

# **2Q15 Results**

## **Regulation G Financial Reconciliations & Appendix**

**Charles River Laboratories International, Inc.**  
July 30, 2015

# Revenue Breakout by Product/Service Line\*

(\$ in millions)	2Q15	2Q14	YOY Δ	Less: FX	YOY Δ ex. FX
<b>RMS Segment</b>	<b>\$120.0</b>	<b>\$133.1</b>	<b>(9.8%)</b>	<b>(7.3%)</b>	<b>(2.5%)</b>
<b>DSA Segment</b>	<b>\$153.4</b>	<b>\$142.6</b>	<b>7.5%</b>	<b>(3.9%)</b>	<b>11.4%</b>
EMD	\$33.7	\$33.6	0.2%	(9.4%)	9.6%
Other Mfg. Support**	<u>\$32.5</u>	<u>\$31.9</u>	2.0%	(7.9%)	9.9%
<b>Total Mfg. Support</b>	<b>\$66.2</b>	<b>\$65.4</b>	<b>1.1%</b>	<b>(8.7%)</b>	<b>9.8%</b>
<b>Total Revenue</b>	<b>\$339.6</b>	<b>\$341.2</b>	<b>(0.5%)</b>	<b>(6.2%)</b>	<b>5.7%</b>

\* May not add due to rounding.

\*\* Other Mfg. Support includes the Biologics Testing Solutions and Avian Vaccine business units.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
**SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED) <sup>(1)</sup>**  
(in thousands, except percentages)

	Three Months Ended		Six Months Ended	
	June 27, 2015	June 28, 2014	June 27, 2015	June 28, 2014
<b>Research Models and Services</b>				
Revenue	\$ 120,044	\$ 133,120	\$ 240,055	\$ 265,615
Operating income	33,461	34,234	62,306	69,678
Operating income as a % of revenue	27.9%	25.7%	26.0%	26.2%
Add back:				
Amortization of intangible assets related to acquisitions	768	608	1,534	1,545
Severance	80	2,011	999	3,595
Government billing adjustment and related expenses	47	13	291	80
Site consolidation costs, impairments and other items	560	1,740	1,358	2,732
Operating income, excluding specified charges (Non-GAAP)	\$ 34,916	\$ 38,606	66,488	77,630
Non-GAAP operating income as a % of revenue	29.1%	29.0%	27.7%	29.2%
<b>Discovery and Safety Assessment</b>				
Revenue	\$ 153,375	\$ 142,614	\$ 293,387	\$ 247,752
Operating income	28,149	17,798	51,665	29,511
Operating income as a % of revenue	18.4%	12.5%	17.6%	11.9%
Add back:				
Amortization of intangible assets related to acquisitions	3,795	4,891	7,220	6,863
Severance	456	854	475	1,049
Operating losses (2)	738	704	1,544	1,375
Acquisition related adjustments (3)	-	203	25	203
Operating income, excluding specified charges (Non-GAAP)	\$ 33,138	\$ 24,450	60,929	39,001
Non-GAAP operating income as a % of revenue	21.6%	17.1%	20.8%	15.7%
<b>Manufacturing Support</b>				
Revenue	\$ 66,154	\$ 65,445	\$ 126,545	\$ 127,180
Operating income	20,431	20,455	37,229	38,871
Operating income as a % of revenue	30.9%	31.3%	29.4%	30.6%
Add back:				
Amortization of intangible assets related to acquisitions	1,154	1,355	2,221	2,785
Severance	118	24	295	24
Acquisition related adjustments (3)	528	-	528	-
Operating income, excluding specified charges (Non-GAAP)	\$ 22,231	\$ 21,834	40,273	41,680
Non-GAAP operating income as a % of revenue	33.6%	33.4%	31.8%	32.8%
<b>Unallocated Corporate Overhead</b>				
	\$ (26,306)	\$ (21,462)	\$ (52,460)	\$ (47,329)
Add back:				
Severance and executive transition costs	51	-	977	121
Acquisition related adjustments (3)	3,956	1,371	3,594	4,676
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	\$ (22,299)	\$ (20,091)	\$ (47,889)	\$ (42,532)
<b>Total</b>				
Revenue	\$ 339,573	\$ 341,179	\$ 659,987	\$ 640,547
Operating income	55,735	51,025	98,740	90,731
Operating income as a % of revenue	16.4%	15.0%	15.0%	14.2%
Add back:				
Amortization of intangible assets related to acquisitions	5,717	6,854	10,975	11,193
Severance and executive transition costs	705	2,889	2,746	4,789
Site consolidation costs, impairments and other items	560	1,740	1,358	2,732
Operating losses (2)	738	704	1,544	1,375
Acquisition related adjustments (3)	4,484	1,574	4,147	4,879
Government billing adjustment and related expenses	47	13	291	80
Operating income, excluding specified charges (Non-GAAP)	\$ 67,986	\$ 64,799	119,801	115,779
Non-GAAP operating income as a % of revenue	20.0%	19.0%	18.2%	18.1%

(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) This item includes operating losses related primarily to the Company's Shrewsbury, Massachusetts facility.

(3) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)<sup>(1)</sup>**  
(in thousands, except per share data)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 27, 2015</u>	<u>June 28, 2014</u>	<u>June 27, 2015</u>	<u>June 28, 2014</u>
Net income attributable to common shareholders	\$ 48,509	\$ 35,264	\$ 80,050	\$ 67,496
Less: Discontinued operations	7	644	14	914
Net income from continuing operations attributable to common shareholders	48,516	35,908	80,064	68,410
Add back:				
Amortization of intangible assets related to acquisitions	5,717	6,854	10,975	11,193
Severance and executive transition costs	705	2,889	2,746	4,789
Site consolidation costs, impairments and other items	560	1,740	1,358	2,732
Operating losses (2)	738	704	1,544	1,375
Acquisition related adjustments (3)	4,484	1,574	4,147	4,879
Government billing adjustment and related expenses	47	13	291	80
Reversal of an indemnification asset associated with acquisition and corresponding interest (4)	-	-	10,411	-
Write-off of deferred financing costs and fees related to debt refinancing	733	-	733	-
Gain on bargain purchase (5)	(9,878)	-	(9,878)	-
Tax effect of non-GAAP adjustments:				
Reversal of uncertain tax position associated with acquisition and corresponding interest (4)	-	-	(10,411)	-
Tax effect of the remaining non-GAAP adjustments	(5,861)	(3,426)	(8,618)	(7,928)
Net income from continuing operations attributable to common shareholders, excluding specified charges (Non-GAAP)	<u>\$ 45,761</u>	<u>\$ 46,256</u>	<u>\$ 83,362</u>	<u>\$ 85,530</u>
Weighted average shares outstanding - Basic	46,675	46,942	46,712	47,016
Effect of dilutive securities:				
Stock options, restricted stock units, performance stock units, and contingently issued restricted stock	875	742	1,006	893
Weighted average shares outstanding - Diluted	47,550	47,684	47,718	47,909
Basic earnings per share from continuing operations	\$ 1.04	\$ 0.76	\$ 1.71	\$ 1.46
Diluted earnings per share from continuing operations	\$ 1.02	\$ 0.75	\$ 1.68	\$ 1.43
Basic earnings per share from continuing operations, excluding specified charges (Non-GAAP)	\$ 0.98	\$ 0.99	\$ 1.78	\$ 1.82
Diluted earnings per share from continuing operations, excluding specified charges (Non-GAAP)	\$ 0.96	\$ 0.97	\$ 1.75	\$ 1.79

- (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) This item includes operating losses related primarily to the Company's Shrewsbury, Massachusetts facility.
- (3) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.
- (4) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset related to the acquisition of BioFocus.
- (5) The amount relates to the acquisition of Sunrise Farms, Inc. and represents the excess of the estimated fair value of the net assets acquired over the preliminary purchase price.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP REVENUE GROWTH (UNAUDITED)**  
**EXCLUDING THE IMPACT OF FOREIGN EXCHANGE**  
**For the Three and Six Months Ended June 27, 2015**

<b>For the three months ended June 27, 2015:</b>	<u><b>Total CRL</b></u>	<u><b>RMS Segment</b></u>	<u><b>DSA Segment</b></u>	<u><b>MS Segment</b></u>
Revenue growth, reported	(0.5%)	(9.8%)	7.5%	1.1%
Impact of foreign exchange	(6.2%)	(7.3%)	(3.9%)	(8.7%)
<b>Non-GAAP revenue growth, constant currency</b>	<u><b>5.7%</b></u>	<u><b>(2.5%)</b></u>	<u><b>11.4%</b></u>	<u><b>9.8%</b></u>
<b>For the six months ended June 27, 2015:</b>	<u><b>Total CRL</b></u>	<u><b>RMS Segment</b></u>	<u><b>DSA Segment</b></u>	<u><b>MS Segment</b></u>
Revenue growth, reported	3.0%	(9.6%)	18.4%	(0.5%)
Impact of foreign exchange	(6.0%)	(7.0%)	(3.6%)	(8.3%)
<b>Non-GAAP revenue growth, constant currency</b>	<u><b>9.0%</b></u>	<u><b>(2.6%)</b></u>	<u><b>22.0%</b></u>	<u><b>7.8%</b></u>

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 TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)**  
**Guidance for the Twelve Months Ended December 26, 2015E**

	<b>2015E Guidance</b>	
	<b>REVISED</b>	<b>PRIOR</b>
<b>Revenue growth, reported</b>	<b>3.0%-4.5%</b>	<b>1.0%-2.5%</b>
Less: Unfavorable impact of foreign exchange	(>5.0%)	(~5.5%)
<b>Revenue growth, constant currency</b>	<b>8.0%-9.5%</b>	<b>6.5%-8.0%</b>
<b>GAAP EPS estimate</b>	<b>\$3.25 - \$3.35</b>	<b>\$3.15 - \$3.25</b>
Add back:		
Amortization of intangible assets (1)	\$0.32	\$0.31
Operating losses (2)	\$0.06	\$0.04
Charges related to global efficiency initiatives and other items (3)	\$0.06	\$0.05
Acquisition-related adjustments (4)	\$0.10-\$0.12	--
Bargain purchase gain associated with Avian Vaccine acquisition	(\$0.21)	--
<b>Non-GAAP EPS estimate</b>	<b>\$3.60 - \$3.70</b>	<b>\$3.55 - \$3.65</b>

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(1) Amortization of intangibles assets excludes the impact of the Celsis acquisition because the preliminary purchase price allocation has not been completed.

(2) These costs relate primarily to the Company's Shrewsbury, Massachusetts, facility.

(3) These charges relate primarily to the Company's planned efficiency initiatives in 2015, including site consolidation costs, asset impairments, and severance. Other projects in support of the global productivity and efficiency initiatives are expected, but these charges reflect only the decisions that have already been finalized. These charges also include executive transition costs.

(4) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP NET INTEREST EXPENSE**

(dollars in thousands)

	<b>Three Months Ended</b>		
	<b>June 27, 2015</b>	<b>March 28, 2015</b>	<b>June 28, 2014</b>
GAAP Interest Expense, net	\$ 4,079	\$ 2,740	\$ 3,151
Exclude:			
Write-off of deferred financing costs and fees related to debt refinancing	(733)	-	-
Reversal of an indemnification asset associated with acquisition and corresponding interest	-	(180)	-
Non-GAAP Interest Expense, net	\$ 3,346	\$ 2,560	\$ 3,151

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 (UNAUDITED) (1)**

(dollars in thousands)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 27, 2015</u>	<u>June 28, 2014</u>	<u>June 27, 2015</u>	<u>June 28, 2014</u>
Income from continuing operations before income taxes & noncontrolling interest	\$ 60,328	\$ 50,541	\$ 92,280	\$ 93,527
Add back:				
Amortization of intangible assets related to acquisitions	5,717	6,854	10,975	11,193
Severance and executive transition costs	705	2,889	2,746	4,789
Site consolidation costs, impairments and other items	560	1,740	1,358	2,732
Operating losses (2)	738	704	1,544	1,375
Acquisition related adjustments (3)	4,484	1,574	4,147	4,879
Government billing adjustment and related expenses	47	13	291	80
Reversal of indemnification asset associated with acquisition and corresponding interest (4)	-	-	10,411	-
Write-off of deferred financing costs and fees related to debt refinancing	733	-	733	-
Gain on bargain purchase (5)	(9,878)	-	(9,878)	-
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	<u>\$ 63,434</u>	<u>\$ 64,315</u>	<u>\$ 114,607</u>	<u>\$ 118,575</u>
Provision for income taxes (GAAP)	\$ 11,076	\$ 14,081	\$ 11,407	\$ 24,439
Tax effect from reversal of uncertain tax position associated with acquisition and corresponding interest (4)	-	-	10,411	-
Tax effect on amortization, severance and other charges	5,861	3,426	8,618	7,928
Provision for income taxes (Non-GAAP)	<u>\$ 16,937</u>	<u>\$ 17,507</u>	<u>\$ 30,436</u>	<u>\$ 32,367</u>
Total rate (GAAP)	18.4%	27.9%	12.4%	26.1%
Total rate, excluding specified charges (Non-GAAP)	26.7%	27.2%	26.6%	27.3%

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(2) This item includes operating losses related primarily to the Company's Shrewsbury, Massachusetts facility.

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(4) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset related to the acquisition of BioFocus.

(5) The amount relates to the acquisition of Sunrise Farms, Inc. and represents the excess of the estimated fair value of the net assets acquired over the preliminary purchase price.



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

**Fiscal Year Ended  
December 26  
2015E**

**GAAP Tax Rate**

**20.0%-21.0%**

Amortization of intangible assets, operating losses primarily related to Shrewsbury, Massachusetts facility, charges related to global efficiency initiatives and other items, acquisition-related adjustments, and bargain purchase gain associated with Avian Vaccine acquisition

~7%

**Non-GAAP Tax Rate**

**27.0%-28.0%**

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>		<u>Fiscal Year Ended</u>
	<u>June 27,</u> <u>2015</u>	<u>June 28,</u> <u>2014</u>	<u>June 27,</u> <u>2015</u>	<u>June 28,</u> <u>2014</u>	<u>December 26,</u> <u>2015E</u>
Net cash provided by operating activities	\$ 86,354	\$ 56,975	\$ 97,606	\$ 85,438	\$265,000-\$275,000
Less: Capital expenditures	(13,908)	(9,315)	(24,556)	(20,505)	Up to (70,000)
Free cash flow	<u>\$ 72,446</u>	<u>\$ 47,660</u>	<u>\$ 73,050</u>	<u>\$ 64,933</u>	<u>\$195,000-\$205,000</u>

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

	<b>Three Months Ended</b>	
	<b>March 28, 2015</b>	
<b>Research Models and Services</b>		
Revenue	\$	120,011
Operating income		28,845
Operating income as a % of revenue		24.0 %
Add back:		
Amortization of intangible assets related to acquisitions		766
Severance		919
Government billing adjustment and related expenses		244
Site consolidation costs, impairments and other items		798
Operating income, excluding specified charges (Non-GAAP)	\$	31,572
Non-GAAP operating income as a % of revenue		26.3 %
<b>Discovery and Safety Assessment</b>		
Revenue	\$	140,012
Operating income		23,516
Operating income as a % of revenue		16.8 %
Add back:		
Amortization of intangible assets related to acquisitions		3,425
Severance		19
Operating losses (2)		806
Costs associated with the evaluation and integration of acquisitions		25
Operating income, excluding specified charges (Non-GAAP)	\$	27,791
Non-GAAP operating income as a % of revenue		19.8 %
<b>Manufacturing Support</b>		
Revenue	\$	60,391
Operating income		16,798
Operating income as a % of revenue		27.8 %
Add back:		
Amortization of intangible assets related to acquisitions		1,067
Severance		177
Operating income, excluding specified charges (Non-GAAP)	\$	18,042
Non-GAAP operating income as a % of revenue		29.9 %
<b>Unallocated Corporate Overhead</b>		
	\$	(26,154)
Add back:		
Severance and executive transition costs		926
Acquisition related adjustments (3)		(362)
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	\$	(25,590)
<b>Total</b>		
Revenue	\$	320,414
Operating income		43,005
Operating income as a % of revenue		13.4 %
Add back:		
Amortization of intangible assets related to acquisitions		5,258
Severance and executive transition costs		2,041
Site consolidation costs, impairments and other items		798
Operating losses (2)		806
Acquisition related adjustments (3)		(337)
Government billing adjustment and related expenses		244
Operating income, excluding specified charges (Non-GAAP)	\$	51,815
Non-GAAP operating income as a % of revenue		16.2 %

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(2) This item includes operating losses related primarily to the Company's Shrewsbury, Massachusetts facility.

(3) These amounts include evaluation and integration costs related to the business acquisitions as well as fair value adjustments associated with contingent consideration.

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

	<b>Three Months Ended</b>
	<b>March 28, 2015</b>
Net income attributable to common shareholders	\$ 31,541
Less: Discontinued operations	7
Net income from continuing operations attributable to common shareholders	31,548
Add back:	
Amortization of intangible assets related to acquisitions	5,258
Severance and executive transition costs	2,041
Site consolidation costs, impairments and other items	798
Operating losses (2)	806
Acquisition related adjustments (3)	(337)
Government billing adjustment and related expenses	244
Reversal of an indemnification asset associated with acquisition and corresponding interest (4)	10,411
Tax effect of non-GAAP adjustments:	
Reversal of uncertain tax position associated with acquisition and corresponding interest (4)	(10,411)
Tax effect of the remaining non-GAAP adjustments	(2,757)
Net income from continuing operations attributable to common shareholders, excluding specified charges (Non-GAAP)	\$ 37,601
Weighted average shares outstanding - Basic	46,772
Effect of dilutive securities:	
Stock options, restricted stock units, performance stock units and contingently issued restricted stock	1,096
Weighted average shares outstanding - Diluted	47,868
Basic earnings per share from continuing operations	\$ 0.67
Diluted earnings per share from continuing operations	\$ 0.66
Basic earnings per share from continuing operations, excluding specified charges (Non-GAAP)	\$ 0.80
Diluted earnings per share from continuing operations, excluding specified charges (Non-GAAP)	\$ 0.79

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(2) This item includes operating losses related primarily to the Company's Shrewsbury, Massachusetts facility.

(3) These amounts include evaluation and integration costs related to the business acquisitions as well as fair value adjustments associated with contingent consideration.

(4) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset related to the acquisition of BioFocus.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (UNAUDITED) (1)**

(dollars in thousands)

	<b>Three Months Ended</b>
	<b>March 28, 2015</b>
Income from continuing operations before income taxes & noncontrolling interest	\$ 31,952
Add back:	
Amortization of intangible assets related to acquisitions	5,257
Severance and executive transition costs	2,043
Site consolidation costs, impairments and other items	798
Operating losses (2)	806
Acquisition related adjustments (3)	(337)
Government billing adjustment and related expenses	244
Reversal of indemnification asset associated with acquisition and corresponding interest (4)	10,411
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	\$ 51,174
Provision for income taxes (GAAP)	\$ 331
Tax effect from reversal of uncertain tax position associated with acquisition and corresponding interest (4)	10,411
Tax effect on amortization, severance and other charges	2,757
Provision for income taxes (Non-GAAP)	\$ 13,499
Total rate (GAAP)	1.0%
Total rate, excluding specified charges (Non-GAAP)	26.4%

(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) This item includes operating losses related primarily to the Company's Shrewsbury, Massachusetts facility.

(3) These amounts include evaluation and integration costs related to the business acquisitions as well as fair value adjustments associated with contingent consideration.

(4) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset related to the acquisition of BioFocus.



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