

LABORATORY CORP OF AMERICA HOLDINGS
Form 10-Q
October 31, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-11353

LABORATORY CORPORATION OF
AMERICA HOLDINGS
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

13-3757370
(I.R.S. Employer Identification No.)

358 South Main Street,
Burlington, North Carolina
(Address of principal executive offices)

27215
(Zip Code)

(Registrant's telephone number, including area code) 336-229-1127

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (paragraph 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated Filer

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

The number of shares outstanding of the issuer's common stock is 99.1 million shares, net of treasury stock as of October 24, 2011.

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PART I – FINANCIAL INFORMATION

Item 1. – Financial Statements

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions)

(unaudited)

	September 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$85.8	\$230.7
Accounts receivable, net of allowance for doubtful accounts of \$192.4 and \$149.2 at September 30, 2011 and December 31, 2010, respectively	718.7	655.6
Supplies inventories	103.8	103.4
Prepaid expenses and other	78.4	95.7
Deferred income taxes	85.9	58.4
Total current assets	1,072.6	1,143.8
Property, plant and equipment, net	577.4	586.9
Goodwill, net	2,641.4	2,601.3
Intangible assets, net	1,592.7	1,674.1
Joint venture partnerships and equity method investments	75.4	78.5
Other assets, net	93.7	103.2
Total assets	\$6,053.2	\$6,187.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$222.9	\$257.8
Accrued expenses and other	404.3	352.9
Noncontrolling interest	140.7	148.1
Short-term borrowings and current portion of long-term debt	214.3	361.7
Total current liabilities	982.2	1,120.5
Long-term debt, less current portion	1,769.3	1,826.7
Deferred income taxes and other tax liabilities	569.8	602.3
Other liabilities	169.0	151.4
Total liabilities	3,490.3	3,700.9
Commitments and contingent liabilities	--	--
Noncontrolling interest	19.6	20.6
Shareholders' equity		
Common stock, 99.7 and 102.4 shares outstanding at September 30, 2011 and December 31, 2010, respectively	11.9	12.2
Additional paid-in capital	--	53.9

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Retained earnings	3,402.2	3,246.6
Less common stock held in treasury	(940.9)	(934.9)
Accumulated other comprehensive income	70.1	88.5
Total shareholders' equity	2,543.3	2,466.3
Total liabilities and shareholders' equity	\$6,053.2	\$6,187.8

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (in millions, except per share data)
 (unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Net sales	\$1,404.5	\$1,276.5	\$4,176.2	\$3,708.5
Cost of sales	836.0	748.8	2,451.1	2,140.3
Gross profit	568.5	527.7	1,725.1	1,568.2
Selling, general and administrative expenses	283.8	270.5	889.3	761.9
Amortization of intangibles and other assets	21.2	18.0		