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1Q 2014 Results

Safe Harbor Statement

Caution Concerning Forward-Looking Statements. This presentation 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 2014 and future financial performance including sales, earnings per share, free cash flow, operating margin, specified costs (including capital expenditures and unallocated corporate expenses), net interest expense, effective tax rate, global efficiency initiative, cost increases, pricing, the expected impact of foreign exchange rates, leverage ratios, return on invested capital, days sales outstanding, and the operating results of our businesses; the pursuit of our initiatives to optimize returns for shareholders, including efforts to improve our operating margins, improve free cash flow, invest in growth businesses, and return value to shareholders; the future demand for drug discovery and development products and services and in particular, our EMD and Discovery Services businesses and our intentions to expand those businesses (including opening new facilities); our expectations regarding stock repurchases, debt repayment and debt refinancings; the development and performance of our services and products; market and industry conditions including the outsourcing of these services and spending trends by our customers; the potential outcome of and impact to our business and financial operations due to litigation and legal proceedings; our success in consummating and integrating, and the impact of, our acquisitions (including Argenta and BioFocus); our strategic agreements with leading pharmaceutical companies and opportunities for future similar arrangements; our ability to achieve market share gains in targeted market segments; our efforts to rationalize production capacity and the effects thereof (including charges); and Charles River’s future performance as otherwise delineated in our forward-looking guidance, and particularly our expectations with respect to sales, future market share and foreign exchange impact. 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: the ability to successfully integrate businesses we acquire; the ability to execute our cost-savings actions and the steps to optimize returns to shareholders on an effective and timely basis (including divestitures and site closures); the timing and magnitude of our share repurchases; negative trends in research and development spending, negative trends 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 25, 2014, 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.

Regulation G

This presentation includes discussion of non-GAAP financial measures. We believe that the inclusion of these non-GAAP financial measures provides 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 non-GAAP financial measures included in this presentation 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. In accordance with Regulation G, you can find the comparable GAAP measures and reconciliations to those GAAP measures on our website at ir.criver.com.

Net Sales

From Continuing Operations ($ in millions)	1Q14	1Q13	%Δ	FX	%Δ ex. FX
RMS	$185.6	$182.5	1.7%	0.2%	1.5%
PCS	$113.8	$108.7	4.6%	0.7%	3.9%
Net sales	$299.4	$291.2	2.8%	0.4%	2.4%

- Sales to mid-tier biotech clients gained 10% due to improved funding and our targeted sales strategies
- As anticipated, key global accounts started the year slowly
  - Bookings accelerated significantly in March, providing an early indicator of a better second quarter

Operating Income/Margin

From Continuing Operations ($ in millions)	1Q14	1Q13	YOY Δ
GAAP OI	$39.7	$42.8	(7.1%)
GAAP OM%	13.3%	14.7%	(140 bps)
Non-GAAP OI	$51.0	$49.0	4.1%
Non-GAAP OM%	17.0%	16.8%	20 bps

- PCS operating margin increased 230 bps due to an FX benefit in Canada, the 2013 U.K. tax law change to R&D credits, and leverage from higher sales
- RMS operating margin increased 20 bps
  - Efficiency gains offset lower unit sales of research models

See website for reconciliations of Non-GAAP to GAAP results.

EPS

From Continuing Operations ($ in millions)	1Q14	1Q13	YOY Δ
GAAP EPS	$0.67	$0.53	26.4%
Non-GAAP EPS	$0.82	$0.69	18.8%

- Investment in limited partnerships contributed $0.08 to non-GAAP EPS in 1Q14

1Q14 Overview

- 1Q14 results demonstrate benefits of actions to position CRL as the partner of choice for outsourced drug discovery and development
- Streamlined operations without compromising scientific excellence or client service
- Enhanced our market-leading position as a premier provider or essential, early-stage drug discovery and development solutions tailored to clients' specific needs
- Supports clients' goal to increase use of outsourced services with a reliable scientific partner in lieu of in-house capabilities

Argenta and BioFocus Acquisition

- Pivotal building block in our expansion of services
  - Closed April 1, 2014 (CRL's 2Q14)
- Now have expertise to provide early discovery services, including target discovery, medicinal chemistry, and *in vitro* biology
- Enables us to engage with clients earlier
- Enhances value we can provide by supporting integrated drug discovery and early-stage development with a single provider
- Precisely in line with our strategy to build a broader portfolio
- Supports the increasing virtualization of the biopharma industry
- Immediately following close, implemented a plan to contact the majority of R&D and Discovery heads at leading biopharma companies
- Working with many clients to explore an expansion of services we provide, and optimistic that clients will choose CRL for early discovery

Updating 2014 Guidance
(from Continuing Operations)

Net sales growth, reported	9.0%-11.0%
Negative impact of foreign exchange	NM
Net sales growth, constant currency	9.0%-11.0%
GAAP EPS	$2.64-$2.74
Non-GAAP EPS	$3.15-$3.25

- Updating guidance for acquisition and gain on investment in limited partnerships
- Confident that successful execution of sales strategies and integration of Argenta and BioFocus will enable us to achieve guidance

See website for reconciliations of Non-GAAP to GAAP results.

RMS Results – Sales

($ in millions)	1Q14	1Q13	YOY Δ
Net sales, reported	$185.6	$182.5	1.7%
FX			(0.2%)
Net sales, constant $			1.5%

- Revenue increase driven by EMD, Vital River, and Research Model Services

RMS Operating Margin

From Continuing Operations	1Q14	1Q13	Δ
RMS GAAP OM%	28.8%	30.3%	(150 bps)
RMS Non-GAAP OM%	31.7%	31.5%	20 bps

- Efficiency initiatives offset lower sales of research models, which continue to be impacted by consolidation of our global key accounts
- Initiatives are focused on various areas
  - Improving capacity utilization by reducing our footprint (e.g. Michigan closure) or evaluation and realignment of production to improve utilization of existing capacity
  - Automation to improve data access or reduce manual workload
- Continuing to identify opportunities, which will enable us to achieve our goal of maintaining an RMS operating margin at or above the 30% level

RMS Results – Production

- Despite Vital River's higher sales, research model sales declined by ~3.5% (CC) YOY
- Continuing consolidation of biopharma industry, closure of facilities and the evolution of drug development to eliminate molecules earlier in the process have caused softened demand for our research models
- Offset some of the decline with market share gains, particularly in the mid-tier
- Encouraged to see commercial accounts in U.S. were stable in 1Q14, although Europe and Japan, which tend to lag the U.S., declined due to pharma industry consolidation
- Believe that research models will continue to be a critical component of drug research
- Committed to our goal to gain market share with globals, mid-tier, and academic clients

RMS Results – Services

- GEMS and Discovery Services delivered solid growth due to increased outsourcing and targeted sales efforts
- Both businesses are expected to benefit as global biopharmas increase their use of outsourcing at the earliest stages and mid-tier biotechs utilize higher available funding to invest in their pipelines
- With our expansion into early discovery, expect to be able to capitalize on demand as it continues to emerge

RMS Results – EMD

- EMD was the largest driver of RMS sales increase in 1Q14
  - Sales growth of 18% (CC) YOY
  - Every area of the EMD business reported higher sales
- PTS franchise continued to exhibit strength due to additional sales of instruments and cartridges, as well as market share gains in the conventional testing market
- Accugenix performed well, as clients increasingly utilized its services
- 1Q14 included sales from Singapore distributor acquired in 2013, as well as some 4Q13 sales deferred until the new budget year
- Continue to expect that EMD sales growth will be in low-double digits in 2014

PCS Results – Sales

($ in millions)	1Q14	1Q13	YOY Δ
Net sales, reported	$113.8	$108.7	4.6%
FX			(0.7%)
Net sales, constant $			3.9%

- Mid-tier biotechs were the primary driver of the sales increase
- We have invested significant resources in building a stronger presence with the mid-tier
- As market share has increased, we are establishing the same working relationships with many mid-tier clients as we have with global key accounts
- Now that we can offer early discovery services, we believe mid-tier clients will choose to work with us at the earliest stages and stay with CRL through preclinical development

PCS Results – Sales, cont.

($ in millions)	1Q14	1Q13	YOY Δ
Net sales, reported	$113.8	$108.7	4.6%
FX			(0.7%)
Net sales, constant $			3.9%

- Global key accounts (~25 of the largest biopharma companies) started the year slowly, as we had anticipated
- Booking in March were significantly higher than in the previous two months
- Believe this provides an early indication of improved sales in 2Q14

PCS Operating Margin

From Continuing Operations	1Q14	1Q13	%Δ
PCS GAAP OM%	10.6%	7.4%	320 bps
PCS Non-GAAP OM%	12.9%	10.6%	230 bps

- 230-basis-point gain was due to:
  - Impact of weaker CAD$ on the PCS-Canada margin
  - U.K. tax law change for R&D credits
  - Higher sales, which included more specialty toxicology

PCS Capacity Utilization & Pricing

- Higher sales are resulting in improved PCS capacity utilization
- Demand has increased to the point where we are selectively opening new capacity
  - One small building in Edinburgh in 2013
  - A few room in Ohio in 2Q14
- Opening capacity judiciously, so as to have only a minimal impact on margins, if any
- Also do not want to impact pricing, which has generally remained unchanged
- At more optimal levels, confident that pricing will eventually improve
- Continued to win RFPs for which we were not the lowest bidder
  - Price is important, but expertise and quality are often considered more critical
  - When those criteria are critical, CRL is the preferred choice

Strategic Relationships

- Sales strategies have been very effective in enabling us to gain market share
- Culture of continuous evaluation and enhancement applies to operations as well as sales
- As noted in 2014 guidance, ongoing process efficiency initiatives are expected to generate $25-$30M of incremental savings in 2014
- Savings are derived from a combination of projects in various areas:
  - Right-sizing capacity
  - Inventory management
  - Logistics
  - Reduction of energy footprint
  - Purchasing initiatives
  - Implementation of technology and automation
- Remain committed to driving efficiency throughout our global organization and continue to evaluate additional initiatives

BioPharma Consolidation

- Consolidation in our client base has been ongoing for a decade
- Take that into consideration when constructing our annual financial plan
- Often causes short-term disruption, but ultimately results in more outsourcing
- CRL has been the beneficiary of the outsourcing trend, and the trend to place more work with a select number of CRO preferred providers
- Largest commercial client still represents <4% of total revenue
- Believe that our diverse client base helps to mitigate the effect of consolidation

Differentiating CRL

- Our goal has always been to differentiate CRL as the preferred partner for early-stage drug development through targeted initiatives:
  - Expanding our broad, early-stage portfolio through internal development and selective strategic acquisitions
  - Maintaining and enhancing our extensive scientific expertise
  - Improving our operating efficiency
  - Providing best-in-class client service
  - Developing state-of-the-art data systems and portals which offer clients real-time access to data
  - Structuring creative, flexible solutions that support each client's drug development goals
- Will continue to pursue strategies to enhance our position as a leading, early-stage CRO
  - Enhances our ability to support clients

Differentiating CRL, cont.

- Challenging to anticipate the impact of further consolidation on the CRO industry, but believe there will be numerous outsourcing opportunities
- With acquisition of Early Discovery assets, believe our portfolio is the strongest it has ever been
- Capabilities that no other CRO can match
  - Offering support to clients at the earliest stages of drug discovery, and staying with them through the entire early-stage process
- Continuing to pursue opportunities to expand existing client relationships and forge new ones
- Believe this is fundamental to our ability to drive sales, cash flow, and earnings growth in the coming years

Operating Margin Drivers

- Non-GAAP operating margin improvement in both segments was partially offset by higher unallocated corporate costs
  - Non-GAAP operating margin increased 20 bps to 17.0% in 1Q14
- PCS non-GAAP operating margin improvement in 1Q14 driven by:
  - FX benefited the PCS operating margin by >100 bps
    - Impact of the weakening CAD$ on PCS-Canada
    - Invoice clients in both US$ and CAD$, but incur most costs in CAD$
    - Naturally hedged in other foreign locations, but not in Canada
  - 2013 U.K. tax law change benefited the PCS operating margin by ~90 bps
    - Changed the tax treatment of R&D tax credits
    - Expected similar benefit in 2Q14, but will anniversary in 3Q14

Unallocated Corporate Overhead

($ in millions)	1Q14	4Q13	1Q13
GAAP	$25.9	$17.9	$20.6
Non-GAAP	$22.4	$17.2	$20.1

- 1Q14 YOY non-GAAP increase driven primarily by higher compensation expense
- Now expect non-GAAP unallocated corporate costs to be slightly below 6.5% of total sales in 2014
  - Less than prior outlook of ~6.5% of sales due to the acquisition of Argenta/BioFocus
    - Argenta/BioFocus adds sales without meaningfully increasing corporate costs

Limited Partnership Investment Gain

- Recorded a gain of $6.1M (or $0.08 non-GAAP EPS) on a limited partnership investment
  - Gain reported in Other Income
- Related to our investment in a large life sciences venture capital (VC) fund
  - Our primary purpose for partnering with life science VC firms is to enable us to access a group of >100 emerging biotech companies at an early stage
  - Offers CRL the opportunity to become the preferred provider for their drug discovery and early development needs
  - The investment returns, while attractive, have always been a secondary element of these relationships

Limited Partnership Investment Gain, cont.

- Invested $13.8M in several VC funds since first investment in 2009
  - Carrying value of $19.0M on our balance sheet at the end of 1Q14
  - Already received dividends of $6.5 million in cash and securities
  - Committed to invest up to $35M in total
  - Anticipate that we will continue to pursue this strategy
    - Targeting total commitments in a range no higher than $50M-$75M at any one time
    - Assume that our actual cash investments will not exceed more than half of this total commitment amount at one time
      - Given the typical life cycle of these funds

Net Interest Expense

($ in millions)	1Q14	4Q13	1Q13
GAAP interest expense, net	$2.6	$2.6	$8.2
Non-GAAP interest expense, net	$2.6	$2.6	$4.4

- YOY non-GAAP decline reflects amendment to our credit agreement and subsequent refinancing of our 2.25% convertible debt in 2Q13
- Now expect 2014 non-GAAP net interest expense to be $14-$16M (previously $13-$15M)
  - ~$2M increase due to higher debt balances related to the April 1st acquisition of Argenta/BioFocus

Tax Rate

	1Q14	4Q13	1Q13
GAAP	24.1%	15.5%	27.3%
Non-GAAP	27.4%	22.8%	26.7%

- 1Q14 non-GAAP tax rate increase was primarily driven by reduced benefits from Canadian R&D credits and the 2013 U.K. tax law change, partially offset by a favorable earnings mix
- Now expect 2014 non-GAAP tax rate to be 27.0%-28.0% (previously 28.5%-29.5%)
  - ~150 bps decrease driven by the lower 1Q14 rate and the addition of Argenta/BioFocus
    - Argenta/BioFocus are taxed at a lower rate in the U.K.
    - Also implemented legal-entity restructuring initiatives

Tax Rate, cont.

- 2014 GAAP tax rate expected to be 26.5%-27.5% (previously 27.5%-28.5%)
- Potential tax legislation in foreign jurisdictions could modestly increase our 2014 tax rate
  - Not included in guidance range since outcome remains uncertain

Cash Flow

($ in millions)	1Q14	1Q13	2014 Guidance
Free cash flow	$17.3	$23.5	$180-$190
Capex	$11.2	$6.4	$55-$65
Depreciation	$15.7	$15.8	~$69
Amortization	$4.3	$4.2	~$23

- Increased free cash flow and capex guidance in 2014 to reflect the Argenta/BioFocus acquisition
- 1Q14 DSOs unchanged from 2013 year-end at 56 days

Argenta/BioFocus Update

- Focused on implementing our comprehensive integration plan since the acquisition was completed on April 1st
- Integration has progressed well in the early stages
  - Remain confident that Argenta/BioFocus will contribute 6% to sales growth and $0.10 to non-GAAP EPS in 2014
- Expect to incur charges totaling ~$0.16 related to the acquisition
  - ~$0.11 related to amortization of intangible assets
  - ~$0.05 related to acquisition and integration-related costs
    - Includes the engagement of banking, legal, and accounting advisors to evaluate the acquisition

Argenta/BioFocus Update, cont.

- Our belief is that the Argenta/BioFocus acquisition was outstanding from a strategic perspective and because it enabled us to further optimize our capital structure
- Financed the transaction using non-U.S. cash that accumulates overseas, as well as non-U.S. debt that can be repaid using foreign earnings
  - Borrowed €85M (or ~US$116M) on our Euro-denominated revolver
  - Used ~$75M of cash held by foreign subsidiaries
  - Equates to a purchase price of ~$191M, including estimated working capital
    - Subject to final working capital adjustment
    - Additional ~$7M contingent payment not included in above purchase price

Capital Priorities – Debt

- Total debt at end of 1Q14 was $640M
  - Does not include ~$116M of financing for the acquisition, since the transaction was completed in 2Q13
- Pro forma leverage ratio (total debt-to-EBITDA) expected to be between 2.50x-2.75x following the acquisition
  - Intend to maintain the leverage ratio within this range for the remainder of 2014
- Plan to repay debt in 2014 consistent with the scheduled installments on our term loan

Capital Priorities – Stock Repurchases

- Our goal for stock repurchases is to offset dilution from option exercises this year and to modestly reduce our share count
- Now expect average diluted share count to be slightly below 48M shares in 2014
  - Slightly higher than February outlook due to the timing of repurchases
- Repurchased ~183K shares in 1Q14 for $9.8M
- $129.3M remaining under our stock repurchase authorization as of 3/29/14

2014 Guidance

From Continuing Operations	REVISED	PRIOR
Net sales growth, reported	9%-11%	3%-5%
Negative impact of foreign exchange	NM	NM
Net sales growth, constant currency	9%-11%	3%-5%
GAAP EPS	$2.64-$2.74	$2.68-$2.78
Non-GAAP EPS	$3.15-$3.25	$3.00-$3.10

- Continue to expect FX to have only a small benefit on reported sales
  - Sharp movement in the CAD$ has been largely offset by changes in other currencies, such as the stronger Euro and Pound

2014 Guidance, cont.

- 2014 non-GAAP operating margin now expected to be about the same as the 2013 margin of 17.3%
  - Argenta/BioFocus operating margin is below CRL corporate average
  - Argenta/BioFocus currently has a low to mid-teens non-GAAP operating margin, which we expect to improve over time
- Have not forecast investment gains in the remaining quarters of 2014
  - The performance of our investments in venture capital limited partnerships is largely based on market returns, and thus, unpredictable
  - Creates an $0.08 headwind in 2Q14, when compared to 1Q14

2Q14 Outlook

- Expect 2Q14 non-GAAP EPS to be similar to the 1Q14 level of $0.82
  - Despite the $0.08 headwind from 1Q14 investment gains
- Favorable outlook for 2Q14 driven by higher sales and operating margins in our legacy RMS and PCS businesses, both on a YOY and sequential basis
  - Improved demand and bookings in March provide an early indication of a stronger 2Q14
- Expect Argenta/BioFocus to add $20M-$25M to 2Q14 sales
  - In line with our acquisition plan
- Believe we are well-positioned in 2014 to generate meaningful benefits from our ongoing efficiency initiatives, and successfully execute our sales strategies and the integration of Argenta/BioFocus
  - Confident in our ability to achieve our financial guidance for 2014

APPENDIX

RMS Sales Detail

($ in millions)	1Q14	1Q13	YOY Δ	FX%	Ex-FX Δ
Models[1]	$99.4	$103.1	(3.7%)	(0.1%)	(3.5%)*
Services[2]	$53.8	$52.2	3.1%	0.4%	2.7%
EMD	$32.5	$27.2	19.3%	1.3%	18.0%

*** Does not add due to rounding.**
(1) Includes small models, large models and Avian Vaccine.
(2) Includes DS, GEMS, RADS and IS

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED) (1)
(dollars in thousands)

	Three Months Ended	
	March 29, 2014	March 30, 2013
Research Models and Services		
Revenue	$ 185,615	$ 182,489
Operating income	53,540	55,303
Operating income as a % of net sales	28.8%	30.3%
Add back:		
Amortization of intangible assets related to acquisitions	2,439	1,986
Severance related to cost-savings actions	1,716	86
Government billing adjustment and related expenses	67	-
Impairment and other items **(2)**	980	-
Operating losses **(3)**	12	158
Operating income, excluding specified items (Non-GAAP)	$ 58,754	$ 57,533
Non-GAAP operating income as a % of net sales	31.7%	31.5%
Preclinical Services		
Revenue	$ 113,753	$ 108,749
Operating income	12,033	8,060
Operating income as a % of net sales	10.6%	7.4%
Add back:		
Amortization of intangible assets related to acquisitions	1,900	2,262
Severance related to cost-savings actions	63	211
Operating losses **(3)**	671	948
Operating income, excluding specified items (Non-GAAP)	$ 14,667	$ 11,481
Non-GAAP operating income as a % of net sales	12.9%	10.6%
Unallocated Corporate Overhead	$ (25,867)	$ (20,600)
Add back:		
Severance related to cost-savings actions	121	-
Costs associated with the evaluation and integration of acquisitions	3,305	486
Convertible debt accounting	-	53
Unallocated corp. costs, excluding specified items (Non-GAAP)	$ (22,441)	$ (20,061)
Total		
Revenue	$ 299,368	$ 291,238
Operating income	39,706	42,763
Operating income as a % of net sales	13.3%	14.7%
Add back:		
Amortization of intangible assets related to acquisitions	4,339	4,248
Severance related to cost-savings actions	1,900	297
Government billing adjustment and related expenses	67	-
Impairment and other items **(2)**	980	-
Operating losses **(3)**	683	1,106
Costs associated with the evaluation and integration of acquisitions	3,305	486
Convertible debt accounting	-	53
Operating income, excluding specified items (Non-GAAP)	$ 50,980	$ 48,953
Non-GAAP operating income as a % of net sales	17.0%	16.8%

(1) 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 and other items which are outside our normal operations, 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, regulations and guidance.

(2) For the three months ended March 29, 2014, impairment and other items includes $980 of asset impairments and accelerated depreciation related to our Portage, Michigan research model production facility

(3) Includes operating losses related primarily to the Company's PCS-Massachusetts facility.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP
SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED) (1)
(dollars in thousands)

		Three Months Ended December 28, 2013
Research Models and Services		
Net sales	$	172,259
Operating income		36,128
Operating income as a % of net sales		21.0%
Add back:		
Amortization of intangible assets related to acquisitions		2,660
Severance related to cost-savings actions		1,244
Government billing adjustment and related expenses		226
Impairment and other items **(2)**		6,445
Operating losses **(3)**		15
Operating income, excluding specified items (Non-GAAP)	$	46,718
Non-GAAP operating income as a % of net sales		27.1%
Preclinical Services		
Net sales	$	116,969
Operating income		6,425
Operating income as a % of net sales		5.5%
Add back:		
Amortization of intangible assets related to acquisitions		2,255
Severance related to cost-savings actions		917
Impairment and other items **(2)**		7,698
Operating losses **(3)**		628
Operating income, excluding specified items (Non-GAAP)	$	17,923
Non-GAAP operating income as a % of net sales		15.3%
Unallocated Corporate Overhead	$	(17,946)
Add back:		
Costs associated with the evaluation of acquisitions		766
Unallocated corp. costs, excluding specified items (Non-GAAP)	$	(17,180)
Total		
Net sales	$	289,228
Operating income		24,607
Operating income as a % of net sales		8.5%
Add back:		
Amortization of intangible assets related to acquisitions		4,915
Severance related to cost-savings actions		2,161
Government billing adjustment and related expenses		226
Impairment and other items **(2)**		14,143
Operating losses **(3)**		643
Costs associated with the evaluation of acquisitions		766
Operating income, excluding specified items (Non-GAAP)	$	47,461
Non-GAAP operating income as a % of net sales		16.4%

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(2) For the quarter ended December 28, 2013, impairment and other items primarily includes: (i) accelerated depreciation related to the consolidation of research model production operations in California and our BPS operations and (ii) an adjustment to prior-period accrued compensated absences.

(3) Includes operating losses related primarily to the Company's PCS-Massachusetts facility.

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CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (1)

(dollars in thousands, except for per share data)

	Three Months Ended	
	March 29, 2014	March 30, 2013
Net income attributable to common stockholders	$ 32,232	$ 25,578
Less: Discontinued operations	270	155
Net income from continuing operations	32,502	25,733
Add back:		
Amortization of intangible assets related to acquisitions	4,339	4,248
Severance related to cost-savings actions	1,900	297
Impairment and other items **(2)**	980	-
Operating losses **(3)**	683	1,106
Costs associated with the evaluation and integration of acquisitions	3,305	486
Government billing adjustment and related expenses	67	-
Convertible debt accounting, net **(4)**	-	3,813
Tax effect of items above	(4,502)	(2,457)
Net income, excluding specified charges (Non-GAAP)	$ 39,274	$ 33,226
Weighted average shares outstanding - Basic	47,090,830	47,658,995
Effect of dilutive securities (stock options, unvested restricted stock):	1,060,554	777,054
Weighted average shares outstanding - Diluted	48,151,384	48,436,049
Basic earnings per share	$ 0.68	$ 0.54
Diluted earnings per share	$ 0.67	$ 0.53
Basic earnings per share, excluding specified charges (Non-GAAP)	$ 0.83	$ 0.70
Diluted earnings per share, excluding specified charges (Non-GAAP)	$ 0.82	$ 0.69

(1) 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 and other items which are outside our normal operations, 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, regulations and guidance.

(2) For the three months ended March 29, 2014, impairment and other items includes $980 of asset impairments and accelerated depreciation related to our Portage, Michigan research model production facility

(3) Includes operating losses related primarily to the Company's PCS-Massachusetts facility.

(4) The three months ended March 30, 2013 includes the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by $3,760 and depreciation expense by $53, respectively.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (1)
(dollars in thousands, except for per share data)

		Three Months Ended December 28, 2013
Net income attributable to common shareholders	$	19,099
Less: Discontinued operations		82
Net income from continuing operations		19,181
Add back:		
Amortization of intangible assets related to acquisitions		4,915
Severance related to cost-savings actions		2,161
Impairment and other items **(2)**		14,143
Operating losses **(3)**		643
Costs associated with the evaluation of acquisitions		766
Government billing adjustment and related expenses		226
Tax effect of items above		(6,919)
Net income, excluding specified charges (Non-GAAP)	$	35,116
Weighted average shares outstanding - Basic		47,150,688
Effect of dilutive securities:		
Stock options and contingently issued restricted stock		984,304
Weighted average shares outstanding - Diluted		48,134,992
Basic earnings per share	$	0.41
Diluted earnings per share	$	0.40
Basic earnings per share, excluding specified charges (Non-GAAP)	$	0.74
Diluted earnings per share, excluding specified charges (Non-GAAP)	$	0.73

(1) 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 and other items which are outside our normal operations, 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, regulations and guidance.

(2) For the quarter ended December 28, 2013, impairment and other items primarily includes: (i) accelerated depreciation related to the consolidation of research model production operations in California and our BPS operations and (ii) an adjustment to prior-period accrued compensated absences.

(3) Includes operating losses related primarily to the Company's PCS-Massachusetts facility.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP REVENUE GROWTH (YEAR-OVER-YEAR)
EXCLUDING THE IMPACT OF FOREIGN EXCHANGE

For the three months ended March 29, 2014:	Total CRL	RMS Segment	PCS Segment
Revenue growth, reported	**2.8%**	**1.7%**	**4.6%**
Impact of foreign exchange	0.4%	0.2%	0.7%
Revenue growth, constant currency	**2.4%**	**1.5%**	**3.9%**

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 TO NON-GAAP EARNINGS PER SHARE (EPS)
Guidance for the Twelve Months Ended December 27, 2014E

	2014E Guidance	
	REVISED	**PRIOR**
GAAP EPS Estimate	**$2.64 - $2.74**	**$2.68 - $2.78**
Add back:		
Amortization of intangible assets	$0.33	$0.22
Operating losses (1)	$0.04	$0.04
Charges related to global efficiency initiative (2)	$0.08-$0.10	$0.05-$0.07
Costs associated with the evaluation and integration of acquisitions	$0.05	--
Non-GAAP EPS Estimate	**$3.15 - $3.25**	**$3.00 - $3.10**

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.

(1) These costs relate primarily to the Company's PCS facility in Massachusetts.

(2) These charges are primarily related to the consolidation of a research model production operation in North America. Other projects in support of the global efficiency initiative are expected in 2014, but at this time, no specific decisions have been made. Accordingly, our current guidance does not include a quantification of potential future charges.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE
(dollars in thousands)

	Three Months Ended		
	March 29, 2014	December 28, 2013	March 30, 2013
GAAP Interest Expense, net	$ 2,596	$ 2,572	$ 8,183
Exclude:			
Convertible debt accounting, net	-	-	(3,760)
Non-GAAP Interest Expense, net	$ 2,596	$ 2,572	$ 4,423

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 and other items which are outside our normal operations, 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, regulations and guidance.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (1)
(dollars in thousands)

	Three Months Ended	
	March 29, 2014	**March 30, 2013**
Income from continuing operations before income taxes & noncontrolling interest	42,986	35,648
Add back:		
Amortization of intangible assets related to acquisitions	4,339	4,248
Severance related to cost-savings actions	1,900	297
Impairment and other items **(2)**	980	-
Operating losses **(3)**	683	1,106
Costs associated with the evaluation and integration of acquisitions	3,305	486
Government billing adjustment and related expenses	67	-
Convertible debt accounting, net **(4)**	-	3,813
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 54,260	$ 45,598
Provision for income taxes (GAAP)	10,358	9,722
Tax effect on amortization, severance and other charges	4,502	2,457
Provision for income taxes (Non-GAAP)	14,860	12,179
Total rate (GAAP)	24.1%	27.3%
Total rate, excluding specified charges (Non-GAAP)	27.4%	26.7%

(1) 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 and other items which are outside our normal operations, 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, regulations and guidance.

(2) For the three months ended March 29, 2014, impairment and other items includes: (i) $981 of asset impairments and accelerated depreciation related to our Portage, Michigan research model production facility; and (ii) a $933 impairment charge related to an RMS Europe facility.

(3) Includes operating losses related primarily to the Company's PCS-Massachusetts facility.

(4) The three months ended March 30, 2013 includes the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by $3,760 and depreciation expense by $53, respectively.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (1)
(dollars in thousands)

	Three Months Ended December 28, 2013
Income from continuing operations before income taxes & noncontrolling interest	$ 23,106
Add back:	
Amortization of intangible assets related to acquisitions	4,915
Severance related to cost-savings actions	2,161
Impairment and other items **(2)**	14,143
Operating losses **(3)**	643
Costs associated with the evaluation of acquisitions	766
Government billing adjustment and related expenses	226
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	$ 45,960
Provision for income taxes	$ 3,580
Tax effect on amortization, severance and other charges	6,919
Provision for income taxes (Non-GAAP)	$ 10,499
Tax rate (GAAP)	15.5%
Tax rate, excluding specified charges (Non-GAAP)	22.8%

(1) 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 and other items which are outside our normal operations, 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, regulations and guidance.

(2) For the quarter ended December 28, 2013, impairment and other items primarily includes: (i) accelerated depreciation related to the consolidation of research model production operations in California and our BPS operations and (ii) an adjustment to prior-period accrued compensated absences.

(3) Includes operating losses related primarily to the Company's PCS-Massachusetts facility.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF GAAP TO NON-GAAP TAX RATE GUIDANCE

	Fiscal Year Ended December 27, 2014E
GAAP Tax Rate	**26.5%-27.5%**
Amortization of intangible assets, operating losses primarily related to PCS Massachusetts, charges related to global efficiency initiative, and costs associated with the evaluation and integration of acquisitions	~0.5%
Non-GAAP Tax Rate	**27.0%-28.0%**

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 and other items which are outside our normal operations, 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, regulations and guidance.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
RECONCILIATION OF FREE CASH FLOW (NON-GAAP)
(dollars in thousands)

	Three Months Ended March 29, 2014	Three Months Ended March 30, 2013	Fiscal Year Ended December 27, 2014E
Net cash provided by operating activities	$ 28,463	$ 29,977	$240,000-$250,000
Less: Capital expenditures	(11,190)	(6,429)	(55,000)-(65,000)
Free cash flow	$ 17,273	$ 23,548	$180,000-$190,000

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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