

LABORATORY CORP OF AMERICA HOLDINGS  
Form 8-K  
November 10, 2009

**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

November 10, 2009

(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)

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

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

**27215**

**336-229-1127**

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(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 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 in connection with the presentation at the Credit Suisse 18th Annual Healthcare Conference on November 13, 2009.

**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: November 10, 2009

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

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Phoenix, AZ

November 13, 2009

**Credit Suisse 18<sup>th</sup> Annual**

**Healthcare Conference**

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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, 2008, and subsequent SEC filings.

**Forward Looking Statement**

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**Introduction**

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**Leading National**

**Lab Provider**

Fastest growing national lab

\$52 Billion market

Clinical, Anatomic and Genomic Testing

Serving clients in all 50 states and Canada

Foremost clinical trials testing business

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**Introduction**

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**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

reduce adverse drug effects

**Attractive Market**

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**Attractive Market**

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**Growth Drivers**

Aging population

Industry consolidation

Advances in genomics

Pharmacogenomics /

companion diagnostics

Cost pressures

**Source: CDC National Ambulatory Medical Care Survey and Company Estimates**

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**Attractive Market**

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**Opportunity to**

**Take Share**

5,100 independent labs

High cost competitors

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**Attractive Market**

**Diversified Payor Mix**

No customer > 9% of revenue

Limited government exposure

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**Attractive Market**

**Diversified Test Mix**

Esoteric 36% of revenue

Goal of 40% in 3 - 5 years

Higher priced business

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**Competitive Position**

**Scale and Scope**

National infrastructure

Broad test offering

Managed care contracts

Economies of scale

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Primary LabCorp Testing Locations\*

Esoteric Lab Locations

(CET, CMBP, Dianon, Esoterix, Monogram Biosciences, NGI, OTS, US Labs, Viromed)

Patient Service Centers\*

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**Competitive Position**

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**Standardized and**

**Efficient Processes**

Improved patient intake

Automation of pre-analytics

Capacity rationalization

Logistics optimization

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**Scientific**

**Leadership**

Introduction of new tests

Acquisitions and licensing

Collaborations with leading

companies and academic

institutions

**Competitive Position**

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**2009 Priorities**

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**Our Focus**

Gain new customers

Maintain Price

Control costs

Implement Automation

Advance leadership in  
personalized medicine

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**2009 Priorities**

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**Gain New Customers**

Target specialty physicians

Co-marketing with partners

in science

Appropriate promotion of

specialty tests

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**2009 Priorities**

**Maintain Price**

Focus on high-value tests

Promote outcomes improvement

4.5% Medicare rate increase

Managed care stability

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**Control Costs**

Renegotiate leases

Review supply chain

Contain discretionary expenses

Control bad debt

Continue to appropriately

fund growth

**2009 Priorities**

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**Advance**

**Personalized**

**Medicine**

Increase esoteric testing

Expand outcome improvement

programs

Develop and commercialize

companion diagnostics

**2009 Priorities**

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**Increase**

**Esoteric Testing**

Introduction of new tests

Acquisitions and licensing

Collaborations with academic

institutions

**Advance Personalized Medicine**

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**Expand Outcomes**

**Improvement**

Litholink kidney stone

CKD

Continual development of

valuable programs

**Advance Personalized Medicine**

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**Advance Personalized Medicine**

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**Develop**

**Companion Diagnostics**

Invest in clinical trials

Relationships with biotech and

pharma companies

Promote key tests

(e.g., K-RAS, HLA-B\* 5701,

CYP 450)

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**Excellent Performance**

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**Revenue and**

**EPS Growth**

10% Revenue CAGR

17% EPS CAGR

(1) Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss; excluding the \$0.06 per diluted share impact in 2006 of restructuring and other special charges; excluding the \$0.25 per diluted share impact in 2007 of restructuring and other special charges; excluding the \$0.44 per diluted share impact in 2008 of restructuring and other special items

(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; and \$4.16 in 2008.

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**Excellent Performance**

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**Leading Returns**

Improving and leading returns

Leading EBIT margin

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**Excellent Performance**

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**Cash Flow**

10% OCF CAGR

\$2.5 B+ share repurchase

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**Third Quarter and YTD 2009 Results**

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**2009**

**2008**

+ / (-)

**2009**

**2008**

+ / (-)

**Revenue**

**1,185.1**

**\$**

**1,135.1**

**\$**

**4.4%**

**3,529.7**

**\$**

**3,386.1**

**\$**

**4.2%**

**Adjusted Operating Income**

**237.6**

**\$**

**219.9**

**\$**

**8.0%**

**733.0**

\$

717.2

\$

2.2%

**Operating Income Margin**

20.0%

19.4%

60

bp

20.8%

21.2%

(40)

bp

**Adjusted EPS**

1.22

\$

1.10

\$

10.9%

3.74

\$

3.48

\$

7.5%

**Operating Cash Flow**

246.4

\$

194.4

\$

26.7%

637.7

\$

565.6

\$

12.7%

**Less: Capital Expenditures**

(22.7)

\$

(41.5)

\$

-45.3%

(77.1)

\$

(120.4)

\$

-36.0%

**Free Cash Flow**

223.7

\$

152.9

\$

46.3%

560.6

\$

445.2

\$

25.9%

Nine Months Ended Sept 30,

Three Months Ended Sept 30,

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**Supplemental Financial Information**

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**YTD**

**Q1 09**

**Q2 09**

**Q3 09**

**2009**

Bad debt as a percentage of sales

5.3%

5.3%

5.3%

5.3%

Days sales outstanding

52

50

48

48

A/R coverage (Allowance for Doubtful Accts. / A/R)

19.5%

20.6%

21.9%

21.9%

**Other Financial Information**

**September 30, 2009**

**(\$ in million's)**

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**Key Points**

Critical position in health care delivery system

Leadership in personalized medicine

Stable pricing

Well positioned to gain share

Continued cost control

Excellent cash flow

Strong balance sheet

**Conclusion**

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