UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended SEPTEMBER 30, 2000

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	13-3757370
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

358 SOUTH MAIN STREET, BURLINGTON, NORTH CAROLINA 27215
(Address of principal executive offices) (Zip code)

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

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 X No ___

The number of shares outstanding of the issuer's common stock is 34,766,353 shares as of October 31, 2000, of which 11,352,537 shares are held by indirect wholly owned subsidiaries of Roche Holding Ltd.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

	September 30, 2000 (Unaudited)	December 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15.3	$ 40.3
Accounts receivable, net	378.1	348.0
Inventories	32.4	29.1
Prepaid expenses and other	20.4	37.5
Deferred income taxes	38.0	44.6
Total current assets	484.2	499.5
Property, plant and equipment, net	271.5	273.2
Intangible assets, net	806.7	803.9
Other assets, net	77.4	13.6
	$1,639.8	$1,590.2

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 57.1	$ 43.6
Accrued expenses and other	112.4	107.0
Current portion of long-term debt	121.0	95.0
	--------	--------
Total current liabilities	290.5	245.6
Revolving credit facility	--	--
Long-term debt, less current portion	379.5	478.4
Capital lease obligations	7.2	4.4
Other liabilities	128.6	127.6
Commitments and contingent liabilities	--	--
Mandatorily redeemable preferred stock (30,000,000 shares authorized):		
Series A 8 1/2% Convertible Exchangeable Preferred Stock, $0.10 par value, 0 and 4,363,178 shares issued and outstanding at September 30, 2000 and December 31, 1999 respectively (aggregate preference value of $0 and 218.2 at September 30, 2000 and December 31, 1999 respectively)	--	213.4
Series B 8 1/2% Convertible Pay-in-Kind Preferred Stock, $0.10 par value, 0 and 6,971,970 shares issued and outstanding at September 30, 2000 and December 31, 1999 respectively (aggregate preference value of $0 and $348.6, respectively)	--	345.3
Shareholders' equity:		
Common stock, $0.10 par value; 52,000,000 shares authorized; 34,551,707 and 12,878,958 shares issued and outstanding at September 30, 2000 and December 31, 1999, respectively	3.5	1.3
Additional paid-in capital	1,031.3	423.9
Accumulated deficit	(188.9)	(245.5)
Unearned restricted stock compensation	(11.3)	(4.1)
Accumulated other comprehensive loss	(0.6)	(0.1)
	--------	--------
Total shareholders' equity	834.0	175.5
	--------	--------
	$1,639.8	$1,590.2
	========	========

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN MILLIONS,EXCEPT PER SHARE DATA)
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30,		THREE MONTHS ENDED SEPTEMBER 30,	
	2000	1999	2000	1999
Net sales	$1,433.3	$1,276.0	$ 488.1	$ 428.6
Cost of sales	851.8	796.8	291.4	265.2
Gross profit	581.5	479.2	196.7	163.4
Selling, general and administrative expenses	359.3	339.2	118.7	115.6
Amortization of intangibles and other assets	24.2	23.4	8.7	7.7
Operating income	198.0	116.6	69.3	40.1
Other income (expenses):				
Loss on sale of assets	(0.8)	(1.4)	--	(0.1)
Investment income (loss)	1.0	(1.4)	0.9	(1.8)
Interest expense	(29.3)	(31.2)	(9.5)	(10.4)
Earnings before income taxes	168.9	82.6	60.7	27.8
Provision for income taxes	77.7	31.4	27.9	10.6
Net earnings	91.2	51.2	32.8	17.2
Less preferred stock dividends	34.4	36.4	--	12.9
Less accretion of mandatorily redeemable preferred stock	0.2	0.7	--	0.2
Net earnings attributable to common shareholders	$ 56.6	$ 14.1	$ 32.8	$ 4.1
Basic earnings per common share	$ 2.85	$ 1.12	$ 0.98	$ 0.32
Diluted earnings per common share	$ 2.66	$ 1.10	$ 0.94	$ 0.32

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 91.2	$ 51.2
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	65.8	63.0
Amortization of deferred compensation	2.1	0.2
Net losses on sale of assets	0.8	1.4
Investment loss	--	2.0
Deferred income taxes	10.0	(4.0)
Change in assets and liabilities:		
Net decrease in restructuring reserves	(2.7)	(4.8)
(Increase) decrease in accounts receivable, net	(29.3)	14.6
(Increase)decrease in inventories	(2.7)	4.4
Decrease (increase) in prepaid expenses and other	18.0	(6.2)
Increase (decrease) in accounts payable	13.2	(11.7)
Increase in accrued expenses and other	15.1	21.3
Other, net	(3.9)	(2.5)
Net cash provided by operating activities	177.6	128.9
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(39.7)	(53.6)
Proceeds from sale of assets	0.7	0.7
Acquisition of businesses	(88.4)	--
Net cash used for investing activities	(127.4)	(52.9)

(continued)

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30, 2000	1999
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	--	40.0
Payments on revolving credit facilities	--	(40.0)
Payments on long-term debt	(73.0)	(59.2)
Payments on long-term lease obligations	(0.8)	(0.7)
Deferred payments on acquisitions	(0.9)	(8.7)
Payment of preferred stock dividends	(9.5)	(13.9)
Net proceeds from issuance of stock to employees	9.5	3.8
Net cash used for financing activities	(74.7)	(78.7)
Effect of exchange rate changes on cash and cash equivalents	(0.5)	(0.3)
Net increase (decrease) in cash and cash equivalents	(25.0)	(3.0)
Cash and cash equivalents at beginning of period	40.3	22.7
Cash and cash equivalents at end of period	$ 15.3	$ 19.7
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest	$ 29.4	$ 34.9
Income taxes, net of refunds	38.7	22.8
Disclosure of non-cash financing and investing activities:		
Preferred stock dividends	24.9	22.5
Accretion of mandatorily redeemable preferred stock	0.3	0.7
Unrealized loss on securities available-for-sale (net of tax)	--	0.8
Conversion of preferred stock into common stock	583.9	--

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Common Stock	Additional Paid-in Capital	Accumulated Deficit
PERIOD ENDED SEPTEMBER 30, 1999			
Balance at beginning of year	$ 1.2	$ 415.7	$ (260.5)
Comprehensive income:			
Net earnings	--	--	51.2
Other comprehensive income:			
Foreign currency translation adjustments	--	--	--
Unrealized loss on securities, net of tax	--	--	--
Comprehensive income	--	--	51.2
Issuance of common stock	0.1	3.7	--
Issuance of restricted stock Awards	--	4.5	--
Amortization of unearned restricted stock compensation	--	--	--
Preferred stock dividends	--	--	(36.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.7)
BALANCE AT SEPTEMBER 30, 1999	$ 1.3	$ 423.9	$ (246.4)
PERIOD ENDED SEPTEMBER 30, 2000			
Balance at beginning of year	$ 1.3	$ 423.9	$ (245.5)
Comprehensive income:			
Net earnings	--	--	91.2
Other comprehensive income:			
Foreign currency translation adjustments	--	--	--
Comprehensive income	--	--	91.2
Issuance of common stock	0.1	9.6	--
Issuance of restricted stock awards	--	9.3	--
Amortization of unearned restricted stock compensation	--	--	--
Income tax benefit from stock options exercised	--	6.7	--
Conversion of preferred stock into common stock	2.1	581.8	--
Preferred stock dividends	--	--	(34.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.2)
BALANCE AT SEPTEMBER 30, 2000	$ 3.5	$ 1,031.3	$ (188.9)

	Unearned Restricted Stock Compensation	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
PERIOD ENDED SEPTEMBER 30, 1999			
Balance at beginning of year	$ --	$ (2.0)	$ 154.4
Comprehensive income:			
Net earnings	--	--	51.2
Other comprehensive income:			
Foreign currency translation adjustments	--	(0.3)	(0.3)
Unrealized loss on securities, net of tax	--	0.7	0.7
Comprehensive income	--	0.4	51.6
Issuance of common stock	--	--	3.8
Issuance of restricted stock Awards	(4.5)	--	--
Amortization of unearned restricted stock compensation	0.2	--	0.2
Preferred stock dividends	--	--	(36.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.7)
BALANCE AT SEPTEMBER 30, 1999	$ (4.3)	$ (1.6)	$ 172.9
PERIOD ENDED SEPTEMBER 30, 2000			
Balance at beginning of year	$ (4.1)	$ (0.1)	$ 175.5
Comprehensive income:			
Net earnings	--	--	91.2
Other comprehensive income:			
Foreign currency translation adjustments	--	(0.5)	(0.5)
Comprehensive income	--	(0.5)	90.7
Issuance of common stock	--	--	9.7
Issuance of restricted stock awards	(9.3)	--	--
Amortization of unearned restricted stock compensation	2.1	--	2.1
Income tax benefit from stock options exercised	--	--	6.7
Conversion of preferred stock into common stock	--	--	583.9
Preferred stock dividends	--	--	(34.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.2)
BALANCE AT SEPTEMBER 30, 2000	$ (11.3)	$ (0.6)	$ 834.0

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

The condensed consolidated financial statements include the accounts of Laboratory Corporation of America Holdings and its wholly owned subsidiaries (the "Company") after elimination of all material intercompany accounts and transactions.

The financial statements of the Company's foreign subsidiary are measured using the local currency as the functional currency. Assets and liabilities are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average monthly exchange rates prevailing during the year. Resulting translation adjustments are included in "Accumulated other comprehensive loss."

The accompanying condensed consolidated financial statements of the Company are unaudited. In the opinion of management, all adjustments (which include only normal recurring accruals) necessary for a fair presentation of such financial statements have been included. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in the Company's annual report. Therefore, the interim statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's annual report.

2. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income, less preferred stock dividends, by the weighted average number of common shares outstanding. Dilutive earnings per share is computed by dividing net income, by the weighted average number of common shares outstanding plus potentially dilutive shares, as if they had been issued at the beginning of the period presented. Potentially dilutive common shares result primarily from the Company's mandatorily redeemable preferred stock, restricted stock awards and outstanding stock options.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

The following represents a reconciliation of the weighted average shares used in the calculation of basic and diluted earnings per share:

	Three months Ended September 30,		Nine months Ended September 30,	
	2000	1999	2000	1999
Basic	33,356,347	12,707,291	19,863,645	12,649,307
Assumed conversion/exercise of:				
Stock options	358,845	182,205	313,000	83,993
Restricted stock awards	187,649	162,000	170,034	63,495
Series A preferred stock	267,940	--	5,211,502	--
Series B preferred Stock	580,736	--	8,682,599	--
Diluted	34,751,517	13,051,496	34,240,780	12,796,795

The effect of conversion of the Company's redeemable preferred stock, or exercise of certain of the Company's stock options was not included in the computation of diluted earnings per common share for the three- and nine-months ended September 30, 1999, as it would have been antidilutive.

The following table summarizes the potential common shares not included in the computation of diluted earnings per share, because their impact would have been antidilutive:

	SEPTEMBER 30, 2000	SEPTEMBER 30, 1999
Stock options	360,283	1,058,759
Series A convertible exchangeable preferred stock	--	7,933,043
Series B convertible pay-in-kind preferred stock	--	12,412,533

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

3. RESTRUCTURING CHARGES

The following represents the Company's restructuring activities for the period indicated:

	Total
Balance at December 31, 1999	$ 26.8
Cash payments	(2.7)
Reclassifications and non-cash items	(3.7)
Balance at September 30, 2000	$ 20.4
Current	$ 10.7
Non-current	9.7
	$ 20.4

Reclassifications and non-cash items relate to changes in certain long-term capital lease obligations.

4. INTEREST RATE SWAP

The existing rate collar transaction and swap have effectively changed the interest exposure on $500.0 of floating rate debt to a weighted-average fixed interest rate of 6.14%. The notional amounts of the agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss.

5. STOCK COMPENSATION PLANS

During August 2000, the Company granted 129,525 options and 50,600 shares of restricted stock under its 2000 Stock Incentive Plan. The awards were granted at a price of $106.8125.

The tax benefits associated with the exercise of non-qualified stock options reduces taxes currently payable by $6.7 for the nine months ended September 30, 2000. Such benefits are credited to additional paid-in-capital.

6. COMMITMENTS AND CONTINGENCIES

The Company is involved in two litigations which purport to be class actions brought on behalf of certain patients, private insurers and benefit plans that paid for laboratory testing services, primarily during the time frame covered by the 1996 Government Settlement. The Company has also received certain similar claims brought on behalf of certain other insurance companies, some of which have been resolved for immaterial amounts. These claims for private reimbursement are similar to the government claims settled in 1996. However, no amount of damages, which would be considered material, has been specified or requested at this time and, with the exception of the above, no settlement agreements have been finalized. The Company is carefully evaluating these claims. However, due to the early stage of the claims and related settlement discussions, the ultimate outcome of these claims cannot presently be predicted.

The Company is also involved in certain claims and legal actions arising in the ordinary course of business. These matters include, but are not limited to, professional liability, employee-related matters, inquiries from governmental agencies and Medicare or Medicaid carriers requesting comment on allegations of billing irregularities that have been brought to their attention through billing audits or third parties.

In the opinion of management, based upon the advice of counsel and consideration of all facts available at this time, the ultimate disposition of the matters referred to above, is not expected to have a material adverse effect on the financial position, results of operations or liquidity of the Company.

The Company believes that it is in compliance in all material respects with all statutes, regulations and other requirements applicable to its clinical laboratory operations. The clinical laboratory testing industry is, however, subject to extensive regulation, and many of these statutes and regulations have not been interpreted by the courts. There can be no assurance therefore that applicable statutes and regulations might not be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations included significant fines and the loss of various licenses, certificates and authorizations.

7. NEW ACCOUNTING PRONOUNCEMENTS

In June 2000, Statement of Financial Accounting Standards (FAS) No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," was issued. This Statement amends certain paragraphs of FAS No. 133 which standardized the accounting for derivative instruments by requiring that an entity recognize those items as assets or liabilities and measure them at fair value. Adoption is required for the quarter ending March 31, 2001, and is not expected to have a material impact on the Company's financial position or results of operations.

In December 1999, the SEC issued its Staff Accounting Bulletin 101, "Revenue Recognition in Financial Statements". This Bulletin, along with its amendments (101A and 101B), establishes the SEC staff's specific criteria for the recognition of revenue. Adoption is required no later than the fourth fiscal quarter of fiscal years beginning after December 15, 1999, and is not expected to have a material impact on the Company's financial position or results of operations.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

OVERVIEW

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in, but are not limited to, various filings made by the Company with the Securities and Exchange Commission, press releases or oral statements made by or with the approval of an authorized executive officer of the Company. Actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a wide variety of factors and conditions, which have been described in the section of the Company's Annual Report on Form 10-K for the year ended December 31, 1999, entitled, "Cautionary Statement for Purposes of the `Safe Harbor' Provisions of the Private Securities Litigation Reform Act of 1995" and other documents the Company files from time to time with the Securities and Exchange Commission including the Company's quarterly reports on Form 10-Q and current reports on Form 8-K, and shareholders are specifically referred to these documents with regard to factors and conditions that may affect future results.

RESULTS OF OPERATIONS

Three Months ended September 30, 2000 compared with Three Months ended September 30, 1999.

Net sales for the three months ended September 30, 2000 were $488.1, an increase of $59.5, or 13.9%, from $428.6 for the comparable 1999 period. The sales increase is a result of a 9.4% increase in volume and a 4.5% increase in price. The increase in sales for the second quarter of 2000 would have been approximately 11.6% after excluding the effect of the four acquisitions made in 2000 (POISONLAB, Inc., Bio-Diagnostics Laboratories, Pathology Medical Laboratories and National Genetics Institute, Inc.).

Cost of sales, which includes primarily laboratory and distribution costs, was $291.4 for the three months ended September 30, 2000 compared to $265.2 in the corresponding 1999 period, an increase of $26.2. Cost of sales increased $24.3 due to the increase in volume along with increases in supplies due to increases in the mix of esoteric tests run. Cost of sales as a percentage of net sales was 59.7% for the three months ended September 30, 2000 and 61.9% in the corresponding 1999 period. The decrease in the cost of sales percentage of net sales primarily resulted from the Company's continued cost reduction efforts and cost efficiencies related to increased volume.

Selling, general and administrative expenses increased to $118.7 for the three months ended September 30, 2000 from $115.6 in the same period in 1999. This increase resulted from personnel and other costs primarily related to billing system conversions. As a percentage of net sales, selling, general and administrative expenses were 24.3% and 27.0% for the three months ended September 30, 2000 and 1999, respectively.

The amortization of intangibles and other assets was $8.7 and $7.7 for the three months ended September 30, 2000 and 1999.

Interest expense was $9.5 for the three months ended September 30, 2000 compared with $10.4 for the same period in 1999. The decline in interest expense is a result of the Company's reduction in long-term debt and lower interest rates.

The provision for income taxes as a percentage of earnings before taxes was 46.0% for the three months ended September 30, 2000 compared to 38.1% for the three months ended September 30, 1999. During the three months ended September 30, 1999, the Company reduced its valuation allowance applied against its deferred tax assets by $2.5, thereby reducing its provision for income taxes as a percentage of earnings before taxes by approximately 8 percentage points. The reduction in the effective rate, before consideration of the 1999 valuation allowance reduction, is related to increased earnings before taxes and the reduced impact that non deductible goodwill has on the effective tax rate.

NINE MONTHS ENDED SEPTEMBER 30, 2000 COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 1999.

Net sales for the nine months ended September 30, 2000 were $1,433.3, an increase of $157.3, or 12.3%, from $1,276.0 reported in the comparable 1999 period. The sales increase is a result of an 8.9% increase in volume and a 3.4% increase in price. The increase in sales for the for the nine months ended September 30, 2000 would have been approximately 11.2% after excluding the effect of the four acquisitions made in 2000 (POISONLAB, Inc., Bio-Diagnostics Laboratories, Pathology Medical Laboratories and National Genetics Institute, Inc.).

Cost of sales, which includes primarily laboratory and distribution costs, was $851.8 for the nine months ended September 30, 2000 compared to $796.8 in the corresponding 1999 period, an increase of $55.0. Cost of sales increased approximately $69.5 due to the increase in volume which was offset by economies of scale improvements of approximately $14.0 in salaries and benefits. Cost of sales as a percentage of net sales was 59.4% for the nine months ended September 30, 2000 and 62.4% in the corresponding 1999 period. The decrease in the cost of sales percentage of net sales primarily resulted from the Company's continued cost reduction efforts and cost efficiencies related to increased volume.

Selling, general and administrative expenses increased to $359.3 for the nine months ended September 30, 2000 from $339.2 in the same period in 1999. This increase resulted from personnel and other costs primarily related to billing system conversions. As a percentage of net sales, selling, general and administrative expenses were 25.1% and 26.6% for the nine months ended September 30, 2000 and 1999, respectively.

The amortization of intangibles and other assets was $24.2 and $23.4 for the nine months ended September 30, 2000 and 1999, respectively.

Net interest expense was $29.3 for the nine months ended September 30, 2000 compared with $31.2 for the same period in 1999.

The provision for income taxes as a percentage of earnings before taxes was 46.0% for the nine months ended September 30, 2000 compared to 38.0% for the nine months ended September 30, 1999. During the nine months ended September 30, 1999, the Company reduced its valuation allowance applied against its deferred tax assets by $7.5, thereby reducing its provision for income taxes as a percentage of earnings before taxes by approximately 8 percentage points. The reduction in the effective rate, before consideration of the 1999 valuation allowance reduction, is related to increased earnings before taxes and the reduced impact that non deductible goodwill has on the effective tax rate.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $177.7 and $128.9 for the nine months ended September 30, 2000 and September 30, 1999, respectively. The increase in cash flow from operations primarily resulted from improved earnings and increases in accounts payable and accrued expenses offset by increases in accounts receivable. Capital expenditures were $39.7 and $53.6 for the first nine months of 2000 and 1999, respectively.

During the first nine months of 2000, the Company has repaid $73.0 of its bank debt, made cash payments on business acquisitions totaling $88.4, and purchased $39.7 of capital assets. All of these transactions have been financed through internally generated funds.

The Company maintained its days sales outstanding (DSO) of 70 days at September 30, 2000, unchanged from the end of the second quarter of 2000. Since September 1999, the Company has reduced its DSO by a total of 6 days and as of October 15, 2000, 80% of total revenues are currently being processed on the Company's centralized billing system.

For a discussion of legal proceedings which may impact the Company's liquidity and capital resources see "Note 6 to the Company's Unaudited Condensed Consolidated Financial Statements".

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 6 to the Company's Unaudited Condensed Consolidated Financial Statements" for the nine months ended September 30, 2000

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule (electronically filed version only).
Exhibits and Reports on Form 8-K (continued)

(b) Reports on Form 8-K

(1) A current report on Form 8-K dated August 24, 2000 was filed on September 11, 2000, by the registrant, in connection with the press release dated August 24, 2000 announcing that the Company signed a multi-year national contract with Nashville based HealthTrust Purchasing Group, L.P. (HPG), one of the country's largest group purchasing organizations.

(2) A current report on Form 8-K dated September 19, 2000 was filed on September 27, 2000, by the registrant, in connection with the press release dated September 19, 2000 announcing that the Company presented its latest findings on HIV viral load trends in the United States at the Interscience Conference on Antimicrobial Agents and chemotherapy (ICAAC) in Toronto, Canada.

(3) A current report on Form 8-K dated September 27, 2000 was filed on September 28, 2000, by the registrant, in connection with the press release dated September 27, 2000 announcing that Roche Holdings, Inc. has indicated that it plans to sell up to 5.0 million shares of the Company's common stock.

(b) Reports on Form 8-K (continued)

(4) A current report on Form 8-K dated October 16, 2000 was filed on October 16, 2000, by the registrant, in connection with the press release dated October 16, 2000 announcing that Roche Holdings, Inc. (Roche), a subsidiary of Hoffman-La Roche of Switzerland and the current owner of 44% of LabCorp's common stock, on October 13, 2000 sold 3,625,000 shares of LabCorp in a SEC-registered public offering through underwriters led by Credit Suisse First Boston.

(5) A current report on Form 8-K dated October 23, 2000 was filed on October 23, 2000, by the registrant, in connection with the press release dated October 23, 2000 announcing the results for the quarter and nine months ended September 30, 2000.

(6) A current report on Form 8-K dated October 23, 2000 was filed on October 23, 2000, by the registrant, in connection with Summary information of the Company dated October 23, 2000.

(7) A current report on Form 8-K dated September 28, 2000 was filed on October 31, 2000, by the registrant, in connection with the Underwriting Agreement, dated October 13, 2000, entered into by the Company, Credit Suisse First Boston Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and UBS Warburg LLC (together, the "Underwriters"), and selling stockholders Roche Holdings, Inc., Thomas P. MacMahon and Bradford T. Smith (together, the "Selling stockholders").

(8) A current report on Form 8-K dated November 6, 2000 was filed on November 7, 2000 by the registrant, in connection with the press release dated November 6, 2000 announcing that the Company's Houston toxicology laboratory has received certification from the Substance Abuse and Mental Health Services Administration (SAMHSA) for workplace drug testing.

(9) A current report on Form 8-K dated November 10, 2000 was filed on November 13, 2000 by the registrant, in connection with the press release dated November 10, 2000 announcing that Standard & Poor's has upgraded its corporate credit and bank loan ratings for LabCorp two levels, from BB+ to BBB.

S I G N A T U R E S

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 thereunto duly authorized.

LABORATORY CORPORATION OF AMERICA HOLDINGS
Registrant

By:/s/ THOMAS P. MAC MAHON

Thomas P. Mac Mahon
Chairman, President and Chief
Executive Officer

By:/s/ WESLEY R. ELINGBURG

Wesley R. Elingburg
Executive Vice President, Chief
Financial Officer and Treasurer

November 14, 2000

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LABORATORY CORPORATION OF AMERICA HOLDINGS
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9-MOS
DEC-31-2000
JAN-01-2000
sep-30-2000
15,300
0
488,800
110,700
32,400
484,200
525,700
254,200
1,639,800
290,500
379,500
0
0
3,500
830,500
1,639,800
1,433,300
1,433,300
851,800
851,800
383,500
0
29,300
168,900
77,700
91,200
0
0
0
91,200
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2.66