

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

DECEMBER 30, 1996

(Date of earliest event reported)

LABORATORY CORPORATION OF AMERICA HOLDINGS

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other
jurisdiction or
organization)

1-11353

(Commission
File Number)

13-3757370

(IRS Employer
Identification
Number)

358 SOUTH MAIN STREET, BURLINGTON, NORTH CAROLINA 27215

(Address of principal executive offices)

910-229-1127

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On December 30, 1996, Laboratory Corporation of America Holdings ("Company") entered into a promissory note ("Roche Debt") with Roche Holdings Inc. ("Roche") for \$187 million. The note is due no later than March 31, 1997 and bears interest at a rate of 6.625%. The proceeds of this note were used to pay in full obligations arising out the Company's previously announced settlement agreement dated November 21, 1996 with the U.S. government. The promissory note with Roche is attached as an exhibit hereto and the text thereof is incorporated in its entirety herein by reference.

In addition, the Company entered into the Fifth Amendment and Fourth Waiver (the "Fifth Amendment") to its credit agreement dated April 28, 1995 (as amended, the "Credit Agreement"). The Fifth Amendment allows the Company to enter into the Roche Debt and extends the Company's Third Waiver to the Credit Agreement ("Third Waiver") dated as of November 4, 1996 through January 31, 1997. The Third Waiver was filed with the Securities Exchange Commission on November 14, 1996 in connection with the Company's Quarterly Report on Form 10-Q dated September 30, 1996. The Fifth Amendment is attached as an exhibit hereto and the text thereof is incorporated in its entirety herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL
INFORMATION AND EXHIBITS

(c) Exhibit

- 10 Promissory note dated December 30, 1996 between the Company and Roche Holdings Inc.
- 10.1 Fifth Amendment and Fourth Waiver to Credit Agreement dated as of December 23, 1996 among the Company, the banks named therein and Credit Suisse (New York Branch) as Administrative Agent.
- 20 Press release of the Company dated December 30, 1996.

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

(Registrant)

By: /s/ BRADFORD T. SMITH

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

Date: January 6, 1997

PROMISSORY NOTE

U.S. 187,000,000

New York, New York
December 30, 1996

FOR VALUE RECEIVED, LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corporation (the "Borrower"), by this Promissory Note hereby unconditionally promises to pay no later than March 31, 1997 (the "Maturity Date"), to the order and for the account of ROCHE HOLDINGS INC. (the "Lender") at a bank to be designated by the Lender by notice to the Borrower, the principal amount of ONE HUNDRED AND EIGHTY SEVEN MILLION DOLLARS in lawful money of the United States of America in same day funds.

The Borrower shall pay interest in like funds on the unpaid principal amount hereof until the unpaid principal amount under this Note is paid in full. Interest shall accrue from the date hereof on the outstanding principal amount of this Note at a rate per annum equal to 6.625%. Interest shall be calculated on the basis of a year of 360 days and the actual number of days elapsed and shall be payable on the Maturity Date.

The Borrower shall pay interest on demand on any overdue principal hereof or overdue interest hereon from and including the date payment of such principal or such interest, as the case may be, was due to but not including the day of actual payment, calculated on a daily basis at a rate per annum which shall be equal to the sum of (i) 2% per annum and (ii) the interest rate applicable to this Note immediately before such amount became due.

If an Event of Default (as defined in the Credit Agreement dated as of April 28, 1995 among the Borrower, the banks party thereto and Credit Suisse (New York Branch), as Administrative Agent (as the same may be amended from time to time)) shall occur and be continuing, then, in any such event, the Lender may by notice to the Borrower declare this Note and all interest hereon to be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Borrower; provided that in the event of an actual or deemed entry of an order for relief with respect to the Borrower under the Federal Bankruptcy Code, then without any notice to the Borrower or any other act by the Lender, this Note and all interest hereon shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower.

The Borrower hereby authorizes the Lender, if and to the extent any payment owed to the Lender is not made when due, to charge from time to time against any or all of the Borrower's accounts with the Lender any amount so due. The Borrower expressly waives diligence, presentment, demand, protest, notice of dishonor or other notice of any kind. This Note may be prepaid in whole or in part at any time upon three Business Days' notice.

If this Note is repaid on any day other than the Maturity Date, the Borrower shall reimburse the Lender within 15 days after demand for any resulting loss or expense incurred by it, including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment; provided that the Lender shall have delivered to the Borrower a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

If any payment on this Note shall be due and payable on a day which is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and any extended time for the payment of principal or interest shall be included in computing interest at the rate this Note bears in connection with such payment.

The failure of the Lender to exercise any rights hereunder shall not constitute a waiver thereof in that or any other instance.

Neither this Note nor any provision hereof may be amended, modified, waived, discharged or terminated orally, but only by a statement in writing signed by the Borrower with the prior written consent of the Lender.

All payments made on account of principal and interest hereof, may be recorded by the Lender and endorsed on the grid attached hereto, which is part of this Note; provided that the failure of the Lender to make such recordation or endorsement, or any error therein, shall not affect the obligations of the Borrower with respect to this Note.

As used herein, "Business Day" means any day on which dealings in Dollar deposits are carried on in the London interbank market and on which commercial banks are open for domestic and foreign exchange business in London and New York City.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

The Borrower irrevocably submits to the non-exclusive jurisdiction of any federal or New York State court sitting in New York City, and any appellate court from such court, in any suit, action or proceeding arising out of or relating to this Note, and hereby irrevocably waives, to the fullest extent permitted by law, any immunity from jurisdiction of any court or from any legal process the Borrower has or may hereafter acquire with respect to itself or its property in respect of its obligations under this Note.

LABORATORY CORPORATION OF AMERICA
HOLDINGS

By: /s/ WESLEY R. ELINGBURG

WESLEY R. ELINGBURG

Title: Executive Vice President and
Chief Financial Officer

PAYMENTS OF PRINCIPAL AND INTEREST

Date	Amount of Principal Repaid	Unpaid Principal Balance	Amount of Interest Paid	Notification Made By
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FIFTH AMENDMENT AND FOURTH WAIVER TO

CREDIT AGREEMENT

Dated as of December 23, 1996

Among

LABORATORY CORPORATION OF AMERICA HOLDINGS,
as Borrower,

THE BANKS NAMED HEREIN,
as Banks, and

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent

FIFTH AMENDMENT AND FOURTH WAIVER TO CREDIT AGREEMENT

FIFTH AMENDMENT AND FOURTH WAIVER TO CREDIT AGREEMENT, dated as of December 23, 1996 (this "Amendment") among LABORATORY CORPORATION OF AMERICA HOLDINGS (formerly known as NATIONAL HEALTH LABORATORIES HOLDINGS INC.), a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Banks") listed on the signature pages hereof, and CREDIT SUISSE (NEW YORK BRANCH) ("CS"), as administrative agent (the "Administrative Agent") for the Lenders hereunder.

PRELIMINARY STATEMENTS

The parties hereto (i) have entered into a Credit Agreement dated as of April 28, 1995 (as amended, the "Credit Agreement") providing for, among other things, the Lenders to lend to the Borrower up to \$1,250,000,000 on the terms and subject to the conditions set forth therein and (ii) desire to amend the Credit Agreement in the manner set forth herein. Each capitalized term used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.01. Amendment of Definitions. Section 1.01 of the Credit Agreement is hereby amended as follows:

(a) by adding alphabetically the following new definition:

"'Roche Debt' means the unsecured Debt of the Borrower issued in favor of Roche in an aggregate amount not to exceed \$187 million, such Debt to (i) rank pari passu in right of payment with the Obligations of the Borrower under the Loan Documents, (ii) bear interest at a rate per annum equal to the Eurodollar Rate plus 1.0% and (iii) be due and payable on March 31, 1997."

SECTION 1.02. Amendment of Negative Covenants. Section 5.02(j) of the Credit Agreement is hereby amended as follows:

(a) by deleting the word "and" at the end of Section 5.02(j)(viii) and by deleting the period at the end of Section 5.02(j)(ix) and by inserting in lieu thereof ";and".

(b) by inserting the following new subsection 5.02(j)(x), to read in its entirety as follows:

"(x) the Roche Debt; provided that at least \$180 million of the proceeds thereof is applied to pay amounts due pursuant to the settlement with the Office of Inspector General of the U.S. Department of Health and Human Services."

ARTICLE II

WAIVERS

SECTION 2.01. Extension of Third Waiver. The undersigned Required Lenders hereby agree that the Third Waiver to Credit Agreement dated as of November 4, 1996, by the Required Lenders, in favor of the Borrower (the "Waiver"), shall remain in effect through January 31, 1997 notwithstanding the settlement with the Office of Inspector General of the U.S. Department of Health and Human Services referred to in Section 1.02 of the Waiver.

SECTION 2.02. Roche Debt. The undersigned Required Lenders hereby agree as follows:

(a) the Roche Debt shall be excluded from the calculation of the Borrower's Consolidated Debt for the Borrower's four fiscal quarters ending December 31, 1996 and March 31, 1997 for the purpose of determining the Borrower's compliance with the covenant set forth in Section 5.01(i) of the

(b) the Roche Debt shall be excluded from the calculation of the Interest Coverage Ratio for the Borrower's four fiscal quarters ending December 31, 1996 and March 31, 1997 for the purpose of determining compliance with the covenant set forth in Section 5.01(j) of the Credit Agreement [Interest Coverage Ratio].

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Borrower of this Amendment are within its corporate powers, have been duly authorized by all necessary corporate action, and do not contravene the Borrower's charter or by-laws.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Amendment.

(d) This Amendment has been duly executed and delivered by the Borrower. This Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and by general principles of equity.

(e) The representations and warranties contained in Section 4.01 of the Credit Agreement are correct in all material respects on and as of the date hereof, as though made on and as of the date hereof.

(f) No event has occurred and is continuing which constitutes a Default.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

SECTION 4.02. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by any combination of the parties hereto in separate counterparts, each of which counterparts shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 4.03. Effect on the Credit Agreement. Upon execution and delivery of this Amendment and Waiver, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby and each reference to the Credit Agreement in any Loan Document (as defined in the Credit Agreement) shall mean and be a reference to the Credit Agreement, as amended hereby. Except as expressly modified hereby, all of the terms and conditions of the Credit Agreement shall remain unaltered and in full force and effect. This Amendment and Waiver shall become effective as of the date first above written when counterparts hereof shall have been executed by the Required Lenders. This Amendment and Waiver is subject to the provisions of Section 8.01 of the Credit Agreement.

Each of the undersigned has caused this Amendment to be executed by its respective officer or officers thereunto duly authorized, as of the date first written above.

BORROWER: LABORATORY CORPORATION OF AMERICA
HOLDINGS

By: /s/ WESLEY R. ELINGBURG

Name: Wesley R. Elingburg
Title:Executive Vice President
and Chief Financial Officer

ADMINISTRATIVE
AGENT:

CREDIT SUISSE (NEW YORK BRANCH),
as Administrative Agent

By:/s/ RICHARD CAREY

Name: Richard Carey
Title:Member of Senior Management

and

By:/s/ KARL M. STUDER

Name: Karl M. Studer
Title:Member of Senior Management

LENDERS: CREDIT SUISSE (NEW YORK BRANCH)

By:/s/ KARL M. STUDER

Name: Karl M. Studer
Title: Member of Senior Management

By:/s/ DANIELA E. HESS

Name: Daniela E. Hess
Title: Associate

BANK OF AMERICA ILLINOIS

By:

Name:

Title:

BANQUE NATIONALE DE PARIS

By:/s/ RICHARD L. STED

Name: Richard L. Sted
Title: Senior Vice President

By:/s/ BONNIE G. EISENSTAT

Name: Bonnie G. Eisenstat
Title: Vice President

BAYERISCHE LANDESBANK GIROZENTRALE

By:/s/ WILFRIED FREUDENBERGER

Name: Wilfried Freudenberger
Title: Executive Vice President
and General Manager

By:/s/ PETER OBERMANN

Name: Peter Obermann
Title: Senior Vice President
Manager Lending Division

THE CHASE MANHATTAN BANK

By:/s/ SCOTT S. WARD

Name: Scott S. Ward
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH

By:/s/ PASCAL POUPELLE

Name: Pascal Poupelle

Title: Authorized Signature

DEUTSCHE BANK AG NEW YORK BRANCH
and/or CAYMAN ISLANDS BRANCH

By:/s/ WOLF A. KLUGE

Name: Wolf A. Kluge
Title: Vice President

By:/s/ SHERINE FANOUS

Name: Sherine Fanous
Title: Assistant Vice President

FIRST UNION NATIONAL BANK

By:/s/ JOSEPH H. TOWELL

Name: Joseph H. Towell

Title: Senior Vice President

THE FUJI BANK, LTD. (NEW YORK BRANCH)

By:/s/ MASANOBU KOBAYASHI

Name: Masanobu Kobayashi
Title: Vice President & Manager

NATIONSBANK, N.A.

By:

Name:

Title:

SOCIETE GENERALE

By:/s/ R. CUENE-GRANDIDIER

Name: R. Cuene-Grandidier
Title: Vice President

By:/s/ GEORG L. PETERS

Name: Georg L. Peters
Title: Vice President

SUMITOMO BANK

By:/s/ SURESH S. TATA

Name: Suresh S. Tata

Title: Senior Vice President

SWISS BANK CORPORATION

By:/s/ MICHAEL A. DRISCOLL

Name: Michael A. Driscoll
Title: Director Corporate Clients
Switzerland

By:/s/ JORG RAUTHE

Name: Jorg Rauthe
Title: Associate Director
Corporate Clients
Switzerland

WACHOVIA BANK OF GEORGIA, N.A.

By:/s/ JAMES C. RATCLIFF JR.

Name: James C. Ratcliff Jr.
Title: Vice President

WESTDEUTSCHE LANDESBANK

By:/s/ ALAN S. BOOKSPAN

Name: Alan S. Bookspan
Title: Vice President

By:/s/ CATHERINE ROHLAND

Name: Catherine Rohland
Title: Vice President

COMMERZBANK AKTIENGESELLSCHAFT,
Atlanta Agency

By:/s/ H. YERGEY

Name: H. Yergey
Title: Vice President

By:/s/ E. KAGERER

Name: E. Kagerer
Title: Vice President

BANK BRUSSELS LAMBERT,
New York Branch

By:/s/ JURGEN RIGTERINK

Name: Jurgen Rigterink
Title: Vice President

By:/s/ DOMINICK H.J. VANGAEVER

Name: Dominick H.J. Vangaever
Title: Senior Vice President
Credit

FOR IMMEDIATE RELEASE

Contact: Pamela Sherry
Telephone: (910)584-5171
Ext. 6768

LABORATORY CORPORATION OF AMERICA-TM- OBTAINS
\$187 MILLION LOAN AND EXTENSION
TO JANUARY 31, 1997 OF BANK CREDIT WAIVER

BURLINGTON, NC, DECEMBER 30, 1996 -- Laboratory Corporation of America-TM- Holdings (LabCorp-TM-) (NYSE: LH) today announced that it has obtained a loan of \$187 million from an affiliate of Roche Holding Ltd, which also controls the Company's principal stockholder. The loan, which was made on terms approved by the Company's independent directors, is an interim step in the Company's previously announced intention of recapitalizing its balance sheet. The Company intends to use the loan proceeds to pay the previously announced settlement with the U.S. government to conclude federal investigations related to prior billing practices of companies that merged to form LabCorp in 1995.

LabCorp has also obtained an extension to January 31, 1997, of the existing waiver of certain covenants in its bank credit agreement.

Although the Company is still considering a range of alternatives for recapitalizing its balance sheet, the Company believes that any successful recapitalization plan will also require it to raise additional equity. There can, however, be no assurance that the Company will be able to successfully complete any proposed recapitalization plan.

Laboratory Corporation of America-TM- Holdings (LabCorp-TM-) is a national clinical laboratory organization with estimated annualized revenues of \$1.6 billion. The Company operates primary testing facilities nationally, offering more than 1,700 different clinical assays, from routine blood analysis to more sophisticated technologies. LabCorp performs diagnostic tests for physicians, managed care organizations, hospitals, clinics, long-term care facilities, industrial companies and other clinical laboratories.

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