



LABORATORY CORPORATION OF AMERICA® REPORTS THIRD QUARTER RESULTS

October 20, 1999

Burlington, NC, October 20, 1999 - Laboratory Corporation of America® Holdings (LabCorp®) (NYSE: LH) today announced results for the quarter and nine months ended September 30, 1999.

Third Quarter Results

Net sales for the third quarter were \$428.6 million, operating income was \$40.1 million, and net income was \$17.2 million. The basic and diluted earnings per common share were \$0.03. This compares with net sales of \$414.7 million, operating income of \$34.3 million, net income of \$11.4 million, and basic and diluted earnings per common share of \$0.00 for the same period in 1998.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) were \$60.3 million for the third quarter, or 14.1 percent of net sales, versus \$54.1 million, or 13.0 percent of net sales, for the comparable period in 1998. Operating cash flow for the quarter was \$53.1 million, compared to \$24.4 million for the same quarter in 1998.

"LabCorp achieved another quarter of strong financial performance, with positive trends continuing for key financial indicators such as revenue, profitability, and cash collections," noted Thomas P. Mac Mahon, president and chief executive officer.

Nine Month Results

For the nine-month period ended September 30, 1999, LabCorp generated net sales of \$1,276.0 million, operating income of \$116.6 million, and net income of \$51.2 million. For the same period in 1998, net sales were \$1,204.8 million, operating income was \$101.0 million, and net income \$33.5 million. The basic and diluted earnings per common share were \$0.11 in 1999 compared to \$0.00 in 1998. EBITDA for the first nine months of 1999 was \$178.9 million, or 14.0 percent of net sales, versus \$162.7 million, or 13.5 percent of net sales, for the comparable period in 1998. Operating cash flow was \$128.9 million.

"By focusing on the implementation of our strategic plan, we have strengthened our base business, reduced days sales outstanding by seven days since the beginning of the year, and exceeded total operating cash flow for 1998 in the first nine months of 1999," said Mr. Mac Mahon. "We have also continued to build our leadership position in key esoteric testing areas such as genotyping and phenotyping."

A live broadcast of LabCorp's quarterly conference call will be available online at www.labcorp.com or at www.streetfusion.com, on October 21, 1999, beginning at 9:00 a.m. Eastern Daylight Time, with an online rebroadcast continuing through November 30, 1999.

The Company noted that each of the above forward-looking statements was 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. 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, 1998 and subsequent SEC filings.

Laboratory Corporation of America® Holdings (LabCorp®) is a national clinical laboratory with annual revenues of \$1.6 billion in 1998. With 18,000 employees and over 100,000 clients nationwide, the company offers more than 2,000 clinical tests, ranging from simple blood analyses to more sophisticated technologies. Included in LabCorp's network of 25 major laboratories are three

Centers of Excellence. The Center for Molecular Biology and Pathology, in Research Triangle Park (RTP), North Carolina, develops applications for polymerase chain reaction (PCR) technology. Its Center for Occupational Testing in RTP is the world's largest substance abuse testing facility, and the Center for Esoteric Testing in Burlington, North Carolina, performs the largest volume of rare analyses in the network. LabCorp's clients include physicians, state and federal governments, managed care organizations, hospitals, clinics, pharmaceutical and Fortune 1000 companies, and other clinical laboratories.