Charles River Laboratories Acquires River Valley Farms; Strengthens CRL's Position as Leading Provider of Outsourced Medical Device Services

January 8, 2004 at 10:26 AM EST

WILMINGTON, Mass.--(BUSINESS WIRE)--Jan. 8, 2004--Charles River Laboratories International, Inc. (NYSE:CRL) today announced that it has acquired River Valley Farms, a privately-held medical device contract research business located near Minneapolis, Minnesota, one of the major cardiovascular research hubs in the world. Terms of the transaction were not disclosed.

River Valley Farms is focused on providing preclinical evaluation services to the medical device industry, a rapidly-growing market for outsourced services. River Valley Farms provides the expertise in veterinary medicine required to support medical device companies in the development of new devices for human health applications, particularly minimally-invasive cardiovascular devices such as drug-eluting stents. River Valley Farms has established relationships with a number of companies in the industry, including the five leading cardiovascular device companies.

Employing approximately 65 highly-skilled veterinary surgeons and technicians, River Valley Farms' service offerings include interventional cardiology procedures such as studies conducted on drug-eluting stents and cardiac surgery procedures in support of innovative suture and congestive heart failure devices. Studies can be performed under both good laboratory practices (GLP) and non-GLP standards.

James C. Foster, Chairman, President and Chief Executive Officer, said, "We are very pleased to announce the addition of River Valley Farms, a well-managed and growing business, to our services portfolio. From a strategic viewpoint, this business is a perfect fit with Charles River's market-leading Interventional Pharmacology business. Already one of the leading providers of these services, the addition of River Valley Farms will expand our service capacity, strengthen our relationships in the medical device industry and afford us the opportunity to leverage our current products and service capabilities to customers outside of the pharmaceutical industry."

Mr. Foster continued, "River Valley Farms meets our key criteria for acquisitions: double-digit top-line growth and a solid operating margin, a market-leading position and scientific excellence. We expect it to be neutral to earnings in 2004 and accretive thereafter."

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 companies, biotechnology companies, and many leading hospitals and academic institutions. The Company operates 82 facilities in 16 countries worldwide.

Caution Concerning Forward-Looking Statements. This document 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," "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. These statements are based on management's current expectations, and 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, and the Company expressly does not undertake any duty to update forward-looking statements, which speak only as of the date of this document. Those risks and uncertainties include, but are not limited to: a decrease in pre-clinical research and development spending or a decrease in the level of outsourced services; acquisition integration risks; special interest groups; contaminations; industry trends; new displacement technologies; USDA and FDA regulations; changes in law; continued availability of products and supplies; loss of key personnel; interest rate and foreign currency exchange rate fluctuations; changes in generally accepted accounting principles; and any changes in business, political, or economic conditions due to the threat of future terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas. A further description of these risks, uncertainties, and other matters can be found in the Risk Factors detailed in the Company's Annual Report on Form 10-K as filed on March 20, 2003, with the Securities and Exchange Commission.

CONTACT: Charles River Laboratories International, Inc.
Investor Contact:
Susan E. Hardy, 978-658-6000, ext. 1616

SOURCE: Charles River Laboratories International, Inc.