

LABORATORY CORP OF AMERICA HOLDINGS
Form 8-K
February 12, 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

February 12, 2009

(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 February 12, 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: February 12, 2009

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

2

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, 2007, and subsequent SEC filings.

3

Five-Year Cash Flow Trend

Operating Cash Flow CAGR of 10%

4

Revenue CAGR of 10.0% Diluted EPS CAGR of 17.0%

1.

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

2.

Excluding the \$0.06 per diluted share impact in 2006 of restructuring and other special charges.

3.

Excluding the \$0.25 per diluted share impact in 2007 of restructuring and other special charges.

4.

Excluding the \$0.44 per diluted share impact in 2008 of restructuring and other special items

Five-Year Revenue and EPS Trend

5

Fourth Quarter Results
(In millions, except per share data)

6

Full Year Results
(In millions, except per share data)

7

**2008 Fourth Quarter
Financial Achievements**

Adjusted EPS of \$1.10 ⁽¹⁾

Adjusted EBITDA margin of 23.6% ⁽²⁾

Operating cash flow of \$215.3 million

Increased revenues

11.3% (10.9% volume, 0.4% revenue per accession)

**6.2% (3.0% volume, 3.2% revenue per accession),
excluding Canada and a special charge**

8

**Full Year
Financial Achievements**

Adjusted EPS of \$4.60 ⁽¹⁾

Adjusted EBITDA margin of 24.8% ⁽²⁾

Operating cash flow of \$780.9 million

Increased revenues

10.7% (9.8% volume, 0.9% revenue per accession)

**4.8% (2.2% volume, 2.6% revenue per accession),
excluding Canada and a special charge**

Repurchased \$330.4 million of LabCorp stock

9

Revenue by Payer- US

2008

(In millions)

Client

\$1,195.3 (28%)

Patient

\$369.6 (9%)

Managed Care

Capitated

\$180.0 (4%)

Medicare & Medicaid

\$803.1 (19%)

Managed Care

Fee-for-service

\$1,715.7 (40%)

10

Core

\$2,777.9 (65%)

Histology (Non-Pap)

\$321.0 (8%)

Other Esoteric

\$510.1 (12%)

Genomic

\$654.8 (15%)

Revenue by Business Area - US

2008

(In millions)

**Revenue Mix- US
by Business Area
(In millions)**

- 31%**
 - 34%**
 - 35%**
 - 34%**
 - 35%**
 - 65%**
 - 66%**
 - 65%**
 - 66%**
 - 69%**
-

12

Revenue by Payer

2008

(in millions, except PPA)

13

Revenue by Business Area

2008

(in millions, except PPA)

14

Financial Guidance - 2009

Excluding the impact of restructuring and other special charges and share repurchase activity after December 31, 2008, guidance for 2009 is:

Revenue growth:

2-4%

Diluted earnings per share:

\$4.75 to \$4.95

Operating cash flow of approximately⁽¹⁾:

\$800 million

Capital expenditures of approximately:

\$130 million

(1) Operating cash flow guidance excludes any transition payments to UnitedHealthcare and includes a \$56 million reduction due to required contributions to the Company's defined benefit retirement plan.

Reconciliation of Non-GAAP

Financial Measures

(In millions)

EBITDA represents earnings before interest, income taxes, depreciation and amortization, and includes the Company's proportional share of the underlying EBITDA of the income from joint venture partnerships. The Company uses EBITDA extensively as an internal management performance measure and believes it is a useful, and commonly used measure of financial performance in addition to earnings before taxes and other profitability measurements under generally accepted accounting principles (GAAP). EBITDA is not a measure of financial performance under GAAP. It should not be considered as an alternative to earnings before income taxes (or any other performance measure under GAAP) as a measure of performance or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. The following table reconciles earnings before income taxes, representing the most comparable measure under GAAP, to Adjusted EBITDA for the three- and twelve-month periods ended December 31, 2008 and 2007:

**Supplemental Financial
Information**

Use of Adjusted Measures

The Company has provided in this presentation adjusted financial information that has not been prepared in accordance with GAAP. The Company believes these adjusted measures are useful to investors, as a supplement to, but not as a substitute for, GAAP measures, in evaluating the Company's operational performance, and that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating operating results and trends, and in comparing the Company's financial results with other companies. Reconciliations of these non-GAAP adjusted measures to the most comparable GAAP measures are included in the tables accompanying the Company's press release dated February 12, 2009.
