

**CHARLES RIVER LABORATORIES ANNOUNCES
SECOND-QUARTER 2005 RESULTS**

- Sales Increase 57.3% to \$283 million -

- GAAP Earnings Per Share of \$0.44 and \$0.59 on a Non-GAAP Basis -

**- Company Reaffirms Guidance for 2005 on
Continuing Strong Demand for Outsourced Services -**

- Board of Directors Approves \$50 Million Stock Repurchase Plan -

WILMINGTON, MA, July 28, 2005, (Businesswire) – Charles River Laboratories International, Inc. (NYSE:CRL) today reported second-quarter 2005 financial results. Net sales for the second quarter of 2005 increased 57.3% to \$283.4 million, compared to \$180.2 million reported in the second quarter of 2004. The increase was due primarily to the acquisition of Inveresk Research Group, and also to continuing strong demand for research models and outsourced preclinical services. The impact of the stronger U.S. dollar relative to foreign currencies reduced the second-quarter net sales growth rate by approximately 2.0% compared to the Company's earlier guidance.

Net income on a GAAP basis was \$31.9 million, or \$0.44 per diluted share, in the second quarter of 2005, compared to \$26.3 million, or \$0.52 per diluted share, in the second quarter of 2004. On a non-GAAP basis, net income for the second quarter increased 61.7% to \$42.5 million, compared to \$26.3 million in the second quarter of 2004. Non-GAAP earnings per diluted share were \$0.59, compared to \$0.52 per diluted share in the second quarter of 2004, an increase of 13.5%. Non-GAAP results in the second quarter of 2005 exclude amortization of intangibles of \$13.1 million, or \$0.12 per diluted share, and compensation charges of \$2.8 million, or \$0.03 per diluted share, related to the acquisition of Inveresk.

James C. Foster, Chairman, President and Chief Executive Officer said, "We were very pleased with our second-quarter results. Strong demand for products and services across our broad portfolio drove our second-quarter net sales increase. We benefited from our customers' continued focus on development of new drugs and therapies, as they looked to us to support those efforts more extensively than in the past. As a result of higher net sales, our continued focus on operating efficiencies, and the success of our integration efforts, we achieved excellent sequential operating margin improvement in the Preclinical and Clinical business segments. Based on our continuing discussions with customers, we expect demand

for our extensive portfolio of value-added, essential products and services to continue in the second half of 2005, and expect to achieve our sales and earnings goals.”

For the first six months of 2005, net sales increased 57.9% to \$557.1 million from \$352.8 million in the first half of 2004. Net income on a GAAP basis was \$59.5 million, or \$0.84 per diluted share in the first half of 2005, compared to \$43.9 million, or \$0.88 per diluted share, in the first half of 2004. On a non-GAAP basis, net income for the first six months was \$81.2 million, compared to \$49.7 million in the same period in 2004. Non-GAAP earning per diluted share were \$1.14, compared to \$0.99 per diluted share in the same period in 2004. Non-GAAP results in the first half of 2005 exclude amortization of intangibles of \$26.5 million, or \$0.25 per diluted share, and compensation charges of \$5.8 million, or \$0.05 per diluted share, related to the acquisition of Inveresk. Non-GAAP results in the first half of 2004 exclude a net charge of \$5.8 million, or \$0.11 per diluted share, related to the write-off of a deferred tax asset and release of a related tax valuation allowance in connection with the Company’s reorganization of its European operations.

Business Segments Results

Research Models and Services

Second-quarter 2005 net sales for the Research Models and Services segment of the business were \$130.8 million compared to \$120.1 million last year, an increase of 8.9%. Growth was due primarily to the research model business, partially offset by lower sales of Transgenic Services and of Vaccine Products. The gross margin was 44.2%, slightly lower than the 45.2% reported in the second quarter of last year. The operating margin was 32.9% compared to 34.2% in the same period last year. The decrease in gross and operating margins was due to lower Transgenic Services and Vaccine Products sales.

For the six-month period, net sales were \$258.7 million, an increase of 8.0% from the \$239.6 million reported in the first half of 2004. The gross margin was 44.2% compared to 44.7% in the same period in 2004, and the operating margin was 33.0% compared to 33.3% in the first half of 2004.

Preclinical Services

Net sales for the Preclinical Services segment were \$119.1 million in the second quarter of 2005, an increase of 98.2% from the \$60.1 million reported in the second quarter of 2004. The increase was due primarily to the acquisition of Inveresk, and to continuing strong demand for outsourced development services. Robust net sales of global toxicology services were partially offset by interventional and surgical services sales, which declined from the second quarter of 2004. The segment’s gross margin increased to 36.1% from 33.8% in the second quarter of 2004. Operating income was \$17.7 million in the second quarter of 2005, compared to \$11.4 million last year. The operating margin was 14.9% compared to 19.0% in the second quarter of 2004, with the decrease due to amortization of intangibles related to the acquisition of Inveresk. On a non-GAAP basis, when excluding amortization of \$10.1 million related to the Inveresk acquisition, second-quarter operating income rose to \$27.9 million from \$11.4 million in the second quarter of last year and the operating margin

increased to 23.4% from 19.0% in the second quarter of last year, reflecting higher sales and operating efficiencies.

For the first six months of 2005, Preclinical net sales were \$233.2 million compared to \$113.3 million in the same period last year, an increase of 105.9%. The gross margin for the first half of 2005 rose to 34.8% from 32.1% in the same period last year, and the operating margin was 13.0% compared to 16.7% in the first half of 2004. On a non-GAAP basis, when excluding amortization of \$20.5 million related to the Inveresk acquisition, operating income for the first half of 2005 rose to \$50.7 million from \$19.0 million in the first half of last year and the operating margin increased to 21.7% from 16.7% in the same period last year.

Clinical Services

For the second quarter of 2005, net sales for the Clinical Services segment were \$33.5 million. The gross margin was 33.0%, operating income was \$1.9 million and the operating margin was 5.8%. On a non-GAAP basis, when excluding amortization of \$3.0 million related to the Inveresk acquisition, operating income was \$4.9 million and the operating margin was 14.8%.

For the first six months of 2005, Clinical net sales were \$65.3 million and the gross margin was 32.0%. Operating income was \$2.8 million and the operating margin was 4.3%. On a non-GAAP basis, when excluding amortization of \$6.0 million related to the Inveresk acquisition, operating income was \$8.8 million and the operating margin was 13.5%.

Backlog

The backlog for Preclinical and Clinical Services at June 25, 2005, was \$421 million, which includes a reduction of \$10 million in the second quarter attributable to foreign currency translation.

The Company does not report backlog for the RMS business segment because turnaround time from placement to completion of orders, both for products and services, is rapid.

Board Authorizes Stock Repurchase Plan

Charles River's Board of Directors has authorized the repurchase of up to \$50 million of its common stock. The stock purchases will be made from time to time on the open market, through block trades or otherwise in compliance with Rule 10b-18 of the federal securities laws. Depending on market conditions and other factors, these repurchases may be commenced or suspended at any time or from time to time without prior notice. Funds for the repurchases are expected to come from cash on hand or cash generated by operations. There are currently no specific plans for the shares that may be purchased under the program.

As of July 20, 2005, Charles River had approximately 71.8 million shares of common stock outstanding.

2005 Outlook

The following forward-looking guidance is based on current foreign exchange rates. Full-year 2005 net sales guidance includes a negative effect from foreign currency translation of approximately 2.0% compared to the Company's earlier guidance. However, stronger than expected operating results are expected to offset the negative foreign currency translation effect on both net sales and diluted earnings per share.

Including the effect of foreign currency, the Company reaffirms its prior guidance for 2005 of revenue growth in a range of 48% to 52%, which reflects the acquisition of Inveresk as well as continued strength in the market for outsourced drug discovery and development services. The Company also reaffirms its prior guidance that strong sales growth, efficiency improvements and operating synergies are expected to result in GAAP earnings per diluted share in a range of \$1.70 to \$1.80. Non-GAAP earnings, which exclude acquisition-related amortization of intangible assets of \$53.6 million and compensation charges of \$7.8 million, are expected to be in a range of \$2.30 to \$2.40 per diluted share, as the Company previously stated.

For the third quarter of 2005, the Company expects net sales to increase between 58% and 61%, and GAAP earnings per diluted share to be in a range of \$0.44 to \$0.46. Non-GAAP earnings per diluted share, which exclude acquisition-related amortization of intangible assets of \$13.1 million and compensation charges of \$1.3 million, are expected to be in a range of \$0.58 to \$0.60.

Webcast

Charles River Laboratories has scheduled a live webcast on Friday, July 29, 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. The webcast will be available until 5:00 p.m. ET on August 5, 2005.

Use of Non-GAAP Financial Measures

This press release contains non-GAAP financial measures which exclude, among other items, amortization of intangible assets and other charges related to the Inveresk acquisition. We exclude these items from the non-GAAP financial measures because they are outside our normal operations. We believe that the inclusion of non-GAAP financial measures in this press release helps investors to gain a meaningful understanding of our core operating results and future prospects, and is consistent with how management measures and forecasts the Company's performance, especially when comparing such results to prior periods or forecasts. 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. 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, and the accompanying exhibits to, 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,” “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 acquisition and integration of Inveresk Research Group; a decrease in research and development spending or a decrease in the level of outsourced services; acquisition integration risks; 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 March 9, 2005, 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, 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, Preclinical Services, and Clinical Services. Charles River’s customer base includes all of the major pharmaceutical companies and many biotechnology companies, government agencies and leading hospitals and academic institutions. Charles River’s 8,000 employees serve clients in more than 50 countries. For more information on Charles River, visit our website at www.criver.com.

###

Investor Contact:
Susan E. Hardy
Director, Investor Relations
978.658.6000 Ext. 1616

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	June 25, 2005	June 26, 2004	June 25, 2005	June 26, 2004
Total net sales	\$ 283,413	\$ 180,193	\$ 557,135	\$ 352,830
Cost of products sold and services provided	<u>171,627</u>	<u>105,572</u>	<u>340,738</u>	<u>209,381</u>
Gross margin	111,786	74,621	216,397	143,449
Selling, general and administrative	47,615	29,220	92,467	57,340
Amortization of intangibles	<u>14,318</u>	<u>1,198</u>	<u>28,681</u>	<u>2,389</u>
Operating income	49,853	44,203	95,249	83,720
Interest income (expense)	(4,771)	(1,310)	(11,030)	(2,725)
Other, net	<u>(340)</u>	<u>(73)</u>	<u>(484)</u>	<u>127</u>
Income before income taxes and minority interests	44,742	42,820	83,735	81,122
Provision for income taxes	<u>12,460</u>	<u>16,058</u>	<u>23,320</u>	<u>36,210</u>
Income before minority interests	32,282	26,762	60,415	44,912
Minority interests	<u>(422)</u>	<u>(462)</u>	<u>(907)</u>	<u>(1,018)</u>
Net income	<u>\$ 31,860</u>	<u>\$ 26,300</u>	<u>\$ 59,508</u>	<u>\$ 43,894</u>
Earnings per common share				
Basic	\$ 0.46	\$ 0.57	\$ 0.88	\$ 0.96
Diluted	\$ 0.44	\$ 0.52	\$ 0.84	\$ 0.88
Weighted average number of common shares outstanding				
Basic	69,738,107	46,046,675	67,807,103	45,950,897
Diluted	72,916,234	52,586,287	72,734,098	52,342,036

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

	June 25, 2005	December 25, 2004
Assets		
Current assets		
Cash and cash equivalents	\$ 166,549	\$ 207,566
Trade receivables, net	210,308	201,794
Inventories	60,373	61,914
Other current assets	<u>42,049</u>	<u>39,032</u>
Total current assets	479,279	510,306
Property, plant and equipment, net	349,623	357,149
Goodwill, net	1,419,079	1,422,586
Other intangibles, net	226,500	256,294
Deferred tax asset	46,154	50,412
Other assets	<u>27,372</u>	<u>30,088</u>
Total assets	<u>\$ 2,548,007</u>	<u>\$ 2,626,835</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 80,521	\$ 80,456
Accounts payable	24,347	28,672
Accrued compensation	36,921	46,037
Deferred income	103,850	117,490
Other current liabilities	<u>70,581</u>	<u>76,460</u>
Total current liabilities	316,220	349,115
Long-term debt	325,263	605,388
Other long-term liabilities	<u>165,650</u>	<u>190,035</u>
Total liabilities	<u>807,133</u>	<u>1,144,538</u>
Minority interests	9,191	9,792
Total shareholders' equity	<u>1,731,683</u>	<u>1,472,505</u>
Total liabilities and shareholders' equity	<u>\$ 2,548,007</u>	<u>\$ 2,626,835</u>

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	June 25, 2005	June 26, 2004	June 25, 2005	June 26, 2004
Research Models and Services				
Net sales	\$ 130,771	\$ 120,085	\$ 258,683	\$ 239,562
Gross margin	57,755	54,277	114,341	107,048
Gross margin as a % of net sales	44.2%	45.2%	44.2%	44.7%
Operating income	43,050	41,041	85,358	79,792
Operating income as a % of net sales	32.9%	34.2%	33.0%	33.3%
Depreciation and amortization	5,047	4,296	9,776	8,605
Capital expenditures	6,516	4,952	11,791	8,395
Preclinical Services				
Net sales	\$ 119,107	\$ 60,108	\$ 233,179	\$ 113,268
Gross margin	42,962	20,344	81,150	36,401
Gross margin as a % of net sales	36.1%	33.8%	34.8%	32.1%
Operating income	17,717	11,397	30,233	18,971
Operating income as a % of net sales	14.9%	19.0%	13.0%	16.7%
Depreciation and amortization	16,596	3,400	33,589	6,928
Capital expenditures	5,176	2,390	12,199	3,472
Clinical Services				
Net sales	\$ 33,535	\$ -	\$ 65,273	\$ -
Gross margin	11,069	-	20,906	-
Gross margin as a % of net sales	33.0%	-	32.0%	-
Operating income	1,948	-	2,781	-
Operating income as a % of net sales	5.8%	-	4.3%	-
Depreciation and amortization	3,714	-	7,418	-
Capital expenditures	159	-	259	-
Unallocated Corporate Overhead				
	\$ (12,862)	\$ (8,235)	\$ (23,123)	\$ (15,043)
Total				
Net sales	\$ 283,413	\$ 180,193	\$ 557,135	\$ 352,830
Gross margin	111,786	74,621	216,397	143,449
Gross margin as a % of net sales	39.4%	41.4%	38.8%	40.7%
Operating income	49,853	44,203	95,249	83,720
Operating income as a % of net sales	17.6%	24.5%	17.1%	23.7%
Depreciation and amortization	25,357	7,696	50,783	15,533
Capital expenditures	11,851	7,342	24,249	11,867

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	June 25, 2005	June 26, 2004	June 25, 2005	June 26, 2004
Net income	\$ 31,860	\$ 26,300	\$ 59,508	\$ 43,894
Add back:				
Deferred tax asset write-off	-	-	-	7,900
Valuation allowance release	-	-	-	(2,111)
Amortization related to acquisition	13,146	-	26,477	-
Stock-based compensation related to acquisition	2,825	-	5,794	-
Tax effect	(5,299)	-	(10,612)	-
Net income, excluding specified charges (Non-GAAP)	<u>\$ 42,532</u>	<u>\$ 26,300</u>	<u>\$ 81,167</u>	<u>\$ 49,683</u>
Calculation of earnings per common share, excluding specified charges (Non-GAAP):				
Net income for purposes of calculating earnings per share, excluding specified charges (Non-GAAP)	\$ 42,532	\$ 26,300	\$ 81,167	\$ 49,683
After-tax equivalent interest expense on 3.5% senior convertible debentures	<u>295</u>	<u>995</u>	<u>1,463</u>	<u>1,991</u>
Income for purposes of calculating diluted earnings per share, excluding specified charges (Non-GAAP)	<u>\$ 42,827</u>	<u>\$ 27,295</u>	<u>\$ 82,630</u>	<u>\$ 51,674</u>
Weighted average shares outstanding - Basic	69,738,107	46,046,675	67,807,103	45,950,897
Effect of dilutive securities:				
3.5% senior convertible debentures	1,202,939	4,759,455	2,981,197	4,759,455
Stock options and contingently issued restricted stock	1,633,092	1,440,297	1,604,147	1,294,509
Warrants	<u>342,096</u>	<u>339,860</u>	<u>341,651</u>	<u>337,175</u>
Weighted average shares outstanding - Diluted	<u>72,916,234</u>	<u>52,586,287</u>	<u>72,734,098</u>	<u>52,342,036</u>
Basic earnings per share	\$ 0.46	\$ 0.57	\$ 0.88	\$ 0.96
Diluted earnings per share	\$ 0.44	\$ 0.52	\$ 0.84	\$ 0.88
Basic earnings per share, excluding specified charges (Non-GAAP)	\$ 0.61	\$ 0.57	\$ 1.20	\$ 1.08
Diluted earnings per share, excluding specified charges (Non-GAAP)	\$ 0.59	\$ 0.52	\$ 1.14	\$ 0.99

Charles River management believes that non-GAAP financial measures helps investors to gain a meaningful understanding of our core operating results and future prospects, consistent with the manner in which management measures and forecasts the Company's performance. The 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.

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	June 25, 2005	June 26, 2004	June 25, 2005	June 26, 2004
Research Models and Services				
Net sales	\$ 130,771	\$ 120,085	\$ 258,683	\$ 239,562
Operating income	43,050	41,041	85,358	79,792
Operating income as a % of net sales	32.9%	34.2%	33.0%	33.3%
Preclinical Services				
Net sales	\$ 119,107	\$ 60,108	\$ 233,179	\$ 113,268
Operating income	17,717	11,397	30,233	18,971
Operating income as a % of net sales	14.9%	19.0%	13.0%	16.7%
Add back:				
Amortization related to acquisition	<u>10,146</u>	<u>-</u>	<u>20,463</u>	<u>-</u>
Operating income, excluding specified charges (Non-GAAP)	27,863	11,397	50,696	18,971
Non-GAAP operating income as a % of net sales	23.4%	19.0%	21.7%	16.7%
Clinical Services				
Net sales	\$ 33,535	\$ -	\$ 65,273	\$ -
Operating income	1,948	-	2,781	-
Operating income as a % of net sales	5.8%	-	4.3%	-
Add back:				
Amortization related to acquisition	<u>3,000</u>	<u>-</u>	<u>6,014</u>	<u>-</u>
Operating income, excluding specified charges (Non-GAAP)	4,948	-	8,795	-
Non-GAAP operating income as a % of net sales	14.8%		13.5%	
Unallocated Corporate Overhead				
	\$ (12,862)	\$ (8,235)	\$ (23,123)	\$ (15,043)
Add back:				
Stock-based compensation related to acquisition	<u>2,825</u>	<u>-</u>	<u>5,794</u>	<u>-</u>
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	(10,037)	(8,235)	(17,329)	(15,043)
Total				
Net sales	\$ 283,413	\$ 180,193	\$ 557,135	\$ 352,830
Operating income	49,853	44,203	95,249	83,720
Operating income as a % of net sales	17.6%	24.5%	17.1%	23.7%
Add back:				
Amortization related to acquisition	13,146	-	26,477	-
Stock-based compensation related to acquisition	<u>2,825</u>	<u>-</u>	<u>5,794</u>	<u>-</u>
Operating income, excluding specified charges (Non-GAAP)	65,824	44,203	127,520	83,720
Non-GAAP operating income as a % of net sales	23.2%	24.5%	22.9%	23.7%

Charles River management believes that non-GAAP financial measures helps investors to gain a meaningful understanding of our core operating results and future prospects, consistent with the manner in which management measures and forecasts the Company's performance. The 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.