



## Charles River Laboratories Announces Second Quarter Results; Charles River Laboratories International, Inc. Reports Second Quarter 2000 Sales Increase of 32.6%

August 2, 2000

WILMINGTON, Mass.--(BUSINESS WIRE)--Aug. 2, 2000--Charles River Laboratories International, Inc. (NYSE: CRL) reported today that second quarter 2000 sales increased by 32.6%, to \$74.1 million from \$55.9 million, over the second quarter of 1999, while net income was \$8.0 million or \$0.34 per diluted share, compared to \$7.2 million, or \$0.37 per diluted share in 1999.

Sales in the Company's research model segment grew 22.9% in the quarter, while sales in its biomedical products and services segment grew 52.2%. Operating income in the second quarter was \$18.2 million, an increase of \$5.9 million, or 48.0%, from \$12.3 million in 1999. Net income of \$8.0 million in the quarter included a favorable adjustment to a tax valuation allowance of \$4.8 million. Giving pro forma effect to the Company's June Initial Public Offering as if it occurred at the beginning of the year, and excluding the tax valuation adjustment, the Company's pro-forma earnings per diluted share were \$0.18 for the second quarter.

For the six-month period ended June 24, 2000, net sales were \$143.4 million, an increase of \$35.2 million, or 32.5%, from \$108.2 million in 1999. These revenues include the results from the Company's acquisition of Sierra Biomedical in the fourth quarter of 1999, as well as its purchase of an additional 16% of the equity of Charles River Japan (from 50% to 66%) during the first quarter of 2000. Excluding these events, in constant currency, net sales grew 10% in the six-month period, and 7% in the second quarter. Sales in the Company's research models segment grew 18.2% for this period, while sales in the biomedical products and services segment grew 63.4%. Operating income was \$33.4 million, an increase of \$10.2 million, or 44.0%, from \$23.2 million in 1999. Net income was \$8.6 million, or \$0.37 per diluted share, compared to \$14.3 million, or \$0.72 per diluted share in 1999. Giving effect to the initial public offering as of the beginning of the year, and excluding the tax valuation adjustment, pro-forma earnings per diluted share would have been \$0.33 for the first six months of the year.

On June 28, 2000, the Company closed its IPO, selling 14 million shares at \$16 per share. On July 6, 2000, the underwriters exercised an over-allotment option and the Company sold an additional 2.1 million shares, at \$16 per share. The total gross proceeds to the Company from the sale of 16.1 million shares were \$257.6 million, of which approximately \$205.0 million will be used to retire debt. Since the IPO closed after the close of the Company's fiscal second quarter, the extraordinary expenses associated with the IPO will be included in the results for the third quarter.

According to James C. Foster, CEO: "We are very pleased with the strong performance of the business in the quarter. Our sales for the quarter were slightly above our revenue target, and our operating income and net income were well above our targets. We think these results reflect our continued sales and acquisition momentum in the pre-clinical enabling technology or "tools" space.

"Demand for our core research model business remained strong from both large pharmaceutical and biotech customers engaged in drug discovery and genomics research. We continue to generate strong cash flow and predictable earnings. Our strategy of adding higher growth biomedical products and services to our portfolio exploits the increasing demand for outsourced pre-clinical solutions. We are expanding this sector of our business by adding new capacity in California to service the explosive growth in biotech R&D activity on the West Coast. Furthermore, we have begun to expand our overseas reach with new operations in France and Japan."

Charles River remains exceptionally well positioned to provide the biomedical research community with the unique tools and exceptional service they need to find cures, to treat disease, and to improve the lives of people and animals.

Charles River Laboratories, based in Wilmington, Massachusetts, is a leading provider of critical research tools and integrated support services that enable innovative and efficient drug discovery and development. The Company is the global leader in providing the animal research models required in research and development for new drugs, devices and therapies. The Company also offers a broad and growing portfolio of biomedical products and services that enable customers to reduce costs, increase speed and enhance productivity and effectiveness in drug discovery and development. Charles River's customer base spans over 50 countries, and includes all of the major pharmaceutical and biotechnology companies, as well as many leading hospitals and academic institutions. The Company operates 53 facilities in 15 countries worldwide.

Charles River Laboratories International, Inc. is listed on the New York Stock Exchange under the symbol CRL. The Company's listing application contains additional information, available to the public on request, upon which the NYSE relied in authorized the listing.

This document may contain "forward looking statements." Such statements involve a number of risks and uncertainties that could cause actual results to differ materially from those stated or implied by the forward looking statements, including contaminations, industry trends, new displacement technologies, outsourcing trends, FDA regulation, changes in law, acquisition integration risks, special interests groups, continued availability of products and supplies, personnel and control, and others that are described in the Risk Factors contained in Company's Registration Statement on Form S-1, as filed on June 23, 2000. The Company disclaims an intent or obligation to update forward looking statements.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)  
(dollars in thousands except for per share data)

	Three Months Ended		Six Months Ended	
	June 26, 1999	June 24, 2000	June 26, 1999	June 24, 2000
Total net sales	\$ 55,886	\$ 74,097	\$ 108,166	\$ 143,399

Cost of products sold and services provided	32,162	42,520	64,322	83,912
Selling, general and administrative	11,092	12,427	19,911	24,240
Amortization of goodwill and intangibles	353	937	764	1,802
Operating income	12,279	18,213	23,169	33,445
Interest income	134	149	359	291
Interest expense	(94)	(13,157)	(171)	(25,821)
Loss from foreign currency, net	(100)	(130)	(153)	(160)
Other income (expense)	--	390	--	390
Income before income taxes, minority interests and earnings from Equity investments	12,219	5,465	23,204	8,145
Provision for income taxes	5,485	(2,864)	10,011	(396)
Income before minority interests and earnings from equity investments	6,734	8,329	13,193	8,541
Minority interests	(9)	(462)	(2)	(679)
Earnings from equity investments	510	107	1,117	748
Net Income	\$ 7,235	\$ 7,974	\$ 14,308	\$ 8,610
Earnings per common share				
Basic	\$ .37	\$ .40	\$ .72	\$ .43
Diluted	\$ .37	\$ .34	\$ .72	\$ .37
Weighted average number of common shares outstanding				
Basic	19,820,369	19,820,369	19,820,369	19,820,369
Diluted	19,820,369	23,571,555	19,820,369	23,571,555

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)  
(dollars in thousands)

	December 25, 1999	June 24, 2000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 15,010	\$ 18,993
Trade receivables	36,293	50,930
Inventories	30,534	32,192
Other current assets	7,158	6,223
Total current assets	88,995	108,338
Property, plant and equipment, net	85,413	117,741
Goodwill and other intangibles	36,958	41,658
Deferred tax asset	101,560	101,783
Other assets	50,130	29,380
Total assets	\$ 363,056	\$ 398,900
<b>Liabilities and Shareholder's Equity</b>		

Current liabilities		
Current portion of long-term debt	\$ 3,290	\$ 6,442
Accounts payable	9,291	8,693
Accrued compensation	10,792	13,540
Other current liabilities	38,048	38,403
Total current liabilities	61,421	67,078
Long-term debt	381,706	392,742
Other long-term liabilities	16,569	20,074
Total liabilities	459,696	479,894
Minority interests	304	14,471
Redeemable common stock	13,198	13,198
Total shareholder's equity	(110,142)	(108,663)
Total liabilities and shareholder's equity	\$ 363,056	\$ 398,900

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