

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

February 15, 2005  
(Date of earliest event reported)

**LABORATORY CORPORATION OF  
AMERICA HOLDINGS**

(Exact Name of Registrant as Specified in its Charter)

**DELAWARE**

(State or other jurisdiction  
of Incorporation)

**1-11353**

(Commission  
File Number)

**13-3757370**

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

**358 SOUTH MAIN STREET,  
BURLINGTON, NORTH CAROLINA**

(Address of principal executive offices)

**27215**

(Zip Code)

**336-229-1127**

(Registrant's telephone number including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. Regulation FD Disclosure

Summary information of the Company dated February 15, 2005.

Exhibits

99.1 Press Release dated February 15, 2005

**SIGNATURES**

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

Laboratory Corporation of America Holdings  
(Registrant)

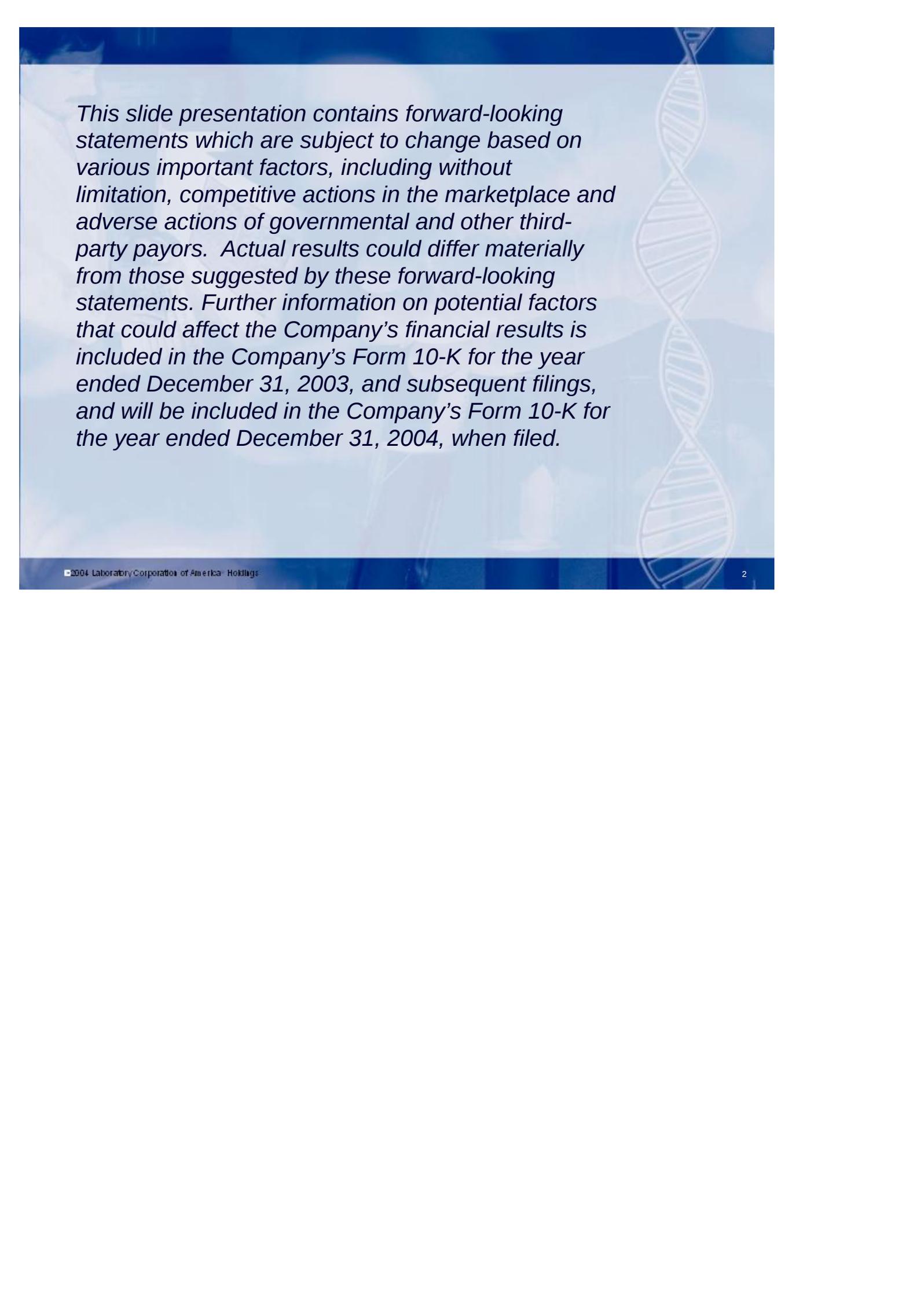
Date: February 15, 2005

By: /s/Bradford T. Smith  
Bradford T. Smith, Executive Vice President  
and Secretary

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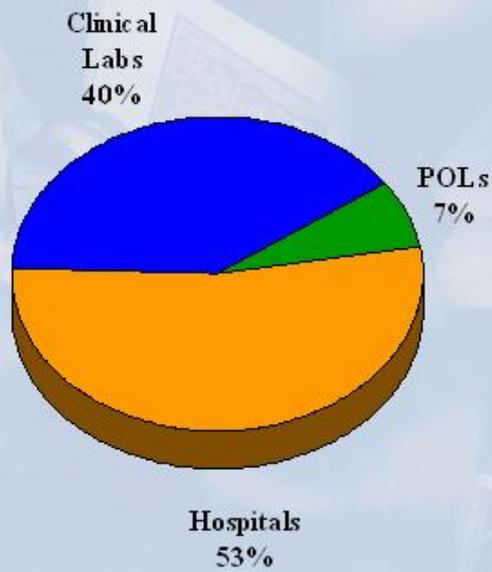


8-K Filed February 15, 2005



*This slide presentation contains forward-looking statements which are subject to change based on various important factors, including without limitation, competitive actions in the marketplace and adverse actions of governmental and other third-party payors. Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 2003, and subsequent filings, and will be included in the Company's Form 10-K for the year ended December 31, 2004, when filed.*

# The Clinical Laboratory Testing Market - \$40 billion Annually



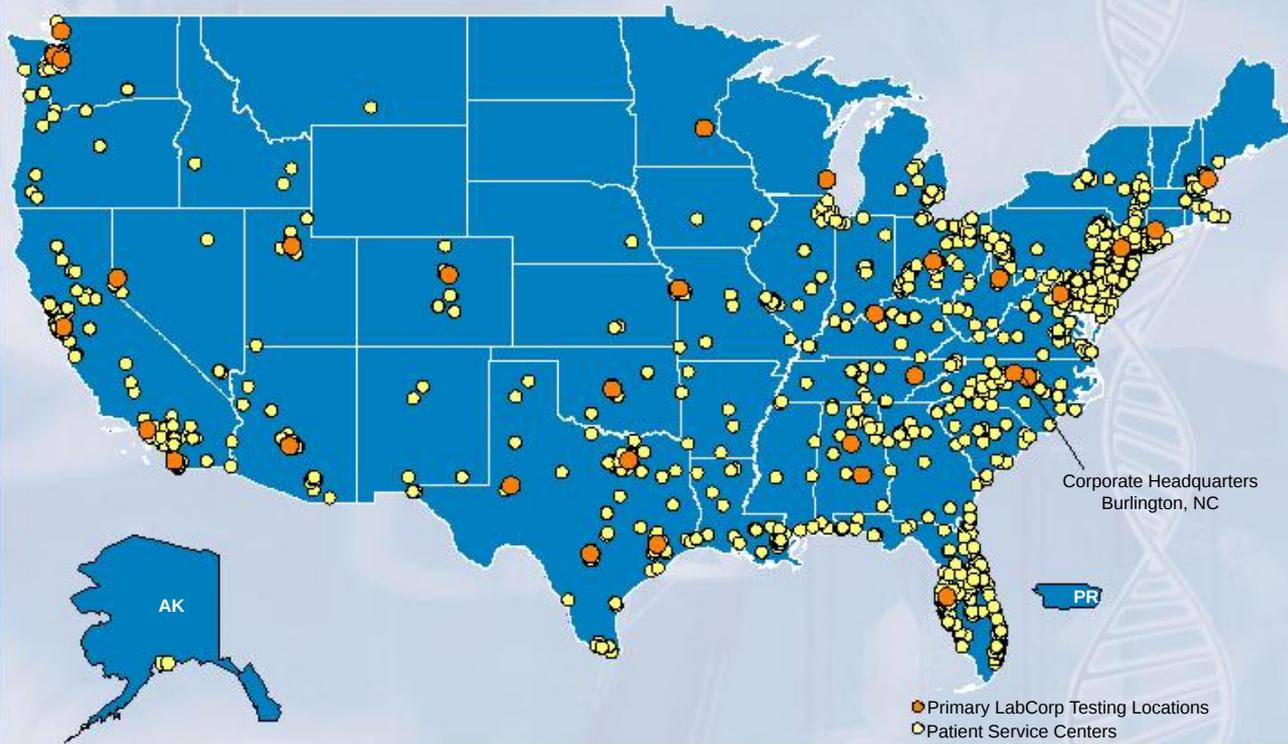
- Independent clinical lab share is \$16 billion
- Represents 2% to 3% of all health care spending
- Influences /directs approximately 80% of health care spending
- Rapidly evolving technology, emphasis on preventative medicine and aging of population are all driving growth
- Has grown at a CAGR of between 5% and 6%

Source: Company estimates, industry reports and 2003 revenue for LabCorp.

## Profile of LabCorp

- A leader in the esoteric and genomic testing market and second-largest clinical laboratory company in North America
- Offers more than 4,400 routine and esoteric/genomic tests
- Conducts testing on more than 355,000 specimens daily
- Provides lab services to more than 220,000 physicians and other health care providers
- Approximately 23,500 employees nationwide

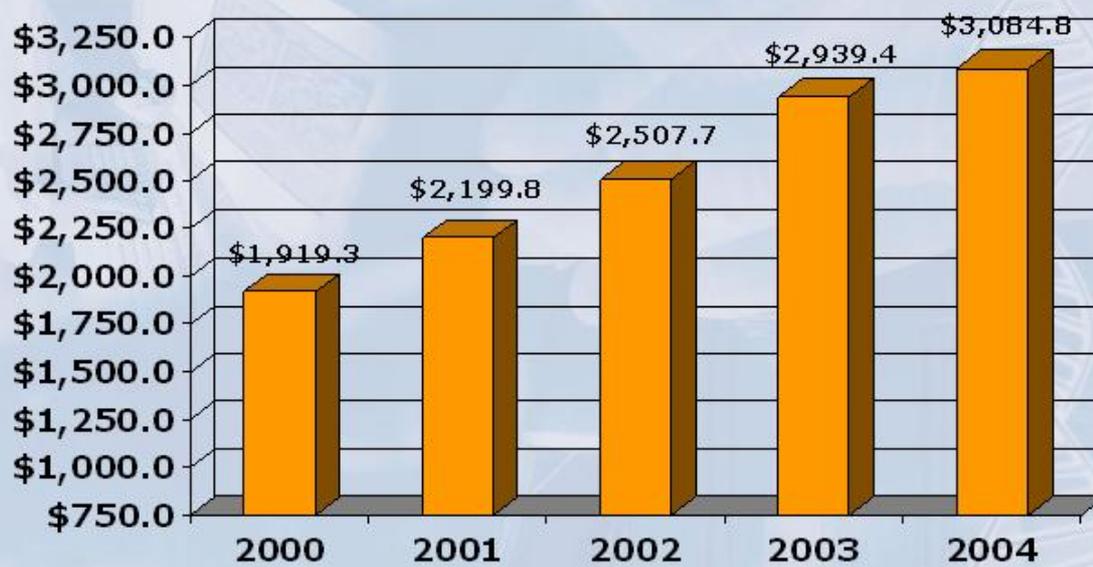
# Primary Testing Locations & PSCs



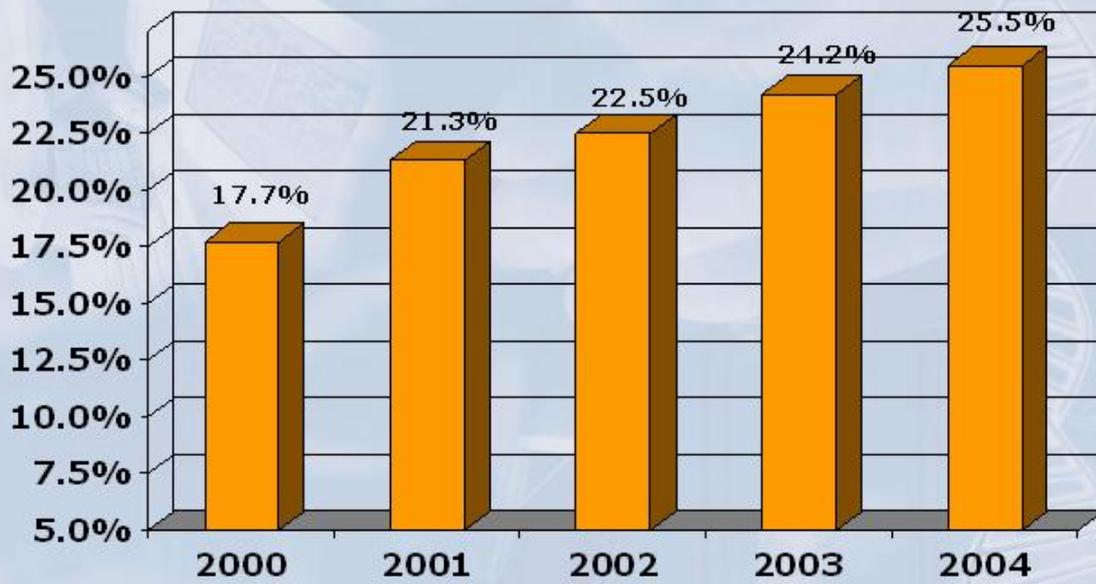
## LabCorp's Investment and Performance Fundamentals

- History of Strong Financial Performance
- Significant Cash Generator
- Industry leading EBITDA margins
- Strong Balance Sheet
- Investment Grade Credit Ratings

## Net Sales (in millions)

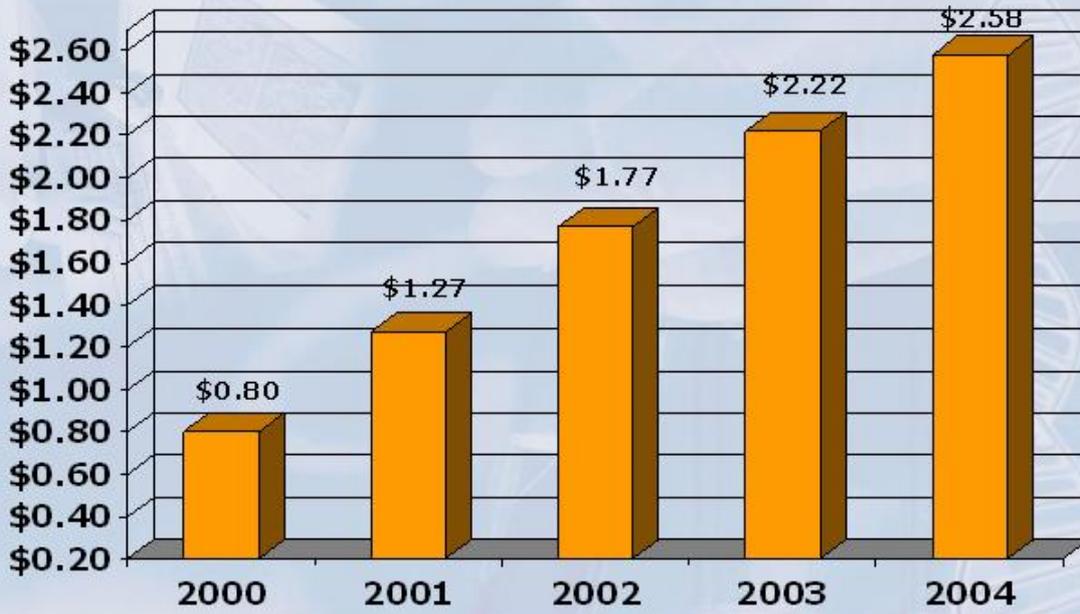


# EBITDA Margin



# EPS

Note: All numbers are before the required change in accounting related to the Company's zero-coupon subordinated notes



## Operating Cash Flow (in millions)



*(1) Includes approximately \$50 million of benefit from one-time tax credits recorded in 2003.*

## LabCorp's Strategy

To **lead** the industry in achieving long-term **growth and profitability** by strengthening our **nationwide core testing** business and expanding our **higher-growth, higher-value esoteric and genomic businesses.**

# Strategic Focus Areas

## Scientific Leadership

- Licensing/partnerships
- Cancer
- Acquisitions

## Managed Care

- Reduce leakage
- Appropriate prices
- Value of new lab tests

## Customer Retention

- Specimen tracking
- Customer connectivity
- Report improvement
- Call center consolidation

# Fourth Quarter Results (in millions, except per share data)

	<u>12/31/03</u>	<u>12/31/04</u>	<u>+ / (-)</u>
Revenue	\$731.5	\$766.5	4.8%
EBITDA	\$174.4	\$185.0	6.1%
EBITDA Margin	23.8%	24.1%	30 bp
EPS, <small>before required change in accounting</small>	\$0.54	\$0.61	13.0%
Reported EPS	\$0.52	\$0.58	11.5%

(1) For definition of EBITDA and a reconciliation to the most comparable measure under Generally Accepted Accounting Principles, see Company's 4th quarter 2004 earnings release furnished on Form 8-K on February 15, 2005.

(2) For a reconciliation of EPS before the required change in accounting to reported EPS, see Company's 4th quarter 2004 earnings release furnished on Form 8-K on February 15, 2005.

## Full Year Results (in millions, except per share data)

	2003	2004	+ / (-)
Revenue	\$2,939.4	\$3,084.8	4.9%
EBITDA	\$711.5	\$787.8	10.7%
EBITDA Margin	24.2%	25.5%	130 bp
EPS, <small>before required change in accounting</small>	\$2.22	\$2.58	16.2%
Reported EPS	\$2.11	\$2.45	16.1%

(1) For definition of EBITDA and a reconciliation to the most comparable measure under Generally Accepted Accounting Principles, see Company's 4th quarter 2004 earnings release furnished on Form 8-K on February 15, 2005.

(2) For a reconciliation of EPS before the required change in accounting to reported EPS, see Company's 4th quarter 2004 earnings release furnished on Form 8-K on February 15, 2005.

*Price & Volumes: Trends by Payor Type*

## Financial Performance

	2002		2003		YTD 2004	
	PPA \$	Accessions millions	PPA \$	Accessions millions	PPA \$	Accessions millions
Client (Physicians)	26.27	29.6	27.07	31.7	26.61	32.7
Patient	119.93	2.3	118.48	2.5	123.59	2.5
Third Party (MC/MD/Insurance)	31.87	14.8	34.25	18.1	34.84	18.9
Managed Care						
• Capitated	9.28	13.1	9.95	12.9	10.36	12.8
• Fee for service	44.79	19.3	45.68	22.7	46.01	24.2
<b>Total</b>	<b>30.45</b>	<b>32.4</b>	<b>32.74</b>	<b>35.6</b>	<b>33.67</b>	<b>37.0</b>
<b>LabCorp Total</b>	<b>\$31.71</b>	<b>79.1</b>	<b>\$33.43</b>	<b>87.9</b>	<b>\$33.86</b>	<b>91.1</b>

## Financial Performance

# Revenue Analysis by Business Area

	YTD DEC 2003				YTD DEC 2004				04 vs 03
	Revenue \$Million	Accns 000	% Accns to total	PPA \$	Revenue \$Million	Accns 000	% Accns to total	PPA \$	PPA Incr/(Decr)
Genomic	283.2	2,323.9	2.6%	121.86	296.8	2,529.8	2.8%	117.34	(3.7%)
Identity/Gene Probes	152.0	3,533.4	4.0%	43.02	168.6	3,822.1	4.2%	44.12	2.6%
All Genomic	435.2	5,857.3	6.6%	74.30	465.5	6,351.9	7.0%	73.28	(1.4%)
Other Esoteric	256.0	6,243.9	7.1%	41.01	298.2	7,211.1	7.9%	41.35	0.8%
Histology	197.9	2,175.6	2.5%	90.96	195.2	2,109.5	2.3%	92.53	1.7%
All Genomic/ Esoteric Core	889.1	14,276.8	16.2%	62.28	958.9	15,672.5	17.2%	61.18	(1.8%)
	2,050.3	73,638.3	83.8%	27.84	2,126.0	75,445.1	82.8%	28.18	1.2%
<b>Total</b>	<b>2,939.4</b>	<b>87,915.1</b>	<b>100.0%</b>	<b>33.43</b>	<b>3,084.8</b>	<b>91,117.6</b>	<b>100.0%</b>	<b>33.86</b>	<b>1.3%</b>

## Financial Guidance for 2005

- Revenue growth of approximately 7% to 8% compared to 2004, including in-year revenues of \$25 to \$35 million from small acquisitions and/or new contracts
- EBITDA margins in the range of 25.5% to 26.0% of revenues
- EPS in the range of \$2.87 to \$2.92 before the required change in accounting related to the zero-coupon subordinated notes. After the accounting change, EPS in the range of \$2.72 to \$2.77
- Capital expenditures of between \$110 and \$125 million
- Free cash flow of between \$440 and \$465 million

## Financial Guidance for 2005 (cont'd.)

- Net interest expense of approximately \$32 million
- A tax rate of approximately 41%, and
- Bad debt rate of approximately 5.5% of sales for the year
- Guidance does not include:
  - Share repurchases after December 31, 2004
  - Major acquisitions, other than US LABS
  - Possible significant contributions from new tests, and
  - The impact of new accounting for stock based compensation

## EPS - New Accounting for Shares Related to Zero Coupon-Subordinated Notes

	<u>Qtr 1</u>	<u>Qtr 2</u>	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>YTD</u>
<b><u>2005:</u></b>					
<b>Before</b>	-	-	-	-	<b>\$2.87-\$2.92</b>
<b>After</b>	-	-	-	-	<b>\$2.72-\$2.77</b>
<b><u>2004:</u></b>					
<b>Before</b>	<b>\$0.61</b>	<b>\$0.70</b>	<b>\$0.66</b>	<b>\$0.61</b>	<b>\$2.58</b>
<b>After</b>	<b>\$0.58</b>	<b>\$0.66</b>	<b>\$0.63</b>	<b>\$0.58</b>	<b>\$2.45</b>
<b><u>2003:</u></b>					
<b>Before</b>	<b>\$0.51</b>	<b>\$0.60</b>	<b>\$0.58</b>	<b>\$0.54</b>	<b>\$2.22</b>
<b>After</b>	<b>\$0.48</b>	<b>\$0.57</b>	<b>\$0.55</b>	<b>\$0.52</b>	<b>\$2.11</b>

*Note: During the fourth quarter of 2004, the Company adopted the provisions of EITF No. 04-8 for its zero coupon-subordinated notes, including the retroactive restatement of all diluted earnings per share calculations for all periods presented. The table above presents the amounts before and after restatement. For a reconciliation of EPS before the required change in accounting to reported EPS for the three and twelve months ended December 31, 2004 and 2003, see Company's 4th quarter 2004 earnings release furnished on Form 8-K on February 15, 2005.*

## Free Cash Flow Investment Strategy

- Acquisitions
- Stock repurchase program
  - Approximately \$122 million remaining as of December 31, 2004 under current \$250 million authorization
  - Since 2003, we have repurchased approximately \$528 million representing approximately 14.4 million shares
- Retain flexibility in utilizing remaining cash

## Other Financial Information

For the Quarter and Year Ended December 31, 2004

(\$ in millions)					YTD
	Q1	Q2	Q3	Q4	2004
Depreciation	\$ 22.9	\$ 23.3	\$ 23.5	\$ 23.3	\$ 93.0
Amortization	\$ 10.3	\$ 10.5	\$ 10.9	\$ 11.0	\$ 42.7
Capital expenditures	\$ 20.2	\$ 22.4	\$ 16.5	\$ 35.9	\$ 95.0
Cash flows from operations	\$ 147.6	\$ 146.7	\$ 137.2	\$ 106.6	\$ 538.1
Bad debt as a percentage of sales	6.75%	6.25%	6.25%	5.75%	6.25%
Effective interest rate on debt:					
Zero coupon-subordinated notes	2.00%	2.00%	2.00%	2.00%	2.00%
5 1/2% Senior Notes (including effect of interest rate swap)	5.38%	5.38%	5.38%	5.38%	5.38%
Revolving credit facility (weighted average)	1.95%	2.21%	2.62%	2.62%	2.62%
Days sales outstanding	54	52	52	52	52



**LabCorp**  
Laboratory Corporation of America

