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 September 30, 1999
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 October 28, 1999
$.50 par value	129,229,715

MYLAN LABORATORIES INC. AND SUBSIDIARIES

INDEX

MYLAN LABORATORIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands except per share amounts)

UNAUDITED

	Three Months Ended September 30,		Six Months Ended September 30,	
	1999	1998	1999	1998
NET SALES	$194,489	$177,592	$371,584	$344,310
COST AND EXPENSES:				
Cost of Sales	83,677	85,548	164,525	167,112
Research and Development	11,473	13,382	23,264	27,466
Selling and Administrative	38,880	28,435	76,994	53,444
	134,030	127,365	264,783	248,022
EQUITY IN (LOSS) EARNINGS OF SOMERSET	(989)	2,142	(1,071)	4,492
OTHER (EXPENSE) INCOME	(1,097)	4,078	2,762	8,112
EARNINGS BEFORE INCOME TAXES	58,373	56,447	108,492	108,892
INCOME TAXES	21,307	19,232	39,473	37,495
NET EARNINGS	$ 37,066	$ 37,215	$ 69,019	$ 71,397
EARNINGS PER COMMON SHARE:				
Basic	$ .29	$ .30	$ .53	$ .58
Diluted	$ .28	$ .30	$ .53	$ .58
WEIGHTED AVERAGE COMMON SHARES:				
Basic	129,182	122,408	129,159	122,352
Diluted	130,144	123,809	130,227	123,943

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

	September 30, 1999	March 31, 1999
Current Assets:		
Cash and cash equivalents	$ 232,784	$ 189,849
Marketable securities	61,297	69,872
Accounts receivable - net	162,419	148,896
Inventories:		
Raw materials	66,058	57,414
Work in process	23,812	20,813
Finished goods	49,974	58,266
	139,844	136,493
Deferred income tax benefit	27,120	18,199
Other current assets	16,376	19,650
Total Current Assets	639,840	582,959
Property, Plant and Equipment - at cost	257,307	244,793
Less accumulated depreciation	98,054	90,157
	159,253	154,636
Investment in and Advances to Somerset	32,800	34,114
Intangible Assets - net of accumulated amortization	330,191	336,003
Other Assets	97,744	98,949
Total Assets	$1,259,828	$1,206,661
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Trade accounts payable	$ 17,092	$ 12,142
Current portion of long-term obligations	15,417	16,941
Cash dividend payable	5,185	5,178
Other current liabilities	49,708	62,100
Total Current Liabilities	87,402	96,361
Long-Term Obligations	24,052	26,827
Deferred Income Tax Liability	27,283	23,568
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 130,083,792 shares at September 30, 1999 and 129,968,514 shares at March 31, 1999	65,042	64,984
Additional paid-in capital	313,527	311,995
Retained earnings	748,688	690,003
Accumulated other comprehensive income	2,016	1,105
	1,129,273	1,068,087
Less treasury stock - at cost, 888,578 shares at September 30, 1999 and March 31, 1999	8,182	8,182
Total Shareholders' Equity	1,121,091	1,059,905
Total Liabilities and Shareholders' Equity	$1,259,828	$1,206,661

See Notes to Consolidated Financial Statements

MYLAN LABORATORIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
(In thousands)

UNAUDITED

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 69,019	$ 71,397
Adjustments to reconcile net earnings to net cash provided from operating activities:		
Depreciation and amortization	17,866	11,154
Deferred income tax benefit	(5,904)	(4,716)
Equity in the loss(earnings)of Somerset	1,071	(4,492)
Cash received from Somerset	243	585
Allowances on accounts receivable	23,338	8,287
Other noncash expense	10,402	323
Changes in operating assets and liabilities:		
Accounts receivable	(36,861)	(29,041)
Inventories	(3,225)	(5,181)
Trade accounts payable	4,950	(2,626)
Other operating assets and liabilities	(12,510)	11,203
Net cash provided from operating activities	68,389	56,893
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(12,514)	(8,104)
Increase in intangible and other assets	(8,632)	(3,084)
Proceeds from investment securities	95,985	13,853
Purchase of investment securities	(85,528)	(11,995)
Net cash used in investing activities	(10,689)	(9,330)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term obligations	(6,028)	(6,139)
Cash dividends paid	(10,327)	(9,781)
Proceeds from exercise of stock options	1,590	2,824
Net cash used in financing activities	(14,765)	(13,096)
Net Increase in Cash and Cash Equivalents	42,935	34,467
Cash and cash equivalents - beginning of period	189,849	103,756
Cash and cash equivalents - end of period	$232,784	$138,223
CASH PAID DURING THE PERIOD FOR:		
Interest	$ 542	$ 275
Income Taxes	$ 47,168	$ 38,329

See Notes to Consolidated Financial Statements

MYLAN LABORATORIES INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED
SEPTEMBER 30, 1999

Unaudited

A. In the opinion of management, the accompanying unaudited 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 September 30, 1999, and March 31, 1999, together with the results of operations and cash flows for the interim periods ended September 30, 1999 and 1998. The consolidated results of operations for the three and six months ended September 30, 1999, 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 1999 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 962,000 and 1,401,000 for the three months ending September 30, 1999 and 1998, and 1,068,000 and 1,591,000 for the six months ending September 30, 1999 and 1998.

D. Total comprehensive income for the three and six months ended September 30, 1999 and 1998, are as follows: (in thousands)

	Three Months Ended September 30,		Six Months Ended September 30,	
	1999	1998	1999	1998
Net earnings	$37,066	$37,215	$69,019	$71,397
Other comprehensive income, net of tax:				
Unrealized gain(loss) on marketable securities	2,883	(454)	3,385	(1,849)
Adjustment for gains included in net earnings	(2,439)	(94)	(2,474)	(191)
Comprehensive income	$37,510	$36,667	$69,930	$69,357

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
SIX MONTHS ENDED
SEPTEMBER 30, 1999

Unaudited

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	1999	1998	1999	1998
Generic Segment:				
Net Sales	$163,814	$161,529	$315,751	$314,333
Segment Profit	68,535	56,016	127,752	108,159
Branded Segment:				
Net Sales	$ 30,675	$ 16,063	$ 55,833	$ 29,977
Segment Profit	5,483	3,947	7,184	6,007
Corporate Expenses	$(15,645)	$(3,516)	$(26,444)	$ (5,274)
Consolidated:				
Net Sales	$194,489	$177,592	$371,584	$344,310
Pretax Earnings	58,373	56,447	108,492	108,892

Segment net sales represents sales to unrelated third parties. Segment profit represents segment gross profit less direct research and development, sales and marketing and administrative expenses. Corporate expenses include legal costs, amortization of goodwill, other corporate administrative expenses and nonoperating income and expense.

F. A subsidiary of the Company is involved in a dispute relating to a license and supply contract for nitroglycerin transdermal patches which both parties claim has been breached by the other. The other company seeks damages in excess of $20,000,000. The dispute is subject to binding arbitration in which the hearing phase is now complete. Although the Company believes that the claims against it are without merit, there can be no assurance that the Company will prevail in this matter.

The Company is currently involved in negotiations with a state agency concerning certain contract pricing matters. Management believes the resolution of this matter will not have a material adverse effect on the Company's operations or its financial position.

F. (cont.) 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 VivoRx, Inc., VivoRx Diabetes, Inc. and certain directors (collectively referred to as "VivoRx"). In March 1999, VivoRx filed an answer to and cross-complaint in Los Angeles Superior Court against the Company.

In October 1999, with respect to the above litigation and a related arbitration award, the Company and VivoRx entered into a settlement agreement in which all claims and disputes have been resolved. The Company accepted title to an office building in California, subject to certain leasing and buyback options held by VivoRx, in consideration of the Company's discharge of $18,000,000 due from VivoRx and the release by the Company of its security interest in certain VivoRx U.S. patents. Additionally, VivoRx was granted an option to repurchase the common and preferred stock currently owned by the Company for $15,000,000 over the next five years. Upon the occurrence of certain events, as defined in the settlement agreement, VivoRx must repurchase such stock or a portion thereof.

In addition to the litigation involving VivoRx, in June 1998, the Company filed suit in the Los Angeles Superior Court against associated companies: American Bioscience, Inc. ("ABI"), American Pharmaceutical Partners, Inc. ("APP") and certain of their directors and officers. This litigation is not part of the prior mentioned settlement. The Company's suit seeks various equitable remedies, including but not limited to, appointment of a receiver over and dissolution of ABI and APP, injunctive relief to stop the misappropriation of the Company's research funding and equity investment and the misappropriation of assets and personnel. 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

F. (cont.) Company's consent or commingling assets, property, technology or personnel with those of VivoRx. 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-complaints are without merit and intends to vigorously defend its position.

On December 22, 1998, the Federal Trade Commission ("FTC") filed suit in U.S. District Court for the District of Columbia (the "Court") 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 20 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. In addition, 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 seeks compensatory damages.

F. (cont.) The Company had filed motions to dismiss the FTC complaint, significant portions of the State Attorneys General complaint and the federal securities case. In July 1999, the Court denied the Company's motion to dismiss the FTC complaint. The Company filed a motion requesting the Court to certify its ruling with respect to the jurisdictional issue for expedited appeal to the U.S. Court of Appeals for the District of Columbia. This motion was denied. The Court granted in part and denied in part the Company's motion to dismiss portions of the State Attorneys General complaint. In so doing, the Court limited certain theories of recovery asserted by the states. Some States have filed a motion with the Court requesting that it reconsider certain claims that were dismissed. The Company's motions to dismiss the federal securities case and various private actions remain pending.

The Company believes that it has meritorious defenses to the claims in all remaining suits and intends to vigorously defend them. Although the Company believes it has meritorious defenses to the claims, an adverse result in these suits could have a material adverse effect on the Company's financial position and results of its operations.

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

Introduction

Net earnings for the quarter ended September 30, 1999, were $37.1 million or $.28 per share compared to $37.2 million or $.30 per share for the same prior year period. Net earnings for the six month period then ended were $69.0 million or $.53 per share compared to $71.4 million or $.58 per share for the same prior year period. The Company experienced record sales for both the three and six month periods ended September 30, 1999, due in part to the acquisition of Penederm Inc. in October 1998. While sales and gross profits exceeded prior year levels, higher operating expenses due to the inclusion of Penederm, expansion of the Company's branded sales force and increased legal expenses resulted in relatively unchanged operating income on a year-to-year comparison.

All references to per share amounts in Item 2 are based on diluted weighted average common shares.

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

	Three Months Ended September 30,			Six Months Ended September 30,		
	1999	1998	% Change	1999	1998	% Change
Generic Segment:						
Net Sales	$163.9	$161.5	1%	$315.8	$314.3	0%
Gross Profit	89.0	81.6	9%	168.4	158.2	6%
Segment Profit	68.5	56.0	22%	127.7	108.2	18%
Branded Segment:						
Net Sales	$ 30.6	$ 16.1	90%	$ 55.8	$ 30.0	86%
Gross Profit	21.8	10.4	110%	38.7	19.0	104%
Segment Profit	5.5	3.9	41%	7.2	6.0	20%
Corporate Expenses	$ (15.6)	$ (3.5)		$(26.4)	$ (5.3)	
Consolidated:						
Net Sales	$194.5	$177.6	10%	$371.6	$344.3	8%
Gross Profit	110.8	92.0	20%	207.1	177.2	17%
Pretax Earnings	58.4	56.4	4%	108.5	108.9	0%

The Generic Segment includes Mylan Pharmaceuticals Inc. and UDL Laboratories. The Branded Segment includes Bertek Pharmaceuticals Inc. and Penederm Inc. Segment net sales represents 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 expenses include legal costs, amortization of goodwill, other corporate administrative expenses and nonoperating income and expenses.

Results of Operations
- ---------------------
Net Sales and Gross Profit

Net sales for the three months ended September 30, 1999, were $194.5 million compared to $177.6 million for the same prior year period, an increase of 10%. Net sales for the six months ended September 30, 1999, were $371.6 million compared to $344.3 million for the same prior year period, an increase of 8%. The increase in sales for both the three and six month periods is primarily attributable to growth in the Branded Segments which includes sales of products acquired in the Penederm transaction.

Sales of generic products remain relatively unchanged as new products along with the Company's initiative of selectively raising prices offset price deterioration on other generic products. Total generic volume was 2.1 billion units for the quarter ended September 30, 1999, an increase of 10% over the same prior year period and 4.1 billion units for the current year six month period, an increase of 5% over the same prior year period.

Gross profits increased $18.9 million over the prior year three month period to $110.8 million and $29.9 million to $207.1 million over the prior year six month period. Gross margins (gross profit as a percent of net sales) increased to 57% from 52% and 56% from 51% for these same three and six month periods. The overall increase in gross margins is attributable to increases in both the branded and generic gross margins and the additional increase in branded sales. The increase in generic margins resulted from the Company selectively increasing prices in prior quarters and the reduction in profit sharing payments on certain products. The increase in branded gross margins resulted from increased sales of higher margin products including products acquired in the Penederm transaction.

Research and Development

Expenditures for research and development were $11.5 million for the quarter ended September 30, 1999, and $23.3 million for the six months then ended. The current three and six month periods include approximately $2.1 million and $4.2 million in charges for dermatology related projects incurred by Penederm and charged to the Branded Segment. All other research and development costs are charged to the Generic Segment.

In the quarter ended June 30, 1999, the Company terminated funding to its diabetes project with VivoRx Inc. This has temporarily reduced expenditures in the current periods. As current projects enter into advanced stages of development and additional projects are initiated the Company expects research and development expenses to increase.

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 $38.9 million for the three months ended September 30, 1999, compared to $28.4 million for the same period in the prior year. Expenses for the six months ended September 30, 1999, were $77.0 million compared to $53.4 million for the same period in the prior year.

Corporate administrative expenses were $13.5 million and $28.1 million for the current three and six month periods compared to $9.7 million and $17.9 million for the comparable prior periods. The increases over the prior periods are attributable to higher goodwill amortization resulting from the Penederm acquisition and higher legal expenses primarily related to the FTC litigation.

Branded Segment selling and administrative expenses were $14.2 million and $27.2 million for the current three and six month periods compared to $6.4 million and $12.9 million for the comparable prior periods. The increase in both periods over the prior year periods is primarily due to the inclusion of Penederm, $4.1 million and $7.9 million in the current periods, and the costs associated with expanding the sales and support staff for the Branded Segment.

Generic Segment selling and administrative expenses were $11.2 million and $21.7 million for the current three and six month periods, which were relatively unchanged from the same prior year periods.

Equity in Earnings

The equity in the loss of Somerset in the current periods was primarily the result of lower sales due to generic competition on Eldepryl(R) and increased expenditures for research and development. Somerset Pharmaceuticals, Inc. is continuing its research for alternative uses for Eldepryl(R), which is expected to result in continued losses in the near term.

Other Income

During the current quarter the Company recorded a loss on an investment it has in a limited partnership. The loss of $8.5 million was partially offset by a gain of $3.9 million on the partial sale of another investment.

Income Taxes

The Company's effective tax rate was 36% for both the three and six month periods ending September 30, 1999. The increase from the prior year comparable periods is primarily the result of nondeductible goodwill amortization resulting from the acquisition of Penederm. The Company expects the tax rate to remain at approximately the current level throughout fiscal year 2000.

Liquidity, Capital Resources and Financial Condition
- --

Working capital increased from $486.6 million at March 31, 1999, to $552.4 million at September 30, 1999. The ratio of current assets to current liabilities has increased from 6.0 to 1 at March 31, 1999, to 7.3 to 1 at September 30, 1999. The increase in working capital of $65.8 million was primarily due to the Company's net earnings. In addition to net earnings, net cash provided from operating activities was affected by changes in accounts receivable and its related allowance accounts. Based on its current cash management program, the Company has invested additional cash in short term marketable securities in the past. This has created the increase in proceeds received from investment securities and the subsequent purchase of additional marketable securities as reflected in the Statements of Cash Flows.

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.

Although the Company believes it has meritorious defenses to the claims in the FTC and related suits, an adverse result in these suits could have a material adverse effect on the Company's business and financial condition, due to the size of the FTC's disgorgement claim and the threat of treble damages sought by the states, as well as possible damages in the other related suits. The Company expects to incur substantial costs in defending itself in these actions.

Year 2000
- ---------

The Company has reviewed its critical information technology ("IT") and non-IT operating systems for Year 2000 ("Y2K") compliance. Y2K compliance refers to the issue of systems and equipment having date sensitive components being able to recognize the year 2000. On the basis of this review and the processes described below, management believes that the costs of remediation and potential losses related to Y2K issues are unlikely to have a material effect on the Company's financial position, results of operations or cash flows.

In assessing potential Y2K issues, the Company has taken or is taking the following steps to address its IT and non-IT operating systems:

- Formed a project team across functional departments to review and identify nonconforming systems.
- Communicated to employees throughout the Company to increase awareness of issues and activate the identification process.
- Identified critical IT and non-IT nonconforming operating systems and developed a plan to bring these systems into compliance.
- Established a testing program to ensure that such systems are compliant.
- Corresponded with customers, vendors, service suppliers and financial institutions to verify their readiness.
- Developed contingency plans where practical in the event of system failures.

Because of the growth of the Company over the last several years and prior to the formation of the project team, the Company initiated major system conversions to accommodate the physical expansion and increased transaction volume associated with this growth. Many factors were considered during the selection process. While Y2K compliance was one of the factors considered, other factors were equally and significantly more important. Any new systems selected were expected to be and are believed to be Y2K compliant. The Company has not been required to spend, nor does it anticipate spending, significant incremental funds to become Y2K compliant.

The Company has completed system conversions for all major operating and financial systems. All such systems have been certified by the vendor to be Y2K compliant. The Company has completed its own testing on these systems and verified their Y2K compliance.

Due to the upgrades and replacements of its computer systems to accommodate its growth, the Company has neither delayed, nor anticipates delaying, any significant information system projects prior to the year 2000.

The project team continues to evaluate and update contingency plans. These plans are developed based on correspondence with customers, vendors, raw material suppliers, service suppliers and financial institutions regarding the status of their Y2K readiness and the results of testing performed on the Company's internal systems. The Company has contacted all of its significant business partners. As part of this process and due to the critical nature of the Company's products, the Company has also initiated steps to monitor customers' orders and buying patterns. The Company has taken these steps to ensure the availability of its products to all its customers as the millennium approaches.

While the project team continues to develop contingency plans for the more likely scenarios of possible business interruptions, there can be no assurance that the project team will identify and develop successful contingency plans for all of the business interruptions that could possibly occur.

Management believes that the Company has acted with appropriate diligence to address potential Y2K issues. The Company is, however, dependent on third parties, such as its customers, vendors, raw material suppliers, service suppliers which include energy, water, communication and transportation and financial institutions, to make their own systems Y2K compliant. If these entities fail to remedy their Y2K issues, the Company could potentially suffer interruptions in its business operations. These interruptions could potentially delay the Company in its manufacturing or distribution of some or all its products for an undeterminable amount of time. In addition, the Company could experience the corruption of data in its own internal information systems. Such corruption could lead to temporary interruptions in certain isolated business operations. These interruptions may or may not lead to an adverse impact on the Company's overall business 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, 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, 1999, and under "Year 2000" in this Item 2.

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 1999 Annual Report on Form 10-K. 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 report on Form 10-Q for the period ended June 30, 1999, 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 is involved in a dispute relating to a license and supply contract for nitroglycerin transdermal patches which both parties claim has been breached by the other. The other company seeks damages in excess of $20,000,000. The dispute is subject to binding arbitration in which the hearing phase is now complete. Although the Company believes that the claims against it are without merit, there can be no assurance that the Company will prevail in this matter.

In June 1998, the Company filed suit in the Los Angeles Superior Court against VivoRx, Inc., VivoRx Diabetes, Inc. and certain directors (collectively referred to as "VivoRx"). In March 1999, VivoRx filed an answer to and cross-complaint in Los Angeles Superior Court against the Company.

In October 1999, with respect to the above litigation and a related arbitration award, the Company and VivoRx entered into a settlement agreement in which all claims and disputes have been resolved. The Company accepted title to an office building in California, subject to certain leasing and buyback options held by VivoRx, in consideration of the Company's discharge of $18,000,000 due from VivoRx and the release by the Company of its security interest in certain VivoRx U.S.

patents. Additionally, VivoRx was granted an option to repurchase the common and preferred stock currently owned by the Company for $15,000,000 over the next five years. Upon the occurrence of certain events, as defined in the settlement agreement, VivoRx must repurchase such stock or a portion thereof.

In addition to the litigation involving VivoRx, in June 1998, the Company filed suit in the Los Angeles Superior Court against associated companies: American Bioscience, Inc. ("ABI"), American Pharmaceutical Partners, Inc. ("APP") and certain of their directors and officers. This litigation is not part of the prior mentioned settlement. The Company's suit seeks various equitable remedies, including but not limited to, appointment of a receiver over and dissolution of ABI and APP, injunctive relief to stop the misappropriation of the Company's research funding and equity investment and the misappropriation of assets and personnel. 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 VivoRx. 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-complaints are without merit and intends to vigorously defend its position.

As described in the Form 10-K for the year ended March 31, 1999, in December 1998, the Federal Trade Commission ("FTC") filed suit in U.S. District Court for the District of Columbia (the "Court") 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 also a party to other suits involving the Attorneys General from 33 states and more than 20 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. In addition, 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 seeks compensatory damages.

The Company had filed motions to dismiss the FTC complaint, significant portions of the State Attorneys General complaint and the federal securities case. In July 1999, the Court denied the Company's motion to dismiss the FTC complaint. The Company filed a motion requesting the Court to certify its ruling with respect to the jurisdictional issue for expedited appeal to the U.S. Court of Appeals for the District of Columbia. This motion was denied.

The Court granted in part and denied in part the Company's motion to dismiss portions of the State Attorneys General complaint. In so doing, the Court limited certain theories of recovery asserted by the states. Some States have filed a motion with the Court requesting that it reconsider certain claims that were dismissed. The Company's motions to dismiss the federal securities case, along with various private actions, remain pending.

The Company believes that it has meritorious defenses to the claims in all FTC and related suits and intends to vigorously defend them. Although the Company believes it has meritorious defenses to the claims, an adverse result in these suits 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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On July 23, 1999, the annual meeting of the shareholders of the Company was held. At this meeting, the shareholders overwhelmingly elected the seven directors nominated and approved the appointment of Deloitte & Touche LLP as the Company's independent auditors. Additionally, the shareholders approved a shareholder's proposal recommending that the Company redeem the rights under the Company's Shareholder Rights Plan so as to eliminate the continuing director provisions of the Plan.

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 September 30, 1999.

SIGNATURES

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.

Mylan Laboratories Inc.
(Registrant)

DATE 11/03/99

/s/ Milan Puskar

Milan Puskar
Chairman of the Board, Chief Executive Officer and President
(Principal executive officer)

DATE 11/03/99

/s/ Donald C. Schilling

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

Exhibit 27

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

The schedule contains summary financial information extracted from the Consolidated Balance Sheet at September 30, 1999, and the Consolidated Statement of Earnings for the six months ended September 30, 1999, and is qualified in its entirety by reference to such financial statements.

0000069499
none

6-MOS
MAR-31-2000

SEP-30-1999

232,784
61,297
229,341
66,922
139,844
639,840
257,307
98,054
1,259,828
87,402
24,052
0
0
65,042
1,056,049
1,259,828
371,584
371,584
164,525
164,525
100,258
23,338
398
108,492
39,473
69,019
0
0
0
69,019
.53
.53