

# **4Q12 & FY12 Results**

## **Regulation G Financial Reconciliations**

**Charles River Laboratories International, Inc.**

February 13, 2013

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

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	December 29, 2012	December 31, 2011	December 29, 2012	December 31, 2011
<b>Research Models and Services</b>				
Net sales	\$ 171,836	\$ 182,414	\$ 695,083	\$ 705,419
Operating income	43,964	50,352	202,362	206,319
Operating income as a % of net sales	25.6%	27.6%	29.1%	29.2%
Add back:				
Amortization related to acquisitions	1,870	1,755	6,412	6,747
Severance related to cost-savings actions	138	752	1,072	1,196
Impairment and other items (2)	883	(257)	3,810	312
Operating income, excluding specified charges (Non-GAAP)	\$ 46,855	\$ 52,602	\$ 213,656	\$ 214,574
Non-GAAP operating income as a % of net sales	27.3%	28.8%	30.7%	30.4%
<b>Preclinical Services</b>				
Net sales	\$ 108,304	\$ 108,548	\$ 434,447	\$ 437,228
Operating income	8,670	4,081	34,628	24,925
Operating income as a % of net sales	8.0%	3.8%	8.0%	5.7%
Add back:				
Amortization related to acquisitions	2,763	3,586	11,655	15,048
Severance related to cost-savings actions	560	3,393	1,508	4,372
Adjustment of acquisition-related contingent consideration and related items	-	4,879	-	4,879
Impairment and other items (2)	199	425	(34)	425
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	941	(2,297)	3,641	5,580
Operating income, excluding specified charges (Non-GAAP)	\$ 13,133	\$ 14,067	\$ 51,398	\$ 55,229
Non-GAAP operating income as a % of net sales	12.1%	13.0%	11.8%	12.6%
<b>Unallocated Corporate Overhead</b>				
Add back:				
Severance related to cost-savings actions	-	-	-	(106)
Impairment and other items (2)	-	(532)	-	(264)
Adjustment of acquisition-related contingent consideration and related items	-	(4,394)	-	(5,600)
Costs related to PCS China	-	485	-	891
Costs associated with the evaluation of acquisitions	2,140	65	3,774	215
Gain on settlement of life insurance policy	-	-	-	(7,710)
Costs associated with corporate legal entity restructuring	-	145	-	930
Convertible debt accounting (3)	53	53	213	213
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	\$ (15,372)	\$ (16,964)	\$ (67,238)	\$ (68,369)
<b>Total</b>				
Net sales	\$ 280,140	\$ 290,962	\$ 1,129,530	\$ 1,142,647
Operating income	35,069	41,647	165,765	174,306
Operating income as a % of net sales	12.5%	14.3%	14.7%	15.3%
Add back:				
Amortization related to acquisitions	4,633	5,341	18,067	21,795
Severance related to cost-savings actions	698	4,145	2,580	5,462
Adjustment of acquisition-related contingent consideration and related items	-	485	-	(721)
Impairment and other items (2)	1,082	(364)	3,776	473
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	941	(1,812)	3,641	6,471
Costs associated with the evaluation of acquisitions	2,140	65	3,774	215
Gain on settlement of life insurance policy	-	-	-	(7,710)
Costs associated with corporate legal entity restructuring	-	145	-	930
Convertible debt accounting (3)	53	53	213	213
Operating income, excluding specified charges (Non-GAAP)	\$ 44,616	\$ 49,705	\$ 197,816	\$ 201,434
Non-GAAP operating income as a % of net sales	15.9%	17.1%	17.5%	17.6%

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(2) The twelve months ended December 29, 2012 include: (i) the impairment of long-lived assets for certain RMS Europe facilities; (ii) the gain on the sale of land for an RMS facility; and (iii) an inventory write-off associated with a dispute concerning large model inventory held at a vendor which the Company believes is non-recoverable. The twelve months ended December 31, 2011 include: (i) asset impairments associated with certain RMS and PCS operations; (ii) gains on the disposition of RMS facilities in Michigan and Europe; (iii) costs associated with exiting a defined benefit plan in RMS Japan; and (iv) costs associated with vacating a corporate leased facility.

(3) Includes the impact of convertible debt accounting adopted at the beginning of 2009, which increased depreciation expense.

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

		<u>Three Months Ended</u> September 29, 2012
<b>Research Models and Services</b>		
Net sales	\$	166,484
Operating income		43,389
Operating income as a % of net sales		26.1%
Add back:		
Amortization related to acquisitions		1,611
Severance related to cost-savings actions		934
Impairment and other items (2)		2,927
Operating income, excluding specified charges (Non-GAAP)	\$	48,861
Non-GAAP operating income as a % of net sales		29.3%
<b>Preclinical Services</b>		
Net sales	\$	112,202
Operating income		10,975
Operating income as a % of net sales		9.8%
Add back:		
Amortization related to acquisitions		2,917
Severance related to cost-savings actions		37
Impairment and other items (2)		(233)
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas		837
Operating income, excluding specified charges (Non-GAAP)	\$	14,533
Non-GAAP operating income as a % of net sales		13.0%
<b>Unallocated Corporate Overhead</b>		
Add back:	\$	(16,682)
Severance related to cost-savings actions		-
Impairment and other items (2)		-
Adjustment of acquisition-related contingent consideration and related items		-
Costs related to PCS China		-
Costs associated with the evaluation of acquisitions		658
Gain on settlement of life insurance policy		-
Costs associated with corporate legal entity restructuring		-
Convertible debt accounting (3)		53
Unallocated corporate overhead, excluding specified charges (Non-GAAP)	\$	(15,971)
<b>Total</b>		
Net sales	\$	278,686
Operating income		37,682
Operating income as a % of net sales		13.5%
Add back:		
Amortization related to acquisitions		4,528
Severance related to cost-savings actions		971
Adjustment of acquisition-related contingent consideration and related items		-
Impairment and other items (2)		2,694
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas		837
Costs associated with the evaluation of acquisitions		658
Gain on settlement of life insurance policy		-
Costs associated with corporate legal entity restructuring		-
Convertible debt accounting (3)		53
Operating income, excluding specified charges (Non-GAAP)	\$	47,423
Non-GAAP operating income as a % of net sales		17.0%

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(2) The three months ended September 29, 2012 include items primarily related to the impairment of long-lived assets for certain RMS Europe facilities and a gain on the sale of real estate related to RMS Canada.

(3) Includes the impact of convertible debt accounting adopted at the beginning of 2009, which increased depreciation expense.

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

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	December 29, 2012	December 31, 2011	December 29, 2012	December 31, 2011
Net income attributable to common shareholders	\$ 18,416	\$ 27,115	\$ 97,295	\$ 109,566
Less: Discontinued operations	<u>4,189</u>	<u>(150)</u>	<u>4,252</u>	<u>5,545</u>
Net income from continuing operations	22,605	26,965	101,547	115,111
Add back:				
Amortization related to acquisitions	4,633	5,341	18,067	21,795
Severance related to cost-savings actions	698	4,145	2,580	5,462
Impairment and other items (2)	1,075	(364)	3,963	473
Adjustment of acquisition-related contingent consideration and related items	-	485	-	(721)
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	694	(1,812)	3,738	6,471
Costs associated with the evaluation of acquisitions	2,140	65	3,774	215
Gain on settlement of life insurance policy	-	-	-	(7,710)
Writeoff of deferred financing costs related to debt extinguishment	-	-	-	1,450
Loss on sale of Auction Rate Securities	-	-	712	-
Costs and taxes associated with corporate legal entity restructuring	-	145	-	1,637
Convertible debt accounting, net (3)	3,813	3,762	14,741	13,978
Tax benefit from disposition of Phase 1 clinical business	-	-	-	(11,111)
Tax effect	<u>(4,618)</u>	<u>(5,162)</u>	<u>(16,604)</u>	<u>(15,710)</u>
Net income, excluding specified charges (Non-GAAP)	<u>\$ 31,040</u>	<u>\$ 33,570</u>	<u>\$ 132,518</u>	<u>\$ 131,340</u>
Weighted average shares outstanding - Basic	47,562,614	48,670,624	47,912,135	50,823,063
Effect of dilutive securities:				
Stock options and contingently issued restricted stock	694,583	236,654	494,185	495,179
Weighted average shares outstanding - Diluted	<u>48,257,197</u>	<u>48,907,278</u>	<u>48,406,320</u>	<u>51,318,242</u>
Basic earnings per share	\$ 0.39	\$ 0.56	\$ 2.03	\$ 2.16
Diluted earnings per share	\$ 0.38	\$ 0.55	\$ 2.01	\$ 2.14
Basic earnings per share, excluding specified charges (Non-GAAP)	\$ 0.65	\$ 0.69	\$ 2.77	\$ 2.58
Diluted earnings per share, excluding specified charges (Non-GAAP)	\$ 0.64	\$ 0.69	\$ 2.74	\$ 2.56

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- (2) The twelve months ended December 29, 2012 include: (i) the impairment of long-lived assets for certain RMS Europe facilities; (ii) the gain on the sale of land for an RMS facility; and (iii) an inventory write-off associated with a dispute concerning large model inventory held at a vendor which the Company believes is non-recoverable. The twelve months ended December 31, 2011 include: (i) asset impairments associated with certain RMS and PCS operations; (ii) gains on the disposition of RMS facilities in Michigan and Europe; (iii) costs associated with exiting a defined benefit plan in RMS Japan; and (iv) costs associated with vacating a corporate leased facility.
- (3) The three and twelve months ended December 29, 2012 include the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by \$3,760 and \$14,528 and depreciation expense by \$53 and \$213, respectively. The three and twelve months ended December 31, 2011 include the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by \$3,709 and \$13,765 and depreciation expense by \$53 and \$213, respectively.

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

	<u>Three Months Ended</u> <u>September 29,</u> <u>2012</u>
Net income attributable to common shareholders	\$ 21,972
Less: Discontinued operations	<u>182</u>
Net income from continuing operations	22,154
Add back:	
Amortization related to acquisitions	4,528
Severance related to cost-savings actions	971
Impairment and other items (2)	2,888
Adjustment of acquisition-related contingent consideration and related items	-
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	1,025
Costs associated with the evaluation of acquisitions	658
Gain on settlement of life insurance policy	-
Write-off of deferred financing costs related to amended credit agreement	-
Loss on sale of Auction Rate Securities	-
Costs and taxes associated with corporate legal entity restructuring	-
Convertible debt accounting, net (3)	3,860
Tax benefit from disposition of Phase 1 clinical business	-
Tax effect	<u>(4,886)</u>
Net income, excluding specified charges (Non-GAAP)	<u>\$ 31,198</u>
Weighted average shares outstanding - Basic	47,625,806
Effect of dilutive securities:	
Stock options and contingently issued restricted stock	482,808
Weighted average shares outstanding - Diluted	<u>48,108,614</u>
Basic earnings per share	\$ 0.46
Diluted earnings per share	\$ 0.46
Basic earnings per share, excluding specified charges (Non-GAAP)	\$ 0.66
Diluted earnings per share, excluding specified charges (Non-GAAP)	\$ 0.65

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- (2) The three months ended September 29, 2012 include items primarily related to the impairment of long-lived assets for certain RMS Europe facilities and a gain on the sale of real estate related to RMS Canada.
- (3) The three months ended September 29, 2012 include the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by \$3,807 and depreciation expense by \$53.

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF NET SALES GROWTH (YEAR-OVER-YEAR) EXCLUDING THE IMPACT OF FOREIGN EXCHANGE (FX)**  
**For the Three and Twelve Months Ended December 29, 2012**

<b>For the three months ended December 29, 2012:</b>	<b><u>Total CRL</u></b>	<b><u>RMS Segment</u></b>	<b><u>PCS Segment</u></b>
Net sales growth, reported	(3.7%)	(5.8%)	(0.2%)
Impact of foreign exchange	(0.7%)	(1.4%)	0.4%
Net sales growth, constant currency	<u>(3.0%)</u>	<u>(4.4%)</u>	<u>(0.6%)</u>
Impact of 53rd week	(4.3%)	(4.1%)	(4.6%)
Net sales growth, excluding FX and 53rd week	<u>1.3%</u>	<u>(0.3%)</u>	<u>4.0%</u>

<b>For the twelve months ended December 29, 2012:</b>	<b><u>Total CRL</u></b>	<b><u>RMS Segment</u></b>	<b><u>PCS Segment</u></b>
Net sales growth, reported	(1.1%)	(1.5%)	(0.6%)
Impact of foreign exchange	(1.9%)	(2.5%)	(1.1%)
Net sales growth, constant currency	<u>0.8%</u>	<u>1.0%</u>	<u>0.5%</u>
Impact of 53rd week	(1.1%)	(1.1%)	(1.1%)
Net sales growth, excluding FX and 53rd week	<u>1.9%</u>	<u>2.1%</u>	<u>1.6%</u>

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**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS PER SHARE (EPS)**  
**Guidance for the Twelve Months Ended December 28, 2013E**

	<u><b>2013E Guidance</b></u>
<b>GAAP EPS Estimate</b>	<b>\$2.45 - \$2.55</b>
Add back:	
Amortization of intangible assets	\$0.21
Operating losses (1)	\$0.04
Convertible debt accounting	\$0.10
<b>Non-GAAP EPS Estimate</b>	<u><u><b>\$2.80 - \$2.90</b></u></u>

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

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

	<b>Three Months Ended</b>			<b>Fiscal Year Ended</b>
	<b>December 29, 2012</b>	<b>September 29, 2012</b>	<b>December 31, 2011</b>	<b>December 28, 2013E</b>
GAAP Interest Expense, net	\$ 8,180	\$ 8,395	\$ 9,674	\$24,000-\$26,000
Exclude:				
Convertible debt accounting, net	(3,760)	(3,807)	(3,709)	~(7,000)
Non-GAAP Interest Expense, net	<u>\$ 4,420</u>	<u>\$ 4,588</u>	<u>\$ 5,965</u>	<u>\$17,000-\$19,000</u>

	<b>Three Months Ended</b>		
	<b>December 29, 2012</b>	<b>September 29, 2012</b>	<b>December 31, 2011</b>
GAAP Other Expense/(Income)	\$ 684	\$ 892	\$ (681)
Exclude:			
Impairment and other items, net	-	(194)	-
Adjustment related to PCS China	254	(188)	-
Non-GAAP Other Expense/(Income)	<u>\$ 938</u>	<u>\$ 510</u>	<u>\$ (681)</u>

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

	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	December 29, 2012	December 31, 2011	December 29, 2012	December 31, 2011
Net income (loss) from continuing operations before income taxes and noncontrolling interest	\$ 26,205	\$ 32,654	\$ 129,746	\$ 132,662
Add back:				
Amortization related to acquisitions	4,633	5,341	18,067	21,795
Severance related to cost-savings actions	698	4,145	2,580	5,462
Impairment and other items (2)	1,075	(364)	3,963	473
Adjustment of acquisition-related contingent consideration and related items	-	485	-	(721)
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	694	(1,812)	3,738	6,471
Costs associated with the evaluation of acquisitions	2,140	65	3,774	215
Gain on settlement of life insurance policy	-	-	-	(7,710)
Write-off of deferred financing costs related to amended credit agreement	-	-	-	1,450
Loss on sale of Auction rate Securities	-	-	712	-
Fees associated with corporate legal entity restructuring	-	145	-	930
Convertible debt accounting, net (3)	3,813	3,762	14,741	13,978
Net income, excluding specified charges (Non-GAAP)	<u>\$ 39,258</u>	<u>\$ 44,421</u>	<u>\$ 177,321</u>	<u>\$ 175,005</u>
Provision for income taxes (GAAP)	\$ 3,488	\$ 5,576	\$ 27,628	\$ 17,140
Tax effect on amortization, severance, impairment and other charges	4,618	5,162	16,604	15,710
Tax cost associated with corporate legal entity restructuring	-	-	-	(707)
Tax benefit from disposition of Phase 1 clinical business	-	-	-	11,111
Provision for income taxes (Non-GAAP)	<u>\$ 8,106</u>	<u>\$ 10,738</u>	<u>\$ 44,232</u>	<u>\$ 43,254</u>
Tax rate (GAAP)	13.3%	17.1%	21.3%	12.9%
Tax rate, excluding specified charges (Non-GAAP)	20.6%	24.2%	24.9%	24.7%

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

	<u>Three Months Ended</u> <u>September 29,</u> <u>2012</u>
Net income (loss) from continuing operations before income taxes & noncontrolling interest	\$ 28,395
Add back:	
Amortization related to acquisitions	4,528
Severance related to cost-savings actions	971
Impairments and other items (2)	2,888
Adjustment of acquisition-related contingent consideration and related items (3)	-
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	1,025
Costs associated with the evaluation of acquisitions	658
Gain on settlement of life insurance policy	-
Write-off of deferred financing costs related to amended credit agreement	-
Loss on sale of Auction Rate Securities	-
Fees associated with corporate legal entity restructuring	-
Convertible debt accounting, net (3)	<u>3,860</u>
Adjusted net income, excluding specified charges (Non-GAAP)	<u>\$ 42,325</u>
Provision for income taxes (GAAP)	6,011
Tax effect on amortization, severance, impairment and other charges	4,886
Tax costs associated with corporate legal entity restructuring	-
Tax benefit from disposition of Phase 1 clinical business	<u>-</u>
Provision for income taxes (Non-GAAP)	\$ 10,897
Tax rate (GAAP)	21.2%
Tax rate, excluding specified charges (Non-GAAP)	25.7%

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- (2) The three months ended September 29, 2012 include items primarily related to the impairment of long-lived assets for certain RMS Europe facilities and a gain on the sale of real estate related to RMS Canada.
- (3) The three months ended September 29, 2012 include the impact of convertible debt accounting adopted at the beginning of 2009, which increased interest expense by \$3,807 and depreciation expense by \$53.

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

	<u><b>Fiscal Year Ended</b></u> <b>December 28,</b> <b>2013E</b>
<b>GAAP Tax Rate</b>	<b>25.0%-26.0%</b>
<p style="margin-left: 20px;">Amortization of intangible assets, operating losses primarily related to PCS Massachusetts, severance costs, impairment and other items, and convertible debt accounting</p>	~1.5%
<b>Non-GAAP Tax Rate</b>	<hr style="border: 1px solid black;"/> <b>26.5%-27.5%</b> <hr style="border: 1px solid black;"/>

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**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**RECONCILIATION OF FREE CASH FLOW PER SHARE AND RETURN (NON-GAAP)**  
(dollars in thousands, except per share amounts)

	<b>Fiscal Year Ended</b>
	<b>December 29,</b>
	<b>2012</b>
<b><u>Free Cash Flow Reconciliation</u></b>	
Net cash provided by operating activities	\$ 208,006
Less: Capital expenditures	(47,534)
<b>Free cash flow</b>	<b><u>\$ 160,472</u></b>
<b><u>Free Cash Flow Per Share Calculation</u></b>	
Diluted shares outstanding - average (in thousands)	<u>48,406</u>
<b>Free Cash Flow Per Share</b>	<b><u>\$ 3.32</u></b>
<i>(calculated as Free Cash Flow divided by Diluted Shares Outstanding)</i>	
<b><u>FCF/Invested Capital Return Reconciliation</u></b>	
Invested Capital - Year-end	<u>1,274,212</u>
Invested Capital - 12-month average	<u>1,271,856</u>
<i>(calculated as Total Debt plus Total Shareowners' Equity)</i>	
<b>FCF/Invested Capital Return</b>	<b>12.6%</b>
<i>(calculated as Free Cash Flow divided by Invested Capital -12-month average)</i>	

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

**CHARLES RIVER LABORATORIES INTERNATIONAL, INC.**  
**NON-GAAP RECONCILIATION OF LEVERAGE RATIO (TOTAL DEBT-TO-EBITDA LEVERAGE RATIO) (1)**  
**(dollars in thousands)**

<b>Total Debt</b> (2)	<u>Dec. 29, 2012</u>
Long-term debt and capital leases (3)	\$525,044
Add: Current portion of long-term debt and capital leases	141,404
<b>Total Debt</b>	<b><u>\$666,448</u></b>

**Non-GAAP EBITDA for Fiscal Year ended December 29, 2012**

	<u>Fiscal Year ended</u> <u>Dec. 29, 2012</u>
Net income attributable to common shareowners	\$ 97,295
Income from discontinued operations	4,252
Non-controlling interests	572
Provision for income taxes	27,628
Interest expense, net	32,753
Other expense (income)	3,266
Depreciation and amortization	81,275
Non-GAAP items:	
Severance related to cost-savings actions	2,580
Impairment and other items	3,963
Operating losses for PCS China, PCS Massachusetts and PCS Arkansas	3,738
Costs associated with the evaluation of acquisitions	3,774
<b>Non-GAAP EBITDA</b> (Earnings Before Interest, Tax, Depreciation & Amortization)	<b><u>\$ 261,096</u></b>

<b>TOTAL DEBT-TO-EBITDA RATIO</b> (= Total Debt ÷ Non-GAAP EBITDA)	<b>2.55 x</b>
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(1) Charles River management believes that supplementary non-GAAP financial measures provide useful information to allow investors to gain a meaningful understanding of our core operating results and future prospects, without the effect of one-time charges and other items which are outside our normal operations, consistent with the manner in which management measures and forecasts the Company's performance. The supplementary non-GAAP financial measures included are not meant to be considered superior to, or a substitute for results of operations prepared in accordance with GAAP. The Company intends to continue to assess the potential value of reporting non-GAAP results consistent with applicable rules, regulations and guidance.

(2) Includes capital lease obligations.

(3) Includes the impact of convertible debt accounting which reduced long-term debt by \$6,726.



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**NYSE**