

**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

May 14, 2012  
(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 communication 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 May 14, 2012.

**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

By: /s/ F. SAMUEL EBERTS III  
F. Samuel Eberts III  
Chief Legal Officer and Secretary

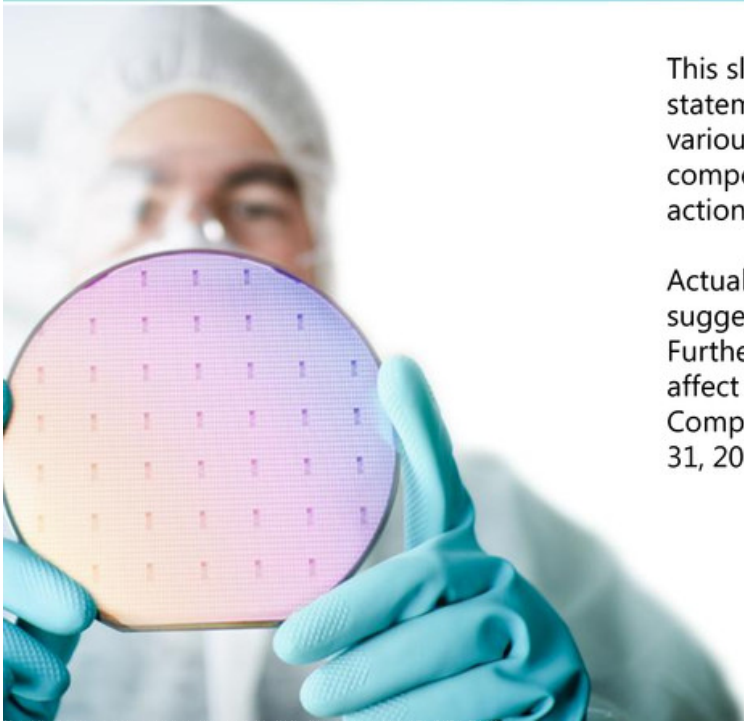
May 14, 2012

# Bank of America Merrill Lynch 2012 Health Care Conference

May 15, 2012  
Las Vegas, NV



# Forward Looking Statement



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.

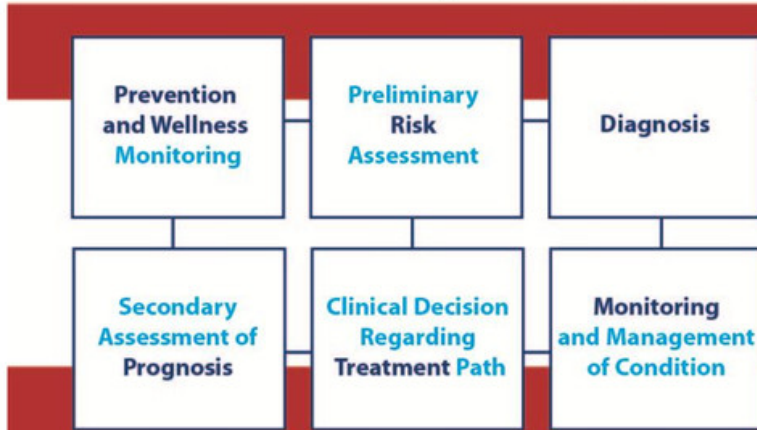
Actual results could differ materially from those suggested by these forward-looking statements. Further information on potential factors that could affect the Company's financial results is included in the Company's Form 10-K for the year ended December 31, 2011, and subsequent SEC filings.

## Leading National Lab Provider

- Fastest growing national lab
- \$55 billion market
- Clinical, Anatomic and Genomic testing
- Serving clients in all 50 states and Canada
- Foremost worldwide clinical trials testing business



## Laboratory Testing



## Health Care Continuum

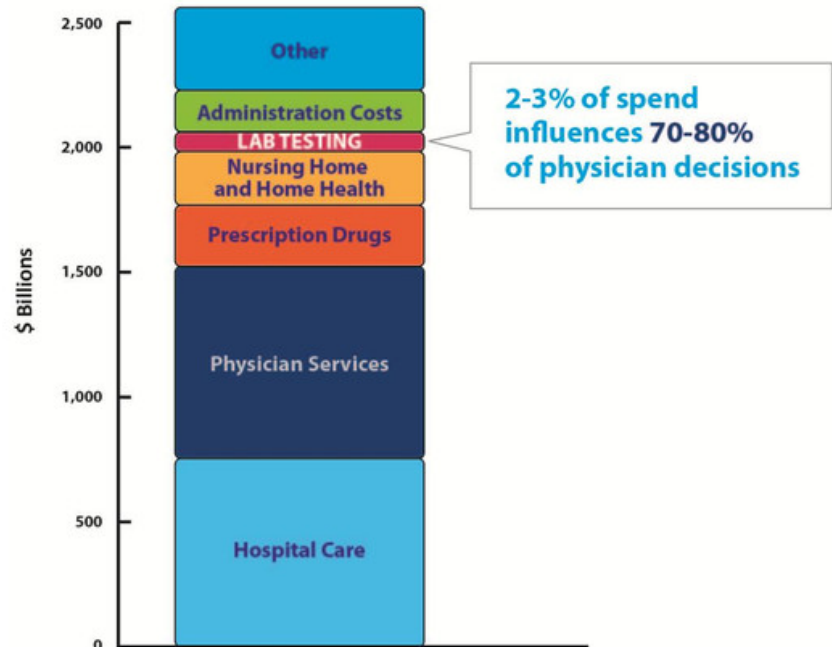
Source: Deloitte (OAML)

# Attractive Market

## Valuable Service

- Small component of total cost influences large percentage of clinical decisions
- Screening, early detection, and monitoring reduce downstream costs
- Companion diagnostics improve drug efficacy and safety

2011 Projected US Health Care Spend \$2.7 Trillion

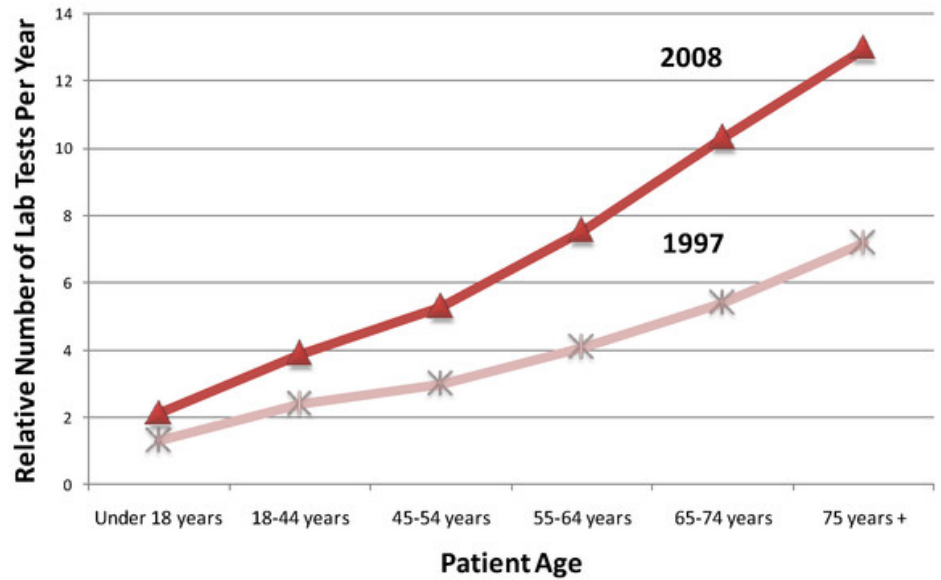


Source: Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group; and U.S. Department of Commerce, Bureau of Economic Analysis and U.S. Bureau of the Census, and company estimates.

# Attractive Market

## Growth Drivers

- Aging population
- Industry consolidation
- Advances in genomics
- Pharmacogenomics/  
companion diagnostics
- Cost pressures will reward  
lower cost and more  
efficient labs



Source: CDC National Ambulatory Medical Care Survey and Company Estimates

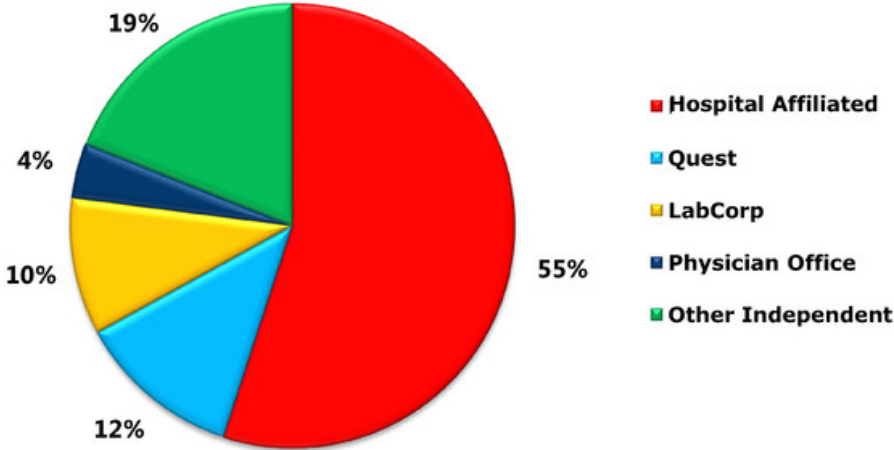


# Attractive Market

## Opportunity to Take Share

- Approximately 5,000 independent labs
- Less efficient, higher cost competitors

\$55 Billion US Lab Market



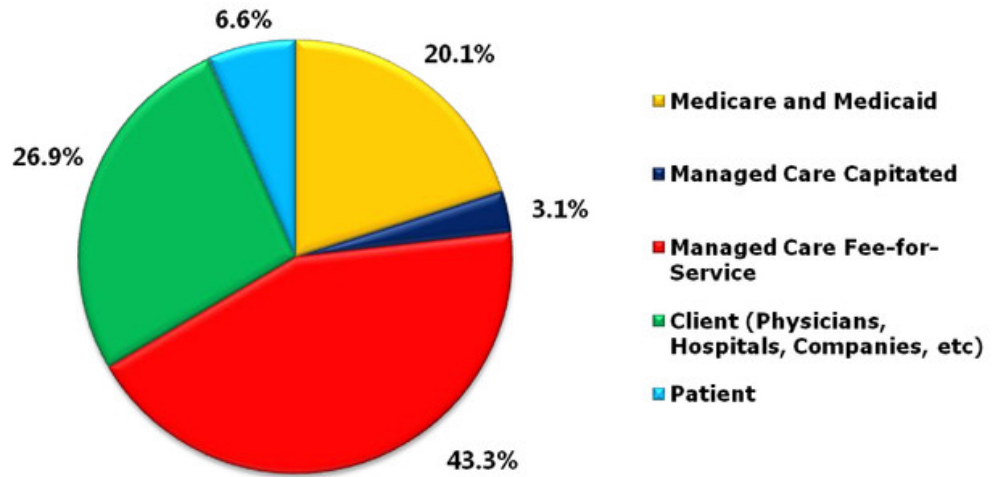
Source: Washington G-2 Reports and Company estimates

# Attractive Market

## Diversified Payor Mix

- No customer > 10% of revenue
- Limited government exposure

## LabCorp U.S. Payor Mix % of revenue, 2011

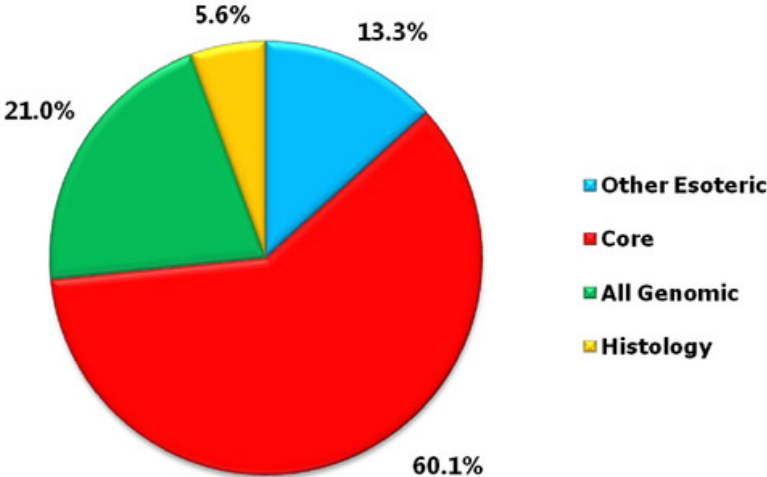


# Attractive Market

## Diversified Test Mix

With recent acquisitions, esoteric testing comprises approximately 41% of revenue

### LabCorp U.S. Test Mix % of revenue, 2011



# Mission Statement

Five Pillar Strategy

**We Will Offer The Highest  
Quality Laboratory Testing  
and Most Compelling Value  
to Our Customers**

We Will Execute This Mission Through  
Our **Five Pillar Strategy**



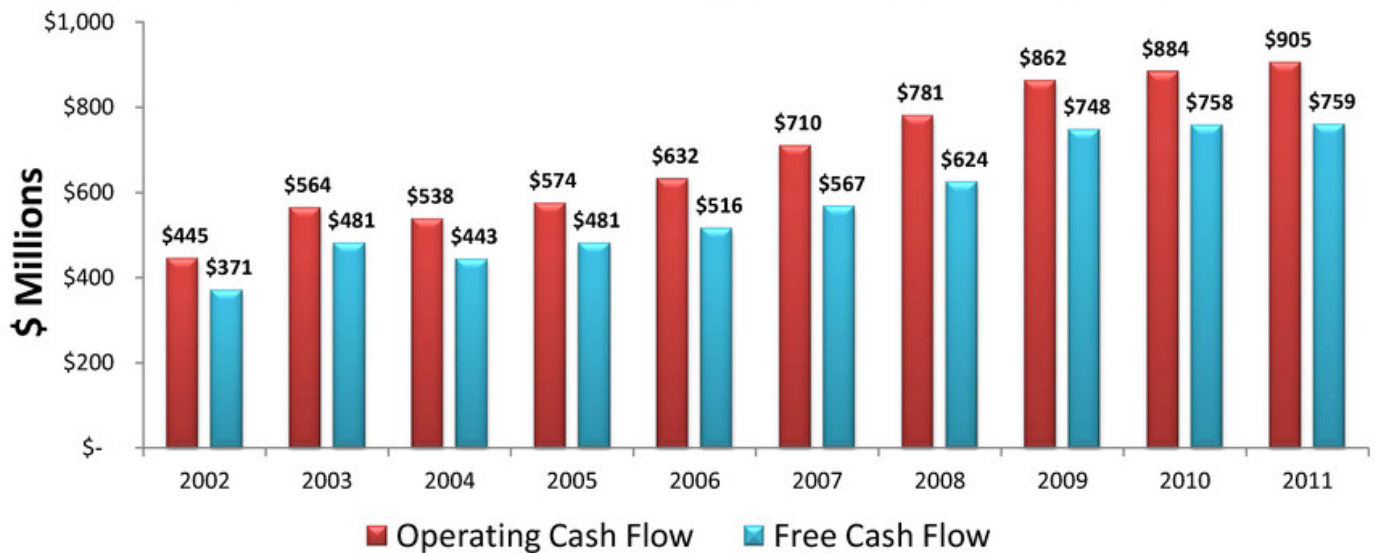
**Deploy Cash to Enhance  
Footprint and Test Menu  
and to Buy Shares**



## Five Pillar Strategy—Pillar One Strong Cash Generation

### Cash Flow

- FCF CAGR of 12.8% from 2001 - 2011
- Strategic acquisitions
- \$3.9 B share repurchase since 2004 at an average price of approximately \$65 per share



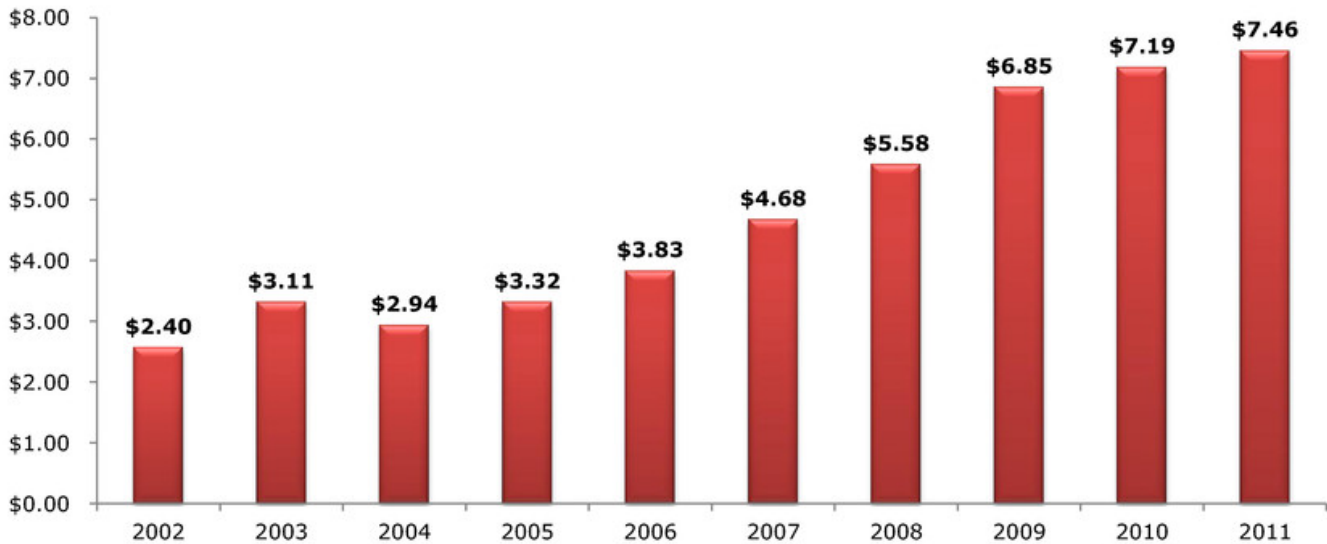
Note: 2011 Operating Cash Flow and Free Cash Flow figures above do not include the \$49.5 million Hunter Labs settlement  
 Free Cash Flow is a non-GAAP metric (see reconciliation of non-GAAP Financial Measures included herein)  
 Free Cash Flow CAGR calculation uses 2001 data (Operating Cash Flow of \$316 million and Free Cash Flow of \$228 million)  
 \$ in millions

## Five Pillar Strategy—Pillar One

# Impressive FCF Per Share Trend

### Free Cash Flow Per Share

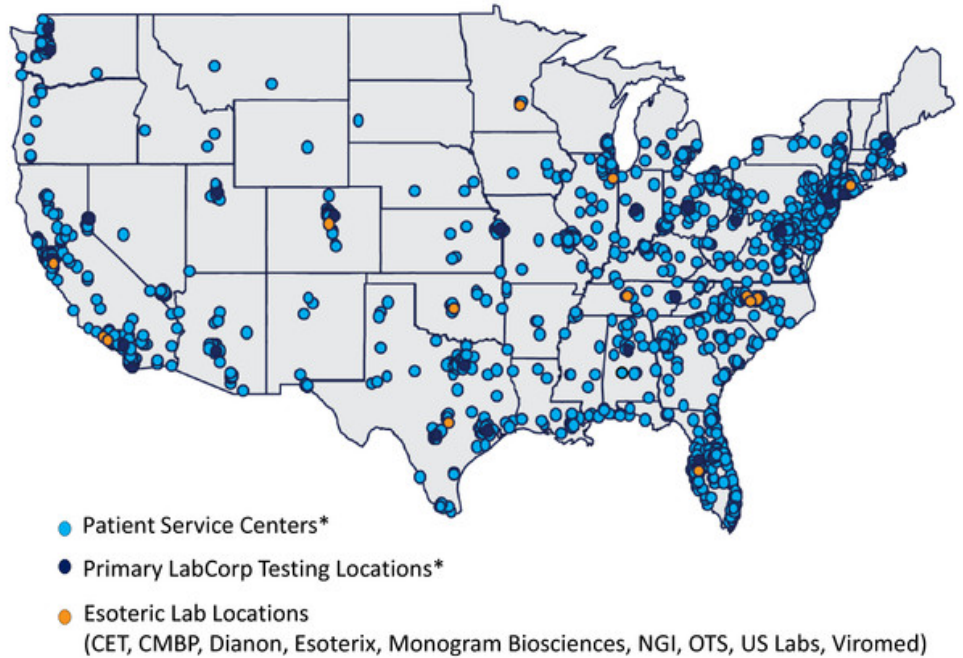
- FCF Per Share CAGR of 16.8% from 2001 – 2011



Note: 2011 Free Cash Flow Per Share calculation above does not include the \$49.5 million Hunter Labs settlement  
Free Cash Flow Per Share is a non-GAAP metric (see reconciliation of non-GAAP Financial Measures included herein)  
Free Cash Flow Per Share CAGR calculation uses 2001 data (2001 Free Cash Flow Per Share was \$1.58)

## Scale and Scope

- National infrastructure
- Broad test offering
- Managed care contracts
- Economies of scale





## Key Uses of Cash

- **Acquisitions**
  - Genzyme Genetics\*
  - Orchid Cellmark
- **Share Repurchase**
  - \$337 million in 2010
  - \$650 million in 2011



\*GENZYME GENETICS<sup>SM</sup> and its logo are trademarks of Genzyme Corporation and used by Esoterix Genetic Laboratories, LLC, a wholly-owned subsidiary of LabCorp, under license. Esoterix Genetic Laboratories and LabCorp are operated independently from Genzyme Corporation.

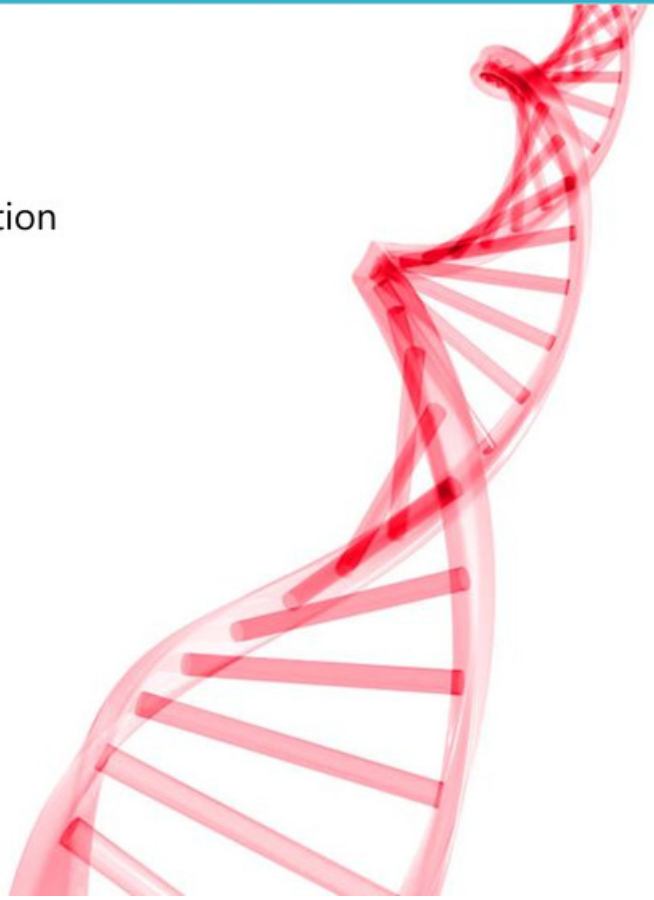
## Two new names in specialized testing

- As part of a broad rebranding of LabCorp's specialty testing capabilities, we adopted the name Integrated Genetics for the reproductive portion of the Genzyme Genetics business and LabCorp's legacy genetics business.
- We adopted the name Integrated Oncology for the oncology portion of the Genzyme Genetics business and LabCorp's legacy oncology business.



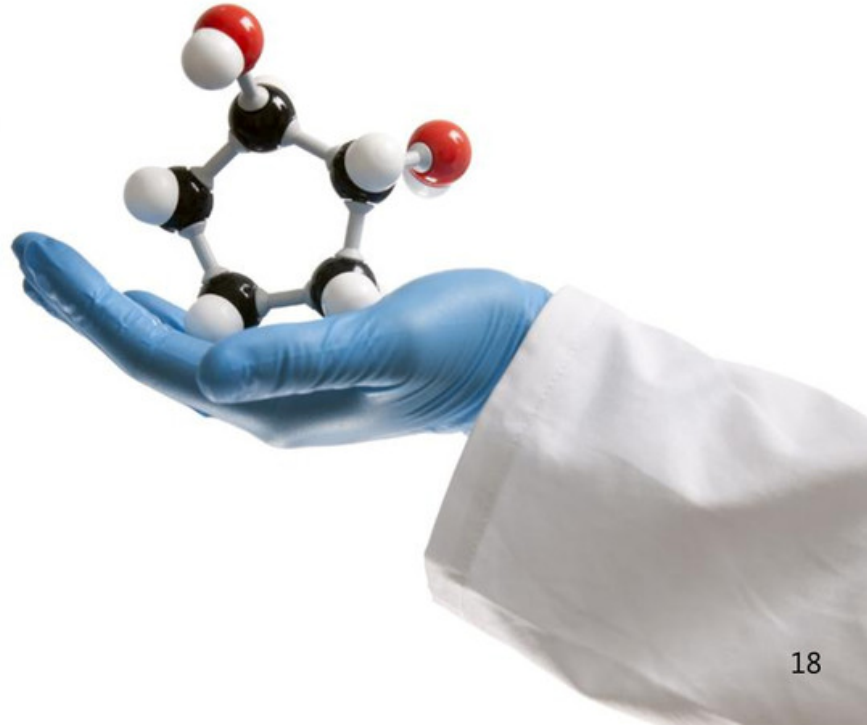
Five Pillar Strategy—**Pillar One**  
**Importance of Genetics**

- Preconception
- Pre- and post-natal
- Identification of disease carriers
- Identification of disease predisposition
- Diagnosis of genetically caused or influenced conditions (e.g., developmental delay)
- Disease prognosis and treatment (especially cancer)



Five Pillar Strategy—**Pillar One**  
**Importance of Oncology**

- More sophisticated methods of cancer testing complement traditional biopsies
- Value of diagnostics for disease prognosis, and monitoring of progression and recurrence
- Critical role of testing in therapy selection

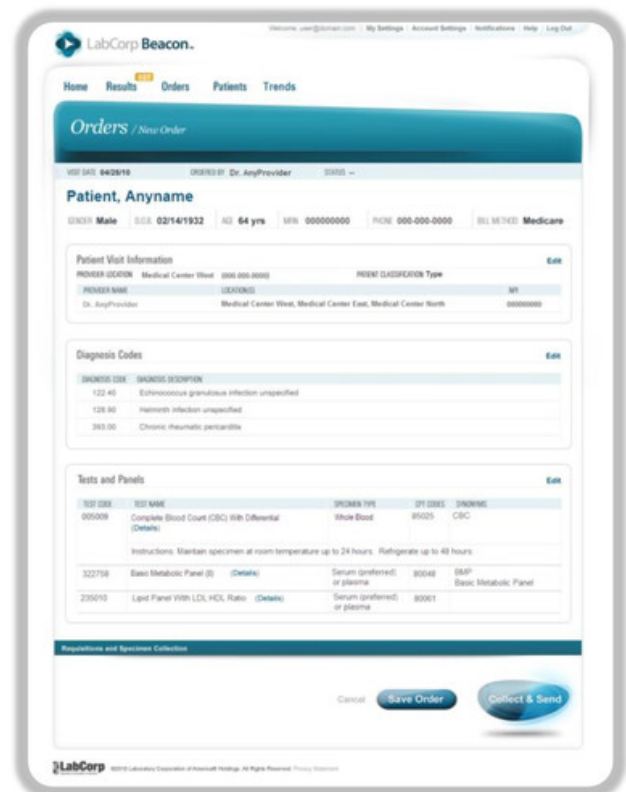


**Enhance IT Capabilities  
To Improve Physician  
and Patient Experience**



## Intuitive Order Entry

- **Streamlined ordering**  
 Provider, Diagnosis, Test and Collection information are all displayed in a single screen
- **Requisition and account logic**  
 Automatically generates requisitions with appropriate account numbers
- **Key time-saving features**
  - Send to PSC
  - Standing orders
  - Electronic add-on testing
  - User-defined pick lists



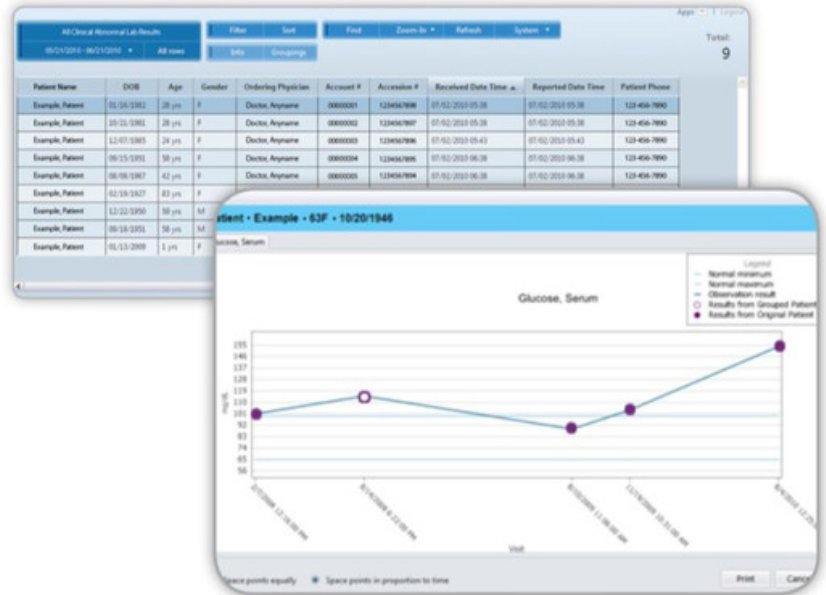
## Unified Results

- **Centralizes lab connectivity**  
View lab reports from DIANON Systems, Esoterix, LabCorp, Litholink, US Labs, and CMBP
- **Share results**  
Email, fax, print and annotations make it easy to share critical information
- **Visual cues**  
Supports physician decision making, enhances the timeliness of patient care and facilitates follow-up with abnormal results in red and unread reports in bold



## Trends & Analytics

- **One-click trending**  
 Physicians and staff can quickly view a single test or analyte for one patient and the trended history for that patient
- **Sort and filter results**  
 Providers can filter their entire patient population on demographics and test results to identify trends and patients at risk
- **View lab history**



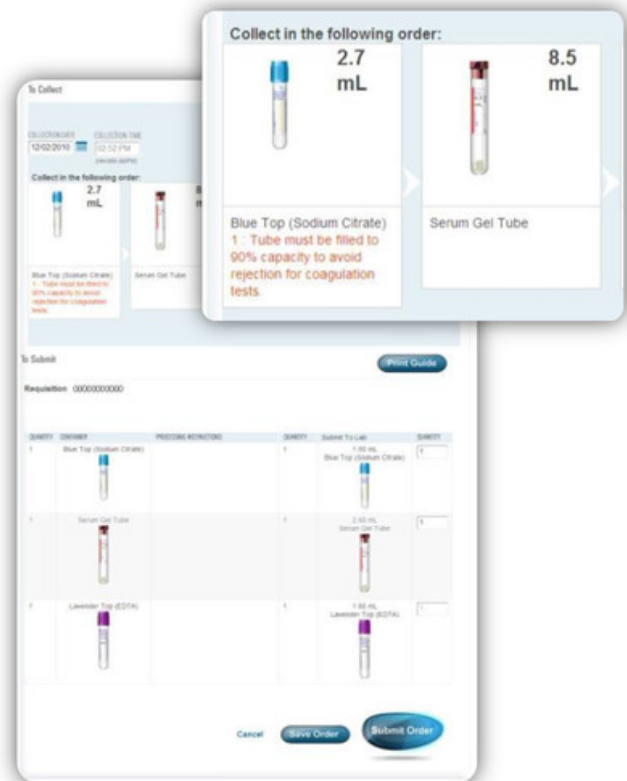


## AccuDraw Integration

- **Reduce errors**
- **Reduce training time**
- **Proven results**  
Success in LabCorp Patient Service Centers will be extended to customers

## Online Appointment Scheduling

- **Patient convenience**
- **Improved service experience**
- **2011 enhancements improve the collection of payment at the time of scheduling**



# LabCorp Beacon™ | Five Pillar Strategy—Pillar Two Patient Experience

## Patient Portal

- **Make an appointment**  
24 hours a day
- **Receive lab results**  
as easily as checking email
- **Share lab results**  
securely and privately
- **Pay bills online**  
easily and securely
- **Get notifications and alerts**  
automatically
- **Manage health care information**  
for the entire family

The screenshot displays the LabCorp Beacon Patient Portal. At the top, it says "Welcome, Patient Name" with links for "Account Settings", "Help", and "Log Out". The main header includes the LabCorp logo and "LabCorp Beacon™: Patient". Below this is a navigation bar with "Home", "Lab Results", and "Profile".

The main content area is divided into several sections:

- Lab Test Results:** A table showing "New lab test results" and "Recently viewed lab test results". Each row includes "Date of Service", "Ordering Physician", "Account Name", and a "View" link.
- I Want to...:** A sidebar with quick actions: "Pay My Bill", "Schedule a Lab Appointment" (with a search box for "12345"), "Find a Lab" (with a search box for "Enter Zip Code"), "Share Health Information", and "Get Answers to Questions".
- Personal Profile:** A section titled "KEEP INFO UP TO DATE" with "Current Information" (Patient Name, 123 Anystreet St, Anytown, US 12345) and an "Update" link.
- Calendar:** A section titled "NEXT APPOINTMENT | View all" showing an appointment for "Nov 10, 2011 8:30 AM" at "Conf#123456789" with a "Schedule an Appointment" search box.
- Health Library:** A section titled "LEARN ABOUT TESTS" with a "Search tests" box and a "Lab Tests Online" logo.

At the bottom right, there is a copyright notice: "© 2011 Laboratory Corporation of America Holdings. All Rights Reserved. Visit www.labcorp.com Privacy Statement" and the LabCorp logo.

**Continue to Improve Efficiency to  
Offer the Most Compelling Value in  
Laboratory Services**



## Five Pillar Strategy—Pillar Three Most Efficient Provider

- Standardized lab and billing IT systems
- Automation of pre-analytics
- Supply chain optimization
- Sysmex fully automated hematology operations
- Consistent gross margin improvement (net of acquisitions)
- Bad debt reduction of approximately 90 bp since the beginning of 2009



**Scientific Innovation  
At Appropriate Pricing**



## • Companion diagnostics and personalized medicine

- IL-28B
- BRAF V600E metastatic melanoma (Zelboraf)
- Vysis ALK Break Apart FISH probe (XALKORI)
- K-RAS
- HLA-B\* 5701
- EGFR Mutation Analysis
- HCV GenoSure® NS3/4A
- PhenoSense®, PhenoSense GT®
- HERmark®
- CYP 450 2C19

## • Women's health

- ROMA
- Nuswab STD testing on a single swab
- Expanded Vaginosis and Candida testing
- Expanded options for HPV DNA testing

## • Outcome improvement programs

- CKD and CVD programs
- Litholink kidney stone program
- Bone (osteoporosis) program

## • Clearstone acquisition

- Global clinical trials capability
- Presence in China

### FDA approves Zelboraf and companion diagnostic test for late-stage skin cancer

"This has been an important year for patients with late-stage melanoma. Zelboraf is the second new cancer drug approved that demonstrates an improvement in overall survival."

Richard Pazdur, M.D., director of the Office of Oncology Drug Products in the FDA's Center for Drug Evaluation and Research.

### FDA approves Xalkori with companion diagnostic for a type of late-stage lung cancer

"The approval of Xalkori with a specific test allows the selection of patients who are more likely to respond to the drug. Targeted therapies such as Xalkori are important options for treating patients with this disease and may ultimately result in fewer side effects."

Richard Pazdur, M.D., director of the Office of Oncology Drug Products in the FDA's Center for Drug Evaluation and Research.

### FDA clears HE4 test in ROMA for ovarian malignancy risk

"Using ROMA with HE4 and CA 125 significantly improves our ability to identify women who are at high or low likelihood of ovarian cancer when they present with an ovarian cyst or mass."

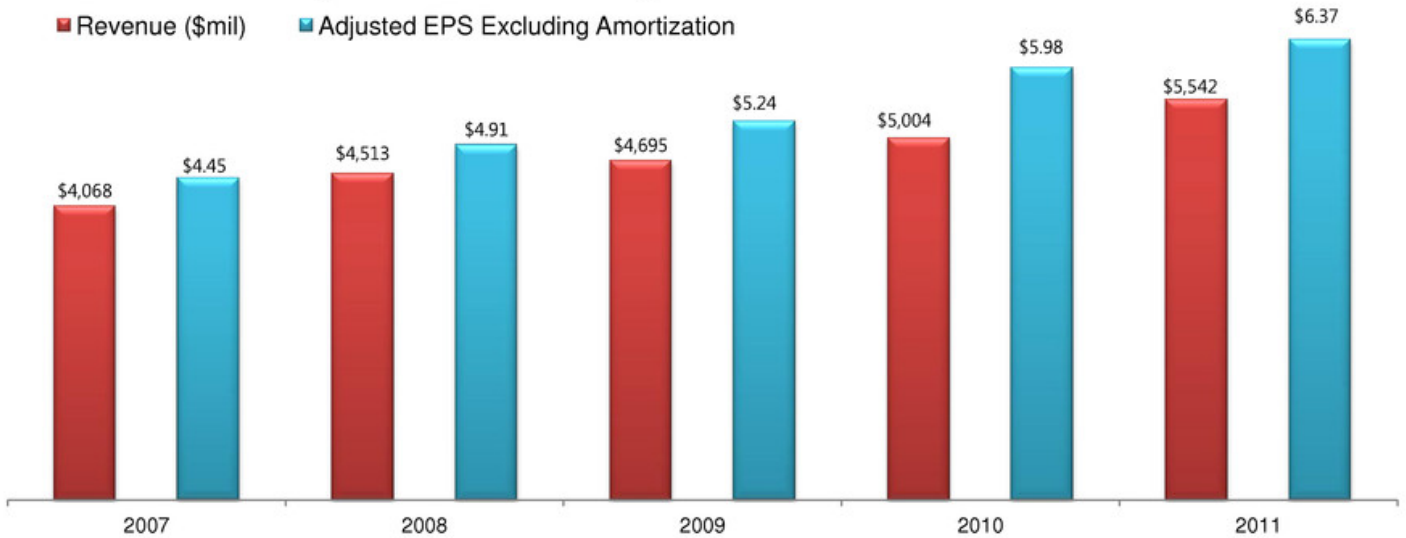
Richard Moore, MD, associate professor of Obstetrics and Gynecology at the Alpert School of Medicine at **Brown University** and director of the Center for Biomarkers and Emerging Technologies in the Program for Women's Oncology at **Women and Infants' Hospital** (Providence, Rhode Island).

## Alternative Delivery Models



# Excellent Performance

## Revenue and Adjusted EPS Excluding Amortization Growth: 2007 – 2011 <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>



(1) Excluding the \$0.25 per diluted share impact of restructuring and other special charges and the \$0.27 per diluted share impact from amortization in 2007; excluding the \$0.44 per diluted share impact of restructuring and other special charges and the \$0.31 per diluted share impact from amortization in 2008; excluding the (\$0.09) per diluted share impact of restructuring and other special charges and the \$0.35 per diluted share impact from amortization in 2009; excluding the \$0.26 per diluted share impact of restructuring and other special charges and the \$0.43 per diluted share impact from amortization in 2010; excluding the \$0.72 per diluted share impact of restructuring and other special charges, the \$0.03 per diluted share impact from a loss on the divestiture of assets and the \$0.51 per diluted share impact from amortization in 2011.

(2) EPS, as presented represents adjusted, non-GAAP financial measures. Diluted EPS, as reported in the Company's Annual Report were: \$2.45 in 2004; \$2.71 in 2005; \$3.24 in 2006; \$3.93 in 2007; \$4.16 in 2008; \$4.98 in 2009; \$5.29 in 2010; and \$5.11 in 2011.

(3) 2008 revenue includes a \$7.5 million adjustment related to the Company's acquisition of U.S. Labs.



# Recent Accomplishments

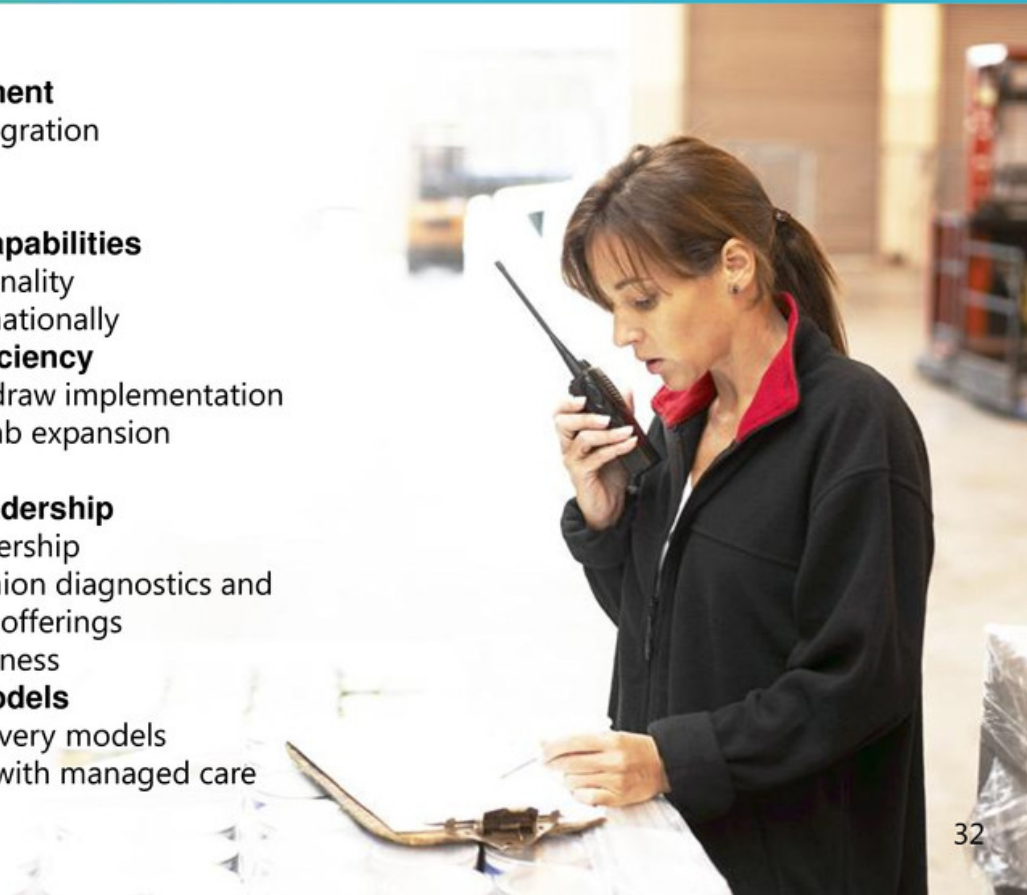
## Our Results

- **Profitable growth and capital deployment**
  - Esoteric growth
  - Maintained price
  - Acquisitions
- **Improved IT and client connectivity**
  - Beacon order entry rollout
  - Introduced LabCorp Patient Portal
  - Enhanced physician and patient experience
- **Continued efficiency programs**
  - Increased throughput (specimens per employee up 40% since 2007)
  - Call center consolidation
  - Lowered bad debt
- **Furthered scientific leadership**
  - Clearstone acquisition
  - New offerings in Women's Health and companion diagnostics
- **Extended UnitedHealthcare contract through the end of 2018; multi-year extension of the Horizon contract**



## Our Focus

- **Pillar One – Cash Deployment**
  - Genzyme Genetics integration
  - Accretive acquisitions
  - Repurchase shares
- **Pillar Two – Enhance IT Capabilities**
  - Expand Beacon functionality
  - Deploy Patient Portal nationally
- **Pillar Three – Improve Efficiency**
  - Complete Touch/Accudraw implementation
  - Complete Burlington lab expansion
  - Facility rationalization
- **Pillar Four – Scientific Leadership**
  - Enhance scientific leadership
  - Introduce new companion diagnostics and personalized medicine offerings
  - Grow clinical trials business
- **Pillar Five – Alternative Models**
  - Explore alternative delivery models
  - Broaden relationships with managed care



# Full Year 2011 Results

	Twelve Months Ended Dec 31,		+ / (-)
	2011	2010	
<b>Revenue</b>	<b>\$5,542.3</b>	<b>\$5,003.9</b>	<b>10.8%</b>
<b>Adjusted Operating Income <sup>(1)</sup></b>	<b>\$1,064.9</b>	<b>\$1,016.5</b>	<b>4.8%</b>
<b>Adjusted Operating Income Margin <sup>(1)</sup></b>	<b>19.2%</b>	<b>20.3%</b>	<b>-110bp</b>
<b>Adjusted EPS Excluding Amortization <sup>(1)</sup></b>	<b>\$6.37</b>	<b>\$5.98</b>	<b>6.5%</b>
<b>Operating Cash Flow</b>	<b>\$855.6</b>	<b>\$883.6</b>	<b>-3.2%</b>
<b>Less: Capital Expenditures</b>	<b><u>(\$145.7)</u></b>	<b><u>(\$126.1)</u></b>	<b>15.5%</b>
<b>Free Cash Flow</b>	<b>\$709.9</b>	<b>\$757.5</b>	<b>-6.3%</b>

(1) See Reconciliation of non-GAAP Financial Measures (included herein)

(2) Operating Cash Flow was reduced by \$49.5 million as a result of the Hunter Labs settlement

Operating Cash Flow	\$855.6
Hunter Labs settlement	<u>\$49.5</u>
Adjusted Operating Cash Flow	\$905.1

Note: During both the first quarter of 2010 and the first quarter of 2011, inclement weather reduced Adjusted EPS Excluding Amortization by approximately eight cents

# First Quarter 2012 Results

	Three Months Ended Mar 31,		
	2012	2011	+ / (-)
Revenue	\$1,423.3	\$1,368.4	4.0%
Adjusted Operating Income <sup>(1)</sup>	\$283.5	\$263.7	7.5%
Adjusted Operating Income Margin <sup>(1)</sup>	19.9%	19.3%	60bp
Adjusted EPS Excluding Amortization <sup>(1)</sup>	\$1.74	\$1.52	14.5%
Operating Cash Flow	\$197.1	\$215.3	-8.5%
Less: Capital Expenditures	<u>(\$34.2)</u>	<u>(\$29.4)</u>	<u>16.3%</u>
Free Cash Flow	\$162.9	\$185.9	-12.4%

(1) See Reconciliation of non-GAAP Financial Measures (included herein)

Note: During the first quarter of 2011, inclement weather reduced Adjusted EPS Excluding Amortization by approximately eight cents.

## Key Points

- Critical position in health care delivery system
- Attractive market
- Consistent strategy
  - Excellent cash flow deployed to enhance strong competitive position
  - IT innovation to improve physician and patient experience
  - Most efficient provider delivering greatest value
  - Scientific leadership
  - Alternative delivery models
- Track record of execution and success



# Reconciliation of non-GAAP Financial Measures

## Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Twelve Months Ended Dec 31,	
	<u>2011</u>	<u>2010</u>
<u>Adjusted Operating Income</u>		
Operating income	\$ 948.4	\$ 978.8
Restructuring and other special charges <sup>(1)(3)</sup>	116.5	37.7
Adjusted operating income	<u>\$ 1,064.9</u>	<u>\$ 1,016.5</u>
<u>Adjusted EPS Excluding Amortization</u>		
Diluted earnings per common share	\$ 5.11	\$ 5.29
Impact of restructuring and other special charges <sup>(1)(3)</sup>	0.72	0.26
Loss on divestiture of assets <sup>(2)</sup>	0.03	-
Amortization expense	0.51	0.43
Adjusted EPS Excluding Amortization <sup>(4)</sup>	<u>\$ 6.37</u>	<u>\$ 5.98</u>

Note: Please see footnotes for this reconciliation on the following slide

# Reconciliation of non-GAAP Financial Measures - Footnotes

- 1) During the fourth quarter of 2011, the Company recorded net restructuring and other special charges of \$10.6 million, consisting of \$6.3 million in severance related liabilities and \$1.7 million in net facility-related costs primarily associated with integration of the Orchid Cellmark and Genzyme Genetics acquisitions as well as internal cost reduction initiatives. The charges also included a \$2.6 million write-off of an uncollectible receivable from a past installment sale of one of the Company's lab operations. The after tax impact of these charges decreased net earnings for the three months ended December 31, 2011, by \$6.5 million and diluted earnings per share by \$0.06 (\$6.5 million divided by 101.0 million shares).

During the first nine months of 2011, the Company recorded restructuring and other special charges of \$105.9 million (\$66.3 million after tax). The restructuring charges included \$18.8 million in net severance and other personnel costs along with \$36.7 million in net facility-related costs primarily associated with the ongoing integration of the Clearstone, Genzyme Genetics and Westcliff acquisitions. The special charges also included \$34.5 million (\$49.5 million, net of previously recorded reserves of \$15.0 million) relating to the settlement of the Hunter Labs litigation in California, along with \$1.1 million for legal costs associated with the planned acquisition of Orchid Cellmark incurred during the second quarter of 2011, both of which were recorded in Selling, General and Administrative Expenses in the Company's Consolidated Statements of Operations. The charges also included a \$14.8 million write-off of an investment made in a prior year.

For the year ended December 31, 2011, the after tax impact of these combined charges of \$116.5 million decreased net earnings by \$73.3 million and diluted earnings per share by \$0.72 (\$73.3 million divided by 101.8 million shares).

- 2) Following the closing of its acquisition of Orchid Cellmark Inc. ("Orchid") in mid-December, the Company recorded a net \$2.8 million loss on its divestiture of certain assets of Orchid's U.S. government paternity business, under the terms of the agreement reached with the U.S. Federal Trade Commission. This non-deductible loss on disposal was recorded in Other Income and Expense in the Company's Consolidated Statements of Operations and decreased net earnings for the three and twelve months ended December 31, 2011, by \$2.8 million and diluted earnings per share by \$0.03 (\$2.8 million divided by 101.0 million shares and \$2.8 million divided by 101.8 million shares, respectively).

- 3) During the fourth quarter of 2010, the Company recorded restructuring and other special charges of \$13.6 million, consisting of \$14.8 million in professional fees and expenses associated with acquisitions, which are recorded in Selling, General and Administrative Expenses in the Company's Consolidated Statements of Operations; offset by a net restructuring credit of \$1.2 million, resulting from the reversal of unused severance and facility closure liabilities. The after tax impact of these charges decreased net earnings for the three months ended December 31, 2010, by \$8.3 million and diluted earnings per share by \$0.08 (\$8.3 million divided by 104.5 million shares).

During the first nine months of 2010, the Company recorded restructuring and other special charges of \$31.1 million (\$19.1 million after tax), consisting of \$10.9 million in professional fees and expenses associated with acquisitions; \$7.0 million bridge financing fees (recorded as interest expense) associated with the signing of an asset purchase agreement for Genzyme Genetics; and \$13.2 million severance related liabilities associated with workforce reduction initiatives.

For the year ended December 31, 2010, the after tax impact of these combined charges of \$44.7 million decreased net earnings by \$27.4 million and diluted earnings per share by \$0.26 (\$27.4 million divided by 105.4 million shares).

- 4) The Company continues to grow its business through acquisitions and uses Adjusted EPS Excluding Amortization as a measure of operational performance, growth and shareholder returns. The Company believes adjusting EPS for amortization will provide investors with better insight into the operating performance of the business. For the quarters ended December 31, 2011 and 2010, intangible amortization was \$21.2 million and \$19.6 million, respectively (\$12.9 million and \$12.0 million net of tax, respectively) and decreased EPS by \$0.13 (\$12.9 million divided by 101.0 million shares) and \$0.12 (\$12.0 million divided by 104.5 million shares), respectively. For the years ended December 31, 2011 and 2010, intangible amortization was \$85.8 million and \$72.7 million respectively (\$52.4 million and \$44.5 million net of tax, respectively) and decreased EPS by \$0.51 (\$52.4 million divided by 101.8 million shares) and \$0.43 (\$44.5 million divided by 105.4 million shares), respectively.

Note: GENZYME GENETICS and its logo are trademarks of Genzyme Corporation and used by Esoterix Genetic Laboratories, LLC, a wholly-owned subsidiary of LabCorp, under license. Esoterix Genetic Laboratories and LabCorp are operated independently from Genzyme Corporation.

# Reconciliation of non-GAAP Financial Measures

## Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended Mar 31,	
	2012	2011
<u>Adjusted Operating Income</u>		
Operating income	\$ 287.1	\$ 235.8
Restructuring and other special charges <sup>(1)(2)</sup>	(3.6)	27.9
Adjusted operating income	<u>\$ 283.5</u>	<u>\$ 263.7</u>
<u>Adjusted EPS Excluding Amortization</u>		
Diluted earnings per common share	\$ 1.63	\$ 1.23
Impact of restructuring and other special charges <sup>(1)(2)</sup>	(0.02)	0.16
Amortization expense	0.13	0.13
Adjusted EPS Excluding Amortization <sup>(3)</sup>	<u>\$ 1.74</u>	<u>\$ 1.52</u>

Note: Please see footnotes for this reconciliation on the following slide



# Reconciliation of non-GAAP Financial Measures - Footnotes

- 1) During the first quarter of 2012, the Company recorded a net credit of \$3.6 million in restructuring and other special charges. The Company reversed previously established reserves of \$3.8 million in unused severance and \$2.4 million in unused facility-related costs. This net credit also includes charges of \$1.7 million in severance and other personnel costs along with \$0.9 million in facility-related costs primarily related to ongoing integration activities for Orchid and Genzyme Genetics. The after tax impact of the net credit increased net earnings for the quarter ended March 31, 2012, by \$2.2 million and diluted earnings per share by \$0.02 (\$2.2 million divided by 99.1 million shares).
- 2) During the first quarter of 2011, the Company recorded restructuring and other special charges of \$27.9 million. The charges included \$4.0 million in severance and other personnel costs along with \$9.8 million in facility-related costs associated with the integration of Genzyme Genetics. The charges also included a \$14.8 million write-off of an investment made in a prior year. The after tax impact of these charges decreased net earnings for the quarter ended March 31, 2011, by \$16.9 million and diluted earnings per share by \$0.16 (\$16.9 million divided by 103.2 million shares).
- 3) The Company continues to grow the business through acquisitions and uses Adjusted EPS Excluding Amortization as a measure of operational performance, growth and shareholder returns. The Company believes adjusting EPS for amortization provides investors with better insight into the operating performance of the business. For the quarters ended March 31, 2012 and 2011, intangible amortization was \$21.4 million and \$21.9 million, respectively (\$13.1 million and \$13.2 million net of tax, respectively) and decreased EPS by \$0.13 (\$13.1 million divided by 99.1 million shares) and \$0.13 (\$13.2 million divided by 103.2 million shares), respectively.

Note: GENZYME GENETICS and its logo are trademarks of Genzyme Corporation and used by Esoterix Genetic Laboratories, LLC, a wholly-owned subsidiary of LabCorp, under license. Esoterix Genetic Laboratories and LabCorp are operated independently from Genzyme Corporation.

# Reconciliation of Free Cash Flow and Free Cash Flow Per Share

## Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Cash flows from operations<sup>1</sup></b>	\$ 905.1	\$ 883.6	\$ 862.4	\$ 780.9	\$ 709.7	\$ 632.3	\$ 574.2	\$ 538.1	\$ 564.3	\$ 444.9
<b>Capital expenditures</b>	<u>(145.7)</u>	<u>(126.1)</u>	<u>(114.7)</u>	<u>(156.7)</u>	<u>(142.6)</u>	<u>(115.9)</u>	<u>(93.6)</u>	<u>(95.0)</u>	<u>(83.6)</u>	<u>(74.3)</u>
<b>Free cash flow<sup>2</sup></b>	<u>759.4</u>	<u>757.5</u>	<u>747.7</u>	<u>624.2</u>	<u>567.1</u>	<u>516.4</u>	<u>480.6</u>	<u>443.1</u>	<u>480.7</u>	<u>370.6</u>
<b>Weighted average diluted shares outstanding</b>	<u>101.8</u>	<u>105.4</u>	<u>109.1</u>	<u>111.8</u>	<u>121.3</u>	<u>134.7</u>	<u>144.9</u>	<u>150.7</u>	<u>154.7</u>	<u>154.2</u>
<b>Free cash flow per share<sup>3</sup></b>	<u>\$ 7.46</u>	<u>\$ 7.19</u>	<u>\$ 6.85</u>	<u>\$ 5.58</u>	<u>\$ 4.68</u>	<u>\$ 3.83</u>	<u>\$ 3.32</u>	<u>\$ 2.94</u>	<u>\$ 3.11</u>	<u>\$ 2.40</u>

(1) 2011 cash flows from operations excludes the \$49.5 million Hunter Labs settlement payment

(2) Free cash flow represents cash flows from operations less capital expenditures

(3) Free cash flow per share represents free cash flow divided by the weighted average diluted shares outstanding at the end of each period presented

# Supplemental Financial Information

## Laboratory Corporation of America Other Financial Information Q1 2009 - Q1 2012

	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Bad debt as a percentage of sales	5.3%	5.3%	5.3%	5.3%	5.0%	4.8%	4.8%	4.7%	4.7%	4.7%	4.5%	4.5%	4.4%
Days sales outstanding <sup>1</sup>	52	50	48	44	46	45	44	46	47	46	46	46	48
A/R coverage (Allow. for Doubtful Accts. / A/R) <sup>2</sup>	19.5%	20.6%	21.9%	23.2%	21.7%	20.7%	20.4%	18.5%	19.4%	20.6%	21.1%	22.0%	21.5%

(1) Excluding the impact from Genzyme Genetics, DSO was 43 days in Q4 of 2010, 45 days in Q1 of 2011, 43 days in Q2 of 2011. We did not track Genzyme Genetics' impact on DSO after Q2 of 2011.

(2) Excluding the impact from Genzyme Genetics, A/R Coverage was 19.9% in Q4 of 2010, 20.4% in Q1 of 2011, 21.1% in Q2 of 2011, 20.0% in Q3 of 2011, 20.8% in Q4 of 2011, and 20.4% in Q1 of 2012.

