

**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

October 18, 2012
(Date of earliest event reported)

**LABORATORY CORPORATION OF
AMERICA HOLDINGS**

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-11353

13-3757370

(State or other jurisdiction of Incorporation)

(Commission File Number)

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

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

27215

336-229-1127

(Address of principal executive offices)

(Zip Code)

(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 October 18, 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

October 18, 2012



 **LabCorp**
Laboratory Corporation of America

8-K Filed October 18, 2012



Introduction

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. The Company has no obligation to provide any updates to these forward-looking statements even if its expectations change.

Third Quarter Results

(In millions, except per share data)

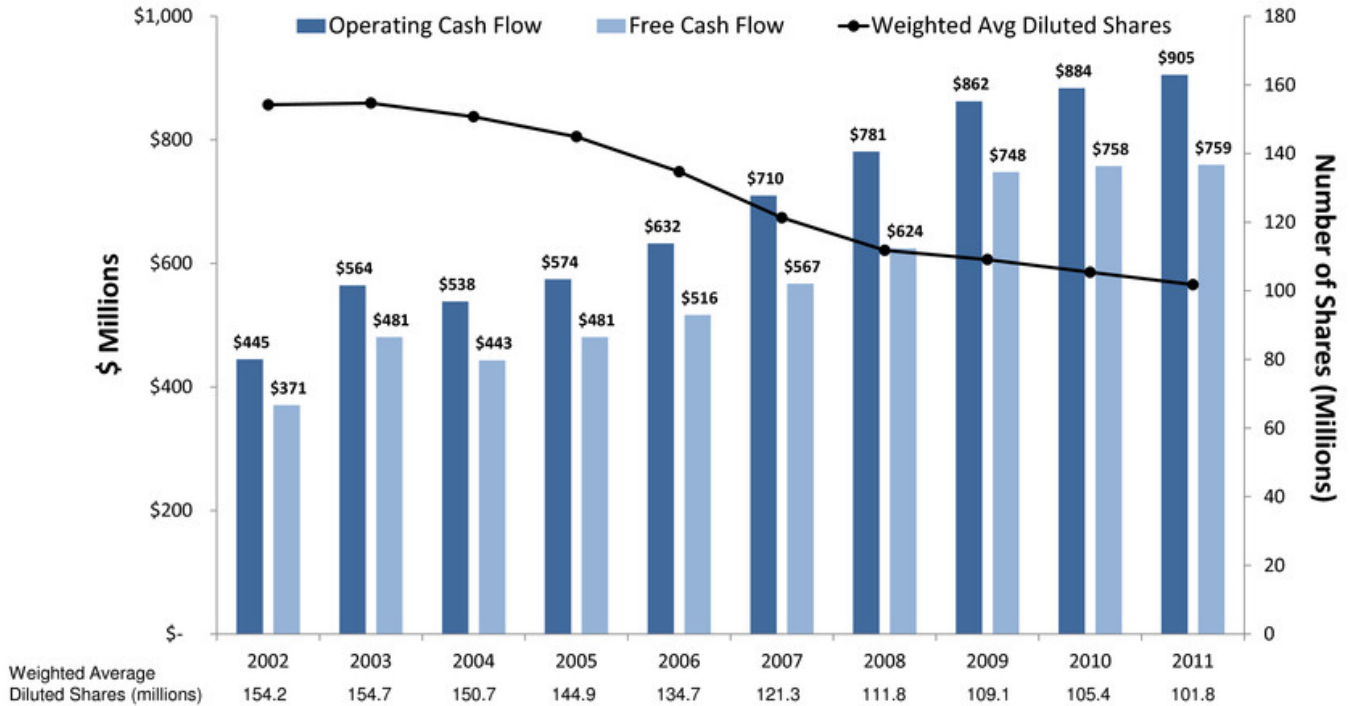
	Three Months Ended Sep 30,		+ / (-)
	2012	2011	
Revenue	\$ 1,419.4	\$ 1,404.5	1.1%
Adjusted Operating Income ⁽¹⁾	\$ 258.9	\$ 263.5	-1.7%
Adjusted Operating Income Margin ⁽¹⁾	18.2%	18.8%	(60) bp
Adjusted EPS Excluding Amortization ⁽¹⁾	\$ 1.76	\$ 1.61	9.3%
Operating Cash Flow ⁽²⁾	\$ 203.8	\$ 176.8	15.3%
Less: Capital Expenditures	\$ (44.1)	\$ (40.4)	9.2%
Free Cash Flow	\$ 159.7	\$ 136.4	17.1%

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

(2) 2011 Operating Cash Flow was reduced by \$49.5 million as a result of the Hunter Labs settlement

Cash Flow Trends

12.8% FCF CAGR from 2001-2011



Note: 2011 Free Cash Flow calculation above does 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 (2001 Free Cash Flow was \$228 million)





Financial Guidance - 2012

Excluding the impact of restructuring and other special charges and share repurchase activity after September 30, 2012, guidance for 2012 is:

• Revenue growth:	Approximately 2.5%
• Adjusted EPS Excluding Amortization:	\$6.88 - \$6.93
• Operating cash flow:	Approximately \$915 Million
• Capital expenditures:	Approximately \$145 Million

Supplemental Financial Information

Laboratory Corporation of America
Other Financial Information
September 30, 2012
(\$ in millions)

	<u>Q1 12</u>	<u>Q2 12</u>	<u>Q3 12</u>	<u>YTD</u>
Depreciation	\$ 34.7	\$ 33.2	\$ 34.0	\$ 101.9
Amortization	\$ 21.4	\$ 20.5	\$ 20.9	\$ 62.8
Capital expenditures	\$ 34.2	\$ 34.1	\$ 44.1	\$ 112.4
Cash flows from operations	\$ 197.1	\$ 186.3	\$ 203.8	\$ 587.2
Bad debt as a percentage of sales	4.4%	4.4%	4.3%	4.4%
Effective interest rate on debt:				
Zero coupon-subordinated notes	2.00%	2.00%	2.00%	2.00%
3 1/8% Senior Notes	3.27%	3.27%	3.27%	3.27%
4 5/8% Senior Notes	4.74%	4.74%	4.74%	4.74%
5 1/2% Senior Notes	5.38%	5.38%	5.38%	5.38%
5 5/8% Senior Notes	5.75%	5.75%	5.75%	5.75%
2 1/5% Senior Notes	-	-	2.24%	2.24%
3 3/4% Senior Notes	-	-	3.76%	3.76%
Revolving credit facility (weighted average)	1.22%	1.22%	1.19%	1.19%
Days sales outstanding	48	47	48*	48*

*Excludes the impact of the MEDTOX Acquisition

Reconciliation of non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Three Months Ended Sep 30,	
	2012	2011
<u>Adjusted Operating Income</u>		
Operating income	\$ 245.1	\$ 239.4
Restructuring and other special charges ^{(1) (2)}	4.8	24.1
Acquisition fees and expenses ⁽¹⁾	9.0	-
Adjusted operating income	<u>\$ 258.9</u>	<u>\$ 263.5</u>
<u>Adjusted EPS Excluding Amortization</u>		
Diluted earnings per common share	\$ 1.53	\$ 1.31
Impact of restructuring and other special charges ^{(1) (2)}	0.10	0.17
Amortization expense	0.13	0.13
Adjusted EPS Excluding Amortization ⁽³⁾	<u>\$ 1.76</u>	<u>\$ 1.61</u>

Note: Please see footnotes for this reconciliation on slide 9

Reconciliation of non-GAAP Financial Measures

Reconciliation of non-GAAP Financial Measures

(In millions, except per share data)

	Nine Months Ended Sep 30,	
	2012	2011
<u>Adjusted Operating Income</u>		
Operating income	\$ 808.2	\$ 700.9
Restructuring and other special charges ^{(1) (2)}	4.6	105.9
Acquisition fees and expenses ⁽¹⁾	9.9	-
Adjusted operating income	<u>\$ 822.7</u>	<u>\$ 806.8</u>
<u>Adjusted EPS Excluding Amortization</u>		
Diluted earnings per common share	\$ 4.72	\$ 3.76
Impact of restructuring and other special charges ^{(1) (2)}	0.15	0.65
Amortization expense	0.40	0.39
Adjusted EPS Excluding Amortization ⁽³⁾	<u>\$ 5.27</u>	<u>\$ 4.80</u>

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

Reconciliation of non-GAAP Financial Measures - Footnotes

- 1) During the third quarter of 2012, the Company recorded net restructuring and other special charges of \$4.8 million. The charges consisted of \$5.2 million in severance related liabilities and \$1.2 million in net facility-related costs primarily associated with ongoing consolidation of recent acquisitions and other operations; partially offset by the reversal of previously established reserves of \$0.9 million in unused severance and \$0.7 million in unused facility-related costs. The Company also recorded \$9.0 million in fees associated with the successful completion of its acquisition of MEDTOX Scientific, Inc. ("MEDTOX") on July 31, 2012. The after tax impact of these charges decreased net earnings for the three months ended September 30, 2012, by \$9.5 million and diluted earnings per share by \$0.10 (\$9.5 million divided by 96.8 million shares).

During the first two quarters of 2012, the Company recorded a net credit of \$0.2 million in restructuring and other special charges. The restructuring charges included \$6.2 million in severance and other personnel costs along with \$1.3 million in facility-related costs primarily associated with the ongoing integration of the Clearstone Central Laboratories ("Clearstone") acquisition and the termination of an executive vice-president. These charges were offset by the reversal of previously established restructuring reserves of \$4.8 million in unused severance and \$2.9 million in unused facility-related costs. The Company recorded \$0.9 million in acquisition fees and expenses relating to its acquisition of MEDTOX. As part of the Clearstone integration, the Company recorded a \$6.9 million loss on the disposal of one of its European subsidiaries. In addition, in conjunction with the liquidation of one of its joint ventures, the Company recorded a one-time increase of \$2.9 million in equity method income.

For the nine months ended September 30, 2011, the after tax impact of these combined net charges decreased net earnings by \$15.1 million and diluted earnings per share by \$0.15 (\$15.1 million divided by 98.1 million shares).

- 2) During the third quarter of 2011, the Company recorded net restructuring and other special charges of \$24.1 million, consisting of \$7.9 million in severance related liabilities and \$16.2 million in net facility-related costs primarily associated with ongoing integration of the Clearstone, Genzyme Genetics and Westcliff acquisitions. The after tax impact of these charges decreased net earnings for the three months ended September 30, 2011, by \$16.9 million and diluted earnings per share by \$0.17 (\$16.9 million divided by 102.2 million shares).

During the first two quarters of 2011, the Company recorded restructuring and other special charges of \$81.8 million. The restructuring charges included \$10.9 million in net severance and other personnel costs along with \$20.5 million in net facility-related costs primarily associated with the ongoing integration of the Genzyme Genetics and Westcliff acquisitions. The special charges also include \$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 Statement of Operations. The charges also included a \$14.8 million write-off of an investment made in a prior year.

For the nine months ended September 30, 2011, the after tax impact of these combined charges decreased net earnings by \$66.3 million and diluted earnings per share by \$0.65 (\$66.3 million divided by 102.3 million shares).

- 3) 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 September 30, 2012 and 2011, intangible amortization was \$21.1 million and \$21.2 million, respectively (\$13.0 million and \$13.0 million net of tax, respectively) and decreased EPS by \$0.13 (\$13.0 million divided by 96.8 million shares) and \$0.13 (\$13.0 million divided by 102.2 million shares), respectively. For the nine months ended September 30, 2012 and 2011, intangible amortization was \$63.1 million and \$64.6 million respectively (\$38.9 million and \$39.5 million net of tax, respectively) and decreased EPS by \$0.39 (\$38.9 million divided by 98.1 million shares) and \$0.40 (\$39.5 million divided by 102.3 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

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>
Cash flows from operations ¹	\$905.1	\$883.6	\$862.4	\$780.9	\$709.7	\$632.3	\$574.2	\$538.1	\$564.3	\$444.9
Capital expenditures	(145.7)	(126.1)	(114.7)	(156.7)	(142.6)	(115.9)	(93.6)	(95.0)	(83.6)	(74.3)
Free cash flow ²	<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>
Weighted average diluted shares outstanding	101.8	105.4	109.1	111.8	121.3	134.7	144.9	150.7	154.7	154.2

(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



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