

## CHARLES RIVER PROVIDES 2012 FINANCIAL GUIDANCE

**WILMINGTON, MA, December 14, 2011** – Charles River Laboratories International, Inc. (NYSE: CRL) today provided guidance for 2012 and updated guidance for 2011.

James C. Foster, Chairman, President and Chief Executive Officer, said, “We made significant progress in 2011 on our four key initiatives, which include operating margin expansion, improved free cash flow, disciplined investment in existing growth businesses, and returning value to shareholders. In 2012, we will maintain our focus on these initiatives and on stimulating sales growth.”

“Our large biopharmaceutical clients are fundamentally rethinking their research processes; eliminating non-viable molecules earlier and focusing only on the most promising molecules. To further improve the efficiency and cost effectiveness of their research, they are increasingly choosing to outsource, particularly in the area of discovery services. Because of our expertise in *in vivo* biology, this is a significant opportunity for us, one on which we intend to capitalize.”

“We believe market conditions have stabilized, and visibility is improving. As a result, we view 2012 as a more stable year in which sales growth begins to strengthen in a range of 1% to 3% on a constant currency basis, and non-GAAP earnings per share increase between 7% and 11%, or in a range of \$2.60 to \$2.70.”

### **2012 Guidance**

<b>2012 SALES GUIDANCE (from continuing operations)</b>	
Net sales growth, reported	0 – 2%
Impact of foreign exchange	approximately 1%
Net sales growth, constant currency	1% - 3%
Impact of 53 <sup>rd</sup> week in 2011	approximately 1%
Net sales growth, adjusted	2% - 4%

A reconciliation of GAAP to non-GAAP earnings per share is as follows:

<b>2012 EPS GUIDANCE (from continuing operations)</b>	
GAAP EPS estimate	\$2.10 - \$2.20
Amortization of intangible assets	\$0.25
Operating losses (1)	\$0.05
Convertible debt accounting	\$0.20
Non-GAAP EPS estimate	\$2.60 - \$2.70

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

### **2011 Guidance**

The Company is reaffirming its forward-looking sales and non-GAAP earnings per share guidance for 2011, which was previously provided on November 2, 2011:

<b>2011 GUIDANCE (from continuing operations)</b>	<b>REVISED</b>	<b>PRIOR</b>
Net sales growth	Slightly Higher	Slightly Higher
GAAP EPS estimate	\$2.11-\$2.16	\$2.03-\$2.08
Amortization of intangible assets	\$0.29	\$0.29
Severance costs, operating losses and other (1)	\$0.12	\$0.20
Impairment and other items (2)	\$0.02	\$0.02
Convertible debt accounting	\$0.18	\$0.18
Gain on settlement of life insurance policy	(\$0.14)	(\$0.14)
Write-off of deferred financing costs related to amended credit agreement	\$0.03	\$0.03
Tax benefit related to disposition of Phase I clinical business	(\$0.21)	(\$0.21)
Non-GAAP EPS estimate	\$2.40-\$2.45	\$2.40-\$2.45

(1) These items include severance costs associated with the Company's fourth-quarter 2010 and 2011 actions, operating losses primarily attributable to the suspension of operations at its PCS facility in Massachusetts and the closure of its PCS facility in China, as well as a gain on the sale of the PCS facility in China.

(2) These items were related primarily to: (i) an asset impairment associated with the Company's RMS large model operations; (ii) costs associated with corporate legal entity restructuring; (iii) exiting a defined benefit plan in RMS Japan; (iv) an adjustment of contingent consideration related to acquisitions; (v) costs associated with evaluation of acquisitions; (vi) gains related to the dispositions of RMS facilities in Michigan and Europe; and (vii) costs to exit a corporate leased facility.

## **Webcast**

Charles River Laboratories has scheduled a live webcast on Wednesday, December 14, at 8:30 a.m. ET to discuss matters relating to this press release. To participate, please go to [ir.criver.com](http://ir.criver.com) and select the webcast link. You can also find the associated slide presentation and reconciliations of non-GAAP financial measures to comparable GAAP financial 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, which exclude the amortization of intangible assets and other charges related to our acquisitions, expenses associated with evaluating acquisitions, charges and operating losses attributable to our businesses we close or divest (or plan to), severance costs associated with our cost-savings actions, taxes associated with the disposition of our Phase I clinical business, adjustments related to contingent consideration related to our acquisitions, a gain recognized upon the settlement of a life insurance policy of a former officer, fees and taxes associated with corporate subsidiary restructuring and repatriation, and the additional interest recorded as a result of the adoption in 2009 of an accounting standard related to our convertible debt accounting which increased interest and depreciation expense. 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 these often-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 (and in certain cases, the evaluation of such acquisitions, whether or not ultimately consummated) 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 on a regular basis. 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](http://ir.criver.com).

## **Caution Concerning Forward-Looking Statements**

This press 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 2011 and 2012 financial performance including sales, operating income, and earnings per share; 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 (particularly in light of the challenging economic environment); our expectations regarding stock repurchases, the number of shares to be repurchased, expected timing and duration, the amount of capital that may be expended and the treatment of repurchased shares; 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 impact of specific actions intended to more accurately align our infrastructure to the current operating environment, and to improve overall operating efficiencies and profitability; and Charles River’s future performance as otherwise delineated in our forward-looking guidance, and particularly our expectations with respect to sales 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 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 23, 2011, 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

Accelerating Drug Development. Exactly. Charles River provides essential products and services to help pharmaceutical and biotechnology companies, government agencies and leading academic institutions around the globe accelerate their research and drug development efforts. Our dedicated employees are focused on providing clients with exactly what they need to improve and expedite the discovery, early-stage development and safe manufacture of new therapies for the patients who need them. To learn more about our unique portfolio and breadth of services, visit [www.criver.com](http://www.criver.com).

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