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, 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 34,369,515 shares as of July 31, 2000, of which 14,120,466 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)

	JUNE 30, 2000	DECEMBER 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59.2	$ 40.3
Accounts receivable, net	372.7	348.0
Inventories	30.6	29.1
Prepaid expenses and other	19.8	37.5
Deferred income taxes	46.7	44.6
Total current assets	529.0	499.5
Property, plant and equipment, net	272.4	273.2
Intangible assets, net	813.7	803.9
Other assets, net	18.2	13.6
	$1,633.3	$1,590.2

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 2000	December 31, 1999
Current liabilities:		
Accounts payable	$ 51.0	$ 43.6
Accrued expenses and other	135.4	107.0
Current portion of long-term debt	110.0	95.0
Total current liabilities	296.4	245.6
Revolving credit facility	--	--
Long-term debt, less current portion	412.5	478.4
Capital lease obligations	7.5	4.4
Other liabilities	127.5	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, 1,884,476 and 4,363,178 shares issued and outstanding at June 30, 2000 and December 31, 1999 respectively (aggregate preference value of $94.2 and 218.2 at June 30, 2000 and December 31, 1999 respectively)	95.2	213.4
Series B 8 1/2% Convertible Pay-in-Kind Preferred Stock, $0.10 par value, 6,901,238 and 6,971,970 shares issued and outstanding at June 30, 2000 and December 31, 1999 respectively (aggregate preference value of $345.1 and $348.6, respectively)	350.8	345.3
Shareholders' equity:		
Common stock, $0.10 par value; 52,000,000 shares authorized; 18,331,457 and 12,878,958 shares issued and outstanding at June 30, 2000 and December 31, 1999, respectively	1.8	1.3
Additional paid-in capital	570.8	423.9
Accumulated deficit	(221.7)	(245.5)
Unearned restricted stock compensation	(7.2)	(4.1)
Accumulated other comprehensive loss	(0.3)	(0.1)
Total shareholders' equity	343.4	175.5
	$1,633.3	$1,590.2

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,	
	2000	1999	2000	1999
Net sales	$ 945.1	$ 847.4	$ 482.4	$ 429.5
Cost of sales	560.4	531.7	281.2	265.2
Gross profit	384.7	315.7	201.2	164.3
Selling, general and administrative expenses	240.5	223.5	122.1	114.4
Amortization of intangibles and other assets	15.5	15.7	7.8	7.8
Operating income	128.7	76.5	71.3	42.1
Other income (expenses):				
Loss on sale of assets	(0.8)	(1.2)	(0.5)	--
Investment income (loss)	0.1	0.4	(0.9)	0.2
Interest expense	(19.8)	(20.9)	(9.3)	(10.3)
Earnings before income taxes	108.2	54.8	60.6	32.0
Provision for income taxes	49.8	20.8	27.9	12.2
Net earnings	58.4	34.0	32.7	19.8
Less preferred stock dividends	34.4	23.5	19.6	12.5
Less accretion of mandatorily redeemable preferred stock	0.2	0.5	0.1	0.2
Net earnings attributable to common shareholders	$ 23.8	$ 10.0	$ 13.0	$ 7.1
Basic earnings per common share	$ 1.83	$ 0.79	$ 0.97	$ 0.56
Diluted earnings per common share	$ 1.71	$ 0.79	$ 0.94	$ 0.56

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, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 58.4	$ 34.0
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	43.4	42.6
Amortization of deferred compensation	1.0	--
Net losses on sale of assets	0.8	1.2
Deferred income taxes	(0.6)	(2.9)
Change in assets and liabilities:		
Increase in accounts receivable, net	(23.9)	(1.1)
(Increase)decrease in inventories	(0.9)	2.5
Decrease (increase) in prepaid expenses and other	17.8	(2.8)
Increase (decrease) in accounts payable	7.1	(2.3)
Increase in accrued expenses and other	29.6	6.6
Other, net	(2.8)	(1.9)
Net cash provided by operating activities	129.9	75.9
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(26.1)	(36.9)
Proceeds from sale of assets	0.8	0.7
Acquisition of businesses	(28.5)	--
Net cash used for investing activities	(53.8)	(36.2)

(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, 2000	1999
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	--	30.0
Payments on revolving credit facilities	--	(10.0)
Payments on long-term debt	(51.0)	(48.0)
Payments on long-term lease obligations	(0.5)	(0.6)
Deferred payments on acquisitions	--	(8.7)
Payment of preferred stock dividends	(9.5)	(9.3)
Net proceeds from issuance of stock to employees	4.0	1.3
Net cash used for financing activities	(57.0)	(45.3)
Effect of exchange rate changes on cash and cash equivalents	(0.2)	(0.2)
Net increase (decrease) in cash and cash equivalents	18.9	(5.8)
Cash and cash equivalents at beginning of period	40.3	22.7
Cash and cash equivalents at end of period	$ 59.2	$ 16.9
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest	$ 22.3	$ 23.4
Income taxes, net of refunds	12.4	18.9
Disclosure of non-cash financing and investing activities:		
Preferred stock dividends	24.9	14.2
Accretion of mandatorily redeemable preferred stock	0.2	0.5
Unrealized loss on securities available-for-sale (net of tax)	--	(0.4)
Conversion of preferred stock into common stock	137.8	--

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, 1999			
Balance at beginning of year	$ 1.2	$ 415.7	$ (260.5)
Comprehensive income:			
Net earnings	--	--	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)
PERIOD ENDED JUNE 30, 2000			
Balance at beginning of year	$ 1.3	$ 423.9	$ (245.5)
Comprehensive income:			
Net earnings	--	--	58.4
Other comprehensive income:			
Foreign currency translation adjustments	--	--	--
Change in valuation allowance on securities, net of tax	--	--	--
Comprehensive income	--	--	58.4
Issuance of common stock	--	4.0	--
Issuance of restricted stock awards	--	4.1	--
Amortization of unearned restricted stock compensation	--	--	--
Income tax benefit from stock options exercised	--	1.5	--
Conversion of preferred stock into common stock	0.5	137.3	--
Preferred stock dividends	--	--	(34.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.2)
BALANCE AT JUNE 30, 2000	$ 1.8	$ 570.8	$ (221.7)

	Unearned Restricted Stock Compensation	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
PERIOD ENDED JUNE 30, 1999			
Balance at beginning of year	$ --	$ (2.0)	$ 154.4
Comprehensive income:			
Net earnings	--	--	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
PERIOD ENDED JUNE 30, 2000			
Balance at beginning of year	$ (4.1)	$ (0.1)	$ 175.5
Comprehensive income:			
Net earnings	--	--	58.4
Other comprehensive income:			
Foreign currency translation adjustments	--	(0.2)	(0.2)
Change in valuation allowance on securities, net of tax	--	--	--
Comprehensive income	--	(0.2)	58.2
Issuance of common stock	--	--	4.0
Issuance of restricted stock awards	(4.1)	--	--
Amortization of unearned restricted stock compensation	1.0	--	1.0
Income tax benefit from stock options exercised	--	--	1.5
Conversion of preferred stock into common stock	--	--	137.8
Preferred stock dividends	--	--	(34.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.2)
BALANCE AT JUNE 30, 2000	$ (7.2)	$ (0.3)	$ 343.4

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

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. MANDATORILY REDEEMABLE PREFERRED STOCK

In May 1997, the Company's Board of Directors declared a dividend of 10,000,000 transferable subscription rights which were then issued pro rata to holders of its common stock entitling them to purchase up to an aggregate of $500.0 of redeemable preferred stock issuable in two series at a subscription price of $50 per share. The subscription period ended in June 1997 and at that time, rights were exercised to purchase 4,363,202 shares of Series A 8 1/2% Convertible Exchangeable Preferred Stock and 5,636,798 shares of Series B 8 1/2% Convertible Pay-in-Kind Preferred Stock, each at a subscription price of $50 per share. On June 6, 2000, the Company called for redemption all of its outstanding Series A and Series B preferred stock at $52.83 per share, in accordance with the terms of the Preferred Stock Offering, by July 6, 2000. Substantially all of the holders of the Series A and Series B preferred stock elected to convert their shares into common stock. As of July 31, 2000, the Series A preferred stock was converted into 7,930,174 shares of common stock and the Series B preferred stock was converted into 13,241,576 shares of common stock, increasing shareholders' equity by approximately $446 from the balance at June 30, 2000.

3. BUSINESS ACQUISITIONS

During June, the Company completed the acquisition of the laboratory testing business of San Diego-based Pathology Medical Laboratories for approximately $14.5 in cash.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

At the end of July 2000, the Company completed the acquisition of all of the stock of National Genetics Institute, Inc. (NGI), which is based in Los Angeles, California, for approximately $56.0 in cash. The purchase agreement provides for additional payments of up to $16.0, contingent upon realization of certain specified revenue targets by NGI. NGI revenues for the past twelve months approximated $28.0.

4. 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.

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

	Three months Ended June 30,		Six months Ended June 30,	
	2000	1999	2000	1999
Basic	13,331	12,626	13,043	12,620
Assumed conversion/exercise of:				
Stock options	302	--	259	--
Restricted stock awards	166	--	165	--
Series A preferred stock	7,933	--	7,933	--
Series B preferred Stock	12,949	--	12,813	--
Diluted	34,681	12,626	34,213	12,620

The effect of conversion of the Company's redeemable preferred stock, or exercise of the Company's stock options or restricted stock awards was not included in the computation of diluted earnings per common share for the three- and six-months ended June 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:

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

	JUNE 30, 2000	JUNE 30, 1999
Stock options	236,041	1,058,209
Series A convertible exchangeable preferred stock	--	7,933,043
Series B convertible pay-in-kind preferred stock	--	12,154,257

5. RESTRUCTURING CHARGES

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

	Total
Balance at December 31, 1999	$ 26.8
Cash payments	(2.2)
Reclassifications and non-cash items	(3.7)
Balance at June 30, 2000	$ 20.9
Current	$ 11.0
Non-current	9.9
	$ 20.9

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

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 6.17%. 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

On June 30, 2000, the Company made a scheduled payment of approximately $22.0 on its term loan facility.

The Fourth Amendment to the Amended and Restated Credit Agreement became effective on June 7, 2000. This amendment permitted the Company to redeem preferred stock in cash (if necessary) and increased the amount allowed for acquisitions from $75.0 to $200.0 on a rolling twelve-month basis.

8. INCOME TAXES

As discussed in the Company's 1999 Annual Report, footnote 10, the Company had recorded a $17.4 net income tax refund receivable, along with related interest receivable, in prepaid expenses and other. The refund was based upon receipt of two Revenue Agents Reports, which concluded the audits of the tax years ended 1993 through 1997. While the refund was being reviewed by Joint Committee, the IRS reversed its position on certain aspects of the amended returns for the years in question. The Company has decided not to contest the IRS' position and has reclassified the $17.4 receivable to deferred income taxes as a net operating loss carryforward ("NOL") in the second quarter. As of June 30, 2000, the NOL has been fully-utilized to reduce the Company's income tax liability for 1999 and 2000.

9. STOCK COMPENSATION PLANS

During June 2000, the Company adopted the 2000 Stock Incentive Plan, reserving 1,700,000 shares of common stock (plus any shares remaining available for grant under the Amended and Restated 1999 Stock Incentive Plan and the 1994 Stock Option Plan) for issuance pursuant to options, rights, restricted shares and performance awards.

Effective June 16, 1999, the Company's shareholders approved the issuance of shares of Common Stock to key employees under a restricted stock plan. During 2000 and 1999, 82,550 and 162,000 shares have been issued under this plan, respectively. Restrictions limit the sale or transfer of these shares during a six-year period when the restrictions lapse. Upon issuance of stock under the plan, unearned compensation equivalent to the market value at the date of grant is charged to shareholders' equity as unearned restricted stock compensation and subsequently amortized to expense over the six-year vesting period. The plan provides for accelerated vesting of outstanding shares in percentages of 33.3%, 66.7% or 100%, if certain predefined profitability targets are achieved as of December 31, 2001 for the shares issued in 1999 and as of December 31, 2002 for the shares issued in 2000.

The tax benefits associated with the exercise of non-qualified stock options reduces taxes currently payable by $1.5 for the six months ended June 30, 2000. Such benefits are credited to additional paid-in-capital.

10. 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 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 material settlement agreements have been reached. 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, 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 these matters 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.

11. 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 September 30, 2000, 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.

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 June 30, 2000 compared with Three Months ended June 30, 1999

Net sales for the three months ended June 30, 2000 were $482.4, an increase of approximately 12.3% from $429.5 for the comparable 1999 period. The sales increase is a result of a 9.2% increase in volume and a 3.1% increase in price. The increase in sales for the second quarter of 2000 would have been approximately 11.5% after excluding the effect of the three acquisitions made in 2000 (POISONLAB, Inc., Bio-Diagnostics Laboratories and Pathology Medical Laboratories).

Cost of sales, which includes primarily laboratory and distribution costs, was $281.2 for the three months ended June 30, 2000 compared to $265.2 in the corresponding 1999 period, an increase of $16.0. Cost of sales increased $23.9 due to the increase in volume which was offset by margin improvements totaling $8.7 in salaries and benefits, supplies and depreciation expenses. Cost of sales as a percentage of net sales was 58.3% for the three months ended June 30, 2000 and 61.7% 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 $122.1 for the three months ended June 30, 2000 from $114.4 in the same period in 1999. The primary reason for the increase is due to an increase in personnel costs, primarily in the area of incentive-based compensation. As a percentage of net sales, selling, general and administrative expenses were 25.3% and 26.6% for the three months ended June 30, 2000 and 1999, respectively.

The amortization of intangibles and other assets was $7.8 for the three months ended June 30, 2000 and 1999.

Interest expense was $9.3 for the three months ended June 30, 2000 compared with $10.3 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 tree months ended June 30, 2000 compared to 38.0% for the three months ended June 30, 1999. 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 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.

SIX MONTHS ENDED JUNE 30, 2000 COMPARED WITH SIX MONTHS ENDED JUNE 30, 1999

Net sales for the six months ended June 30, 2000 were $945.1, an increase of approximately 11.5% from $847.4 reported in the comparable 1999 period. The sales increase is a result of an 8.6% increase in volume and a 2.9% increase in price. The increase in sales for the for the six months ended June 30, 2000 would have been approximately 11.0% after excluding the effect of the three acquisitions made in 2000 (POISONLAB, Inc., Bio-Diagnostics Laboratories and Pathology Medical Laboratories).

Cost of sales, which includes primarily laboratory and distribution costs, was $560.4 for the six months ended June 30, 2000 compared to $531.7 in the corresponding 1999 period, an increase of $28.7. Cost of sales increased approximately $45.2 due to the increase in volume which was offset by margin improvements totaling $19.4 in salaries and benefits and supplies. Cost of sales as a percentage of net sales was 59.3% for the six months ended June 30, 2000 and 62.7% 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 $240.5 for the six months ended June 30, 2000 from $223.5 in the same period in 1999. The primary reason for the increase is due to an increase in personnel costs, primarily in the area of incentive-based compensation. As a percentage of net sales, selling, general and administrative expenses were 25.5% and 26.4% for the six months ended June 30, 2000 and 1999, respectively.

The amortization of intangibles and other assets was $15.5 and $15.7 for the six months ended June 30, 2000 and 1999, respectively.

Net interest expense was $19.8 for the six months ended June 30, 2000 compared with $20.9 for the same period in 1999.

The provision for income taxes as a percentage of earnings before taxes was 46.0% for the six months ended June 30, 2000 compared to 38.0% for the six months ended June 30, 1999. 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 by approximately 9 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 $129.9 and $75.9 for the six months ended June 30, 2000 and June 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 $26.1 and $36.9 for the first six months of 2000 and 1999, respectively.

The Company's days sales outstanding (DSO) at June 30, 2000 was 70 days, compared to 72 days at the end of the first quarter. Since June 1999, the Company has reduced its DSO by a total of 9 days and as of June 30, 2000, 70% 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 10 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.

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 10 to the Company's Unaudited Condensed Consolidated Financial Statements" for the six months ended June 30, 2000

Item 4. REPORT OF THE INSPECTOR OF ELECTION

On May 2, 2000 the Company held its 2000 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	81,734,419	123,635
James B. Powell, MD	81,732,562	125,492
Jean-Luc Belingard	81,734,419	123,635
Wendy E. Lane	81,734,419	123,635
Robert E. Mittelstaedt, Jr	81,734,419	123,635
David B. Skinner, MD	81,734,419	123,635
Andrew G. Wallace, MD	81,734,419	123,635

	VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
APPROVAL OF THE LABORATORY CORPORATION OF AMERICA HOLDINGS 2000 STOCK INCENTIVE PLAN	80,475,144	1,343,219	39,691
APPROVAL OF AMENDMENTS TO THE LABORATORY CORPORATION OF AMERICA HOLDINGS CERTIFICATE OF INCORPORATION (the reverse stock split):	80,697,083	1,143,382	17,589
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2000	81,743,410	83,608	31,036

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	0	155
James B. Powell, MD	0	155
Jean-Luc Belingard	0	155
Wendy E. Lane	0	155
Robert E. Mittelstaedt, Jr.	0	155
David B. Skinner, MD	0	155
Andrew G. Wallace, MD	0	155

	VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
APPROVAL OF THE LABORATORY CORPORATION OF AMERICA HOLDINGS 2000 STOCK INCENTIVE PLAN	5	150	0
APPROVAL OF AMENDMENTS TO THE LABORATORY CORPORATION OF AMERICA HOLDINGS CERTIFICATE OF INCORPORATION (the reverse stock split)	5	150	0
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2000	155	0	0

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.1 Proposed Certificate of Amendment to the Certificate of Incorporation of Laboratory Corporation of America Holdings (incorporated by reference herein to Annex II of the Company's 2000 Annual Proxy Statement filed with the Commission on April 7, 2000).

10.1 Fourth Amendment to the Amended and Restated Credit Agreement dated as ofJune 7, 2000 among the Company, the banks named therein and Credit Suisse First Boston as Administrative Agent.

10.2 Laboratory Corporation of America Holdings 2000 Stock Incentive Plan (incorporated by reference herein to Annex I of the Company's 2000 Annual Proxy Statement filed with the Commission on April 7, 2000).

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 May 4, 2000 was filed on May 23 ,2000, by the registrant, in connection with the press release dated May 4, 2000 announcing that the Company entered into a definitive agreement with San Diego-based Pathology Medical Laboratories (PML) to acquire PML's laboratory testing business.

(2) A current report on Form 8-K/A dated June 6, 2000 was filed on June 7, 2000, by the registrant, in connection with the press release dated June 6, 2000 amending Item 7 of its Current Report on Form 8-K (Date of Report: May 2, 2000) to include five years of selected financial data as affected by the 1-for-10 reverse stock split.

(3) A current report on Form 8-K dated June 6, 2000 was filed on June 7, 2000, by the registrant, in connection with the press release dated June 6, 2000 announcing that the Company has called for redemption on July 7, 2000 all of its outstanding 8 1/2 percent Series A Convertible Exchangeable Preferred Stock and 8 1/2 percent Series B Convertible Pay-in-Kind Preferred Stock.

(4) A current report on Form 8-K dated June 8, 2000 was filed on June 12, 2000, by the registrant,in connection with the press release dated June 8, 2000 announcing that the Company's Board of Directors has declared a dividend of $0.08264 per share on its Series A Preferred Stock, payable in cash. The Board also declared a dividend of $0.08264 per share on the Company's Series B Preferred Stock at the rate of 0.001653 shares per share of Series B Preferred Stock held. The dividends will cover the seven days to July 7, 2000, the date set for redemption of the Series A and B Preferred Stock and will be paid in addition to the quarterly dividends payable on June 30, 2000.

(5) A current report on Form 8-K dated June 12, 2000 was filed on June 26, 2000, by the registrant, in connection with the press release dated June 12, 2000 announcing that the Company can now support clinical trials in Latin America with routine safety testing through the Company's standardized laboratory in Miami.

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

(6) A current report on Form 8-K dated June 12, 2000 was filed on June 26, 2000, by the registrant, in connection with the press release dated June 12, 2000 announcing that the Company's clinical trials testing division is expanding its established genetic testing capabilities to offer pharmacogenomic services to pharmaceutical and biotechnology companies.

(7) A current report on Form 8-K dated June 20, 2000 was filed on June 26, 2000, by the registrant, in connection with the press release dated June 20, 2000 announcing that the Company has entered into a definitive agreement with privately-held National Genetics Institute, Inc. (NGI) to acquire all of the stock of NGI. Established in 1991, Los Angeles-based NGI is a leading national provider of hepatitis C testing using innovative molecular diagnostic technology.

(8) A current report on Form 8-K dated July 13, 2000 was filed on July 25, 2000, by the registrant, in connection with the press release dated July 13, 2000 announcing that more than 99.97 percent of the shares of its outstanding 8 1/2 percent Series A Convertible Exchangeable Preferred Stock and 8 1/2 percent Series B Convertible Pay-in-Kind Preferred Stock called for redemption have been converted into the Company's common stock at the request of the preferred shareholders.

(9) A current report on Form 8-K dated July 19, 2000 was filed on July 25, 2000, by the registrant, in connection with the press release dated July 19, 2000 announcing the results for the quarter and six months ended June 30, 2000.

(10) A current report on Form 8-K dated June 27, 2000 was filed on August 10, 2000, by the registrant, in connection with the press release dated June 27, 2000 announcing that it has completed its acquisition of the laboratory testing business of San Diego-based Pathology Medical Laboratories. Terms of the acquisition were not disclosed.

(11) A current report on Form 8-K dated August 1, 2000 was filed on August 10, 2000, by the registrant, in connection with the press release dated August 1, 2000 announcing that it has completed its acquisition of Los Angeles-based National Genetics Institute, Inc. Terms of the stock purchase transaction were not disclosed.

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

August 14, 2000

EXHIBIT 10.1

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of June 7, 2000 (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 hereof, 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 and May 7, 1999 (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 Covenant Prohibiting Stock Repurchases. (a) Section 5.02 (e)(vi) of the Credit Agreement if hereby amended by deleting such subsection and inserting the following in lieu thereof:

> "(vi) the Borrower may redeem shares of the Borrower Preferred Stock (other than shares owned by Roche Holdings or any affiliate of Roche Holdings) for an aggregate redemption price of not more than $275,000,000 to the extent such Borrower Preferred Stock is not converted into Borrower Common Stock on or prior to (A) July 31, 2000 or (B) if at the time of delivery of the notice of redemption of the Borrower Preferred Stock, the market value of the Borrower Common Stock is at least 200% of the conversion price of $27.50 per share of Borrower Common Stock, September 29, 2000; provided that if a Committed Borrowing is made to provide the funds for such redemption, the Borrower shall have certified, in a duly executed statement to be attached to the Notice of Committed Borrowing delivered to the Administrative Agent in connection with such Borrowing as to the amount of such Committed Borrowing that will be used to pay the redemption price for such Borrower Preferred Stock;"

(b) The portion of any Committed Borrowing used for the purpose of redeeming the Borrower Preferred Stock is referred to herein as a "Redemption Advance". The Credit Agreement is hereby further amended to provide that (i) the Applicable Margin for Redemption Advances shall equal the Applicable Margin for Revolving Credit Advances plus the applicable Utilization Margin (as defined below); (ii) the Borrower shall have no right to repay the Redemption Advances unless all other Revolving Credit Advances have been repaid in full and (iii) the Borrower shall have no right to use the proceeds of any Advances for the purpose of repaying any Redemption Advance.

(c) "Utilization Margin" means the applicable amount set forth on the table below:

Aggregate Principal Amount of Committed Advances to Finance Redemption of Borrower Preferred Stock	Utilization Margin
Up to $75 million	0%
Greater than $75 million and less than $150 million	0.25%
$150 million or greater	0.50%

SECTION 1.02. Amendment to Acquisition Covenant. Section 5.02 (h) of the Credit Agreement is hereby amended by inserting after "$75,000,000" in subsection 5.02(h)(iii)(A) the following "(or, if Borrower Preferred Stock has converted to at least $200,000,000 of Borrower Common Stock (calculated at the conversion price of $27.50 per share of Borrower Common Stock rather that at the current market value of the Borrower Common Stock), $200,000,000); provided that the aggregate amount used in any year under this Section 5.02 (h)(iii)(A) plus the amount borrowed under this Agreement to fund redemptions of Borrower Preferred Stock permitted under Section 5.02 (e)(vi) and not repaid shall not exceed $275,000,000".

SECTION 1.03. Amendment to Debt Covenant. (a) Section 5.02(j) of the Credit Agreement is hereby amended by adding the following new Section 5.02(j)(xiii).

"(xiii) the Company's 8.5% Convertible Subordinated Notes due 2012 (as described in the Rights Offering Registration Statement) issued in exchange for the Borrower Series A Preferred Stock in a maximum principal amount of $220,000,000."

(b) Such Section 5.02(j) is also amended to make conforming changes in the punctuation by deleting "and" after the semicolon in subsection (xi), and deleting the period at the end of subsection (xii) and inserting "; and" in lieu thereof.

SECTION 1.04. Amendment Fee. The effectiveness of this Amendment is subject to the receipt by the Administrative Agent of an amendment fee, payable to the Administrative Agent for 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 Commitments 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 respective 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/ KARL M. STUDER

Name: Karl M. Studer
Title: Director

By: /s/ JULIA P. KINGSBURY

Name: Julia P. Kingbury
Title: Vice President

CREDIT SUISSE FIRST BOSTON

By: /s/ KARL M. STRUDER

Name: Karl M. Struder
Title: Director

By: /s/ ROLAND ISLES

Name: Roland Isles
Title: Associate

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

By: /s/ MARTY V.MITCHELL

Name: Marty V. Mitchell
Title: Principal

BNP PARIBAS (f/k/a BANQUE NATIONALE DE PARIS)

By: /s/ BONNIE G. EISENSTAT

Name: Bonnie G. Eisenstat
Title: Vice President

By: /s/ RICHARD PACE

Name: Richard Pace
Title: Vice President
Corporate Banking Divisior

BAYERISCHE LANDESBANK GIROZENTRALE

By: /s/ HEREWARD DRUMMOND

Name: Hereward Drummond
Title: Senior Vice President

By: /s/ ALEXANDER KOHNERT

Name: Alexander Kohnert
Title: First Vice President

THE CHASE MANHATTAN BANK

By: /s/ PETER M. HAYES

Name: Peter M. Hayes
Title: Vice President

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/ PETER LUDWIG SCHRICKEL

Name: Peter Ludwig Schrickel
Title: Director

By: /s/ STEPHANIE STROHE

Name: Stephanie Strohe
Title: Associate

FIRST UNION NATIONAL BANK

By: /s/ ANN M. DODD

Name: Ann M. Dodd
Title: Senior Vice President

THE FUJI BANK, LTD. (NEW YORK BRANCH)

By: /s/ YUJI TANAKA

Name: Yuji Tanaka
Title: Vice President & Manager

SOCIETE GENERALE

By: /s/ BETTY BURG

Name: Betty Burg
Title: Director

By: /s/ ALEXANDER S. LUDWIG

Name: Alexander S. Ludwig
Title: Associate

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/ B. BRANTLEY ECHOLS

Name: B. Brantley Echols
Title: Senior Vice President

WESTDEUTSCHE LANDESBANK GIROZENTRALE

By: /s/ RICHARD J. PEARSE

Name: Richard J. Pearse
Title: Executive Director

By: /s/ ELISABETH R. WILDS

Name: Elisabeth R. Wilds
Title: Manager

COMMERZBANK AKTIENGESELLSCHAFT,
New York and Grand Cayman branches

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/ G.R.M. WALKER

Name: G.R.M. Walker
Title: Authorised Signatory

By: /s/ C.F. WRIGHT

Name: C.F. Wright
Title: Authorised Signatory

UBS AG, Stamford Branch

By: /s/ HARRY WELTEN

Name: Harry Welton
Title: Director

By: /s/ DOROTHY MCKINLEY

Name: Dorothy McKinley
Title: Director
Loan Portfolio Support, US

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LABORATORY CORPORATION OF AMERICA HOLDINGS
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