

# Appendix

---

## 3Q17 Results Regulation G Financial Reconciliations

---

**SCHEDULE 3 (FROM 3Q17 EARNINGS RELEASE)**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
**SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)<sup>(1)</sup>**

(in thousands, except percentages)

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
<b>Research Models and Services</b>				
Revenue	\$ 122,020	\$ 120,928	\$ 373,183	\$ 369,325
Operating income	30,726	31,224	102,016	103,055
Operating income as a % of revenue	25.2 %	25.8 %	27.3 %	27.9 %
Add back:				
Amortization related to acquisitions	433	592	1,238	1,776
Severance	—	618	—	618
Government billing adjustment and related expenses	—	505	150	634
Site consolidation costs, impairments and other items	—	69	—	207
Total non-GAAP adjustments to operating income	\$ 433	\$ 1,784	\$ 1,388	\$ 3,235
Operating income, excluding non-GAAP adjustments	\$ 31,159	\$ 33,008	\$ 103,404	\$ 106,290
Non-GAAP operating income as a % of revenue	25.5 %	27.3 %	27.7 %	28.8 %
Depreciation and amortization	\$ 5,272	\$ 5,245	\$ 15,309	\$ 15,613
Capital expenditures	\$ 6,762	\$ 2,532	\$ 13,769	\$ 5,966
<b>Discovery and Safety Assessment</b>				
Revenue	\$ 246,946	\$ 215,817	\$ 726,796	\$ 594,859
Operating income	46,616	31,303	136,966	94,514
Operating income as a % of revenue	18.9 %	14.5 %	18.8 %	15.9 %
Add back:				
Amortization related to acquisitions	7,602	8,583	22,107	19,068
Severance	84	3,367	356	7,487
Acquisition related adjustments <sup>(2)</sup>	776	677	2,303	4,317
Site consolidation costs, impairments and other items	276	5,125	835	7,279
Total non-GAAP adjustments to operating income	\$ 8,738	\$ 17,752	\$ 25,601	\$ 38,151
Operating income, excluding non-GAAP adjustments	\$ 55,354	\$ 49,055	\$ 162,567	\$ 132,665
Non-GAAP operating income as a % of revenue	22.4 %	22.7 %	22.4 %	22.3 %
Depreciation and amortization	\$ 20,333	\$ 20,671	\$ 58,667	\$ 51,228
Capital expenditures	\$ 10,127	\$ 4,509	\$ 25,552	\$ 13,860
<b>Manufacturing Support</b>				
Revenue	\$ 95,266	\$ 88,975	\$ 279,145	\$ 250,459
Operating income	31,923	26,711	87,565	73,447
Operating income as a % of revenue	33.5 %	30.0 %	31.4 %	29.3 %
Add back:				
Amortization related to acquisitions	2,322	2,888	7,568	9,367
Severance <sup>(3)</sup>	552	30	1,620	30
Acquisition related adjustments <sup>(2)</sup>	—	469	26	1,146
Site consolidation costs, impairments and other items	—	—	—	301
Total non-GAAP adjustments to operating income	\$ 2,874	\$ 3,387	\$ 9,214	\$ 10,844
Operating income, excluding non-GAAP adjustments	\$ 34,797	\$ 30,098	\$ 96,779	\$ 84,291
Non-GAAP operating income as a % of revenue	36.5 %	33.8 %	34.7 %	33.7 %
Depreciation and amortization	\$ 5,572	\$ 6,181	\$ 17,321	\$ 18,682
Capital expenditures	\$ 2,879	\$ 1,862	\$ 7,111	\$ 8,247

CONTINUED ON NEXT SLIDE

**SCHEDULE 3 (FROM 3Q17 EARNINGS RELEASE)**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
**SELECTED BUSINESS SEGMENT INFORMATION (UNAUDITED)<sup>(1)</sup>**

(in thousands, except percentages)

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
<b>CONTINUED FROM PREVIOUS SLIDE</b>				
<b>Unallocated Corporate Overhead</b>	\$ (35,281)	\$ (30,443)	\$ (101,781)	\$ (102,688)
Add back:				
Acquisition related adjustments <sup>(2)</sup>	1,326	2,033	2,539	13,056
Total non-GAAP adjustments to operating expense	<u>\$ 1,326</u>	<u>\$ 2,033</u>	<u>\$ 2,539</u>	<u>\$ 13,056</u>
Unallocated corporate overhead, excluding non-GAAP adjustments	\$ (33,955)	\$ (28,410)	\$ (99,242)	\$ (89,632)
<b>Total</b>				
Revenue	\$ 464,232	\$ 425,720	\$ 1,379,124	\$ 1,214,643
Operating income	\$ 73,984	\$ 58,795	\$ 224,766	\$ 168,328
Operating income as a % of revenue	15.9 %	13.8 %	16.3 %	13.9 %
Add back:				
Amortization related to acquisitions	10,357	12,063	30,913	30,211
Severance	636	4,015	1,976	8,135
Acquisition related adjustments <sup>(2)</sup>	2,102	3,179	4,868	18,519
Government billing adjustment and related expenses	—	505	150	634
Site consolidation costs, impairments and other items	276	5,194	835	7,787
Total non-GAAP adjustments to operating income	<u>\$ 13,371</u>	<u>\$ 24,956</u>	<u>\$ 38,742</u>	<u>\$ 65,286</u>
Operating income, excluding non-GAAP adjustments	\$ 87,355	\$ 83,751	\$ 263,508	\$ 233,614
Non-GAAP operating income as a % of revenue	18.8 %	19.7 %	19.1 %	19.2 %
Depreciation and amortization	\$ 33,465	\$ 34,108	\$ 97,675	\$ 91,116
Capital expenditures	\$ 22,011	\$ 9,568	\$ 53,928	\$ 29,609

- (1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.
- (2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.
- (3) This adjustment relates to transition costs associated with the divestiture of the CDMO business.

**SCHEDULE 4 (FROM 3Q17 EARNINGS RELEASE)**  
**RECONCILIATION OF GAAP EARNINGS TO NON-GAAP EARNINGS (UNAUDITED)<sup>(1)</sup>**

(in thousands, except per share data)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2017</u>	<u>September 24, 2016</u>	<u>September 30, 2017</u>	<u>September 24, 2016</u>
Net income attributable to common shareholders	\$ 52,474	\$ 37,735	\$ 153,204	\$ 110,085
Less: Income (loss) from discontinued operations, net of income taxes	(39)	342	(114)	328
Net income from continuing operations attributable to common shareholders	52,513	37,393	153,318	109,757
Add back:				
Non-GAAP adjustments to operating income (Refer to Schedule 3)	13,371	24,956	38,742	65,286
Gain on divestiture of CDMO business	—	—	(10,577)	—
Write-off of deferred financing costs and fees related to debt financing	—	(462)	—	987
Acquisition related adjustments <sup>(2)</sup>	—	815	—	815
Reversal of an indemnification asset associated with acquisition and corresponding interest <sup>(3)</sup>	—	54	—	54
Tax effect of non-GAAP adjustments:				
Tax effect from divestiture of CDMO business	—	—	18,005	—
Tax effect of the remaining non-GAAP adjustments	(3,003)	(6,057)	(11,702)	(16,306)
Net income from continuing operations attributable to common shareholders, excluding non-GAAP adjustments	<u>\$ 62,881</u>	<u>\$ 56,699</u>	<u>\$ 187,786</u>	<u>\$ 160,593</u>
Weighted average shares outstanding - Basic	47,451	47,160	47,530	46,954
Effect of dilutive securities:				
Stock options, restricted stock units, performance share units and restricted stock	939	874	910	884
Weighted average shares outstanding - Diluted	<u>48,390</u>	<u>48,034</u>	<u>48,440</u>	<u>47,838</u>
Earnings per share from continuing operations attributable to common shareholders				
Basic	\$ 1.11	\$ 0.79	\$ 3.23	\$ 2.34
Diluted	\$ 1.09	\$ 0.78	\$ 3.17	\$ 2.29
Basic, excluding non-GAAP adjustments	\$ 1.33	\$ 1.20	\$ 3.95	\$ 3.42
Diluted, excluding non-GAAP adjustments	\$ 1.30	\$ 1.18	\$ 3.88	\$ 3.36

- (1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.
- (2) The amount represents a \$1.5 million charge recorded in connection with the modification of the option to purchase the remaining 13% equity interest in Vital River, partially offset by a \$0.7 million gain on remeasurement of previously held equity interest in an entity acquired in a step acquisition.
- (3) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset primarily related to the acquisition of BioFocus.

CHARLES RIVER LABORATORIES INTERNATIONAL, INC.

SCHEDULE 5 (FROM 3Q17 EARNINGS RELEASE)  
 RECONCILIATION OF GAAP REVENUE GROWTH  
 TO NON-GAAP REVENUE GROWTH, ORGANIC (UNAUDITED) <sup>(1)</sup>

For the three months ended September 30, 2017	<u>Total CRL</u>	<u>RMS Segment</u>	<u>DSA Segment</u>	<u>MS Segment</u>
Revenue growth, reported	9.0 %	0.9 %	14.4 %	7.1 %
(Increase) Decrease due to foreign exchange	(1.0)%	(0.5)%	(0.9)%	(1.8)%
Contribution from acquisitions <sup>(2)</sup>	(2.7)%	—%	(5.4)%	—%
Impact of CDMO divestiture <sup>(3)</sup>	1.0 %	—%	—%	4.7 %
<b>Non-GAAP revenue growth, organic <sup>(4)</sup></b>	<b><u>6.3 %</u></b>	<b><u>0.4 %</u></b>	<b><u>8.1 %</u></b>	<b><u>10.0 %</u></b>

  

For the nine months ended September 30, 2017	<u>Total CRL</u>	<u>RMS Segment</u>	<u>DSA Segment</u>	<u>MS Segment</u>
Revenue growth, reported	13.5 %	1.0 %	22.2 %	11.5 %
(Increase) Decrease due to foreign exchange	1.0 %	1.1 %	1.1 %	0.4 %
Contribution from acquisitions <sup>(2)</sup>	(8.1)%	—%	(15.6)%	(2.1)%
Impact of CDMO divestiture <sup>(3)</sup>	0.7 %	—%	—%	3.4 %
<b>Non-GAAP revenue growth, organic <sup>(4)</sup></b>	<b><u>7.1 %</u></b>	<b><u>2.1 %</u></b>	<b><u>7.7 %</u></b>	<b><u>13.2 %</u></b>

- (1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.
- (2) The contribution from acquisitions reflects only completed acquisitions.
- (3) The CDMO business, which was acquired as part of WIL Research on April 4, 2016, was divested on February 10, 2017. This adjustment represents the revenue from the CDMO business for all applicable periods in 2017 and 2016.
- (4) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, the divestiture of the CDMO business, and foreign exchange.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND EARNINGS PER SHARE (EPS)**  
**Guidance for the Twelve Months Ended December 30, 2017E**

	<b>2017E Guidance</b>	
	<b><u>REVISED</u></b>	<b><u>PRIOR</u></b>
<b>Revenue growth, reported</b>	<b>9.75%-10.5%</b>	<b>8.5%-10.0%</b>
Less: Contribution of acquisitions (1)	(~5.5%-6.0%)	(~5.0%-6.0%)
Add: Effect of CDMO divestiture	~1.0%	~1.0%
Less: Negative effect of 53rd week in 2016	~1.5%	~1.5%
Less: Negative effect of foreign exchange	NM	~1.0%
<b>Revenue growth, organic (Non-GAAP) (2)</b>	<b><u>6.5%-7.25%</u></b>	<b><u>7.0%-8.5%</u></b>
 <b>GAAP EPS estimate</b>	 <b>\$3.95-\$4.05</b>	 <b>\$4.18-\$4.33</b>
Add back:		
Amortization of intangible assets	~\$0.61	~\$0.58
Charges related to global efficiency initiatives (3)	\$0.25-\$0.30	~\$0.02
Acquisition/divestiture-related adjustments (4)	~\$0.09	~\$0.07
Net impact of CDMO divestiture (5)	~\$0.15	~\$0.15
<b>Non-GAAP EPS estimate</b>	<b><u>\$5.08-\$5.18</u></b>	<b><u>\$5.00-\$5.15</u></b>

Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.

(1) The contribution from acquisitions reflects only completed acquisitions.

(2) Organic revenue growth is defined as reported revenue growth adjusted for acquisitions, the divestiture of the CDMO business, the 53rd week, and foreign currency translation.

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

(4) These adjustments are related to the evaluation and integration of acquisitions and the divestiture of the CDMO business, and primarily include transaction, advisory, and certain third-party integration costs, as well as certain costs associated with acquisition-related efficiency initiatives.

(5) These adjustments include the preliminary net gain and tax impact related to the divestiture of the CDMO business.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF FREE CASH FLOW (NON-GAAP) (1)**  
(dollars in thousands)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>		<u>Fiscal Year Ended</u> <u>December 30,</u> <u>2017E</u>
	<u>September 30,</u> <u>2017</u>	<u>September 24,</u> <u>2016 (3)</u>	<u>September 30,</u> <u>2017</u>	<u>September 24,</u> <u>2016 (3)</u>	
Net cash provided by operating activities	\$ 59,486	\$ 72,296	\$ 193,838	\$ 198,252	\$333,500-\$343,500
Addback: Tax impact of CDMO divestiture (2)	-	--	6,500	--	6,500
Less: Capital expenditures	(22,011)	(9,568)	(53,928)	(29,609)	(~75,000)
Free cash flow	<u>\$ 37,475</u>	<u>\$ 62,728</u>	<u>\$ 146,410</u>	<u>\$ 168,643</u>	<u>\$265,000-\$275,000</u>

(1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.

(2) Free cash flow has been adjusted to exclude the cash tax impact related to the divestiture of the CDMO business, which is recorded in Cash Flows relating to Operating Activities, because divestitures are outside of our normal operations, the corresponding cash proceeds from the divestiture are reflected in Cash Flows relating to Investing Activities, and the impact of the CDMO divestiture is large, which can adversely affect the comparability of our results on a period-to-period basis.

(3) Prior-year cash flow amounts have been recast to reflect the retrospective adoption of new accounting standards in 1Q17 (ASU 2016-09, ASU 2016-15, ASU 2016-18).

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

	<b>Three Months Ended</b>		
	<b>September 30, 2017</b>	<b>July 1, 2017</b>	<b>September 24, 2016</b>
GAAP Interest Expense, net	\$ 7,533	\$ 7,242	\$ 6,556
Exclude:			
Write-off (adjustments) of deferred financing costs and fees related to debt financing	-	-	(462)
Non-GAAP Interest Expense, net	\$ 7,533	\$ 7,242	\$ 7,018

Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.



**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (UNAUDITED)<sup>(1)</sup>**  
(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
Income from continuing operations before income taxes & noncontrolling interest	\$ 72,939	\$ 53,256	\$ 227,902	\$ 159,196
Add back:				
Amortization related to acquisitions	10,357	12,063	30,913	30,211
Severance	636	4,015	1,976	8,135
Acquisition related adjustments (2)	2,102	3,179	4,868	18,519
Government billing adjustment and related expenses	-	505	150	634
Site consolidation costs, impairments and other items	276	5,194	835	7,787
Gain on CDMO divestiture	-	-	(10,577)	-
Write-off of deferred financing costs and fees related to debt financing	-	(462)	-	987
Acquisition related adjustments (3)	-	815	-	815
Reversal of an indemnification asset associated with acquisition and corresponding interest (4)	-	54	-	54
	<u>\$ 86,310</u>	<u>\$ 78,619</u>	<u>\$ 256,067</u>	<u>\$ 226,338</u>
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)				
Provision for income taxes (GAAP)	\$ 19,945	\$ 15,565	\$ 73,272	\$ 48,385
Tax effect from CDMO divestiture	\$ —	\$ —	\$ (18,005)	\$ —
Tax effect of the remaining non-GAAP adjustments	<u>\$ 3,003</u>	<u>\$ 6,057</u>	<u>\$ 11,702</u>	<u>\$ 16,306</u>
Provision for income taxes (Non-GAAP)	\$ 22,948	\$ 21,622	\$ 66,969	\$ 64,691
Total rate (GAAP)	27.3%	29.2%	32.2%	30.4%
Total rate, excluding specified charges (Non-GAAP)	26.6%	27.5%	26.2%	28.6%

- (1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.
- (2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.
- (3) The amount represents a \$1.5 million charge recorded in connection with the modification of the option to purchase the remaining 13% equity interest in Vital River, partially offset by a \$0.7 million gain on remeasurement of previously held equity interest in an entity acquired in a step acquisition.
- (4) These amounts represent the reversal of an uncertain tax position and an offsetting indemnification asset primarily related to the acquisition of BioFocus.

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

	<u><b>Fiscal Year Ended</b></u> <b>December 30,</b> <b>2017E</b>
<b>GAAP Tax Rate</b>	<b>31.0%-31.5%</b>
Net impact of divestiture of CDMO business and, to a lesser extent, other adjustments	~(4.0%)
<b>Non-GAAP Tax Rate</b>	<hr/> <b>27.0%-27.5%</b> <hr/>

Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TAX RATE TO NON-GAAP TAX RATE (UNAUDITED)<sup>(1)</sup>**  
(in thousands)

	<b>Three Months Ended</b>
	<b>July 1, 2017</b>
Income from continuing operations before income taxes & noncontrolling interest	\$ 76,916
Add back:	
Amortization related to acquisitions	9,818
Severance	323
Acquisition related adjustments (2)	2,016
Government billing adjustment and related expenses	57
Site consolidation costs, impairments and other items	150
Income before income taxes & noncontrolling interest, excluding specified charges (Non-GAAP)	\$ 89,280
Provision for income taxes (GAAP)	\$ 22,243
Tax effect of the remaining non-GAAP adjustments	\$ 4,035
Provision for income taxes (Non-GAAP)	\$ 26,278
Total rate (GAAP)	28.9%
Total rate, excluding specified charges (Non-GAAP)	29.4%

- (1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.
- (2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
**UNALLOCATED CORPORATE OVERHEAD (UNAUDITED)<sup>(1)</sup>**  
(in thousands, except percentages)

	<b>Three Months Ended</b>
	<b>July 1, 2017</b>
<b>Unallocated Corporate Overhead</b>	\$ (33,000)
Add back:	
Acquisition related adjustments <sup>(2)</sup>	1,192
Total non-GAAP adjustments to operating expense	\$ 1,192
Unallocated corporate overhead, excluding non-GAAP adjustments	\$ (31,808)

- (1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of often-one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with U.S. GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.
- (2) These adjustments are related to the evaluation and integration of acquisitions, which primarily include transaction, third-party integration, and certain compensation costs, and fair value adjustments associated with contingent consideration.

**CRL**  

---

**LISTED**  

---

**NYSE**