



Charles River Laboratories Reaffirms Non-GAAP Guidance for 2004 and 2005 and Updates 2005 GAAP EPS

December 15, 2004

WILMINGTON, Mass.--(BUSINESS WIRE)--Dec. 15, 2004--Charles River Laboratories International, Inc. (NYSE:CRL) in conjunction with its analyst meeting held today in New York, reaffirmed its previously announced guidance for the fourth-quarter and full-year 2004 and for 2005.

For the fourth quarter, at current exchange rates, the Company stated that it still expects revenue growth in a range of 44-47% over the fourth quarter of 2003, which includes the merger, on October 20, 2004, with Inveresk Research Group. The Company also reaffirmed its expectation that non-GAAP earnings per diluted share, which exclude amortization of intangible assets and non-cash compensation charges related to the Inveresk merger and other one-time charges, will be in a range of \$0.46 to \$0.48, although due to sales mix and higher than anticipated expenses including merger integration costs, earnings will be at the low end of the range. GAAP earnings per diluted share will be in a range of \$0.23 to \$0.26.

In the fourth quarter of 2004, the Company restructured management of its Clinical Services business, the purpose of which was to streamline and strengthen the management group. The restructuring resulted in a one-time charge in the fourth quarter of \$0.01 per diluted share.

The Company also reaffirmed its guidance for 2004. Revenue growth is expected to be in a range of 21-24%, non-GAAP earnings per diluted share are expected to be at the low end of the range between \$1.96 and \$1.98, and GAAP earnings per diluted share are expected to be between \$1.58 and \$1.61.

For 2005, the Company announced that at current exchange rates, revenue growth is expected to be in a range of 48-52%. Excluding the consolidation of Inveresk, organic growth is expected to be in a range of 12-13%. The Company stated that it remained comfortable with its previous guidance that non-GAAP earnings per diluted share are expected to be between \$2.30 and \$2.40. GAAP earnings per diluted share are expected to be between \$1.65 and \$1.75, below the previously announced guidance of \$1.75 to \$1.85, due to revised costs associated with merger-related amortization of intangibles and non-cash compensation charges.

James C. Foster, Chairman, President and Chief Executive Officer said, "2004 has been an exceptional year for Charles River. Our broad portfolio of high-end, essential products and services is extremely well positioned to benefit from the strong demand for products and services which support the drug development industry. The actions we have taken to streamline our businesses and to implement targeted sales initiatives have enabled us to support our customers' needs effectively and efficiently. As a result, we expect to report double-digit organic revenue growth in 2004, and earnings per diluted share growth at a higher rate than sales."

Mr. Foster continued, "Looking ahead, there is no doubt that our merger with Inveresk has transformed Charles River into a global leader in products and services spanning the drug development spectrum, which will allow us to provide customers with broader support for their efforts to bring new drugs, devices and therapies to market. We are very optimistic about the outlook for 2005, and are pleased to confirm our earnings guidance. From a long-term perspective, we continue to see our business strongly positioned as a leading provider to the drug development industry."

For the fourth quarter of 2004, non-GAAP earnings per diluted share exclude estimated per share amounts for amortization of intangible assets in the amount of \$0.14, non-cash compensation charges of \$0.02, charges related to closure of Charles River Proteomic Services of \$0.03, charges related to restructuring of the Clinical Services business in the amount of \$0.01, and the write-off of deferred financing costs of \$0.01. Full-year 2004 non-GAAP earnings per diluted share exclude these amounts and a net charge of \$0.11, which was recorded in the first quarter of 2004 for reorganization of the Company's European operations.

The Company is hosting an analyst and investor meeting in New York City today at 8:30 a.m. to update members of the financial community on Charles River. A live webcast of the conference will be available at ir.criver.com. The webcast replay will be available approximately two hours after the conference call and will remain available until December 23, 2004.

About Charles River Laboratories

Charles River Laboratories (CRL), based in Wilmington, Massachusetts, is a global provider of solutions that advance the drug discovery and development process. Our leading-edge products and services are designed to enable our clients to bring drugs to market faster and more efficiently. Backed by our rigorous, best-in-class procedures and our proven data collection, analysis and reporting capabilities, our products and services are organized into three categories spanning every step of the drug development pipeline: Research Models and Services, Pre-Clinical Services, and Clinical Services. CRL's customer base includes all of the major pharmaceutical companies, biotechnology companies, government agencies and many leading hospitals and academic institutions. Charles River's 8,000 employees serve clients in more than 50 countries. For more information on CRL, visit our website at www.criver.com.

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. Forward-looking statements are based on Charles River's current expectations and beliefs, 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. Those risks and uncertainties include, but are not limited to: challenges arising from the merger with Inveresk Research Group; a decrease in 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 tax regulation and laws; 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 Charles River's Registration Statement on Form S-4 as filed on September 16, 2004, 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.

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