IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	Chapter 11 Case No. 13-12769 (PJW)
Laboratory Partners, Inc., *et al.*,[1]	:	
	:	(Jointly Administered)
Debtors	:	
		Re: D.I. 100, 262, 281, 282, 310

NOTICE OF AUCTION CANCELLATION AND IDENTIFICATION OF SUCCESSFUL BIDDER FOR THE DEBTORS' TALON DIVISION

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On November 15, 2013, the United States Bankruptcy Court for the District of Delaware (the "**Court**") entered an Order [D.I. 100] (the "**Bidding Procedures Order**")[2] that, among other things, approved procedures for the solicitation and consideration of competing offers for the sale of substantially all of assets of the above-captioned debtors and debtors in possession (the "**Debtors**"), including the Talon and Union Hospital Divisions.[3]

2. By notices dated January 15, 2014 and January 28, 2014 [D.I. 262, 281] and as permitted in the Bidding Procedures Order, the Debtors extended certain deadlines related to the sale of the Talon and Union Divisions, including extending the Bid Deadline to February 5, 2014 at 12:00 p.m. (ET), the Auction to February 10, 2014 at 10:00 a.m. (ET), and the Sale Hearing to February 13, 2014 at 2:00 p.m. (ET).

3. Pursuant to paragraphs 28 and 29 of the Bidding Procedures Order, on January 27, 2014, with the consent of the DIP Lender, Prepetition Lenders, and the Committee, the Debtors and Laboratory Corporation of America Holdings ("**LabCorp**") entered into an asset purchase agreement for substantially all of the Debtors' Talon and Union Hospital Divisions (the "**LabCorp Talon APA**") and filed and served such agreement in accordance with the Bidding Procedures Order [D.I. 282].

4. The LabCorp Talon APA excludes certain of the Debtors' assets, including, without limitation, the business of providing nuclear medicine to Union Hospital, Inc. and clinical laboratory and anatomic pathology services to skilled nursing and long-term care facilities other than in the counties of Greene, Parke, Vermillion and Vigo in the State of Indiana and the counties of Clark, Edgar and Vermillion in the State of Illinois. The Debtors continue to market the assets that are not included in the LabCorp Talon APA.

5. Also on January 28, 2014, the Debtors filed a motion for approval of the bid protections in the LabCorp Talon APA [D.I. 283], and on February 4, 2014, the Court entered an Order granting such motion [D.I. 310].

6. Pursuant to the Bidding Procedures Order, if two or more Qualified Bids for the Talon and/or Union Hospital Divisions were received by the Bid Deadline, an auction for such divisions was to occur on February 10, 2014. No Qualified Bids other than the LabCorp Talon APA have been received by the Debtors. As a result, the Debtors hereby confirm that LabCorp is the Successful Bidder related to the Talon and Union Hospital Divisions and the Auction related thereto is cancelled.

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[1] The Debtors and the last four digits of their taxpayer identification numbers are as follows: Laboratory Partners, Inc. (3376), Kilbourne Medical Laboratories, Inc. (9849), MedLab Ohio, Inc. (9072), Suburban Medical Laboratory, Inc. (0859), Biological Technology Laboratory, Inc. (4370), Terre Haute Medical Laboratory, Inc. (1809), and Pathology Associates of Terre Haute, Inc. (6485). Certain of the Debtors do business as MEDLAB. The Debtors' mailing address for notice in these cases is: 671 Ohio Pike, Suite K, Cincinnati, OH 45245.

[2] Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Bidding Procedures Order.

[3] The "Talon Division" provides clinical laboratory and anatomic pathology services to physicians, physician offices and medical groups in Indiana and Illinois. The "Union Hospital Division" provides clinical laboratory, anatomic pathology and nuclear imaging services to Union Hospital in Terre Haute and Clinton, Indiana.

7. The hearing to approve the sale pursuant to the LabCorp Talon APA shall be held on February 13, 2014 at 11:00 a.m. (ET) at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, DE 19801, subject to adjournment by the Debtors as permitted in the Bidding Procedures Order. Copies of the LabCorp Talon APA and all documents referred to herein are available at www.bmcgroup.com/laboratorypartners.

Dated: February 7, 2014

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