



Charles River Laboratories Awarded Five-Year, \$95.7 Million Contract by the National Institute of Allergy and Infectious Diseases

October 16, 2018

WILMINGTON, Mass.--(BUSINESS WIRE)--Oct. 16, 2018-- Charles River Laboratories International, Inc. (NYSE: CRL) today announced that it was awarded a five-year, \$95.7 million contract by the National Institute of Allergy and Infectious Diseases (NIAID), which is one of the largest institutes of the National Institutes of Health (NIH). Under NIAID's Division of Intramural Research animal care program, Charles River will manage and provide staffing for NIAID's on-site vivarium and related research model operations. The program is required to ensure the humane care and use of research models, and the efficient management of NIAID's research model operations.

James C. Foster, Chairman, President and Chief Executive Officer of Charles River, said, "We are very pleased to be awarded this significant contract by NIAID and look forward to establishing a collaborative relationship to support NIAID's critical biomedical research programs across a range of scientific disciplines. Charles River's focus on science, research model care, and productivity will enable NIAID to streamline its research by delivering operational and cost efficiencies through strategic insourcing. We believe that an increasing number of government and academic institutions, as well as biopharmaceutical clients, understand the value of utilizing our flexible and efficient staffing solutions."

The contract was awarded on April 20, 2018, and commenced on September 14, 2018. The initial period of the contract runs through September 13, 2019, and it includes annual renewal options to extend the contract for an additional four years through September 13, 2023. The Company expects this new contract to generate incremental revenue of approximately \$18 million over the initial twelve-month period, with modest increases in each of the subsequent periods. The contract is not expected to have a meaningful impact on the Company's 2018 financial results because its start date was near the end of the third quarter.

Scope of Contracted Services

Charles River's Insourcing Solutions business will manage approximately 200 on-site, Charles River personnel to support the NIAID contract, ranging from program management, training, quality control, animal husbandry, veterinary, technical, research, and administrative support staff. The staff will provide a wide range of technical and support services required for biomedical research involving multiple scientific disciplines. The scope of the contracted services includes veterinary medical care, research model husbandry, technical support, data management, routine maintenance, sanitation, transportation, logistics, and administrative support. The services will be provided on location at various NIAID and other government facilities. Charles River's Insourcing Solutions business offers recruiting, training, staffing and vivarium management services to academic, government and biopharmaceutical clients.

This project will be 100% funded with federal funds from the National Institute of Allergy and Infectious Diseases, National Institutes of Health, Department of Health and Human Services under contract no. HHSN272201800014C.

Caution Concerning Forward-Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "intend," "will," "may," "estimate," "plan," "outlook," and "project," and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward looking statements include statements in this press release regarding the anticipated revenue and duration of the NIAID contract, and the services performed under this contract, and the impact on Charles River's 2018 financial results. Forward-looking statements are based on Charles River's current expectations and beliefs, and involve a number of risks and uncertainties that are difficult to predict and that could cause actual results to differ materially from those stated or implied by the forward-looking statements. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in Charles River's Annual Report on Form 10-K as filed on February 13, 2018, as well as other filings we make with the Securities and Exchange Commission. Because forward-looking statements involve risks and uncertainties, actual results and events may differ materially from results and events currently expected by Charles River, and Charles River assumes no obligation and expressly disclaims any duty to update information contained in this news release except as required by law.

About Charles River

Charles River provides essential products and services to help pharmaceutical and biotechnology companies, government agencies and leading academic institutions around the globe accelerate their research and drug development efforts. Our dedicated employees are focused on providing clients with exactly what they need to improve and expedite the discovery, early-stage development and safe manufacture of new therapies for the patients who need them. To learn more about our unique portfolio and breadth of services, visit www.criver.com.

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