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

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

For the quarterly period ended SEPTEMBER 30, 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 128,779,887 shares as of October 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 October 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)

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
ASSETS		
Current assets:		
Cash and cash equivalents	$ 19.7	$ 22.7
Accounts receivable, net	360.7	375.4
Inventories	26.4	30.7
Prepaid expenses and other	19.0	12.3
Deferred income taxes	75.7	78.0
Total current assets	501.5	519.1
Property, plant and equipment, net	272.2	259.1
Intangible assets, net	812.6	836.2
Other assets, net	25.7	26.5
	$1,612.0	$1,640.9

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 38.1	$ 50.2
Accrued expenses and other	144.5	128.7
Current portion of long-term debt	77.9	72.5
Total current liabilities	260.5	251.4
Revolving credit facility	--	--
Long-term debt, less current portion	506.6	571.3
Capital lease obligations	4.5	4.2
Other liabilities	117.5	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 September 30, 1999 and December 31, 1998 (aggregate preference value of $218.2 at September 30, 1999 and December 31, 1998)	213.3	213.0
Series B 8 1/2% Convertible Pay-in-Kind Preferred Stock, $0.10 par value, 6,826,900 and 6,409,548 shares issued and outstanding at September 30, 1999 and December 31, 1998 respectively (aggregate preference value of $341.3 and $320.5, respectively)	336.7	313.8
Shareholders' equity:		
Common stock, $0.01 par value; 520,000,000 shares authorized; 128,774,554 and 125,280,346 shares issued and outstanding at September 30, 1999 and December 31, 1998, respectively	1.3	1.2
Additional paid-in capital	423.9	415.7
Accumulated deficit	(246.4)	(260.5)
Unearned restricted stock compensation	(4.3)	--
Accumulated other comprehensive income (loss)	(1.6)	(2.0)
Total shareholders' equity	172.9	154.4
	$1,612.0	$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)

	NINE MONTHS ENDED SEPTEMBER 30,		THREE MONTHS ENDED SEPTEMBER 30,	
	1999	1998	1999	1998
Net sales	$1,276.0	$1,204.8	$ 428.6	$ 414.7
Cost of sales	796.8	783.9	265.2	270.3
Gross profit	479.2	420.9	163.4	144.4
Selling, general and administrative expenses	339.2	297.1	115.6	102.4
Amortization of intangibles and other assets	23.4	22.8	7.7	7.7
Operating income	116.6	101.0	40.1	34.3
Other income (expenses):				
Gain(loss)on sale of assets	(1.4)	2.0	(0.1)	0.1
Net investment income (loss)	(1.4)	0.8	(1.8)	0.2
Interest expense	(31.2)	(37.2)	(10.4)	(12.3)
Earnings before income taxes	82.6	66.6	27.8	22.3
Provision for income taxes	31.4	33.1	10.6	10.9
Net earnings	51.2	33.5	17.2	11.4
Less preferred stock dividends	36.4	33.4	12.9	11.1
Less accretion of mandatorily redeemable preferred stock	0.7	0.6	0.2	0.2
Net earnings (loss) attributable to common shareholders	$ 14.1	$ (0.5)	$ 4.1	$ 0.1
Basic and diluted earnings (loss)per common share	$ 0.11	$ (0.00)	$ 0.03	$ 0.00

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)

	NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 51.2	$ 33.5
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	63.0	62.9
Deferred compensation	0.2	--
Net (gains) losses on sale of assets	1.4	(2.0)
Investment loss	2.0	--
Deferred income taxes	(4.0)	55.3
Change in assets and liabilities:		
Decrease (increase) in accounts receivable, net	14.6	(43.4)
Decrease in inventories	4.4	7.1
Increase in prepaid expenses and other	(6.2)	(0.9)
Change in income taxes receivable	--	(6.1)
Decrease in accounts payable	(11.7)	(7.1)
Increase (decrease) in accrued expenses and other	16.5	(7.4)
Other, net	(2.5)	(2.0)
Net cash provided by operating activities	128.9	89.9
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(53.6)	(40.1)
Proceeds from sale of assets	0.7	12.4
Refund of lease guaranty	--	8.0
Acquisition of businesses	--	(23.7)
Net cash used for investing activities	(52.9)	(43.4)

(continued)

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

	NINE MONTHS ENDED SEPTEMBER 30, 1999	1998
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facilities	40.0	20.0
Payments on revolving credit facilities	(40.0)	(60.0)
Payments on long-term debt	(59.2)	--
Payments on long-term lease obligations	(0.7)	(0.8)
Deferred payments on acquisitions	(8.7)	(6.5)
Payment of preferred stock dividends	(13.9)	(13.8)
Net proceeds from issuance of stock to employees	3.8	2.9
Net cash used for financing activities	(78.7)	(58.2)
Effect of exchange rate changes on cash and cash equivalents	(0.3)	--
Net decrease in cash and cash equivalents	(3.0)	(11.7)
Cash and cash equivalents at beginning of period	22.7	23.3
Cash and cash equivalents at end of period	$ 19.7	$ 11.6
Supplemental schedule of cash flow information:		
Cash (paid) received during the period for:		
Interest	$ (34.9)	$ (37.3)
Income taxes, net of refunds	(22.8)	14.3
Disclosure of non-cash financing and investing activities:		
Preferred stock dividends	22.5	19.6
Accretion of mandatorily redeemable preferred stock	0.7	0.6
Change in valuation allowance on securities (net of tax)	(0.7)	1.8

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 SEPTEMBER 30, 1998			
Balance at beginning of year	$ 1.2	$ 412.8	$ (284.9)
Comprehensive income:			
Net income	--	--	33.5
Other Comprehensive income:			
Change in valuation allowance on securities, net of tax	--	--	--
Comprehensive income	--	--	33.5
Issuance of common stock	--	2.9	--
Preferred stock dividends	--	--	(33.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.6)
BALANCE AT SEPTEMBER 30, 1998	$ 1.2	$ 415.7	$ (285.4)
PERIOD ENDED SEPTEMBER 30, 1999			
Balance at beginning of year	$ 1.2	$ 415.7	$ (260.5)
Comprehensive income:			
Net income	--	--	51.2
Other comprehensive income:			
Foreign currency translation adjustments	--	--	--
Change in valuation allowance on securities, net of tax	--	--	--
Comprehensive income	--	--	51.2
Issuance of common stock	0.1	3.7	--
Issuance of restricted stock awards	--	4.5	--
Amortization of unearned restricted stock compensation	--	--	--
Preferred stock dividends	--	--	(36.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.7)
BALANCE AT SEPTEMBER 30, 1999	$ 1.3	$ 423.9	$ (246.4)

	Accumulated Other Comprehensive Income (loss)	Unearned Restricted Stock Compensation	Total Shareholders' Equity
PERIOD ENDED SEPTEMBER 30, 1998			
Balance at beginning of year	$ --	$ --	$ 129.1
Comprehensive income:			
Net income	--	--	33.5
Other Comprehensive income:			
Change in valuation allowance on securities, net of tax	(1.8)	--	(1.8)
Comprehensive income	(1.8)	--	31.7
Issuance of common stock	--	--	2.9
Preferred stock dividends	--	--	(33.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.6)
BALANCE AT SEPTEMBER 30, 1998	$ (1.8)	$ --	$ 129.7
PERIOD ENDED SEPTEMBER 30, 1999			
Balance at beginning of year	$ (2.0)	$ --	$ 154.4
Comprehensive income:			
Net income	--	--	51.2
Other comprehensive income:			
Foreign currency translation adjustments	(0.3)	--	(0.3)
Change in valuation allowance on securities, net of tax	0.7	--	0.7
Comprehensive income	0.4	--	51.6
Issuance of common stock	--	--	3.8
Issuance of restricted stock awards	--	(4.5)	--
Amortization of unearned restricted stock compensation	--	0.2	0.2
Preferred stock dividends	--	--	(36.4)
Accretion of mandatorily redeemable preferred stock	--	--	(0.7)
BALANCE AT SEPTEMBER 30, 1999	$ (1.6)	$ (4.3)	$ 172.9

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 $47.4 for the nine-months ended September 30, 1998 and $16.4 for the three-months ended September 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 nine-months ended September 30, 1999 of 127,072,911 shares and 126,493,066 shares, respectively, and the weighted-average number of shares outstanding during the three- and nine-months ended September 30, 1998 of 125,199,880 shares and 124,704,341 shares, respectively.

The effect of conversion of the Company's redeemable preferred stock, or exercise of the Company's stock options, restricted stock awards, 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:

	SEPTEMBER 30, 1999	SEPTEMBER 30, 1998
Stock Options	10,587,591	9,714,707
Restricted Stock Awards	1,620,000	--
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	124,125,330	114,112,286

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	(1.9)	(0.4)	(2.7)	(5.0)
Balance at September, 1999	$ 0.6	$ 3.1	$ 24.3	$ 28.0
Current				$ 13.5
Non-current				14.5
				$ 28.0

5. ACCUMULATED OTHER COMPREHENSIVE INCOME

At September 30, 1999, the Company recorded an other than temporary loss on its investments in equity securities and recorded a related reduction in unrealized loss on securities of $2.0 net of taxes of $0.8.

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 6.08%. 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 Company made scheduled loan payments of $11.2 on September 30, 1999 on its Amended Term Loan Facility. During the third quarter of 1999, the Company repaid $20.0 of the outstanding balance on its revolving credit facility.

8. RESTRICTED STOCK PLAN

Effective June 16, 1999, the Company's shareholders approved the issuance of shares of Common Stock to key employees under a restricted stock plan. At September 30, 1999, 1,620,000 shares had been issued under this plan. 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 the 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.

9. COMMITMENTS AND CONTINGENCIES

The Company is involved in litigation which purports to be a class action ("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 in the class action to date and, with the exception of the above, no material 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 is not expected to have a material adverse effect on the financial position, results of operations or liquidity of the Company.

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, 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

Three Months ended September 30, 1999 compared with Three Months ended September 30, 1998.

Net sales for the three months ended September 30, 1999 were $428.6, an increase of approximately 3.3% from $414.7 for the comparable 1998 period. The sales increase is a result of a 3.1% increase in price and a 0.2% increase in testing volume.

Cost of sales, which includes primarily laboratory and distribution costs, was $265.2 for the three months ended September 30, 1999 compared to $270.3 in the corresponding 1998 period, a decrease of $5.1. This decrease is primarily due to the decrease in salaries and benefits resulting from the ongoing consolidation of the Mid-Atlantic and Northeast regions. Cost of sales as a percentage of net sales was 61.9% for the three months ended September 30, 1999 and 65.2% in the corresponding 1998 period. The decrease in the cost of sales percentage of net sales resulted from the Company's continuing cost reduction efforts as noted above.

Selling, general and administrative expenses increased to $115.6 for the three months ended September 30, 1999 from $102.4 in the same period in 1998. The primary reason for the increase is due to an increase of $8.8 in bad debt expense and $2.4 of expenses related to Year 2000 projects. As a percentage of net sales, selling, general and administrative expenses were 27.0% and 24.7% for the three months ended September 30, 1999 and 1998, respectively. The increase in the selling, general and administrative percentage primarily resulted from the items noted above.

The amortization of intangibles and other assets was $7.7 for the three months ended September 30, 1999 and 1998.

Net interest expense was $10.2 for the three months ended September 30, 1999 compared with $12.1 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, has reduced the Company's interest by $1.9.

The provision for income taxes as a percentage of earnings before taxes was 38.0% for the three months ended September 30, 1999 compared to 48.9% for the three months ended September 30, 1998. During the three months ended September 30, 1999, the Company reduced its valuation allowance applied against its deferred tax assets by $2.5, thereby reducing its provision for income taxes as a percentage of earnings before taxes.

NINE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 1998.

Net sales for the nine months ended September 30, 1999 were $1,276.0, an increase of approximately 5.9% from $1,204.8 reported in the comparable 1998 period. The sales increase is a result of a 2.6% increase in volume and a 3.3% increase in price.

Cost of sales, which includes primarily laboratory and distribution costs, was $796.8 for the nine months ended September 30, 1999 compared to $783.9 in the corresponding 1998 period, an increase of $12.9. Cost of sales increased approximately $20.2 due to the increase in volume and approximately $10.1 due to increases in testing supplies and consulting fees. These increases were partially offset by decreases totaling $13.6 in telephone, depreciation, report and request forms and insurance expenses. Cost of sales as a percentage of net sales was 62.4% for the nine months ended September 30, 1999 and 65.1% 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 $339.2 for the nine months ended September 30, 1999 from $297.1 in the same period in 1998. The primary reason for the increase is due to an increase to bad debt expense of $31.9 and $5.1 of expenses related to Year 2000 projects. As a percentage of net sales, selling, general and administrative expenses were 26.6% and 24.7% for the nine months ended September 30, 1999 and 1998, respectively. The increase in the selling, general and administrative percentage primarily resulted from the items noted above.

The amortization of intangibles and other assets was $23.4 and $22.8 for the nine months ended September 30, 1999 and 1998, respectively.

Net interest expense was $30.6 for the nine months ended September 30, 1999 compared with $36.4 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, has reduced the Company's interest by $5.8.

The provision for income taxes as a percentage of earnings before taxes was 38.0% for the nine months ended September 30, 1999 compared to 49.7% for the nine months ended September 30, 1998. During the nine months ended September 30, 1999, the Company reduced its valuation allowance applied against its deferred tax assets by $7.5, thereby reducing its provision for income taxes as a percentage of earnings before taxes.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was $128.9 and $89.9 for the nine months ended September 30, 1999 and September 30, 1998, respectively. The increase in cash flow from operations primarily resulted from improved earnings and a decrease in accounts receivable. Capital expenditures were $53.6 and $40.1 for the first nine months of 1999 and 1998, respectively.

The Company's days sales outstanding (DSO) at September 30, 1999 was 76 days, compared to 79 days at the end of the second quarter of 1999. Since the end of 1998, the Company has reduced its DSO by a total of 7 days. The Company is focusing on reducing its DSO through the conversion of the entire Company to a single, centralized billing system. The Company expects its multiple billing systems to be substantially converted to the new single billing system by the end of the year 2000.

Driving down DSO has been a major Company-wide goal, engaging significant resources across the country. Significant initiatives undertaken include the following:

1. Focusing on front-end billing processes, including reducing order entry errors and identifying and correcting problems which cause accounts to provide incomplete or inaccurate billing information
2. Improving processes related to claims submissions to third-party payors
3. Aggressive actions with slow-paying third-party payors

The Company will evaluate the effect, if any, the DSO trend has on its provision for bad debts during the fourth quarter of 1999.

For a discussion of legal proceedings which may impact the Company's liquidity and capital resources see "Note 9 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 may 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 has been substantially completed at the end of October 1999. Completion of all material phases of remediation for business critical equipment and systems is scheduled for mid-November 1999. All material phases of testing and validation for business critical equipment and systems is scheduled to be completed by mid-November 1999.

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 by cash flows from operations as well as borrowings under the Company's credit facilities. The Company estimates total Year 2000 expenditures to be $18.0 - $20.0 with approximately $3.0 charged to earnings during the year ended 1998 and $5.1 charged to earnings and an additional $5.2 in related purchases capitalized during the nine months ended September 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. To the extent the Company experiences material Year 2000 problems and does not have any contingency plan in effect for remedying such problems, such Year 2000 problems could have a material adverse effect on the Company's results of operation, liquidity and financial condition. While the Company believes the occurrence of such a scenario is unlikely, a possible worst case scenario might include (a) delays, inaccuracies or other difficulties with respect to billing customers or the loss of customer records, (b) key vendors not being able to supply goods and services on a timely basis, and (c) the inability of our customers to remit payment for services rendered on a timely basis. The financial impact of any or all of the above worst case scenarios has not been and cannot be estimated by management due to the numerous uncertainties and variables associated with such scenarios.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See "Note 9 to the Company's Unaudited Condensed Consolidated Financial Statements" for the nine months ended September 30, 1999.

Item 6. Exhibits and Reports on Form 8-K-

(a) Exhibits

27 Financial Data Schedule (electronically filed version only).

(b) Reports on Form 8-K

(1) A current report on Form 8-K dated August 18, 1999 was filed on August 31, 1999, by the registrant, in connection with the press release dated August 18, 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.

(2) A current report on Form 8-K dated September 1, 1999 was filed on October 4, 1999, by the registrant, in connection with the press release dated September 1, 1999 announcing an agreement for Healtheon Corporation to process the Company's lab requests and reports for physicians with its Web browser-based solution, Healtheon DX.

(3) A current report on Form 8-K dated September 22, 1999 was filed on October 4, 1999, by the registrant along with AHT Corporation, in connection with the press release dated September 22, 1999 announcing an agreement whereby AHT will provide computer interfaces for the Company's reference laboratory, hospital and managed care clients. The agreement provides for AHT to develop and install specific interfaces, which allows the Company and its hospital partners to exchange laboratory results, demographics, eligibility information, and laboratory orders.

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

(4) A current report on Form 8-K dated September 30, 1999 was filed on October 4, 1999, by the registrant along with Hycor Biomedical Inc., in connection with the press release dated September 30, 1999 announcing the signing of a three-year supply agreement. Under the terms of the agreement, Hycor will serve as the primary supplier of IN VITRO allergy testing reagents to the Company.

(5) A current report on Form 8-K dated October 4,1999 was filed on October 12, 1999, by the registrant along with Healtheon Corporation, in connection with the press release dated October 4, 1999, announcing that the Company had selected BenefitCentral, Healtheon's online enrollment and benefits management service, to streamline the process of benefits management for its approximately 18,400 employees.

(6) A current report on Form 8-K dated October 20, 1999 was filed on November 3, 1999, by the registrant, in connection with the press release dated October 20, 1999 announcing operating results of the Company for the quarter ended September 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

November 12, 1999

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LABORATORY CORPORATION OF AMERICA HOLDINGS
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DEC-31-1999
JAN-01-1999
SEP-30-1999
19,700
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515,500
154,800
26,400
501,500
522,200
250,000
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260,500
506,600
550,000
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171,600
1,612,000
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1,276,000
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796,800
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82,600
31,400
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0
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51,200
0.11
0.11