

LABORATORY CORP OF AMERICA HOLDINGS  
Form 8-K  
April 25, 2006

**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

April 25, 2006

(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 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 dated April 25, 2006.

---

**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: April 25, 2006

By: /s/Bradford T. Smith  
Bradford T. Smith, Executive Vice  
President  
and Secretary

8-K Filed April 25, 2006

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, 2005, and subsequent filings.

2

The Clinical Laboratory Testing  
Market - \$40 billion Annually

Independent clinical lab share  
is \$16 billion

Represents 2% to 3% of all  
health care spending

Influences /directs  
approximately 80% of health  
care spending

Rapidly evolving technology,  
emphasis on preventative  
medicine and aging of  
population are all driving  
growth

Has grown at a CAGR of  
between 5% and 6%

**Source: Company estimates, industry reports and 2005 revenue for LabCorp.**

3

Profile of LabCorp

A leader in the esoteric and genomic testing market and second-largest clinical laboratory company in North America

Offers a broad range of routine and esoteric/genomic tests

Conducts approximately 1.1 million tests daily on more than 360,000 specimens

Provides lab services to physicians and other health care providers

Approximately 24,000 employees nationwide

4

Primary Testing Locations

Primary LabCorp Testing Locations

Corporate Headquarters

Burlington, NC

5

LabCorp's Investment and  
Performance Fundamentals

History of Strong Financial  
Performance

Significant Cash Generator

Industry leading EBITDA margins

Strong Balance Sheet

Investment Grade Credit Ratings

6

Net Sales (in millions)

7

EBITDA Margin

(1) Excluding the impact in 2005 of restructuring and other special charges, and a non-recurring investment loss.

8

EPS

(1) Excluding the \$0.09 per diluted share impact in 2005 of restructuring and other special charges, and a non-recurring investment loss.

9

Operating Cash Flow (in millions)

(1) Includes approximately \$50 million of benefit from one-time tax credits recorded in 2003.

*(1)*

10

LabCorp's Strategy

*To lead the industry in achieving long-term growth and profitability by strengthening our nationwide core testing business and expanding our higher-growth, higher-value esoteric and genomic businesses.*

11

Strategic Focus Areas

**Scientific**

**Leadership**

**Managed**

**Care**

**Customer**

**Retention**

-Licensing/partnerships

-Cancer

-Specimen tracking

-Call center consolidation

-Report improvement

-Acquisitions

-Appropriate prices

-Reduce leakage

-Value of new lab tests

-Customer connectivity

12

First Quarter Results (in millions, except per share data)

(1) Excludes \$5.8 million stock compensation expense recorded by the Company for the three months ended March 31, 2006 from the adoption of SFAS 123(R).

(2) Excluding the \$0.02 per diluted share impact of the required change in accounting for stock based compensation adopted in 2006.

13

2006 First Quarter Financial  
Achievements

Diluted EPS of \$0.78 (1)

EBITDA margin of 26.1% of sales (2)

Operating cash flow of \$178.6 million

Increased revenues 9.9% (4.6% volume; 5.3% price)

Repurchased approximately \$185 million of  
LabCorp stock

(1)

Excluding the \$0.02 per diluted share impact of the required change in accounting for stock based compensation.

(2)

Based on EBITDA of \$229.6 million, excluding \$5.8 million impact of change in accounting for stock based compensation.

14

Financial Performance

***Price & Volumes: Trends by Payer Type***

15

*Financial Performance*

Revenue Analysis by Business Area

16

Free Cash Flow Investment Strategy

Acquisitions

Stock repurchase program

Retain flexibility in utilizing remaining cash

17

2006 Financial Guidance

**Excluding the impact of the required change in accounting for stock based compensation, and any share repurchase activity after March 31, 2006, guidance for 2006 is as follows:**

**Revenue growth of approximately 6.5% to 7.5% compared to 2005.**

**EBITDA margins of 26.0 to 26.5% of revenues.**

**Diluted EPS in the range of \$3.15 to \$3.25.**

**Operating cash flow of between \$600 and \$620 million.**

**Capital expenditures of between \$100 and \$115 million.**

**Net interest expense of approximately \$47 million.**

**Bad debt rate of approximately 5.3% of sales.**

**We estimate that the implementation of the required change in accounting for stock based compensation will have an EBITDA impact of approximately \$22 million to \$23 million and a diluted EPS impact of approximately \$0.10.**

Reconciliation of Non-GAAP Financial Measures (\$ in millions)

19

Supplemental Financial Information

