

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange  
Act of 1934  
FEBRUARY 14, 2001

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(Date of earliest event reported)

LABORATORY CORPORATION OF AMERICA HOLDINGS

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(Exact name of registrant as specified in its charter)

DELAWARE	1-11353	13-3757370
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

358 SOUTH MAIN STREET, BURLINGTON, NORTH CAROLINA 27215

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(Address of principal executive offices)

336-229-1127

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(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

Summary information of the Company dated  
February 14, 2001.

This information 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. 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, 1999 and subsequent filings, and will be available in the Form 10-K for the year ended December 31, 2000, when filed.

Overview of LabCorp

- Nationwide network of 24 primary testing facilities and 900 patient service centers
- Conducts tests on 260,000 specimens daily
- Offers more than 4,000 test procedures
- Serves over 200,000 physicians and other health care providers
- More than 18,000 employees nationwide

The Clinical Laboratory Testing Market  
US market is approximately \$30-32 billion

CLINICAL LABORATORY TESTING		INDEPENDENT CLINICAL LABORATORIES	
Hospitals	49%	All others	86%
Physician Offices	13%	LabCorp(\$1.699b)	14%
Independent Clinical Labs	39%		

Source: Lab Industry Reports 2/99 & 1999 YE revenue  
for LabCorp

Strategic Goals

- Strengthen standing as a national laboratory that provides a full range of laboratory services
- Leverage broad-reaching infrastructure to expand leadership position in esoteric and genomic testing

#### 2000 Strategic Approach

- Maintain national coverage for all key customers
- Expand upon leading position in genomic testing
- Evaluate appropriate acquisition candidates
- Continue to move to single billing system
- Develop strategy to tap full potential of LabCorp's extensive database

#### Genomic Strategy

##### UTILIZE DNA TESTING LEADERSHIP TO EXECUTE GENOMIC LEADERSHIP STRATEGY

- First to offer HIV PCR
- First to offer HIV viral load
- First to offer HIV phenotyping and genotyping (Virco/ViroLogic)
- Leader in hepatitis C PCR testing (CMBP;NGI)
- Leader in pharmacogenomic clinical trials testing (Her-2 neu/Herceptin)
- Partner with specialized test companies
- Acquire specialized test companies
- Use clinical trials to identify diagnostic opportunities first
- License/co-develop new technologies (NGI-oncology markers)
- Provide bridge from "Classic Genomic" companies to first patient applications diagnostic testing

#### Financial Performance

##### Price & Volumes: Trends by Payor Type

	1998		*Pro-Forma 1999		2000	
	PPA \$	Accessions millions	PPA \$	Accessions millions	PPA \$	Accessions millions
Client (Physicians)	22.21	25.9	21.46	27.0	22.42	27.1
Patient	79.62	2.2	92.56	2.3	102.87	2.2
Third Party (MC/MD/Insurance)	29.13	12.2	27.75	11.7	29.80	10.3
Managed Care						
- Capitated	9.88	9.1	10.06	8.4	9.61	10.6
- Fee for service	40.43	10.3	39.28	12.7	42.32	16.0
Total	26.09	19.4	27.68	21.1	29.25	26.6
LabCorp Total	\$27.01	59.7	\$27.35	62.1	\$28.98	66.2

- \*(1) Adjusted accessions for Client
- (2) Reported PPA for Client was \$22.36 with 25.9 accessions
- (3) Reported PPA for Company was \$27.84 with 61.0 accessions

#### Financial Performance

##### Revenue Analysis by Business Area

	YTD DEC 1999				YTD DEC 2000			
	REVENUE \$Millions	ACCN 000	%ACCNS to total	PPA \$	REVENUE \$Millions	ACCNS 000	%ACCNS to total	PPA \$
CMBP Powell	102.8	1,011.3	1.7%	101.61	132.4	1,170.9	1.8%	113.08
Esoteric	156.9	3,555.3	5.8%	44.15	179.3	4,026.7	6.1%	44.54
Core	1,439.0	56,451.5	92.5%	25.49	1,607.6	61,028.9	92.1%	26.34
Total	1,698.7	61,018.1	100.0%	27.84	1,919.3	66,226.5	100.0%	28.98

#### Financial Performance

##### Revenue Analysis by Business Area

	Incr/ (Decr) -----
CMBP	11.3%
Powell	
Esoteric	0.9%
Core	3.3%
Total	4.1%

#### Year-End Financials

	12-31-98	12-31-99	12-31-00*
Revenue	1,612.6	1,698.7	1,919.3
Operating Expense	1,485.0	1,549.0	1,669.2
Operating Income	127.6	149.7	250.1
Margin	7.9%	8.8%	13.0%
EBITDA	210.4	233.4	339.7
Margin	13.0%	13.7%	17.7%
Bad Debt % to revenue	10.2%	11.3%	10.2%
DSO	83	74	68

\*2000 actuals excludes restructuring charge of \$4.5. If this charge is included, operating income would be \$245.6 and EBITDA would be \$335.2.

#### Fourth Quarter Operating Results

	12/30/99	12/30/00*
Revenue	422.7	486.1
Operating Expense	389.6	434.0
Operating Income	33.1	52.1
Margin	7.8%	10.7%
EBITDA	54.5	76.2
Margin	12.9%	15.7%
Bad Debt % to revenue	10.2%	10.2%
DSO	74	68

\*2000 actuals excludes restructuring charge of \$4.5. If this charge is included, operating income would be \$47.6 and EBITDA would be \$71.7

#### 2000 Fourth Quarter Financial Achievements

- Increased revenues 15.0% (volume 8.0%; price 7.0%)
- Increased EBITDA 40%
- Increased diluted EPS ten-fold

#### 2000 Financial Achievements

- Increased revenues 13.0% (volume 9.0%; price 4.0%)
- Increased EBITDA 46%
- Increased diluted EPS 186%\*
- Increased operating cash flow 37.0%
- DSO reduced 6 days from year end 1999 to 68 days
- Reduced interest rate to LIBOR plus 37.5 basis points

\*Does not include effects of a \$4.5 million restructuring charge. If this charge is included, diluted EPS increased 178.0%

#### 2000 Accomplishments

- Six acquisitions, including National Genetics Institute in Los Angeles
- 1 for 10 Reverse Stock Split completed
- Preferred Stock called for redemption
- Contracts with Cigna, Aetna U.S. Healthcare, UnitedHealthcare, Health Trust and AmeriNet
- Successful placement of 6.5 million shares formerly held by Roche
- S & P rating increased to investment grade
- Introduced HIV GENOSURE -TRADEMARK-, new in-house

genotyping assay

#### Financial Goals for 2001

- Increase overall revenues 10-11%
- Increase EBITDA margins to approximately 20.5% - 21.0% of sales
- EPS growth of approximately 45% - 50% compared to 2000
- Reduce debt by approximately \$132 million
- Lower DSO to the mid 60's range

#### Opportunity for Investors

- A proven strategy for growth
- LabCorp is a pioneer in identifying and commercializing innovative technologies-first to fully embrace molecular diagnostics
- LabCorp's national infrastructure connects large scale proficiency with wide scale technological expertise
- New advances in scientific research will generate growth and demand for molecular testing

#### IOM STUDY

- Requested by Congress - Balanced Budget Act of 1997
- "Clinical lab tests are an essential component of health care. and are likely to play an even greater role in the detection, treatment and monitoring of disease in the 21st Century"
- Includes 12 positive recommendations for Medicare payment system
- Recognizes need to take action to ensure future access of beneficiaries to important new diagnostic testing technologies

#### SIGNATURES

Pursuant to the requirements of the Securities and 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

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(Registrant)

By: /s/ BRADFORD T. SMITH

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Bradford T. Smith  
Executive Vice President,  
General Counsel, Secretary  
and Compliance Officer

Date: February 14, 2001