interest cost on benefit obligation	0.1	0.1
Net amortization and deferral	(1.7)	(3.8)
Post-retirement medical plan benefits	<u>\$ (1.6)</u>	<u>\$ (3.7)</u>

Also as a result of the Acquisition, the Company sponsors a post-employment retiree health and welfare plan for the benefit of eligible employees at certain U.S. subsidiaries who retire after satisfying service and age requirements. Effective January 1, 2017, this Plan ceased directly providing medical, prescription drug and dental coverage options previously available to eligible participants. Instead, the Company will fund the plan through monthly contributions to a Health Reimbursement Arrangement, which can be used by non-Medicare eligible participants to purchase health care insurance through insurance exchanges. The net periodic post-retirement benefit cost for the three months ended March 31, 2017 and 2016 was \$0.5 and \$0.4, respectively.

As a result of the Acquisition, the Company sponsors two defined benefit pension plans for the benefit of its employees at two United Kingdom subsidiaries and one defined benefit pension plan for the benefit of its employees at a German subsidiary, all of which are legacy plans of previously acquired companies. Benefit amounts for all three plans are based upon years of service and compensation. The German plan is unfunded while the United Kingdom pension plans are funded. The Company's funding policy has been to contribute annually amounts at least equal to the local statutory funding requirements.

	United Kingdom Plans	
	Three Months Ended March 31, 2017	
Service cost for administrative expenses	\$ 0.9	\$ 0.8
Interest cost on benefit obligation	1.8	2.2
Expected return on plan assets	(2.8)	(3.1)
Net gain/loss from prior periods	0.2	—
Defined benefit plan costs	<u>\$ 0.1</u>	<u>\$ (0.1)</u>
Assumptions used to determine defined benefit plan cost		
Discount rate	2.7%	3.8%
Expected return on assets	4.7%	5.6%
Salary increases	3.8%	3.6%

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

	German Plan	
	Three Months Ended March 31, 2017	
Service cost for administrative expenses	\$ 0.3	\$ 0.2
Interest cost on benefit obligation	0.1	0.2
Net (gain) from earlier periods	—	(0.1)
Defined benefit plan costs	\$ 0.4	\$ 0.3
Assumptions used to determine defined benefit plan cost		
Discount rate	1.7%	2.5%
Expected return on assets	N/A	N/A
Salary increases	2.0%	2.0%

11. FAIR VALUE MEASUREMENTS

The Company's population of financial assets and liabilities subject to fair value measurements as of March 31, 2017 and December 31, 2016 is as follows:

	Fair Value as of March 31, 2017	Fair Value Measurements as of March 31, 2017 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
		\$	\$	\$
Noncontrolling interest put	15.5	—	15.5	—
Interest rate swap	18.5	—	18.5	—
Cash surrender value of life insurance policies	55.8	—	55.8	—
Deferred compensation liability	56.9	—	56.9	—
Contingent consideration	16.0	—	—	16.0

	Fair Value as of December 31, 2016	Fair Value Measurements as of December 31, 2016 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
		\$	\$	\$
Noncontrolling interest put	15.2	—	15.2	—
Interest rate swap	14.6	—	14.6	—
Cash surrender value of life insurance policies	53.6	—	53.6	—
Deferred compensation liability	54.2	—	54.2	—
Contingent consideration	16.8	—	—	16.8

The Company has a noncontrolling interest put related to its Ontario subsidiary that has been classified as mezzanine equity in the Company's condensed consolidated balance sheets. The noncontrolling interest put is valued at its contractually determined value, which approximates fair value.

The Company offers certain employees the opportunity to participate in a deferred compensation plan (DCP). A participant's deferrals are allocated by the participant to one or more of 16 measurement funds, which are indexed to externally managed funds. From time to time, to offset the cost of the growth in the participant's investment accounts, the Company purchases life insurance policies, with the Company named as beneficiary of the policies. Changes in the cash surrender value of these policies are based upon earnings and changes in the value of the underlying investments, which are typically invested in a manner similar to the participants' allocations. Changes in the fair value of the DCP obligation are derived using quoted prices in active markets based on the market price per unit multiplied by the number of units. The cash surrender value and the DCP obligations are classified within Level 2 because their inputs are derived principally from observable market data by correlation to the hypothetical investments.

The Company has contingent accrued earn-out business acquisition consideration liabilities which were recorded at fair value on the acquisition date and are remeasured quarterly based on the then assessed fair value and adjusted if necessary. The increases or decreases in the fair value of contingent consideration payable can result from changes in anticipated revenue levels and changes in assumed discount periods and rates. As the fair value measure is based on significant inputs that are not observable in the market, they are categorized as Level 3.

The carrying amounts of cash and cash equivalents, accounts receivable, income taxes receivable, and accounts payable are considered to be representative of their respective fair values due to their short-term nature. The fair market value of the zero-coupon subordinated notes, based on market pricing, was approximately \$23.5 and \$79.3 as of March 31, 2017 and December 31,

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

2016, respectively. The fair market value of all of the senior notes, based on market pricing, was approximately \$5,240.0 and \$5,254.5 as of March 31, 2017 and December 31, 2016, respectively. The Company's note and debt instruments are classified as Level 2 instruments, as the fair market values of these instruments are determined using other observable inputs.

12. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

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

Interest Rate Swap

The Company is party to two fixed-to-variable interest rate swap agreements for its 4.625% senior notes due 2020 with an aggregate notional amount of \$600.0 and variable interest rates based on one-month LIBOR plus 2.298% to hedge against changes in the fair value of a portion of the Company's long term debt. These derivative financial instruments are accounted for as fair value hedges of the senior notes due 2020. These interest rate swaps are included in other long term assets and added to the value of the senior notes, with an aggregate fair value of \$18.5 and \$14.6 at March 31, 2017 and December 31, 2016, respectively. As the specific terms and notional amounts of the derivative financial instruments match those of the fixed-rate debt being hedged, the derivative instruments are assumed to be perfectly effective hedges and accordingly, there is no impact to the Company's consolidated statements of operations.

Embedded Derivatives Related to the Zero-Coupon Subordinated Notes

The Company's zero-coupon subordinated notes contain the following two features that are considered to be embedded derivative instruments under authoritative guidance in connection with accounting for derivative instruments and hedging activities:

- 1) The Company will pay contingent cash interest on the zero-coupon subordinated notes after September 11, 2006, if the average market price of the notes equals 120% or more of the sum of the issue price, accrued original issue discount and contingent additional principal, if any, for a specified measurement period.
- 2) Holders may surrender zero-coupon subordinated notes for conversion during any period in which the rating assigned to the zero-coupon subordinated notes by Standard & Poor's Ratings Services is BB- or lower.

The Company believes these embedded derivatives had no fair value at March 31, 2017 and December 31, 2016. These embedded derivatives also had no impact on the condensed consolidated statements of operations for the three months ended March 31, 2017 and 2016, respectively.

Other Derivative Instruments

The Company periodically enters into foreign currency forward contracts, which are recognized as assets or liabilities at their fair value. These contracts do not qualify for hedge accounting and the changes in fair value are recorded directly to earnings. The contracts are short-term in nature and the fair value of these contracts is based on market prices for comparable contracts. The fair value of these contracts is not significant as of March 31, 2017 and December 31, 2016.

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2017	2016
Supplemental schedule of cash flow information:		
Cash paid during period for:		
Interest	\$ 71.8	\$ 71.6
Income taxes, net of refunds	11.1	32.9
Disclosure of non-cash financing and investing activities:		
Surrender of restricted stock awards and performance awards	\$ 20.7	\$ 15.1
Assets acquired under capital leases	—	9.0
Increase in accrued property, plant and equipment	4.5	2.4

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars and shares in millions, except per share data)

14. BUSINESS SEGMENT INFORMATION

The following table is a summary of segment information for the three months ended March 31, 2017 and 2016. The management approach has been used to present the following segment information. This approach is based upon the way the management of the Company organizes its business unit operations for making operating decisions and assessing performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (CODM) for evaluating segment performance and deciding how to allocate resources to segments. The Company's chief executive officer has been identified as the CODM.

Segment asset information is not presented because it is not used by the CODM at the segment level. Operating earnings of each segment represents net revenues less directly identifiable expenses to arrive at operating income for the segment. General management and administrative corporate expenses are included in general corporate expenses below. The table below represents information about the Company's reporting segments for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,	
	2017	2016
Net revenues:		
LCD	\$ 1,717.9	\$ 1,590.6
CDD	690.3	704.6
Intercompany eliminations	(0.1)	—
Net revenues	<u>2,408.1</u>	<u>2,295.2</u>
Operating earnings:		
LCD	309.5	274.7
CDD	56.1	62.9
Unallocated corporate expenses	(32.9)	(38.1)
Total operating income	<u>332.7</u>	<u>299.5</u>
Other income (expense), net	(53.0)	(45.9)
Earnings before income taxes	<u>279.7</u>	<u>253.6</u>
Provision for income taxes	87.2	89.2
Net earnings	<u>192.5</u>	<u>164.4</u>
Less income attributable to noncontrolling interests	(0.3)	(0.3)
Net income attributable to Laboratory Corporation of America Holdings	<u>\$ 192.2</u>	<u>\$ 164.1</u>

15. SUBSEQUENT EVENT

On April 25, 2017 the Company announced that it is expanding its LaunchPad initiative to include its CDD segment. The application of this initiative to CDD will consist of two phases implemented over three years. The first phase is intended to better align CDD's resources with its near-term outlook, and, in connection with the implementation of the first phase, on April 24, 2017, the Company committed to carry out a reduction in workforce in 2017. The first phase is expected to generate pre-tax savings of approximately \$20.0 in 2017 and approximately \$45.0 on an annualized basis thereafter, with pre-tax charges of \$30.0 primarily related to severance costs expected to be approximately \$14.0 and related facility closure costs expected to be approximately \$16.0 in 2017. The second phase will focus on long-term structural changes designed to create a more efficient business model for CDD. Additional details on the second phase will be provided later this year.

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

FORWARD-LOOKING STATEMENTS

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

1. changes in government and third party payer regulations or coverage policies or other future reforms in the healthcare system (or in the interpretation of current regulations), new insurance or payment systems, including state, regional or private insurance cooperatives (e.g., health insurance exchanges), affecting governmental and third-party coverage or reimbursement for commercial laboratory testing;
2. significant monetary damages, fines, penalties, assessments, refunds, repayments, unanticipated compliance expenditures and/or exclusion or disbarment from or ineligibility to participate in government programs, among other adverse consequences, resulting from interpretations of, or future changes in, laws and regulations, including but not limited to, anti-fraud and abuse laws and regulations; or related to new interpretations of, or changes to, such laws and regulations by government agencies or investigations, audits, regulatory examinations, information requests and other inquiries by state or U.S. government agencies;
3. significant fines, penalties, costs, unanticipated compliance expenditures and/or damage to the Company's reputation arising from the failure to comply with U.S. and international privacy and security laws and regulations, including the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, U.S. state laws and regulations, and international laws and regulations including, but not limited to, the European Union's General Data Protection Regulation and those of other countries outside of the United States;
4. loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or interpretations of applicable national, state, or local licensing laws or regulations including, but not limited to, the Clinical Laboratory Improvement Act of 1967, the Clinical Laboratory Improvement Amendments of 1988 and applicable regulations in other countries where the Company operates laboratories;
5. penalties or loss of license arising from the failure to comply with the U.S. Occupational Safety and Health Administration requirements and the U.S. Needlestick Safety and Prevention Act, or similar laws and regulations of U.S., state, local or international agencies;
6. fines, unanticipated compliance expenditures, suspension of manufacturing, enforcement actions, injunctions, or criminal prosecution arising from failure to maintain compliance with cGMP regulations and other applicable requirements of various regulatory agencies;
7. sanctions or other remedies, including fines, unanticipated compliance expenditures, enforcement actions, injunctions or criminal prosecution arising from failure to comply with the Animal Welfare Act or similar international laws and regulations;
8. changes in testing guidelines or recommendations by government agencies, medical specialty societies and other authoritative bodies affecting the utilization of laboratory tests;
9. changes in government regulations or policies, including regulations and policies of the U.S. Food and Drug Administration, the U.S. Department of Agriculture, the Medicine and Healthcare products Regulatory Agency in the U.K., the China Food and Drug Administration, the Pharmaceutical and Medical Devices Agency in Japan, the European Medicines Agency or other U.S., state, local or international agencies, affecting the approval, availability of, and the selling and marketing of diagnostic tests, drug development, or the conduct of drug development studies and trials;
10. changes in government regulations or reimbursement pertaining to the biopharmaceutical industry, changes in reimbursement of biopharmaceutical products or reduced spending on research and development by biopharmaceutical customers;
11. liabilities that result from the inability to comply with corporate governance requirements;

12. increased competition, including price competition, potential reduction in rates in response to price transparency and consumerism, competitive bidding and/or changes or reductions to fee schedules and competition from companies that do not comply with existing laws or regulations or otherwise disregard compliance standards in the industry;
13. changes in payer mix or payment structure, including insurance carrier participation in health insurance exchanges, an increase in capitated reimbursement mechanisms, the impact of a shift to consumer-driven health plans or plans carrying an increased level of member cost-sharing, and adverse changes in payer reimbursement or payer coverage policies (implemented directly or through a third party utilization management organization) related to specific diagnostic tests, categories of testing or testing methodologies;
14. failure to retain or attract managed care organization (MCO) business as a result of changes in business models, including new risk-based or network approaches, out-sourced Laboratory Network Management or Utilization Management companies, or other changes in strategy or business models by MCOs;
15. failure to obtain and retain new customers, an unfavorable change in the mix of testing services ordered, or a reduction in tests ordered, specimens submitted or services requested by existing customers;
16. difficulty in maintaining relationships with customers or retaining key employees as a result of uncertainty surrounding the integration of acquisitions and the resulting negative effects on the business of the Company;
17. consolidation and convergence of MCOs, biopharmaceutical companies, health systems, large physician organizations and other customers potentially causing material shifts in insourcing, utilization, pricing and reimbursements, including full and partial risk-based models;
18. failure to effectively develop and deploy new systems, system modifications or enhancements required in response to evolving market and business needs;
19. customers choosing to outsource services that are or could be purchased from the Company;
20. failure to identify, successfully close and effectively integrate and/or manage newly acquired businesses;
21. inability to achieve the expected benefits and synergies of newly-acquired businesses, and impact on the Company's cash position, levels of indebtedness and stock price;
22. termination, loss, delay, reduction in scope or increased costs of contracts, including large contracts and multiple contracts;
23. liability arising from errors or omissions in the performance of contract research services or other contractual arrangements;
24. failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to the Company's intellectual property rights;
25. changes or disruption in services or supplies provided by third parties, including transportation;
26. damage or disruption to the Company's facilities;
27. damage to the Company's reputation, loss of business or other harm from acts of animal rights extremists or potential harm and/or liability arising from animal research activities or the provision of animal research products;
28. adverse results in litigation matters;
29. inability to attract and retain experienced and qualified personnel;
30. failure to develop or acquire licenses for new or improved technologies, such as point-of-care testing and mobile health technologies, or potential use of new technologies by customers and/or consumers to perform their own tests;
31. substantial costs arising from the inability to commercialize newly licensed tests or technologies or to obtain appropriate coverage or reimbursement for such tests;
32. inability to obtain and maintain adequate patent and other proprietary rights for protection of the Company's products and services and successfully enforce the Company's proprietary rights;
33. scope, validity and enforceability of patents and other proprietary rights held by third parties that may impact the Company's ability to develop, perform, or market the Company's products or services or operate its business;
34. business interruption or other impact on the business due to adverse weather, fires and/or other natural disasters, acts of war, terrorism or other criminal acts, and/or widespread outbreak of influenza or other pandemic illness;
35. discontinuation or recalls of existing testing products;
36. a failure in the Company's information technology systems, including with respect to testing turnaround time and billing processes, or the failure to maintain the security of business information or systems or to protect against cyber security

attacks, or delays or failures in the development and implementation of the Company's automation platforms, any of which could result in a negative effect on the Company's performance of services, a loss of business or increased costs, damages to the Company's reputation, significant litigation exposure, an inability to meet required financial reporting deadlines, or the failure to meet future regulatory or customer information technology, data security and connectivity requirements;

37. business interruption, increased costs, and other adverse effects on the Company's operations due to the unionization of employees, union strikes, work stoppages, general labor unrest or failure to comply with labor or employment laws;
38. failure to maintain the Company's days sales outstanding and/or bad debt expense levels including a negative impact on the Company's reimbursement, cash collections and profitability arising from unfavorable changes in third-party payer policies and continued market shift to plan designs with higher patient out-of-pocket costs;
39. impact on the Company's revenue, cash collections and the availability of credit for general liquidity or other financing needs arising from a significant deterioration in the economy or financial markets or in the Company's credit ratings by S&P and/or Moody's;
40. failure to maintain the expected capital structure for the Company, including failure to maintain the Company's investment grade rating;
41. changes in reimbursement by foreign governments and foreign currency fluctuations;
42. inability to obtain certain billing information from physicians, resulting in increased costs and complexity, a temporary disruption in receipts and ongoing reductions in reimbursements and net revenues;
43. expenses and risks associated with international operations, including, but not limited to, compliance with the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws and regulations, trade sanction laws and regulations, and laws and regulations that differ from those of the U.S., and economic, political, legal and other operational risks associated with foreign markets;
44. failure to achieve expected efficiencies and savings in connection with the Company's business process improvement initiatives;
45. changes in tax laws and regulations or changes in their interpretation; and
46. global economic conditions and government and regulatory changes, including, but not limited to the United Kingdom's announced intention to exit from the European Union.

GENERAL (dollars in millions, except per share data)

During the first quarter of 2017, LCD experienced strong revenue growth, driven by acquisitions as well as organic growth, which was tempered by lower demand and slower revenue conversion from CDD's backlog. The company defines organic growth as the increase in revenue excluding revenue from acquisitions for the first twelve months after the close of each acquisition.

On April 25, 2017 the Company announced that it is expanding its LaunchPad initiative to include its CDD segment. The application of this initiative to CDD will consist of two phases implemented over three years. The first phase is intended to better align CDD's resources with its near-term outlook, and, in connection with the implementation of the first phase, on April 24, 2017, the Company committed to carry out a reduction in workforce in 2017. The first phase is expected to generate pre-tax savings of approximately \$20.0 in 2017 and approximately \$45.0 on an annualized basis thereafter, with pre-tax charges of \$30.0 primarily related to severance costs expected to be approximately \$14.0 and related facility closure costs expected to be approximately \$16.0 in 2017. The second phase will focus on long-term structural changes designed to create a more efficient business model for CDD. Additional details on the second phase will be provided later this year.

Based upon performance in the first quarter of 2017, the Company will continue to monitor the financial performance of, and assumptions for, two of the CDD reporting units for which an income approach for goodwill impairment was performed in 2016. A future impairment charge for goodwill or intangible assets could have a material effect on the Company's operating income as presented in its Consolidated Statement of Operations.

RESULTS OF OPERATIONS (dollars in millions)*Three months ended March 31, 2017 compared with three months ended March 31, 2016***Net Revenue**

	Three Months Ended March 31,		Change
	2017	2016	
Net revenue			
LCD	\$ 1,717.9	\$ 1,590.6	8.0 %
CDD	690.3	704.6	(2.0)%
Intercompany eliminations	(0.1)	—	N/A
Total	\$ 2,408.1	\$ 2,295.2	4.9 %

The increase in net revenue for the three months ended March 31, 2017 as compared with the corresponding period in 2016 was due to strong growth in LCD, partially offset by the negative impact of foreign currency translation of approximately 40 basis points on a consolidated basis.

LCD net revenue for the first quarter was \$1,717.9, an increase of 8.0% over revenue of \$1,590.6 in the first quarter of 2016. The increase in net revenue was the result of organic volume, measured by requisitions, price, mix, acquisitions and currency. The increase in organic net revenue was driven by growth in volume, measured by requisition, of 1.8%. Price and mix accounted for an additional 2.4% of the growth. The increase in net revenue was also favorably impacted by 0.1% of currency. In addition, acquisitions added 3.9% to net revenue. BeaconLBS, the Company's technology-enabled solution providing point-of-care decision support, offset the growth in revenue by 0.2%.

CDD net revenue for the first quarter was \$690.3, a decrease of 2.0% over revenue of \$704.6 in the first quarter of 2016. The decrease in net revenue was due to lower demand, driven by the previously-announced cancellation by sponsors of two large studies in late-2016 for which CDD provided central laboratory services, and slower revenue conversion from the backlog. The decrease in net revenue was also unfavorably impacted by 1.5% of foreign currency translation.

Net Cost of Revenues

	Three Months Ended March 31,		Change
	2017	2016	
Net cost of revenues	\$ 1,604.5	\$ 1,517.9	5.7%
Cost of revenues as a % of net revenue	66.6%	66.1%	

Net cost of revenues increased 5.7% during the three months ended March 31, 2017 as compared with the corresponding period in 2016. Net cost of revenues as a percentage of net revenue during the three months ended March 31, 2017 increased 0.5% as compared with the corresponding period in 2016 primarily due to the addition of clinical research associate positions within the CDD segment during the past year. The net cost of revenues was also impacted by a decrease of 0.3% due to currency fluctuations.

Selling, General and Administrative Expenses

	Three Months Ended March 31,		Change
	2017	2016	
Selling, general and administrative expenses	\$ 419.4	\$ 414.3	1.2%
Selling, general and administrative expenses as a % of net revenue	17.4%	18.1%	

Selling, general and administrative expenses as a percentage of net revenue decreased to 17.4% during the three months ended March 31, 2017 as compared to 18.1% during the corresponding period in 2016.

During the three months ended March 31, 2017, the Company incurred additional legal and other costs of \$0.9 relating to the recently completed acquisitions. The Company also recorded \$2.6 in consulting expenses relating to fees incurred as part of its integration costs and compensation analysis relating to its acquisition of Covance on February 19, 2015 (Acquisition), along with \$0.9 in short-term equity retention arrangements relating to the Acquisition. In addition, the Company incurred \$2.7 of non-capitalized costs associated with the implementation of a major system as part of LaunchPad (all recorded in selling general and administrative expenses). During the three months ended March 31, 2016, the Company incurred additional legal and other costs of \$1.6 relating to the wind-down of its minimum volume contract operations. The Company also recorded \$1.7 in consulting expenses relating to fees incurred as part of its Acquisition integration costs and compensation analysis, along with \$1.2 in short-term equity retention arrangements relating to the Acquisition and \$4.1 of accelerated equity compensation relating to the announced

retirement of a Company executive (all recorded in selling, general and administrative expenses). In addition, the Company incurred \$1.5 of non-capitalized costs associated with the implementation of a major system as part of LaunchPad. Excluding these charges, selling, general and administrative expenses as a percentage of net revenues were 17.1% and 17.6% during the three months ended March 31, 2017 and 2016, respectively.

The decrease in selling, general and administrative expenses as a percentage of net revenue, excluding these charges, is primarily due to the impact of LaunchPad. Bad debt expense for LCD was 4.6% of net revenue for that segment during the three months ended March 31, 2017 as compared to 4.7% during the corresponding period in 2016. The decrease in selling, general and administrative expenses was also impacted by a net decrease of 0.2% due to currency fluctuations.

Amortization of Intangibles and Other Assets

	Three Months Ended March 31,		Change
	2017	2016	
LCD	\$ 26.2	\$ 23.8	10.1%
CDD	21.4	20.5	4.4%
Total amortization of intangibles and other assets	\$ 47.6	\$ 44.3	7.4%

The increase in amortization of intangibles and other assets primarily reflects the impact of acquisitions occurring after March 31, 2016.

Restructuring and Other Special Charges

	Three Months Ended March 31,		Change
	2017	2016	
Restructuring and other special charges	\$ 3.9	\$ 19.2	(79.7)%

During the first three months of 2017, the Company recorded net restructuring and other special charges of \$3.9; \$1.5 within LCD and \$2.4 within CDD. The charges were comprised of \$2.7 related to severance and other personnel costs along with \$1.6 in costs associated with facility closures. The Company reversed \$0.4 in unused severance reserves.

During the first three months of 2016, the Company recorded net restructuring and other special charges of \$19.2; \$3.2 within LCD and \$16.0 within CDD. The charges were comprised of \$4.5 related to severance and other personnel costs along with \$17.0 in costs associated with facility closures. A substantial portion of these costs relate to the planned closure of duplicative data center operations. The Company reversed \$2.3 in unused severance reserves primarily as the result of selling one of CCD's minimum volume contract facilities to a third party.

Interest Expense

	Three Months Ended March 31,		Change
	2017	2016	
Interest expense	\$ (52.4)	(54.5)	(3.9)%

The decrease in interest expense for the three months ended March 31, 2017 as compared with the corresponding period in 2016 is primarily due to the repayment of the 3.125% senior notes in May 2016 and reduction of the term loan balance.

Equity Method Income

	Three Months Ended March 31,		Change
	2017	2016	
Equity method income	\$ 2.3	\$ 1.4	64.3%

Equity method income represents the Company's ownership share in joint venture partnerships along with equity investments in other companies in the health care industry. All of these partnerships and investments reside within LCD. The increase in income for the three months ended March 31, 2017 as compared with the corresponding period in 2016 was primarily due to the increased profitability in one of the joint ventures.

Other, net

	Three Months Ended March 31,		Change
	2017	2016	
Other, net	\$ (3.2)	\$ 6.7	(147.8)%

The change in other, net for the three months ended March 31, 2017, is primarily due to a net gain on the sale of investment securities from the Company's venture fund during the three months ended March 31, 2016. Foreign currency transaction losses were \$2.3 and \$1.4, respectively for the 2017 and 2016 periods presented.

Income Tax Expense

	Three Months Ended March 31,		Change
	2017	2016	
Income tax expense	\$ 87.2	\$ 89.2	(2.2)%
Income tax expense as a % of earnings before income taxes	31.2%	35.2%	

The Company's 2017 tax rate for the three months ended March 31, 2017 is lower than the 2016 tax rate primarily due to a greater benefit recognized for stock-based compensation in 2017. In 2017 and 2016, the rate was favorably impacted by foreign earnings taxed at lower rates than the U.S. statutory tax rate. The Company considers all of the foreign earnings to be permanently reinvested overseas.

Operating Results by Segment

	Three Months Ended March 31,		Change
	2017	2016	
LCD	\$ 309.5	\$ 274.7	12.7 %
LCD operating margin	18.0%	17.3%	0.7 %
CDD	56.1	62.9	(10.8)%
CDD operating margin	8.1%	8.9%	(0.8)%
General corporate expenses	(32.9)	(38.1)	(13.6)%
Total	\$ 332.7	\$ 299.5	11.1 %

LCD operating earnings were \$309.5 for the three months ended March 31, 2017, an increase of 12.7% over operating earnings of \$274.7 in the corresponding period of 2016. The increase in operating income was primarily due to strong revenue growth of 8.0% and savings from LaunchPad. LaunchPad remains on track to deliver net savings of \$150.0 through the three-year period ending in 2017.

CDD operating earnings were \$56.1 for the three months ended March 31, 2017, a decrease of 10.8% over operating earnings of \$62.9 in the corresponding period of 2016. The decline was primarily due to personnel costs, and strategic investments to support future growth, partially offset by cost synergies. The Company remains on track to deliver cost synergies of \$100.0 related to the integration of the Acquisition through the three-year period ending in 2017.

General corporate expenses are comprised primarily of administrative services such as executive management, human resources, legal, finance, corporate affairs, and information technology. Corporate expenses were \$32.9 for the three months ended March 31, 2017, a decrease of 13.6% over corporate expenses of \$38.1 in the corresponding period of 2016. The decrease in corporate expenses in 2017 is primarily due to lower acquisition related costs.

LIQUIDITY AND CAPITAL RESOURCES (dollars and shares in millions)

The Company's ability to generate cash and financial condition typically have provided ready access to capital markets. The Company's principal source of liquidity is operating cash flow, supplemented by proceeds from debt offerings. The Company's senior unsecured revolving credit facility is further discussed in Note 6 (Debt) to the Company's Unaudited Condensed Consolidated Financial Statements.

During the first three months of 2017 and 2016, respectively, the Company's cash flows were as follows:

	Three Months Ended March 31,	
	2017	2016
Net cash provided by operating activities	\$ 233.8	\$ 127.6
Net cash used for investing activities	(245.5)	(151.6)
Net cash used for financing activities	(59.8)	(0.7)
Effect of exchange rate on changes in cash and cash equivalents	3.4	4.6
Net change in cash and cash equivalents	\$ (68.1)	\$ (20.1)

Cash and Cash Equivalents

Cash and cash equivalents at March 31, 2017 and 2016 totaled \$365.5 and \$696.3, respectively. Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits, and other money market investments, substantially all of which have original maturities of three months or less.

Operating Activities

During the three months ended March 31, 2017, the Company's operations provided \$233.8 of cash as compared to \$127.6 during the same period in 2016. The \$106.2 increase in cash provided from operations in 2017 as compared with the corresponding 2016 period is primarily due to higher net earnings and improved working capital management.

Investing Activities

Net cash used in investing activities for the three months ended March 31, 2017 was \$245.5 as compared to \$151.6 for the three months ended March 31, 2016. The \$93.9 increase in cash used in investing activities was primarily due to cash paid for acquisitions and equity investments in the first quarter of 2017. Capital expenditures were \$72.2 and \$71.4 for the three months ended March 31, 2017 and 2016, respectively. The Company expects capital expenditures in 2017 to be approximately 3.0% of net revenues primarily in connection with projects to support growth in the Company's core businesses, including projects related to LaunchPad. The Company intends to continue to pursue acquisitions to fund growth and make important investments in its business, including in information technology, to improve efficiency and enable the execution of the Company's strategic vision. Such expenditures are expected to be funded by cash flow from operations, as well as borrowings under the Company's revolving credit facility or any successor facility, as needed.

Financing Activities

Net cash used for financing activities for the three months ended March 31, 2017 was \$59.8 compared to \$0.7 for the three months ended March 31, 2016. The \$59.1 increase in the cash used for financing activities for three months ended March 31, 2017, as compared to 2016, was primarily a result of the Company purchasing \$148.0 of common stock offset by net debt proceeds of \$65.2.

As part of its financing of the Acquisition, the Company entered into a \$1,000.0 term loan in December 2014. The term loan credit facility will mature five years after the closing date of the Acquisition and may be prepaid without penalty. The term loan balance at March 31, 2017 and December 31, 2016 was \$565.0.

On December 19, 2014, the Company entered into an amendment and restatement of its existing senior revolving credit facility, which was originally entered into on December 21, 2011. The senior revolving credit facility consists of a five-year revolving facility in the principal amount of up to \$1,000.0, with the option of increasing the facility by up to an additional \$250.0, subject to the agreement of one or more new or existing lenders to provide such additional amounts and certain other customary conditions. The revolving credit facility also provides for a subfacility of up to \$100.0 for swing line borrowings and a subfacility of up to \$125.0 for issuances of letters of credit. The revolving credit facility is permitted to be used for general corporate purposes, including working capital, capital expenditures, funding of share repurchases and certain other payments, and acquisitions and other investments. The outstanding balance on the Company's revolving credit facility was \$96.0 and \$0.0 at March 31, 2017 and December 31, 2016, respectively.

Under the term loan credit facility and the revolving credit facility, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment grade-rated borrowers and the Company is required to maintain certain leverage ratios that decline over time. The Company was in compliance with all covenants in the term loan credit and the revolving credit facility at March 31, 2017. As of March 31, 2017, the ratio of total debt to consolidated trailing 12 month EBITDA was 3.1 to 1.0.

The term loan credit facility accrues interest at a per annum rate equal to, at the Company's election, either a LIBOR rate plus a margin ranging from 1.125% to 2.00%, or a base rate determined according to a prime rate or federal funds rate plus a margin ranging from 0.125% to 1.00%. Advances under the revolving credit facility will accrue interest at a per annum rate equal to, at the Company's election, either a LIBOR rate plus a margin ranging from 1.00 to 1.60%, or a base rate determined according to a prime rate or federal funds rate plus a margin ranging from 0.00% to 0.60%. Fees are payable on outstanding letters of credit under the revolving credit facility at a per annum rate equal to the applicable margin for LIBOR loans, and the Company is required to pay a facility fee on the aggregate commitments under the revolving credit facility, at a per annum rate ranging from 0.125% to 0.40%. The interest margin applicable to the credit facilities, and the facility fee and letter of credit fees payable under the revolving credit facility, are based on the Company's senior credit ratings as determined by Standard & Poor's and Moody's.

As of March 31, 2017, the effective interest rate on the revolving credit facility was 2.02% and the effective interest rate on the term loan was 2.23%.

On September 30, 2016, the Company announced the successful completion of the consent solicitations for the 5.00% convertible senior notes due 2017 and 2018, acquired as part of the 2016 acquisition of Sequenom, Inc. On October 20, 2016, the Company retired \$129.9 of these outstanding notes, and paid an additional \$5.6 relating to the early retirement of the subsidiary indebtedness.

As of March 31, 2017, the Company provided letters of credit aggregating \$66.0, primarily in connection with certain insurance programs. Letters of credit provided by the Company are issued under the Company's revolving credit facility and are renewed annually.

At the end of 2016, including purchase commitments that had not yet settled, the Company had outstanding authorization from the Board of Directors to purchase up to \$739.5 of Company common stock. During the three months ended March 31, 2017, the Company purchased 1.1 shares of its common stock at a total cost of \$148.0. The Company also initiated purchases of \$8.0 which settled directly after March 31, 2017. As of March 31, 2017, including purchase commitments that had not yet settled, the Company had outstanding authorization from the Board of Directors to purchase up to \$589.5 of Company common stock. The repurchase authorization has no expiration.

The Company had a \$29.1 and \$28.3 reserve for unrecognized income tax benefits, including interest and penalties as of March 31, 2017 and December 31, 2016, respectively. Substantially all of these tax reserves are classified in other long-term liabilities in the Company's Condensed Consolidated Balance Sheets at March 31, 2017 and December 31, 2016.

Zero-coupon Subordinated Notes and Senior Notes

On March 13, 2017, the Company announced that for the period of March 12, 2017 to September 11, 2017, the zero-coupon subordinated notes will accrue contingent cash interest at a rate of no less than 0.125% of the average market price of a zero-coupon subordinated note for the five trading days ended March 8, 2017, in addition to the continued accrual of the original issue discount.

During the three months ended March 31, 2017, the Company settled notices to convert \$20.0 aggregate principal amount at maturity of its zero-coupon subordinated notes with a conversion value of \$62.1. The total cash used for these settlements was \$30.8 and the Company also issued 0.2 shares of common stock. As a result of these conversions, the Company also reversed deferred tax liabilities of \$12.8.

On April 3, 2017, the Company also announced that its zero-coupon subordinated notes may be converted into cash and common stock at the conversion rate of 13.4108 per \$1,000 principal amount at maturity of the notes, subject to the terms of the zero-coupon subordinated notes and the Indenture, dated as of October 24, 2006 between the Company and The Bank of New York Mellon, as trustee and conversion agent. In order to exercise the option to convert all or a portion of the zero-coupon subordinated notes, holders are required to validly surrender their zero-coupon subordinated notes at any time during the calendar quarter beginning April 1, 2017, through the close of business on the last business day of the calendar quarter, which is 5:00 p.m., New York City time, on Friday, June 30, 2017. If notices of conversion are received, the Company plans to settle the cash portion of the conversion obligation with cash on hand and/or borrowings under the new revolving credit facility.

Credit Ratings

The Company's debt ratings of Baa2 from Moody's and BBB from Standard and Poor's contribute to its ability to access capital markets.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates and other relevant market rate or price changes. In the ordinary course of business, the Company is exposed to various market risks, including changes in foreign currency exchange and interest rates, and the Company regularly evaluates the exposure to such changes. The Company addresses its exposure to market risks, principally the market risks associated with changes in foreign currency exchange rates and interest rates, through a controlled program of risk management that includes, from time to time, the use of derivative financial instruments such as foreign currency forward contracts and interest rate swap agreements. Although, as set forth below, the Company's zero-coupon subordinated notes contain features that are considered to be embedded derivative instruments, the Company does not hold or issue derivative financial instruments for trading purposes.

Foreign Currency Exchange Rates

Approximately 10.2% of the Company's net revenues for the three months ended March 31, 2017 and approximately 9.7% of those for the three months ended March 31, 2016 were denominated in currencies other than the U.S. Dollar. The Company's financial statements are reported in U.S. Dollars and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into U.S. Dollars for purposes of reporting the Company's consolidated financial results. In the first three months of 2017 and the year ended December 31, 2016, the most significant currency exchange rate exposures were to the Canadian Dollar, Swiss Franc, Euro and British Pound. Excluding the impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to U.S. Dollars would have impacted income before income taxes for the three months ended March 31, 2017 by approximately \$1.1. Gross accumulated currency translation adjustments recorded as a separate component of shareholders' equity were \$59.3

and \$54.5 at March 31, 2017 and 2016, respectively. The Company does not have significant operations in countries in which the economy is considered to be highly-inflationary.

The Company earns revenue from service contracts over a period of several months and, in some cases, over a period of several years. Accordingly, exchange rate fluctuations during this period may affect the Company's profitability with respect to such contracts. The Company is also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. The Company limits its foreign currency transaction risk through exchange rate fluctuation provisions stated in some of its contracts with customers, or it may hedge transaction risk with foreign currency forward contracts. At March 31, 2017, the Company had 13 open foreign exchange forward contracts relating to service contracts with various amounts maturing monthly through April 2017 with a notional value totaling approximately \$205.8. At December 31, 2016, the Company had 5 open foreign exchange forward contracts relating to service contracts with various amounts maturing monthly through January 2017 with a notional value totaling approximately \$167.9.

Interest Rates

Some of the Company's debt is subject to interest at variable rates. As a result, fluctuations in interest rates affect the business. The Company attempts to manage interest rate risk and overall borrowing costs through an appropriate mix of fixed and variable rate debt including by the utilization of derivative financial instruments, primarily interest rate swaps.

Borrowings under the Company's term loan credit facility and revolving credit facility are subject to variable interest rates, unless fixed through interest rate swaps or other agreements. As of March 31, 2017, the Company had \$565.0 of unhedged variable rate debt from the term loan credit facility and \$96.0 outstanding on its revolving credit facility. As of December 31, 2016, the Company had no outstanding balance on its revolving credit facility and \$565.0 on its term loan facility.

The Company is party to two fixed-to-variable interest rate swap agreements for the 4.625% senior notes due 2020 with an aggregate notional amount of \$600.0 and variable interest rates based on one-month LIBOR plus 2.298% to hedge against changes in the fair value of a portion of the Company's long term debt.

The Company's zero-coupon subordinated notes contain the following two features that are considered to be embedded derivative instruments under authoritative guidance in connection with accounting for derivative instruments and hedging activities:

- 1) The Company will pay contingent cash interest on the zero-coupon subordinated notes after September 11, 2006, if the average market price of the notes equals 120% or more of the sum of the issue price, accrued original issue discount and contingent additional principal, if any, for a specified measurement period.
- 2) Holders may surrender zero-coupon subordinated notes for conversion during any period in which the rating assigned to the zero-coupon subordinated notes by S&P's Ratings Services is BB- or lower.

Each quarter-point increase or decrease in the variable rate would result in the Company's interest expense changing by approximately \$1.4 per year for the Company's unhedged variable rate debt.

ITEM 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company carried out, under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon this evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2017.

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES**PART II - OTHER INFORMATION****Item 1. Legal Proceedings**

See Note 9 (Commitments and Contingencies) to the Company's unaudited condensed consolidated financial statements, above, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes in the risk factors that appear in Part I - Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds (Dollars in millions)

The following table sets forth information with respect to purchases of shares of the Company's common stock based on settled trades made during the three months ended March 31, 2017, by or on behalf of the Company:

	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares that May Yet Be Repurchased Under the Program
January 1 - January 31	0.5	131.96	0.5	680.0
February 1 - February 28	0.5	135.41	0.5	615.5
March 1 - March 31	0.1	142.15	0.1	597.5
	1.1	—	1.1	

The Board of Directors has authorized the repurchase of specified amounts of the Company's common stock since 2007, including the authorization to repurchase up to \$1,000.0 of the Company's common stock announced by the Company on October 18, 2013. During the quarter ended March 31, 2017, the Company also initiated purchases of \$8.0 that settled directly after March 31, 2017. At the end of the first quarter 2017, including unsettled purchase commitments, \$589.5 of repurchase authorization remained under the Company's share repurchase program. The repurchase authorization has no expiration date.

Item 6. Exhibits

(a)	Exhibits
3.1*	Amended and Restated By-Laws of the Company dated January 4, 2017
12.1*	Ratio of earnings to fixed charges
31.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)
31.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)
32*	Written Statement of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

* filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LABORATORY CORPORATION OF AMERICA HOLDINGS

Registrant

By: /s/ DAVID P. KING
David P. King
Chairman of the Board, President
and Chief Executive Officer

By: /s/ GLENN A. EISENBERG
Glenn A. Eisenberg
Executive Vice President,
Chief Financial Officer and Treasurer

April 28, 2017

**AMENDED AND RESTATED BY-LAWS OF
LABORATORY CORPORATION OF AMERICA HOLDINGS**

(hereinafter called the “Corporation”)

(as of January 4, 2017)

ARTICLE I

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors (or the Chairman or Vice Chairman, if any of the Board of Directors in the absence of a designation by the Board of Directors) and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders shall elect by a majority vote a Board of Directors, as provided in Section 1 of Article II, and transact such other business as may properly be brought before the meeting. Except as otherwise permitted or required by applicable laws or regulations, notice of the Annual Meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. Notice may be given in any manner permitted by applicable laws and regulations, as provided in Article V.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called at any time by the Board of Directors. Except as otherwise permitted or required by applicable laws or regulations, notice of a Special Meeting stating the place, if any, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. Notice may be given in any manner permitted by applicable laws and regulations, as provided in Article V.

Section 4. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, may adjourn the meeting from time to time, but no other business shall be transacted at the meeting. Any business may be transacted at the adjourned meeting which might have been transacted at the original meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, are announced at the meeting at which the adjournment is taken. If the adjournment is for more than thirty days, or, if after adjournment a new record date is fixed, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. Once a share is represented for any purpose at a meeting (other than solely to object (1) to holding the meeting or transacting business at the meeting, or (2) (if it is a special meeting) to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice), it is deemed present for quorum purposes for the remainder of the meeting and or any adjournment of that meeting unless a new record date is set for the adjourned meeting.

Section 5. Voting. Unless otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. Each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy

provides for a longer period. Unless required by statute, or determined to be advisable by the Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, the vote on any matter need not be by ballot.

Section 6. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. In the event that the action which is consented to is such as would have required the filing of a certificate under the General Corporation Law, if such action had been voted on by stockholders at a meeting thereof, the Certificate filed shall state, in lieu of any statement concerning any vote of stockholders, that written consent and written notice has been given as provided in this Section 6.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within 10 days after the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

Section 7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, in any manner permitted by statute. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 7 of this Article I or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders, or to consent in writing to any action pursuant to Section 6 of this Article I.

Section 9. Notice of Stockholder Business other than Director Nominations. In order for business to be properly brought before an Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice with respect to an Annual Meeting, other than with respect to nominations of persons for election to the Board of Directors of the Corporation pursuant to Article II, Sections 1 or 13, of these By-Laws, must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty nor more than one hundred twenty days prior to the anniversary date of the preceding year's Annual Meeting; provided, however, that in the event no Annual Meeting was held in the previous year or the date of the Annual Meeting has been changed by more than thirty days, notice by the stockholder to be timely must

be so received not later than the close of business on the later of one hundred and twenty days in advance of such Annual Meeting or ten days following the date on which public announcement of the date of the meeting is first made. In no event shall the public announcement of an adjournment or postponement of an Annual Meeting commence a new time period (or extend any time period) for the giving of a notice as described above. For all business other than director nominations, a stockholder's notice to the secretary of the Corporation shall set forth as to each matter the stockholder proposes to bring before the Annual Meeting: (i) a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, (ii) any other information relating to such stockholder and beneficial owner, if any, on whose behalf the proposal is being made, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal and pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder and (iii) as to the stockholder: (A) the name and address of the stockholder as they appear on the Corporation's books and of the beneficial owner, if any, on whose behalf the proposal is being made, (B) the class and number of shares of the Corporation which are owned by the stockholder (beneficially and of record) and owned by the beneficial owner, if any, on whose behalf the proposal is being made, as of the date of the stockholder's notice, (C) a description of any agreement, arrangement or understanding with respect to such proposal between or among the stockholder and any of its affiliates or associates, and any others (including their names) acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, the stockholder or any of its affiliates or associates, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the stockholder or any of its affiliates or associates with respect to shares of stock of the Corporation, (E) a representation that the stockholder is a holder of record of shares of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to present the proposal specified in the notice, and (F) a representation whether the stockholder intends to solicit proxies from stockholders in support of the proposal. The foregoing notice requirements of Section 9 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with the applicable rules and regulations promulgated under Section 14(a) of the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

No business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 9 and Article II, Sections 1 and 13 of these By-Laws, and unless otherwise required by law, if a stockholder intending to propose business at an annual meeting pursuant to this Section 9 does not provide the information required under this Section 9 to the Corporation promptly following the later of the record date or the date notice of the record date is first publicly disclosed, or the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present the proposed business, such business shall not be considered, notwithstanding that proxies in respect of such business may have been received by the Corporation. The requirements of this Section 9 shall apply to any business to be brought before an annual meeting by a stockholder whether such business is to be included in the Corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act or presented to stockholders by means of an independently financed proxy solicitation. The requirements of this Section 9 are included to provide the Corporation notice of a stockholder's intention to bring business before an annual meeting and shall in no event be construed as imposing upon any stockholder the requirement to seek approval from the Corporation as a condition precedent to bringing any such business before an annual meeting.

ARTICLE II

DIRECTORS

Section 1. Number and Election of Directors. The Board of Directors shall consist of not less than one nor more than fifteen members, the exact number of which shall be fixed from time to time by the Board of Directors. Except as otherwise required by these By-Laws, by law or by the Certificate of Incorporation, directors shall be elected by a majority of the votes cast at an Annual Meeting of Stockholders at which a quorum is present, provided that directors shall be elected by the vote of a plurality at a meeting at which a quorum is present if (i) the Secretary receives notice that a stockholder has nominated a person for election to the Board of Directors in accordance with the advance notice requirements for stockholder nominations set forth in this Section 1 and (ii) such nomination has not been withdrawn by such stockholder on or prior to the day next preceding the date the Corporation first mails notice of meeting for

such meeting to the stockholders. Each director so elected shall hold office until the next Annual Meeting and until his successor is duly elected and qualified, or until his earlier death, resignation or removal, in the manner hereinafter provided. Any director may resign at any time upon notice to the Corporation. Directors need not be stockholders. For purposes of this Section, a majority of the votes cast means that the number of shares voted "for" a director must exceed 50% of the votes cast with respect to that director.

Nominations for election to the Board of Directors at an annual or special meeting of the stockholders may be made by the Board of Directors or on behalf of the Board of Directors by a nominating committee duly appointed by the Board of Directors, or by a stockholder of the Corporation entitled to vote for the election of directors. Except as set forth in Article II, Section 13, all nominations, other than those made by or on behalf of the Board of Directors, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to the Secretary and received by the Secretary not less than sixty nor more than one hundred twenty days prior to the anniversary date of the preceding year's Annual Meeting, in the case of nominations for election at an Annual Meeting, and not more than ten days after the date of the Corporation's notice of a special meeting, in the case of nominations for election at a special meeting; provided, however, that in the event that the Annual Meeting is called for a date that is more than thirty days before or after the anniversary of the preceding year's Annual Meeting, in order to be timely the notice must be so received not later than the close of business on the later of one hundred and twenty days in advance of such Annual Meeting or ten days following the day on which public disclosure of the date of the Annual Meeting was made. In no event shall the public announcement of an adjournment or postponement of an Annual Meeting commence a new time period (or extend any time period) for the giving of a notice as described above. Such stockholder's notice shall set forth as to each proposed nominee who is not an incumbent director, (a) the name, age, business address and, if known, residence address of such nominee, (b) the principal occupation or employment of such nominee during the preceding five years, (c) the number of shares of stock of the Corporation which are beneficially owned by such nominee, (d) any other information relating to such nominee that would be required to be set forth in a definitive proxy statement filed in connection with a proxy solicitation pursuant to Section 14 of the Securities Exchange Act of 1934 ("the 1934 Act"), (e) the written consent of such nominee to being named in the Corporation's proxy statement as a nominee and to serving as a director of the Corporation, if elected; and such stockholder's notice shall set forth as to such stockholder the name and address, as they appear on the Corporation's books, of such stockholder, the number of shares of stock of the Corporation which are beneficially owned by such stockholder, and all other information relating to such stockholder that would be required to be filed with the Securities and Exchange Commission if such stockholder were a participant in a proxy solicitation pursuant to said Section 14. A nomination made otherwise than as provided in this Section 1 or in Article II, Section 13 shall be null and void and shall not be submitted to a vote of stockholders.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier resignation or removal.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 4. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the Vice Chairman, if there be one, the President, or any three or more directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director in any manner permitted by statute. Unless otherwise required by these By-Laws, the notice need not state the purpose or purposes of the meeting. Notice need not be given to any director who, either before or after the meeting, signs and submits a written waiver of notice, submits a waiver of notice by electronic transmission, or attends the meeting (except when he attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened).

Section 5. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the entire Board of Directors at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Actions of Board. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or writing or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 7. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 7 shall constitute presence in person at such meeting.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board of Directors when required. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and may delegate to a subcommittee such powers and authority as the committee deems appropriate.

Section 9. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a sum, in cash, securities or a combination thereof for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings. Compensation of directors shall be as determined by the Board of Directors.

Section 10. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transactions are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by

the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 11. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 12. Vice Chairman. The Vice Chairman of the Board of Directors, if there be one, or the Vice Chairmen, if there be more than one, shall perform such duties and may exercise such other powers as from time to time may be assigned by these By-Laws or the Board of Directors. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the Vice Chairman shall preside at meetings of the stockholders and the Board of Directors.

Section 13: Proxy Access. (a) The Corporation shall include in its proxy statement for an Annual Meeting of stockholders the name, together with the Required Information (as defined below), of any person nominated for election (a "Stockholder Nominee") to the Board of Directors by a stockholder that satisfies, or by a group of no more than twenty stockholders that satisfy, the requirements of this Section 13 (an "Eligible Stockholder"), and that expressly elects at the time of providing the notice required by this Section 13 (the "Nomination Notice") to have its nominee included in the Corporation's proxy materials pursuant to this Section 13.

(b) To be timely, a stockholder's Nomination Notice must be delivered given, either by personal delivery or mailed by United States certified mail, postage prepaid, and received by the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred fiftieth day prior to, nor later than the close of business on the one hundred twentieth day prior to, the first anniversary of the date of the Corporation's proxy statement released to stockholders in connection with the preceding year's Annual Meeting; provided, however, that in the event that the Annual Meeting is called for a date that is more than thirty days before or seventy days after the anniversary of the preceding year's Annual Meeting, in order to be timely the Nomination Notice must be so received not later than the close of business on the later of one hundred and twenty days in advance of such Annual Meeting or ten days following the day on which public disclosure of the date of the Annual Meeting was made. In no event shall the public announcement of an adjournment or postponement of an Annual Meeting commence a new time period (or extend any time period) for the giving of a Nomination Notice as described above.

(c) For purposes of this Section 13, the "Required Information" that the Corporation will include in its proxy statement is (i) the information concerning the Stockholder Nominee and the Eligible Stockholder that is required to be disclosed in the Corporation's proxy statement by the regulations promulgated under the 1934 Act; and (ii) if the Eligible Stockholder so elects, a Statement (as defined in Section 13(g)). To be timely, the Required Information must be delivered to or mailed to and received by the Secretary within the time period specified in this Section 13 for providing the Nomination Notice.

(d) The number of Stockholder Nominees (including Stockholder Nominees that were submitted by an Eligible Stockholder for inclusion in the Corporation's proxy materials pursuant to this Section 13 but either are subsequently withdrawn or that the Board of Directors decides to nominate as Board of Director nominees), together with any nominees who were previously elected to the Board of Directors as Stockholder Nominees at any of the preceding two Annual Meetings and who are re-nominated for election at such Annual Meeting by the Board of Directors, appearing in the Corporation's proxy materials with respect to an Annual Meeting of stockholders shall not exceed the greater of (i) two or (ii) twenty percent (20%) of the number of directors in office as of the last day on which a Nomination Notice may be delivered pursuant to this Section 13, or if such amount is not a whole number, the closest whole number below twenty percent (20%). In the event that the number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 13 exceeds this maximum number, each Eligible Stockholder will select one Stockholder Nominee for inclusion in the Corporation's proxy materials until the maximum number is reached, going in order of the amount (largest to smallest) of shares of the capital stock of the Corporation each Eligible Stockholder disclosed as owned in its respective Nomination Notice submitted to the Corporation and confirmed by the Corporation. If the maximum number is not reached after each Eligible Stockholder has selected one Stockholder Nominee, this selection

process will continue as many times as necessary, following the same order each time, until the maximum number is reached.

(e) For purposes of this Section 13, an Eligible Stockholder shall be deemed to “own” only those outstanding shares of the capital stock of the Corporation as to which the stockholder possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (x) sold by such stockholder or any of its affiliates in any transaction that has not been settled or closed, (y) borrowed by such stockholder or any of its affiliates for any purposes or purchased by such stockholder or any of its affiliates pursuant to an agreement to resell or (z) subject to any option, warrant, forward contract, swap, contract of sale, or other derivative or similar agreement entered into by such stockholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding capital stock of the Corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such stockholder’s or its affiliates’ full right to vote or direct the voting of any such shares, and/or (2) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such stockholder or affiliate. A stockholder shall “own” shares held in the name of a nominee or other intermediary so long as the stockholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A person’s ownership of shares shall be deemed to continue during any period in which (i) the person has loaned such shares, provided that the person has the power to recall such loaned shares on no more than five business days’ notice; or (ii) the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person. The terms “owned,” “owning” and other variations of the word “own” shall have correlative meanings. Whether outstanding shares of the capital stock of the Corporation are “owned” for these purposes shall be determined by the Board of Directors, which determination shall be conclusive and binding on the Corporation and its stockholders.

(f) An Eligible Stockholder must have owned (as defined above) continuously for at least three years that number of shares of capital stock as shall constitute three percent (3%) or more of the outstanding capital stock of the Corporation (the “Required Shares”) as of both (i) a date within seven days prior to the date of the Nomination Notice and (ii) the record date for determining stockholders entitled to vote at the Annual Meeting. For purposes of satisfying the foregoing ownership requirement under this Section 13, (i) the shares of the capital stock of the Corporation owned by one or more stockholders, or by the person or persons who own shares of the capital stock of the Corporation and on whose behalf any stockholder is acting, may be aggregated, provided that the number of stockholders and other persons whose ownership of shares of capital stock of the Corporation is aggregated for such purpose shall not exceed twenty, and (ii) a group of funds under common management and investment control shall be treated as one stockholder or person for this purpose. No person may be a member of more than one group of persons constituting an Eligible Stockholder under this Section 13. For the avoidance of doubt, if a group of stockholders aggregates ownership of shares in order to meet the requirements under this Section 13, all shares held by each stockholder constituting their contribution to the foregoing 3% threshold must be held by that stockholder continuously for at least three years, and evidence of such continuous ownership shall be provided as specified in this Section 13(f).

Within the time period specified in this Section 13 for providing the Nomination Notice, an Eligible Stockholder must provide the following information in writing to the Secretary of the Corporation:

(i) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period) verifying that, as of a date within seven days prior to the date of the Nomination Notice, the Eligible Stockholder owns, and has owned continuously for the preceding three years, the Required Shares, and the Eligible Stockholder’s agreement to provide, within five business days after the record date for the Annual Meeting, written statements from the record holder and intermediaries verifying the Eligible Stockholder’s continuous ownership of the Required Shares through the record date;

(ii) the written consent of each Stockholder Nominee to being named in the proxy statement as a nominee and to serving as a director if elected;

(iii) a copy of the Schedule 14N that has been filed with the Securities and Exchange Commission as required by Rule 14a-18 under the 1934 Act, as such rule may be amended;

(iv) a description of all direct and indirect compensation and other material monetary agreements, arrangements, and understandings during the past three years, and any other material relationships, between or among the Eligible Stockholder and its affiliates and associates, or others acting in concert therewith, on the one hand, and each Stockholder Nominee, and each Stockholder Nominee's respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the Eligible Stockholder making the nomination or on whose behalf the nomination is made, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of Item 404 and the nominee were a director or executive officer of such registrant;

(v) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, the Eligible Stockholder, the effect or intent of which is to mitigate loss, manage risk or benefit from share price change for, or maintain, increase or decrease the voting power of, such Eligible Stockholder with respect to shares of stock of the corporation, and a representation that the Eligible Stockholder will notify the corporation in writing of any such agreement, arrangement or understanding in effect as of the record date for the meeting promptly following the later of the record date or the date notice of the record date is first publicly disclosed;

(vi) a representation that the Eligible Stockholder (including each member of any group of stockholders that together is an Eligible Stockholder under this Section 13) (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the Corporation, and does not presently have such intent, (B) intends to appear in person or by proxy at the Annual Meeting to present the nomination, (C) has not nominated and will not nominate for election to the Board of Directors at the Annual Meeting any person other than the Stockholder Nominee(s) being nominated pursuant to this Section 13, (D) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the 1934 Act in support of the election of any individual as a director at the Annual Meeting other than its Stockholder Nominee or a nominee of the Board of Directors, (E) will not distribute to any stockholder any form of proxy for the Annual Meeting other than the form distributed by the Corporation and (F) in the case of a nomination by a group of stockholders that together is an Eligible Stockholder, the designation by all group members of one group member that is authorized to act on behalf of all such members with respect to the nomination and matters related thereto, including any withdrawal of the nomination; and

(vii) an undertaking that the Eligible Stockholder agrees to (A) own the Required Shares through the date of the Annual Meeting, (B) assume all liability stemming from any legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder provided to the Corporation, (C) indemnify and hold harmless the Corporation and each of its directors, officers and employees individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any nomination, solicitation or other activity by the Eligible Stockholder in connection with its efforts to elect the Stockholder Nominee pursuant to this Section 13, (D) comply with all other laws and regulations applicable to any solicitation in connection with the Annual Meeting and (E) provide to the Corporation prior to the Annual Meeting such additional information as necessary with respect thereto.

(g) The Eligible Stockholder may provide to the Secretary of the Corporation, at the time the information required by this Section 13 is provided, a written statement for inclusion in the Corporation's proxy statement for the Annual Meeting, not to exceed five hundred words, in support of the Stockholder Nominee's candidacy (the "Statement"). Notwithstanding anything to the contrary contained in this Section 13, the Corporation may omit from its proxy

materials any information or Statement (or portion thereof) that it, in good faith, believes would violate any applicable law or regulation.

(h) Within the time period specified in this Section 13 for delivering the Nomination Notice, a Stockholder Nominee must deliver to the Secretary of the Corporation a written representation and agreement that the Stockholder Nominee (i) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director, and (iii) will comply with all of the Corporation's corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines, and any other Corporation policies and guidelines applicable to directors, as well as any applicable law, rule or regulation or listing requirement. At the request of the Corporation, the Stockholder Nominee must submit all completed and signed questionnaires required of the Corporation's directors and officers. The Corporation may request such additional information as necessary to permit the Board of Directors to determine if each Stockholder Nominee is independent under the listing standards of the principal U.S. exchange upon which the Corporation's capital stock is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors (the "Applicable Independence Standards").

(i) Any Stockholder Nominee who is included in the Corporation's proxy materials for a particular Annual Meeting of stockholders but either (i) withdraws from or becomes ineligible or unavailable for election at the Annual Meeting, or (ii) does not receive at least twenty-five percent (25%) of the votes cast "for" the Stockholder Nominee's election, will be ineligible to be a Stockholder Nominee pursuant to this Section 13 for the next two (2) Annual Meetings.

(j) The Corporation shall not be required to include, pursuant to this Section 13, any Stockholder Nominees in its proxy materials for any meeting of stockholders (i) for which the Secretary of Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors pursuant to the advance notice requirements for stockholder nominees for director set forth in Section 1 of this Article II and such stockholder does not expressly elect at the time of providing the notice to have its nominee included in the Corporation's proxy materials pursuant to this Section 13, (ii) if the Eligible Stockholder who has nominated such Stockholder Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the 1934 Act in support of the election of any individual as a director at the meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (iii) who is not independent under the Applicable Independence Standards, as determined by the Board of Directors, (iv) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these By-Laws, the Certificate of Incorporation, the listing standards of the principal exchange upon which the Corporation's capital stock is traded, or any applicable law, rule or regulation, (v) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as determined by the Board of Directors, (vi) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past ten years, (vii) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, (viii) if such Stockholder Nominee or the applicable Eligible Stockholder shall have provided information to the Corporation in respect to such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading, as determined by the Board of Directors, or (ix) if the Eligible Stockholder or applicable Stockholder Nominee otherwise contravenes any of the agreements or representations made by such Eligible Stockholder or Stockholder Nominee or fails to comply with its obligations pursuant to this Section 13.

(k) Notwithstanding anything to the contrary set forth herein, the Board of Directors or the person presiding at the meeting shall declare a nomination by an Eligible Stockholder to be invalid, and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the Corporation, if (i) the Stockholder Nominee(s) and/or the applicable Eligible Stockholder shall have breached its or their obligations, agreements or representations under this Section 13, as determined by the Board of Directors or the person presiding at the Annual

Meeting of stockholders, or (ii) the Eligible Stockholder (or a qualified representative thereof) does not appear at the Annual Meeting of stockholders to present any nomination pursuant to this Section 13.

(l) The Eligible Stockholder (including any person who owns shares of capital stock of the Corporation that constitute part of the Eligible Stockholder's ownership for purposes of satisfying Section 13(f) hereof) shall file with the Securities and Exchange Commission any solicitation or other communication with the Corporation's stockholders relating to the meeting at which the Stockholder Nominee will be nominated, regardless of whether any such filing is required under Regulation 14A of the 1934 Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the 1934 Act.

ARTICLE III

OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President and a Secretary. The Board of directors, in its discretion, may also choose a Treasurer and one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the entire Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all executive officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name and on behalf of the Corporation by any officer of the Corporation and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. President. The President shall, subject to the control of the Board of Directors, be the Chief Executive Officer of the Corporation and shall have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the President. In the absence or disability of the Chairman and the Vice Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 5. Executive Vice Presidents/Senior Vice Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors or Vice Chairman of the Board of Directors), the Executive Vice President or Senior Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Executive Vice President or Senior Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors, no Vice Chairman of the Board and no Executive Vice President or Senior Vice President, the Board of Directors shall designate the officer of the Corporation who, in the

absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 6. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman or Vice Chairman of the Board of Directors or President, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors, the Chairman or Vice Chairman of the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be, in any manner permitted by statute and as directed by the Board of Directors.

Section 7. Treasurer. The Treasurer, if there be one, shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman or Vice Chairman of the Board of Directors or to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 8. Assistant Secretaries. Except as may be otherwise provided in these By-Laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chairman or Vice Chairman of the Board of Directors, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 9. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chairman or Vice Chairman of the Board of Directors, the President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 10. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE IV

STOCK

Section 1. Form of Certificates. The shares of the Corporation shall be represented by certificates, unless the Board of Directors provides by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the Corporation. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman or the Vice Chairman of the Board of Directors, the President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form. The Board of Directors may make such additional rules and regulations, not inconsistent with these By-Laws, as it may deem appropriate concerning the issue, transfer and registration of certificates for shares of stock or uncertificated shares of the Corporation.

Section 2. Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such alleged lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation on account of the alleged lost, stolen or destroyed certificate or the issuance of the new certificate or uncertificated shares. The Corporation may adopt such other provisions and restrictions with reference to lost certificates, not inconsistent with applicable law, as it shall in its discretion deem appropriate.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be canceled before a new certificate or uncertificated shares shall be issued.

Section 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. The manner of fixing a record date for the determination of stockholders entitled to express consent to corporate action in writing without a meeting shall be as provided for in Article I, Section 6.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE V

NOTICES

Section 1. Notices. Whenever notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given in any manner permitted by applicable laws and regulations, and shall be deemed given at the time prescribed by applicable laws and regulations for such manner of notice. Notice of any meeting shall not be required to be given to any person who attends the

meeting, except when the person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to said notice, or an electronically transmitted waiver of notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 5. Section 203 Election. The Corporation hereby expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

Section 6. Electronic Transmission. When used in these By-Laws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including without limitation any telegram, cablegram, facsimile transmission and communication by electronic mail.

Section 7. Facsimile Signatures. In addition to the provisions for use of facsimile signatures specifically authorized in these By-Laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or any committee thereof.

Section 8. Form of Records. Any records required by these By-Laws or otherwise maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, magnetic tape, computer diskettes and discs, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

ARTICLE VII

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Corporation. Subject to Section 3 of this Article VII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request

of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article VII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VII, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VII, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or 2 of this Article VII, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VII, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article VII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Section 1 or 2 of this Article

VII, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director, officer, employee or agent seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director, officer, employee or agent seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses incurred in defending or investigating a threatened or pending action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VII.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article VII shall be made to the fullest extent permitted by law. The provisions of this Article VII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or 2 of this Article VII but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VII.

Section 9. Certain Definitions. For purposes of this Article VII, references to “the Corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its director, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a directors, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VII, references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VII.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article VII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 hereof), the Corporation shall not be obligated to indemnify any director, officer, employee or agent in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

ARTICLE VIII

AMENDMENTS

Section 1. Amendments. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors, provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors, as the case may be. All such amendments must be approved by either the holders of a majority of the outstanding capital stock entitled to vote thereon or by a majority of the entire Board of Directors then in office.

Section 2. Entire Board of Directors. As used in this Article VIII and in these By-Laws generally, the term “entire Board of Directors” means the total number of directors which the Corporation would have if there were no vacancies.

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

	Fiscal Years Ended December 31,					Three Months
	2012	2013	2014	2015 (a)	2016	Ended March 31, 2017
Income from continuing operations before income tax	\$ 944.2	\$ 915.6	\$ 826.7	\$ 726.0	\$ 1,105.5	\$ 279.7
Equity in the income of investees	(21.4)	(18.6)	(14.6)	(10.6)	(8.3)	(2.1)
Cash distributions received from equity investees	21.0	14.4	8.8	10.7	9.5	2.2
	<u>943.8</u>	<u>911.4</u>	<u>820.9</u>	<u>726.1</u>	<u>1,106.7</u>	<u>279.8</u>
Fixed Charges:						
Interest on long-term and short-term debt including amortization of debt expense	94.5	96.5	109.5	274.9	219.1	52.4
Portion of rental expense as can be demonstrated to be representative of the interest factor	<u>75.3</u>	<u>78.6</u>	<u>79.7</u>	<u>95.7</u>	<u>97.1</u>	<u>26.0</u>
Total fixed charges	<u>169.8</u>	<u>175.1</u>	<u>189.2</u>	<u>370.6</u>	<u>316.2</u>	<u>78.4</u>
Earnings before income taxes and fixed charges	<u>\$ 1,113.6</u>	<u>\$ 1,086.5</u>	<u>\$ 1,010.1</u>	<u>\$ 1,096.7</u>	<u>\$ 1,422.9</u>	<u>\$ 358.2</u>
Ratio of earnings to fixed charges	<u>6.56</u>	<u>6.21</u>	<u>5.34</u>	<u>2.96</u>	<u>4.50</u>	<u>4.57</u>

(a) Income from continuing operations before tax for the period ended December 31, 2015 has been revised.

Exhibit 31.1

Certification

I, David P. King, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Laboratory Corporation of America Holdings;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2017

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

Exhibit 31.2

Certification

I, Glenn A. Eisenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Laboratory Corporation of America Holdings;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2017

By: /s/ GLENN A. EISENBERG
Glenn A. Eisenberg
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

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

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

(a) the Form 10-Q of the Company for the Period Ended March 31, 2017 filed on the date hereof with the Securities and Exchange Commission (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

By: /s/ DAVID P. KING
David P. King
Chief Executive Officer
April 28, 2017

By: /s/ GLENN A. EISENBERG
Glenn A. Eisenberg
Chief Financial Officer
April 28, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Laboratory Corporation of America Holdings and will be retained by Laboratory Corporation of America Holdings and furnished to the Securities and Exchange Commission or its staff upon request.