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 JUNE 30, 1999

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 127,136,226 shares as of July 31, 1999, of which 61,329,256 shares are held by indirect wholly owned subsidiaries of Roche Holding Ltd.

The number of warrants outstanding to purchase shares of the issuer's common stock is 22,151,308 as of July 31, 1999, of which 8,325,000 are held by an indirect wholly owned subsidiary of Roche Holding Ltd.

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

	JUNE 30, 1999	DECEMBER 31, 1998
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16.9	$ 22.7
Accounts receivable, net	376.5	375.4
Inventories	28.2	30.7
Prepaid expenses and other	15.6	12.3
Deferred income taxes	75.8	78.0
Total current assets	513.0	519.1
Property, plant and equipment, net	267.9	259.1
Intangible assets, net	819.8	836.2
Other assets, net	26.5	26.5
	$1,627.2	$1,640.9

	========	========
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 47.9	$ 50.2
Accrued expenses and other	134.7	128.7
Current portion of long-term debt	66.8	72.5
	--------	--------
Total current liabilities	249.4	251.4
Revolving credit facility	20.0	--
Long-term debt, less current portion	528.9	571.3
Capital lease obligations	3.8	4.2
Other liabilities	118.5	132.8
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, 4,363,178 shares issued and outstanding at June 30, 1999 and December 31, 1998 (aggregate preference value of $218.2 at June 30, 1999 and December 31, 1998)	213.2	213.0
Series B 8 1/2% Convertible Pay-in-Kind Preferred Stock, $0.10 par value, 6,684,848 and 6,409,548 shares issued and outstanding at June 30, 1999 and December 31, 1998 respectively (aggregate preference value of $334.2 and $320.5, respectively)	328.3	313.8
Shareholders' equity:		
Common stock, $0.01 par value; 520,000,000 shares authorized; 126,262,966 and 125,280,346 shares issued and outstanding at June 30, 1999 and December 31, 1998, respectively	1.2	1.2
Additional paid-in capital	417.0	415.7
Accumulated deficit	(250.5)	(260.5)
Accumulated other comprehensive income (loss)	(2.6)	(2.0)
	--------	--------
Total shareholders' equity	165.1	154.4
	--------	--------
	$1,627.2	$1,640.9
	========	========

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

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

	SIX MONTHS ENDED JUNE 30,		THREE MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
Net sales	$ 847.4	$ 790.1	$ 429.5	$ 402.4
Cost of sales	531.7	513.5	265.2	257.8
Gross profit	315.7	276.6	164.3	144.6
Selling, general and administrative expenses	223.5	194.7	114.4	99.7
Amortization of intangibles and other assets	15.7	15.2	7.8	7.5
Operating income	76.5	66.7	42.1	37.4
Other income (expenses):				
Gain/(loss)on sale of assets	(1.2)	1.9	--	(0.1)
Investment income	0.4	0.6	0.2	0.2
Interest expense	(20.9)	(25.0)	(10.3)	(12.1)
Earnings before income taxes	54.8	44.2	32.0	25.4
Provision for income taxes	20.8	22.1	12.2	12.6
Net earnings	34.0	22.1	19.8	12.8
Less preferred stock dividends	23.5	22.3	12.5	11.3
Less accretion of mandatorily redeemable preferred stock	0.5	0.4	0.2	0.2
Net earnings (loss) attributable to common shareholders	$ 10.0	$ (0.6)	$ 7.1	$ 1.3
Basic and diluted earnings (loss)per common share	$ 0.08	$ (0.00)	$ 0.06	$ 0.01

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

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

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 34.0	$ 22.1
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	42.6	42.7
Net (gains) losses on sale of assets	1.2	(1.9)
Deferred income taxes	(2.9)	15.0
Change in assets and liabilities:		
Increase in accounts receivable, net	(1.1)	(27.4)
Decrease in inventories	2.5	6.0
Increase in prepaid expenses and other	(2.8)	(0.5)
Change in income taxes receivable	--	8.8
Decrease in accounts payable	(2.3)	(4.7)
Increase in accrued expenses and other	6.6	7.2
Other, net	(1.9)	(1.9)
Net cash provided by operating activities	75.9	65.4
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(36.9)	(28.7)
Proceeds from sale of assets	0.7	12.3
Refund of lease guaranty	--	8.0
Acquisition of businesses	--	(10.4)
Net cash used for investing activities	(36.2)	(18.8)

(continued)

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

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	30.0	10.0
Payments on revolving credit facilities	(10.0)	(50.0)
Payments on long-term debt	(48.0)	--
Payments on long-term lease obligations	(0.6)	(0.8)
Deferred payments on acquisitions	(8.7)	(6.0)
Payment of preferred stock dividends	(9.3)	(9.2)
Net proceeds from issuance of stock to employees	1.3	1.6
Net cash used for financing activities	(45.3)	(54.4)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	--
Net decrease in cash and cash equivalents	(5.8)	(7.8)
Cash and cash equivalents at beginning of period	22.7	23.3
Cash and cash equivalents at end of period	$ 16.9	$ 15.5
Supplemental schedule of cash flow information:		
Cash (paid) received during the period for:		
Interest	$ (23.4)	$ (25.7)
Income taxes, net of refunds	(18.9)	13.7
Disclosure of non-cash financing and investing activities:		
Preferred stock dividends	14.2	13.0
Accretion of mandatorily redeemable preferred stock	0.5	0.4
Unrealized loss on securities available-for-sale (net of tax)	(0.4)	--

The accompanying notes are an integral part of these unaudited 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)

	Common Stock	Additional Paid-in Capital	Accumulated Deficit
PERIOD ENDED JUNE 30, 1998			
Balance at beginning of year	$ 1.2	$ 412.8	$ (284.9)
Comprehensive income:			
Net income	--	--	22.1
Comprehensive income	--	--	22.1
Issuance of common stock	--	1.6	--
Preferred stock dividends	--	--	(22.3)
Accretion of mandatorily redeemable preferred stock	--	--	(0.4)
BALANCE AT JUNE 30, 1998	$ 1.2	$ 414.4	$ (285.5)
PERIOD ENDED JUNE 30, 1999			
Balance at beginning of year	$ 1.2	$ 415.7	$ (260.5)
Comprehensive income:			
Net income	--	--	34.0
Other comprehensive income:			
Foreign currency translation adjustments	--	--	--
Unrealized loss on securities, net of tax	--	--	--
Comprehensive income	--	--	34.0
Issuance of common stock	--	1.3	--
Preferred stock dividends	--	--	(23.5)
Accretion of mandatorily redeemable preferred stock	--	--	(0.5)
BALANCE AT JUNE 30, 1999	$ 1.2	$ 417.0	$ (250.5)

	Accumulated Other Comprehensive Income (loss)	Total Shareholders' Equity
PERIOD ENDED JUNE 30, 1998		
Balance at beginning of year	$ --	$ 129.1
Comprehensive income:		
Net income	--	22.1
Comprehensive income	--	22.1
Issuance of common stock	--	1.6
Preferred stock dividends	--	(22.3)
Accretion of mandatorily redeemable preferred stock	--	(0.4)
BALANCE AT JUNE 30, 1998	$ --	$ 130.1
PERIOD ENDED JUNE 30, 1999		
Balance at beginning of year	$ (2.0)	$ 154.4
Comprehensive income:		
Net income	--	34.0
Other comprehensive income:		
Foreign currency translation adjustments	(0.2)	(0.2)
Unrealized loss on securities, net of tax	(0.4)	(0.4)
Comprehensive income	(0.6)	33.4
Issuance of common stock	--	1.3
Preferred stock dividends	--	(23.5)
Accretion of mandatorily redeemable preferred stock	--	(0.5)
BALANCE AT JUNE 30, 1999	$ (2.6)	$ 165.1

The accompanying notes are an integral part of these unaudited 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 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. RECLASSIFICATIONS

In 1999, the Company reclassified $31.0 for the six-months ended June 30, 1998 and $16.3 for the three-months ended June 30, 1998 to selling, general and administrative expenses from net sales adjustments to be consistent with the 1999 classification. The reclassification had no effect on operating income.

3. EARNINGS PER SHARE

Basic and diluted earnings (loss) per share are based upon the weighted-average number of shares outstanding during the three- and six-months ended June 30, 1999 of 126,258,380 shares and 126,199,250 shares, respectively, and the weighted-average number of shares outstanding during the three- and six-months ended June 30, 1998 of 124,506,673 shares and 124,452,465 shares, respectively.

The effect of conversion of the Company's redeemable preferred stock, or exercise of the Company's stock options or warrants was not included in the computation of diluted earnings per common share as it would have been antidilutive for all applicable periods presented.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

The following table summarizes the potential common shares not included in the computation of dilutive earnings per share because their impact would have an antidilutive effect on earnings per share:

	JUNE 30, 1999	JUNE 30, 1998
Stock Options	10,587,591	9,699,707
Warrants	22,151,308	22,151,308
Series A convertible exchangeable preferred stock	79,330,430	79,330,430
Series B convertible pay-in-kind preferred stock	121,542,570	111,737,834

4. RESTRUCTURING CHARGES

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

	Severance costs	Asset revaluations and write-offs	Lease and other facility obligations	Total
Balance at December 31, 1998	$ 2.5	$ 3.5	$ 27.0	$ 33.0
Cash payments	(0.8)	(0.1)	(1.8)	(2.7)
Balance at June 30, 1999	$ 1.7	$ 3.4	$ 25.2	$ 30.3
Current				$ 15.5
Non-current				14.8
				$ 30.3

5. ACCUMULATED OTHER COMPREHENSIVE INCOME

At June 30, 1999, the Company recorded an unrealized loss on its shares of Universal Standard Healthcare, Inc. of $0.4, net of related deferred tax benefit of $0.3.

6. 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 6.04%. 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.

7. LONG-TERM DEBT

The Third Amendment to the Amended and Restated Credit Agreement became effective on May 7, 1999. This amendment primarily addresses leverage ratio requirements, Year 2000 issues, increases the amount of the acquisition covenant, and provides the Company with the ability to purchase a limited amount of Preferred Stock.

The Company made scheduled loan payments of $11.6 on March 31, 1999 and $11.1 on June 30, 1999 on its Amended Term Loan Facility. In addition, the Company made a special payment on its Amended Term Loan Facility on April 15, 1999 of $25.3, based on a contractual formula contained in the Amended Credit Agreement. During the second quarter of 1999, the Company borrowed $30.0 on its revolving credit facility and repaid $10.0 of that outstanding balance.

8. COMMITMENTS AND CONTINGENCIES

The Company is involved in litigation which purports to be a class action brought on behalf of certain patients, private insurers and benefit plans that paid for laboratory testing services 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 has been specified at this time and, with the exception of the above, no settlement discussions have taken place. The Company is carefully evaluating these claims, however, due to the early stage of the claims, 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, inquiries from governmental agencies and Medicare or Medicaid carriers requesting comment on allegations of billing irregularities that are 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 these matters will not have a material adverse effect on the financial position, results of operations or liquidity of the Company.

9. NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. This Statement standardizes the accounting for derivative instruments by requiring that an entity recognize those items as assets or liabilities and measure them at fair value. In June 1999, Statement of Financial Accounting Standards No. 137 "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB No. 133" was issued. This Statement delayed the effective date of Statement No. 133 for one year, to fiscal years beginning after June 15, 2000. Adoption is not expected to have a material impact on the Company's financial position or results of operations.

OVERVIEW
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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, 1998, 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
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Three Months ended June 30, 1999 compared with Three Months ended June 30, 1998.

Net sales for the three months ended June 30, 1999 were $429.5, an increase of approximately 6.7% from $402.4 for the comparable 1998 period. The sales increase is a result of a 2.3% increase in price and a 4.4% increase in testing volume. The increase in sales for the second quarter of 1999 would have been approximately 5.0% after excluding the effect of the three acquisitions made in 1998 (Universal Standard Healthcare, Inc., Medlab and Coastal Medical).

Cost of sales, which includes primarily laboratory and distribution costs, was $265.2 for the three months ended June 30, 1999 compared to $257.8 in the corresponding 1998 period, an increase of $7.4. Cost of sales increased $11.1 due to the increase in volume and $5.3 primarily due to testing supplies and consulting fees. These increases were partially offset by decreases totaling $7.0 in salaries and benefits, telephone, report and request forms and depreciation expenses. Cost of sales as a percentage of net sales was 61.7% for the three months ended June 30, 1999 and 64.1% in the corresponding 1998 period. The decrease in the cost of sales percentage of net sales primarily resulted from the Company's continued cost reduction efforts.

Selling, general and administrative expenses increased to $114.4 for the three months ended June 30, 1999 from $99.7 in the same period in 1998. The primary reason for the increase is due to an increase to bad debt expense. Bad debt expense increased $10.9 as a result of increased sales and delays in payments from several large managed care and hospital payors in specific regions of the country. See "Liquidity and Capital Resources." In addition, Year 2000 project expenses recorded during the three months ended June 30, 1999, totaled approximately $1.2. As a percentage of net sales, selling, general and administrative expenses were 26.6% and 24.8% for the three months ended June 30, 1999 and 1998, respectively. The increase in the selling, general and administrative percentage primarily resulted from the bad debt increase as noted above.

The amortization of intangibles and other assets was $7.8 and $7.5 for the three months ended June 30, 1999 and 1998, respectively.

Net interest expense was $10.1 for the three months ended June 30, 1999 compared with $11.9 for the same period in 1998. As previously discussed, the interest rate that the Company pays on its debt is linked to the Company's financial performance. As of September 30, 1998, the interest rate that the Company pays on its long term debt was reduced from LIBOR plus 1.0% to LIBOR plus 0.5% and from 0.75% to 0.3125% on its revolving debt. This decrease, along with the reduction of outstanding indebtedness and the general decline in interest rates over the past year, has reduced the Company's interest by $1.7.

The provision for income taxes as a percentage of earnings before taxes was 38.0% for the three months ended June 30, 1999 compared to 49.6% for the three months ended June 30, 1998. During the three months ended June 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.

SIX MONTHS ENDED JUNE 30, 1999 COMPARED WITH SIX MONTHS ENDED JUNE 30, 1998.

Net sales for the six months ended June 30, 1999 were $847.4, an increase of approximately 7.2% from $790.0 reported in the comparable 1998 period. The sales increase is a result of a 3.9% increase in volume and a 3.3% increase in price.

Cost of sales, which includes primarily laboratory and distribution costs, was $531.7 for the six months ended June 30, 1999 compared to $513.5 in the corresponding 1998 period, an increase of $18.2. Cost of sales increased approximately $19.6 due to the increase in volume and approximately $10.1 due to increases in personnel expense, testing supplies and consulting fees. These increases were partially offset by decreases totaling $9.0 in telephone, depreciation, report and request forms and insurance expenses. Cost of sales as a percentage of net sales was 62.7% for the six months ended June 30, 1999 and 65.0% in the corresponding 1998 period. The decrease in the cost of sales percentage of net sales primarily resulted from the Company's continued cost reduction efforts.

Selling, general and administrative expenses increased to $223.5 for the six months ended June 30, 1999 from $194.7 in the same period in 1998. The primary reason for the increase is due to an increase to bad debt expense. Bad debt expense increased $23.0 as a result of increased sales and delays in payments from several large managed care and hospital payors in specific regions of the country. See "Liquidity and Capital Resources." In addition, Year 2000 project expenses recorded during the six months ended June 30, 1999, totaled approximately $2.7. As a percentage of net sales, selling, general and administrative expenses were 26.4% and 24.6% for the six months ended June 30, 1999 and 1998, respectively. The increase in the selling, general and administrative percentage primarily resulted from the bad debt increase as noted above.

The amortization of intangibles and other assets was $15.7 and $15.2 for the six months ended June 30, 1999 and 1998, respectively.

Net interest expense was $20.5 for the six months ended June 30, 1999 compared with $24.4 for the same period in 1998. As of September 30, 1998, the interest rate that the Company pays on its long term debt was reduced from LIBOR plus 1.0% to LIBOR plus 0.5% and from 0.75% to 0.3125% on its revolving debt. This decrease, along with the reduction of outstanding indebtedness and the general decline in interest rates over the past year, has reduced the Company's interest by $3.9.

The provision for income taxes as a percentage of earnings before taxes was 38.0% for the six months ended June 30, 1999 compared to 50.0% for the six months ended June 30, 1998. During the six months ended June 30, 1999, the Company reduced its valuation allowance applied against its deferred tax assets by $5.0, thereby reducing its provision for income taxes as a percentage of earnings before taxes.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $75.9 and $65.4 for the six months ended June 30, 1999 and June 30, 1998, respectively. The increase in cash flow from operations primarily resulted from improved earnings. Capital expenditures were $36.9 and $28.7 for the first six months of 1999 and 1998, respectively.

The Company's days sales outstanding (DSO) at June 30, 1999 was 79 days, compared to 83 days at the end of the first quarter. The Company is focusing on reducing its DSO through the conversion of the entire Company to a single, centralized billing system. The Company expects to be substantially converted to the new billing system by the end of the year 2000.

For a discussion of legal proceedings which may impact the Company's liquidity and capital resources see "Note 8 to the Company's Unaudited Condensed Consolidated Financial Statements".

Cash and cash equivalents on hand, cash flows from operations and additional borrowing capabilities under the Amended Revolving Credit Facility are expected to be sufficient to meet anticipated operating requirements and provide funds for capital expenditures, potential acquisitions and working capital for the foreseeable future.

YEAR 2000 UPDATE

The Company has an ongoing effort to identify and remediate data recognition problems that will be caused in computer systems, software, and lab equipment by the change in date from the year 1999 to the year 2000. The Company is also working to address potential problems in systems and equipment that contain imbedded hardware or software that may have a time element (referred to as "non-IT" systems). The Company's Year 2000 project has five phases: i) inventory of the business critical functional equipment and systems affected by the Year 2000 issue; ii) assessment of the key elements identified by the inventory including development of strategies to address affected critical equipment and systems; iii) contingency planning; iv) remediation of affected equipment and systems; and v) testing and validation of its systems for Year 2000 date recognition.

Inventories of business critical functional equipment and systems have been completed. Follow-up assessments of the key elements identified by the inventories and the development of strategies to address key equipment and systems have also been completed. Contingency planning is scheduled to be completed by the end of the third quarter of 1999. Completion of all material phases of remediation for business critical equipment and systems is scheduled for September 30, 1999. All material phases of testing and validation for business critical equipment and systems is scheduled to be completed by mid-October.

The Company is also working to assess Year 2000 readiness on the part of its significant service providers, vendors, suppliers, customers and governmental entities. There can be no guarantee that the failure by these other companies to successfully and timely achieve Year 2000 compliance would not have an adverse effect on the Company's operations.

The total cost associated with required Year 2000 modifications and related activities is not expected to be material to the Company's financial position and is expected to be funded through capital and operating cash flows. The Company estimates total Year 2000 expenditures to be $20.0 - $25.0 with approximately $3.0 charged to earnings during the year ended 1998 and $2.7 charged to earnings and an additional $3.2 in related purchases capitalized during the six-months ended June 30, 1999. The amounts required to address Year 2000 readiness do not include significant investments in new systems which have been and are being incurred in the normal course of business and are Year 2000 compliant.

The estimates and conclusions herein contain forward-looking statements and are based on management's best estimates of future events. The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's results of operation, liquidity and financial condition. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from uncertainty of the Year 2000 readiness of third-party suppliers and customers, the Company is unable to determine at this time whether consequences of Year 2000 failures will have a material impact on the Company's results of operations, liquidity or financial condition.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 8 to the Company's Unaudited Condensed Consolidated Financial Statements" for the six months ended June 30, 1999.

Item 4. REPORT OF THE INSPECTOR OF ELECTION

On June 16, 1999 the Company held its 1999 annual meeting. The final tabulation of the votes cast at the meeting was as follows:

	FOR	WITHHELD
ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS:		
Thomas P. Mac Mahon	114,804,229	1,962,251
James B. Powell, MD	114,791,800	1,974,680
Jean-Luc Belingard	114,804,229	1,962,251
Wendy E. Lane	114,804,229	1,962,251
Robert E. Mittelstaedt, Jr.	114,803,429	1,963,051
David B. Skinner, MD	114,803,129	1,963,351
Andrew G. Wallace, MD	114,804,029	1,962,451

	VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
APPROVAL OF THE LABORATORY CORPORATION OF AMERICA HOLDINGS AMENDED AND RESTATED 1999 STOCK INCENTIVE PLAN	78,721,708	6,005,510	136,217
APPROVAL OF AMENDMENTS TO THE LABORATORY CORPORATION OF AMERICA HOLDINGS 1997 EMPLOYEE STOCK PURCHASE PLAN TO INCREASE BY 4,000,000 THE NUMBER OF SHARES OF COMMON STOCK OF THE COMPANY AUTHORIZED UNDER SUCH PLAN	82,780,626	1,945,443	137,366
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING DECEMBER 31, 1999	116,498,076	215,690	52,714

In addition, certain shares of National Health Laboratories Holdings, Inc. which have not been converted to Company shares were eligible to vote at the annual meeting and were voted as follows:

Item 4. REPORT OF THE INSPECTOR OF ELECTION - Continued

	FOR	WITHHELD
ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS:		
Thomas P. Mac Mahon	226	155
James B. Powell, MD	226	155
Jean-Luc Belingard	226	155
Wendy E. Lane	226	155
Robert E. Mittelstaedt, Jr.	226	155
David B. Skinner, MD	226	155
Andrew G. Wallace, MD	226	155

	VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
APPROVAL OF THE LABORATORY CORPORATION OF AMERICA HOLDINGS AMENDED AND RESTATED 1999 STOCK INCENTIVE PLAN	226	155	0
APPROVAL OF AMENDMENTS TO THE LABORATORY CORPORATION OF AMERICA HOLDINGS 1997 EMPLOYEE STOCK PURCHASE PLAN TO INCREASE BY 4,000,000 THE NUMBER OF SHARES OF COMMON STOCK OF THE COMPANY AUTHORIZED UNDER SUCH PLAN	226	155	0
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING DECEMBER 31, 1999	376	5	0

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.1 Third Amendment to the Amended and Restated Credit Agreement dated as of May 7, 1999 among the Company, the banks named therein and Credit Suisse First Boston as Administrative Agent.

10.2 Laboratory Corporation of America Holdings Amended and Restated 1999 Stock Incentive Plan (incorporated by reference herein to Annex I of the Company's 1999 Annual Proxy Statement filed with the Commission on June 16, 1999).

10.3 Amendments to the Laboratory Corporation of America Holdings 1997 Employee Stock Purchase Plan (incorporated by reference herein to Annex II of the Company's 21999 Annual Proxy Statement filed with the Commission on June 16, 1999).

27 Financial Data Schedule (electronically filed version only).

(b) Reports on Form 8-K

(1) A current report on Form 8-K dated May 10, 1999 was filed on June 7,1999, by the registrant along with Roche Diagnostics Corporation, in connection with the press release dated May 10, 1999 announcing an initiative that provides a new on-site testing program called Rapid Assessment of Drug and Alcohol Results to employees.

(2) A current report on Form 8-K dated June 7, 1999 was filed on June 10, 1999, by the registrant, in connection with the press release dated June 7, 1999 announcing that its Board of Directors declared dividends on the Company's 8 1/2% Series A Convertible Exchangeable Preferred Stock and the Company's 8 1/2% Series B Convertible Pay-in-Kind Preferred Stock.

(3) A current report on Form 8-K dated June 9, 1999 was filed on July 1, 1999, by the registrant, in connection with the press release dated June 9, 1999 announcing that its clinical trials testing business opened a clinical trials testing facility in Mechelen, Belgium, near Brussels, to serve the global pharmaceutical industry.

Item 6. Exhibits and Reports on Form 8-K (Continued)

(4) A current report on Form 8-K dated July 21, 1999 was filed on August 5, 1999, by the registrant, in connection with the press release dated July 21, 1999 announcing operating results of the Company for the quarter ended June 30, 1999.

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

THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of May 7, 1999 (this "Amendment") among LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corporation (the "Borrower"), the banks, financial institutions and other institutional lenders (the "Banks") listed on the signature pages thereof, and CREDIT SUISSE FIRST BOSTON, as administrative agent (the "Administrative Agent") for the Lenders hereunder.

PRELIMINARY STATEMENTS

The parties hereto (i) have entered into an Amended and Restated Credit Agreement dated as of March 31, 1997, as amended as of September 30, 1997 and February 25, 1998 (the "Credit Agreement") providing for, among other things, the Lenders to lend to the Borrower up to $1,143,750,000 on the terms and subject to the conditions set forth therein and (ii) desire to amend the Credit Agreement in the manner set forth herein. Each capitalized term used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

NOW, THEREFORE,in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

AMENDMENTS; AMENDMENT FEE

SECTION 1.01. Amendment to Representations and Warranties. Section 4.01 of the Credit Agreement if hereby amended by adding the following new Section 4.01 (r):

(r) The Borrower has (i) initiated a review and assessment of all areas within its and each of its Subsidiaries' business and operations that could reasonably by expected to be adversely affected by the "Year 2000 Problem" (that is, the risk that computer applications used by the Borrower or any of its Subsidiaries may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999), (ii) developed a plan and timeline for addressing the Year 2000 Problem on a timely basis (which plan includes contingencies and testing of such computer applications), and (iii) to date, implemented that plan in accordance with that timetable. Based on the foregoing, the Borrower believes that all computer applications within its and its Subsidiaries' control that are material to its or any of its Subsidiaries' business and operations are expected to be able to perform date-sensitive functions for all dates before and after January 1, 2000, except to the extent that a failure to do so could not reasonably be expected to have a Material Adverse Effect. The total cost associated with implementation of the Borrower's plan for addressing the Year 2000 Problem is not expected to be material to the Borrower's financial position.

SECTION 1.02. Amendment to Leverage Ratio. Section 5.01 (i) of the Credit Agreement is hereby amended by deleting the figures shown with strike-over lines and replacing such figures with the figures indicated in boldface type and underscored, to read in its entirety as follows:

(i) Leverage Ratio. Maintain at the end of each four fiscal quarter period specified below a Leverage Ratio of not more than the ratio set forth below:

Four Fiscal Quarters Ending in	Ratio
March 1997	6.50:1.0
June 1997	5.00:1.0
September 1997	4.75:1.0
December 1997	4.75:1.0
March 1998	4.75:1.0
June 1998	4.50:1.0
September 1998	4.25:1.0
December 1998	4.00:1.0
March 1999	4.00:1.0
June 1999	3.75:1.0
September 1999	3.50:1.0

December 1999	3.50:1.0
March 2000	3.50:1.0
June 2000	3.25:1.0
September 2000	3.00:1.0
December 2000	3.00:1.0
March 2001	2.50:1.0
June 2001	2.25:1.0
September 2001	2.25:1.0
December 2001	2.00:1.0
March 2002	2.00:1.0
June 2002	1.75:1.0
September 2002	1.75:1.0

and 1.50:1.0 for each four fiscal quarter period thereafter.

Section 1.03. Amendment to Covenant Prohibiting Stock Repurchases. Section 5.02 (e) of the Credit Agreement is hereby amended by deleting the text shown with strike-over lines and replacing such text with the text indicated in boldface type and underscored, to read in its entirety as follows:

(e) Dividends, Repurchases, Etc. Declare or pay any dividends, purchase, redeem, retire, defease or otherwise acquire for value any of its capital stock or any warrants, rights or options to acquire such capital stock, now or hereafter outstanding, return any capital to its stockholders as such, make any distribution of assets, capital stock, warrants, rights, options, obligations or securities to its stockholders as such or issue or sell any capital stock or warrants, rights or options to acquire such capital stock, or permit any of its Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any capital stock of the Borrower or any warrants, rights or options to acquire such capital stock or to issue or sell any capital stock or any warrants, rights or options to acquire such capital stock (other than to the Borrower), except that:

(i) the Borrower may declare and deliver dividends and distributions payable only in Borrower Common Stock or warrants, rights or options to acquire Borrower Common Stock;

(ii) after the second anniversary of the Amendment Effective Date if (A) the Borrower's Capital Ratio is equal to or less than 50% on the last day of the most recently ended fiscal quarter and (B) the Leverage Ratio for the most recently ended four fiscal quarter period is less than or equal to 2.5:1.0, the Borrower may, during any single fiscal year, declare and pay cash dividends to holders of Borrower Common Stock in an amount not to exceed ten percent of the Borrower's Net Income for the fiscal year immediately preceding the fiscal year in which such dividend is declared or paid;

(iii) the Borrower may purchase options or warrants to purchase shares of Borrower Common Stock granted by the Borrower to employees of the Borrower or any of its Subsidiaries, for an aggregate purchase price, for all such purchases during any single fiscal year, of not more than $1,000,000;

(iv) the Borrower may, during any single fiscal year, declare and pay cash dividends to holders of Borrower Series A Preferred Stock at a rate not to exceed 10% per annum and at any time after the third anniversary of the Amendment Effective Date, the Borrower may, during any such fiscal year, pay cash dividends to holders of Borrower Series B Preferred Stock at a rate not to exceed 10% per annum;

(v) the Borrower may declare and pay dividends to holders of Borrower Series B Preferred Stock payable in shares of Borrower Series B Preferred Stock; and

(vi) The Borrower may purchase shares of the Borrower Preferred Stock (other than shares owned by Roche Holdings or any Affiliate of Roche Holdings) for an aggregate purchase price of not more than $75,000,000;

provided, however, that, at the time of any payment or purchase referred to above and after giving effect to such payment or purchase, no Default shall have occurred and be continuing.

SECTION 1.04. Amendment to Acquisition Covenant. Section 5.02 (h) of the Credit Agreement is hereby amended by deleting "$25,000,000" in subsection 5.02 (h) (iii) (A) and inserting "$75,000,000" in lieu thereof.

SECTION 1.05. Amendment Fee. The effectiveness of this Agreement is subject to the receipt by the Agent of an amendment fee, payable to the Agent for the ratable distribution to each Lender which has executed this Amendment (each, a "Consenting Lender"), in an amount equal to 0.15% times (A) the aggregate outstanding principal amount of the Committed Advances held by the Consenting Lenders as of the date hereof plus (B) the aggregate unused Revolving Credit Commitment of the Consenting Lenders as of the date hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as follows:

(a) The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) The execution, delivery and performance by the Borrower of this Amendment are within its corporate powers, have been duly authorized by all necessary corporate action, and do not contravene the Borrower's charter or by-laws.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Amendment.

(d) This Amendment has been duly executed and delivered by the Borrower. This Amendment is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower, in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and by general principles of equity.

(e) The representations and warranties contained in Section 4.01 of the Credit Agreement are correct in all material aspects on and as of the date hereof, as though made on and as of the date thereof.

(f) No event has occurred and is continuing which constitutes a Default.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law principles thereof.

SECTION 3.02. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by any combination of the parties hereto in separate counterparts, each of which counterparts shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 3.03. Effect on the Credit Agreement. Upon execution and delivery of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby and each reference to the Credit Agreement in any Loan Document (as defined in the Credit Agreement) shall mean and be a reference to the Credit Agreement, as amended hereby. Except as expressly modified hereby, all of the terms and conditions of the Credit Agreement shall remain unaltered and in full force and effect. This Amendment is subject to the provisions of Section 8.01 of the Credit Agreement.

Each of the undersigned has caused this Amendment to be executed by its repective officer or officers thereunto duly authorized, as of the date first written above.

BORROWER: LABORATORY CORPORATION OF AMERICA HOLDINGS

By:/s/ WESLEY R. ELINGBURG

Name: Wesley R. Elingburg
Title: CFO/EVP/Treasurer

ADMINISTRATIVE AGENT: CREDIT SUISSE FIRST BOSTON, as Administrative Agent

By:/s/ JULIA P. KINGSBURY

Name: Julia P. Kingbury
Title: Vice President

By:/s/ WM. MATTHEW CARTER

Name: Wm. Matthew Carter
Title: Assistant Vice President

By:/s/ JOEL GLODOWSKI

Name: Joel Glodowski
Title: Managing Director

By:/s/ KARL M. STUDER

Name: Karl M. Studer
Title: Director

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (As successor by merger to Bank of America Illinois)

By:/s/ MARTY MITCHELL

Name: Marty Mitchell
Title: Vice President

BANQUE NATIONALE DE PARIS

By:/s/ BONNIE G. EISENSTAT

Name: Bonnie G. Eisenstat
Title: Vice President

By:/s/ RICHARD L. STED

Name: Richard L. Sted
Title: Senior Vice President

BAYERISCHE LANDESBANK GIROZENTRALE

By:/s/ PETER OBERMANN

Name: Peter Obermann
Title: Senior Vice President

By:/s/ MARTHA E. ASMA

Name: Martha E. Asma
Title: First Vice President

THE CHASE MANHATTAN BANK

By:/s/ ROBERT T. SACKS

Name: Robert T. Sacks
Title: Managing Director

CREDIT LYONNAIS (NEW YORK BRANCH)

By:/s/ JOHN C. OBERLE

Name: John C. Oberle
Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH
and/or CAYMAN ISLANDS BRANCH

By:/s/ OLIVER SCHWARZ

Name: Oliver Schwarz
Title: Assistant Vice President

By:/s/ BARBARA ANNE HOELTZ

Name: Barbara Anne Hoeltz
Title: Vice President

FIRST UNION NATIONAL BANK

By:/s/ J. PAUL SOLITARIO

Name: J. Paul Solitario
Title: Vice President

THE FUJI BANK, LTD. (NEW YORK BRANCH)

By:/s/ RAYMOND VENTURA

Name: Raymond Ventura
Title: Vice President & Manager

UBS AG, Stamford Branch

By:/s/ GUIDO W. SCHULER

Name: Guido W. Schuler
Title: Executive Director,
Swiss Corporate Clients

By:/s/ ROBERT P. WAGNER

Name: Robert P. Wagner
Title: Director

SOCIETE GENERALE

By:/s/ GEORG L. PETERS

Name: Georg L. Peters
Title: Vice President

THE SUMITOMO BANK, LIMITED
(NEW YORK BRANCH)

By:/s/ SURESH TATA

Name: Suresh Tata
Title: Senior Vice President

WACHOVIA BANK, N.A., formerly known
as Wachovia Bank of Georgia, N.A.

By:/s/ J. CALVIN RATCLIFF, JR.

Name: J. Calvin Ratcliff, Jr.
Title: Vice President

WESTDEUTSCHE LANDESBANK GIROZENTRALE

By:/s/ ELISABETH R. WILDS

Name: Elisabeth R. Wilds
Title: Associate

By:/s/ LISA M. WALKER

Name: Lisa M. Walker
Title: Vice President

COMMERZBANK AKTIENGESELLSCHAFT,
Atlanta Agency

By:/s/ HARRY P. YERGEY

Name: Harry P. Yergey
Title: Senior Vice President & Manager

By:/s/ SUBASH R. VISWANATHAN

Name: Subash R. Viswanathan
Title: Vice President

BBL INTERNATIONAL (U.K.) LIMITED

By:/s/ M.C. SWINNEN

Name: M.C. Swinnen
Title: Authorised Signatory

By:/s/ C.F. WRIGHT

Name: C.F. Wright
Title: Authorised Signatory

THE MITSUI TRUST AND BANKING CO., LIMITED

By:/s/ MARGARET HOLLOWAY

Name: Margaret Holloway
Title: Vice President & Manager

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LABORATORY CORPORATION OF AMERICA HOLDINGS
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