UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 25, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File No. 001-15943

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**06-1397316**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
251 Ballardvale Street **Wilmington, Massachusetts** (Address of Principal Executive Offices)	**01887** (Zip Code)

(Registrant's telephone number, including area code): **(781) 222-6000**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☑ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of July 18, 2016, there were 47,293,493 shares of the Registrant's common stock outstanding.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 25, 2016

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Special Note on Factors Affecting Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements regarding future events and the future results of Charles River Laboratories International, Inc. that are based on our current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expect," "anticipate," "target," "goal," "project," "intend," "plan," "believe," "seek," "estimate," "will," "likely," "may," "designed," "would," "future," "can," "could" and other similar expressions that are predictions of or indicate future events and trends or which do not relate to historical matters are intended to identify such forward-looking statements. These statements are based on our current expectations and beliefs and involve a number of risks, uncertainties and assumptions that are difficult to predict. For example, we may use forward-looking statements when addressing topics such as: goodwill and asset impairments still under review; future demand for drug discovery and development products and services, including the outsourcing of these services; our expectations regarding stock repurchases, including 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; present spending trends and other cost reduction activities by our clients; future actions by our management; the outcome of contingencies; changes in our business strategy, business practices and methods of generating revenue; the development and performance of our services and products; market and industry conditions, including competitive and pricing trends; our strategic relationships with leading pharmaceutical companies and venture capital investments and opportunities for future similar arrangements; our cost structure; the impact of acquisitions including Sunrise, Celsis, Oncotest, WIL Research and Blue Stream; our expectations with respect to revenue growth and operating synergies (including the impact of specific actions intended to cause related improvements); the impact of specific actions intended to improve overall operating efficiencies and profitability (and our ability to accommodate future demand with our infrastructure), including gains and losses attributable to businesses we plan to close, consolidate or divest; changes in our expectations regarding future stock option, restricted stock, performance share units and other equity grants to employees and directors; expectations with respect to foreign currency exchange; assessing (or changing our assessment of) our tax positions for financial statement purposes; and our liquidity. In addition, these statements include the impact of economic and market conditions on us and our clients; the effects of our cost saving actions and the steps to optimize returns to shareholders on an effective and timely basis and our ability to withstand the current market conditions. You should not rely on forward-looking statements because they are predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document or in the case of statements incorporated by reference, on the date of the document incorporated by reference. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in our Annual Report on Form 10-K for the year ended December 26, 2015 under the sections entitled "Our Strategy," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our press releases and other financial filings with the Securities and Exchange Commission. We have no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or risks. New information, future events or risks may cause the forward-looking events we discuss in this report not to occur.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
Service revenue	$ 292,847	$ 214,380	$ 513,548	$ 411,160
Product revenue	141,208	125,193	275,375	248,827
Total revenue	434,055	339,573	788,923	659,987
Costs and expenses:				
Cost of services provided (excluding amortization of intangible assets)	196,121	144,143	343,470	280,449
Cost of products sold (excluding amortization of intangible assets)	68,187	62,647	134,938	127,095
Selling, general and administrative	100,473	71,331	183,417	142,728
Amortization of intangible assets	11,213	5,717	17,565	10,975
Operating income	58,061	55,735	109,533	98,740
Other income (expense):				
Interest income	222	297	485	581
Interest expense	(8,909)	(4,376)	(13,120)	(7,400)
Other income (expense), net	5,016	8,672	9,042	359
Income from continuing operations, before income taxes	54,390	60,328	105,940	92,280
Provision for income taxes	18,845	11,076	32,820	11,407
Income from continuing operations, net of income taxes	35,545	49,252	73,120	80,873
Income (loss) from discontinued operations, net of income taxes	12	(7)	(14)	(14)
Net income	35,557	49,245	73,106	80,859
Less: Net income attributable to noncontrolling interests	350	736	756	809
Net income attributable to common shareholders	$ 35,207	$ 48,509	$ 72,350	$ 80,050
Earnings (loss) per common share				
Basic:				
Continuing operations attributable to common shareholders	$ 0.75	$ 1.04	$ 1.54	$ 1.71
Discontinued operations	$ —	$ —	$ —	$ —
Net income attributable to common shareholders	$ 0.75	$ 1.04	$ 1.54	$ 1.71
Diluted:				
Continuing operations attributable to common shareholders	$ 0.73	$ 1.02	$ 1.51	$ 1.68
Discontinued operations	$ —	$ —	$ —	$ —
Net income attributable to common shareholders	$ 0.73	$ 1.02	$ 1.51	$ 1.68

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(in thousands)

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
Net income	$ 35,557	$ 49,245	$ 73,106	$ 80,859
Other comprehensive income (loss):				
Foreign currency translation adjustment and other	(8,114)	17,953	(15,910)	(14,716)
Cumulative translation adjustment related to intercompany loan forgiveness	—	—	—	(2,341)
Amortization of net loss and prior service benefit included in net periodic cost for pension and other post-retirement benefit plans	395	761	785	1,490
Other comprehensive income, before income taxes	27,838	67,959	57,981	65,292
Income tax expense related to items of other comprehensive income (Note 9)	142	263	284	480
Comprehensive income, net of income taxes	27,696	67,696	57,697	64,812
Less: Comprehensive income (loss) related to noncontrolling interests	(136)	805	(9)	878
Comprehensive income attributable to common shareholders	$ 27,832	$ 66,891	$ 57,706	$ 63,934

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except per share amounts)

	June 25, 2016	December 26, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 154,585	$ 117,947
Trade receivables, net	345,539	270,068
Inventories	98,116	93,735
Prepaid assets	36,698	30,198
Other current assets	66,609	47,286
Total current assets	701,547	559,234
Property, plant and equipment, net	783,678	677,959
Goodwill	754,925	438,829
Client relationships, net	332,901	213,374
Other intangible assets, net	82,295	67,430
Deferred tax assets	22,954	40,028
Other assets	84,687	71,643
Total assets	$ 2,762,987	$ 2,068,497
Liabilities, Redeemable Noncontrolling Interest and Equity		
Current liabilities:		
Current portion of long-term debt and capital leases	$ 33,939	$ 17,033
Accounts payable	66,198	36,675
Accrued compensation	81,839	72,832
Deferred revenue	118,837	81,343
Accrued liabilities	86,841	89,494
Other current liabilities	23,871	12,544
Current liabilities of discontinued operations	1,868	1,840
Total current liabilities	413,393	311,761
Long-term debt, net and capital leases	1,331,053	845,997
Deferred tax liabilities	53,243	48,223
Other long-term liabilities	96,219	89,062
Long-term liabilities of discontinued operations	7,094	7,890
Total liabilities	1,901,002	1,302,933
Commitments and contingencies		
Redeemable noncontrolling interest	25,824	28,008
Equity:		
Preferred stock, $0.01 par value; 20,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.01 par value; 120,000 shares authorized; 86,219 shares issued and 47,282 shares outstanding as of June 25, 2016 and 85,464 shares issued and 46,698 shares outstanding at December 26, 2015	862	855
Additional paid-in capital	2,450,726	2,397,960
Retained earnings	82,888	10,538
Treasury stock, at cost 38,937 shares and 38,766 shares as of June 25, 2016 and December 26, 2015, respectively	(1,552,936)	(1,540,738)
Accumulated other comprehensive loss	(150,192)	(135,548)
Total equity attributable to common shareholders	831,348	733,067
Noncontrolling interests	4,813	4,489
Total equity	836,161	737,556
Total liabilities, redeemable noncontrolling interest and equity	$ 2,762,987	$ 2,068,497

See Notes to Unaudited Condensed Consolidated Financial Statements.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six Months Ended	
	June 25, 2016	June 27, 2015
Cash flows relating to operating activities		
Net income	$ 73,106	$ 80,859
Less: Loss from discontinued operations, net of income taxes	(14)	(14)
Income from continuing operations	73,120	80,873
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	57,008	45,516
Amortization of debt issuance costs and discounts	2,291	1,572
Stock-based compensation	22,047	19,873
Deferred income taxes	(1,848)	934
Gain on venture capital investments	(8,076)	(364)
Gain on bargain purchase	16	(9,878)
Other, net	(2,169)	(198)
Changes in assets and liabilities:		
Trade receivables, net	(27,636)	(24,574)
Inventories	(1,685)	(1,662)
Other assets	(3,502)	5,871
Accounts payable	19,723	1,752
Accrued compensation	(4,243)	(12,757)
Deferred revenue	1,025	422
Accrued liabilities	(5,893)	8,795
Taxes payable and prepaid taxes	(3,075)	(6,696)
Other liabilities	(586)	(11,873)
Net cash provided by operating activities	116,517	97,606
Cash flows relating to investing activities		
Acquisition of businesses and assets, net of cash acquired	(578,772)	(10,680)
Capital expenditures	(20,041)	(24,556)
Purchases of investments	(18,111)	(15,174)
Proceeds from sale of investments and distributions from venture capital investments	8,074	11,356
Other, net	4,074	2,566
Net cash used in investing activities	(604,776)	(36,488)
Cash flows relating to financing activities		
Proceeds from long-term debt and revolving credit facility	881,975	294,213
Proceeds from exercises of stock options	19,823	35,641
Payments on long-term debt, capital lease obligations and revolving credit facility	(375,209)	(301,283)
Purchase of treasury stock	(12,198)	(99,486)
Other, net	4,989	7,188
Net cash provided by (used in) financing activities	519,380	(63,727)
Discontinued operations		
Net cash used in operating activities from discontinued operations	(782)	(927)
Effect of exchange rate changes on cash and cash equivalents	6,299	(5,680)
Net change in cash and cash equivalents	36,638	(9,216)
Cash and cash equivalents, beginning of period	117,947	160,023
Cash and cash equivalents, end of period	$ 154,585	$ 150,807

See Notes to Unaudited Condensed Consolidated Financial Statements.

1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements are unaudited and have been prepared by Charles River Laboratories International, Inc. (the Company) in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and pursuant to the rules and regulations of the Securities and Exchange Commission. The year-end condensed consolidated balance sheet data was derived from the Company's audited financial statements, but does not include all disclosures required by U.S. GAAP. These condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year 2015. The condensed consolidated financial statements, in the opinion of management, reflect all normal and recurring adjustments necessary for a fair statement of the Company's financial position and results of operations.

The Company's fiscal year is typically based on a 52-week year, with each quarter composed of 13 weeks. A 53-week year will occur during the fiscal year 2016, with an additional week included in the fourth quarter.

Segment Reporting
The Company reports its results in three reportable segments: Research Models and Services (RMS), Discovery and Safety Assessment (DSA), and Manufacturing Support (Manufacturing).

During the three months ended June 25, 2016, the Company acquired WRH, Inc. (WIL Research), a provider of safety assessment and contract development and manufacturing (CDMO) services. WIL Research's safety assessment business is reported in the Company's DSA reportable segment and its CDMO business created a new operating segment, Contract Manufacturing, that is reported as part of the Company's Manufacturing reportable segment. In addition, a change in the Company's market strategy for certain services and resulting information provided to the Chief Operating Decision Maker, totaling $1.4 million of revenue and $0.2 million of operating income for the six months ended June 27, 2015, were reclassified from the Company's RMS reportable segment to its Manufacturing reportable segment. The Company reported segment results on this basis for all periods presented.

The revised reportable segments are as follows:

Research Models and Services	Discovery and Safety Assessment	Manufacturing Support
Research Models	Discovery Services	Microbial Solutions
Research Model Services	Safety Assessment	Avian
		Biologics
		Contract Manufacturing

Use of Estimates
The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires that the Company make estimates and judgments that may affect the reported amounts of assets, liabilities, redeemable noncontrolling interest, revenues, expenses and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, judgments and methodologies. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Changes in estimates are reflected in reported results in the period in which they become known.

Consolidation
The Company's condensed consolidated financial statements reflect its financial statements and those of its subsidiaries in which the Company holds a controlling financial interest. For consolidated entities in which the Company owns or is exposed to less than 100% of the economics, the Company records net income (loss) attributable to noncontrolling interests in its consolidated statements of income equal to the percentage of the economic or ownership interest retained in such entities by the respective noncontrolling parties. Intercompany balances and transactions are eliminated in consolidation.

Summary of Significant Accounting Policies
The Company's significant accounting policies are described in Note 1, "Description of Business and Summary of Significant Accounting Policies," in the Company's Annual Report on Form 10-K for the fiscal year 2015.

Newly Issued Accounting Pronouncements
In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-09, "Improvements to Employee Share-Based Payment Accounting." The standard reduces complexity in several aspects of the accounting for employee share-based compensation, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The ASU is effective for fiscal years beginning after

December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Company is still evaluating the impact this standard will have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, "Leases." The standard established the principles that lessees and lessors will apply to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease. The ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company is still evaluating the full impact this standard will have on its consolidated financial statements and related disclosures but expects to recognize substantially all of its leases on the balance sheet, by recording a right-to-use asset and a corresponding lease liability.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory," that simplifies the subsequent measurement of inventories by replacing the current lower of cost or market test with a lower of cost or net realizable value test. The ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Company is still evaluating the impact this standard will have on its consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers." The standard, including subsequently issued amendments, will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. The standard will require an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard will be effective for annual and interim periods beginning after December 15, 2017. The Company has not yet selected a transition method and is evaluating the impact the adoption will have on its consolidated financial statements and related disclosures.

2. BUSINESS ACQUISITIONS

Blue Stream Laboratories

On June 27, 2016, the Company acquired Blue Stream Laboratories, Inc. (Blue Stream), an analytical contract research organization (CRO) supporting the development of complex biologics and biosimilars. Combining Blue Stream with the Company's existing discovery, safety assessment, and biologics capabilities creates a leading provider with the ability to support biologic and biosimilar development from characterization through clinical testing and commercialization. The preliminary purchase price for Blue Stream was approximately $9.2 million in cash, and up to an additional amount of $3.0 million in contingent consideration, and is subject to certain customary adjustments. Due to the limited time between the acquisition date and the filing of this Quarterly Report on Form 10-Q, it is not practicable for the Company to disclose the preliminary allocation of purchase price to assets acquired and liabilities assumed.

WIL Research

On April 4, 2016, the Company acquired WIL Research, a provider of safety assessment and CDMO services to biopharmaceutical and agricultural and industrial chemical companies worldwide. The acquisition enhanced the Company's position as a leading global early-stage CRO by strengthening its ability to partner with global clients across the drug discovery and development continuum. The purchase price for WIL Research was approximately $604.8 million, including assumed liabilities of $0.4 million. The purchase price includes payment for estimated working capital, which was subject to final adjustment based on the actual working capital of the acquired business. The acquisition was funded by cash on hand and borrowings on the Company's amended credit facility. See Note 7, "Long-Term Debt and Capital Lease Obligations." WIL Research's safety assessment and CDMO businesses are reported in the Company's DSA and Manufacturing reportable segments, respectively.

The purchase price allocation of $577.4 million, net of $27.4 million of cash acquired, was as follows (in thousands):

		April 4, 2016
		(in thousands)
Trade receivables (contractual amount of $48,625)	$	48,157
Inventories		2,296
Other current assets (excluding cash)		4,021
Property, plant and equipment		129,066
Other long term assets		218
Definite-lived intangible assets		167,400
Goodwill		328,778
Deferred revenue		(39,103)
Other current liabilities		(27,828)
Long-term liabilities		(35,614)
Total purchase price allocation	$	577,391

The purchase price allocations were prepared on a preliminary basis and are subject to change as additional information becomes available concerning the fair value and tax basis of the assets acquired and liabilities assumed. Any additional adjustments to the purchase price allocation will be made as soon as practicable but no later than one year from the date of acquisition.

The breakout of definite-lived intangible assets acquired was as follows:

		Definite-Lived Intangible Assets	Weighted Average Amortization Life
		(in thousands)	(in years)
Client relationships	$	141,400	15
Developed technology		20,700	3
Backlog		5,300	1
Total definite-lived intangible assets	$	167,400	

The goodwill resulting from the transaction, $19.0 million of which is deductible for tax purposes due to a prior asset acquisition, is primarily attributed to the potential growth of the Company’s DSA and Manufacturing businesses from clients introduced through WIL Research, the assembled workforce of the acquired business and expected cost synergies.

The Company incurred transaction and integration costs in connection with the acquisition of $8.4 million and $12.4 million for the three and six months ended June 25, 2016, respectively, which were included in selling, general and administrative expenses.

WIL Research revenue and operating income for both the three and six months ended June 25, 2016 were $55.2 million and $1.0 million, respectively, since WIL Research was acquired on April 4, 2016.

The following selected *pro forma* consolidated results of operations are presented as if the WIL Research acquisition had occurred as of the beginning of the period immediately preceding the period of acquisition after giving effect to certain adjustments. For the six months ended June 25, 2016, these adjustments included additional amortization of intangible assets and depreciation of fixed assets of $2.7 million, reversal of interest expense on borrowings of $2.6 million, elimination of intercompany activity and other one-time costs, and the tax impacts of these adjustments. For the six months ended June 27, 2015, these adjustments included additional amortization of intangible assets and depreciation of fixed assets of $3.4 million, reversal of interest expense on borrowings of $5.5 million, inclusion of acquisition-related transaction costs of $8.4 million, elimination of intercompany activity and other one-time costs, and the tax impacts of these adjustments.

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)			
Revenue	$ 434,917	$ 390,887	$ 849,455	$ 763,723
Net income attributable to common shareholders	44,159	51,164	89,222	77,813
Earnings per common share				
Basic	0.94	1.10	1.90	1.67
Diluted	0.92	1.08	1.87	1.63

These *pro forma* results of operations have been prepared for comparative purposes only, and they do not purport to be indicative of the results of operations that actually would have resulted had the acquisition occurred on the date indicated or that may result in the future. No effect has been given for synergies, if any, that may have been realized through the acquisition.

Oncotest

On November 18, 2015, the Company acquired Oncotest GmbH (Oncotest), a German CRO providing discovery services for oncology, one of the largest therapeutic areas for biopharmaceutical research and development spending. With this acquisition, the Company expanded its oncology services capabilities, enabling it to provide clients with access to a more comprehensive portfolio of technologies, including patient-derived xenograft (PDX) and syngeneic models. The purchase price for Oncotest was approximately $36.0 million, including $0.3 million in contingent consideration. The acquisition was funded by borrowings on the Company's revolving credit facility. The business is reported in the Company's DSA reportable segment.

The contingent consideration is a one-time payment that could become payable based on the achievement of a revenue target for the fiscal year 2016. If achieved, the payment will become due in the first quarter of the fiscal year 2017. The aggregate, undiscounted amount of contingent consideration that the Company may pay is €2.0 million ($2.2 million as of June 25, 2016). The Company estimated the fair value of this contingent consideration based on a probability-weighted set of outcomes.

The purchase price allocation of $35.4 million, net of $0.6 million of cash acquired, was as follows:

	November 18, 2015
	(in thousands)
Trade receivables (contractual amount of $3,546)	$ 3,520
Inventories	129
Other current assets (excluding cash)	706
Property, plant and equipment	2,528
Definite-lived intangible assets	13,330
Goodwill	22,894
Other long-term assets	250
Current liabilities	(3,456)
Long-term liabilities	(4,470)
Total purchase price allocation	$ 35,431

The purchase price allocations were prepared on a preliminary basis and are subject to change as additional information becomes available concerning the fair value and tax basis of the assets acquired and liabilities assumed. Any additional adjustments to the purchase price allocation will be made as soon as practicable but no later than one year from the date of acquisition.

The breakout of definite-lived intangible assets acquired was as follows:

	Definite-Lived Intangible Assets		Weighted Average Amortization Life
	(in thousands)		(in years)
Client relationships	$	7,146	19
Developed technology		5,960	19
Other intangible assets		224	3
Total definite-lived intangible assets	$	13,330	

The goodwill resulting from the transaction is primarily attributed to the potential growth in the Company's DSA businesses from customers and technology introduced through Oncotest, the assembled workforce of the acquired business and expected cost synergies. The goodwill attributable to Oncotest is not deductible for tax purposes.

The Company incurred insignificant transaction and integration costs in connection with the acquisition for the three and six months ended June 25, 2016 and June 27, 2015, which were included in selling, general and administrative expenses.

Celsis

On July 24, 2015, the Company acquired Celsis Group Limited (Celsis), a leading provider of rapid testing systems for non-sterile bacterial contamination for the biopharmaceutical and consumer products industries. The purpose of this acquisition was to enhance the Company's portfolio of rapid microbial detection products and services with the addition of a rapid bioburden testing product. The purchase price for Celsis was $214.5 million, including assumed debt and certain liabilities of $10.3 million. The acquisition was funded by cash on hand and borrowings on the Company's revolving credit facility. The business is reported in the Company's Manufacturing reportable segment.

The purchase price allocation of $212.2 million, net of $2.3 million of cash acquired, was as follows:

	July 24, 2015	
	(in thousands)	
Trade receivables (contractual amount of $5,410)	$	5,288
Inventories		10,103
Other current assets (excluding cash)		13,269
Property, plant and equipment		4,639
Definite-lived intangible assets		118,140
Goodwill		105,550
Other long-term assets		537
Short-term debt		(9,766)
Other current liabilities		(7,136)
Long-term liabilities		(28,388)
Total purchase price allocation	$	212,236

The breakout of definite-lived intangible assets acquired was as follows:

	Definite-Lived Intangible Assets		Weighted Average Amortization Life
	(in thousands)		(in years)
Client relationships	$	71,000	16
Developed technology		39,140	14
Trademark and trade names		5,200	14
Non-compete		2,800	5
Total definite-lived intangible assets	$	118,140	

The goodwill resulting from the transaction is primarily attributed to the potential growth of the Company's Manufacturing business from clients introduced through Celsis, the assembled workforce of the acquired business and expected cost synergies. The goodwill attributable to Celsis is not deductible for tax purposes.

The Company incurred transaction and integration costs in connection with the acquisition of $0.6 million and $0.9 million for the three and six months ended June 25, 2016, respectively, and of $3.5 million for both the three and six months ended June 27, 2015, which were included in selling, general and administrative expenses.

Sunrise

On May 5, 2015, the Company acquired Sunrise Farms, Inc. (Sunrise), a producer of specific-pathogen-free fertile chicken eggs and chickens used in the manufacture of live viruses. The purpose of this business acquisition was to expand the capabilities of the Company's existing Avian Vaccine Services business. The purchase price of the acquisition was $9.6 million and was funded by cash on hand and borrowings on the Company's revolving credit facility. The business is reported in the Company's Manufacturing reportable segment.

The Company recorded a bargain purchase gain of $9.8 million, which represents the excess of the estimated fair value of the net assets acquired over the preliminary purchase price. The bargain purchase gain was recorded in other income (expense), net, in the Company's consolidated statement of income and was not recognized for tax purposes. The Company believes there were several factors that contributed to this transaction resulting in a bargain purchase gain, including the highly specialized nature of Sunrise's business falling outside of the seller's core activities and a limited pool of potential buyers.

Before recognizing the gain from the bargain purchase, the Company reassessed its initial identification and valuation of assets acquired and liabilities assumed to validate that all assets and liabilities that the Company was able to identify at the acquisition date were properly recognized.

The purchase price allocation of $9.6 million, net of less than $0.1 million of cash acquired, was as follows:

	May 5, 2015 (in thousands)
Trade receivables (contractual amount of $995)	$ 965
Inventories	1,518
Other current assets (excluding cash)	973
Property, plant and equipment	13,698
Definite-lived intangible assets	3,400
Current liabilities	(925)
Long-term liabilities	(250)
Fair value of net assets acquired	19,379
Bargain purchase gain	(9,821)
Total purchase price allocation	$ 9,558

The identifiable definite-lived intangible assets acquired represent the client relationships intangible, which is being amortized over the estimated useful life of approximately 15 years.

The Company incurred insignificant transaction and integration costs in connection with the acquisition for the three and six months ended June 25, 2016 and June 27, 2015, which were included in selling, general and administrative expenses.

3. SUPPLEMENTAL BALANCE SHEET INFORMATION

The composition of trade receivables, net is as follows:

	June 25, 2016	December 26, 2015
	(in thousands)	
Client receivables	$ 270,334	$ 230,010
Unbilled revenue	77,505	45,996
Total	347,839	276,006
Less: Allowance for doubtful accounts	(2,300)	(5,938)
Trade receivables, net	$ 345,539	$ 270,068

The composition of inventories is as follows:

	June 25, 2016	December 26, 2015
	(in thousands)	
Raw materials and supplies	$ 17,616	$ 15,998
Work in process	13,331	12,101
Finished products	67,169	65,636
Inventories	$ 98,116	$ 93,735

The composition of other current assets is as follows:

	June 25, 2016	December 26, 2015
	(in thousands)	
Investments	$ 25,046	$ 20,516
Prepaid income taxes	40,854	26,350
Restricted cash	561	271
Other	148	149
Other current assets	$ 66,609	$ 47,286

The composition of other assets is as follows:

	June 25, 2016	December 26, 2015
	(in thousands)	
Life insurance policies	$ 27,604	$ 27,554
Venture capital investments	45,920	32,730
Restricted cash	1,763	1,745
Other	9,400	9,614
Other assets	$ 84,687	$ 71,643

The composition of other current liabilities is as follows:

	June 25, 2016	December 26, 2015
	(in thousands)	
Accrued income taxes	$ 22,595	$ 12,168
Accrued interest and other	1,276	376
Other current liabilities	$ 23,871	$ 12,544

The composition of other long-term liabilities is as follows:

	June 25, 2016	December 26, 2015
	(in thousands)	
Long-term pension liability	$ 34,461	$ 34,604
Accrued executive supplemental life insurance retirement plan and deferred compensation plan	30,906	30,188
Other	30,852	24,270
Other long-term liabilities	$ 96,219	$ 89,062

4. VENTURE CAPITAL INVESTMENTS AND MARKETABLE SECURITIES

Venture Capital Investments

The Company invests in several venture capital funds that invest in start-up companies, primarily in the life sciences industry. The Company’s ownership interest in these funds ranges from 2.7% to 12.0%. The Company accounts for the investments in limited liability partnerships (LLP), which are variable interest entities, under the equity or cost method of accounting. The

Company is not the primary beneficiary because it has no power to direct the activities that most significantly affect the LLP's economic performance. The Company accounts for the investments in limited liability companies, which are not variable interest entities, under the equity method of accounting.

The Company's total commitments to the entities as of June 25, 2016 were $80.6 million, of which the Company funded $34.0 million through June 25, 2016. During the three and six months ended June 25, 2016, the Company received no dividends from the entities. During the three and six months ended June 27, 2015, the Company received dividends totaling $2.1 million. The Company recognized a gain of $5.0 million and a loss of $0.9 million related to these investments for the three months ended June 25, 2016 and June 27, 2015, respectively.

Marketable Securities
The following is a summary of the Company's marketable securities, all of which are classified as available-for-sale:

	June 25, 2016			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Mutual fund	$ 4,650	$ —	$ (23)	$ 4,627
Total	$ 4,650	$ —	$ (23)	$ 4,627

	December 26, 2015			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Mutual fund	$ 4,650	$ —	$ (141)	$ 4,509
Total	$ 4,650	$ —	$ (141)	$ 4,509

There were no sales of available-for-sale securities during the six months ended June 25, 2016 or June 27, 2015.

5. FAIR VALUE

The Company has certain assets, liabilities and redeemable noncontrolling interest recorded at fair value, which have been classified as Level 1, 2, or 3 within the fair value hierarchy:

- Level 1 - Fair values are determined utilizing prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 - Fair values are determined by utilizing quoted prices for identical or similar assets and liabilities in active markets or other market observable inputs such as interest rates, yield curves and foreign currency spot rates.
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The fair value hierarchy level is determined by asset, liability and redeemable noncontrolling interest class based on the lowest level of significant input. The observability of inputs may change for certain assets or liabilities. This condition could cause an asset or liability to be reclassified between levels. The Company recognizes transfers between levels within the fair value hierarchy, if any, at the end of each quarter. During the six months ended June 25, 2016 and June 27, 2015, there were no transfers between levels.

Valuation methodologies used for assets, liabilities and the redeemable noncontrolling interest measured or disclosed at fair value are as follows:

- Cash equivalents - Valued at market prices determined through third-party pricing services.
- Mutual funds - Valued at the unadjusted quoted net asset value of shares held by the Company.
- Foreign currency forward contracts - Valued using market observable inputs, such as forward foreign exchange points and foreign exchanges rates.
- Life insurance policies - Valued at cash surrender value based on the fair value of underlying investments.
- Contingent consideration - Valued based on a probability weighting of the future cash flows associated with the potential outcomes.

- Redeemable noncontrolling interest - Valued using the income approach based on estimated future cash flows of the underlying business discounted by a weighted average cost of capital.

Assets, liabilities and redeemable noncontrolling interest measured at fair value on a recurring basis are summarized below:

	June 25, 2016			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Cash equivalents	$ —	$ 5,962	$ —	$ 5,962
Other current assets:				
Mutual funds	4,627	—	—	4,627
Other assets:				
Life insurance policies	—	20,321	—	20,321
Total assets measured at fair value	$ 4,627	$ 26,283	$ —	$ 30,910
Other current liabilities:				
Contingent consideration	$ —	$ —	$ 1,309	$ 1,309
Redeemable noncontrolling interest	—	—	25,824	25,824
Total liabilities and redeemable noncontrolling interest measured at fair value	$ —	$ —	$ 27,133	$ 27,133

	December 26, 2015			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Cash equivalents	$ —	$ 190	$ —	$ 190
Other current assets:				
Mutual funds	4,509	—	—	4,509
Foreign currency forward contracts	—	15	—	15
Other assets:				
Life insurance policies	—	20,364	—	20,364
Total assets measured at fair value	$ 4,509	$ 20,569	$ —	$ 25,078
Other current liabilities:				
Contingent consideration	$ —	$ —	$ 1,172	$ 1,172
Other long-term liabilities:				
Contingent consideration	—	—	198	198
Redeemable noncontrolling interest	—	—	28,008	28,008
Total liabilities and redeemable noncontrolling interest measured at fair value	$ —	$ —	$ 29,378	$ 29,378

Redeemable Noncontrolling Interest

The Company's redeemable noncontrolling interest resulted from the acquisition of a 75% ownership interest in Vital River in January 2013. Concurrent with the acquisition, the Company entered into an agreement with the noncontrolling interest holders that provides the Company with the right to purchase, and the noncontrolling interest holders with the right to sell, the remaining 25% of the entity for cash at its then appraised value beginning in January 2016. These rights are accelerated if certain conditions are met. As the noncontrolling interest holders can require the Company to purchase the remaining 25% interest, the noncontrolling interest is classified in the mezzanine section of the condensed consolidated balance sheet, which is above the equity section and below liabilities.

The following table provides a rollforward of the fair value of the Company’s redeemable noncontrolling interest related to the acquisition of Vital River.

	Six Months Ended	
	June 25, 2016	June 27, 2015
	(in thousands)	
Beginning balance	$ 28,008	$ 28,419
Additions	—	—
Total gains or losses (realized/unrealized):		
Net income attributable to noncontrolling interest	320	364
Foreign currency translation	(653)	112
Change in fair value, included in additional paid-in capital	(1,851)	1,081
Ending balance	$ 25,824	$ 29,976

As of June 25, 2016, the significant unobservable inputs used in the fair value measurement of the Company’s redeemable noncontrolling interest are the estimated future cash flows based on projected financial data and a discount rate of 18.0%. Significant changes in the timing or amounts of the estimated future cash flows would result in a significantly higher or lower fair value measurement. Significant increases or decreases in the discount rate would result in a significantly lower or higher fair value measurement, respectively. A 1% increase in the discount rate used would result in a $1.6 million decrease in the fair value of the redeemable noncontrolling interest.

On July 7, 2016, the Company purchased an additional 12% equity interest in Vital River for $10.8 million, resulting in total ownership of 87%. Concurrent with the transaction, the original agreement was amended providing the Company with the right to purchase, and the noncontrolling interest holders with the right to sell, the remaining 13% equity interest at a contractually defined redemption value. These rights are exercisable beginning in 2019 and are accelerated in certain events.

Contingent Consideration
The following table provides a rollforward of the contingent consideration related to the business acquisitions.

	Six Months Ended	
	June 25, 2016	June 27, 2015
	(in thousands)	
Beginning balance	$ 1,370	$ 2,828
Additions	600	675
Payments	(674)	—
Total gains or losses (realized/unrealized):		
Reversal of previously recorded contingent liability and change in fair value	13	(672)
Ending balance	$ 1,309	$ 2,831

The significant unobservable inputs used in the fair value measurement of the Company’s contingent consideration are the probabilities of successful achievement of certain financial targets and a discount rate. Significant increases or decreases in any of the probabilities of success would result in a significantly higher or lower fair value measurement, respectively. Significant increases or decreases in the discount rate would result in a significantly lower or higher fair value measurement, respectively.

Debt Instruments
The book value of the Company’s term and revolving loans, which are variable rate loans carried at amortized cost, approximates the fair value based on current market pricing of similar debt. As the fair value is based on significant other observable inputs, including current interest and foreign currency exchange rates, it is deemed to be Level 2.

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table provides a rollforward of the Company's goodwill:

		Adjustments to Goodwill			
	December 26, 2015	Acquisitions	Transfers	Foreign Exchange	June 25, 2016
			(in thousands)		
RMS	$ 58,167	$ —	$ (342)	$ (409)	$ 57,416
DSA	247,050	270,272	—	(7,283)	510,039
Manufacturing	133,612	58,676	342	(5,160)	187,470
Total	$ 438,829	$ 328,948	$ —	$ (12,852)	$ 754,925

During the three months ended June 25, 2016, the Company revised the composition of its reportable segments to align with the view of the business following its acquisition of WIL Research. See Note 1, "Basis of Presentation." As a result of this reorganization, goodwill was allocated from the Company's RMS reportable segment to its Manufacturing reportable segment, as shown in the preceding table within "transfers." The allocation was based on the fair value of each business group within its original reporting unit relative to the fair value of that reporting unit. In addition, the Company completed an assessment of any potential goodwill impairment for all reporting units immediately prior to the reallocation and determined that no impairment existed.

Intangibles Assets, Net

The following table displays intangible assets, net by major class:

	June 25, 2016			December 26, 2015		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
			(in thousands)			
Backlog	$ 7,050	$ (2,886)	$ 4,164	$ 50,568	$ (50,554)	$ 14
Technology	75,765	(9,190)	66,575	60,350	(5,911)	54,439
Trademarks and trade names	8,709	(3,935)	4,774	11,495	(5,944)	5,551
Other	11,534	(4,752)	6,782	14,711	(7,285)	7,426
Other intangible assets	103,058	(20,763)	82,295	137,124	(69,694)	67,430
Client relationships	528,814	(195,913)	332,901	396,537	(183,163)	213,374
Intangible assets	$ 631,872	$ (216,676)	$ 415,196	$ 533,661	$ (252,857)	$ 280,804

During the three months ended March 26, 2016, the Company determined that the carrying values of certain DSA intangible assets were not recoverable and recorded an impairment charge of $1.9 million, which was included in costs of services provided (excluding amortization of intangible assets).

7. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-Term Debt

Long-term debt, net consists of the following:

	June 25, 2016	December 26, 2015
	(in thousands)	
Term loans	$ 650,000	$ 390,000
Revolving credit facility	692,877	446,041
Other long-term debt	195	193
Total debt	1,343,072	836,234
Less: current portion of long-term debt	(32,695)	(15,193)
Long-term debt	1,310,377	821,041
Debt discount and debt issuance costs	(8,173)	(6,805)
Long-term debt, net	$ 1,302,204	$ 814,236

In April 2015, the Company amended and restated the $970M Credit Facility, creating a $1.3 billion facility ($1.3B Credit Facility) that provides for a $400.0 million term loan and a $900.0 million multi-currency revolving facility. The interest rates applicable to term loans and revolving loans under the Company's $1.3B Credit Facility were, at the Company's option, equal to either the alternate base rate (which is the higher of (1) the prime rate, (2) the federal funds rate plus 0.5% or (3) the one-month adjusted LIBOR rate plus 1%), or the adjusted LIBOR rate plus an interest rate margin based upon the Company's leverage ratio.

On March 30, 2016, the Company amended and restated its $1.3B credit facility creating a $1.65 billion credit facility ($1.65B Credit Facility) which (1) extends the maturity date for the credit facility and (2) makes certain other amendments in connection with the Company's acquisition of WIL Research. The amendment was accounted for as a debt modification with a partial extinguishment of debt. In connection with the transaction, the Company capitalized approximately $3.3 million and expensed approximately $1.4 million of debt issuance costs.

The $1.65B Credit Facility provides for a $650.0 million term loan and a $1.0 billion multi-currency revolving facility. The term loan facility matures in 19 quarterly installments with the last installment due March 30, 2021. The revolving facility matures on March 30, 2021, and requires no scheduled payment before that date. Under specified circumstances, the Company has the ability to increase the term loan and/or revolving line of credit by up to $500 million in the aggregate.

The interest rates applicable to term loan and revolving loans under the $1.65B Credit Facility are, at the Company's option, equal to either the base rate (which is the higher of (1) the prime rate, (2) the federal funds rate plus 0.50%, or (3) the one-month adjusted LIBOR rate plus 1%) or the adjusted LIBOR rate plus an interest rate margin based upon the Company's leverage ratio. As of June 25, 2016 and December 26, 2015, the weighted average interest rate on the Company's debt was 1.86% and 1.33%, respectively.

The $1.65B Credit Facility includes certain customary representations and warranties, events of default, notices of material adverse changes to the Company's business and negative and affirmative covenants. These covenants include (1) maintenance of a ratio of consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) less capital expenditures to consolidated cash interest expense, for any period of four consecutive fiscal quarters, of no less than 4.25 to 1.0 with step downs to 3.50 to 1.0 by the last day of the fourth fiscal quarter of 2017 as well as (2) maintenance of a ratio of consolidated indebtedness to consolidated EBITDA for any period of four consecutive fiscal quarters, of no more than 3.50 to 1.0. As of June 25, 2016, the Company was compliant with all covenants.

The obligations of the Company under the $1.65B Credit Facility are collateralized by substantially all of the assets of the Company.

Letters of Credit
As of June 25, 2016 and December 26, 2015, the Company had $5.1 million and $4.9 million in outstanding letters of credit, respectively.

Capital Lease Obligations
The Company's capital lease obligations amounted to $30.1 million and $33.6 million as of June 25, 2016 and December 26, 2015, respectively.

8. EQUITY

Earnings Per Share

The following table reconciles the numerator and denominator in the computations of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)			
Numerator:				
Income from continuing operations, net of income taxes	$ 35,545	$ 49,252	$ 73,120	$ 80,873
Income (loss) from discontinued operations, net of income taxes	12	(7)	(14)	(14)
Less: Net income attributable to noncontrolling interests	350	736	756	809
Net income attributable to common shareholders	$ 35,207	$ 48,509	$ 72,350	$ 80,050
Denominator:				
Weighted-average shares outstanding - Basic	47,061	46,675	46,852	46,712
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units and restricted stock	858	875	939	1,006
Weighted-average shares outstanding - Diluted	47,919	47,550	47,791	47,718

Options to purchase approximately 0.8 million and 0.5 million shares for the three months ended June 25, 2016 and June 27, 2015, respectively, as well as an insignificant number of restricted stock, restricted stock units (RSUs) and performance share units (PSUs) were not included in computing diluted earnings per share because their inclusion would have been anti-dilutive. Options to purchase approximately 0.9 million and 0.5 million shares for the six months ended June 25, 2016 and June 27, 2015, respectively, as well as an insignificant number of restricted stock, RSUs and PSUs were not included in computing diluted earnings per share because their inclusion would have been anti-dilutive. Basic weighted average shares outstanding for both the six months ended June 25, 2016 and June 27, 2015 excluded the impact of approximately 1.1 million shares.

Treasury Shares

During the six months ended June 25, 2016, the Company did not repurchase any shares under its authorized stock repurchase program. The Company repurchased approximately 1.2 million shares for $90.8 million in the six months ended June 27, 2015. As of June 25, 2016, the Company had $69.7 million remaining on the authorized stock repurchase program. The Company’s stock-based compensation plans permit the netting of common stock upon vesting of restricted stock, RSUs and PSUs in order to satisfy individual minimum statutory tax withholding requirements. During the six months ended June 25, 2016 and June 27, 2015, the Company acquired approximately 0.2 million shares for $12.2 million and approximately 0.1 million shares for $8.7 million, respectively.

Accumulated Other Comprehensive Income

Changes to each component of accumulated other comprehensive income, net of income taxes, are as follows:

	Foreign Currency Translation Adjustment and Other	Pension and Other Post-Retirement Benefit Plans	Total
	(in thousands)		
December 26, 2015	$ (82,977)	$ (52,571)	$ (135,548)
Other comprehensive loss before reclassifications	(15,145)	—	(15,145)
Amounts reclassified from accumulated other comprehensive income (loss)	—	785	785
Net current period other comprehensive income	(15,145)	785	(14,360)
Income tax expense	—	284	284
June 25, 2016	$ (98,122)	$ (52,070)	$ (150,192)

Foreign currency translation and other includes an insignificant amount of unrealized gains (losses) on available-for-sale marketable securities.

Nonredeemable Noncontrolling Interests

The Company has investments in several entities, whose financial results are consolidated in the Company's financial statements, as it has a controlling financial interest in these entities. The interests of the respective noncontrolling parties in these entities have been recorded as noncontrolling interests. The activity within the nonredeemable noncontrolling interests was insignificant during the three and six months ended June 25, 2016 and June 27, 2015.

9. INCOME TAXES

The Company's effective tax rate for the three months ended June 25, 2016 and June 27, 2015 was 34.6% and 18.4%, respectively. The Company's effective tax rate was 31.0% and 12.4% for each of the six months ended June 25, 2016 and June 27, 2015, respectively. For the three months ended June 25, 2016, the increase was primarily attributable to nondeductible transaction costs associated with the acquisition of WIL Research, the accrual of withholding taxes in order to access cash from the Company's Canadian and Chinese operations for use outside of the U.S., and a prior year non-taxable bargain purchase gain of $9.9 million associated with the acquisition of Sunrise. For the six months ended June 25, 2016, the increase reflects the items above as well as a prior year reduction in unrecognized tax benefits and related interest of $10.4 million due to the expiration of the statute of limitations associated with pre-acquisition tax positions on forgiveness of debt.

During the three months ended June 25, 2016, the Company's unrecognized tax benefits increased by $1.9 million to $25.3 million, primarily due to pre-acquisition tax positions taken by WIL Research, as well as an additional quarter of Canadian Scientific Research and Experimental Development credit reserves offset by positive foreign exchange movement. The amount of unrecognized income tax benefits that would impact the effective tax rate increased by $2.1 million to $22.2 million. The amount of accrued interest on unrecognized tax benefits was $1.4 million at June 25, 2016. The Company estimates that it is reasonably possible that the unrecognized tax benefits will decrease by up to $3.0 million over the next twelve-month period, primarily as a result of the outcome of a pending tax ruling and competent authority ruling.

The Company conducts business in a number of tax jurisdictions. As a result, it is subject to tax audits in jurisdictions including the U.S., U.K., China, Japan, France, Germany and Canada. With few exceptions, the Company is no longer subject to U.S. and international income tax examinations for years before 2012.

The Company and certain of its subsidiaries have ongoing tax controversies with various tax authorities in the U.S., Canada, China and France. The Company does not believe that resolution of these controversies will have a material impact on its financial position or results of operations.

In accordance with the Company's policy, the remaining undistributed earnings of its non-U.S. subsidiaries remain indefinitely reinvested as of the end of the three months ended June 25, 2016 as they are required to fund needs outside the U.S. and cannot be repatriated in a manner that is substantially tax free.

Income tax expense related to change in unrecognized pension gains, losses and prior service costs was $0.1 million and $0.3 million for the three months ended June 25, 2016 and June 27, 2015, respectively. Income tax expense related to change in unrecognized pension gains, losses, and prior service costs was $0.3 million and $0.5 million for the six months ended June 25, 2016 and June 27, 2015, respectively.

10. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

The following table provides the components of net periodic cost (benefit) for the Company's pension plans for the three months ended June 25, 2016 and June 27, 2015:

	Pension Plans	
	June 25, 2016	June 27, 2015
	(in thousands)	
Service cost	$ 639	$ 1,150
Interest cost	3,220	3,336
Expected return on plan assets	(3,998)	(4,382)
Amortization of prior service credit	(144)	(150)
Amortization of net loss	545	911
Net periodic cost	$ 262	$ 865

The following table provides the components of net periodic cost (benefit) for the Company's pension plans for the six months ended June 25, 2016 and June 27, 2015:

	Pension Plans	
	June 25, 2016	June 27, 2015
	(in thousands)	
Service cost	$ 1,193	$ 2,299
Interest cost	6,584	6,671
Expected return on plan assets	(7,990)	(8,764)
Amortization of prior service credit	(288)	(301)
Amortization of net loss	1,091	1,791
Net periodic cost	$ 590	$ 1,696

The net periodic cost for the Company's other post-retirement benefit plan for the three and six months ended June 25, 2016 and June 27, 2015 was insignificant.

11. STOCK-BASED COMPENSATION

The Company has stock-based compensation plans under which employees and non-employee directors may be granted stock-based awards such as stock options, restricted stock, RSUs and PSUs.

The following table provides stock-based compensation by the financial statement line item in which it is reflected:

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)			
Cost of revenue	$ 1,667	$ 1,788	$ 3,349	$ 3,289
Selling, general and administrative	10,439	8,411	18,698	16,584
Stock-based compensation, before income taxes	12,106	10,199	22,047	19,873
Provision for income taxes	(4,354)	(3,619)	(7,868)	(7,004)
Stock-based compensation, net of income taxes	$ 7,752	$ 6,580	$ 14,179	$ 12,869

During the six months ended June 25, 2016, the Company issued approximately 0.6 million stock options with a per share weighted average grant date fair value of $15.09, approximately 0.2 million RSUs with a per share weighted average grant date fair value of $74.86 and approximately 0.2 million PSUs with a per share weighted average grant date fair value of $79.81. The maximum number of common shares to be issued upon vesting of PSUs granted during the six months ended June 25, 2016 is approximately 0.4 million.

12. FOREIGN CURRENCY CONTRACTS

The Company enters into foreign exchange forward contracts to limit its foreign currency exposure related to intercompany loans that are not of a long-term investment nature. These contracts are recorded at fair value in the Company's condensed consolidated balance sheet and are not designated as hedging instruments. Any gains or losses on such contracts are immediately recognized in other income (expense), net, and are largely offset by the remeasurement of the underlying intercompany loan balances.

The notional amount and fair value of the Company's foreign currency forward contracts at December 26, 2015 was as follows:

Notional Amount	Fair Value	Balance Sheet Location
	(in thousands)	
$ 88,483	$ 15	Other Current Assets

No foreign currency contracts were open at June 25, 2016.

The following table summarizes gains recognized on foreign exchange forward contracts related to intercompany loans denominated in Euros on the Company's consolidated statement of income:

Location of Gain (Loss)	Three Months Ended June 25, 2016	Six Months Ended June 25, 2016
	(in thousands)	
Other income (expense), net	$ 1,130	$ 3,373

The Company had no such contracts during the six months ended June 27, 2015.

13. COMMITMENTS AND CONTINGENCIES

Litigation

Various lawsuits, claims and proceedings of a nature considered normal to its business are pending against the Company. While the outcome of any of these proceedings cannot be accurately predicted, the Company does not believe the ultimate resolution of any of these existing matters would have a material adverse effect on the Company's business or financial condition.

In July 2015, IDEXX Laboratories, Inc. and IDEXX Distribution, Inc. (collectively, IDEXX) filed a complaint in the United States District Court for the District of Delaware alleging the Company has infringed three recently issued patents related to a blood spot sample collection method used in determining the presence or absence of an infectious disease in a population of rodents. On September 21, 2015, the Company timely filed a motion to dismiss the complaint on the grounds that all of the claims are directed to unpatentable subject matter and therefore are invalid. On October 7, 2015, IDEXX filed an amended complaint, which substantially asserts the same patents and infringement allegations as asserted in the original complaint, and on October 26, 2015, the Company timely filed a motion to dismiss this amended complaint. The hearing on the motion to dismiss was held on January 12, 2016. On July 1, 2016, the Court issued an opinion denying the motion to dismiss. The Company filed its answer to the complaint on July 21, 2016. In addition, on July 29, 2016, the Company initiated an inter partes review (IPR) procedure with the United States Patent and Trademark Office challenging the validity of the IDEXX patents. While no prediction may be made as to the outcome of litigation or the IPR, the Company intends to defend against this proceeding vigorously and therefore an estimate of the possible loss or range of loss cannot be made.

In May 2013, the Company commenced an investigation into inaccurate billing with respect to certain government contracts. The Company promptly reported these matters to the relevant government contracting officers, the Department of Health and Human Services' Office of the Inspector General, and the Department of Justice, and the Company is cooperating with these agencies to ensure the proper repayment and resolution of this matter. The Company has identified approximately $1.5 million of excess amounts billed on these contracts since January 1, 2007, and has recorded a liability for such amount as of June 25, 2016, as this represents the Company's best estimate. Because of the ongoing discussions with the government and the complex nature of this matter, the Company believes it is reasonably possible that additional losses may be incurred but cannot at this time make a reasonable estimate of the potential range of loss beyond such estimated liability.

Lease Commitments

During the six months ended June 25, 2016, the Company assumed or entered into new lease agreements or exercised options to extend the lease terms for certain existing leases. As a result, the Company's lease obligations through June 25, 2016 increased by $17.6 million.

14. SEGMENT INFORMATION

The Company revised the composition of its reportable segments during the three months ended June 25, 2016. See Note 1, "Basis of Presentation." The Company reported segment results on this basis retrospectively for all comparable prior periods presented.

The following table presents revenue and other financial information by reportable segment:

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)			
RMS				
Revenue	$ 125,058	$ 119,287	$ 248,397	$ 238,676
Operating income	35,445	33,304	71,831	62,154
Depreciation and amortization	5,118	5,308	10,368	11,311
Capital expenditures	2,381	6,356	3,434	9,089
DSA				
Revenue	$ 221,059	$ 153,375	$ 379,042	$ 293,387
Operating income	32,381	28,149	63,211	51,665
Depreciation and amortization	18,600	12,412	30,557	23,551
Capital expenditures	4,644	4,101	9,351	9,479
Manufacturing				
Revenue	$ 87,938	$ 66,911	$ 161,484	$ 127,924
Operating income	27,121	20,588	46,736	37,381
Depreciation and amortization	6,525	3,649	12,501	6,977
Capital expenditures	4,256	1,770	6,385	3,336

For the three months ended June 25, 2016 and June 27, 2015, reconciliations of segment operating income, depreciation and amortization and capital expenditures to the respective consolidated amounts are as follows:

	Operating Income		Depreciation and Amortization		Capital Expenditures	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)					
Total reportable segments	$ 94,947	$ 82,041	$ 30,243	$ 21,369	$ 11,281	$ 12,227
Unallocated corporate	(36,886)	(26,306)	2,110	1,779	510	1,681
Total consolidated	$ 58,061	$ 55,735	$ 32,353	$ 23,148	$ 11,791	$ 13,908

For the six months ended June 25, 2016 and June 27, 2015, reconciliations of segment operating income, depreciation and amortization and capital expenditures to the respective consolidated amounts are as follows:

	Operating Income		Depreciation and Amortization		Capital Expenditures	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)					
Total reportable segments	$ 181,778	$ 151,200	$ 53,426	$ 41,839	$ 19,170	$ 21,904
Unallocated corporate	(72,245)	(52,460)	3,582	3,677	871	2,652
Total consolidated	$ 109,533	$ 98,740	$ 57,008	$ 45,516	$ 20,041	$ 24,556

Revenue for each significant product or service offering is as follows:

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)			
RMS	$ 125,058	$ 119,287	$ 248,397	$ 238,676
DSA	221,059	153,375	379,042	293,387
Manufacturing	87,938	66,911	161,484	127,924
Total revenue	$ 434,055	$ 339,573	$ 788,923	$ 659,987

A summary of unallocated corporate expense consists of the following:

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
	(in thousands)			
Stock-based compensation	$ 7,746	$ 6,419	$ 13,854	$ 12,699
Compensation, benefits, and other employee-related expenses	7,738	7,234	20,279	17,930
External consulting and other service expenses	6,656	3,130	11,832	6,771
Information Technology	2,364	1,685	5,496	3,549
Depreciation	2,111	1,779	3,583	3,677
Acquisition and integration	7,260	3,956	11,023	3,594
Other general unallocated corporate	3,011	2,103	6,178	4,240
Total unallocated corporate expense	$ 36,886	$ 26,306	$ 72,245	$ 52,460

Other general unallocated corporate expense consists of various departmental costs including those associated with departments such as senior executives, corporate accounting, legal, tax, human resources, treasury and investor relations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and accompanying footnotes of this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related footnotes included in our Annual Report on Form 10-K for the fiscal year 2015. The following discussion contains forward-looking statements. Actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" in our Annual Report on Form 10-K for the fiscal year 2015. Certain percentage changes may not recalculate due to rounding.

Overview

We are a full service, early-stage contract research organization (CRO). For nearly 70 years, we have been in the business of providing the research models required in research and development of new drugs, devices and therapies. Over this time, we have built upon our original core competency of laboratory animal medicine and science (research model technologies) to develop a diverse portfolio of discovery and safety assessment services, both Good Laboratory Practice (GLP) and non-GLP, that are able to support our clients from target identification through preclinical development. We also provide a suite of products and services to support our clients' manufacturing activities. Utilizing our broad portfolio of products and services enables our clients to create a more flexible drug development model, which reduces their costs, enhances their productivity and effectiveness, and increases speed to market.

Acquisitions

We continue to make a number of strategic acquisitions designed to expand our portfolio of services. Our 2016 acquisitions include:

- On April 4, 2016, we acquired WRH, Inc. (WIL Research), a provider of safety assessment and contract development and manufacturing (CDMO) services to biopharmaceutical and agricultural and industrial chemical companies worldwide. The acquisition enhanced our position as a leading global early-stage CRO by strengthening our ability to partner with global clients across the drug discovery and development continuum. The purchase price for WIL Research was approximately $604.8 million, including assumed liabilities of $0.4 million.
- On June 27, 2016, we acquired Blue Stream Laboratories, Inc. (Blue Stream), an analytical CRO supporting the development of complex biologics and biosimilars. Combining Blue Stream with our existing discovery, safety assessment, and biologics capabilities creates a leading provider with the ability to support biologic and biosimilar development from characterization through clinical testing and commercialization. The preliminary purchase price for Blue Stream was approximately $9.2 million in cash, and up to an additional amount of $3.0 million in contingent consideration, and is subject to certain customary adjustments.

Segment Reporting

We report our performance in three reportable segments: Research Models and Services (RMS), Discovery and Safety Assessment (DSA), and Manufacturing Support (Manufacturing).

During the three months ended June 25, 2016, we acquired WIL Research. WIL Research's safety assessment business is reported in our DSA reportable segment and its CDMO business created a new operating segment, Contract Manufacturing, that is reported as part of our Manufacturing reportable segment. In addition, a change in our market strategy for certain services and resulting information provided to our Chief Operating Decision Maker, totaling $1.4 million of revenue and $0.2 million of operating income for the six months ended June 27, 2015, were reclassified from our RMS reportable segment to our Manufacturing reportable segment. We reported segment results on this basis for all periods presented.

The revised reportable segments are as follows:

Research Models and Services	Discovery and Safety Assessment	Manufacturing Support
Research Models	Discovery Services	Microbial Solutions
Research Model Services	Safety Assessment	Avian
		Biologics
		Contract Manufacturing

Our RMS segment includes the Research Models and Research Model Services businesses. Research Models includes the commercial production and sale of small research models, as well as the supply of large research models. Research Model Services includes three business units: Genetically Engineered Models and Services, which performs contract breeding and other services associated with genetically engineered models; Research Animal Diagnostic Services (RADS), which provides health monitoring and diagnostics services related to research models; and Insourcing Solutions (IS), which provides colony management of our clients' research operations (including recruitment, training, staffing, and management services). Our DSA segment includes services required to take a drug through the early development process including discovery services, which are non-regulated services to assist clients with the identification, screening, and selection of a lead compound for drug development, and regulated and non-regulated safety assessment services. Our Manufacturing segment includes Microbial Solutions (formerly Endotoxin and Microbial Detection or EMD), which includes in vitro (non-animal) lot-release testing products and microbial detection and species identification services; Biologics Testing Services (Biologics), which performs specialized testing of biologics; Avian Vaccine Services (Avian), which supplies specific-pathogen-free fertile chicken eggs and chickens; and Contract Manufacturing, which specializes in formulation design and development, manufacturing, and analytical and stability testing for small molecules.

Results of Operations

Three Months Ended June 25, 2016 Compared to the Three Months Ended June 27, 2015

Revenue

	Three Months Ended				
	June 25, 2016	June 27, 2015	$ Change	% Change	Impact of FX
	(in millions, except percentages)				
RMS	$ 125.1	$ 119.3	$ 5.8	4.8%	0.8 %
DSA	221.0	153.4	67.6	44.1%	(1.5)%
Manufacturing	88.0	66.9	21.1	31.4%	0.1 %
Total revenue	$ 434.1	$ 339.6	$ 94.5	27.8%	(0.4)%

Revenue for the three months ended June 25, 2016 increased $94.5 million, or 27.8%, compared to the corresponding period in 2015. The negative effect of changes in foreign currency exchange rates decreased revenue by $1.2 million, or 0.4%, when compared to the corresponding period in 2015.

RMS revenue increased by $5.8 million due to higher research model services revenue, higher research model revenue in China; and the positive effect of changes in foreign currency exchange rates.

DSA revenue increased $67.6 million due to higher revenue in the Safety Assessment business, primarily as a result of the WIL Research acquisition that contributed $51.4 million to revenue growth as well as increased study volume and pricing in our legacy business; and higher revenue in the Discovery Services business, primarily as a result of the Oncotest acquisition that contributed $2.2 million to revenue growth; partially offset by the negative effect of changes in foreign currency exchange rates.

Manufacturing revenue increased $21.1 million due to higher revenue in the Microbial Solutions business, which includes the Celsis acquisition that contributed $7.6 million to revenue growth; higher revenue in the Biologics business, higher revenue in the Avian business, which includes the Sunrise business that contributed $1.8 million to revenue growth; and Contract Manufacturing revenue related to the CDMO services of WIL Research acquired in April 2016 that contributed $3.8 million to revenue growth.

Service revenue for the three months ended June 25, 2016 was $292.9 million, an increase of $78.5 million, or 36.6%, compared to $214.4 million in the corresponding period in 2015. The increase in service revenue was due to higher revenue in the Safety Assessment business, primarily as a result of the WIL Research acquisition that contributed $51.4 million to service revenue growth as well as increased study volume and pricing in our legacy business; higher revenue in the Discovery Services business, which included the acquisition of Oncotest that contributed $2.2 million to service revenue; Contract Manufacturing revenue of $3.8 million related to the CDMO services of WIL Research acquired in April 2016; higher revenue in the Biologics business, and higher research model services revenue; partially offset by the negative effect of changes in foreign currency exchange rates. Product revenue for the three months ended June 25, 2016 was $141.2 million, an increase of $16.0 million, or 12.8%, compared to $125.2 million in the corresponding period in 2015. The increase was due to higher revenue in the Microbial Solutions and Avian businesses, which included the acquisitions of Celsis and Sunrise, respectively, which contributed $9.4 million to product revenue growth; and higher research model revenue in China.

Cost of Services Provided and Products Sold (Excluding Amortization of Intangible Assets)

	Three Months Ended			
	June 25, 2016	June 27, 2015	$ change	% change
	(in millions, except percentages)			
RMS	$ 73.2	$ 69.8	$ 3.4	4.7%
DSA	150.4	104.1	46.3	44.4%
Manufacturing	40.7	32.9	7.8	24.3%
Total cost of services provided and products sold (excluding amortization of intangible assets)	$ 264.3	$ 206.8	$ 57.5	27.8%

Cost of services provided and products sold (excluding amortization of intangibles assets) (Costs) for the three months ended June 25, 2016 increased $57.5 million, or 27.8%, compared to the corresponding period in 2015. Costs as a percentage of revenue for the three months ended June 25, 2016 were 60.9%, which was consistent with the corresponding period in 2015.

RMS Costs increased $3.4 million due primarily to the growth of the business and the negative effect of changes in foreign currency exchange rates. RMS Costs as a percentage of revenue for the three months ended June 25, 2016 were 58.5%, which was consistent with the corresponding period in 2015.

DSA Costs increased $46.3 million due primarily to an increase in Safety Assessment Costs, which included a higher cost base due to the acquisition of WIL Research and the growth of the legacy business and an increase in Discovery Services Costs, which included a higher cost base due to the acquisition of Oncotest; partially offset by the positive effect of changes in foreign currency exchange rates. DSA Costs as a percentage of revenue for the three months ended June 25, 2016 were 68.0%, an increase of 0.1%, from 67.9% for the corresponding period in 2015.

Manufacturing Costs increased $7.8 million due primarily to an increase in Microbial Solutions Costs resulting from the Celsis acquisition, an increase in Biologics and Avian Costs resulting from the growth of the business and the Sunrise acquisition, an increase in Contract Manufacturing Costs related to the acquisition of WIL Research and the negative effect of changes in foreign currency exchange rates. Manufacturing Costs as a percentage of revenue for the three months ended June 25, 2016 were 46.4%, a decrease of 2.7%, from 49.1% for the corresponding period in 2015.

Costs of services provided for the three months ended June 25, 2016 were $196.1 million, an increase of $52.0 million, or 36.1%, compared to $144.1 million for the corresponding period in 2015. The increase was due to higher Safety Assessment Costs, which included a higher cost base due to the acquisition of WIL Research and growth in our legacy business; higher Discovery Services Costs, which included a higher cost base due to the acquisition of Oncotest; Contract Manufacturing Costs related to the CDMO services of WIL Research acquired in April 2016, as well as an increased Biologics and research model services revenue. Costs of products sold for the three months ended June 25, 2016 were $68.2 million, an increase of $5.6 million, or 8.8%, compared to $62.6 million for the corresponding period in 2015. The increase was primarily due to higher Costs as a result of acquisitions of Celsis and Sunrise.

Selling, General and Administrative Expenses

	Three Months Ended			
	June 25, 2016	June 27, 2015	$ change	% change
	(in millions, except percentages)			
RMS	$ 15.9	$ 15.4	$ 0.5	3.4%
DSA	31.0	17.3	13.7	78.6%
Manufacturing	16.8	12.3	4.5	35.9%
Unallocated corporate	36.8	26.3	10.5	40.2%
Total selling, general and administrative	$ 100.5	$ 71.3	$ 29.2	40.9%

Selling, general and administrative expenses (SG&A) for three months ended June 25, 2016 increased $29.2 million, or 40.9%, compared to the corresponding period in 2015. SG&A as a percentage of revenue for the three months ended June 25, 2016 was 23.1%, an increase of 2.1%, from 21.0% for the corresponding period in 2015.

The increase in RMS SG&A of $0.5 million was related to an increase of $0.3 million external consulting and other service expenses; $0.2 million in compensation, benefits and other employee-related expenses; and an increase of $0.2 million in other expenses; partially offset by a decrease of $0.2 million in operating expenses, including information technology infrastructure and facility expenses. RMS SG&A as a percentage of revenue for the three months ended June 25, 2016 was 12.7%, a decrease of 0.2%, from 12.9% for the corresponding period in 2015.

The increase in DSA SG&A of $13.7 million was related to an increase of $4.8 million in compensation, benefits, and other employee-related expenses; an increase of $3.3 million in severance expense; an increase of $2.8 million in costs associated with the evaluation and integration of acquisitions; an increase of $1.7 million in operating expenses, including information technology infrastructure and facility expenses; an increase of $0.6 million in external consulting and other service expenses; and an increase of $0.5 million in stock-based compensation. DSA SG&A as a percentage of revenue for the three months ended June 25, 2016 was 14.0%, an increase of 2.7%, from 11.3% for the corresponding period in 2015.

The increase in Manufacturing SG&A of $4.5 million was related to an increase of $2.0 million in compensation, benefits, and other employee-related expenses; an increase of $0.7 million in operating expenses, including information technology infrastructure and facility expenses; an increase of $0.6 million in external consulting and other service expenses; an increase of $0.5 million in costs associated with the evaluation and integration of acquisitions; and an increase of $0.7 million in other expenses. Manufacturing SG&A as a percentage of revenue for the three months ended June 25, 2016 was 19.1%, an increase of 0.7%, from 18.4% for the corresponding period in 2015.

The increase in unallocated corporate SG&A of $10.5 million was related to an increase of $3.5 million in external consulting and other service expenses; an increase of $3.3 million in costs associated with the evaluation and integration of acquisitions; an increase of $1.3 million in stock-based compensation; an increase of $0.7 million in information technology; an increase of $0.5 million in compensation, benefits, and other employee-related expenses; and an increase of $1.2 million in other expenses.

Amortization of Intangible Assets Amortization of intangibles for the three months ended June 25, 2016 was $11.2 million, an increase of $5.5 million, or 96.1%, from $5.7 million for the corresponding period in 2015, due primarily to certain intangibles acquired in connection with the WIL Research, Oncotest, Celsis, and Sunrise acquisitions.

Interest Income Interest income, which represents earnings on held cash, cash equivalents, and time deposits was $0.2 million for the three months ended June 25, 2016, a decrease of $0.1 million, or 25.3%, compared to $0.3 million for the corresponding period in 2015.

Interest Expense Interest expense for the three months ended June 25, 2016 was $8.9 million, an increase of $4.5 million, or 103.6%, compared to $4.4 million for the corresponding period in 2015. The increase was due primarily to the write-off of a portion of debt issuance costs in connection with the modification of our $1.3B Credit Facility, as well as higher average balance outstanding and higher average interest rates under our $1.65B Credit Facility as a result of additional borrowings related to business acquisitions.

Other Income (Expense), Net Other income (expense), net was a net other income of $5.0 million for the three months ended June 25, 2016, a decrease of $3.7 million, or 42.2%, compared to a net other income of $8.7 million for the corresponding period in 2015. The decrease in other income (expense), net was driven by the absence of a bargain purchase gain of $9.9 million associated with the acquisition of Sunrise in the corresponding period of 2015; partially offset by an increase of $5.9 million in gains on our venture capital investments accounted for under the equity method and other activity of $0.3 million.

Income Taxes Income tax expense for the three months ended June 25, 2016 was $18.8 million, an increase of $7.7 million compared to $11.1 million for the corresponding period in 2015. Our effective tax rate was 34.6% for the three months ended June 25, 2016, compared to 18.4% for the corresponding period in 2015. The increase was primarily attributable to nondeductible transaction costs associated with the acquisition of WIL Research and the accrual of withholding taxes in order to access cash from our Canadian and Chinese operations for use outside of the United States (U.S.) as a result of the reinstatement of the controlled foreign corporation look-through rules during the fourth quarter of 2015. In addition, we recognized a tax benefit from a non-taxable bargain purchase gain of $9.9 million associated with the acquisition of Sunrise for the corresponding period in 2015.

Six Months Ended June 25, 2016 Compared to the Six Months Ended June 27, 2015

Revenue

	Six Months Ended				
	June 25, 2016	June 27, 2015	$ Change	% Change	Impact of FX
	(in millions, except percentages)				
RMS	$ 248.4	$ 238.7	$ 9.7	4.1%	(0.2)%
DSA	379.0	293.4	85.6	29.2%	(1.7)%
Manufacturing	161.5	127.9	33.6	26.2%	(0.8)%
Total revenue	$ 788.9	$ 660.0	$ 128.9	19.5%	(1.0)%

Revenue for the six months ended June 25, 2016 increased $128.9 million, or 19.5%, compared to the corresponding period in 2015. The negative effect of changes in foreign currency exchange rates decreased revenue by $6.4 million, or 1.0%, when compared to the corresponding period in 2015.

RMS revenue increased by $9.7 million due to higher research model revenue in North America, Europe and Asia, and higher research model services revenue; partially offset by the negative effect of changes in foreign currency exchange rates.

DSA revenue increased $85.6 million due to higher revenue in the Safety Assessment business, primarily as a result of the WIL Research acquisition that contributed $51.4 million to revenue growth and increased study volume and pricing in our legacy business; and higher revenue in the Discovery Services business, primarily as a result of the Oncotest acquisition that contributed $5.1 million to revenue growth; partially offset by the negative effect of changes in foreign currency exchange rates.

Manufacturing revenue increased $33.6 million due to higher revenue for Microbial Solutions, which includes the Celsis acquisition that contributed $14.3 million to revenue growth, higher revenue in the Biologics business; higher revenue in the Avian business, which includes the Sunrise business that contributed $4.1 million to revenue growth; and Contract Manufacturing revenue related to the CDMO services of WIL Research acquired in April 2016 that contributed $3.8 million to revenue growth; partially offset by the negative effect of changes in foreign currency exchange rates.

Service revenue for the six months ended June 25, 2016 was $513.5 million, an increase of $102.3 million, or 24.9%, compared to $411.2 million in the corresponding period in 2015. The increase in service revenue was due to higher revenue in the Safety Assessment business, primarily as a result of the WIL Research acquisition that contributed $51.4 million to revenue growth and increased study volume and pricing in our legacy business; higher revenue in the Discovery Services business, which included the acquisition of Oncotest that contributed $5.1 million to service revenue; Contract Manufacturing revenue of $3.8 million related to the CDMO services of WIL Research acquired in April 2016; higher revenue in the Biologics business, and higher research model services revenue; partially offset by the negative effect of changes in foreign currency exchange rates. Product revenue for the six months ended June 25, 2016 was $275.4 million, an increase of $26.6 million, or 10.7%, compared to $248.8 million in the corresponding period in 2015. The increase was due to higher revenue in the Microbial Solutions and Avian businesses, which included the acquisitions of Celsis and Sunrise, respectively, which contributed $18.0 million to product revenue growth; and higher research model revenue in North America, Europe and Asia; partially offset by the negative effect of changes in foreign currency exchange rates.

Cost of Services Provided and Products Sold (Excluding Amortization of Intangible Assets)

	Six Months Ended			
	June 25, 2016	June 27, 2015	$ change	% change
	(in millions, except percentages)			
RMS	$ 144.3	$ 143.5	$ 0.8	0.5%
DSA	257.3	200.4	56.9	28.4%
Manufacturing	76.8	63.6	13.2	20.9%
Total cost of services provided and products sold (excluding amortization of intangible assets)	$ 478.4	$ 407.5	$ 70.9	17.4%

Costs for the six months ended June 25, 2016 increased $70.9 million, or 17.4%, compared to the corresponding period in 2015. Costs as a percentage of revenue for the six months ended June 27, 2015 were 60.6%, a decrease of 1.2%, from 61.8% for the corresponding period in 2015.

RMS Costs increased $0.8 million due primarily to the growth of the business, partially offset by cost savings achieved as a result of our efficiency initiatives and reduced restructuring costs. RMS Costs as a percentage of revenue for the six months ended June 25, 2016 were 58.1%, a decrease of 2.0%, from 60.1% for the corresponding period in 2015.

DSA Costs increased $56.9 million due primarily to an increase in Safety Assessment Costs, which included a higher cost base due to the acquisition of WIL Research and the growth of our legacy business, an increase in Discovery Services Costs, which included a higher cost base due to the acquisition of Oncotest, and a charge of $1.9 million related to an impairment of certain intangibles; partially offset by positive effect of changes in foreign currency exchange rates. DSA Costs as a percentage of revenue for the six months ended June 25, 2016 were 67.9%, a decrease of 0.4%, from 68.3% for the corresponding period in 2015, primarily due to improved operating leverage as a result of increased study volume in our legacy Safety Assessment business.

Manufacturing Costs increased $13.2 million due primarily to an increase in Microbial Solutions Costs resulting from the Celsis acquisition; an increase in Biologics Costs resulting from the growth of the business; an increase in Avian Costs, primarily due to the acquisition of Sunrise; and an increase in Contract Manufacturing Costs related to the acquisition of WIL

Research; partially offset by the positive effect of changes in foreign currency exchange rates. Manufacturing Costs as a percentage of revenue for the six months ended June 25, 2016 were 47.6%, a decrease of 2.1%, from 49.7% for the corresponding period in 2015.

Costs of services provided for the six months ended June 25, 2016 were $343.5 million, an increase of $63.1 million, or 22.5%, compared to $280.4 million for the corresponding period in 2015. The increase was due to higher Safety Assessment Costs, which included a higher cost base due to the acquisition of WIL Research and the growth in our legacy business; higher Discovery Services Cost, which included a higher cost base due to the acquisition of Oncotest; Contract Manufacturing Costs related to the CDMO services of WIL Research acquired in April 2016 and a charge of $1.9 million related to an impairment of certain intangibles; partially offset by the positive effect of changes in foreign currency exchange rates. Costs of products sold for the six months ended June 25, 2016 were $134.9 million, an increase of $7.8 million, or 6.2%, compared to $127.1 million for the corresponding period in 2015. The increase was due to higher Costs as a result of acquisitions of Celsis and Sunrise, partially offset by savings associated with global efficiency initiatives.

Selling, General and Administrative Expenses

	Six Months Ended			
	June 25, 2016	June 27, 2015	$ change	% change
	(in millions, except percentages)			
RMS	$ 31.1	$ 31.5	$ (0.4)	(1.1)%
DSA	48.1	34.0	14.1	41.1 %
Manufacturing	32.0	24.7	7.3	29.4 %
Unallocated corporate	72.2	52.5	19.7	37.7 %
Total selling, general and administrative	$ 183.4	$ 142.7	$ 40.7	28.5 %

Selling, general and administrative expenses (SG&A) for six months ended June 25, 2016 increased $40.7 million, or 28.5%, compared to the corresponding period in 2015. SG&A as a percentage of revenue for the six months ended June 25, 2016 was 23.2% an increase of 1.6%, from 21.6% for the corresponding period in 2015.

The decrease in RMS SG&A of $0.4 million was related to a decrease of $0.4 million in severance expense and a decrease of $0.6 million in other expenses; partially offset by an increase of $0.6 million in compensation, benefits, and other employee-related expenses. RMS SG&A as a percentage of revenue for the six months ended June 25, 2016 was 12.5%, a decrease of 0.7%, from 13.2% for the corresponding period in 2015.

The increase in DSA SG&A of $14.1 million was related to an increase of $5.3 million in compensation, benefits, and other employee-related expenses; an increase of $3.3 million in severance expense; an increase of $3.0 million in costs associated with the evaluation and integration of acquisitions; an increase of $1.9 million in operating expenses, including information technology infrastructure and facility expenses; an increase of $0.9 million in external consulting and other service expenses; an increase of $0.7 million in stock-based compensation and an increase of $0.3 million in other expenses; partially offset by a decrease of $1.3 million in bad debt reserves. DSA SG&A as a percentage of revenue for the six months ended June 25, 2016 was 12.7%, an increase of 1.1%, from 11.6% for the corresponding period in 2015.

The increase in Manufacturing SG&A of $7.3 million was related to an increase of $3.5 million in compensation, benefits, and other employee-related expenses; an increase of $1.2 million in external consulting and other service expenses; an increase of $0.6 million operating expenses, including information technology infrastructure and facility expenses; an increase of $0.6 million in cash associated with the evaluation and integration of acquisitions; an increase of $0.3 million in stock-based compensation; an increase of $0.3 million in depreciation expense and an increase of $0.8 million in other expenses. Manufacturing SG&A as a percentage of revenue for the six months ended June 25, 2016 was 19.8%, an increase of 0.5%, from 19.3% for the corresponding period in 2015.

The increase in unallocated corporate SG&A of $19.7 million was related to an increase of $7.4 million costs associated with the evaluation and integration of acquisitions; an increase of $5.1 million in external consulting and other service expenses; an increase of $2.3 million in compensation, benefits, and other employee-related expenses; an increase of $1.9 million in information technology; an increase of $1.2 million in stock-based compensation; and an increase of $1.8 million in other expenses.

Amortization of Intangible Assets Amortization of intangibles for the six months ended June 25, 2016 was $17.6 million, an increase of $6.6 million, or 60.0%, from $11.0 million for the corresponding period in 2015, due primarily to certain intangibles acquired in connection with the WIL Research, Oncotest, Celsis, and Sunrise acquisitions.

Interest Income Interest income, which represents earnings on held cash, cash equivalents, and time deposits, was $0.5 million for the six months ended June 25, 2016, a decrease of $0.1 million, or 16.5%, compared to $0.6 million for the corresponding period in 2015.

Interest Expense Interest expense for the six months ended June 25, 2016 was $13.1 million, an increase of $5.7 million, or 77.3%, compared to $7.4 million for the corresponding period in 2015. The increase was primarily to the write-off of a
portion of debt issuance costs in connection with the modification of our $1.3B Credit Facility, higher average balance outstanding and higher average interest rates under our $1.65B Credit Facility as a result of additional borrowings related to business acquisitions, and an increased interest expense related to capital leases.

Other Income (Expense), Net Other income (expense), net was a net other income of $9.0 million for the six months ended June 25, 2016, an increase of $8.6 million, or 2,418.7%, compared to a net other income of $0.4 million for the corresponding period in 2015. The increase in other income (expense), net was driven by the absence of an expense of $10.4 million due to a reversal of the indemnification asset associated with a previous acquisition in the corresponding period of 2015; an increase of $7.7 million in gains on our venture capital investments accounted for under the equity method; and an increase of $0.4 million in other activity; partially offset by the absence of a bargain purchase gain of $9.9 million associated with the acquisition of Sunrise in May 2015.

Income Taxes Income tax expense for the six months ended June 25, 2016 was $32.8 million, an increase of $21.4 million compared to $11.4 million for the corresponding period in 2015. Our effective tax rate was 31.0% for the six months ended June 25, 2016, compared to 12.4% for the corresponding period in 2015. The increase was primarily attributable to nondeductible transaction costs associated with the acquisition of WIL Research and the accrual of withholding taxes in order to access cash from our Canadian and Chinese operations for use outside of the U.S. as a result of the reinstatement of the controlled foreign corporation look-through rules during the fourth quarter of 2015. In addition, we recognized a reduction in unrecognized tax benefits and related interest of $10.4 million due to the expiration of the statute of limitations associated with pre-acquisition tax positions on the forgiveness of debt and a non-taxable bargain purchase gain of $9.9 million associated with the acquisition of Sunrise for the corresponding period in 2015.

Liquidity and Capital Resources

We currently require cash to fund our working capital needs, pension obligations, capital expansion, acquisitions and to pay our debt obligations. Our principal sources of liquidity have been our cash flows from operations, supplemented by long-term borrowings. Based on our current business plan, we believe that our existing funds, when combined with cash generated from operations and our access to financing resources, are sufficient to fund our operations for the foreseeable future.

The following table presents our cash, cash equivalents and investments:

	June 25, 2016	December 26, 2015
	(in millions)	
Cash and cash equivalents:		
Held in the U.S. entities	$ 40.4	$ 3.6
Held in non-U.S. entities	114.2	114.3
Total cash and cash equivalents	154.6	117.9
Investments:		
Held in the U.S. entities	4.6	4.5
Held in non-U.S. entities	20.4	16.0
Total cash, cash equivalents and investments	$ 179.6	$ 138.4

Borrowings
In April 2015, we amended and restated our $970M Credit Facility, creating a $1.3 billion facility ($1.3B Credit Facility) that provides for a $400.0 million term loan facility and a $900.0 million multi-currency revolving facility. The term loan facility matures in 20 quarterly installments with the last installment due April 22, 2020. The revolving facility matures on April 22, 2020 and requires no scheduled payment before that date. The interest rates applicable to term loans and revolving loans under our credit agreement are, at our option, equal to either the alternate base rate (which is the higher of (1) the prime rate, (2) the federal funds rate plus 0.50%, or (3) the one-month adjusted LIBOR rate plus 1%), or the adjusted LIBOR rate plus an interest rate margin based upon our leverage ratio.

On March 30, 2016, we amended and restated our $1.3B Credit Facility, creating a $1.65 billion credit facility ($1.65B Credit Facility) which (1) extends the maturity date for the credit facility, and (2) makes certain other amendments in connection with our acquisition of WIL Research. The $1.65B Credit Facility provides for up to approximately $1.65 billion in financing, including a $650.0 million term loan facility and a $1.0 billion multi-currency revolving facility. The term loan facility matures in 19 quarterly installments, with the last installment due March 30, 2021. The revolving facility matures on March 30, 2021, and requires no scheduled payment before that date.

Amounts outstanding under the $1.65B Credit Facility were as follows:

	June 25, 2016	December 26, 2015
	(in millions)	
Term loans	$ 650.0	$ 390.0
Revolving credit facility	692.9	446.0
Total	$ 1,342.9	$ 836.0

Under specified circumstances, we have the ability to increase the term loans and/or revolving line of credit by up to $500.0 million in the aggregate. The interest rates applicable to term loans and revolving loans under the credit agreement are, at our option, equal to either the base rate (which is the higher of (1) the prime rate, (2) the federal funds rate plus 0.50%, or (3) the one-month adjusted LIBOR rate plus 1%), or the adjusted LIBOR rate plus an interest rate margin based upon our leverage ratio.

Repurchases of Common Stock

During the six months ended June 25, 2016, we did not repurchase any shares under our authorized stock repurchase program. As of June 25, 2016, we had $69.7 million remaining on the authorized stock repurchase program. Our stock-based compensation plans permit the netting of common stock upon vesting of restricted stock, restricted stock units, and performance share units in order to satisfy individual minimum statutory tax withholding requirements. During the six months ended June 25, 2016, we acquired approximately 0.2 million shares for $12.2 million.

Cash Flows

The following table presents our net cash provided by operating activities:

	Six Months Ended	
	June 25, 2016	June 27, 2015
	(in millions)	
Income from continuing operations	$ 73.1	$ 80.9
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities	69.3	57.4
Changes in operating assets and liabilities	(25.9)	(40.7)
Net cash provided by operating activities	$ 116.5	$ 97.6

Cash flows from operating activities represent the cash receipts and disbursements related to all of our activities other than investing and financing activities. Operating cash flow is derived by adjusting our income from continuing operations for (1) non-cash operating items such as depreciation and amortization, stock-based compensation, gains (losses) on venture capital investments, and gains on bargain purchases, as well as (2) changes in operating assets and liabilities, which reflect timing differences between the receipt and payment of cash associated with transactions and when they are recognized in our results of operations. For the six months ended June 25, 2016, compared to the six months ended June 27, 2015, the increase in cash provided by operating activities was primarily driven by a positive change in operating assets and liabilities; partially offset by a decrease in income from continuing operations. Our days sales outstanding, which includes deferred revenue as an offset to accounts receivable but is not adjusted for an allowance for doubtful accounts in the calculation, was 47 days as of June 25, 2016, compared to 51 days as of December 26, 2015.

The following table presents our net cash used in investing activities:

	Six Months Ended	
	June 25, 2016	June 27, 2015
	(in millions)	
Acquisition of businesses and assets, net of cash acquired	$ (578.8)	$ (10.7)
Capital expenditures	(20.0)	(24.6)
Investments, net	(10.1)	(3.8)
Other, net	4.1	2.6
Net cash used in investing activities	$ (604.8)	$ (36.5)

The primary use of cash in investing activities in the six months ended June 25, 2016 and June 27, 2015 was related to our acquisition of WIL Research in April 2016 and Sunrise in May 2015 as well as capital expenditures.

The following table presents our net cash provided by financing activities:

	Six Months Ended	
	June 25, 2016	June 27, 2015
	(in millions)	
Proceeds from long-term debt and revolving credit facility	$ 882.0	$ 294.2
Proceeds from exercises of stock options	19.8	35.6
Payments on long-term debt, capital lease obligation and revolving credit facility	(375.2)	(301.3)
Purchase of treasury stock	(12.2)	(99.5)
Other, net	5.0	7.3
Net cash provided by (used in) financing activities	$ 519.4	$ (63.7)

For the six months ended June 25, 2016, cash provided by financing activities reflected net borrowings of $506.8 million; proceeds from exercises of employee stock options of $19.8 million and other activity; partially offset by treasury stock purchases of $12.2 million due to the netting of common stock upon vesting of stock-based awards in order to satisfy individual minimum statutory tax withholding requirements. For the six months ended June 27, 2015, cash used by financing activities reflected treasury stock purchases of $99.5 million made primarily pursuant to our authorized stock repurchase program and net debt repayments of $7.1 million, partially offset by proceeds from exercises of employee stock options of $35.6 million.

Contractual Commitments and Obligations

The disclosure of our contractual obligations and commitments was reported in our Annual Report on Form 10-K for the year ended December 26, 2015. There have been no material changes from the contractual commitments and obligations previously disclosed in our Annual Report on Form 10-K other than the changes described in Note 5, “Fair Value,” Note 7, “Long-Term Debt and Capital Lease Obligations” and Note 13, “Commitments and Contingencies” in this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

As of June 25, 2016, we did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K promulgated under the Exchange Act, except as disclosed below.

Venture Capital Investments
We invest in several venture capital funds that invest in start-up companies, primarily in the life sciences industry. Our total commitment to the funds as of June 25, 2016 was $80.6 million, of which we funded $34.0 million through June 25, 2016. Refer to Note 4, “Venture Capital Investments and Marketable Securities” for additional information.

Letters of Credit
Our off-balance sheet commitments related to our outstanding letters of credit as of June 25, 2016 were $5.1 million.

Critical Accounting Policies and Estimates

Our discussion and analysis of our liquidity, capital resources and results of operations is based upon our condensed consolidated financial statements prepared in accordance with generally accepted accounting principles in the U.S. The preparation of these financial statements requires us to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities, the reported amounts of revenues and expenses during the reported periods and related disclosures. These estimates and assumptions are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on our historical experience, trends in the industry and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

We believe that our application of the following accounting policies, each of which require significant judgments and estimates on the part of management, is the most critical to aid in fully understanding and evaluating our reported financial results: (1) revenue recognition, (2) income taxes, (3) goodwill and intangible assets, (4) valuation and impairment of long-lived assets, (5) pension and other retirement benefit plans, and (6) stock-based compensation. Our critical accounting policies are described in our Annual Report on Form 10-K for the fiscal year 2015.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements please refer to Note 1, "Basis of Presentation," in this Quarterly Report on Form 10-Q. We did not adopt any new accounting pronouncements during the six months ended June 25, 2016 that had a material effect on our condensed consolidated financial statements included in this report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk from changes in interest rates and currency exchange rates, which could affect our future results of operations and financial condition. We manage our exposure to these risks through our regular operating and financing activities.

Interest Rate Risk

We are exposed to changes in interest rates while conducting normal business operations as a result of ongoing financing activities. As of June 25, 2016, our debt portfolio was comprised primarily of floating interest rate borrowings. A 100-basis point increase in interest rates would increase our annual pre-tax interest expense by approximately $13.4 million.

Foreign Currency Exchange Rate Risk

We operate on a global basis and have exposure to some foreign currency exchange rate fluctuations for our financial position, results of operations and cash flows.

While the financial results of our global activities are reported in U.S. dollars, our foreign subsidiaries typically conduct their operations in their respective local currency. The principal functional currencies of the Company's foreign subsidiaries are the Euro, British Pound and Canadian Dollar. During the six months ended June 25, 2016, the most significant drivers of foreign currency translation adjustment the Company recorded as part of comprehensive income were the Euro, British Pound, Canadian Dollar and to a lesser extent, the Japanese Yen.

Fluctuations in the foreign currency exchange rates of the countries in which we do business will affect our financial position, results of operations, and cash flows. In particular, as the U.S. dollar strengthens against other currencies, the value of our non-U.S. revenue, expenses, assets, liabilities and cash flows will generally decline when reported in U.S. dollars. The impact to net income as a result of a U.S. dollar strengthening will be partially mitigated by the value of non-U.S. expense, which will also decline when reported in U.S. dollars. As the U.S. dollar weakens versus other currencies, the value of the non-U.S. revenue and expenses, assets, liabilities and cash flows will generally increase when reported in U.S. dollars. For the six months ended June 25, 2016, our revenue would have increased by approximately $17.3 million and our operating income would have increased by approximately $1.7 million, if the U.S. dollar exchange rate would have strengthened by 10% with all other variables held constant.

We attempt to minimize this exposure by using certain financial instruments in accordance with our overall risk management and our hedge policies. We do not enter into speculative derivative agreements.

During the six months ended June 25, 2016, we utilized foreign exchange contracts, principally to hedge certain balance sheet exposures resulting from foreign currency fluctuations. No foreign currency contracts were open at June 25, 2016.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Based on their evaluation, required by paragraph (b) of Rules 13a-15 or 15d-15, promulgated by the Securities Exchange Act of 1934, as amended (Exchange Act), the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, are effective, at a reasonable assurance level to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, as of June 25, 2016. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired control objectives, and management necessarily was required to apply its judgment in designing and evaluating the controls and procedures.

(b) Changes in Internal Controls

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of the Exchange Act Rules 13a-15 or 15d-15 that occurred during the quarter ended June 25, 2016 that materially affected, or were reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year 2015, which could materially affect our business, financial condition, and/or future results. The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year 2015 except as described below.

Referendum on the United Kingdom's membership in the European Union "Brexit" may adversely affect our business

The United Kingdom (U.K.) held a referendum in which voters approved an exit from the European Union (E.U.). As a result of the referendum, it is expected that the British government will begin negotiating the terms of the U.K.'s future relationship with the E.U. In addition, the announcement of Brexit has caused significant volatility in global stock markets and currency exchange rate fluctuations, including the strengthening of the U.S. dollar against foreign currencies. The announcement of Brexit also may create global economic uncertainty, which may cause our customers and potential customers to monitor their costs and reduce their budgets for our products and services. Given that we conduct a substantial portion of our business in the E.U. and the U.K., any of these effects of Brexit, among others, could adversely affect our business, business opportunities, results of operations, financial condition and cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information relating to the purchases of shares of our common stock during the three months ended June 25, 2016.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
March 27, 2016 to April 22, 2016	—	$ —	—	$ 69,694
April 23, 2016 to May 20, 2016	642	$ 79.27	—	$ 69,694
May 21, 2016 to June 25, 2016	—	$ —	—	$ 69,694
Total	642		—	

As of June 25, 2016, we had $69.7 million remaining on the authorized stock repurchase program.

Additionally, our stock-based compensation plans permit the netting of common stock upon vesting of restricted stock, restricted stock units and performance share units in order to satisfy individual minimum statutory tax withholding requirements.

Item 6. Exhibits

(a) Exhibits

10.1* Charles River Laboratories International, Inc. 2016 Incentive Plan

31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.

31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.

32.1 Certification of the Principal Executive Officer and the Principal Financial Officer required by Rule 13a-14(a) of 15d-14(a) of the Exchange Act.

101.INS XBRL Instance Document.

101.SCH XBRL Taxonomy Extension Schema Document.

101.CAL XBRL Taxonomy Calculation Linkbase Document.

101.DEF XBRL Taxonomy Definition Linkbase Document.

101.LAB XBRL Taxonomy Label Linkbase Document.

101.PRE XBRL Taxonomy Presentation Linkbase Document.

* Management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

August 3, 2016	/s/ JAMES C. FOSTER
	James C. Foster *Chairman, President and Chief Executive Officer*
August 3, 2016	/s/ DAVID R. SMITH
	David R. Smith *Corporate Executive Vice President and* *Chief Financial Officer*

Exhibit 10.1

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.
2016 INCENTIVE PLAN
Originally adopted by the Board of Directors On March 28, 2016; approved by the shareholders on May 11, 2016

1. ADMINISTRATION

Subject to the express provisions of the Plan, the Administrator has the authority to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; prescribe forms, rules and procedures (which it may modify or waive); and otherwise do all things necessary to implement the Plan. Once an Award has been communicated in writing to a Participant, the Administrator may not, without the Participant's consent, alter the terms of the Award so as to materially affect adversely the Participant's rights under the Award, unless the Administrator has expressly reserved the right to do so or pursuant to Section 9.

2. LIMITS ON AWARDS UNDER THE PLAN

a. ***NUMBER OF SHARES***. Subject to adjustments as provided in Section 5, the total number of shares of Stock subject to Awards granted under the Plan, in the aggregate, may not exceed 6,116,000 (the "Fungible Pool Limit"), which includes (A) a reserve of 2,467,000 shares of Stock remaining available for issuance under the 2007 Plan as in effect prior to the Effective Date and (B) an increase of 3,649,000 shares of Stock, as approved by the Board, subject to approval by the stockholders of the Company. Each share of Stock issued or to be issued in connection with any Full-Value Award shall be counted against the Fungible Pool Limit as 2.3 Fungible Pool Units. Stock Options, SARs and other Awards that do not deliver the full value at grant thereof of the underlying shares of Stock and that expire no more than seven (7) years from the date of grant shall be counted against the Fungible Pool Limit as one (1.0) Fungible Pool Unit. (For these purposes, the number of shares of Stock taken into account with respect to a SAR shall be the number of shares of Stock underlying the SAR at grant (i.e., not the final number of shares of Stock delivered upon exercise of the SAR)). For purposes of the preceding sentence, shares that have been forfeited or cancelled in accordance with the terms of the applicable Award shall not be considered to have been delivered under the Plan, but shares held back in satisfaction of the exercise price or tax withholding requirements from shares that would otherwise have been delivered pursuant to an Award will be considered to have been delivered under the Plan. In addition, shares of Stock that have been repurchased by the Company with proceeds obtained in connection with the exercise of outstanding Awards shall not be added into the pool of available shares. Any shares of Stock that again become available for grant pursuant to this Section 2.a shall be added back to the pool of available shares. For purposes of clarity, in calculating the number of shares of Stock remaining under the Fungible Pool Limit, the Administrator will not increase the number of available Fungible Pool Units for shares of Stock delivered under an Award (i.e. previously acquired Shares tendered by the Participant in payment of the exercise price or of withholding taxes). The Administrator shall determine the appropriate methodology for calculating the number of shares of Stock issued pursuant to the Plan.

b. ***TYPE OF SHARES***. Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company and held in treasury. No fractional shares of Stock will be delivered under the Plan.

c. ***CERTAIN SHARE LIMITS***. The maximum number of shares of Stock for which Stock Options may be granted to any person annually from and after adoption of the Plan and prior to March 28, 2026, the maximum number of shares of Stock subject to SARs granted to any person annually during such period and the aggregate maximum number of shares of Stock subject to other Awards that may be delivered (or the value of which may be paid) to any person annually during such period shall each be 2,000,000, subject to adjustments as provided in Section 5. For purposes of the preceding sentence, the repricing of a Stock Option or SAR shall be treated as a new grant to the extent required under Section 162(m), PROVIDED, no such repricing shall be permitted except in accordance with Section 4.a(10) of this Plan. Each person eligible to participate in the Plan shall be eligible to receive Awards covering up to the full number of shares of Stock then available for Awards under the Plan. No Awards may be granted under the Plan after March 28, 2026, but previously granted Awards may extend beyond that date.

d. ***OTHER AWARD LIMITS***. No more than $3,000,000 may be paid to any individual with respect to any Cash Performance Award (other than an Award expressed in terms of shares of Stock or units representing Stock, which shall instead be subject to the limit set forth in Section 2.c above). In applying the dollar limitation of the preceding sentence: (A) multiple Cash Performance Awards to the same individual that are determined by reference to performance periods of one year with or within the same fiscal year of the Company shall be subject in the aggregate to one limit of such amount, and (B) multiple Cash Performance Awards to the same individual that are determined by reference to one or more multi-year performance periods ending in the same fiscal year of the Company shall be subject in the aggregate to a separate limit of such amount.

e. ***NON-EMPLOYEE DIRECTOR LIMIT***. The aggregate grant date fair value (determined as of the date of grant) of (A) any Award granted under the Plan to an individual upon becoming a non-employee member of the Board of Directors ("Initial Non-Employee Director Grant") shall not exceed $800,000 and (B) all Awards granted under the Plan to any individual non-employee member of the Board of Directors during any one-year term (excluding an Initial Non-Employee Director Grant) shall not exceed $600,000.

3. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among those key Employees, directors and other individuals or entities providing services to the Company or its Affiliates who, in the opinion of the Administrator, are in a position to make a significant contribution to the success of the Company and its Affiliates. Eligibility for ISOs is further limited to those individuals whose employment status would qualify them for the tax treatment described in Sections 421 and 422 of the Code.

4. RULES APPLICABLE TO AWARDS

a. ALL AWARDS

(1) ***TERMS OF AWARDS***. All Awards of Stock Options and SARs granted hereunder shall have a term of not to exceed seven (7) years from the date of grant. The Administrator shall determine all other terms of all Awards subject to the limitations provided herein.

(2) ***PERFORMANCE CRITERIA***. Where rights under an Award depend in whole or in part on satisfaction of Performance Criteria, actions by the Company that have an effect, however material, on such Performance Criteria or on the likelihood that they will be satisfied will not be deemed an amendment or alteration of the Award.

(3) ***ALTERNATIVE SETTLEMENT***. The Company may at any time extinguish rights under an Award in exchange for payment in cash, Stock (subject to the limitations of Section 2) or other property on such terms as the Administrator determines, PROVIDED the holder of the Award consents to such exchange, PROVIDED FURTHER, no such exchange will be made where the cash, Stock or property to be received has a fair market value greater than the Award being extinguished, or where any such exchange would violate Section 4.a(10) of this Plan or would cause a Performance Award that is intended to qualify for the performance-based compensation exception under Section 162(m) to fail to so qualify.

(4) ***TRANSFERABILITY OF AWARDS***. Awards may not be transferred other than by will or by the laws of descent and distribution and during a Participant's lifetime an Award requiring exercise may be exercised only by the Participant (or in the event of the Participant's incapacity, the person or persons legally appointed to act on the Participant's behalf).

(5) ***VESTING, ETC***. Without limiting the generality of Section 1, the Administrator may determine the time or times at which an Award will vest (i.e., become free of forfeiture restrictions) or become exercisable and the terms on which an Award requiring exercise will remain exercisable. Unless otherwise provided by Section 4.e with respect to Performance Awards or if the Administrator expressly provides otherwise:

(A) immediately upon the cessation of a Participant's employment or other service relationship with the Company and its Affiliates, all Awards (other than Stock Options and SARs) held by the Participant (or by a permitted transferee under Section 4.a(4)) immediately prior to such cessation of employment or other service relationship will be forfeited if not then vested and, where exercisability is relevant, will cease to be exercisable;

(B) except as provided in (C) and (D) below, all Stock Options and SARs held by a Participant (or by a permitted transferee under Section 4.a(4)) immediately prior to the cessation of the Participant's employment or other service relationship for reasons other than Disability or death, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 4.a(5), and shall thereupon terminate;

(C) all Stock Options and SARs held by a Participant (or by a permitted transferee under Section 4.a(4)) immediately prior to the Participant's Disability or death, to the extent then exercisable, will remain exercisable for the lesser of (i) the one-year period ending with the first anniversary of the Participant's Disability or death or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 4.a(5), and shall thereupon terminate; and

(D) all Stock Options and SARs held by a Participant (or by a permitted transferee of the Participant under Section 4.a(4)) whose cessation of employment or other service relationship is determined by the Administrator in its sole discretion to result from reasons which cast such discredit on the Participant as to justify immediate termination of the Award shall immediately terminate upon such cessation.

Unless the Administrator expressly provides otherwise, a Participant's "employment or other service relationship with the Company and its Affiliates" will be deemed to have ceased, in the case of an employee Participant, upon termination of the Participant's employment with the Company and its Affiliates (whether or not the Participant continues in the service of the Company or its Affiliates in some capacity other than that of an employee of the Company or its Affiliates), and in the case of any other Participant, when the service relationship in respect of which the Award was granted terminates (whether or not the Participant continues in the service of the Company or its Affiliates in some other capacity).

(6) ***TAXES***. The Administrator will make such provision for the withholding of taxes as it deems necessary. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax withholding requirements. For the avoidance of doubt, Stock may be tendered or held back by the Company in excess of the minimum amount required to be withheld for Federal, state, and local taxes.

As provided in Section 2.a of this Plan, in the event shares of Stock are held back from an Award in satisfaction of tax withholding requirements, such shares will nonetheless be considered to have been delivered under the Plan.

(7) ***DIVIDEND EQUIVALENTS, ETC***. The Administrator may provide for the payment of amounts in lieu of cash dividends or other cash distributions with respect to Stock subject to any Full Value Award if and in such manner as it deems appropriate.

(8) ***RIGHTS LIMITED***. Nothing in the Plan shall be construed as giving any person the right to continued employment or service with the Company or its Affiliates, or any rights as a shareholder except as to shares of Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of employment or service for any reason, even if the termination is in violation of an obligation of the Company or Affiliate to the Participant. No Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. Any Award granted under the Plan shall not be a part of a Participant's base salary or wages and will not be taken into account in determining any other employment-related rights such Participant may have, such as rights to pension or severance pay. The Company, in its sole discretion, maintains the right to make available future grants under the Plan. Unless stated herein, no Participant or other person shall acquire any rights, remedies, benefits or obligations. Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(9) ***SECTION 162(m)***. The Administrator in its discretion may grant Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m) and Performance Awards that are not intended so to qualify. In the case of an Award intended to be eligible for the performance-based compensation exception under Section 162(m), the Plan and such Award shall be construed to the maximum extent permitted by law in a manner consistent with qualifying the Award for such exception. In the case of a Performance Award intended to qualify as performance-based for the purposes of Section 162(m), except as otherwise permitted by the regulations at Treas. Regs. Section 1.162-27: (i) the

Administrator shall pre-establish in writing one or more specific Performance Criteria no later than 90 days after the commencement of the period of service to which the performance relates (or at such earlier time as is required to qualify the Award as performance-based under Section 162(m)); (ii) payment of the Award shall be conditioned upon prior certification by the Administrator that the Performance Criteria have been satisfied; and (iii) if the Performance Criteria with respect to the Award are not satisfied, no other Award shall be provided in substitution of the Performance Award. The provisions of this Section 4.a(9) shall be construed in a manner that is consistent with the regulations under Section 162(m).

(10) ***OPTION AND SAR REPRICING***. Options and SARs may not be repriced, or replaced with any other award (including full-value awards), or repurchased for cash without the approval of the shareholders of the Company.

(11) ***FORFEITURE/CLAWBACK***. The Committee may determine that any Award under this Plan shall be subject to provisions for the forfeiture and/or reimbursement of all amounts received in connection with an Award in the event of breach of noncompetition, nonsolicitation or confidentiality agreements. All Awards granted under this Plan are subject to recoupment, to the extent applicable, under the Company's Corporate Governance Guidelines, as may be revised from time to time, and/or any other recoupment, clawback or similar policy that may be approved by the Board or any committee thereof. Notwithstanding any other provision of this Plan, a Participant shall be required to reimburse the Company amounts received in connection with an Award to the extent required under Section 304 of the Sarbanes-Oxley Act of 2002 and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

(12) ***STOCK OWNERSHIP GUIDELINES/HOLDING PERIODS***. The Committee may require that any Stock acquired by a Participant in connection with an Award granted under this Plan shall be subject to stock ownership guidelines, a minimum holding period or similar requirement under which a Participant shall not be permitted to transfer, sell, pledge, hedge, hypothecate or otherwise dispose of any such Stock.

b. AWARDS REQUIRING EXERCISE

(1) ***TIME AND MANNER OF EXERCISE***. Unless the Administrator expressly provides otherwise, (a) an Award requiring exercise by the holder will not be deemed to have been exercised until the Administrator receives a written notice of exercise (in a form acceptable to the Administrator) signed by the appropriate person and accompanied by any payment required under the Award or adequate provision therefore, as set forth in Section 4.b(3); and (b) if the Award is exercised by any person other than the Participant, the Administrator may require satisfactory evidence that the person exercising the Award has the right to do so.

(2) ***EXERCISE PRICE***. The Administrator shall determine the exercise price of each Stock Option and SAR; PROVIDED, that each Stock Option and SAR must have an exercise price that is not less than the fair market value of the Stock subject to the Stock Option and SAR, determined as of the date of grant. An ISO granted to an Employee described in Section 422(b)(6) of the Code must have an exercise price that is not less than 110% of such fair market value.

(3) ***PAYMENT OF EXERCISE PRICE, IF ANY***. Where the exercise of an Award is to be accompanied by payment, the Administrator may determine the required or permitted forms of payment, subject to the following: (a) all payments will be by cash or check acceptable to the Administrator, or, if so permitted by the Administrator (with the consent of the optionee of an ISO if permitted after the grant), (i) through the delivery of shares of Stock which have been outstanding for at least six months (unless the Administrator approves a shorter period) and which have a fair market value equal to the exercise price, (ii) by delivery of a promissory note of the person exercising the Award to the Company, payable on such terms as are specified by the Administrator, (iii) if the Stock is publicly traded, by delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay the exercise price, or (iv) by any combination of the foregoing permissible forms of payment; and (b) where shares of Stock issued under an Award are part of an original issue of shares, the Award shall require an exercise price equal to at least the par value of such shares.

(4) ***GRANT OF STOCK OPTIONS***. Each Stock Option awarded under the Plan shall be deemed to have been awarded as a non-ISO (and to have been so designated by its terms) unless the Administrator expressly provides for ISO treatment that the Stock Option is to be treated as an ISO.

c. AWARDS NOT REQUIRING EXERCISE

Awards of Restricted Stock and Unrestricted Stock may be made in return for either (1) services determined by the Administrator to have a value not less than the par value of the Awarded shares of Stock, or (2) cash or other property having a value not less than the par value of the Awarded shares of Stock plus such additional amounts (if any) as the Administrator may determine payable in such combination and type of cash, other property (of any kind) or services as the Administrator may determine.

d. AWARDS OF FULL-VALUE AWARDS

Notwithstanding Section 4.a(5) of this Plan, (1) Full-Value Awards that are not Performance Awards to Participants other than non-employee members of the Board of Directors shall vest (i.e., become free of forfeiture restrictions) over a period of time at least three years or more from the date of grant, and (2) Full-Value Awards that are Performance Awards shall be subject to the attainment of Performance Criteria which require at least 12 months to achieve; PROVIDED, however that Full-Value Awards that are not Performance Awards that aggregate not more than 5% of the number of shares reserved for issuance under the Plan may be awarded without the vesting requirements set forth in clauses (1) and (2). For purposes of clarity, Full-Value Awards issued to non-employee members of the Board of Directors will not be included in determining whether the 5% threshold in the prior sentence has been achieved.

e. PERFORMANCE AWARDS

Performance Awards may be granted to Participants as follows:

(1) Prior to the grant of any Performance Award, the Administrator shall establish for each such award (i) performance levels at which 100% of the award shall be earned and a range (which need not be the same for all awards) within which greater and lesser percentages shall be earned and (ii) a performance period (which shall not be less than 12 months) which shall be determined at time of grant.

(2) With respect to the performance levels to be established pursuant to paragraph 4.e(1), the specific measures for each grant shall be established by the Administrator at the time of such grant. In creating these measures, the Administrator may establish the specific goals based upon or relating to any Performance Criteria (as defined below).

(3) Except as otherwise provided in paragraph 4.e(5), the percentage of each Performance Award to be distributed to an employee shall be determined by the Administrator on the basis of the performance levels established for such award and on the basis of individual performance in satisfaction of the Performance Award during such period. Any Performance Award, as determined and adjusted pursuant to this paragraph and paragraphs 4.e.(5-8) is herein referred to as a "Final Award". No distribution of any Final Award (or portion thereof) shall be made if the minimum performance level applicable to the related Performance Award is not achieved during the applicable performance period or, unless otherwise determined by the Administrator, if the employment of the employee to whom the related Performance Award was granted shall terminate for any reason whatsoever (including Disability and death) within 12 months after the date the Performance Award was granted.

(4) All Final Awards which have vested in accordance with the provisions of paragraphs 4.e.(5-10) shall be granted as soon as practicable following the end of the related vesting period. Final awards shall be granted in the form of Restricted Stock, Unrestricted Stock, Deferred Stock, Cash Performance Awards, or cash or any combination thereof, as the Administrator shall determine.

(5) Payment of any Final Award (or portion thereof) to an individual employee shall be subject to the continued rendering of services as an employee (unless this condition is waived by the Administrator). If the Administrator shall determine that such employee has failed to satisfy such conditions precedent, all Performance Awards granted to such employee which have not become Final Awards, and all Final Awards which have not been paid pursuant to paragraph 4.e(10) shall be immediately canceled. Upon termination of an employee's employment other than by Disability or death (whether such termination is before or after a Performance Award shall have become a Final Award), the Administrator may, but shall not in any case be required to, waive the condition precedent of continuing to render services.

(6) If, upon termination of an employee's employment prior to the end of any performance period for a reason other than Disability or death, the Administrator shall determine to waive the condition precedent of continuing to render services as provided in paragraph 4.e(5), the Performance Award granted to such employee with respect to such performance period shall be reduced pro rata based on the number of months remaining in the performance period after the month of such termination

and such awards will be paid at the time they would have been paid absent an employment termination, unless otherwise determined by the Administrator or provided for in an award agreement. The Final Award for such employee shall be determined by the Administrator (i) on the basis of the performance levels established for such award (including the minimum performance level) and the performance level achieved through the end of the performance period and (ii) in the discretion of the Administrator, on the basis of individual performance during the period prior to such termination. A qualifying leave of absence, determined in accordance with procedures established by the Administrator, shall not be deemed to be a termination of employment but, except as otherwise determined by the Administrator, the employee's Performance Award will be reduced pro rata based on the number of months during which such person was on such leave of absence during the performance period. A Performance Award shall not vest during a leave of absence granted an employee for local, state, provincial, or federal government service.

(7) Upon termination of an employee's employment by reason of Disability or death prior to the end of any performance period, the Performance Award granted to such employee with respect to such performance period, except as otherwise provided in paragraph 4.e(3), shall be reduced pro rata based on the number of months remaining in the performance period after the month of such employee's Disability or death. The percentage of the reduced Performance Award to be distributed to such employee shall be determined by the Administrator (i) on the basis of the performance levels established for such award (including the minimum performance level) and the performance level achieved through the end of the fiscal year during which such employee became Disabled or died and (ii) in the discretion of the Administrator, on the basis of individual performance during the applicable period. Such Final Awards will immediately vest and be paid as promptly as practicable.

(8) If an employee is promoted during the performance period with respect to any Performance Award, such Performance Award may, in the discretion of the Administrator, be increased to reflect such employee's new responsibilities.

(9) Performance Awards that have become Final Awards may be subject to a vesting schedule established by the Administrator. Except as otherwise provided in this Plan, no Final Award (or portion thereof) subject to a vesting schedule shall be paid prior to vesting and the unpaid portion of any Final Award shall be subject to the provisions of paragraph 4.e(5). The Administrator shall have the authority to modify a vesting schedule as may be necessary or appropriate in order to implement the purposes of this Plan.

(10) No holder of a Performance Award shall have any rights to dividends or interest or other rights of a stockholder with respect to a Performance Award prior to such Performance Award's becoming a Final Award.

(11) To the extent that any employee, former employee, or any other person acquires a right to receive payments or distributions under this Plan with respect to a Performance Award, such right shall be no greater than the right of a general unsecured creditor of the Company. All payments and distributions to be made hereunder shall be paid from the general assets of the Company. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any employee, former employee, or any other person.

5. EFFECT OF CERTAIN TRANSACTIONS

a. ***MERGERS, ETC***. Other than in connection with Awards that are denominated and subject to settlement in cash, Awards shall not vest in connection with a Covered Transaction unless such Covered Transaction is accompanied by a "double trigger event". For this purpose, a "double trigger event" occurs in connection with a Covered Transaction if (i) the Award is not appropriately assumed nor an equivalent award substituted by the surviving, continuing, successor or purchasing company or other business entity or parent thereof, as the case may be, (ii) cash or cash equivalents are the sole or primary form of consideration to be received by the shareholder of the Company or (iii) at the time of, or within 12 months following the Covered Transaction, the Participant incurs a termination of employment without Cause or for Good Reason.

Upon a Covered Transaction "double trigger event": (i) in the case of a Stock Option or SAR, the Stock Option or SAR shall become fully vested and exercisable immediately upon the occurrence of the double trigger event; (ii) in the case of Restricted Stock, Deferred Stock or restricted stock units (in each case other than an award of Restricted Stock, award of Deferred Stock or award of restricted stock units that is a Performance Award), the restriction period shall lapse and the Restricted Stock, Deferred Stock or restricted stock unit (as applicable) shall fully vest immediately upon the occurrence of the double trigger event; and (iii) in the case of a Performance Award, payment under the Award shall be subject to the terms set forth in the applicable award agreement.

b. ***CHANGES IN AND DISTRIBUTIONS WITH RESPECT TO THE STOCK***

(1) BASIC ADJUSTMENT PROVISIONS. In the event of a stock dividend, stock split or combination of shares, recapitalization or other change in the Company's capital structure, the Administrator will make appropriate adjustments to the maximum number of shares that may be delivered under the Plan under Section 2.a and to the maximum share limits described in Section 2.c, and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change.

(2) ***CERTAIN OTHER ADJUSTMENTS***. The Administrator may also make adjustments of the type described in paragraph (1) above to take into account distributions to common stockholders other than those provided for in Section 5.a and 5.b (1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan and to preserve the value of Awards made hereunder; PROVIDED, that no such adjustment shall be made to the maximum share limits described in Section 2.c, or otherwise to an Award intended to be eligible for the performance-based exception under Section 162(m), except to the extent consistent with that exception, nor shall any change be made to ISOs except to the extent consistent with their continued qualification under Section 422 of the Code.

(3) ***CONTINUING APPLICATION OF PLAN TERMS***. References in the Plan to shares of Stock shall be construed to include any stock or securities resulting from an adjustment pursuant to Section 5.b(1) or 5.b(2) above.

6. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until the Company's counsel has approved all legal matters in connection with the issuance and delivery of such shares; if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and all conditions of the Award have been satisfied or waived. If the sale of Stock has not been registered under the Securities Act of 1933, as amended, the Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of such Act. The Company may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock.

7. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, or may at any time terminate the Plan as to any further grants of Awards; PROVIDED, that (except to the extent expressly required or permitted by the Plan) no such amendment will, without the approval of the stockholders of the Company, effectuate a change for which stockholder approval is required under the rules of the New York Stock Exchange (which includes any "material revision" as defined under the rules of the New York Stock Exchange) or in order for the Plan to continue to qualify under Section 422 of the Code, for Awards to be eligible for the performance-based exception under Section 162(m) of the Code and to have an Award comply with, or avoid adverse consequences under, Section 409A of the Code.

8. NON-LIMITATION OF THE COMPANY'S RIGHTS

The existence of the Plan or the grant of any Award shall not in any way affect the Company's right to award a person bonuses or other compensation in addition to Awards under the Plan.

9. COMPLIANCE WITH APPLICABLE LAW

If any provision of the Plan or any applicable award agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the applicable award agreement, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such applicable award agreement shall remain in full force and effect.

10. DATA PRIVACY

The Company, any Affiliate and Committee may collect, process, transmit and store, in any form whatsoever, any data of a professional or personal nature described in the Plan, the applicable award agreement and any other grant or plan administration materials by and among, as applicable, the Company or any Affiliate that is necessary, in the discretion of the Company or any Affiliate, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Company and any Affiliate may share such information with any third party in any country, including any trustee, registrar, administrative agent, broker, stock plan service provider or any other person assisting the Company with the implementation, administration, and management of the Awards and the Plan. The Company, any Affiliate, the Committee and any possible recipients described herein may receive, possess, use, retain and transfer the data in electronic or other form, for the sole purpose described herein. The Participant may refuse to provide consent or authorization, or may withdraw such consent or authorization, regarding the matters described in this Section 10; PROVIDED, however, that such refusal or withdrawal may affect the Participant's ability to participate in the Plan.

11. GOVERNING LAW

The Plan shall be construed in accordance with the laws of The Commonwealth of Massachusetts without reference to principles of conflicts of laws.

12. DEFINED TERMS.

The following terms, when used in the Plan, shall have the meanings and be subject to the provisions set forth below:

"2007 Plan". The Charles River Laboratories International, Inc. 2007 Incentive Plan as from time to time amended and in effect.

"ADMINISTRATOR": The Board or, if one or more has been appointed, the Committee. With respect to ministerial tasks deemed appropriate by the Board or Committee, the term "Administrator" shall also include such persons (including Employees) to whom the Board or Committee shall have delegated such tasks.

"AFFILIATE": Any corporation or other entity owning, directly or indirectly, 50% or more of the outstanding Stock of the Company, or in which the Company or any such corporation or other entity owns, directly or indirectly, 50% of the outstanding capital stock (determined by aggregate voting rights) or other voting interests.

"AWARD": Any or a combination of the following (which shall include any Final Award with respect to the following):

(i) Stock Options.

(ii) SARs.

(iii) Restricted Stock.

(iv) Unrestricted Stock.

(v) Deferred Stock.

(vi) Cash Performance Awards.

(vii) Other Performance Awards.

"BOARD": The Board of Directors of the Company.

"CASH PERFORMANCE AWARD": A Performance Award payable in cash. The right of the Company under Section 4.a(3) (subject to the consent of the holder of the Award as therein provided) to extinguish an Award in exchange for cash or the exercise by the Company of such right shall not make an Award otherwise not payable in cash a Cash Performance Award.

"CAUSE": Unless otherwise provided for in a Participant's written agreement with the Company, "Cause"" for termination by the Company of the Participant's employment shall mean (i) the willful and continued failure by the Participant to perform the Participant's duties with the Company, (ii) a substantial and not de minimis violation of the Company's Code of Business Conduct and Ethics (and any successor policy), as the same are in effect from time to time, (iii) the Participant's conviction of a felony or (iv) engaging in conduct that constitutes a violation of any (x) confidential agreements with the Company or (y) confidentiality policies applicable to the Participant.

"CODE": The U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

"COMMITTEE": One or more committees of the Board (including any subcommittee thereof) appointed or authorized to make Awards and otherwise to administer the Plan. In the case of Awards granted to executive officers of the Company, except as otherwise permitted by the regulations at Treas. Regs. Section 1.162-27, the Committee shall be comprised solely of two or more outside directors within the meaning of Section 162(m).

"COMPANY": Charles River Laboratories International, Inc.

"COVERED TRANSACTION": Any of (i) a consolidation, merger or other transaction which results in any individual, entity or "group" (within the meaning of section 13(d) of the Securities Exchange Act of 1934) acquiring the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) directly or indirectly of more than 50% of either the then outstanding shares of common stock of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, (ii) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board, (iii) a sale or transfer of all or substantially all the Company's assets, or (iv) a dissolution or liquidation of the Company.

"DEFERRED STOCK": A promise to deliver Stock, other securities or other property in the future on specified terms to a Participant (including, for the avoidance of doubt, a director of the Company).

"DISABILITY". With respect to any Participant, "disability" as defined in such Participant's employment agreement, if any, or if not so defined, except as otherwise provided in such Participant's award agreement:

(i) a Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

(ii) a Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under the Company's accident and health plan.

"EMPLOYEE": Any person who is employed by the Company or an Affiliate.

"FULL-VALUE AWARD": an Award other than an Option or SAR, and which is settled by the issuance of shares of Stock or the value of the stated number of shares in cash.

"FUNGIBLE POOL UNIT": the measuring unit used for purposes of the Plan, as specified in Section 2, to determine the number of Shares which may be subject to Awards hereunder, which shall consist of Shares in the proportions (ranging from 1.0 to 2.3) as set forth in Section 2.a.

"GOOD REASON": Unless otherwise provided for in a Participant's written agreement with the Company, Good Reason for termination by the Participant of the Participant's employment shall mean the occurrence (without the Participant's express written consent) of any one of the following acts by the Company, or failures by the Company to act, unless in the case of any act or failure to act described in paragraph (i), (iii) or (iv) below, such act or failure to act is corrected prior to the date of termination:

(i) the assignment to the Participant of any duties inconsistent with the Participant's position and responsibilities as in effect immediately prior to the Covered Transaction;

(ii) a reduction by the Company in the Participant's annual base salary as in effect on the date of the Covered Transaction;

(iii) the failure by the Company to continue in effect any compensation plan in which the Participant participates immediately prior to the Covered Transaction which is material to the Participant's total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by the Company to continue the Participant's participation therein (or in a substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Participant's participation relative to other participants, as existed at the time of the Covered Transaction;

(iv) the failure by the Company to continue to provide the Participant with benefits substantially similar to those enjoyed by the Participant under any of the Company's pension, life insurance, medical, health and accident, or disability plans in which the Participant was participating at the time of the Covered Transaction, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Participant of any material fringe benefit enjoyed by the Participant at the time of the Covered Transaction, or the failure by the Company to provide the Participant with the number of paid vacation days to which the Participant is entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the Covered Transaction; or

(v) the Company's requiring the Participant to relocate to an office or location more than fifty (50) miles distant from the office or location at which the Participant was based immediately prior to the date of termination.

"ISO": A Stock Option intended to be an "incentive stock option" within the meaning of Section 422 of the Code.

"PARTICIPANT": An Employee, director or other person providing services to the Company or its Affiliates who is granted an Award under the Plan.

"PERFORMANCE AWARD": An Award subject to Performance Criteria (including any Award that is a Final Award distributed in satisfaction of the vesting of a Performance Award that was subject to Performance Criteria).

"PERFORMANCE CRITERIA": Specified criteria the satisfaction of which is a condition for the exercisability, vesting or full enjoyment of an Award. For purposes of Performance Awards that are intended to qualify for the performance-based compensation exception under Section 162(m), a Performance Criterion shall mean an objectively determinable measure of performance relating to any or a subcomponent of any of the following (determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): (i) sales; revenues; assets; liabilities; costs; expenses; net income; operating income; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or other items, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; earnings per share; operating profit or net operating profit; capital expenditures; cash flow; working capital requirements; stock price; regulatory body approval for commercialization of a product; stockholder return; sales, contribution or gross margin, of particular products or services; particular operating or financial ratios; customer acquisition, expansion and retention; or any combination of the foregoing; or (ii) acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; recapitalizations, restructurings, financings (issuance of debt or equity) and refinancings; transactions that would constitute a change of control; or any combination of the foregoing. A Performance Criterion measure and targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss.

"PLAN": The Charles River Laboratories International, Inc. 2016 Incentive Plan as from time to time amended and in effect.

"PREEXISTING PLANS": Any plan of the Company or its predecessors in existence at or prior to the Effective Date under which equity, equity-based or performance cash awards were granted, including, without limitation, the following: (1) the 2007 Plan. For the purposes of this definition, "preexisting plans" shall not refer to the Company's Executive Incentive Compensation Plan (EICP).

"RESTRICTED STOCK": An Award of Stock subject to restrictions requiring that such Stock be redelivered to the Company if specified conditions are not satisfied.

"SECTION 162(m)": Section 162(m) of the Code.

"SARS": Rights entitling the holder upon exercise to receive cash or Stock, as the Administrator determines, equal to a function (determined by the Administrator using such factors as it deems appropriate) of the amount by which the Stock has appreciated in value since the date of the Award.

"STOCK": Common Stock of the Company.

"STOCK OPTIONS": Options entitling the recipient to acquire shares of Stock upon payment of the exercise price.

"UNRESTRICTED STOCK": An Award of Stock not subject to any restrictions under the Plan.

13. SECTION 409A OF THE CODE

To the extent applicable, Awards granted under the Plan are intended to comply with or be exempt from Section 409A of the Code, and the Administrator shall interpret and administer the Plan in accordance therewith. In addition, any provision in this Plan document that is determined to violate the requirements of Section 409A shall be void and without effect. In addition, any provision that is required to appear in this Plan document that is not expressly set forth shall be deemed to be set forth herein, and such Plan shall be administered in all respects as if such provisions were expressly set forth. The Administrator shall have the authority unilaterally to accelerate or delay a payment to which the holder of any Award may be entitled to the extent necessary or desirable to comply with, or avoid adverse consequences under, Section 409A (including, for the avoidance of doubt, with regard to an individual deemed to be a "specified employee" under Section 409A of the Code who has received an amount hereunder deemed to be "deferred compensation" subject to Section 409A of the Code). Notwithstanding the foregoing, the Company does not guarantee that this Plan, any Awards or any payments with respect thereto are in compliance with Section 409A of the Code.

14. EFFECTIVE DATE OF THE PLAN

The Plan shall be effective as of the date of its approval by the Board, subject to its approval by the stockholders of the Company (the "Effective Date").

15. AWARDS UNDER PREEXISTING PLANS

Upon approval of the Plan by stockholders of the Company as contemplated under Section 14, no further awards shall be granted under the Preexisting Plans; PROVIDED, however, that any shares that have been forfeited, cancelled or otherwise not delivered in accordance with the terms of the applicable award under a Preexisting Plan may be subsequently again awarded in accordance with the terms of the Plan. For purposes of clarity, the number of shares that relate to an Award under the Preexisting Plans is the maximum number of shares that can be delivered with respect to such Award.

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND RULE 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, James C. Foster, Chairman, President and Chief Executive Officer of Charles River Laboratories International, Inc. (the registrant) certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 25, 2016 of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James C. Foster

James C. Foster
Chairman, President and Chief Executive Officer
Charles River Laboratories International, Inc.

August 3, 2016

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND RULE 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, David R. Smith, Corporate Executive Vice President and Chief Financial Officer of Charles River Laboratories International, Inc. (the registrant) certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 25, 2016 of the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David R. Smith

David R. Smith
Corporate Executive Vice President and
Chief Financial Officer
Charles River Laboratories International, Inc.

August 3, 2016

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q for the quarter ended June 25, 2016 of Charles River Laboratories International, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, James C. Foster, Chairman, Chief Executive Officer and President of the Company, and David R. Smith, Corporate Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, to the best of his knowledge and pursuant to 18 U.S.C. Section 1350, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

	/s/ James C. Foster
August 3, 2016	James C. Foster *Chairman, President and Chief Executive Officer* Charles River Laboratories International, Inc.
	/s/ David R. Smith
August 3, 2016	David R. Smith *Corporate Executive Vice President and* *Chief Financial Officer* Charles River Laboratories International, Inc.

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act.