



Charles River Again Delivers Strong Earnings Growth; Eighth Consecutive Quarter of Consistently Strong Financial Performance

July 30, 2002

WILMINGTON, Mass., Jul 30, 2002 (BW HealthWire) -- Charles River Laboratories International, Inc. (NYSE: CRL) achieved strong growth in sales and earnings for the second quarter of 2002. The Company's second quarter sales increased 17% over the prior year, driven by strong growth in customer demand for the Company's growing portfolio of products and services that support drug discovery and development. Sales for the second quarter were \$136.5 million, a \$19.7 million increase over second quarter 2001 sales of \$116.8 million. Charles River's operating income for the second quarter was \$30.4 million, up 24% over the prior year. The Company's operating income margin for the quarter was 22%, compared to 21% in the prior year quarter. Net income for the quarter, before an extraordinary loss of \$1.1 million related to early retirement of debt, was up 64% to \$17.4 million, or \$0.36 per fully diluted share. The Company's EPS in the second quarter exceeded by \$0.03 the high end of its guidance range, and also exceeded by \$0.04 the First Call consensus EPS estimate of \$0.32.

For the first six months of 2002, Charles River's sales increased over the prior year's first half by 25%, to \$270.3 million, with operating income up 34%, to \$58.8 million. Excluding the benefit of revenues from strategic acquisitions, the Company's sales growth for the first six months was 17%.

Commenting on these results, James C. Foster, Chairman and CEO, said: "This was another strong quarter for Charles River. It's now eight consecutive quarters of strong growth and profitability for us, since going public. Our solid and consistent financial performance reflects our strong position in the drug discovery and development market, and the leading position we hold in a number of attractive segments of that market. We experienced growth in both our products and services segments, and these businesses continue to nicely complement each other. Our outlook, both near and long-term, remains positive. We see our pharmaceutical, medical device, biotechnology and other biomedical research customers requiring increasingly more of our products and services in order to achieve their research goals. We're particularly pleased with the continued strong outsourcing trend within the research community. We're well positioned to be a key partner in the discovery and development of the many new drugs, devices, diagnostics and other medical products that will occur over the next decade, and beyond. The opportunities for growth and expansion within our market segments continue to be many. Most recently, we've added another growth platform to our services business, in Ireland, which we think will help us drive our services expansion in Europe."

Mr. Foster went on to say: "On a different but equally important front, we're delighted to add Dr. George Milne to our Board of Directors, as of August 1. Dr. Milne has a wealth of experience in the pharmaceutical research field, most recently as a senior executive within Pfizer's R&D operations, and his extraordinary capabilities will further strengthen our already independent Board. We also saw this past quarter the end of our LBO phase, as our financial sponsor, Credit Suisse First Boston, sold all of their LBO-related stock in the Company, and we retired the balance of the term debt we incurred in connection with the transaction. We are committed as a Company to strong corporate governance, conservative accounting, and management integrity and accountability."

Mr. Foster is scheduled to appear on Bloomberg's "Morning Call" television program tomorrow morning, July 31, shortly after 7:00 a.m., to discuss the Company and its second quarter financial results.

The following forward looking guidance is subject to the qualifications set forth below, and is based on current exchange rates. For the third quarter 2002, Charles River projects sales in the range of \$138 to \$141 million, which amounts to 12% to 14% sales growth over the third quarter of 2001. Fully diluted EPS for the third quarter of 2002 is projected to be in the range of \$0.36 to \$0.37. For the full year, management estimates fully diluted EPS (before any extraordinary items) in the range of \$1.37 to \$1.40.

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets," the effect of which was to cease amortization of goodwill and certain indefinite-lived intangible assets, which amounted to \$0.02 per fully-diluted share in the second quarter.

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 cost, 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 78 facilities in 16 countries worldwide. For more information, visit the Company's web site as <http://www.criver.com>.

This document contains "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 acquisition integration risks, R&D risks, special interest groups, foreign exchange, contaminations, industry trends, new displacement technologies, outsourcing trends, USDA and FDA regulation, changes in law, continued availability of products and supplies, personnel and control, and others that are described in the Risk Factors contained in Company's Annual Report on Form 10K for 2001, and as may be updated from time to time in the Company's periodic SEC filings. The Company disclaims any intent or obligation to update forward looking statements, and otherwise claims the "safe harbor" protections for forward looking statements afforded under The Private Securities Litigation Reform Act of 1995.

As previously announced, investors can access a live webcast of the second quarter earnings conference call through a link that will be posted on the investor page of the Charles River Laboratories website, <http://www.criver.com>. The conference call begins on Wednesday, July 31, 2002, at 8:30 a.m. Eastern Standard Time and will be available thereafter for one week for replay.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(dollars in thousands except for per share data)

	Three Months Ended		Six Months Ended	
	June 29, 2002	June 30, 2001	June 29, 2002	June 30, 2001
Total Net Sales	\$136,501	\$116,820	\$270,321	\$215,851
Cost of products sold and services provided	84,101	73,050	167,962	135,419
Gross margin	52,400	43,770	102,359	80,432
Selling, general and administrative	21,387	17,285	42,306	32,745
Amortization of goodwill and intangibles	631	1,993	1,261	3,821
Operating income	30,382	24,492	58,792	43,866
Interest income (expense)	(2,261)	(5,594)	(5,653)	(12,299)
Other income (expense)	1,160	(122)	1,077	433
Income before taxes, minority interests, earnings from equity investments and extraordinary item	29,281	18,776	54,216	32,000
Provision for income taxes	11,419	7,659	21,144	13,214
Income before minority interests, earnings from equity investments and extraordinary item	17,862	11,117	33,072	18,786
Minority interests	(619)	(652)	(1,381)	(1,216)
Earnings from equity investments	177	136	259	219
Net income before extraordinary item	17,420	10,601	31,950	17,789
Extraordinary loss, net of tax benefit	(1,092)	(1,583)	(17,854)	(1,820)
Net income	\$16,328	\$9,018	\$14,096	\$15,969
Earnings per common share before extraordinary item				
Basic	\$0.39	\$0.26	\$0.72	\$0.46
Diluted	\$0.36	\$0.24	\$0.67	\$0.42
Earnings per common share after extraordinary item				
Basic	\$0.37	\$0.22	\$0.32	\$0.42
Diluted	\$0.34	\$0.21	\$0.31	\$0.38

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(dollars in thousands)

	June 29, 2002	December 29, 2001
Assets		
Current assets		
Cash and cash equivalents	\$ 84,712	\$ 58,271
Trade receivables	99,829	98,478
Inventories	39,454	39,056
Other current assets	15,713	14,349
Total current assets	239,708	210,154
Property, plant and equipment, net	169,088	155,919
Goodwill, net	87,416	52,087
Other intangibles, net	19,691	38,287
Deferred tax asset	86,033	87,781
Other assets	27,944	27,134
Total assets	\$629,880	\$571,362
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 12,240	\$ 13,868
Accrued compensation	21,874	25,736

Other current liabilities	68,262	58,928
Total current liabilities	102,376	98,532
Long-term debt	188,705	155,506
Other long-term liabilities	15,877	14,826
Total liabilities	306,958	268,864
Minority interests	13,386	12,988
Total shareholders' equity	309,536	289,510
Total liabilities and shareholders' equity	\$629,880	\$571,362

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)
(dollars in thousands)

	Three Month Ended		Six Months Ended	
	June 29, 2002	June 30, 2001	June 29, 2002	June 30, 2001
Research Models				
Net sales	\$56,544	\$48,013	\$113,443	\$97,487
Gross margin	26,096	20,917	52,159	41,465
Gross margin as a % of sales	46.2%	43.6%	46.0%	42.5%
Operating income	18,993	13,681	38,525	26,952
Operating income as a % of sales	33.6%	28.5%	34.0%	27.6%
Depreciation amortization	2,326	2,331	4,541	4,736
Capital expenditures	5,083	2,479	6,539	4,392
Biomedical Products and Services				
Net sales	\$79,957	\$68,807	\$156,878	\$118,364
Gross margin	26,304	22,853	50,200	38,967
Gross margin as a % of sales	32.9%	33.2%	32.0%	32.9%
Operating income	16,317	12,476	30,438	20,956
Operating income as a % of sales	20.4%	18.1%	19.4%	17.7%
Depreciation amortization	3,290	4,259	6,509	7,293
Capital expenditures	4,688	4,994	7,767	7,334
Unallocated Corporate Overhead				
	(\$4,928)	(\$1,665)	(\$10,171)	(\$4,042)
Total				
Net sales	\$136,501	\$116,820	\$270,321	\$215,851
Gross margin	52,400	43,770	102,359	80,432
Gross margin as a % of sales	38.4%	37.5%	37.9%	37.3%
Operating income	30,382	24,492	58,792	43,866
Operating income as a % of sales	22.3%	21.0%	21.7%	20.3%
Depreciation amortization	5,616	6,590	11,050	12,029
Capital expenditures	9,771	7,473	14,306	11,726

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