- ---

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[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)
OR THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-9114

MYLAN LABORATORIES INC.
(Exact Name of registrant as specified in its charter)

Pennsylvania	25-1211621
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
130 Seventh Street 1030 Century Building Pittsburgh, Pennsylvania	15222
(Address of principal executive offices)	(Zip Code)

412-232-0100
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 twelve 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date

Class of Common Stock	Outstanding at August 9, 2000
$.50 par value	124,703,913

MYLAN LABORATORIES INC. AND SUBSIDIARIES

INDEX

MYLAN LABORATORIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

FOR THE THREE MONTHS ENDED JUNE 30,
2000, AND 1999 (In thousands
except per share amounts)

UNAUDITED

	2000	1999
NET SALES	$167,255	$177,095
COST AND EXPENSES:		
Cost of Sales	92,279	80,848
Research and Development	16,535	11,791
Selling and Administrative	39,083	38,114
		114,808,000
	147,897	130,753
LITIGATION SETTLEMENT	(147,000)	-
EQUITY IN LOSS OF SOMERSET	(1,903)	82)
OTHER INCOME	10,656	3,859
(LOSS) EARNINGS BEFORE INCOME TAXES	(118,889)	50,119
INCOME TAX (BENEFIT) EXPENSE	(42,800)	18,166
NET (LOSS) EARNINGS	$(76,089)	$ 31,953
(LOSS) EARNINGS PER COMMON SHARE:		
Basic	$(.59)	$ .25
Diluted	$(.59)	$ .25
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	128,701	129,136
Diluted	129,694	130,309

The Company has paid regular quarterly cash dividends of $.04 per share since October 1995.

See Notes to Consolidated Financial Statements

MYLAN LABORATORIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands except share information)

UNAUDITED

ASSETS

	June 30, 2000	March 31, 2000
Current Assets:		
Cash and cash equivalents	$ 181,304	$ 203,493
Marketable securities	58,472	99,557
Accounts receivable - net	179,517	197,760
Inventories:		
Raw materials	71,251	64,020
Work in process	26,977	28,459
Finished goods	110,098	53,390
	208,326	145,869
Income tax benefits	71,112	30,792
Other current assets	8,933	9,275
Total Current Assets	707,664	686,746
Property, Plant and Equipment - at cost	282,359	273,581
Less accumulated depreciation	109,838	105,581
	172,521	168,000
Investment in and Advances to Somerset	27,437	29,461
Intangible Assets - net of accumulated amortization	326,419	332,142
Other Assets	130,777	124,881
Total Assets	$1,364,818	$1,341,230

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Trade accounts payable	$ 76,072	$ 17,981
Current portion of long-term obligations	7,925	9,874
Income taxes payable	-	7,858
Cash dividends payable	5,007	5,194
Other current liabilities	47,460	46,863
Litigation Settlement	147,000	-
Total Current Liabilities	283,464	87,770
Long-Term Obligations	32,829	30,630
Deferred Income Tax Liability	17,397	19,108
Shareholders' Equity:		
Preferred stock, par value $.50 per share, authorized 5,000,000 shares, issued and outstanding - none	-	-
Common stock, par value $.50 per share, authorized 300,000,000 shares, issued 130,433,421 shares at June 30, 2000, and 130,277,568 shares at March 31, 2000	65,217	65,139
Additional paid-in capital	318,677	316,393
Retained earnings	742,494	823,570
Accumulated other comprehensive income	4,575	6,936
	1,130,963	1,212,038
Less treasury stock - at cost, 5,750,715 shares at June 30, 2000, and 893,498 shares at March 31, 2000	99,835	8,316
Total Shareholders' Equity	1,031,128	1,203,722
Total Liabilities and Shareholders' Equity	$1,364,818	$1,341,230

See Notes to Consolidated Financial Statements

MYLAN LABORATORIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED JUNE 30, 2000, AND 1999
(In thousands)

UNAUDITED

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) earnings	$(76,089)	$ 31,953
Adjustments to reconcile net (loss) earnings to net cash provided from operating activities:		
Depreciation and amortization	9,983	8,669
Income tax benefit	(40,759)	(4,626)
Equity in loss of Somerset	1,903	82
Cash received from Somerset	121	107
Allowances on accounts receivable	(6,220)	10,443
Litigation Settlement	147,000	-
Other noncash items	(4,299)	996
Changes in operating assets and liabilities:		
Accounts receivable	24,463	(12,771)
Inventories	(62,537)	(1,925)
Trade accounts payable	58,091	7,507
Income taxes payable	(7,858)	16,171
Other operating assets and liabilities	939	(11,988)
Net cash provided from operating activities	44,738	44,618
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(8,778)	(5,436)
Increase in intangible and other assets	(1,099)	(962)
Proceeds from investment securities	52,322	34,302
Purchase of investment securities	(14,870)	(51,351)
Net cash provided from (used in) investing activities	27,575	(23,447)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term obligations	(95)	(5,014)
Cash dividends paid	(5,174)	(5,162)
Repurchase of common stock	(91,456)	-
Proceeds from exercise of stock options	2,223	954
Net cash used in financing activities	(94,502)	(9,222)
Net (decrease) increase in cash and cash equivalents	(22,189)	11,949
Cash and cash equivalents - beginning of period	203,493	189,849
Cash and cash equivalents - end of period	$181,304	$201,798
CASH PAID DURING THE PERIOD FOR:		
Interest	$ 37	$ 189
Income Taxes	$ 5,815	$ 6,620

See Notes to Consolidated Financial Statements

MYLAN LABORATORIES INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

A. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of Mylan Laboratories Inc. and subsidiaries (the "Company") as of June 30, 2000, together with the results of operations and cash flows for the three months ended June 30, 2000, and 1999. The consolidated results of operations for the three months ended June 30, 2000, are not necessarily indicative of the results to be expected for the full year.

B. These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's 2000 Annual Report and Report on Form 10-K.

C. Diluted earnings per common share is computed by dividing net earnings available to common shareholders by the weighted average common shares outstanding adjusted for the dilutive effect of options granted under the Company's stock option plans. The effect of dilutive stock options on the weighted average common shares outstanding was 993,000 and 1,173,000 for the three months ended June 30, 2000, and 1999.

D. Total comprehensive income for the three months ended June 30, 2000, and 1999, is as follows: (in thousands)

	Three Months Ended June 30,	
	2000	1999
Net (loss) earnings	$(76,089)	$31,953
Other comprehensive (loss) income, net of tax:		
Unrealized (loss) gain on marketable securities	(1,679)	502
Adjustment for gains included in net earnings	(682)	(35)
Comprehensive (loss) income	$(78,450)	$32,420

Accumulated other comprehensive income, as reflected on the balance sheet, is comprised solely of the unrealized gain on marketable securities, net of deferred income taxes.

MYLAN LABORATORIES INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

E. The following table presents the comparative operating results for the Company's operating segments: (in thousands)

	Three Months Ended June 30,	
	2000	1999
Generic Segment:		
Net Sales	$ 136,731	$151,937
Segment Profit	31,845	59,217
Branded Segment:		
Net Sales	$ 30,524	$ 25,158
Segment Profit	1,474	1,701
Corporate	$(152,208)	$(10,799)
Consolidated:		
Net Sales	$ 167,255	$177,095
Pretax Earnings	$(118,889)	$ 50,119

Segment net sales represent sales to unrelated third parties. Segment profit represents segment gross profit less direct research and development, sales and marketing and administrative expenses. Corporate includes legal costs, goodwill amortization, other corporate administrative expenses and other income and expense. For the three months ended June 30, 2000, Corporate includes the expense of $147,000,000 for the tentative settlement of the Federal Trade Commission ("FTC") and related litigation (See note F).

F. A subsidiary of the Company was involved in a dispute with KaiGai Pharmaceuticals, Co., Ltd. ("KaiGai") relating to a license and supply contract for nitroglycerin transdermal patches which both parties claimed was breached by the other. KaiGai sought damages in excess of $20,000,000. The dispute was subject to binding arbitration, and, in November 1999, the arbitration panel denied KaiGai's request for damages. KaiGai filed an appeal and the Company's motion to dismiss the appeal was granted based upon timely and improper service of the appeal.

The Company had an agreement with Genpharm Inc. ("Genpharm") where it benefitted from the sale of ranitidine HCl tablets by Novopharm Limited ("Novopharm") under a separate agreement between Genpharm and Novopharm. Based on an independent audit, Genpharm initiated a lawsuit against Novopharm to resolve contract interpretation issues and collect additional funds due. In response to Genpharm's suit, Novopharm filed counterclaims against both Genpharm and the Company claiming damages of up to $60,000,000. The Company believes the counterclaims against Genpharm and the Company are without merit and will vigorously defend its position.

In June 1998, the Company filed suit in the Los Angeles Superior Court against American Bioscience, Inc. ("ABI"), American Pharmaceutical Partners, Inc. ("APP") and certain of their directors and officers. The Company's suit seeks various legal and equitable remedies. The Los Angeles Superior Court issued a preliminary injunction order which, among other things, prohibits the defendants from transferring or disposing of funds, assets, technology or property without the Company's consent or commingling assets, property, technology or personnel with those of another company. In June 1999, the defendants filed an answer to and cross-complaint against the Company. The cross-complaint alleges violations of California state laws, interference with contractual relations and prospective economic advantage, fraud, slander, libel and other allegations. The cross-complainants seek unspecified compensatory and punitive damages. The Company believes the cross-complaint is without merit and intends to vigorously defend its position.

On December 22, 1998, the FTC filed suit in U.S. District Court for the District of Columbia against the Company. The FTC's complaint alleges the Company engaged in restraint of trade, monopolization, attempted monopolization and conspiracy to monopolize, arising out of certain agreements involving the supply of raw materials used to manufacture two drugs. The FTC also sued in the same case the foreign

F. (cont.) supplier of the raw materials, the supplier's parent company and its United States distributor. Under the terms of the agreements related to these raw materials, the Company has agreed to indemnify these parties.

The Company is a party to other suits involving the Attorneys General from 33 states and more than 25 putative class actions that allege the same conduct alleged in the FTC suit as well as alleged violations of state consumer protection laws.

A qui tam action was commenced by a private party in the U.S. District Court for the District of South Carolina purportedly on behalf of the United States alleging violations of the False Claims Act and other statutes.

The relief sought by the FTC includes an injunction barring the Company from engaging in the challenged conduct, recision of certain agreements and disgorgement in excess of $120,000,000. The states and private parties seek similar relief, treble damages and attorneys' fees. The Company's motions to dismiss several of the private actions were granted.

A class action suit was filed alleging violations of federal securities laws by the Company and certain directors and officers of the Company. Without specifying a dollar amount, the suit sought compensatory damages. The Company's motion to dismiss the federal securities case was granted on December 22, 1999. The decision was appealed. An oral argument concerning the appeal was heard by the court on July 20, 2000.

In February 2000, the Company received notice of threatened litigation by another generic manufacturer. The potential complaint is based on similar factors alleged in the FTC litigation relating to the generic product clorazepate.

In July 2000, the Company reached a tentative agreement to settle the actions brought by the FTC and the State Attorneys General regarding raw material contracts for lorazepam and clorazepate. The Company has agreed to pay $100,000,000, plus up to $8,000,000 in attorneys' fees incurred by the States Attorneys General. The proposed settlement is subject to court approval and the approval of the FTC commissioners.

In July 2000, the Company also reached a tentative agreement to settle private class action lawsuits filed on behalf of consumers and third-party reimbursers related to the same facts and circumstances at issue in the FTC and States Attorneys General

F. (cont.) cases. The Company has agreed to pay $35,000,000 to settle the third party reimburser actions, plus up to $4,000,000 in attorneys' fees incurred by counsel in the consumer actions. The proposed settlement is subject to court approval.

In total, the Company has agreed to pay up to $147,000,000 to settle these actions. The proposed settlements also include three companies indemnified by the Company - Cambrex Corporation, Profarmaco S.r.l. and Gyma Laboratories, Inc. Lawsuits not included in these proposed settlements principally involve institutional purchasers (such as wholesalers).

The Company believes that it has meritorious defenses to the claims in the remaining matters and will vigorously defend its position. Should the proposed settlements not be finalized and approved, an adverse result in the continued litigation of those cases and the remaining matters could have a material adverse effect on the Company's financial position and results of its operations.

PART 1 - FINANCIAL INFORMATION

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Net earnings for the quarter ended June 30, 2000, excluding the $147.0 million before tax effect of the tentative litigation settlement, were $18.0 million, or $.14 per diluted share. Including the effect of the tentative litigation settlement, net loss for the quarter ended June 30, 2000, was $76.1 million, or $.59 per diluted share, compared to $32.0 million, or $.25 per diluted share, for the same quarter a year ago.

The Company reached tentative settlements with the FTC, State Attorneys General, and certain private parties (the "Tentative Settlement") with regards to lawsuits filed against the Company relating to raw material contracts on two of its products. The decision to settle these lawsuits reduced the element of risk and uncertainty inherent in litigation and enabled the Company to better devote its resources to the management of its business.

During the quarter, the Company made a strategic business decision relating to the sales and marketing of its generic products. Within the generic industry the buying patterns of certain classes of customers resulted in a disproportionate amount of their purchases to

occur late in the quarter. The Company indirectly supported this practice through discount and incentive programs. The Company has decided to no longer support this practice and has discontinued its related incentive programs. This decision is expected to favorably impact the Company through: improved customer service levels, decreased levels of products on backorder and decreased expenses associated with filling these backorders, and increased net sales, on the same level of orders, through the reduction of discounts and incentive programs. The Company believes the impact of this decision will not materially impact future quarters and generic volume will return to more normal levels.

The following table presents the comparative operating results for the Company's operating segments: (dollars in millions)

	Three Months Ended June 30,		
	2000	1999	Change
Generic Segment:			
Net Sales	$ 136.7	$151.9	(10%)
Gross Profit	54.8	79.4	(31%)
Segment Profit	31.8	59.2	(46%)
Branded Segment:			
Net Sales	$ 30.6	$ 25.2	21%
Gross Profit	20.2	16.8	20%
Segment Profit	1.5	1.7	(12%)
Corporate	$(152.2)	$(10.8)	
Consolidated:			
Net Sales	$ 167.3	$177.1	(6%)
Gross Profit	75.0	96.2	(22%)
Pretax Earnings	(118.9)	50.1	

Segment net sales represent sales to unrelated third parties. Segment gross profit represents segment net sales less the corporate wide costs of manufacturing, warehousing and shipping associated with such sales. Segment profit represents segment gross profit less direct research and development, sales and marketing and administrative expenses. Corporate includes legal costs, goodwill amortization, other corporate administrative expenses and other income and expense. For the three months ended June 30, 2000, Corporate includes the expense of $147.0 million for the Tentative Settlement (See note F to the consolidated financial statements).

Results of Operations

- ----------

Net Sales and Gross Profit

Net sales for the quarter ended June 30, 2000, were $167.3 million compared to $177.1 million for the same quarter a year ago. The majority of this decrease resulted from the decision relating to the sales and marketing of generic products as previously described. Generic volume for the current quarter decreased approximately 12% compared to the same quarter a year ago. Price deterioration continues to contribute to lower net sales, with clorazepate and lorazepam still experiencing significant downward pricing pressure. Net sales for clorazepate and lorazepam decreased approximately $21.2 million for the current quarter compared to the same quarter a year ago. These decreases were partially offset by products launched subsequent to June 30, 1999, primarily nifedipine, amounting to approximately $54.1 million in net sales for the quarter ended June 30, 2000.

Generic gross margins (gross profit as a percent of net sales) decreased to 40% for the current quarter from 52% for the same quarter a year ago. This is mainly attributable to the sale of nifedipine, which has lower than normal generic gross margins, lower generic volume, and price deterioration as previously mentioned.

For the Branded Segment, net sales for the quarter ended June 30, 2000, increased from $25.2 million for the quarter ended June 30, 1999, to $30.6 million. The increase in net sales resulted primarily from the addition of Digitek(R) and increased sales related to dermatology products. Gross profit for the current quarter remained consistent with the prior comparable quarter.

Research and Development

Research and development expenses were $16.5 million for the quarter ended June 30, 2000, compared to $11.8 million for the same quarter a year ago. Such increase reflects increased costs associated with additional studies and includes the cost associated with the execution of a distribution agreement in the current quarter.

The Company is actively pursuing joint development projects in an effort to broaden its scope of capabilities in bringing to market new innovative products. Such arrangements generally provide for payments by the Company only upon the attainment of certain milestones. While such arrangements help to reduce the Company's financial risk for unsuccessful projects, attainment of milestones may result in fluctuations in quarterly research and development expenses.

Selling and Administrative Expenses

Selling and administrative expenses were $39.1 million for the quarter ended June 30, 2000, compared to $38.1 million for the same quarter a year ago. Increases in payroll and payroll related expenses for the Branded Segment were partially offset by decreases in payroll and payroll related expenses for the Generic Segment.

Equity in loss of Somerset

The equity in loss of Somerset Pharmaceuticals, Inc. in the current quarter is primarily the result of lower sales and increased research and development expenses as compared to the same quarter a year ago.

Other Income

Other income for the quarter ended June 30, 2000, was $10.7 million, up from $3.9 million for the same quarter a year ago. This increase resulted from increased earnings on the Company's investment in a limited partnership, gains realized on the partial sale of an investment, and increased interest income due to higher interest rates and higher average investment cash balances.

Income Taxes

The Company's effective tax rate was 36% for the quarter ended June 30, 2000, and is expected to remain at approximately this level throughout fiscal year 2001.

Other Factors

The addition of nifedipine to the Company's product line resulted in increases in trade accounts payable and finished goods inventory due to significant purchases during the quarter. Finished goods inventory also increased due to the Company's decision to change its approach to sales and marketing within its Generic Segment.

The Tentative Settlement resulted in the increase in income tax benefits and to the increase in total current liabilities.

The Company completed the Stock Repurchase Program, authorized by the Board of Directors in April 1997, which resulted in a decrease of cash and an increase in treasury stock.

Liquidity, Capital Resources and Financial Condition

Working capital decreased to $424.2 million at June 30, 2000, from $599.0 million at March 31, 2000. The ratio of current assets to current liabilities decreased to 2.5 to 1 at June 30, 2000, from 7.8 to 1 at March 31, 2000. The significant change in the Company's current ratio was primarily caused by the Tentative Settlement and the completion of the Company's Stock Repurchase Program.

The decrease in working capital was primarily caused by the Company's net loss along with the net fluctuations in accounts receivable, inventories, accounts payable and income taxes. The significant fluctuations in these accounts primarily related to the tax impact of the Tentative Settlement, the sales and marketing decision regarding generic products and the addition of nifedipine to the Company's product line. Working capital was also affected by the cash used for the completion of the Stock Repurchase Program.

For the quarter ended June 30, 2000, the Company entered into tentative settlement agreements with the FTC, State Attorneys General and certain private parties with regard to lawsuits filed against the Company relating to raw material contracts on two of its products. If the settlements are approved, the Company will pay up to $147.0 million from currently available funds.

During the current quarter, the Company completed the Stock Repurchase Program authorized and announced by the Board of Directors in April 1997. The Company repurchased 4,855,100 shares for approximately $91.5 million through the use of currently available funds.

The result of the payments mentioned above will affect the amount of interest income the Company may record in future periods. The Company does not expect these payments to adversely affect the future operation of its business.

The Company continues to examine opportunities to expand its business through product and company acquisitions. The Company's capital resources, financial condition and results of operations could be materially impacted if the Company were to complete one or more of such acquisitions.

The Company believes that it has meritorious defenses to the claims in the remaining matters and will vigorously defend its position. Should the proposed settlements not be finalized and approved, an adverse result in the continued litigation of those cases and the remaining matters could have a material adverse effect on the Company's financial position and results of its operations.

Forward-Looking Statements
- ---------------------------

The statements set forth in this Item 2 under Results of Operations concerning the manner in which the Company intends to conduct its future operations, potential trends that may impact future results of operations, and its beliefs or expectations about future operations are forward-looking statements. The Company may be unable to realize its plans and objectives due to various important factors, including, but not limited to, an acceleration in the erosion of prices of the Company's generic pharmaceutical products, the Company's inability to obtain timely FDA approval for its new generic or branded products, the failure of the Company's branded products to find acceptance in the marketplace, continuing litigiousness by branded manufacturers designed to delay the introduction of the Company's generic products, the failure of the parties to finalize the tentative settlement of the FTC and related anti-competition cases against the Company, the failure of the Company to favorably litigate or resolve the remaining cases that are not a part of such tentative settlement, and the factors described under "Forward Looking Statements" in Item 7 of the Company's Annual Report on Form 10-K for the year ended March 31, 2000.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by Item 3 has been disclosed in Item 7A of the Company's Annual Report on Form 10-K for the year ended March 31, 2000. There has been no material change in the disclosure regarding market risk.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Since the date of the filing of the Company's Annual Report on Form 10-K for the year ended March 31, 2000, there have been no material new legal proceedings involving the Company or any material developments to such proceedings, except as described below.

A subsidiary of the Company was involved in a dispute with KaiGai Pharmaceuticals, Co., Ltd. ("KaiGai") relating to a license and supply contract for nitroglycerin transdermal patches which both parties claim was breached by the other. KaiGai sought damages in excess of $20,000,000. The dispute was subject to binding arbitration, and, in November 1999, the arbitration panel denied KaiGai's request for damages. KaiGai filed an appeal and the Company's motion to dismiss the appeal was granted based upon timely and improper service of the appeal.

On December 22, 1998, the FTC filed suit in U.S. District Court for the District of Columbia against the Company. The FTC's complaint alleges the Company engaged in restraint of trade, monopolization, attempted monopolization and conspiracy to monopolize, arising out of certain agreements involving the supply of raw materials used to manufacture two drugs. The FTC also sued in the same case the foreign supplier of the raw materials, the supplier's parent

company and its United States distributor. Under the terms of the agreements related to these raw materials, the Company has agreed to indemnify these parties.

The Company is a party to other suits involving the Attorneys General from 33 states and more than 25 putative class actions that allege the same conduct alleged in the FTC suit as well as alleged violations of state consumer protection laws.

A qui tam action was commenced by a private party in the U.S. District Court for the District of South Carolina purportedly on behalf of the United States alleging violations of the False Claims Act and other statutes.

The relief sought by the FTC includes an injunction barring the Company from engaging in the challenged conduct, recision of certain agreements and disgorgement in excess of $120,000,000. The states and private parties seek similar relief, treble damages and attorneys' fees. The Company's motions to dismiss several of the private actions were granted.

A class action suit was filed alleging violations of federal securities laws by the Company and certain directors and officers of the Company. Without specifying a dollar amount, the suit sought compensatory damages. The Company's motion to dismiss the federal securities case was granted on December 22, 1999. The decision was appealed. An oral argument concerning the appeal was heard by the court on July 20, 2000.

In February 2000, the Company received notice of threatened litigation by another generic manufacturer. The potential complaint is based on similar factors alleged in the FTC litigation relating to the generic product clorazepate.

In July 2000, the Company reached a tentative agreement to settle the actions brought by the FTC and the State Attorneys General regarding raw material contracts for lorazepam and clorazepate. The Company has agreed to pay $100,000,000, plus up to $8,000,000 in attorneys' fees incurred by the States Attorneys General. The proposed settlement is subject to court approval and the approval of the FTC commissioners.

In July 2000, the Company also reached a tentative agreement to settle private class action lawsuits filed on behalf of consumers and third-party reimbursers related to the same facts and circumstances at issue in the FTC and States Attorneys General cases. The Company has agreed to pay $35,000,000 to settle the third party reimburser actions, plus up to $4,000,000 in attorneys' fees incurred by counsel in the consumer actions. The proposed settlement is subject to court approval.

In total, the Company has agreed to pay up to $147,000,000 to settle these actions. The proposed settlements also include three companies indemnified by the Company - Cambrex Corporation, Profarmaco S.r.l. and Gyma Laboratories, Inc. Lawsuits not included in these proposed settlements principally involve institutional purchasers (such as wholesalers).

The Company believes that it has meritorious defenses to the claims in the remaining matters and will vigorously defend its position. Should the proposed settlements not be finalized and approved, an adverse result in the continued litigation of those cases and the remaining matters could have a material adverse effect on the Company's financial position and results of its operations.

The Company is involved in various other legal proceedings that are considered normal to its business. While it is not feasible to predict the ultimate outcome of such proceedings, it is the opinion of management that the outcome of these suits will not have a material adverse effect on the Company's operations, financial position, or liquidity.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 27 - Financial Data Schedule

(b) Reports on Form 8-K - There were no reports on Form 8-K filed during the three months ended June 30, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report filed on Form 10-Q for the quarter ended June 30, 2000, to be signed on its behalf by the undersigned thereunto duly authorized.

Mylan Laboratories Inc.
(Registrant)

DATE 8/14/00

/s/ Milan Puskar

Milan Puskar
Chairman and Chief Executive Officer

DATE 8/14/00

/s/ Donald C. Schilling

Donald C. Schilling
Vice President of Finance and
Chief Financial Officer
(Principal financial officer)

Financial Data Schedule
Mylan Laboratories Inc. and Subsidiaries
Article 5 of Regulation S-X

he schedule contains summary financial information extracted from the Consolidated Balance Sheet at June 30, 2000, and the Consolidated Statement of Earnings for the three months ended June 30, 2000, and is qualified in its entirety by reference to such financial statements.

0000069499
none

3-MOS
MAR-31-2001

JUN-30-2000

181,304
58,472
244,378
70,992
208,326
707,664
282,359
109,838
1,364,818
283,464
32,829
0
0
65,217
965,910
1,364,818
167,255
167,255
92,279
92,279
55,618
305
9
(118,889)
(42,800)
(76,089)
0
0
0
(76,089)
(.59)
(.59)