Charles River Laboratories Announces Third-Quarter 2007 Results from Continuing Operations

November 5, 2007

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Sales Increase 18.6% to $314 Million

GAAP EPS Increase 34.0% to $0.63

Non-GAAP EPS Increase 21.1% to $0.69

Company Increases 2007 Sales and EPS Guidance

WILMINGTON, Mass.--(BUSINESS WIRE)--Nov. 5, 2007--Charles River Laboratories International, Inc. (NYSE: CRL) today reported third-quarter and year-to-date 2007 financial results. For the third quarter, net sales from continuing operations increased 18.6% to $314.0 million from $264.7 million in the third quarter of 2006. Both the Research Models and Services (RMS) and Preclinical Services (PCS) business segments reported strong net sales growth, as pharmaceutical and biotechnology companies continued to invest in basic research and increased their strategic use of outsourced drug development services. Foreign exchange contributed 2.6% to the net sales growth.

On a GAAP basis, net income from continuing operations for the third quarter of 2007 was $43.5 million, or $0.63 per diluted share, compared to $32.1 million, or $0.47 per diluted share, for the third quarter of 2006. The 34.0% increase in earnings per share resulted primarily from higher sales.

On a non-GAAP basis, net income from continuing operations was $47.3 million for the third quarter of 2007, compared to $38.8 million for the same period in 2006. Third-quarter diluted earnings per share on a non-GAAP basis were $0.69, an increase of 21.1% compared to $0.57 per share in the third quarter of 2006. Non-GAAP earnings per share in the third quarter of 2007 excluded $8.4 million of amortization of intangible assets and stock-based compensation related to acquisitions and a charge of $0.8 million related to pre-acquisition Inveresk stock compensation taxes, partially offset by a $2.0 million gain on the sale of real estate in Scotland and a benefit of $0.9 million resulting from a deferred tax revaluation. For the third quarter of 2006, non-GAAP results excluded $9.6 million of amortization of intangible assets and stock-based compensation related to acquisitions.

James C. Foster, Chairman, President and Chief Executive Officer, said, "Our outstanding third-quarter performance reflects the results of many of the strategic actions we undertook over the last several years. During that time, we expanded our broad portfolio of essential products and services, enhanced our managerial, scientific and technical talent, and widened our global footprint at this critical inflection point in the drug development industry, and as a result, are extremely well positioned to support our clients' robust demand. In the third quarter, strong performance from our RMS businesses and our PCS toxicology facilities largely offset the effect of both the transition costs to our new preclinical facility in Massachusetts and the anticipated higher corporate costs. As a result of our year-to-date sales and earnings growth, we are raising our guidance for 2007. We now anticipate sales growth in a range of 14-16%, GAAP earnings per share in a range of $2.22 to $2.25, and non-GAAP earnings per share in a range of $2.56 to $2.59. We are looking forward to a strong finish to this year and to capitalizing on the opportunities which we see for 2008 and beyond."

The net loss from discontinued operations was $0.8 million in the third quarter of 2007. Including discontinued operations, net income for the third quarter of 2007 was $42.8 million, or $0.62 per diluted share, compared to a net loss of $16.6 million, or $0.24 per diluted share, in the third quarter of 2006. Discontinued operations in 2006 included both the Interventional and Surgical Services business, the closure of which was finalized in the third quarter of 2007, and the Phase II - IV clinical services business, which the Company sold in the third quarter of 2006.

Research Models and Services (RMS)

Sales for the RMS segment were $145.2 million in the third quarter of 2007, an increase of 13.8% from $127.6 million in the third quarter of 2006. Sales growth was driven in particular by strong demand for research models in the United States and Europe, worldwide Transgenic Services, and In Vitro products.

In the third quarter of 2007, the RMS segment's GAAP operating margin increased to 31.4% compared to 28.8% in the third quarter of 2006. On a non-GAAP basis, which excluded charges of $0.4 million for acquisition-related amortization, the operating margin was 31.6% compared to 28.8% for the same period in the prior year. The improvement was due primarily to higher sales.

Preclinical Services (PCS)

Third-quarter net sales for the PCS segment were $168.8 million, an increase of 23.1% from $137.1 million in the third quarter of 2006. The primary factors which contributed to the sales growth were continuing strong demand for general and specialty toxicology services from pharmaceutical and biotechnology customers, and the addition on October 30, 2006, of the Northwest Kinetics Phase I clinical services business.

The PCS segment's GAAP operating margin improved to 17.8% from 16.8%. On a non-GAAP basis, which excludes $8.0 million of acquisition-related amortization and the $0.8 million charge for the pre-acquisition Inveresk stock compensation taxes, as well as the $2.0 million gain on the sale of real estate in Scotland, the third-quarter operating margin declined to 21.8% from 23.6% in the third quarter of 2006. Improved profitability at many of the Company's preclinical toxicology facilities provided a significant offset to the expected decline in profitability of the new Massachusetts facility, which experienced higher operating costs associated with the transition from the old to the new facility.

Nine-Month Results

For the first nine months of 2007, net sales from continuing operations increased by 16.0% to $912.6 million, from $786.7 million in the same period in

2006. Foreign exchange contributed approximately 2.5% to the sales growth rate.

On a GAAP basis, net income from continuing operations was $118.6 million, or $1.74 per diluted share, for the first nine months of 2007, compared to $93.4 million, or $1.32 per diluted share, for the same period in 2006.

On a non-GAAP basis, net income from continuing operations for the first nine months of 2007 was $134.3 million, or $1.97 per diluted share, compared to $115.2 million, or $1.63 per diluted share, for the same period in 2006. For the first nine months of 2007, non-GAAP net income excluded $24.5 million of amortization and stock-based compensation costs associated with acquisitions, a charge of $1.7 million related to the decision to accelerate the exit of the Company's Preclinical Services facility in Worcester, Massachusetts, and a charge of $0.8 million related to pre-acquisition Inveresk stock compensation taxes. Non-GAAP results also excluded a $2.0 million gain on the sale of real estate in Scotland and a benefit of $0.9 million resulting from a deferred tax revaluation. Non-GAAP net income for the same period in 2006 excluded acquisition-related charges of $28.4 million and charges of $5.3 million related to cost-savings initiatives.

Including a loss of $1.1 million from discontinued operations, net income for the first nine months of 2007 was $117.5 million, or $1.72 per diluted share, compared to a net loss of $91.0 million, or $1.28 per diluted share, for the same period in 2006. The loss in the prior year was due in part to a $129.2 million goodwill impairment recorded in the first quarter of 2006 related to the sale of the Clinical Phase II - IV business.

Research Models and Services (RMS)

For the first nine months of 2007, RMS net sales were $432.1 million, an increase of 11.5% from net sales of $387.3 million in the same period in 2006. The RMS segment's GAAP operating margin was 31.9% in the first nine months of 2007, compared to 29.7% for the year-ago period. On a non-GAAP basis, the operating margin was 32.2% compared to 30.4% in the first nine months of 2006.

Preclinical Services (PCS)

For the first nine months of 2007, PCS net sales were $480.5 million, an increase of 20.3% over the $399.3 million reported in the same period in 2006. On a GAAP basis, the PCS segment operating margin was 16.8% in the first nine months of 2007, compared to 14.8% in the year-ago period. On a non-GAAP basis, the operating margin was 21.8% in the first nine months of 2007 compared to 22.5% for the same period in 2006.

2007 Guidance

Based on the strong demand for its products and services, the Company is increasing its sales and GAAP and non-GAAP earnings per share guidance. The revised forward-looking guidance, shown in the table below, is based on current foreign exchange rates.

2007 GUIDANCE (from continuing operations)	REVISED	PRIOR
Net sales growth (in %)	14% - 16%	12% - 14%
Sales ($ in millions)	$1,205 - $1,225	$1,185 - $1,205
GAAP EPS estimate	$2.22 - $2.25	$2.15 - $2.21
Acquisition-related amortization	$0.32	$0.32
Charge to exit Worcester facility, gain on sale of real estate and other items, net	$0.01 - $0.03	$0.01 - $0.03
Non-GAAP EPS estimate	$2.56 - $2.59	$2.47 - $2.53

Webcast

Charles River Laboratories has scheduled a live webcast on Tuesday, November 6, at 8:30 a.m. ET to discuss matters relating to this press release. To participate, please go to ir.criver.com and select the webcast link. You can also find the associated slide presentation and reconciliations to comparable GAAP measures on the website.

Use of Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, such as non-GAAP earnings per diluted share from continuing operations, which exclude amortization of intangible assets and other charges related to our acquisitions, impairments due to our accelerated exit from our Worcester Preclinical Services facility, charges related to pre-acquisition Inveresk stock compensation charges, a deferred tax revaluation, and the gain on the sale of real estate in Scotland. We exclude these items from the non-GAAP financial measures because they are outside our normal operations. There are limitations in using non-GAAP financial measures, as they are not prepared in accordance with generally accepted accounting principles, and may be different than non-GAAP financial measures used by other companies. In particular, we believe that the inclusion of supplementary non-GAAP financial measures in this press release helps investors to gain a meaningful understanding of our core operating results and future prospects without the effect of one-time charges, and is consistent with how management measures and forecasts the Company's performance, especially when comparing such results to prior periods or forecasts. We believe that the financial impact of our acquisitions is often large relative to our overall financial performance, which can adversely affect the comparability of our results on a period-to-period basis. In addition, certain activities, such as business acquisitions, happen infrequently and the underlying costs associated with such activities do not recur. Non-GAAP results also allow investors to compare the Company's operations against the financial results of other companies in the industry who similarly provide non-GAAP results. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules and regulations. Reconciliations of the non-GAAP financial measures used in this press release to the most directly comparable GAAP financial measures are set forth in the text of this press release, and can also be found on the Company's website at ir.criver.com.

Caution Concerning Forward-Looking Statements

This news 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," "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. These statements also include statements regarding our projected 2007 earnings; the future demand for drug discovery and development products and services, including the outsourcing of these services; the impact of specific actions intended to improve overall operating efficiencies and profitability; the timing of the opening of new and expanded facilities; future cost reduction activities by our customers; and Charles River's future performance as delineated in our forward-looking guidance, and particularly our expectations with respect to sales growth. 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. Those risks and uncertainties include, but are not limited to: a decrease in research and development spending, a decrease in the level of outsourced services, or other cost reduction actions by our customers; the ability to convert backlog to sales; 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 Annual Report on Form 10-K as filed on February 27, 2007, 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 Laboratories

Charles River Laboratories based in Wilmington, Massachusetts, partners with global pharmaceutical and biotechnology companies, government agencies and leading academic institutions to advance the drug discovery and development process, bringing drugs to market faster and more efficiently. Charles River's 8,300 employees serve clients worldwide. For more information on Charles River, visit our website at www.criver.com.

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

	Three Months Ended	
	September 29, 2007	September 30, 2006
Total net sales	$ 313,964	$ 264,660
Cost of products sold and services provided	190,065	162,398
Gross margin	123,899	102,262
Selling, general and administrative	51,847	41,211
Amortization of intangibles	8,421	9,430
Operating income	63,631	51,621
Interest income (expense)	(2,328)	(3,604)
Other income (expense)	(861)	45
Income before income taxes and minority interests	60,442	48,062
Provision for income taxes	16,808	15,489
Income before minority interests	43,634	32,573
Minority interests	(98)	(440)
Income from continuing operations	43,536	32,133
Loss from discontinued businesses, net of tax	(759)	(48,739)
Net income (loss)	$ 42,777	$ (16,606)
Earnings (loss) per common share		
Basic:		
Continuing operations	$ 0.65	$ 0.48
Discontinued operations	$ (0.01)	$ (0.73)
Net income	$ 0.64	$ (0.25)
Diluted:		

Continuing operations	$ 0.63	$ 0.47
Discontinued operations	$ (0.01)	$ (0.72)
Net income	$ 0.62	$ (0.24)
Weighted average number of common shares outstanding		
Basic	67,192,236	67,171,270
Diluted	69,077,747	68,053,872

	Nine Months Ended	
	September 29, 2007	September 30, 2006
Total net sales	$ 912,598	$ 786,660
Cost of products sold and services provided	552,170	481,783
Gross margin	360,428	304,877
Selling, general and administrative	160,956	133,976
Amortization of intangibles	24,415	27,882
Operating income	175,057	143,019
Interest income (expense)	(6,982)	(10,281)
Other income (expense)	(1,781)	(643)
Income before income taxes and minority interests	166,294	132,095
Provision for income taxes	47,219	37,170
Income before minority interests	119,075	94,925
Minority interests	(471)	(1,496)
Income from continuing operations	118,604	93,429
Loss from discontinued businesses, net of tax	(1,108)	(184,401)
Net income (loss)	$ 117,496	$ (90,972)
Earnings (loss) per common share		
Basic:		
Continuing operations	$ 1.78	$ 1.34
Discontinued operations	$ (0.02)	$ (2.64)
Net income	$ 1.76	$ (1.30)
Diluted:		
Continuing operations	$ 1.74	$ 1.32
Discontinued operations	$ (0.02)	$ (2.60)
Net income	$ 1.72	$ (1.28)
Weighted average number of common shares outstanding		
Basic	66,813,724	69,841,647
Diluted	68,158,843	70,829,692

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

	September 29, 2007	December 30, 2006
Assets		
Current assets		
Cash and cash equivalents	$ 183,497	$ 175,380

Trade receivables, net	232,041	202,658
Inventories	80,234	72,362
Other current assets	58,159	44,363
Current assets of discontinued businesses	1,414	6,330
Total current assets	555,345	501,093
Property, plant and equipment, net	688,150	534,745
Goodwill, net	1,120,292	1,119,309
Other intangibles, net	156,397	160,204
Deferred tax asset	92,453	107,498
Other assets	118,950	133,944
Long-term assets of discontinued businesses	4,187	751
Total assets	$2,735,774	$2,557,544
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	$ 24,133	$ 24,977
Accounts payable	36,013	28,223
Accrued compensation	44,011	41,651
Deferred revenue	88,447	93,197
Accrued liabilities	64,798	41,991
Other current liabilities	32,714	25,625
Current liabilities of discontinued businesses	250	3,667
Total current liabilities	290,366	259,331
Long-term debt	493,697	547,084
Other long-term liabilities	146,148	146,695
Total liabilities	930,211	953,110
Minority interests	3,467	9,223
Total shareholders' equity	1,802,096	1,595,211
Total liabilities and shareholders' equity	$2,735,774	$2,557,544

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

	Three Months Ended	
	September 29, 2007	September 30, 2006
Research Models and Services		
Net sales	$ 145,207	$127,560
Gross margin	63,408	52,423
Gross margin as a % of net sales	43.7%	41.1%
Operating income	45,574	36,691
Operating income as a % of net sales	31.4%	28.8%
Depreciation and amortization	5,780	5,185
Capital expenditures	12,643	3,932
Preclinical Services		
Net sales	$ 168,757	$137,100
Gross margin	60,491	49,839
Gross margin as a % of net sales	35.8%	36.4%

Operating income	29,993	22,971
Operating income as a % of net sales	17.8%	16.8%
Depreciation and amortization	16,180	15,389
Capital expenditures	37,692	39,038
Unallocated Corporate Overhead	$(11,936)	$(8,041)
Total		
Net sales	$ 313,964	$264,660
Gross margin	123,899	102,262
Gross margin as a % of net sales	39.5%	38.6%
Operating income (loss)	63,631	51,621
Operating income as a % of net sales	20.3%	19.5%
Depreciation and amortization	21,960	20,574
Capital expenditures	50,335	42,970

	Nine Months Ended	
	September 29, 2007	September 30, 2006
Research Models and Services		
Net sales	$ 432,078	$ 387,348
Gross margin	190,171	163,767
Gross margin as a % of net sales	44.0%	42.3%
Operating income	137,863	115,170
Operating income as a % of net sales	31.9%	29.7%
Depreciation and amortization	17,012	15,457
Capital expenditures	30,415	12,281
Preclinical Services		
Net sales	$ 480,520	$ 399,312
Gross margin	170,257	141,110
Gross margin as a % of net sales	35.4%	35.3%
Operating income	80,863	59,289
Operating income as a % of net sales	16.8%	14.8%
Depreciation and amortization	46,093	45,302
Capital expenditures	107,256	87,479
Unallocated Corporate Overhead	$(43,669)	$(31,440)
Total		
Net sales	$ 912,598	$ 786,660
Gross margin	360,428	304,877
Gross margin as a % of net sales	39.5%	38.8%
Operating income (loss)	175,057	143,019
Operating income as a % of net sales	19.2%	18.2%
Depreciation and amortization	63,105	60,759
Capital expenditures	137,671	99,760

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)
(dollars in thousands)

	Three Months Ended	
	September 29, 2007	September 30, 2006
Research Models and Services		
Net sales	$ 145,207	$127,560
Operating income	45,574	36,691
Operating income as a % of net sales	31.4%	28.8%
Add back:		
Amortization related to acquisitions	380	91
Impairment and other charges	-	-
Operating income, excluding specified charges (Non-GAAP)	$ 45,954	$ 36,782
Non-GAAP operating income as a % of net sales	31.6%	28.8%
Preclinical Services		
Net sales	$ 168,757	$137,100
Operating income	29,993	22,971
Operating income as a % of net sales	17.8%	16.8%
Add back:		
Amortization related to acquisitions	8,041	9,339
Impairment and other charges	-	-
Gain on sale of UK real estate	(2,047)	-
Pre-acquisition Inveresk stock compensation taxes	845	-
Operating income, excluding specified charges (Non-GAAP)	$ 36,832	$ 32,310
Non-GAAP operating income as a % of net sales	21.8%	23.6%
Unallocated Corporate Overhead	$(11,936)	$(8,041)
Add back:		
Stock-based compensation related to Inveresk acquisition	6	163
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	$(11,930)	$(7,878)
Total		
Net sales	$ 313,964	$264,660
Operating income	63,631	51,621
Operating income as a % of net sales	20.3%	19.5%
Add back:		
Amortization related to acquisition	8,421	9,430
Stock-based compensation related to Inveresk acquisition	6	163
Impairment and other charges	-	-
Gain on sale of UK real estate	(2,047)	-
Pre-acquisition Inveresk stock compensation taxes	845	-
Operating income, excluding specified charges (Non-GAAP)	$ 70,856	$ 61,214
Non-GAAP operating income as a % of net sales	22.6%	23.1%

Nine Months Ended

	September 29, 2007	September 30, 2006
Research Models and Services		
Net sales	$ 432,078	$ 387,348
Operating income	137,863	115,170
Operating income as a % of net sales	31.9%	29.7%
Add back:		
Amortization related to acquisitions	1,125	270
Impairment and other charges	-	2,334
Operating income, excluding specified charges (Non-GAAP)	$ 138,988	$ 117,774
Non-GAAP operating income as a % of net sales	32.2%	30.4%
Preclinical Services		
Net sales	$ 480,520	$ 399,312
Operating income	80,863	59,289
Operating income as a % of net sales	16.8%	14.8%
Add back:		
Amortization related to acquisitions	23,290	27,612
Impairment and other charges	1,682	2,966
Gain on sale of UK real estate	(2,047)	-
Pre-acquisition Inveresk stock compensation taxes	845	-
Operating income, excluding specified charges (Non-GAAP)	$ 104,633	$ 89,867
Non-GAAP operating income as a % of net sales	21.8%	22.5%
Unallocated Corporate Overhead	$(43,669)	$(31,440)
Add back:		
Stock-based compensation related to Inveresk acquisition	94	565
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	$(43,575)	$(30,875)
Total		
Net sales	$ 912,598	$ 786,660
Operating income	175,057	143,019
Operating income as a % of net sales	19.2%	18.2%
Add back:		
Amortization related to acquisition	24,415	27,882
Stock-based compensation related to Inveresk acquisition	94	565
Impairment and other charges	1,682	5,300
Gain on sale of UK real estate	(2,047)	-
Pre-acquisition Inveresk stock compensation taxes	845	-
Operating income, excluding specified charges (Non-GAAP)	$ 200,046	$ 176,766
Non-GAAP operating income as a % of net sales	21.9%	22.5%

Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of one-time charges, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules and regulations.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS
(dollars in thousands, except for per share data)

	Three Months Ended	
	September 29, 2007	September 30, 2006
Net income (loss)	$42,777	$(16,606)
Less: Discontinued operations	759	48,739
Net income from continuing operations	43,536	32,133
Add back:		
Amortization related to acquisitions	8,421	9,430
Stock-based compensation related to Inveresk acquisition	6	163
Impairment and other charges	-	-
Gain on sale of UK real estate	(2,047)	-
Pre-acquisition Inveresk stock compensation taxes	845	-
Deferred tax revaluation	(907)	-
Tax effect	(2,517)	(2,957)
Net income from continuing operations, excluding specified charges (Non-GAAP)	$47,337	$38,769
Weighted average shares outstanding - Basic	67,192,236	67,171,270
Effect of dilutive securities:		
2.25% senior convertible debentures	526,591	-
Stock options and contingently issued restricted stock	1,226,004	752,838
Warrants	132,916	129,764
Weighted average shares outstanding - Diluted	69,077,747	68,053,872
Basic earnings (loss) per share	$0.64	$(0.25)
Diluted earnings (loss) per share	$0.62	$(0.24)
Basic earnings per share, excluding specified charges (Non-GAAP)	$0.70	$0.58
Diluted earnings per share, excluding specified charges (Non-GAAP)	$0.69	$0.57

	Nine Months Ended	
	September 29, 2007	September 30, 2006

Net income (loss)	$117,496	$(90,972)
Less: Discontinued operations	1,108	184,401
Net income from continuing operations	118,604	93,429
Add back:		
Amortization related to acquisitions	24,415	27,882
Stock-based compensation related to Inveresk acquisition	94	565
Impairment and other charges	1,682	5,300
Gain on sale of UK real estate	(2,047)	-
Pre-acquisition Inveresk stock compensation taxes	845	-
Deferred tax revaluation	(907)	-
Tax effect	(8,362)	(12,018)
Net income from continuing operations, excluding specified charges (Non-GAAP)	$134,324	$115,158
Weighted average shares outstanding - Basic	66,813,724	69,841,647
Effect of dilutive securities:		
2.25% senior convertible debentures	85,190	-
Stock options and contingently issued restricted stock	1,126,481	851,755
Warrants	133,448	136,290
Weighted average shares outstanding - Diluted	68,158,843	70,829,692
Basic earnings (loss) per share	$1.76	$(1.30)
Diluted earnings (loss) per share	$1.72	$(1.28)
Basic earnings per share, excluding specified charges (Non-GAAP)	$2.01	$1.65
Diluted earnings per share, excluding specified charges (Non-GAAP)	$1.97	$1.63

Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of one-time charges, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules and regulations.

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