

CHARLES RIVER LABORATORIES INTERNATIONAL INC

Form S-4/A

September 16, 2004

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As filed with the Securities and Exchange Commission on September 16, 2004

Registration No. 333-118257

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 1

to

FORM S-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Charles River Laboratories International, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2836
(Primary Standard Industrial
Classification Code Number)

06-1397316
(I.R.S. Employer
Identification No.)

**251 Ballardvale Street
Wilmington, Massachusetts 01887
(978) 658-6000**

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

**Dennis R. Shaughnessy
Senior Vice President, Corporate Development,
General Counsel and Secretary
251 Ballardvale Street
Wilmington, Massachusetts 01887
(978) 658-6000**

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

Paul R. Kingsley
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
(212) 450-4000

with copies to:
Dr. Walter S. Nimmo
Inveresk Research Group, Inc.
11000 Weston Parkway
Cary, North Carolina 27513
(919) 460-9005

John A. Healy
Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019
(212) 878-8000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement and the effective time of the merger of a wholly owned subsidiary of the Registrant with and into Inveresk Research Group, Inc. as described in the Agreement and Plan of

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Merger dated as of June 30, 2004, as amended.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
Common Stock, \$0.01 par value,	18,864,000	N/A	\$819,601,500	\$103,844

(1) Represents the maximum number of shares of common stock, par value \$0.01 per share ("Charles River common stock"), of Charles River Laboratories International, Inc., a Delaware corporation ("Charles River"), estimated to be issuable upon completion of the merger of Indigo Merger I Corp., a Delaware corporation and a wholly owned subsidiary of Charles River, with and into Inveresk Research Group, Inc., a Delaware corporation ("Inveresk"), based on the estimated maximum number of shares of common stock, par value \$0.01 per share ("Inveresk common stock"), of Inveresk, expected to be outstanding immediately prior to the effective time of the merger and the exchange of each such share of Inveresk common stock for 0.48 of a share of Charles River common stock and \$15.15 in cash, without interest.

(2) Pursuant to Rules 457(c) and 457(f) under the Securities Act of 1933, as amended, the registration fee is based on the average of the high and low sales prices of Inveresk common stock as reported on the Nasdaq National Market on September 10, 2004 (\$36.01), and computed based on the estimated maximum number of such shares that may be exchanged for the Charles River common stock being registered (39,300,000 shares), less \$595,395,000, the total maximum cash consideration expected to be paid for the Inveresk common stock in the proposed transaction. \$94,941 of the registration fee was paid in connection with the original filing of this registration statement on August 13, 2004.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The boards of directors of Charles River and Inveresk have approved a merger agreement pursuant to which Charles River will acquire Inveresk. As we describe in greater detail in this document, we believe the transaction will result in significant benefits to each company's shareholders. The transaction has been designed to create one of the world's leading providers of research tools and integrated support services to the pharmaceutical and biotechnology industries in the areas of drug discovery, development and testing.

Our combined company will be named Charles River Laboratories International, Inc., and its corporate headquarters will be located in Wilmington, Massachusetts. The Inveresk brands will be retained following the completion of the transaction.

If the transaction is completed, Inveresk shareholders will have the right to receive a combination of 0.48 of a share of Charles River common stock and \$15.15 in cash, without interest, for each share of Inveresk common stock they hold. Charles River shareholders will continue to own their existing Charles River shares. Based on the closing sale price of Charles River common stock on September 15, 2004, the implied value of the merger consideration to be received by Inveresk shareholders in the transaction is \$36.83 per share. This value will fluctuate prior to the completion of the transaction as a result of changes in the market value of Charles River common stock.

Approximately 18,356,616 shares of Charles River common stock will be issued to Inveresk shareholders in the transaction, based on the number of shares of Inveresk common stock outstanding on September 13, 2004. These shares will represent approximately 28 percent of the outstanding common stock of the combined company immediately after the transaction. Charles River shares held by Charles River shareholders before the transaction will represent approximately 72 percent of the outstanding common stock of the combined company immediately after the transaction.

Your vote is important. We cannot complete the transaction unless, among other things, the holders of Inveresk common stock vote to adopt the merger agreement and the holders of Charles River common stock vote to approve the issuance of shares of Charles River common stock in connection with the transaction. Each of us will hold a special meeting of our shareholders to vote on these proposals. Whether or not you plan to attend your company's special meeting, please take the time to vote by completing and mailing the enclosed proxy card to us or submitting your proxy by telephone or through the Internet, using the procedures in the proxy voting instructions included with your proxy card.

For Charles River shareholders:

October 20, 2004
9:00 a.m., Eastern Time

Charles River Laboratories International, Inc.

**Charles River's corporate headquarters
251 Ballardvale Street
Wilmington, Massachusetts 01887**

For Inveresk shareholders:

October 20, 2004
9:00 a.m., Eastern Time

Inveresk Research Group, Inc.

**31 West 52nd Street
New York, New York 10019**

Charles River's board of directors recommends that Charles River shareholders vote FOR the issuance of Charles River common stock in connection with the transaction and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such issuance.

Inveresk's board of directors recommends that Inveresk shareholders vote FOR the adoption of the merger agreement and the approval of the transaction and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption and approval.

This document describes the shareholder meetings, the transaction, documents related to the transaction and other related matters. **Please read this entire document carefully, including the section discussing risk factors beginning on page 21.** You can also obtain information about our companies from documents that we have each filed with the Securities and Exchange Commission.

Charles River common stock is listed on the New York Stock Exchange under the symbol "CRL". Inveresk common stock is listed on the Nasdaq National Market under the symbol "IRGI".

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

Dr. Walter S. Nimmo
Chairman, Chief Executive Officer and President
Inveresk Research Group, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Charles River common stock to be issued in connection with the transaction or determined if this joint proxy statement/ prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The date of this joint proxy statement/prospectus is September 16, 2004, and it is first being mailed or otherwise delivered to Charles River shareholders and Inveresk shareholders on or about September 17, 2004.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Charles River and Inveresk from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Charles River Laboratories International, Inc.
251 Ballardvale Street
Wilmington, Massachusetts 01887
Attention: General Counsel
Telephone: (978) 658-6000

Inveresk Research Group, Inc.
11000 Weston Parkway
Cary, North Carolina 27513
Attention: Secretary
Telephone: (919) 460-9005

You will not be charged for any of these documents that you request. If you wish to request documents, the applicable company must receive your request by October 13, 2004 (which is five business days before the scheduled date of the special meetings) in order for you to receive them before the special meetings.

See "Where You Can Find More Information", beginning on page 115.

Charles River Laboratories International, Inc.
251 Ballardvale Street
Wilmington, Massachusetts 01887

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Dear Shareholder:

A special meeting of the shareholders of Charles River Laboratories International, Inc. will be held on October 20, 2004 at 9:00 a.m., Eastern Time, at Charles River's corporate headquarters, 251 Ballardvale Street, Wilmington, Massachusetts 01887.

The purpose of the special meeting is to consider and to vote upon the following proposals:

1. a proposal to issue shares of Charles River common stock in connection with the transaction contemplated by the Agreement and Plan of Merger (referred to in this document as the merger agreement), dated as of June 30, 2004, as amended, among Charles River Laboratories International, Inc., Inveresk Research Group, Inc., Indigo Merger I Corp., a direct wholly owned subsidiary of Charles River and Indigo Merger II LLC (the successor to Indigo Merger II Corp.), a direct wholly owned subsidiary of Charles River; and
2. a proposal to approve an adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the issuance of Charles River common stock in connection with the transaction.

Neither proposal to be voted upon at the special meeting is conditioned on the approval of the other proposal.

The Charles River board of directors recommends that Charles River shareholders vote **FOR** the issuance of Charles River common stock in connection with the transaction and **FOR** the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such issuance.

In order to approve the issuance of Charles River common stock in connection with the transaction, the total number of votes cast either in person or by proxy at the Charles River special meeting must represent more than 50 percent of the outstanding Charles River common stock and a majority of those shares must vote in favor of the issuance. **Therefore, your vote is very important.**

All Charles River shareholders are cordially invited to attend this special meeting, although only those shareholders of record at the close of business on September 13, 2004 will be entitled to receive notice of and to vote at the Charles River special meeting or any adjournment or postponement thereof. Your attention is directed to the document accompanying this notice for a more complete statement regarding the matters proposed to be acted upon at the meeting.

PLEASE VOTE AS SOON AS POSSIBLE BY MAIL, BY TELEPHONE OR THROUGH THE INTERNET. INSTRUCTIONS ON THESE DIFFERENT WAYS TO VOTE YOUR PROXY ARE FOUND ON THE ENCLOSED PROXY FORM. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED AT THE SPECIAL MEETING.

James C. Foster
Chairman, Chief Executive Officer and President

September 16, 2004

INVERESK RESEARCH GROUP, INC.
11000 Weston Parkway
Cary, North Carolina 27513

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On October 20, 2004

To the Shareholders of Inveresk Research Group, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Inveresk Research Group, Inc., a Delaware corporation, will be held at 31 West 52nd Street, New York, New York 10019 on October 20, 2004, at 9:00 a.m., Eastern Time, to consider and vote upon the following:

1. a proposal to adopt the Agreement and Plan of Merger (referred to in this document as the merger agreement), dated as of June 30, 2004, as amended, by and among Charles River Laboratories International, Inc., Inveresk Research Group, Inc., Indigo Merger I Corp. and Indigo Merger II LLC (the successor to Indigo Merger II Corp.) and approve the transaction contemplated by the merger agreement;
2. a proposal to approve an adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement and approval of the transaction; and
3. any other business that may properly come before the special meeting or any adjournments or postponements of the special meeting.

None of the proposals to be voted upon at the special meeting is conditioned on the approval of any other proposal.

The board of directors of Inveresk recommends that you vote **FOR** the adoption of the merger agreement and approval of the transaction and **FOR** an adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption and approval.

We have fixed the close of business on September 13, 2004 as the record date for the special meeting. Only holders of record of our common stock on that date will be entitled to notice of and to vote at the special meeting or any postponement or adjournment of the special meeting. A list of shareholders entitled to receive notice of and vote at the special meeting will be available at our offices located at 11000 Weston Parkway, Cary, North Carolina 27513, during ordinary business hours for the 10-day period preceding the date of the special meeting. This list also will be available at the special meeting.

The accompanying document describes the proposed transaction in more detail. We encourage you to read the entire document carefully, including the merger agreement which is included as Appendix A to the document.

Whether or not you expect to attend the special meeting, to ensure that your shares are represented at the special meeting, please complete, date, sign and return the enclosed proxy card in the envelope that has been provided or vote your shares by using a touch-tone telephone or through the Internet, as explained in the proxy voting instructions attached to the proxy card. No postage is required for mailing in the United States. Voting by mail, by telephone or through the Internet will not prevent you from voting in person at the meeting. If you are able to attend the meeting, you may revoke your proxy and vote your shares in person even if you have previously completed and returned the enclosed proxy card or voted by telephone or through the Internet. Thank you for acting promptly.

Dr. Walter S. Nimmo
Chairman, Chief Executive Officer and President

September 16, 2004
Cary, North Carolina

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**QUESTIONS AND ANSWERS ABOUT THE TRANSACTION
AND THE APPROVAL OF THE TRANSACTION**

Q: Why are the companies proposing the transaction?

A: We believe that by combining Charles River and Inveresk and capitalizing on the complementary strengths of the two companies, we will create one of the world's leading providers of research tools and integrated support services to the pharmaceutical and biotechnology industries in the areas of drug discovery, development and testing.

We also believe the combination of our two companies will create greater value for each company's shareholders than would be expected if the transaction did not occur.

Q: When are the shareholder meetings?

A: Each company's meeting will take place on October 20, 2004, at the time and location specified on the cover page of this document. Upon receipt of the required shareholder vote, each of Charles River and Inveresk may adjourn their respective special meetings, if necessary, to solicit additional proxies. References to either company's special meeting in this document are to that company's special meeting as adjourned or postponed.

Q: What do I need to do now?

A: After you have carefully read this entire document, please vote your shares of Charles River common stock or Inveresk common stock. You may do this either by completing, signing, dating and mailing the enclosed proxy card or by submitting your proxy by telephone or through the Internet, as explained in the proxy voting instructions attached to your proxy card. This will enable your shares to be represented and voted at the Charles River special meeting or the Inveresk special meeting, as applicable. If you submit a valid proxy and do not indicate how you want to vote, we will count your proxy as a vote in favor of the proposals described in this document submitted at your special meeting.

The Charles River board of directors recommends that Charles River shareholders vote FOR the issuance of Charles River common stock in connection with the transaction and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such issuance.

The Inveresk board of directors recommends that Inveresk shareholders vote FOR the adoption of the merger agreement and approval of the transaction and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption.

Q: What shareholder votes are required?

A: Charles River shareholders are being asked to approve the issuance of Charles River common stock in connection with the transaction. The approval of this proposal, and therefore the consummation of the transaction, requires the affirmative vote of at least a majority of the votes cast in person or by proxy at the Charles River special meeting, in a vote in which the total number of votes cast represents more than 50 percent of the outstanding Charles River common stock.

Charles River shareholders may be asked to vote on a proposal to approve an adjournment of the Charles River special meeting to solicit, if necessary, additional proxies in favor of the issuance of Charles River common stock in connection with the transaction. This proposal will be approved if a majority of the outstanding shares of Charles River common stock present in person or represented by proxy at the Charles River special meeting are voted in favor of the proposal, whether or not a quorum exists.

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Neither proposal to be voted upon at the Charles River special meeting is conditioned on the approval of the other proposal.

Inveresk shareholders are being asked to adopt the merger agreement and approve the transaction. The approval of this proposal, and therefore the consummation of the transaction, requires the affirmative vote of the holders of a majority of the outstanding shares of Inveresk common stock.

Inveresk shareholders may be asked to vote on a proposal to approve an adjournment of the Inveresk special meeting to solicit additional proxies in favor of adoption of the merger agreement and the approval of the transaction. This proposal will be approved in the following circumstances:

If there is a quorum at the Inveresk special meeting, a majority of the outstanding shares of Inveresk common stock present in person or represented by proxy at the Inveresk special meeting are voted in favor of the proposal.

If there is not a quorum at the Inveresk special meeting, a majority of the outstanding shares of Inveresk common stock having voting power present in person or represented by proxy at the Inveresk special meeting are voted in favor of the proposal.

None of the proposals to be voted upon at the Inveresk special meeting is conditioned on the approval of any other proposal at that meeting.

Q:

Why is my vote important?

A:

If you do not return your proxy card, submit your proxy by telephone or through the Internet or vote in person at your special meeting, it will be more difficult for each of Charles River and Inveresk to obtain the necessary quorum to hold its special meeting.

If you are a Charles River shareholder, because the total number of votes cast either in person or by proxy at the Charles River special meeting on the proposal to issue shares of Charles River common stock in connection with the transaction must represent more than 50 percent of the outstanding Charles River common stock, your failure to vote, including abstentions or broker non-votes (as described below), may have the same effect as a vote against that proposal. However, if the 50 percent requirement is satisfied, your failure to vote, including abstentions or broker non-votes, will have the effect of reducing the aggregate number of shares voting with respect to the proposal, and as a result, the number of affirmative votes required to approve the proposal.

In the case of Charles River's proposal to adjourn its special meeting, if necessary, to solicit additional proxies, your failure to vote, other than by abstention or broker non-vote, will have the effect of reducing the aggregate number of shares voting with respect to the proposal, and, as a result, the number of affirmative votes required to approve the proposal. However, both abstentions and broker non-votes will have the same effect as a vote against Charles River's adjournment proposal.

If you are an Inveresk shareholder, your failure to vote, abstention or broker non-vote on the proposal to adopt the merger agreement and approve the transaction will have the same effect as a vote against that proposal.

In the case of Inveresk's proposal to adjourn its special meeting, if necessary, to solicit additional proxies, your failure to vote will have the effect of reducing the aggregate number of shares voting with respect to the proposal and, as a result, the number of affirmative votes required to approve the proposal. An abstention will have the same effect as a vote against the proposal. A broker non-vote will have:

the same effect as a vote against the proposal if there is not a quorum at the Inveresk special meeting; and

the same effect as a failure to vote if there is a quorum at the Inveresk special meeting.

Q: If my shares are held in "street name" by my broker, will my broker automatically vote my shares for me?

A: No. Your broker will only vote your shares if you provide your broker with voting instructions. You should instruct your broker to vote your shares by following the directions your broker provides you. Please check the voting information form used by your broker to see if it offers telephone or Internet voting.

Q: What if I fail to instruct my broker?

A: If you are a Charles River shareholder, because the total number of votes cast either in person or by proxy at the Charles River special meeting on the proposal to issue shares of Charles River common stock in connection with the transaction must represent more than 50 percent of the outstanding Charles River common stock, if you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting "broker non-vote" will be counted toward a quorum at the Charles River special meeting, but otherwise will have the same effect as a failure to vote on the proposal.

In the case of Charles River's proposal to adjourn its special meeting, if necessary, to solicit additional proxies, broker non-votes will have the same effect as a vote against the proposal.

If you are an Inveresk shareholder, a broker non-vote will be counted towards a quorum at the Inveresk special meeting, but will have the same effect as a vote against the proposal to adopt the merger agreement and approve the transaction.

In the case of Inveresk's proposal to adjourn its special meeting, if necessary, to solicit additional proxies, broker non-votes will have the same effect as a failure to vote, if there is a quorum at the Inveresk special meeting, and will have the same effect as a vote against the proposal if there is not a quorum at the Inveresk special meeting.

Q: Can I attend the special meeting and vote my shares in person?

A: All Charles River and Inveresk shareholders are invited to attend their respective special meetings. However, only shareholders of record as of September 13, 2004 will be entitled to vote in person at the special meetings. If a bank, broker or other nominee holds your shares, then you are not the shareholder of record and you must ask your bank, broker or other nominee how you can vote in person at the special meeting.

Q: Can I change my vote?

A: Yes. If you are a record holder, you can change your proxy instructions after you have submitted your proxy card, or submitted your proxy by telephone or through the Internet, by:

submitting a written notice revoking your proxy to the corporate secretary of Charles River or Inveresk, as applicable;

submitting a new proxy card, or submitting a new proxy by telephone or through the Internet;

if you are an Inveresk shareholder, attending the special meeting and voting in person; or

if you are a Charles River shareholder, you have executed a proxy and are present at the special meeting, and you wish to vote in person, revoking your proxy as described above prior to voting in person.

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For more detailed procedures on revoking a proxy, see the description under "The Charles River Special Meeting Proxies Revoking Your Proxy" or "The Inveresk Special Meeting Proxies Revoking Your Proxy", as applicable.

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If you own your shares through a broker, you must follow the directions you receive from your broker in order to change or revoke your vote.

Q:
Should I send in my stock certificates now?

A:
No. You should not send in your stock certificates at this time. Inveresk shareholders who hold their shares in certificated form will need to exchange their Inveresk stock certificates for the cash and Charles River common stock provided for in the merger agreement after we complete the transaction. We will send Inveresk shareholders instructions for exchanging Inveresk stock certificates at that time. Inveresk shareholders who hold their shares in book-entry form will receive instructions for exchanging their shares after we complete the transaction. Charles River shareholders will retain their current stock certificates after the transaction and should not send in their stock certificates.

Q:
When do you expect to complete the transaction?

A:
We expect to complete the transaction during the fourth calendar quarter of 2004. However, we cannot assure you when or if the transaction will be completed. We must first obtain the necessary approvals of our respective shareholders at the special meetings and any necessary regulatory approvals.

Q:
Whom should I call with questions?

A:
Charles River shareholders with any questions about the transaction or about voting their shares should call Georgeson Shareholder Communications, Inc., Charles River's proxy solicitors, toll-free at 866-432-2793 or the Charles River shareholder investor relations department at 877-5676-CRL.

Inveresk shareholders with any questions about the transaction or about voting their shares should call Innisfree M&A Incorporated, Inveresk's proxy solicitors, toll-free at 877-825-8730. Brokers and bankers should call Innisfree collect at 212-750-5833.

SUMMARY

This summary highlights information from this document that we believe is important to you in deciding how to vote on the proposals described in this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this document refers you in order for you to fully understand the proposed transaction. See "Where You Can Find More Information", beginning on page 115. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.

The Companies (page 39)

Charles River Laboratories International, Inc.

251 Ballardvale Street
Wilmington, Massachusetts 01887
(978) 658-6000
<http://www.criver.com>

Charles River is a leading provider of the critical research tools and integrated support services that enable innovative and efficient drug and medical device discovery and development. Charles River's customer base includes major pharmaceutical, biotechnology and medical device companies, as well as many government agencies, leading hospitals and academic institutions throughout the world. Employing approximately 4,700 people, including nearly 250 individuals with D.V.M.s, Ph.D.s, and M.D.s, Charles River has 82 production facilities and laboratories in 16 countries. The company's products and services, supported by Charles River's global infrastructure and deep scientific expertise, enable customers to meet many of the challenges in life science research.

Inveresk Research Group, Inc.

11000 Weston Parkway
Cary, North Carolina 27513
(919) 460-9005
<http://www.inveresk.com>

Inveresk is a leading provider of drug development services to companies in the pharmaceutical and biotechnology industries. Through its pre-clinical and clinical business segments, Inveresk offers a broad range of drug development services, including pre-clinical safety and pharmacology evaluation services, laboratory sciences services and clinical development services. Inveresk's client base includes major pharmaceutical companies in North America, Europe and Japan, as well as biotechnology and specialty pharmaceutical companies. Its pre-clinical business, which was established nearly 40 years ago, employs approximately 1,900 people while its clinical business, established in 1988, employs approximately 1,000 people. At December 31, 2003, 176 of Inveresk's employees held a Ph.D. or M.D. degree, 20 held D.V.M. degrees and 248 held masters degrees. Inveresk completed its initial public offering of common stock in July 2002.

Indigo Merger I Corp. and Indigo Merger II LLC

Indigo Merger I Corp. is a Delaware corporation and a wholly owned subsidiary of Charles River. Indigo Merger II LLC was originally formed under the name Indigo Merger II Corp. as a Delaware corporation and is a wholly owned subsidiary of Charles River. In accordance with the terms of the merger agreement, Indigo Merger II Corp. was converted into a Delaware limited liability company and its name was changed to Indigo Merger II LLC. Indigo Merger II LLC is the successor to Indigo Merger II Corp. for all purposes. Each of Indigo Merger I Corp. and Indigo Merger II LLC was formed exclusively for the purpose of completing the transaction.

Reasons for the Transaction (page 47 and page 49)

Our companies are proposing to combine because, among other things, we believe that the merger will accelerate the progress being made by each of us toward achieving our respective strategic objectives. For Charles River, the merger provides a top-tier international platform in the preclinical services sector, entry into the clinical services sector, and the prospect of acceleration in its rates of growth in revenues and earnings. For Inveresk, the transaction provides a substantial enhancement of its North

American service offerings in the areas of toxicology, biosafety and laboratory services and, potentially, access to additional client relationships and improved access to capital with which to fund growth.

Our boards of directors believe the combined company should benefit from:

The complementary nature of the service and product offerings, scientific capabilities and geographic reach of the two companies.

The diversification of service and product offerings and revenue bases that will result from the transaction.

The opportunity to be an attractive partner-of-choice for pharmaceutical and biotechnology companies seeking support in their drug discovery, research and testing activities.

The synergistic benefits that are expected to be realized from the transaction (these include cost savings, but we expect more synergies in the form of revenue enhancement, even though revenue synergies are more difficult to predict than cost synergies).

Both companies also recognize that there are risks associated with the transaction, as described under "Risk Factors".

Recommendations to Shareholders (page 49 and page 52)

The Charles River board of directors has determined that the merger agreement and the transaction contemplated by the merger agreement are fair to and in the best interests of Charles River and its shareholders and has approved the issuance of Charles River common stock in connection with the transaction. The Charles River board of directors recommends that Charles River shareholders vote:

FOR the issuance of Charles River common stock in connection with the transaction; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such issuance.

The Inveresk board of directors has determined that the merger agreement and the transaction contemplated by the merger agreement are fair to and in the best interests of Inveresk and its shareholders. The Inveresk board of directors recommends that Inveresk shareholders vote:

FOR the adoption of the merger agreement and approval of the transaction; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption and approval.

The Transaction (page 42)

We are proposing to combine our companies in a two-step transaction:

first, Indigo Merger I Corp., a wholly owned subsidiary of Charles River, will merge into Inveresk; and

second, as part of a single integrated transaction, the company resulting from the first merger will merge into Indigo Merger II LLC, the successor to Indigo Merger II Corp., a second wholly owned subsidiary of Charles River.

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The company resulting from the second merger will be a wholly owned subsidiary of Charles River, and will continue to conduct the business of Inveresk under the name Inveresk Research Group, LLC. Charles River will retain the name Charles River Laboratories International, Inc.

Merger Consideration (page 71)

As a result of the transaction, each Inveresk shareholder will have the right to receive a combination of 0.48 of a share of Charles River common stock and \$15.15 in cash, without interest, for each share of Inveresk common stock held. We expect that, upon completion of the transaction, Charles River shareholders will own approximately 72 percent of the combined

company and Inveresk shareholders will own approximately 28 percent of the combined company. Charles River will not issue any fractional shares in the transaction. Inveresk shareholders will instead receive amounts in cash equal to the value of any fractional shares that would have been issued, based on the closing price of Charles River common stock on the trading day immediately following the day on which the transaction is completed.

Comparative Market Price Information (page 20)

Charles River common stock is listed on the New York Stock Exchange under the symbol "CRL". Inveresk common stock is listed on Nasdaq National Market under the symbol "IRGI". The following table sets forth the closing sale prices of Charles River common stock as reported on the New York Stock Exchange and the closing sale prices of Inveresk common stock as reported on the Nasdaq National Market, each on June 30, 2004, the last trading day before we announced the transaction, and on September 15, 2004. This table also shows the implied value of one share of Inveresk common stock, which we calculated by adding \$15.15 to the product of the closing price of Charles River common stock on those dates and the exchange ratio of 0.48.

	Charles River Common Stock	Inveresk Common Stock	Implied Value of Inveresk Common Stock
June 30, 2004	\$ 48.87	\$ 30.84	\$ 38.61
September 15, 2004	\$ 45.16	\$ 36.65	\$ 36.83

The market prices of Charles River common stock and Inveresk common stock will fluctuate before the special meetings and before the transaction is completed. Therefore, you should obtain current market quotations for Charles River common stock and Inveresk common stock.

Appraisal Rights (page 53)

Inveresk shareholders will have appraisal rights under Delaware law in connection with the transaction. Any Inveresk shareholder who has not voted shares of Inveresk common stock in favor of adoption of the merger agreement and approval of the transaction, and who has otherwise complied with the requirements of Delaware law, has the right to demand appraisal of, and to be paid the fair market value for, such shares of Inveresk common stock in lieu of the cash and Charles River common stock provided for in the merger agreement.

Charles River shareholders are not entitled to appraisal rights in connection with the transaction.

Material U.S. Federal Income Tax Consequences of the Transaction (page 88)

The transaction is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to in this document as the Code, so that a shareholder of Inveresk will recognize gain (but not loss) for U.S. federal income tax purposes as a result of the transaction only to the extent of the cash received as part of the merger consideration. For a more complete discussion of the U.S. federal income tax consequences of the transaction, see "Material U.S. Federal Income Tax Consequences of the Transaction".

Tax matters can be complicated and the tax consequences of the transaction to Inveresk shareholders will depend on each shareholder's particular tax situation. Inveresk shareholders should consult their tax advisors to fully understand the tax consequences of the transaction to them.

Interests of Certain Persons in the Transaction (page 82)

When considering the recommendations of the Charles River and Inveresk boards of directors that shareholders vote in favor of the proposals described in this document, you should be aware that some Charles River and Inveresk executive officers and directors may have interests in the transaction that may be different from, or in addition to, yours.

Opinion of Charles River's Financial Advisor (page 55)

In connection with the transaction, Credit Suisse First Boston LLC, Charles River's financial advisor, delivered its opinion to the Charles River board of directors, which opinion was confirmed in writing, as to the fairness, from a financial point of view, to Charles River of the merger consideration to be paid by Charles River in the first merger. The full text of Credit Suisse First Boston's written opinion, dated June 30, 2004, is included in this document as Appendix B. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **Credit Suisse First Boston's opinion was provided to the Charles River board of directors in connection with its evaluation of the merger consideration, does not address any other aspect of the transaction and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters relating to the transaction.**

Opinion of Inveresk's Financial Advisor (page 63)

In connection with the transaction, Goldman, Sachs & Co., Inveresk's financial advisor, delivered its opinion to the Inveresk board of directors, which opinion was subsequently confirmed in writing, that, as of June 30, 2004, and based upon and subject to the factors and assumptions set forth therein, the \$15.15 in cash and 0.48 of a share of Charles River common stock to be received by the holders of each outstanding share of Inveresk common stock, taken in the aggregate, pursuant to the merger agreement is fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated June 30, 2004, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included in this document as Appendix C. We encourage you to read this opinion carefully in its entirety. **Goldman Sachs provided its opinion for the information and assistance of the Inveresk board of directors in connection with its consideration of the transaction contemplated by the merger agreement. The Goldman Sachs opinion is not a recommendation as to how any Inveresk shareholder should vote with respect to the transaction.**

The Merger Agreement (page 71)

The merger agreement is included in this document as Appendix A. Appendix D contains certain technical amendments to the merger agreement which were adopted in connection with the conversion of Indigo Merger II Corp. into a Delaware limited liability company. We urge you to read the entire merger agreement, as amended, because it is the legal document governing the transaction.

Conditions that Must be Satisfied or Waived for the Transaction to Occur (page 78)

As more fully described in this document and the merger agreement, the completion of the transaction depends on a number of conditions being satisfied or waived, including receipt of shareholder approvals, regulatory approvals and tax opinions.

Although we expect to complete the transaction in the fourth calendar quarter of 2004, we cannot be certain when, or if, the conditions to the transaction will be satisfied or waived, or that the transaction will in fact be completed.

Termination of the Merger Agreement (page 79)

The merger agreement may be terminated at any time before completing the transaction, even after the receipt of the required approvals from either of Charles River and Inveresk shareholders, by mutual agreement of the parties or by either party if:

the transaction has not been completed prior to December 31, 2004 (which date may be extended to March 31, 2005 to the extent necessary to obtain certain antitrust clearances);

if any judgment, injunction, order or decree of any court or other governmental entity having competent jurisdiction enjoining Charles River or Inveresk from consummating the transaction is entered and such judgment, injunction or order becomes final and nonappealable, provided that neither party may terminate the merger agreement under this clause if such party's material breach of any obligation under the merger agreement has resulted in the imposition of such judgment, injunction, order or decree;

either the Charles River shareholders or the Inveresk shareholders fail to give the necessary approvals at their respective special meetings;

such party's board of directors authorizes that party to enter into a written agreement for a transaction that constitutes a Superior Proposal (as defined below under "The Merger Agreement Principal Covenants Shareholder Meetings and Duties to Recommend"), subject to compliance with notice and other requirements of the merger agreement;

the other party has willfully and materially breached certain obligations in the merger agreement concerning the solicitation of alternate transactions or holding a shareholder meeting to obtain the required shareholder approvals or if the board of directors of the other party has failed to make, withdrawn or modified in a manner adverse to the terminating party, its recommendation to shareholders with respect to the transaction; or

a breach of any representation of, or warranty or failure to perform any covenant or agreement by, the other party that would prevent satisfaction of the terminating party's conditions to closing.

In addition, the merger agreement may be terminated by Inveresk if, on either of two occasions, the average closing sale price of Charles River common stock falls below \$33.00 over a 20-day measurement period, as adjusted for changes in the closing prices of a basket of the equity securities of 13 other companies. The two occasions are the period ending five days prior to the mailing of this document and the period ending five days prior to the closing of the transaction.

Termination Fees (page 81)

Each of Charles River and Inveresk has agreed to pay the other party a termination fee of \$38.15 million in cash if any of the following things happens:

if (i) either party terminates the agreement by reason of the paying party's failure to obtain its required shareholder approval, (ii) before the applicable special meeting, a bona fide Acquisition Proposal (as defined below under "The Merger Agreement Principal Covenants Shareholder Meetings and Duties to Recommend" but subject to the additional requirement described under "The Merger Agreement Termination Fees; Other Expenses") relating to the paying party was made or renewed, publicly announced or disclosed, and not publicly withdrawn at least five days before the paying party's special meeting, and (iii) within 12 months following termination, the paying party consummates an Acquisition Proposal or enters into an agreement for an Acquisition Proposal that is subsequently consummated;

if either party terminates the agreement in order to accept a Superior Proposal, as described under "The Merger Agreement Termination Mutual Termination Rights"; or

if either party terminates the merger agreement as a result of (i) the board of directors of the other party having failed to make, withdrawn or modified in a manner adverse to the terminating party, its recommendation to shareholders with respect to the transaction or (ii) the other party having willfully and materially

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breached certain obligations in the merger agreement concerning the solicitation of alternate transactions or holding a shareholder meeting to obtain the required shareholder approvals in connection with the filing of this document.

Treatment of Inveresk Stock Options and Stock-Based Awards (page 72)

At the effective time, each outstanding option to purchase shares of Inveresk common stock granted under any stock option or compensation plan, employment, severance, change in control agreement or other agreement of Inveresk, collectively referred to in this document as Inveresk stock options, whether vested or unvested, will be converted into an option to purchase Charles River common stock on the same terms and conditions in effect at the effective time. Subject to certain adjustments, the number of shares of Charles River common stock subject to each such replacement stock option will equal the number of the shares of Inveresk common stock subject to each converted Inveresk stock option multiplied by 0.8 (as adjusted). The replacement stock option will have a per share exercise price equal to the per share exercise price specified in the Inveresk stock option divided by 0.8 (as adjusted), rounded to the nearest whole cent.

Governance After the Transaction (page 52)

At the closing of the transaction, the Charles River board of directors will consist of 12 directors, nine of whom will be the Charles River directors prior to the transaction and three of whom will be designated by Inveresk. Inveresk has selected Dr. Walter S. Nimmo, S. Louise McCrary and Dr. John Urquhart as its designees to the Charles River board. We expect that at the closing of the transaction, James C. Foster will continue to be Chairman, President and Chief Executive Officer of the combined company and Dr. Nimmo, currently Chairman, Chief Executive Officer and President of Inveresk, is expected to be the Vice Chairman of the board of the combined company. Thomas F. Ackerman is expected to continue as Chief Financial Officer of Charles River after the closing of the transaction. The senior management team of Charles River at the closing of the transaction is also expected to include the following divisional managers: Real Renaud (Research Models and Services); Mike Anckorn (Global Pre-Clinical); Dr. Nancy Gillett (U.S. Pre-Clinical); Dr. Brian Bathgate (European Pre-Clinical); and Alastair McEwan (Global Clinical). Charles River and Dr. Nimmo are currently discussing the terms of Dr. Nimmo's relationship with Charles River following completion of the transaction.

Brand Names and Headquarters (page 53)

After completion of the transaction, Charles River will retain the name Charles River Laboratories International, Inc. and will continue to have its headquarters and principal executive offices in Wilmington, Massachusetts. The Inveresk brands will be retained following the completion of the transaction.

Regulatory and Other Approvals Required for the Transaction (page 41)

The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to as the HSR Act, and the rules and regulations thereunder, provide that the transaction may not be completed until pre-merger notification filings have been made with the Federal Trade Commission and the Antitrust Division of the Department of Justice, and the specified waiting period thereunder has expired or is terminated. Even after the waiting period expires or is terminated, the Justice Department and the Federal Trade Commission retain the authority to challenge the transaction on antitrust grounds before or after the transaction is completed. Each of Charles River and Inveresk filed a notification and report form for the transaction with the Federal Trade Commission and the Justice Department on July 9, 2004. The Federal Trade Commission terminated the waiting period under the HSR Act on July 20, 2004.

Listing of Charles River Common Stock (page 52)

The shares of Charles River common stock to be issued to Inveresk shareholders in the

transaction will be listed on the New York Stock Exchange.

Accounting Treatment of the Transaction (page 87)

The transaction will be accounted for as a purchase by Charles River under accounting principles generally accepted in the United States. Under the purchase method of accounting, the assets and liabilities of Inveresk will be recorded, as of the date the transaction is completed, at their respective fair values and added to those of Charles River. Charles River's financial statements issued after the completion of the transaction will reflect Inveresk's assets, liabilities and operating results after completion of the transaction, but will not be restated retroactively to reflect the historical pre-closing financial position or results of operations of Inveresk.

Following the completion of the transaction, the earnings of the combined company will reflect purchase accounting adjustments, including amortization and depreciation expense for acquired assets and related tax benefits, and incremental stock-based compensation expense from the conversion of unvested stock options held by Inveresk employees into Charles River stock options.

In accordance with the applicable accounting rules, the goodwill resulting from the transaction will not be amortized, but will be reviewed for impairment at least annually, and to the extent goodwill is determined to be impaired in value, its carrying value will be written down to its implied fair value and a charge will be made to earnings in the amount of the write-down.

Charles River Special Meeting (page 31)

Meeting. The Charles River special meeting will be held on October 20, 2004, at 9:00 a.m., Eastern Time, at Charles River's corporate headquarters, 251 Ballardvale Street, Wilmington, Massachusetts 01887. At the Charles River special meeting, Charles River shareholders will be asked to approve the issuance of shares of Charles River common stock in connection with the transaction and, if necessary, the related adjournment proposal.

Record Date. Charles River has fixed the close of business on September 13, 2004 as the record date for determining the Charles River shareholders entitled to receive notice of and to vote at the Charles River special meeting. Only holders of record of Charles River common stock on the record date are entitled to receive notice of and to vote at the Charles River special meeting, and any adjournment or postponement thereof. Each share of Charles River common stock is entitled to one vote.

Required Vote. The approval of the proposal to issue shares of Charles River common stock in connection with the transaction, and therefore the consummation of the transaction, requires the affirmative vote of at least a majority of the votes cast in person or by proxy at the Charles River special meeting, in a vote in which the total number of votes cast represents more than 50 percent of the outstanding Charles River common stock. The failure of a Charles River shareholder to vote on this proposal, including abstentions or broker non-votes, may have the same effect of a vote against the proposal. However, if the 50 percent requirement is satisfied, failure to vote on this proposal, including abstentions or broker non-votes, will have the effect of reducing the aggregate number of shares voting with respect to the proposal, and, as a result, the number of affirmative votes required to approve the proposal.

The proposal to approve an adjournment of the Charles River special meeting to solicit additional proxies will be approved if a majority of the outstanding shares of Charles River common stock present in person or represented by proxy at the Charles River special meeting are voted in favor of the proposal, whether or not a quorum exists. The failure of a Charles River shareholder to vote on this proposal, other than by abstention or broker non-vote, will have the effect of reducing the aggregate number of shares voting with respect to the proposal, and, as a result, the number of affirmative votes required to approve the proposal. However, both abstentions and broker non-votes will have the

same effect as a vote against Charles River's adjournment proposal.

Neither proposal to be voted upon at the Charles River special meeting is conditioned on the approval of the other proposal.

As of the Charles River record date, directors and executive officers of Charles River and their affiliates beneficially owned or otherwise had the right to vote 2,403,257 shares of Charles River common stock, or approximately 5 percent of the outstanding Charles River common stock entitled to be voted at the special meeting. At that date, directors and executive officers of Inveresk and their affiliates, including Inveresk, did not beneficially own or otherwise have the right to vote any shares of Charles River common stock. To Charles River's knowledge, the directors and executive officers of Charles River and their affiliates intend to vote their Charles River common stock in favor of the issuance of Charles River common stock in connection with the transaction.

Inveresk Special Meeting (page 35)

Meeting. The Inveresk special meeting will be held on October 20, 2004, at 9:00 a.m., Eastern Time, at 31 West 52nd Street, New York, New York 10019. At the Inveresk special meeting, Inveresk shareholders will be asked to vote on the adoption of the merger agreement and approval of the transaction and, if necessary, the related adjournment proposal.

Record Date. Inveresk has fixed the close of business on September 13, 2004 as the record date for determining the Inveresk shareholders entitled to receive notice of and to vote at the Inveresk special meeting. Only holders of record of Inveresk common stock on the record date are entitled to receive notice of and to vote at the Inveresk special meeting, and any adjournment or postponement thereof. Each share of Inveresk common stock is entitled to one vote.

Required Vote. The adoption of the merger agreement and approval of the transaction, and therefore the consummation of the transaction, requires the affirmative vote of the holders of a majority of the outstanding shares of Inveresk common stock. The failure of an Inveresk shareholder to vote, an abstention or broker non-vote with respect to the proposal will have the same effect as a vote against the adoption of the merger agreement and approval of the transaction.

The proposal to approve an adjournment of the Inveresk special meeting to solicit additional proxies will be approved in the following circumstances:

If there is a quorum at the Inveresk special meeting, a majority of the outstanding shares of Inveresk common stock present in person or represented by proxy at the Inveresk special meeting are voted in favor of the proposal.

If there is not a quorum at the Inveresk special meeting, a majority of the outstanding shares of Inveresk common stock having voting power present in person or represented by proxy at the Inveresk special meeting are voted in favor of the proposal.

The failure to vote with respect to the adjournment proposal will have the effect of reducing the aggregate number of shares voting with respect to the proposal and, as a result, the number of affirmative votes required to approve the proposal. An abstention will have the same effect as a vote against the proposal. A broker non-vote will have:

the same effect as a vote against the proposal if there is not a quorum at the Inveresk special meeting; and

the same effect as a failure to vote if there is a quorum at the Inveresk special meeting.

None of the proposals to be voted upon at the Inveresk special meeting is conditioned on the approval of any other proposal.

As of the Inveresk record date, directors and executive officers of Inveresk and their affiliates beneficially owned or otherwise had the right to vote 1,531,458 shares of Inveresk common stock, or approximately 4 percent of the outstanding Inveresk common stock entitled to be voted at the special meeting. At that date, directors and executive officers of Charles River and their affiliates, including Charles River, did not beneficially own or otherwise have the right to vote any shares of Inveresk common stock. To Inveresk's knowledge, the directors and executive

officers of Inveresk and their affiliates intend to vote their Inveresk common stock in favor of the adoption of the merger agreement and approval of the transaction.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF CHARLES RIVER

Charles River is providing the following financial information to aid you in your analysis of the financial aspects of the transaction. Charles River derived the summary selected historical consolidated balance sheet data and consolidated statement of income data as of and for the years ended December 25, 1999 through December 27, 2003 from the audited consolidated financial statements of Charles River for those periods. Charles River derived the statement of income data for the six months ended June 28, 2003 and June 26, 2004 and the balance sheet data as of June 28, 2003 and June 26, 2004 from the unaudited condensed consolidated financial statements of Charles River for those periods. In the opinion of Charles River management, the unaudited condensed consolidated financial statements of Charles River for the six months ended June 28, 2003 and June 26, 2004 have been prepared on a basis consistent with its audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations for these periods. The operating results for the six months ended June 26, 2004 are not necessarily indicative of the results that may be expected for the entire fiscal year of Charles River or the combined company.

The table below represents summary selected historical consolidated statements of income and consolidated balance sheet data of Charles River, and you should read it together with the historical financial statements and related notes contained in the Annual Report on Form 10-K for the year ended December 27, 2003 and the Quarterly Reports on Form 10-Q for the periods ended March 27, 2004 and June 26, 2004 and other information that Charles River has filed with the Securities and Exchange Commission and incorporated by reference into this document. See "Where You Can Find More Information", beginning on page 115.

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Charles River Laboratories International, Inc.

	Fiscal Year(1)					Six Months Ended	
	1999	2000	2001	2002	2003	June 28, 2003	June 26, 2004
	(dollars in thousands except per share data)						
Statement of Income Data:							
Net sales	\$ 231,413	\$ 306,585	\$ 465,630	\$ 554,629	\$ 613,723	\$ 306,489	\$ 352,830
Cost of products sold and services provided	146,729	186,654	298,379	345,646	380,058	188,922	209,381
Selling, general and administrative expenses	39,765	51,204	68,315	83,303	89,489	45,488	57,340
Other operating expenses, net					747	747	
Amortization of goodwill and intangibles(2)	1,956	3,666	8,653	3,414	4,876	2,478	2,389
Operating income	42,963	65,061	90,283	122,266	138,553	68,854	83,720
Interest income	536	1,644	1,493	2,120	1,774	911	1,510
Interest expense(3)	(12,789)	(40,691)	(22,797)	(11,205)	(8,480)	(4,210)	(4,235)
Loss on debt retirement(4)		(44,771)	(8,066)	(29,882)			
Other, net	(47)	71	500	1,222	783	416	127
Income (loss) before income taxes, minority interests and earnings from equity investments	30,663	(18,686)	61,413	84,521	132,630	65,971	81,122
Provision for (benefit from) income taxes	15,561	(7,833)(5)	24,272	31,921	51,063	25,399	36,210 (6)
Income (loss) before minority interests and earnings from equity investments	15,102	(10,853)	37,141	52,600	81,567	40,572	44,912
Minority interests	(22)	(1,396)	(2,206)	(2,784)	(1,416)	(657)	(1,018)
Earnings from equity investments	2,044	1,025	472	316			
Net income (loss)	\$ 17,124	\$ (11,224)	\$ 35,407	\$ 50,132	\$ 80,151	\$ 39,915	\$ 43,894
Earnings (loss) per common share:							
Basic(7)	\$ 0.86	\$ (0.40)	\$ 0.86	\$ 1.12	\$ 1.76	\$ 0.88	\$ 0.96
Diluted(7)	\$ 0.86	\$ (0.35)	\$ 0.80	\$ 1.06	\$ 1.64	\$ 0.82	\$ 0.88
Dividends per share							
Other Data:							
Depreciation and amortization	\$ 12,318	\$ 16,766	\$ 27,175	\$ 23,986	\$ 29,564	\$ 14,056	\$ 15,533
Capital expenditures	12,951	15,565	36,406	37,543	32,704	14,454	11,867
Balance Sheet Data (at end of period):							
Cash and cash equivalents	\$ 15,010	\$ 33,129	\$ 58,271	\$ 122,509	\$ 182,331	\$ 144,341	\$ 224,153
Working capital	27,574	55,417	111,622	164,723	256,537	211,804	302,249
Total assets	359,292	413,545	571,362	701,344	799,554	737,069	862,384
Total debt	386,044	202,912	156,800	195,818	186,002	192,576	186,633
Total shareholders' equity (deficit)	(109,946)	119,864	289,510	357,376	464,623	411,704	519,062

(1) Charles River's fiscal year consists of the 12 months ending on the last Saturday on, or prior to, each December 31.

(2) As more fully described in Note 1 to the consolidated financial statements in Charles River's Annual Report on Form 10-K for the fiscal year ended December 27, 2003, Charles River adopted Statement of Financial Accounting Standards No. 142 (SFAS No. 142), "Goodwill and Other Intangible Assets," which established financial accounting standards for acquired goodwill and other intangible assets. In accordance with SFAS No. 142, Charles River ceased the amortization of goodwill and indefinite-lived intangible assets as of the beginning of fiscal year 2002.

(3) To finance the recapitalization transaction in September 1999, Charles River issued \$150,000 of 13.5% senior subordinated notes with warrants, borrowed \$162,000 under a senior secured credit facility, issued \$37,600 senior discounted debentures with warrants and \$43,000 subordinated discount note. Over the course of 2000, 2001 and early 2002, Charles River repaid these borrowings with the proceeds from its June 2000 initial public offering, March 2001 and July 2001 follow-on public offerings, and the January 2002 private placement offering of the 3.5% senior convertible debentures.

(4)

In fiscal year 2000, Charles River used a portion of the proceeds from its 2000 initial public offering to repay debt and recorded a loss of \$44,771 due to the payment of premiums related to the early repayment (\$31,532) and the write-off of issuance discounts (\$8,537) and deferred financing costs (\$5,226), offset by a book gain of \$524 on the subordinated discount note. In fiscal year 2001, Charles River used a portion of the proceeds from its 2001 follow-on public offering to repay debt and recorded a loss of \$8,066 due to the payment of premiums related to the early repayment (\$3,841) and the write-off of issuance discounts (\$1,853) and deferred financing costs (\$2,372). In fiscal year 2002, Charles River terminated its then existing revolving credit facility, repaid all of its outstanding senior secured term loans and completed a tender offer for all of its remaining 13.5% senior subordinated notes. Charles

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River recorded a loss of \$29,882 due to the payment of premiums related to the early repayment (\$23,886) and the write-off of deferred financing costs (\$5,129) and issuance discounts (\$867) in fiscal year 2002.

- (5) As a result of the repayment of debt with proceeds from its initial public offering in fiscal year 2000, Charles River reassessed the need for a valuation allowance relating to state income tax benefits associated with the deferred tax asset recorded following its 1999 recapitalization transaction (see Note 6 below). As a result of this reassessment, \$4,762 of the valuation allowance was released in 2000 and recorded as a tax benefit. This tax benefit is included in the statement of operations for fiscal year 2000 and is a non-recurring item.
- (6) As more fully described in Note 9 to the condensed consolidated financial statements in its Quarterly Report on Form 10-Q for the quarter ended June 26, 2004 incorporated by reference into this document, Charles River reorganized its European operations to streamline the legal entity structure in order to improve operating efficiency and cash management, facilitate acquisitions and provide tax benefits. The reorganization, which did not involve reductions of personnel or facility closures, resulted in a one-time, non-cash charge to earnings in the first quarter of fiscal year 2004 of \$7,900 due primarily to the write-off of a deferred tax asset. In light of this reorganization, Charles River reassessed the valuation allowance associated with its foreign tax credit carryforwards. As a result of this reassessment, \$2,111 of the valuation allowance was released and recorded as a tax benefit in the first quarter of 2004.
- (7) Pursuant to the recapitalization agreement effective September 29, 1999, all of the assets, liabilities, operations and cash flows relating to Charles River Laboratories, Inc., were contributed to an existing dormant subsidiary which was subsequently renamed Charles River Laboratories, Inc. Under the terms of the recapitalization, Charles River Laboratories, Inc., became a wholly owned subsidiary of Charles River Laboratories International, Inc. The capital structure in place for periods prior to September 29, 1999 was significantly different than the capital structure of the Company after the recapitalization. The consolidated statement of operations for 1999 also include operations of certain Bausch & Lomb entities which were not historically supported by the combined capital structure of Charles River Laboratories International, Inc. and Charles River Laboratories, Inc. As a result, earnings per share for 1999 have been computed assuming that the shares outstanding after the recapitalization had been outstanding for the full fiscal year. Basic earnings per share for the year ended December 25, 1999 were computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding in the period subsequent to the recapitalization. For purposes of calculating diluted earnings per share for the year ended December 25, 1999, the weighted average number of common shares used in the basic earnings per share computation described above has not been adjusted to include common stock equivalents, as these common stock equivalents were issued in connection with the recapitalization financing and are not assumed to be outstanding for purposes of computing earnings per share for the fiscal year.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF INVERESK

The selected consolidated financial data presented below as of June 30, 2004 and for the six months ended June 30, 2004 was derived from Inveresk's unaudited condensed consolidated financial statements that are included in Inveresk's Quarterly Report on Form 10-Q for the period ended June 30, 2004. The selected consolidated financial data presented below as of June 30, 2003 and for the six months ended June 30, 2003 was derived from Inveresk's unaudited consolidated financial statements that are included in Inveresk's Quarterly Report on Form 10-Q for the period ended June 30, 2003. The selected consolidated financial data presented below as of December 31, 2003 and December 31, 2002 and for the years ended December 31, 2003, December 31, 2002 and the 52 weeks ended December 31, 2001, was derived from Inveresk's consolidated financial statements that are included in its Annual Report on Form 10-K for the year ended December 31, 2003. The selected consolidated financial data as of December 31, 2001, December 31, 2000 and December 26, 1999 and for the 53 weeks ended December 31, 2000 and the period from September 20, 1999 to December 26, 1999 was derived from Inveresk's consolidated financial statements for the periods then ended that are not included in or incorporated by reference in this document. The selected consolidated financial data presented for the period from December 28, 1998 to September 19, 1999 reflects the results of operations of the Inveresk business while it operated as a division of SGS Société Générale de Surveillance SA. All of the financial information presented is prepared in accordance with accounting principles generally accepted in the United States.

You should read the selected consolidated financial information presented below in conjunction with Inveresk's Annual Report on Form 10-K for the year ended December 31, 2003 and Quarterly Reports on Form 10-Q for the periods ended March 31, 2004 and June 30, 2004, and in particular the financial statements and related notes contained in those documents, as well as the information provided in each of those documents under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations". See "Where You Can Find More Information", beginning on page 115.

	Predecessor		Inveresk Research Group, Inc.(1)(2)(3)					
	December 28, 1998 to September 19, 1999	September 20, 1999 to December 26, 1999	53 Weeks Ended December 31, 2000	52 Weeks Ended December 30, 2001	Year Ended December 31, 2002	Year Ended December 31, 2003	Six Months Ended	
							June 30, 2003	June 30, 2004
(dollars in thousands, except share and per share data)								
Statement of Operations Data:								
Net service revenues	\$ 47,088	\$ 16,832	\$ 65,540	\$ 156,296	\$ 222,462	\$ 272,482	\$ 124,719	\$ 156,135
Direct costs excluding depreciation	(27,177)	(9,645)	(36,133)	(83,975)	(110,099)	(141,603)	(63,357)	(81,171)
	19,911	7,187	29,407	72,321	112,363	130,879	61,362	74,964
Selling, general and administrative expenses:								
Compensation expense in respect of share options and management equity incentives					(53,020)			
U.K. stamp duty taxes on change of ultimate parent Company					(1,545)			
Share offering and merger expenses						(658)	(658)	(5,306)
Restructuring and integration costs arising from business acquisitions						(1,088)		
Other selling, general and administrative expenses	(9,013)	(3,275)	(13,825)	(41,934)	(56,455)	(70,106)	(33,154)	(39,801)
Total selling, general and administrative expenses	(9,013)	(3,275)	(13,825)	(41,934)	(111,020)	(71,852)	(33,812)	(45,107)

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	Predecessor		Inveresk Research Group, Inc.(1)(2)(3)					
Depreciation	(3,731)	(809)	(4,513)	(8,028)	(10,315)	(12,301)	(6,038)	(7,060)
Amortization of goodwill and intangibles	(242)	(973)	(3,281)	(7,910)		(580)		(696)
Income (loss) from operations	6,925	2,130	7,788	14,449	(8,972)	46,146	21,512	22,101
Interest (expense), net	(560)	(2,004)	(7,522)	(17,694)	(13,343)	(3,464)	(1,815)	(627)
Income (loss) before income taxes	6,365	126	266	(3,245)	(22,315)	42,682	19,697	21,474
Provision for income taxes	(2,308)	(325)	(682)	(1,875)	(5,694)	(4,560)	(2,161)	(1,335)
Net income (loss)	\$ 4,057	\$ (199)	\$ (416)	\$ (5,120)	\$ (28,009)	\$ 38,122	\$ 17,536	\$ 20,139

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Earnings (loss) per share: (4)(5)									
Basic	N/A	\$ (0.01)	\$ (0.03)	\$ (0.24)	\$ (0.94)	1.04	\$ 0.48	0.53	
Diluted	N/A	\$ (0.01)	\$ (0.03)	\$ (0.24)	\$ (0.94)	1.01	\$ 0.47	0.51	
Weighted average number of common shares outstanding: (4)(5)									
Basic	N/A	15,803,724	15,803,724	21,489,571	29,735,957	36,527,491	36,217,809	37,977,693	
Diluted	N/A	15,803,724	15,803,724	21,489,571	29,735,957	37,705,378	37,489,490	39,212,167	
Dividends per share(4)(5)									
Other data:									
Depreciation and amortization									
	\$	3,973	\$ 1,782	\$ 7,794	\$ 15,938	\$ 10,315	\$ 12,881	\$ 6,038	\$ 7,756
Capital expenditures									
	\$	5,305	\$ 1,307	\$ 6,792	\$ 11,145	\$ 25,497	\$ 30,414	\$ 8,541	\$ 13,861

Inveresk Research Group, Inc.

	December 26, 1999	December 31, 2000	December 30, 2001	December 31, 2002	December 31, 2003	June 30, 2003	June 30, 2004
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(Dollars in thousands)

Balance Sheet Data:								
Cash and cash equivalents	\$	7,009	\$ 9,686	\$ 16,118	\$ 19,909	\$ 24,579	\$ 21,829	\$ 21,136
Total assets		129,180	124,568	301,826	332,467	449,079	360,783	452,484
Current portion of long-term debt		3,261	3,080	127,648	217	7,857	7,402	7,636
Long-term debt		84,653	80,898	85,109	67,768	50,941	50,560	47,302
Total shareholders' equity (deficit)	\$	712	\$ 247	\$ (7,385)	\$ 152,403	\$ 234,175	\$ 185,805	\$ 253,714

- (1) The financial information presented above for the four years ended December 31, 2003, December 31, 2002, December 30, 2001 and December 31, 2000 and for the period from September 20, 1999 to December 26, 1999 and the two six-month periods ended June 30, 2004 and June 30, 2003 reflects the financial position and results of operations of Inveresk Research Group, Inc. and Inveresk Research Group Limited, which became Inveresk's direct subsidiary immediately before its initial public offering in 2002. The financial information presented for the period from December 28, 1998 to September 19, 1999 reflects the financial position and results of operations of Inveresk's business while it was operated as a division of SGS Société Générale de Surveillance SA.
- (2) Effective as of the beginning of 2002, Inveresk's fiscal years end consistently on December 31 and its fiscal quarters end consistently on the last calendar day in the quarter. Before 2002, Inveresk's fiscal years ended on the last Sunday on or prior to December 31 and its fiscal quarters ended on the last Sunday on or prior to the relevant quarter end.
- (3) Inveresk completed two significant acquisitions during the period covered by the selected consolidated financial information presented above. These were the acquisition of ClinTrials Research Inc. completed on April 5, 2001 and the acquisition of PharmaResearch Corporation completed on July 29, 2003. The financial information presented above for the year ended December 30, 2001 includes the results of operations of ClinTrials from April 5, 2001 and the financial information presented above for the year ended December 31, 2003 includes the results of operations of PharmaResearch from July 29, 2003.
- (4) Before September 20, 1999, Inveresk's businesses were operated as a division of SGS Société Générale de Surveillance SA. Share and per share data for these periods is not meaningful and has not been presented.
- (5) Historical share and earnings per share data presented for periods prior to the date of Inveresk's initial public offering in June 2002 have been calculated as if the historical outstanding shares in Inveresk Research Group Limited had been converted to common stock in Inveresk Research Group, Inc. using the conversion ratios applicable to the change in ultimate parent company which took place on June 25, 2002.

**SUMMARY SELECTED UNAUDITED
PRO FORMA COMBINED FINANCIAL INFORMATION**

The transaction will be accounted for under the purchase method of accounting, which means that the assets and liabilities of Inveresk will be recorded, as of completion of the transaction, at their fair values and added to those of Charles River. For a more detailed description of purchase accounting, see "Accounting Treatment".

We have presented below selected unaudited pro forma combined financial information that is intended to provide you with a better picture of what the businesses might have looked like had Charles River and Inveresk actually been combined. The unaudited pro forma combined balance sheet combines the historical consolidated balance sheets of Charles River and of Inveresk as of June 26, 2004 and June 30, 2004, respectively, giving effect to the transaction as if it occurred on June 26, 2004. The unaudited pro forma combined statements of income combine the historical consolidated statements of income of Charles River and of Inveresk for the year ended December 27, 2003 and December 31, 2003, respectively, and the six months ended June 26, 2004 and June 30, 2004, respectively, giving effect to the transaction as if it occurred on December 29, 2002. The combined financial information would have been different, perhaps materially, had the companies actually been combined as of that date. The selected unaudited pro forma combined financial information does not reflect the effect of asset dispositions, if any, or cost savings that may result from the transaction or any non-recurring charges directly attributable to the transaction, such as expenses incurred by Inveresk in connection with this merger transaction. You should not rely on the selected unaudited pro forma combined financial information as being indicative of the historical results that would have occurred had the companies been combined or the future results that may be achieved after the transaction. The following selected unaudited pro forma combined financial information has been derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Statements and related notes included in this document.

Unaudited Pro Forma Combined Statement of Income Data:

	Fiscal Year Ended December 27, 2003	Six-months Ended June 26, 2004
(dollars in thousands except per share data)		
Net sales	\$ 883,452	\$ 507,179
Cost of products sold and services provided	525,282	292,182
Selling, general and administrative expenses	173,267	102,229
Share offering and merger expense	658	5,306
Other operating expenses, net	1,835	
Amortization of identifiable intangibles	77,435	28,343
Operating income	104,975	79,119
Interest income	2,196	1,510
Interest expense	(36,116)	(16,737)
Other, net	783	127
Income before income taxes and minority interests	71,838	64,019
Provision for income taxes	18,694	23,660
Income before minority interests	53,144	40,359
Minority interests	(1,416)	(1,018)
Net income	51,728	39,341
Earnings per common share:		
Basic	\$ 0.81	\$ 0.61
Diluted	0.79	0.58

Unaudited Pro Forma Combined Balance Sheet Data:

	As of June 26, 2004
Cash and cash equivalents	\$ 100,501
Working capital	161,942
Total assets	2,464,939
Total debt	691,571
Total shareholders' equity	1,380,485

COMPARATIVE PER SHARE DATA

The following table sets forth selected historical earnings per share, book value per share and dividends per share information of Charles River and Inveresk and unaudited pro forma combined earnings per share, book value per share and dividends per share information after giving effect to the transaction, assuming that \$15.15 in cash and 0.48 of a share of Charles River common stock had been issued in exchange for each outstanding share of Inveresk common stock. You should read this information in conjunction with the selected historical financial information included elsewhere in this document and the historical financial statements of Charles River and Inveresk and related notes that are incorporated in this document by reference. See "Where You Can Find More Information", beginning on page 115.

The historical earnings per share and dividends per share information for fiscal year 2003 is derived from audited consolidated financial statements of Charles River and Inveresk as of and for the year ended December 27, 2003 and December 31, 2003, respectively. The historical earnings per share, book value per share and dividends per share information for the six months ended June 2004 is derived from unaudited condensed consolidated financial statements of Charles River and Inveresk as of and for the six months ended June 26, 2004 and June 30, 2004, respectively. The unaudited pro forma combined earnings per share, book value per share and dividends per share information is derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Statements and related notes included in this document. The unaudited pro forma equivalent earnings per share, book value per share and dividends per share information is calculated as the unaudited pro forma combined earnings per share, book value per share and dividends per share multiplied by the conversion ratio of 0.48.

	Charles River		Inveresk	
	Historical	Unaudited Pro Forma Combined	Historical	Unaudited Pro Forma Equivalent
	Year Ended December 27, 2003		Year Ended December 31, 2003	
Basic earnings per share	\$ 1.76	\$ 0.81	\$ 1.04	\$ 0.39
Diluted earnings per share	\$ 1.64	\$ 0.79	\$ 1.01	\$ 0.38
Dividends				
	Charles River		Inveresk	
	Historical	Unaudited Pro Forma Combined	Historical	Unaudited Pro Forma Equivalent
	Six Months Ended June 26, 2004		Six Months Ended June 30, 2004	
Basic earnings per share	\$ 0.96	\$ 0.61	\$ 0.53	\$ 0.29
Diluted earnings per share	\$ 0.88	\$ 0.58	\$ 0.51	\$ 0.28
Book value per share	\$ 11.24	\$ 21.37	\$ 6.67	\$ 10.26
Dividends				

COMPARATIVE MARKET PRICE INFORMATION

The table below sets forth the closing sale prices of Charles River common stock as reported on the New York Stock Exchange, and the closing sale prices of Inveresk common stock as reported on the Nasdaq National Market, each on June 30, 2004, the last trading day prior to the public announcement of the transaction, and on September 15, 2004. The table also shows the implied value of one share of Inveresk common stock, which we calculated by adding \$15.15 to the product of the closing price of Charles River common stock on those dates and the exchange ratio of 0.48. The market prices of Charles River common stock and Inveresk common stock will fluctuate between the date of this document and the time of the special meetings or the completion of the transaction. No assurance can be given concerning the market prices of Charles River common stock or Inveresk common stock before the completion of the transaction or the market price of Charles River common stock after the completion of the transaction. The exchange ratio and cash consideration are fixed in the merger agreement and Inveresk has only a limited right to terminate the merger agreement based on substantial declines in Charles River's stock price, as described under "The Merger Agreement Termination Additional Termination Right". Charles River has no right to terminate the merger agreement based on changes in either party's stock price. One result of this is that the market value of the Charles River common stock that Inveresk shareholders will receive in the merger may vary significantly from the prices shown in the table below. Charles River and Inveresk shareholders are advised to obtain current market prices for Charles River common stock and Inveresk common stock.

	Charles River Common Stock	Inveresk Common Stock	Implied Value of Inveresk Common Stock
	<u> </u>	<u> </u>	<u> </u>
June 30, 2004	\$ 48.87	\$ 30.84	\$ 38.61
September 15, 2004	\$ 45.16	\$ 36.65	\$ 36.83

See "Comparative Per Share Market Prices and Dividends" for additional market price information.

RISK FACTORS

In addition to the other information included in this document, including the matters addressed in "Cautionary Statement Concerning Forward-Looking Statements", you should carefully consider the following risk factors in determining how to vote at the special meetings of Charles River and Inveresk. In addition, you should read and consider the risk factors associated with each of the businesses of Charles River and Inveresk because these risk factors will also affect the combined company. Descriptions of the other risk factors specific to each of our respective businesses can be found in the documents that have been filed by each company with the Securities and Exchange Commission and are incorporated by reference into this document. See "Where You Can Find More Information", beginning on page 115.

Risk Factors Relating To The Transaction

Shareholders cannot be sure of the market value of the shares of Charles River common stock that will be issued in the transaction.

Upon the completion of the transaction, each share of common stock of Inveresk outstanding immediately prior to the transaction will be converted into the right to receive a combination of 0.48 of a share Charles River common stock and \$15.15 in cash, without interest. Because the exchange ratio for the stock consideration is fixed in the merger agreement, the market value of the Charles River common stock issued in the transaction will depend upon the market price of a share of Charles River common stock upon the completion of the transaction. This market value of Charles River common stock will fluctuate prior to the completion of the transaction and therefore may be different at the time the transaction is completed than it was at the time the merger agreement was signed, the date of this document or at the time of the special meetings. Inveresk has only a limited right to terminate the merger agreement based on substantial declines in Charles River's stock price, as described under "The Merger Agreement Termination Additional Termination Right". Accordingly, shareholders cannot be sure of the market value of the Charles River common stock that will be issued in the transaction or the market value of Charles River common stock at any time after the transaction. Therefore, we recommend that you obtain current market quotations for Charles River common stock and Inveresk common stock before voting at your company's special meeting.

Charles River and Inveresk may experience difficulties in integrating their businesses, which could cause the combined company to fail to realize many of the anticipated potential benefits of the transaction.

We have entered into the merger agreement because we believe that the transaction will be beneficial to each of Charles River, Inveresk and their respective shareholders. Achieving the anticipated benefits of the transaction will depend in part upon whether our two companies integrate our businesses in an efficient and effective manner. We may not be able to accomplish this integration process smoothly or successfully. The difficulties of combining the two companies' businesses potentially may include, among other things, the following:

The necessity of coordinating geographically separated organizations and addressing possible differences in corporate cultures and management philosophies, and the integration of certain operations following the transaction, will require the dedication of significant management resources, which may temporarily distract management's attention from the day-to-day business of the combined company.

Any inability of our management to integrate successfully the operations of our two companies or to adapt to the addition of lines of business in which Charles River has not historically engaged, could have an adverse effect on the business and results of operations of the combined company.

We may not be able to achieve the anticipated cost savings, revenue growth or the consistent use of our best practices.

Any inability to realize the full extent of the anticipated benefits of the transaction, as well as any delays encountered in the transition process, could have an adverse effect upon the revenues, levels of expenses and operating results of the combined company, which may affect the value of the Charles River common stock after the closing of the transaction.

The combined company will depend on its senior management team and other key employees, and the loss of any member of the team could adversely affect the combined company's business.

The success of the combined company after the transaction will depend in part upon the ability of Charles River and Inveresk to retain senior management and other key employees of both companies. Competition for qualified personnel can be very intense. In addition, senior management and key employees may depart because of issues relating to the uncertainty or difficulty associated with the integration of the companies or a desire not to remain with the combined company. Accordingly, no assurance can be given that Charles River or Inveresk will be able to retain senior management and key employees to the same extent that they have been able to do so in the past.

Charles River may not be able to obtain the financing needed for the transaction on favorable terms.

Charles River has received the commitments of certain lenders to provide financing of up to \$500 million in the aggregate for the transaction. However, the lenders that provided the commitments have the right to decide not to actually fund the loan if, among other reasons, there is any event, development or circumstance that has had, or could reasonably be expected to have, a material adverse effect on the business, operations, property or condition of Charles River, Inveresk or their respective subsidiaries, taken as a whole. If such an event, development or circumstance does occur, Charles River will be forced to obtain an alternate source of financing, which may be more expensive for Charles River, may have an adverse impact on the combined company's capital structure, or may be unavailable on terms acceptable to Charles River. For a more detailed discussion of the commitments, see "The Transaction Transaction Financing".

The combined company will have a level of debt that could adversely affect its business and growth prospects.

It is expected that Charles River will utilize much of the financing to be made available pursuant to the financing commitments discussed above to fund part of the cash consideration payable to the Inveresk shareholders in the transaction. The combined company, on a pro forma basis, would have had approximately \$691.6 million of long-term debt at June 26, 2004. This debt could have significant adverse effects on the business of the combined company, including: making it more difficult for the combined company to obtain additional financing on favorable terms; requiring the combined company to dedicate a substantial portion of its cash flows from operations to the repayment of its debt and the interest on its debt; limiting the combined company's ability to capitalize on significant business opportunities; and making the combined company more vulnerable to economic downturns.

Some of Inveresk's officers and directors have interests in the transaction that may influence them to support or approve the transaction.

Some of the directors of Inveresk who recommend that you vote in favor of the transaction, and the officers of Inveresk who provided information to their board of directors relating to the transaction, have employment, indemnification and severance benefit arrangements, rights to acceleration of stock options and rights to ongoing indemnification and insurance that provide them with interests in the transaction that may differ from yours. The receipt of compensation or other benefits in the transaction may have influenced these directors in making their recommendation that you vote in favor of the

transaction, and these officers in making recommendations to their boards of directors relating to the transaction. For a more detailed discussion, see "Interests of Certain Persons in the Transaction".

The combined company could be adversely affected by tax law changes in the United Kingdom or Canada.

Inveresk's operations in the United Kingdom and Canada currently benefit from favorable corporate tax arrangements. Inveresk receives substantial tax credits in Canada from both the Canadian federal and Quebec governments and it benefits from tax credits and accelerated tax depreciation allowances in the United Kingdom. Any reduction in the availability or amount of these tax credits or allowances would be likely to have a material adverse effect on Inveresk's and, following completion of the transaction, the combined company's profits and cash flow from either or both of Inveresk's Canadian and United Kingdom operations, and on Inveresk's and the combined company's effective tax rate.

Impairment of goodwill arising from the transaction may adversely impact future results of operations.

The combination of Charles River and Inveresk will be accounted for as a purchase by Charles River under accounting principles generally accepted in the United States. Under the purchase method of accounting, the assets and liabilities of Inveresk, including identifiable intangible assets, will be recorded at their respective fair values as of the date the combination is completed. The excess of the purchase price over the fair value of acquired net assets and liabilities will be recorded as goodwill. As a result of the combination, Charles River expects to record \$1.3 billion of additional goodwill and \$0.2 billion of other intangible assets, which are material to the combined company. The goodwill will not be amortized, but will be reviewed for impairment by Charles River at least annually. If the future growth and operating results of the acquired businesses are not as strong as anticipated, goodwill may be impaired. To the extent goodwill is impaired, its carrying value will be written down to its implied fair value and a charge will be made to earnings. Such an impairment charge could materially and adversely affect the operating results and financial condition of the combined company.

Risk Factors Relating to Charles River's Business

Charles River's business is subject to risks relating to operating internationally.

A significant part of Charles River's net sales is derived from operations outside the United States. Charles River's international revenues, which include revenues from its non-U.S. subsidiaries, represented 30.8 percent of Charles River's total net sales in 2003, 27.4 percent in 2002 and 27.3 percent in 2001. Charles River expects that international revenues will continue to account for a significant percentage of its revenues for the foreseeable future. There are a number of risks arising from Charles River's international business, including:

foreign currencies Charles River receives for sales outside the U.S. could be subject to unfavorable exchange rates with the U.S. dollar and reduce the amount of revenue that Charles River recognizes;

general economic and political conditions in the markets in which Charles River operates;

potential international conflicts, including terrorist acts;

potential increased costs associated with overlapping tax structures;

potential trade restrictions and exchange controls;

difficulties and costs associated with staffing and managing foreign operations;

unexpected changes in regulatory requirements;

the difficulties of compliance with a wide variety of foreign laws and regulations;

longer accounts receivable cycles in certain foreign countries; and

import and export licensing requirements.

Charles River's operations and financial results could be significantly affected by the above mentioned risks. For example, because both sales and costs at Charles River's foreign businesses are conducted in the local currency, Charles River is subject to exchange rate fluctuations between local currencies and the U.S. dollar in the reported results of Charles River's foreign operations. These fluctuations may decrease Charles River's earnings. Charles River currently does not hedge against the risk of exchange rate fluctuations because both sales and costs at Charles River's foreign businesses are maintained in local currency. The economic situation in some of the foreign countries in which Charles River operates may result in slower payments of outstanding receivable balances. Charles River's financial results could be adversely affected by weakness in the economies and currencies in these regions.

A reduction in research and development budgets may adversely affect Charles River's business.

Charles River's customers include researchers at pharmaceutical and biotechnology companies. Charles River's ability to continue to grow and win new business is dependent upon the ability and willingness of the pharmaceutical and biotechnology industries to continue to spend on research and development at rates close to or at historical levels and to outsource the products and services Charles River provides. Fluctuations in the research and development budgets of these researchers and their organizations could have a significant effect on the demand for Charles River's products and services. Research and development budgets fluctuate due to changes in available resources, mergers of pharmaceutical and biotechnology companies, spending priorities and institutional budgetary policies. Charles River's business could be adversely affected by any significant decrease in life sciences research and development expenditures by pharmaceutical and biotechnology companies, as well as by academic institutions, government laboratories or private foundations.

A reduction or delay in government funding of research and development may adversely affect Charles River's business.

A substantial portion of net sales in Charles River's research models and services segment is derived from customers at academic institutions and research laboratories whose funding is partially dependent on both the level and timing of funding from government sources, such as the U.S. National Institutes of Health, or NIH, and similar domestic and international agencies. Although the level of government research funding has increased substantially during the past several years, Charles River believes this increase may not continue at historic rates in the short term. Government funding of research and development is subject to the political process, which is inherently unpredictable. Charles River's sales may be adversely affected if Charles River's customers delay purchases as a result of uncertainties surrounding the approval of government budget proposals. Also, government proposals to reduce or eliminate budgetary deficits have sometimes included reduced allocations to the NIH and other government agencies that fund research and development activities. A reduction in government funding for the NIH or other government research agencies could adversely affect Charles River's business and Charles River's financial results. Charles River's customers generally receive funds from approved grants at particular times of the year, as determined by the U.S. federal government. In the past, grants have been frozen for extended periods or have otherwise become unavailable to various institutions without advance notice. The timing of the receipt of grant funds affects the timing of purchase decisions by Charles River's customers and, as a result, can cause fluctuations in Charles River's sales and operating results.

The outsourcing trend in the pre-clinical and non-clinical stages of drug discovery and development may decrease, which could slow Charles River's growth.

Some areas of Charles River's discovery and development services business have grown significantly as a result of the increase over the past several years in pharmaceutical and biotechnology

companies outsourcing their pre-clinical and non-clinical research support activities. While industry analysts expect the outsourcing trend to continue for the next several years, a substantial decrease in pre-clinical and non-clinical outsourcing activity could result in a diminished growth rate in the sales of one or more of Charles River's expected higher-growth areas. Charles River's customer contracts are generally terminable on little or no notice. Termination of a large contract for services or multiple contracts for services could adversely affect Charles River's sales and profitability.

Generally, Charles River's agreements with its customers provide that the customers can terminate the agreements or reduce the scope of services under the agreements with little or no notice. Customers may elect to terminate their agreements with Charles River for various reasons, including: unexpected or undesired study results; production problems resulting in shortages of the drug being tested; the customer's decision to forego or terminate a particular study; or the loss of funding for the particular research study. If a customer terminates a contract with Charles River, Charles River is entitled under the terms of the contract to receive revenue earned to date as well as certain other costs and, in some cases, penalties. Primarily in Charles River's development and safety testing segment, cancellation of a large contract or simultaneous cancellation of multiple contracts could materially adversely affect that segment's business and, therefore, may adversely affect Charles River's operating results.

Contaminations in Charles River's animal populations can damage its inventory, harm its reputation for contaminant-free production and result in decreased sales.

Charles River's research models and fertile chicken eggs must be free of contaminants such as viruses and bacteria because the presence of contaminants can distort or compromise the quality of research results. Contaminations in Charles River's isolated breeding rooms or poultry houses could disrupt its contaminant-free research model and fertile egg production, harm its reputation for contaminant-free production and result in decreased sales.

Contaminations typically require cleaning up the contaminated room or poultry house. This clean-up results in inventory loss, clean-up and start-up costs, and reduced sales as a result of lost customer orders and credits for prior shipments. These contaminations are unanticipated and difficult to predict and could adversely impact Charles River's financial results. Charles River has made significant capital expenditures designed to strengthen its biosecurity and has significantly improved its operating procedures to protect against such contaminations, however, contaminations may still occur.

New technologies may be developed, validated and increasingly used in biomedical research that could reduce demand for some of Charles River's products and services.

For many years, groups within the scientific and research communities have attempted to develop models, methods and systems that would replace or supplement the use of living animals as test subjects in biomedical research. Companies have developed several techniques that have scientific merit, especially in the area of cosmetics and household product testing, markets in which Charles River does not market its products or services. Only a few alternative test methods in the discovery and development of effective and safe treatments for human and animal disease conditions have been validated and successfully deployed. The principal validated non-animal test system is the LAL, or endotoxin detection system, a technology which Charles River acquired and has aggressively marketed as an alternative to testing in animals. It is Charles River's strategy to participate in some fashion with any non-animal test method as it becomes validated as a research model alternative or adjunct in Charles River's markets. However, these methods may not be available to Charles River or Charles River may not be successful in commercializing these methods. Even if Charles River is successful, sales or profits from these methods may not offset reduced sales or profits from research models. Alternative research methods could decrease the need for research models, and Charles River may not be able to develop new products effectively or in a timely manner to replace any lost sales.

Charles River faces significant competition in its business, and if Charles River is unable to respond to competition in its business, its revenues may decrease.

Charles River faces significant competition from different competitors in each of its business units. Some of Charles River's competitors are larger than Charles River and may have greater capital, technical or other resources than Charles River does. Charles River generally competes on the basis of quality, reputation and availability of service. Expansion by Charles River's competitors into other areas in which it operates, new entrants into its markets or changes in its competitors' strategies could adversely affect Charles River's competitive position. Any erosion of Charles River's competitive position may decrease its revenues or limit its growth.

Negative attention from special interest groups may impair Charles River's business.

Charles River's core research model activities with rats, mice and other rodents have not historically been the subject of animal rights media attention. However, Charles River has experienced protests by animal right activists, which included threats against Charles River's facilities and employees, overseas. Future negative attention or threats against Charles River's facilities or employees could adversely affect Charles River's business.

Tax benefits Charles River expects to be available in the future may be subject to challenge.

In connection with Charles River's 1999 recapitalization, Charles River's then current shareholders, CRL Acquisition LLC, referred to as CRL Acquisition, and Bausch & Lomb Incorporated, made a joint election intended to permit Charles River to increase the depreciable and amortizable tax basis in Charles River's assets for federal income tax purposes, thereby providing Charles River with expected future tax benefits. In connection with Charles River's initial public offering in 2000, CRL Acquisition reorganized, terminated its existence as a corporation for tax purposes and distributed a substantial portion of its stock to its members. Charles River believes that the reorganization and liquidating distribution should not have any impact on the election for federal income tax purposes. However, it is possible that the Internal Revenue Service may contend that this reorganization and liquidating distribution should be integrated with Charles River's original recapitalization. If the Internal Revenue Service were to be successful with this contention, the expected future tax benefits at the time of the recapitalization would not be available and Charles River would be required to write off the related deferred tax asset.

Charles River depends on key personnel and may not be able to retain these employees or recruit additional qualified personnel, which would harm Charles River's business.

Charles River's success depends to a significant extent on the continued services of Charles River's senior management and other members of management. James C. Foster, Charles River's Chief Executive Officer since 1992, has held various positions with the company for 27 years and is Charles River's Chairman. Charles River has no employment agreement with Mr. Foster, nor with any other executive officer. If Mr. Foster or other members of management do not continue in their present positions, Charles River's business may suffer.

Because of the specialized scientific nature of Charles River's business, Charles River is highly dependent upon qualified scientific, technical and managerial personnel. While Charles River has an excellent record of employee retention, there is still strong competition for qualified personnel in the pharmaceutical and biotechnology fields. Therefore, Charles River may not be able to attract and retain the qualified personnel necessary for the development of Charles River's business. The loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical and managerial personnel in a timely manner, could harm Charles River's business.

Charles River's quarterly operating results may vary, which could negatively affect the market price of Charles River's common stock.

Charles River's results of operations may vary from quarter to quarter and are influenced by such factors as the number and scope of ongoing customer engagements, the commencement, postponement, completion or cancellation of customer contracts in the quarter, changes in the mix of Charles River's products and services, the extent of cost overruns, holiday patterns of Charles River's customers, budget cycles of Charles River's customers, and exchange rate fluctuations. Charles River believes that operating results for any particular quarter are not necessarily a meaningful indication of future results. Nonetheless, fluctuations in Charles River's quarterly operating results could negatively affect the market price of Charles River common stock.

Risk Factors Relating to Inveresk's Business

Inveresk could be adversely affected if the companies in the pharmaceutical and biotechnology industries to whom Inveresk offers its services reduce their research and development activities or reduce the extent to which they outsource pre-clinical and clinical development.

Inveresk is a global provider of drug development services to pharmaceutical and biotechnology clients. Its ability to win new business is dependent upon the ability and willingness of companies in the pharmaceutical and biotechnology industries to continue to spend on research and development at rates close to or at historical levels and to outsource the services Inveresk provides. As a result, Inveresk is subject to risks, uncertainties and trends that affect companies in these industries. For example, Inveresk has benefited to date from the increasing tendency of pharmaceutical and biotechnology companies to outsource both small and large pre-clinical and clinical development projects. Any general downturn in the pharmaceutical or biotechnology industries, any reduction in research and development spending by companies in these industries or any expansion of their in-house development capabilities could have a material adverse effect on Inveresk's business, financial condition and operating results.

Inveresk could be adversely affected by changes in government regulations.

The process for approval of a drug candidate is subject to strict government regulation, especially in North America, Europe and Japan. Any material changes in government regulations, whether involving a relaxation or a strengthening of regulation, could adversely affect Inveresk. A relaxation in regulatory requirements or the introduction of simplified drug approval procedures, for instance, could have a material adverse effect on the demand for Inveresk's services, which could adversely affect Inveresk's business, financial condition and operating results. At the same time, an increase in regulatory requirements could require Inveresk to change the manner in which it conducts its operations or could require Inveresk to incur significant capital expenditures in order to effect those changes. Other changes in governmental regulations could result in a change in the type and amount of capital expenditures required to conduct Inveresk's business and as a result could have a material adverse effect on Inveresk's business, financial condition and operating results.

Inveresk's exposure to exchange rate fluctuations could adversely affect its results of operations.

Inveresk derives a significant portion of its revenue from its operations outside of the United States, primarily from its operations in Canada and the United Kingdom, where significant amounts of Inveresk's revenues and expenses are recorded in local (non-U.S.) currency. Inveresk's financial statements are presented in U.S. dollars. Accordingly, changes in currency exchange rates, particularly between the pound sterling, the Canadian dollar and the U.S. dollar, will cause fluctuations in Inveresk's reported financial results, which fluctuations could be material. In addition, Inveresk's contracts with its clients are frequently denominated in currencies other than the currency in which Inveresk incurs expenses related to those contracts. This is particularly the case with respect to Inveresk's Canadian operations, where its contracts generally provide for invoicing clients in U.S.

dollars but its expenses are generally incurred in Canadian dollars. Where expenses are incurred in currencies other than those in which contracts are priced, fluctuations in the relative value of those currencies could have a material adverse effect on Inveresk's results of operations.

The percentage of Inveresk's income that is reserved for the payment of taxes may fluctuate significantly from period to period.

Inveresk receives research and development tax credits in Canada and the United Kingdom. The size of these tax credits is dependent upon the amount of qualifying costs incurred in these jurisdictions and therefore the tax credits are not a constant percentage of Inveresk's income before taxes. Because of these factors, Inveresk's provision for income taxes expressed as a percentage of income before income taxes may fluctuate significantly from period to period.

If Inveresk is unable to attract suitable participants for the clinical trials of its clients, Inveresk's clinical development business may suffer.

Inveresk's clinical development business is dependent upon its ability to recruit participants for the clinical trials it is managing. These clinical trials rely upon the ready accessibility and willing participation of volunteer subjects. These subjects generally include volunteers from the communities in which the studies are conducted. Although to date these communities have provided a substantial pool of potential subjects for research studies, there may not be a sufficient number of participants available with the traits necessary to conduct Inveresk's clinical trials in the future. If multiple organizations are conducting similar trials and competing for participants, it could also make Inveresk's recruitment efforts more difficult. If Inveresk is unable to attract suitable and willing participants on a consistent basis, it would have an adverse effect on the trials being managed by its clinical development business, which in turn could have a material adverse effect on Inveresk's business.

Inveresk's contracts are generally terminable on little or no notice. Termination of a large contract for services or multiple contracts for services could adversely affect Inveresk's revenue and profitability.

In general, Inveresk's agreements with clients provide that the client can terminate the agreements or reduce the scope of services under the agreements upon little or no notice. Clients may elect to terminate their agreements with Inveresk for various reasons, including: unexpected or undesired study results; inadequate patient enrollment or investigator recruitment; production problems resulting in shortages of the drug being tested; adverse patient reactions to the drug being tested or the client's decision to forego or terminate a particular study. If a client terminates its contract, Inveresk is generally entitled under the terms of the contract to receive revenue earned to date as well as certain other costs. In both Inveresk's pre-clinical and clinical businesses, cancellation of any large contract or simultaneous cancellation of multiple contracts could materially adversely affect Inveresk's business, financial condition and operating results.

Because most of Inveresk's clinical development net service revenue is from long-term fixed-fee contracts, Inveresk would lose money in performing the contracts if the costs of performing the contracts were to exceed the fixed fees payable to Inveresk.

Because most of Inveresk's clinical development net service revenue is from long-term fixed price contracts, Inveresk bears the risk of cost overruns under these contracts. If the costs of completing these projects exceed the fixed fees for these projects, for example, if Inveresk underprices these contracts or if there are significant cost overruns under these contracts, Inveresk's business, financial condition and operating results could be adversely affected. Although the majority of Inveresk's contracts with its pre-clinical clients are also fixed price contracts, Inveresk typically has more flexibility under those contracts to adjust the price to be charged if it is asked to provide additional services. These contracts also tend to have shorter terms than Inveresk's clinical contracts. Therefore, Inveresk has less risk of underpricing or incurring significant cost overruns under Inveresk's pre-clinical

contracts. However, if Inveresk did have to bear significant costs of underpricing or cost-overruns under its pre-clinical contracts, its business, financial condition and operating results could be adversely affected.

Inveresk's future profitability could be reduced if it incurs liability for failure to properly perform Inveresk's obligations under its contracts with its clients.

Inveresk is liable to its clients for any failure to conduct their studies properly according to the agreed upon protocol and contract. If Inveresk fails to conduct a study properly in accordance with the agreed upon procedures, Inveresk may have to repeat the study at Inveresk's expense, reimburse the client for the cost of the study and pay additional damages. At Inveresk's Phase I clinic in Edinburgh, Inveresk studies the effects of drugs on healthy volunteers. In addition, in Inveresk's clinical business Inveresk, on behalf of its clients, contracts with physicians who render professional services, including the administration of the substance being tested, to participants in clinical trials, many of whom are seriously ill and are at great risk of further illness or death as a result of factors other than their participation in a trial. As a result, Inveresk could be held liable for bodily injury, death, pain and suffering, loss of consortium, or other personal injury claims and medical expenses arising from a clinical trial. To reduce Inveresk's potential liability, informed consent is sought from each participant in Inveresk's Phase I-IV clinical trials and Inveresk obtains indemnity provisions in its contracts with clients. These indemnities generally do not, however, protect Inveresk against certain of its own actions such as those involving negligence or misconduct. Inveresk's business, financial condition and operating results could be materially and adversely affected if it was required to pay damages or incur defense costs in connection with a claim that is not indemnified, that is outside the scope of an indemnity or where the indemnity, although applicable, is not honored in accordance with its terms. Inveresk maintains errors and omissions professional liability insurance in amounts it believes to be appropriate. This insurance provides coverage for vicarious liability due to negligence of the investigators who contract with Inveresk, as well as claims by Inveresk's clients that a clinical trial was compromised due to an error or omission by Inveresk. If Inveresk's insurance coverage is not adequate, or if Inveresk's insurance coverage does not continue to be available on terms acceptable to Inveresk, Inveresk's business, financial condition and operating results could be materially and adversely affected.

Inveresk's clients retain Inveresk on an engagement-by-engagement basis, which reduces the predictability of Inveresk's revenues and its profitability.

Inveresk's clients generally retain the company on an engagement-by-engagement basis. Costs of switching drug development services companies are not significant and after Inveresk completes a project for a client it does not know whether the same client will retain Inveresk in the future for additional projects. A client that accounts for a significant portion of Inveresk's revenues in a given period may not generate a similar amount of revenues, if any, in subsequent periods. This makes it difficult for Inveresk to predict revenues and operating results. Since Inveresk's operating expenses are relatively fixed and cannot be reduced on short notice to compensate for unanticipated variations in the number or size of engagements in progress, Inveresk may continue to incur costs and expenses based on Inveresk's expectations of future revenues. This could have an adverse effect on Inveresk's business, financial condition and operating results.

Inveresk's backlog is subject to reduction and cancellation and Inveresk's failure to replace completed or cancelled backlog could reduce Inveresk's future revenues and profitability.

For Inveresk's internal purposes, Inveresk periodically calculates backlog. Backlog represents the aggregate price of services that Inveresk's clients have committed to purchase by signed contract or other written evidence of a firm commitment. Inveresk's backlog is subject to fluctuations and is not necessarily indicative of future backlog or revenues. Cancelled contracts are removed from backlog. Inveresk's failure to replace items of backlog that have been completed, reduced in scope or cancelled could result in lower revenues.

**CAUTIONARY STATEMENT REGARDING
FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking information about Charles River, Inveresk and the combined company after completion of the transaction that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this document or may be incorporated in this document by reference to other documents and may include statements for the period following the completion of the transaction. Representatives of Charles River and Inveresk may also make forward-looking statements. Forward-looking statements are statements that are not historical facts. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements are based on current expectations and beliefs of Charles River and Inveresk, and involve a number of risks and uncertainties, including the risks described in this document under "Risk Factors" and other risks described in the Securities and Exchange Commission reports filed by Charles River and Inveresk, that could cause actual results to differ materially from those stated or implied by the forward-looking statements.

Some other risks and uncertainties include, but are not limited to, risks associated with:

possible future reductions in research and development activities by pharmaceutical and biotechnology clients;

possible future changes in government regulations;

the effect of interest rate and foreign exchange rate fluctuations;

the loss or delay of contracts due to economic uncertainty or other factors;

our ability to efficiently manage backlog;

our ability to expand our business through strategic acquisitions;

competition within the industry and the potential adverse impact of healthcare reform;

the reaction of Charles River's and Inveresk's customers to the transaction; and

failure to satisfy or obtain waiver of the conditions to the completion of the transaction, including but not limited to receipt of shareholder approvals, regulatory approvals and tax opinions.

Readers 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. All subsequent written and oral forward-looking statements concerning the transaction or other matters addressed in this document and attributable to Charles River or Inveresk or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, neither Charles River nor Inveresk undertakes any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THE CHARLES RIVER SPECIAL MEETING

This section contains information from Charles River for Charles River shareholders about the special meeting of shareholders it has called to consider and approve the issuance of Charles River common stock in connection with the transaction. Together with this document, Charles River is also sending you a notice of the Charles River special meeting and a form of proxy that is being solicited by Charles River's board of directors for use at the Charles River special meeting. **The information and instructions contained in this section are addressed to Charles River shareholders and all references to "you" in this section should be understood to be addressed to Charles River shareholders.**

Date, Time and Place of the Special Meeting

The Charles River special meeting will take place on October 20, 2004 at 9:00 a.m., Eastern Time, at Charles River's corporate headquarters, 251 Ballardvale Street, Wilmington, Massachusetts 01887.

Purpose of the Special Meeting

The purpose of the Charles River special meeting is to consider and vote on the following proposals:

1. a proposal to issue shares of Charles River common stock in connection with the transaction; and
2. a proposal to approve an adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the issuance of Charles River common stock in connection with the transaction.

Neither proposal to be voted upon at the Charles River special meeting is conditioned on the approval of the other proposal.

Record Date and Outstanding Shares

Charles River has fixed the close of business on September 13, 2004 as the record date for determining the Charles River shareholders entitled to receive notice of and to vote at the Charles River special meeting. As of that date, there were 46,281,567 shares of Charles River common stock outstanding. Only holders of record of Charles River common stock on the record date are entitled to receive notice of and to vote at the Charles River special meeting, and any adjournment or postponement thereof. Each share of common stock is entitled to one vote.

Quorum Requirement

Under Delaware law and the Charles River bylaws, the presence in person or by proxy of a majority of the outstanding shares of Charles River common stock is necessary to constitute a quorum at the special meeting. Votes of shareholders of record who are present at the special meeting in person or by proxy, abstentions and broker non-votes (as defined below) are counted as present or represented at the special meeting for purposes of determining whether a quorum exists.

If you hold your shares of Charles River common stock through a broker, bank or other representative, generally the broker or your representative may only vote the common stock that it holds for you in accordance with your instructions. However, if it has not timely received your instructions, the broker or your representative may vote on certain matters for which it has discretionary voting authority. If a broker or your representative cannot vote on a particular matter because it does not have discretionary voting authority, this is a "broker non-vote" on that matter.

Votes Required

The approval of the proposal to issue shares of Charles River common stock in connection with the transaction, and therefore the consummation of the transaction, requires the affirmative vote of at least a majority of the votes cast in person or by proxy at the Charles River special meeting, in a vote in which the total number of votes cast represents more than 50 percent of the outstanding Charles River common stock. Your failure to vote on this proposal, including abstentions or broker non-votes, may have the same effect of a vote against that proposal. However, if the 50 percent requirement is satisfied, your failure to vote on this proposal, including abstentions or broker non-votes, will have the effect of reducing the aggregate number of shares voting and the number of affirmative votes required to approve the share issuance proposal.

The proposal to approve an adjournment of the Charles River special meeting to solicit additional proxies will be approved if a majority of the outstanding shares of common stock present in person or represented by proxy at the Charles River special meeting are voted in favor of the proposal, whether or not a quorum exists. Your failure to vote on this proposal, other than by abstention or broker non-vote, will have the effect of reducing the aggregate number of shares voting with respect to the proposal, and, as a result, the number of affirmative votes required to approve the proposal. However, both abstentions and broker non-votes will have the same effect as a vote against the adjournment proposal.

Neither proposal to be voted upon at the Charles River special meeting is conditioned on the approval of the other proposal.

Shares Beneficially Owned as of the Record Date

As of the Charles River record date, directors and executive officers of Charles River and their affiliates, as a group, beneficially owned or otherwise had the right to vote 2,403,257 shares of Charles River common stock, or approximately 5 percent of the outstanding Charles River common stock entitled to be voted at the special meeting. At that date, directors and executive officers of Inveresk and their affiliates, including Inveresk, did not beneficially own or otherwise have the right to vote any shares of Charles River common stock. To Charles River's knowledge, the directors and executive officers of Charles River and their affiliates intend to vote their Charles River common stock in favor of the issuance of Charles River common stock in connection with the transaction.

Voting at the Charles River Special Meeting

Record holders may vote in person at the Charles River special meeting or by proxy. Charles River recommends that record holders vote by proxy even if they plan to attend the Charles River special meeting. Record holders can always revoke their proxy and change their votes at the Charles River special meeting.

Proxies

Voting instructions are attached to your proxy card. If you properly give your proxy and submit it to Charles River in time to vote, one of the individuals named as your proxy will vote your shares as you have directed. You may vote for or against any or all of the proposals submitted at the Charles River special meeting or abstain from voting.

How to Vote by Proxy. If your shares are registered in your name, there are three ways to vote your proxy: by telephone; through the Internet; or by mail. Your telephone vote or Internet vote authorizes James C. Foster, Thomas F. Ackerman and Dennis R. Shaughnessy, and each of them, as proxies, each with the power to appoint his substitute, to represent and vote your shares in the same manner as if you marked, signed and returned your proxy form by mail.

Only the latest dated proxy, whether by mail, telephone or Internet, will be voted at the Charles River special meeting. If you choose to vote by mail, we recommend you do so promptly to help ensure timely delivery. If you vote by telephone or through the Internet, please do not mail your proxy form.

If your shares are held in "street name" (through a broker, bank or other nominee), you may receive a separate voting instruction form, or you may need to contact your broker, bank or other nominee to determine whether you will be able to vote electronically using the telephone or Internet.

How Proxies Will Be Voted. If you sign and submit a proxy but do not mark a box with respect to one or more of the Charles River proposals, your proxy will follow the Charles River board of directors' recommendations and vote these shares:

FOR the issuance of Charles River common stock in connection with the transaction; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such issuance.

Shares represented by a proxy that has been returned with instructions to vote against the proposal to issue shares of Charles River common stock in connection with the transaction but which does not include instructions with respect to the adjournment proposal will not be voted in favor of the adjournment proposal.

Revoking Your Proxy. You may revoke your proxy before it is voted by:

submitting a new proxy with a later date, including a proxy given by telephone or through the Internet, or

providing a written notice of revocation to Charles River's corporate secretary before the Charles River special meeting.

If you have executed a proxy and are present at the special meeting, and you wish to vote in person, you must revoke your proxy as described above prior to voting in person.

If you have instructed your broker to vote your shares, you must follow directions you receive from your broker in order to change or revoke your vote.

Solicitation of Proxies

Charles River and Inveresk will each pay their own expenses incurred in connection with the printing and mailing of this document. Charles River has retained Georgeson Shareholder Communications, Inc. for a fee of \$25,000, plus additional fees relating to telephone solicitation and reimbursement of certain expenses, to assist in the solicitation of proxies and otherwise in connection with the Charles River special meeting. Charles River has agreed to indemnify Georgeson for certain liabilities arising out of Georgeson's engagement (excluding those resulting from Georgeson's gross negligence or intentional misconduct) Charles River and Georgeson will also request banks, brokers and other intermediaries holding shares of Charles River common stock beneficially owned by others to send this document to, and obtain proxies from, the beneficial owners and will reimburse holders for their reasonable expenses in so doing. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements and personal solicitation by the directors, officers and employees of Charles River. No additional compensation will be paid to directors, officers or employees for such solicitation efforts.

The extent to which these proxy soliciting efforts will be necessary depends largely upon how promptly proxies are submitted. Please send in your proxy by mail, telephone or Internet without delay.

No Other Business; Adjournments

Under Delaware law and the Charles River bylaws, the business to be conducted at the Charles River special meeting will be limited to the purposes stated in the notice to Charles River shareholders provided with this document.

Adjournments may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time with the approval of (a) a majority of the votes present in person or by proxy at the time of the vote, whether or not a quorum exists, or (b) if no shareholder is present, any officer entitled to preside at or to act as Secretary of such meeting. Charles River is not required to notify shareholders of any adjournment of less than 30 days if the time and place of the adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting.

References to the Charles River special meeting in this document are to such special meeting as adjourned or postponed.

Shareholder Questions

Charles River shareholders with any questions about the transaction or about voting their shares should call Geogeson Shareholder Communications, Inc., Charles River's proxy solicitors, toll-free at 866-432-2793 or the Charles River shareholder investor relations department at 877-5676-CRL.

THE INVERESK SPECIAL MEETING

This section contains information from Inveresk for Inveresk shareholders about the special meeting of shareholders it has called to consider and approve the issuance of Inveresk common stock in connection with the transaction. Together with this document, Inveresk is also sending you a notice of the Inveresk special meeting and a form of proxy that is being solicited by Inveresk's board of directors for use at the Inveresk special meeting. **The information and instructions contained in this section are addressed to Inveresk shareholders and all references to "you" in this section should be understood to be addressed to Inveresk shareholders.**

Date, Time and Place of the Special Meeting

This document is being furnished by Inveresk's board of directors in connection with the solicitation of proxies from holders of Inveresk common stock for use at Inveresk's special meeting of shareholders to be held at 31 West 52nd Street, New York, New York 10019 on October 20, 2004, beginning at 9:00 a.m., Eastern Time, and at any adjournment or postponement of the meeting.

Purpose of the Special Meeting

The Inveresk special meeting will be held to consider and vote upon the following proposals:

1. A proposal to adopt the merger agreement and approve the transaction;
2. A proposal to approve an adjournment of the special meeting, if necessary, to solicit additional proxies in favor of the adoption of the merger agreement and approval of the transaction; and
3. Any other business that may properly come before the special meeting or any adjournments or postponements of the special meeting.

None of the proposals to be voted upon at the Inveresk special meeting is conditioned on the approval of any other proposal.

Record Date and Outstanding Shares

Inveresk's board of directors has fixed the close of business on September 13, 2004, as the record date. Only shareholders of record of Inveresk common stock on the books of Inveresk as of the close of business on the record date will be entitled to notice of, and to vote at, the special meeting and any postponements or adjournments of the special meeting. On September 13, 2004, there were 38,242,951 shares of Inveresk common stock issued and outstanding held by eight shareholders of record. The number of record shareholders does not include persons whose stock is held in nominee or "street name" accounts through brokers.

Quorum Requirement

A majority of all shares of Inveresk common stock outstanding on the record date, represented in person or by proxy, constitutes a quorum for the transaction of business at the special meeting. Abstentions and broker non-votes are included in the determination of the number of shares present at the Inveresk special meeting for the purposes of determining a quorum.

If a quorum is not obtained, or if fewer shares of Inveresk common stock are voted in favor of the proposal for the adoption of the merger agreement and approval of the transaction at the special meeting than the number of shares necessary to approve the proposal, we may seek to adjourn the special meeting to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as those proxies would

have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn before the reconvened special meeting.

Vote Required

Each holder of Inveresk common stock will be entitled to one vote, in person or by proxy, for each share of Inveresk common stock registered in the holder's name on books of Inveresk as of the record date on any matter submitted for the vote of Inveresk's shareholders. The proposal for the adoption of the merger agreement and approval of the transaction will be approved if a majority of the shares of Inveresk common stock entitled to vote at the special meeting are voted in favor of the adoption of the merger agreement and approval of the transaction. If the proposal to approve an adjournment of the special meeting to solicit additional proxies is presented for a vote, it will be approved in the following circumstances:

If there is a quorum at the Inveresk special meeting, a majority of the shares of Inveresk common stock present in person or represented by proxy at the Inveresk special meeting are voted in favor of the adjournment proposal.

If there is not a quorum at the Inveresk special meeting, a majority of the shares of Inveresk common stock having voting power present in person or represented by proxy at the Inveresk special meeting are voted in favor of the adjournment proposal.

With respect to the proposal to adopt the merger agreement and approve the transaction, the failure to vote, abstentions and broker non-votes will not be considered to have been voted in favor of the proposal and will have the same effect as a vote against the proposal. With respect to the proposal to approve an adjournment of the special meeting to solicit additional proxies, the failure to vote on the adjournment proposal, other than by abstention or broker non-vote, will have the effect of reducing the aggregate number of shares voting with respect to the proposal and, as a result, the number of affirmative votes required to approve the proposal. An abstention will have the same effect as a vote against the proposal. A broker non-vote will have:

the same effect as a vote against the proposal if there is not a quorum at the Inveresk special meeting; and

the same effect as a failure to vote if there is a quorum at the Inveresk special meeting.

A "broker non-vote" occurs on a proposal when a broker is not permitted to vote on that proposal without instruction from the beneficial owner of the shares and no instruction is given by the beneficial owner. A broker is not permitted to vote on the proposal to adopt the merger agreement and approve the transaction or on the proposal to approve an adjournment of the special meeting without instruction from the beneficial owner of the Inveresk shares held by the broker. Therefore, if your Inveresk shares are held in an account at a brokerage firm or bank, and you do not provide the broker or bank with instructions on how to vote the shares which you beneficially own in accordance with the instructions received from the brokerage firm or bank, a broker non-vote will occur with respect to those shares.

Shares Beneficially Owned as of the Record Date

To our knowledge, none of Inveresk's shareholders have entered into voting agreements with Charles River. Based on the number of shares of Inveresk common stock outstanding as of September 13, 2004, Inveresk's directors and executive officers and their affiliates, as a group, beneficially owned an aggregate of 1,531,458 shares of Inveresk common stock, which would represent approximately 4 percent of all outstanding shares of Inveresk common stock entitled to vote at Inveresk's special meeting. At that date, directors and executive officers of Charles River and their affiliates, including Charles River, did not beneficially own or otherwise have the right to vote any shares of Inveresk

common stock. Inveresk's officers and directors have informed Inveresk that they intend to vote their shares in favor of the proposal to adopt the merger agreement and approve the transaction.

Voting at the Inveresk Special Meeting

If you are an Inveresk shareholder of record on the record date and you attend the special meeting, you may vote in person by completing a ballot at the special meeting even if you already have signed, dated and returned a proxy card. If your shares are held in the name of a broker or nominee, you may not vote your shares in person at the special meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares.

Proxies

Inveresk shareholders may grant their proxies by mail by completing the enclosed proxy card, signing, dating and returning it in the enclosed envelope. We recommend you do so promptly to help ensure timely delivery. We have arranged for Inveresk shareholders who are shareholders of record to have the option to submit their proxies by telephone or through the Internet. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow Inveresk shareholders to appoint a proxy to vote their shares of Inveresk common stock, and to confirm that their instructions have been properly recorded. Instructions for voting by telephone or through the Internet are printed on the proxy voting instructions attached to the proxy card.

An Inveresk shareholder whose shares are held in the name of a broker or nominee should follow the instructions provided by that broker or nominee on how to direct the voting of the shareholder's shares.

How Proxies will be Voted. All shares of Inveresk common stock represented by proxies properly executed and received by Inveresk before or at Inveresk's special meeting will be voted in accordance with the instructions indicated on the proxies. If the proxy is properly completed, signed and returned but no instructions are indicated, the shares will be voted:

FOR the adoption of the merger agreement and approval of the transaction; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption and approval.

Inveresk shares represented by a proxy that has been returned with instructions to vote against the proposal to adopt the merger agreement and approve the transaction but which does not include instructions with respect to the adjournment proposal will not be voted in favor of the adjournment proposal.

Revoking Your Proxy. If you grant a proxy in respect of your Inveresk shares and then attend the Inveresk special meeting, your attendance at the special meeting, or at any adjournment or postponement of the special meeting, will not automatically revoke your proxy. You can, however, revoke a proxy at any time prior to its exercise by:

delivering to Inveresk's corporate secretary a written notice of revocation before the special meeting (or, if the special meeting, is adjourned or postponed, before the adjourned or postponed meeting is actually held);

delivering to Inveresk's corporate secretary a later-dated, duly executed proxy (including a proxy by telephone or through the Internet) before the special meeting (or, if the special meeting is adjourned or postponed, before the adjourned or postponed meeting is actually held);

revoking the proxy in accordance with the telephone or Internet voting procedures described in the proxy voting instructions attached to the proxy card; or

attending the special meeting (or, if the special meeting is adjourned or postponed, by attending the adjourned or postponed meeting) and voting in person at the special meeting.

If your shares are held in the name of a broker or nominee, you may change your vote by submitting new voting instructions to your broker or nominee.

Solicitation of Proxies

Proxies may be solicited by mail, personal interview, telephone, facsimile and electronic mail by Inveresk's directors, officers and employees on a part-time basis and for no additional compensation. Inveresk will bear the costs it incurs in the solicitation of proxies under this document, including amounts paid in reimbursement to banks, brokerage firms, custodians, nominees and others for their expenses in forwarding soliciting material to the beneficial owners of Inveresk common stock.

Inveresk has retained Innisfree M&A Incorporated to assist it with the solicitation of proxies and to verify certain records related to the solicitations. Inveresk has agreed to pay Innisfree a fee not to exceed \$15,000, plus certain expenses, for services rendered and to indemnify Innisfree against certain liabilities arising out of Innisfree's engagement (excluding those resulting from Innisfree's negligence or misconduct).

Other Business

Inveresk's board of directors currently is not aware of any business to be acted upon at the special meeting other than as described in this document. If, however, other matters are properly brought before the special meeting or any adjournments or postponements of the meeting, in the absence of instructions to the contrary, persons appointed as proxies will have discretion to vote or act on those matters in their best judgment.

Shareholder Questions

Inveresk shareholders with any questions about the transaction or about voting their shares should call Innisfree, Inveresk's proxy solicitors, toll-free at 877-825-8730. Brokers and bankers should call Innisfree collect at 212-750-5833.

Dissenter's or Appraisal Rights

Inveresk shareholders who do not vote to adopt the merger agreement and approve the transaction and who otherwise comply with the applicable requirements of Delaware law will have the right to receive an appraisal of the value of their shares of Inveresk common stock in connection with the transaction rather than receive the merger consideration. See "The Transaction Appraisal Rights". In addition, the text of Delaware General Corporation Law Section 262 is included as Appendix E to this document.

INFORMATION ABOUT THE COMPANIES

Charles River

Charles River Laboratories International, Inc.
251 Ballardvale Street
Wilmington, Massachusetts 01887
Telephone: (978) 658-6000
<http://www.criver.com>

Charles River is a leading provider of the critical research tools and integrated support services that enable innovative and efficient drug and medical device discovery and development. Charles River's customer base includes major pharmaceutical, biotechnology and medical device companies, as well as many government agencies, leading hospitals and academic institutions throughout the world. Employing approximately 4,700 people, including nearly 250 individuals with D.V.M.s, Ph.D.s, and M.D.s, Charles River has 82 production facilities and laboratories in 16 countries. The company's products and services, supported by Charles River's global infrastructure and deep scientific expertise, enable customers to meet many of the challenges in life science research.

Research Models and Services

Charles River is the global leader in the production and sale of research models, principally genetically and virally defined purpose-bred rats and mice, and has been supplying research models since 1947. The Food and Drug Administration and foreign regulatory bodies typically require the safety and efficacy of new drug candidates to be tested on research models prior to testing in humans. As a result, Charles River's research models are an essential part of the drug discovery and development process. In addition to research models, the company is the global leader for the supply of specific pathogen-free, or SPF, chickens and fertile chicken eggs, which are used in the development and production of poultry and human vaccines.

Charles River's research models and services business also offers a variety of related services that are designed to assist customers in screening drug candidates. Transgenic services, which includes model characterization, colony development, health monitoring, and genetic profiling, provides these services to nearly 200 laboratories around the world from pharmaceutical and biotechnology companies to hospitals and universities. In addition, Charles River's research models and services business offers rodent surgery, genetic transplantation, contract staffing and vaccine support. In the second quarter of 2004, research models and services accounted for 63 percent of Charles River's total net sales.

Development and Safety Testing (DST)

Charles River's development and safety testing business provides products and services in seven main areas: general and specialty toxicology, pathology services, interventional and surgical services, biosafety testing, pharmacokinetic and metabolic analysis, bioanalytical chemistry and *in vitro* technology. These activities are typically required for support of the regulatory filings necessary to obtain Food and Drug Administration approval. Charles River is a leading provider of preclinical safety evaluation services with significant expertise in niche specialties such as reproductive toxicology, contract pathology, photobiology and medical device testing. The company is also a market leader in LAL testing which is the first and only major FDA-validated *in vitro* alternative to an animal model test for endotoxin detection in pharmaceutical and medical device manufacturing. Charles River's development and safety testing business represented 37 percent of total net sales in the second quarter of 2004.

Inveresk

Inveresk Research Group, Inc.
11000 Weston Parkway
Cary, North Carolina 27513
(919) 460-9005
<http://www.inveresk.com>

Inveresk is a leading provider of drug development services to companies in the pharmaceutical and biotechnology industries. Through its pre-clinical and clinical business segments, Inveresk offers a broad range of drug development services, including pre-clinical safety and pharmacology evaluation services, laboratory sciences services and clinical development services. Inveresk's client base includes major pharmaceutical companies in North America, Europe and Japan, as well as biotechnology and specialty pharmaceutical companies. Its pre-clinical business, which was established nearly 40 years ago, employs approximately 1,900 people while its clinical business, established in 1988, employs approximately 1,000 people. At December 31, 2003, 176 of Inveresk's employees held a Ph.D. or M.D. degree, 20 held D.V.M. degrees and 248 held masters degrees. Inveresk completed its initial public offering of common stock in July 2002.

Pre-clinical Business

Inveresk's pre-clinical development business operates from two principal facilities, one located in Tranent, Scotland and the other in Montreal, Canada. This business segment provides pre-clinical safety and pharmacology evaluation services and laboratory sciences services (including clinical support services). Based upon net service revenue, Inveresk believes it is the second largest provider of pre-clinical safety evaluation services in the world. Inveresk's pre-clinical business has a diverse client base, with no single client representing more than 10 percent of its net service revenue in 2003 or in 2002. More than 85 percent of the net service revenue from its pre-clinical business in 2002 and 2003 was generated from repeat clients.

Clinical Business

Inveresk's clinical development business and operates from 15 facilities located across the United States and Europe. This business segment conducts Phase I clinical trials and provides Phase II-IV clinical trials management services (including medical data sciences services and regulatory support). Its 62-bed clinic in Edinburgh, Scotland conducts a wide range of Phase I clinical trials and has completed an average of 11 first-in-man studies annually over the past five years. The global infrastructure of Inveresk's clinical development business permits it to offer clients multi-country Phase II-IV clinical trials, as well as smaller single-country projects.

Indigo Merger I Corp. and Indigo Merger II LLC

Indigo Merger I Corp. is a Delaware corporation and a wholly owned subsidiary of Charles River. Indigo Merger II LLC was originally formed under the name Indigo Merger II Corp. as a Delaware corporation and is a wholly owned subsidiary of Charles River. In accordance with the terms of the merger agreement, Indigo Merger II Corp. was converted into a Delaware limited liability company and its name changed to Indigo Merger II LLC. Indigo Merger II LLC is the successor to Indigo Merger II Corp. for all purposes. Each of Indigo Merger I Corp. and Indigo Merger II LLC was formed exclusively for the purpose of completing the transaction.

REGULATORY AND OTHER APPROVALS REQUIRED FOR THE TRANSACTION

Under the merger agreement, each of Charles River and Inveresk has agreed to use its reasonable best efforts to prepare and file as promptly as practicable all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and to obtain and maintain all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any governmental entity or other third party that are necessary, proper or advisable to consummate the transactions contemplated by the merger agreement. The merger agreement provides, however, that Charles River will not be required to dispose of or hold separate all or any portion of the business or assets of Inveresk and its subsidiaries, or of Charles River and its subsidiaries, if doing so would reasonably be expected to result in a material adverse effect on Charles River or Inveresk.

It is a condition to each company's respective obligations to consummate the transaction that any waiting period applicable to the transaction under the HSR Act will have expired or been terminated, and that the parties will have obtained any merger control clearances applicable to the transaction under the laws of France, the United Kingdom, Germany and Canada and such other merger control clearances which, if not obtained, would have a material adverse effect on Charles River or Inveresk. See "The Merger Agreement Principal Conditions to Completion of the Transaction Mutual Closing Conditions". Charles River and Inveresk believe there is no jurisdiction outside the United States in which a merger control clearance is required. Charles River's obligation to complete the transaction is further conditioned on the absence of any governmental action seeking to prohibit the consummation of the transaction or to compel Charles River to dispose of a material portion of its or Inveresk's business, in each case if such action would reasonably be expected to have a material adverse effect on Charles River or Inveresk.

U.S. Antitrust Filing. Under the HSR Act and the rules and regulations promulgated thereunder, certain transactions, including our transaction, may not be consummated unless certain waiting period requirements have expired or been terminated. Each of Charles River and Inveresk filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Justice Department and the Federal Trade Commission on July 9, 2004. The Federal Trade Commission terminated the waiting period under the HSR Act on July 20, 2004. At any time before the effective time of the transaction, the Federal Trade Commission, the Justice Department or others could take action under the antitrust laws with respect to the transaction, including seeking to enjoin the completion of the transaction, to rescind the transaction or to require the divestiture of certain assets of Charles River or Inveresk. There can be no assurance that the transaction will not be challenged on antitrust grounds or, if such a challenge is made, that the challenge will not be successful.

Other than the filings described above, neither Charles River nor Inveresk is aware of any regulatory approvals required to be obtained, or waiting periods to expire, to complete the transaction. If the parties discover that other approvals or waiting periods are necessary, they will seek to obtain or comply with them. If any additional approval or action proves to be required, however, it is possible that Charles River or Inveresk may not be able to obtain it. Even if Charles River or Inveresk could obtain all necessary approvals, conditions may be placed on any such approval that could cause the transaction not to be completed.

THE TRANSACTION

The following discussion contains material information pertaining to the transaction. This discussion is subject and qualified in its entirety by reference to the merger agreement included as Appendix A to this document, as amended by the amendment included as Appendix D to this document. We urge you to read and review the entire merger agreement, as amended, as well as the discussion in this document.

General

This section provides material information about the transaction involving Charles River and Inveresk and the circumstances surrounding the transaction. You can find a more detailed description of the terms of the merger agreement, including information about the conditions to completion of the transaction and the provisions for terminating the merger agreement, below under "The Merger Agreement".

We are furnishing this document to Charles River and Inveresk shareholders in connection with the solicitation of proxies by the board of directors of each of Charles River and Inveresk for use at their respective special meetings of shareholders and any adjournment or postponement of the meetings.

Charles River Proposal. At the Charles River special meeting, holders of Charles River common stock will be asked to vote upon a proposal to issue shares of Charles River common stock in connection with the transaction and, if necessary, a proposal to approve an adjournment of the special meeting to solicit additional proxies in favor of the issuance of Charles River common stock in connection with the transaction.

Inveresk Proposal. At the Inveresk special meeting, holders of Inveresk common stock will be asked to vote upon a proposal to adopt the merger agreement and approve the transaction and, if necessary, a proposal to approve an adjournment of the special meeting to solicit additional proxies in favor of the adoption of the merger agreement and approval of the transaction.

Approval by Charles River shareholders of the proposal to issue Charles River common stock in connection with the transaction, and approval by Inveresk shareholders of the proposal to adopt the merger agreement and approve the transaction, are each conditions to the completion of the transaction.

Structure of the Transaction

The merger agreement provides for a business combination of Charles River and Inveresk in a two-step transaction:

In the first merger, Indigo Merger I Corp., a wholly owned subsidiary of Charles River, will merge with and into Inveresk. Upon completion of the first merger, the separate corporate existence of Indigo Merger I Corp. will cease and Inveresk will continue as the surviving company.

In the second merger, which will form a single integrated transaction with the first merger, the surviving company from the first merger will merge with and into Indigo Merger II LLC, the successor to Indigo Merger II Corp., a second wholly owned subsidiary of Charles River. Upon completion of the second merger, the separate corporate existence of the first surviving company will cease. Indigo Merger II LLC will continue as the surviving company, will change its name to "Inveresk Research Group, LLC" and will continue to conduct the business of Inveresk.

At the effective time of the first merger, referred to in the document as the effective time, each issued and outstanding share of Inveresk common stock will be converted into the right to receive a combination of 0.48 of a share of Charles River common stock and \$15.15 in cash, without interest. Inveresk shareholders will receive cash in lieu of any fractional shares of Charles River common stock that would have otherwise been issued at the completion of the transaction. The 0.48 of a share of

Charles River common stock that will be issued for each share of Inveresk common stock is sometimes referred to in this document as the exchange ratio, the \$15.15 in cash, without interest, that will be issued for each share of Inveresk common stock is sometimes referred to in this document as the cash consideration, and the exchange ratio and the cash consideration are together sometimes referred to in this document as the merger consideration.

If, between the date of the merger agreement and the effective time of the transaction, there is a reclassification, recapitalization, stock split, split-up, stock dividend, combination or exchange of shares with respect to, or rights issued in respect of, Charles River common stock or Inveresk common stock, the merger consideration will be adjusted accordingly to provide to the holders of Inveresk common stock the same economic effect as contemplated by merger agreement prior to such event.

Upon completion of the transaction, the Charles River shareholders immediately prior to the transaction are expected to own approximately 72 percent of the outstanding common stock of the combined company immediately after the transaction, and the Inveresk shareholders immediately prior to the transaction are expected to own approximately 28 percent of the outstanding common stock of the combined company immediately after the transaction. These figures are calculated assuming the number of shares of Charles River common stock outstanding as of September 13, 2004 and the number of shares of Inveresk common stock outstanding as of September 13, 2004.

Background of the Transaction

Each of the managements of Charles River and Inveresk separately has periodically evaluated the opportunity to achieve its respective company's long-term strategic goals and objectives and to enhance shareholder value with a strategic transaction. Charles River and Inveresk have been familiar with each other's businesses for many years. Charles River has been a supplier of research animals to Inveresk and each party has periodically provided research services to the other on a subcontractor basis.

Beginning shortly prior to Inveresk's initial public offering in July 2002, James C. Foster, Chairman of the Board, Chief Executive Officer and President of Charles River, and Dr. Walter S. Nimmo, Chairman, Chief Executive Officer, President and a director of Inveresk, periodically discussed, in an informal manner, the possibility of a strategic transaction between the two companies. Until early 2004, no such discussion moved beyond a highly preliminary phase.

On March 26, 2004, Mr. Foster called Dr. Nimmo to arrange a meeting to reintroduce the possibility of a transaction. The meeting was scheduled for April 27, 2004. At that meeting, Mr. Foster informed Dr. Nimmo that Charles River was interested in initiating discussions regarding the possible acquisition of Inveresk by Charles River. Dr. Nimmo responded that Inveresk would be willing to consider entering into such discussions.

On April 30, 2004, Mr. Foster and other members of Charles River management, together with Charles River's financial advisor Credit Suisse First Boston, discussed possible terms for the acquisition of Inveresk on calls with individual members of the Charles River board of directors.

Later on April 30, 2004, Mr. Foster contacted Dr. Nimmo to convey a preliminary indication of interest in a business combination in which Charles River would acquire Inveresk for consideration consisting of approximately 80 percent Charles River common stock and 20 percent cash. Mr. Foster did not make a firm price proposal but indicated he contemplated a value to Inveresk's shareholders "representing a premium in the mid-teens", which Dr. Nimmo understood to mean a price in the range of approximately \$34 per share. Dr. Nimmo indicated that he would discuss Mr. Foster's views with his board of directors and communicate their response to Mr. Foster the following week.

At the regular quarterly meeting of the Inveresk board of directors held in Cary, North Carolina on May 3, 2004, which was attended by representatives of Clifford Chance US LLP, counsel to Inveresk, Dr. Nimmo described Mr. Foster's preliminary indication of interest and presented an evaluation of Inveresk's strategic options. After an extensive discussion, Inveresk's board requested

Dr. Nimmo to convey to Mr. Foster that the indicated valuation appeared to be too low and to obtain for the board more detailed information regarding the strategic benefits that might be available from a combination with Charles River.

On May 3, 2004, Dr. Nimmo telephoned Mr. Foster to communicate that his board was favorably disposed to the possibility of a transaction, although not on the financial terms discussed on their April 30 call. On the same call, Mr. Foster described for Dr. Nimmo how he believed the combined business could operate. On a telephone conference call held on May 10, 2004, Mr. Foster, Thomas F. Ackerman, chief financial officer of Charles River, Dr. Nimmo and Paul Cowan, chief financial officer of Inveresk, discussed the possibility of pursuing a merger transaction and their respective views regarding appropriate financial terms.

On May 12, 2004, at a regularly scheduled meeting of the Charles River board of directors, Charles River senior management updated the board on the ongoing discussions. At that meeting, the board also reviewed with Charles River's financial advisor publicly available business and financial information relating to Inveresk and discussed the potential strategic benefits and risks of the acquisition of Inveresk. The board authorized Charles River management to continue negotiations and to commence reciprocal due diligence.

On May 20, 2004, Messrs. Foster and Ackerman, together with Charles River's financial advisor, met in New York with Messrs. Nimmo and Cowan, together with representatives of Goldman Sachs, Inveresk's financial advisor, to discuss the strategic merits and financial terms of a potential transaction. At that meeting, Charles River discussed a potential merger transaction based on a notional exchange ratio of 0.73 of a share of Charles River common stock for each outstanding Inveresk share (notional because the merger consideration would consist of a combination of stock and cash). Based on the prices at which Charles River's common stock recently had traded, this implied a value of less than \$32.25 per share of Inveresk common stock. During the next several days, in a series of discussions between the two companies' management teams and financial advisors, Inveresk's representatives insisted on a higher indication of value.

On May 27, 2004, Dr. Nimmo and Mr. Cowan briefed the Inveresk board of directors by telephone regarding the status of discussions with Charles River, and shared with the directors Goldman Sachs' preliminary views that it was appropriate to insist on a higher valuation. The board discussed various alternative transactions that might be pursued by Inveresk in order to achieve its strategic objectives if no satisfactory proposal were received from Charles River. Later on May 27, Mr. Foster telephoned Dr. Nimmo and the two discussed the possibility of a notional exchange ratio of 0.8. Mr. Foster emphasized that such proposal was subject to approval by Charles River's board of directors.

On May 28, 2004, the Charles River board of directors held a telephonic special meeting together with Mr. Foster and other members of senior management and Charles River's financial advisor to consider and evaluate the potential transaction. At this meeting, the board discussed Inveresk as a potential acquisition candidate, was updated on the status of ongoing negotiations and considered financial aspects of the proposed transaction. At the conclusion of this meeting, following a lengthy discussion, the board authorized Charles River management to continue negotiations with Inveresk, including the authorization to make a proposal valuing Inveresk common stock at 0.8 of the current trading value of Charles River common stock, with 20 percent of the consideration payable in cash.

Also on May 28, 2004, at a telephonic meeting of the Inveresk board of directors, Dr. Nimmo described Charles River's latest indication of interest. The board in considering the latest indication of interest noted that, based on the prices at which Charles River's common stock recently had traded, the value to Inveresk's shareholders would be slightly less than \$36 per share of Inveresk common stock. Following a lengthy discussion, the board authorized Inveresk management to continue negotiations with Charles River and to commence reciprocal due diligence.

On May 31, 2004, Mr. Foster and Dr. Nimmo discussed the proposed consideration and agreed to proceed with due diligence.

During June 2004, Charles River and Inveresk exchanged documents and conducted interviews for financial and legal due diligence, which included numerous conversations among the companies' respective financial, legal and accounting advisors. This process included visits to selected facilities by senior management of the two companies, and several meetings and discussions between Mr. Ackerman and Mr. Cowan, and the companies' respective financial advisors, to review financial materials and plan due diligence activities.

On June 7, 2004, Charles River's counsel, Davis Polk & Wardwell, sent an initial draft of a merger agreement relating to the proposed transaction to Clifford Chance. Negotiations regarding the terms of the merger agreement continued until the signing of the merger agreement on June 30, 2004.

On June 10 and 11, 2004, members of Charles River and Inveresk senior management, together with the companies' respective financial advisors, met in Andover, Massachusetts. At this meeting Dr. Nimmo and Mr. Foster continued their discussions regarding the financial and other terms of the proposed transaction.

On June 18, 2004, the Charles River board of directors held a telephonic special meeting with Charles River's senior management and financial advisor to further consider and evaluate the potential transaction. At this meeting, the board reviewed the strategic, operational and financial aspects of the proposed acquisition, and received an update on the progress of business, financial and legal due diligence. After weighing the merits of using different levels of cash, the board recommended that the cash component of the proposed merger consideration be increased to 40 percent. At the conclusion of the meeting, the board authorized Charles River management to continue due diligence and negotiation of transaction terms with Inveresk.

At a meeting held by telephone on June 21, 2004 at which representatives of Goldman Sachs and Clifford Chance were present, Inveresk's board received a report on the status of negotiations of the terms of the proposed transaction with Charles River and on due diligence findings to date by Inveresk's management and representatives of Deloitte & Touche, engaged by Inveresk to conduct financial, tax and related due diligence. Counsel from Clifford Chance also discussed the directors' fiduciary duties in connection with approving the proposed transaction.

On June 23, 2004, Mr. Foster proposed to Dr. Nimmo that the cash component of the merger consideration be increased from 20 percent to 40 percent.

On June 24, 2004, the Inveresk board of directors held a telephonic special meeting, which was attended by representatives of Goldman Sachs and Clifford Chance. At that meeting, it was noted that recent increases in Charles River's share price had increased the implied value per share of Inveresk common stock. Dr. Nimmo advised the board of Mr. Foster's proposal to raise the cash component of the merger consideration from 20 percent to 40 percent, and the directors discussed the potential advantages and disadvantages of an increase in the cash component of the proposed merger consideration. Dr. Nimmo then presented the strategic rationale for the proposed business combination, noting that a combination with Charles River would accomplish for Inveresk several of the strategic objectives that had been identified by management and endorsed by the board at its meeting held on January 30, 2004. These strategic objectives included:

diversifying Inveresk's business by adding a "third leg" (to complement its existing clinical and pre-clinical business);

acquiring pre-clinical facilities in the U.S.;

acquiring a substantial biosafety capability in the U.S.; and

acquiring a substantial laboratory sciences capability in the U.S.

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Goldman Sachs then discussed the financial aspects of the proposed transaction and representatives of Deloitte provided an update on their due diligence review of Charles River. Dr. Nimmo subsequently called Mr. Foster to indicate that the board had authorized senior management to continue with the negotiations.

On June 25, 2004, the Charles River board of directors held a telephonic special meeting to discuss the potential transaction. Mr. Foster provided an update on developments relating to the proposed transaction since the June 18 meeting. Representatives of Credit Suisse First Boston reviewed with the board financial aspects of the proposed transaction. Counsel from Davis Polk discussed the directors' fiduciary duties in connection with approving the proposed transaction. Counsel from Davis Polk also updated the board on the results of their legal due diligence to date, and presented a detailed summary of the terms of the merger agreement. Finally, Charles River management provided the board with a briefing of their business due diligence review, including a summary of the findings of other advisors retained by Charles River to assist in the due diligence review of certain Inveresk accounting, finance and tax matters, and of expert consultants who evaluated Inveresk's clinical business. After these extended discussions, the board authorized management to continue the negotiations.

On June 27, 2004, the Charles River board of directors held a telephonic special meeting, at which Charles River's management further updated the board on the progress of the transaction negotiations and, together with Charles River's advisors assisting with its accounting, finance and tax review of Inveresk, presented the board with an update on the progress of their due diligence investigation. Also present at such meeting was Davis Polk. Counsel from Davis Polk presented the board with an update of legal due diligence and of the status of merger agreement negotiations since the prior board meeting. At the conclusion of this discussion, the board determined that management should continue to pursue transaction negotiations with Inveresk and to resolve outstanding due diligence issues.

Also on June 27, 2004, the Inveresk board of directors held a meeting in New York City, at which representatives of Goldman Sachs and Clifford Chance were present. During the meeting, representatives of Deloitte updated the Inveresk board of directors on the results of its due diligence review of Charles River. Dr. Nimmo also reported on the due diligence and contractual issues that remained to be resolved. Discussions continued regarding the percentage of cash to be included in the merger consideration payable to Inveresk's shareholders. At the conclusion of this discussion, the board determined that management should continue to pursue transaction negotiations with Charles River.

Later on June 27, 2004, Mr. Foster and Dr. Nimmo spoke by telephone to discuss the results of their respective board meetings and plans for resolving remaining issues relating to the transaction. These issues included whether the agreement should include some form of protection in the event Charles River's share price declined substantially before the completion of the transaction, the size of the "break-up fee" and the scope of conditions that would permit Charles River and Inveresk to refuse to complete the transaction.

On June 28, 2004, Messrs. Foster and Ackerman, together with Charles River's legal and financial advisors, met with Dr. Nimmo and Mr. Cowan, together with Inveresk's legal and financial advisors, in New York to discuss and resolve the most significant outstanding issues regarding the proposed transaction.

Between June 28 and June 30, 2004, Charles River's and Inveresk's respective advisors had numerous telephone conversations to resolve outstanding issues regarding the proposed transaction.

On June 30, 2004, the Inveresk board of directors held a meeting by telephone and was advised of the resolution of the diligence and contract issues that had been described at the June 27 meeting. Because of recent increases in trading price of Charles River's stock, the notional value of the transaction to Inveresk's shareholders had increased. Charles River had indicated a strong desire to increase the cash component of the transaction to 40 percent, and at the current elevated level of the transaction value, it made sense from the perspective of Inveresk's shareholders to in effect "lock in" as much of that enhanced value as possible, by accepting Charles River's 40 percent proposal. The

board concurred in that approach. Clifford Chance described in detail the terms of the proposed merger agreement and the changes that had been made since the June 27 board meeting. Goldman Sachs reviewed its analysis of the financial terms of the proposed transaction and delivered its oral opinion, which was subsequently confirmed in writing, that, as of June 30, 2004, and based upon and subject to the factors and assumptions set forth in its opinion, the \$15.15 in cash and 0.48 of a share of Charles River common stock to be received by the holders of each outstanding share of Inveresk common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the written opinion of Goldman Sachs, dated June 30, 2004, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion is included in this document as Appendix C. After further discussion, the board unanimously determined that the merger agreement and the transaction contemplated by the merger agreement were fair to and in the best interests of Inveresk's shareholders and voted unanimously to approve and adopt the merger agreement and to recommend that Inveresk's shareholders adopt the merger agreement.

Also on June 30, 2004, the Charles River board of directors held a telephonic special meeting, to receive an update on the status of negotiations and due diligence and to consider resolutions approving the merger with Inveresk and related matters. Participating at such meeting, along with Charles River management, were Charles River's legal, financial and other advisors. Mr. Foster provided the board with a detailed update on the transaction negotiations, including an in-depth analysis of the pricing terms. Mr. Foster and Charles River's advisors assisting with its accounting, finance and tax review of Inveresk updated the board on the results of their remaining due diligence. Davis Polk also provided an update on legal due diligence and an update on the terms of the merger agreement. Also at this meeting, Credit Suisse First Boston reviewed with the board its financial analysis of the merger consideration to be paid by Charles River in the first merger and rendered to the Charles River board an oral opinion, which opinion was confirmed by delivery of a written opinion, dated June 30, 2004, to the effect that, as of that date and based on and subject to the matters described in its opinion, the merger consideration to be paid by Charles River in the first merger was fair to Charles River, from a financial point of view. The full text of the written opinion of Credit Suisse First Boston, dated June 30, 2004, is included in this document as Appendix B. The meeting concluded with the passing of resolutions of the board approving and adopting the merger and the merger agreement and related matters, and authorizing management to finalize the negotiations and execute and deliver the merger agreement.

Following the board meetings on June 30, Charles River and Inveresk signed the merger agreement. On the morning of July 1, 2004, the companies issued a joint press release announcing the agreement.

Charles River's Reasons for the Transaction; Recommendation of the Charles River Board of Directors

The Charles River board of directors believes that the transaction will create a premier global, full service provider to the drug development industry. The Charles River board of directors believes that the transaction significantly expands Charles River's services portfolio and strengthens its global footprint in the growing market for pharmaceutical research and development products and services. The Charles River board of directors considered the factors set forth below in reaching these conclusions.

Strategic Benefits. The Charles River board of directors believes that the transaction brings together two strong companies with complementary businesses to create a leading player across multiple disciplines in the drug discovery and development spectrum. As a global leader in research models and services and drug safety testing, the combined company is expected to provide a platform to build larger businesses in preclinical and clinical disciplines where Charles River already offers products and services, and to enter new closely related businesses with the potential for growth and profitability. The Charles River board believes that the combined company will be a global leader in

research models and services, a leader in drug safety testing, one of the main providers of biosafety testing on a worldwide basis and a significant presence in the market for Phase I-IV clinical development services. The board further expects the expanded global footprint with operations throughout the United States, Canada, Europe and Japan and the combination of the two companies' scientific expertise and international sales and marketing to increase Charles River's ability to serve existing clients and to reach a broader market.

Financial Strength. The Charles River board of directors believes that the combination of Charles River and Inveresk will create a company with approximately \$964 million in revenues based on the twelve months ended June 2004, giving it the size and financial stability to support the growing demand for outsourced development services from today's international pharmaceutical and biotechnology companies.

Synergies. The Charles River board of directors considered management's estimates that, as a result of the transaction, the combined company is expected to achieve pre-tax cost savings and synergies of approximately \$10 million in 2005, principally from consolidation of corporate infrastructure, as well as from operating efficiencies. The Charles River board considered management's estimates of additional pre-tax cost savings and synergies of \$10 million in 2006, or a total estimated annualized rate of at least \$20 million. The Charles River board also considered management's expectation that revenue growth of the combined company will increase as a result of a broader portfolio of essential products and services, the larger global footprint and synergies between the preclinical and clinical businesses.

Compatible Cultures and Record of Successful Transactions. The Charles River board of directors believes that the similar business approaches and management cultures of Charles River and Inveresk will help to ease the process of integrating the two companies. The board believes that both companies are well-managed, generate strong cash flows and respect their employees, with each company achieving notable levels of employee longevity. In addition, both companies bring a track record of successfully managing acquisitions and other significant transactions with Charles River having completed seven acquisitions, and Inveresk having completed two acquisitions, over the past four years which experience, the Charles River board of directors believes, will further ease the process of integration.

Opinion of Financial Advisor. The Charles River board of directors considered the oral opinion of Credit Suisse First Boston rendered to the Charles River board on June 30, 2004, which opinion was confirmed by delivery of a written opinion dated June 30, 2004, as to the fairness, from a financial point of view and as of that date, to Charles River of the merger consideration to be paid by Charles River in the first merger, as more fully described below under "Opinion of Charles River's Financial Advisor". The full text of Credit Suisse First Boston's written opinion, dated June 30, 2004, is included as Appendix B to this document.

Governance. The Charles River board of directors considered the fact that James C. Foster is expected to be the Chairman, President and Chief Executive Officer of the combined company. The board also considered the terms of the merger agreement that provide that, upon completion of the transaction, nine of the 12 members of the board of directors will be historical Charles River directors.

Tax-Free Transaction. The Charles River board of directors considered that the transaction will be tax-free for U.S. federal income tax purposes to Charles River and its shareholders.

Other Terms of the Merger Agreement. The Charles River board of directors considered the other terms and conditions of the merger agreement, including but not limited to the conditions to closing, the termination fees payable under certain circumstances and the restrictions imposed on the conduct of business of Charles River and Inveresk in the period prior to closing.

The Charles River board of directors also considered potential adverse consequences and negative factors, primarily consisting of the following, but concluded that the positive factors outweighed these negative factors:

Risk Factors. The Charles River board of directors considered the risks described in this document under "Risk Factors", including the challenges and costs inherent in integrating two businesses the size of Charles River and Inveresk and the management time and effort from both Charles River and Inveresk executives that will be required to successfully achieve that integration.

Transaction Risk. The Charles River board of directors considered the risk that the transaction would not be consummated, whether as a result of regulatory delays or otherwise.

In its review of the proposed transaction, Charles River's board also reviewed and considered the interests that certain officers and directors of Charles River may have with respect to the transaction. These interests are described under the heading "Interests of Certain Persons in the Transaction".

Due to the variety of factors and the quality and amount of information considered, the Charles River board of directors did not find it practicable to and did not make specific assessments of, quantify or assign relative weights to the specific factors considered in reaching its determination to approve the merger agreement and the related transactions and the issuance of Charles River common stock in connection with the transaction. Instead, the Charles River board of directors made its determination after consideration of all factors taken together. In addition, individual members of the Charles River board of directors may have given different weight to different factors. Some information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under "Cautionary Statement Regarding Forward-Looking Statements".

Recommendation of the Charles River Board of Directors. At a meeting held on June 30, 2004, after due consultation with Charles River's management and advisors, the Charles River board of directors unanimously determined that the merger agreement and the transaction contemplated by the merger agreement are fair to and in the best interests of Charles River and its shareholders and approved the merger agreement and the related transactions and the issuance of Charles River common stock in connection with the transaction. The Charles River board of directors recommends that Charles River shareholders vote

FOR the issuance of Charles River common stock in connection with the transaction; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such issuance.

Inveresk Reasons for the Transaction; Recommendation of the Inveresk Board of Directors

Inveresk's board of directors believes that Inveresk's shareholders can realize substantial benefits from the transaction. If the transaction is completed, Inveresk's shareholders will receive substantial cash payments for their Inveresk shares plus a substantial equity interest in a larger and more diversified company that will be one of the world's leading providers of research tools and integrated drug development support services to the pharmaceutical and biotechnology industries.

Inveresk's board consulted with Inveresk's management and advisors before reaching its decision to approve and adopt the merger agreement, to approve the transaction contemplated by the merger agreement and to recommend that Inveresk's shareholders vote to approve and adopt the merger agreement. The matters considered by Inveresk's board in reaching its decision included the following:

Its analysis of the business, operations, financial condition, earnings and prospects of both Inveresk and Charles River.

The merger consideration, consisting of cash and Charles River common stock, that will be received by Inveresk's shareholders in the transaction, including the fact that based on Charles River's closing sale price on June 30, 2004, the last trading day before we announced the

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transaction, the merger consideration represented a premium of approximately 25 percent to Inveresk's closing sale price on that day.

The opportunity provided by the transaction for shareholders of Inveresk to monetize part of their investment at an attractive price while at the same time, as shareholders of the combined company, participating in a larger company with a broader and more diverse array of businesses and benefiting from the potential growth of the combined company.

The strategic benefits expected to be derived from the transaction, including the strengthening of the businesses presently operated by Inveresk through the addition of substantial toxicology, biosafety and laboratory sciences capabilities in the U.S.

The complementary nature of the service and product offerings, scientific capabilities and geographic reach of the two companies.

The diversification of service and product offerings and revenue bases that will result from the transaction, and the expectation that this diversification will make the operating results of the combined company less volatile than those of Inveresk on a stand-alone basis.

The expectation that the combined company will be an attractive partner-of-choice providing a complete line of services for pharmaceutical and biotechnology companies seeking support in their drug discovery, research and testing activities.

The potential synergies that could be achieved, including cost savings to be derived from duplicative management and administrative expenses and potentially significant revenue enhancements, even though revenue synergies are more difficult to predict than cost synergies.

The expectation that the combined company should have ready access to the capital required to grow its businesses.

The expectation that the transaction potentially will provide access to additional client relationships.

The relative benefits of the transaction when considering strategic alternatives reasonably available to Inveresk to enhance shareholder value, including remaining a stand-alone entity or a transaction with another third party.

The results of Inveresk's due diligence review of Charles River.

The likelihood of finding another third party with the financial ability and desire to engage in an alternative transaction that would be more beneficial for Inveresk's shareholder.

The terms of the merger agreement relating to third-party offers, including:

The limitations on the ability of both parties to solicit offers for alternative transactions and the exceptions to these limitations which, in certain instances, allow a party to respond to an unsolicited competing proposal.

The ability of both parties to change its recommendation to its shareholders in response to an unsolicited competing proposal or to otherwise allow their respective board of directors to exercise their fiduciary duties.

The ability of a party to terminate the merger agreement if the other party changes its recommendation in favor of the transaction.

The requirement that Inveresk and Charles River, as applicable, pay the other a termination fee of \$38.15 million if the merger agreement is terminated under circumstances specified in the merger agreement, and the size of the termination fee relative to the overall value of the transaction.

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The other terms of the merger agreement, including:

The ability of Inveresk to terminate the merger agreement without payment of a termination fee in the event that the price of Charles River's stock falls below a level determined in part by the share price performance of 13 other companies.

Charles River's agreement to appoint three individuals designated by Inveresk to Charles River's board of directors.

The representations and warranties made by Charles River.

The covenants of Inveresk and Charles and their effect on the operations of the companies prior to the transaction.

The conditions to completion of the transaction and the likelihood that these conditions will be satisfied.

The fact that the transaction is intended to be treated as a tax-free reorganization for U.S. federal income tax purposes to Inveresk and its shareholders and that, accordingly, a shareholder of Inveresk will recognize gain (but not loss) for U.S. federal income tax purposes as a result of the transaction only to the extent of the cash received as part of the merger consideration.

The financial presentation of Goldman Sachs described below under "Opinion of Inveresk's Financial Advisor", and its opinion, which was subsequently confirmed in writing, that, as of June 30, 2004, and based upon and subject to the factors and assumptions set forth in the opinion, the \$15.15 in cash and 0.48 of a share of Charles River common stock to be received by the holders of each outstanding share of Inveresk common stock, taken in the aggregate, pursuant to the merger agreement was fair from a financial point of view to such holders. The full text of the written opinion of Goldman Sachs, dated June 30, 2004, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion is included as Appendix C to this document.

The likelihood that the transaction would receive the necessary regulatory approvals.

The belief that Inveresk and its subsidiaries would continue to operate under existing brand names as a separate division of the combined company.

Current trends in the drug development services industry.

In its review of the proposed transaction, Inveresk's board considered the potential adverse impact of other factors on the proposed transaction, including:

The risks described under the section of this document entitled "Risk Factors", including the challenges inherent in integrating two businesses the size of Inveresk and Charles River and the time and effort that will be required of management of both companies to achieve that integration.

The risk that the transaction may not be consummated, whether as a result of regulatory delays or otherwise.

The possible diversion of management attention for an extended period of time.

The impact of the transaction on Inveresk's current business employees and clients.

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In its review of the proposed transaction, Inveresk's board also reviewed and considered the interests that certain officers and directors of Inveresk may have with respect to the transaction. These interests are described under the heading "Interests of Certain Persons in the Transaction".

In view of the variety of factors considered in connection with its evaluation of the transaction and the complexity of these matters, Inveresk's board did not find it useful to and did not attempt to quantify, rank or otherwise assign relative weights to these factors. Inveresk's board considered all of the factors outlined above, both positive and negative, in reaching its decision to approve the merger

agreement. In considering the factors described above, individual members of Inveresk's board may have given different weight to different factors.

Recommendation of the Inveresk Board of Directors. At a meeting held on June 30, 2004, after consultation with Inveresk's management and advisors, the Inveresk board of directors unanimously determined that the merger agreement and the transaction contemplated by the merger agreement are fair to and in the best interests of Inveresk and its shareholders. The Inveresk board of directors recommends that Inveresk shareholders vote

FOR the adoption of the merger agreement and approval of the transaction; and

FOR the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of such adoption and approval.

Board of Directors and Management of Charles River Following the Transaction

At the closing of the transaction, the Charles River board of directors will consist of 12 directors, nine of whom will be Charles River directors prior to the transaction and three of whom will be designated by Inveresk. Inveresk has selected Dr. Walter S. Nimmo, S. Louise McCrary and Dr. John Urquhart as its designees to the Charles River board. At the closing of the transaction, James C. Foster is expected to continue to be Chairman, President and Chief Executive Officer of the combined company and Dr. Nimmo, currently Chairman, Chief Executive Officer and President of Inveresk, is expected to be the Vice Chairman of the board of the combined company. Thomas F. Ackerman is expected to continue as Chief Financial Officer of Charles River after the closing of the transaction. The senior management team of Charles River at the closing of the transaction is also expected to include the following divisional managers: Real Renaud (Research Models and Services); Mike Anckorn (Global Pre-Clinical); Dr. Nancy Gillett (U.S. Pre-Clinical); Dr. Brian Bathgate (European Pre-Clinical); and Alastair McEwan (Global Clinical). Charles River and Dr. Nimmo are currently discussing the terms of Dr. Nimmo's relationship with Charles River following completion of the transaction.

See "Interests of Certain Persons in the Transaction Charles River" and "Interests of Certain Persons in the Transaction Inveresk" for a description of the material interests of the directors and executive officers of Charles River and Inveresk, respectively, in the transaction that are in addition to, or different than, their interests as shareholders. Additional information about the current directors and executive officers of Charles River and Inveresk (including the current Inveresk board members who have been designated to the Charles River board) can be found in the Annual Report on Form 10-K for the year ended December 27, 2003, of Charles River, or December 31, 2003, of Inveresk, each of which is incorporated by reference into this document. See "Where You Can Find More Information" beginning on page 115.

Brand Names and Headquarters

After completion of the transaction, Charles River will retain the name Charles River Laboratories International, Inc. and will continue to have its headquarters and principal executive offices in Wilmington, Massachusetts. The Inveresk brands will be retained following the completion of the transaction.

Public Trading Markets

The Charles River common stock is currently listed on the New York Stock Exchange under the symbol "CRL". Inveresk common stock is currently listed on the Nasdaq National Market under the symbol "IRGI". Upon completion of the transaction, Inveresk common stock will be delisted from the Nasdaq National Market and will be deregistered under the Securities Exchange Act of 1934, as amended. The newly issued Charles River common stock issuable pursuant to the merger agreement will be listed on the New York Stock Exchange.

The shares of Charles River common stock to be issued in connection with the transaction will be freely transferable under the Securities Act of 1933, as amended, except for shares issued to any shareholder who may be deemed to be an affiliate of Inveresk, as discussed in " Resales of Charles River Stock by Affiliates".

As reported on the New York Stock Exchange, the closing sale price per share of Charles River common stock on June 30, 2004, the last business day prior to the announcement of the transaction, was \$48.87. As reported on the Nasdaq National Market, the closing sale price per share of Inveresk common stock on that date was \$30.84. Based on the closing sale price per share of Charles River common stock, the implied value to be paid in the merger for each share of Inveresk common stock was \$38.61 on that date. The closing sale price per share of Charles River common stock on September 15, 2004, was \$45.16 and the closing sale price per share of Inveresk common stock on that date was \$36.65. Based on the closing sale price per share of Charles River common stock, the implied value to be paid in the transaction for each share of Inveresk common stock was \$36.83 as of that date. The implied value to be paid in the transaction for each share of Inveresk common stock as of those dates was calculated by adding \$15.15 to the product of the closing price of Charles River common stock and the exchange ratio of 0.48.

Appraisal Rights

Charles River shareholders are not entitled to appraisal rights under Delaware law in connection with the merger.

Inveresk shareholders will have appraisal rights under Delaware law in connection with the transaction. Any Inveresk shareholder who has not voted shares of Inveresk common stock in favor of the proposal to adopt the merger agreement and approve the transaction, and who has otherwise complied with the requirements of Delaware law, has the right to demand appraisal of, and to be paid the fair market value for, such shares of Inveresk common stock in lieu of the cash and Charles River common stock provided for in the merger agreement. The value of the Inveresk common stock for this purpose will exclude any element of value arising from the accomplishment or expectation of the merger. In order for the holder of Inveresk common stock to exercise its right to an appraisal, if any, such holder must deliver to Inveresk a written demand for an appraisal of the shares of Inveresk common stock prior to the time the vote is taken on the adoption of the merger agreement at the Inveresk special meeting as provided by Delaware law. Appendix E to this document sets forth the pertinent provisions of Delaware law addressing appraisal rights. Simply voting against the merger will not be considered a demand for appraisal rights. If the holder of Inveresk common stock fails to deliver such a written demand prior to the time the vote is taken on the merger at the Inveresk special meeting to the corporate secretary of Inveresk, Inveresk Research Group, Inc., 11000 Weston Parkway, Cary, North Carolina 27513, it will lose the right to an appraisal. In addition, if such holder votes shares of Inveresk common stock for adoption of the merger agreement and approval of the transaction, it will lose the right to an appraisal with respect to such shares. The preceding discussion is not a complete statement of the law pertaining to appraisal rights under the Delaware General Corporation Law and is qualified in its entirety by the provisions of Delaware law attached as Appendix E to this document.

Transaction Financing

Charles River will have cash requirements of approximately \$590.1 million in connection with the transaction, including both the cash consideration and transaction costs. As of June 26, 2004, Charles River had \$224 million of cash, cash equivalents and investments and access to \$100 million of credit facilities. Charles River has obtained a commitment letter from JPMorgan Chase Bank and Credit Suisse First Boston for \$500 million in new senior secured credit facilities, to consist of a term loan facility of \$350 million and a revolving credit facility of \$150 million, in order to refinance its existing credit facilities and finance part of the cash consideration and transaction costs. The availability of the

new credit facilities is subject to certain conditions contained in the commitment letter, including (1) the absence of any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on the business, operations, property or condition (financial or otherwise) of Charles River, Inveresk and their respective subsidiaries, taken as a whole and (2) the lenders not becoming aware of any information or other matter affecting Charles River, Inveresk or the transaction that in the judgment of the lenders is inconsistent in a material and adverse manner with any information or other matter that was disclosed to the lenders prior to execution of the commitment letter and which could reasonably be expected to have a material adverse effect on the ability of Charles River to repay the credit facilities.

Pricing for the loans under the credit facility is expected to be LIBOR plus 175 basis points per annum or base rate plus 75 basis points per annum, at the option of Charles River. In addition, Charles River will pay a commitment fee of 50 basis points per annum on the unused portion of the revolving credit facility.

Charles River has represented to Inveresk in the merger agreement that it will have available to it, at the time the transaction is completed, sufficient funds to enable Charles River to complete the transaction. The availability of such funds is not a condition to Charles River's obligation to complete the transaction.

Resales of Charles River Stock by Inveresk Affiliates

Affiliates of Inveresk, as defined under Rule 145 under the Securities Act of 1933, as amended, generally may not sell their shares of Charles River common stock acquired in the transaction except pursuant to an effective registration statement under the Securities Act, or an applicable exemption from such registration requirements, including Rules 144 and 145 issued by the Securities and Exchange Commission under the Securities Act.

Under the merger agreement, Inveresk must provide Charles River with a list of the persons who, to Inveresk's knowledge, may be deemed to be affiliates of Inveresk as of the date of the Inveresk special meeting. Inveresk will also use its reasonable best efforts to deliver to Charles River a letter agreement executed by each of these persons by which that person will agree, among other things, not to offer to sell, transfer or otherwise dispose of any of the shares of Charles River common stock distributed to him or her pursuant to the transaction except in compliance with Rule 144 and Rule 145 under the Securities Act, or in a transaction that, in the opinion of counsel reasonably satisfactory to Charles River, is otherwise exempt from such registration requirements or in an offering registered under the Securities Act. Charles River may place restrictive legends on Charles River common stock certificates that are issued in the transaction to persons who are deemed to be affiliates of Inveresk under the Securities Act.

The registration statement of which this document forms a part does not cover any resales of Charles River common stock received in the transaction by any person who may be deemed an affiliate of Inveresk.

OPINION OF CHARLES RIVER'S FINANCIAL ADVISOR

Credit Suisse First Boston has acted as Charles River's exclusive financial advisor in connection with the transaction. In connection with Credit Suisse First Boston's engagement, Charles River requested that Credit Suisse First Boston evaluate the fairness, from a financial point of view, to Charles River of the merger consideration to be paid by Charles River in the first merger. On June 30, 2004, at a meeting of the Charles River board of directors held to evaluate the transaction, Credit Suisse First Boston rendered to the Charles River board an oral opinion, which opinion was confirmed by delivery of a written opinion dated June 30, 2004, to the effect that, as of that date and based on and subject to the matters described in its opinion, the merger consideration to be paid by Charles River in the first merger was fair, from a financial point of view, to Charles River.

The full text of Credit Suisse First Boston's written opinion, dated June 30, 2004, to the Charles River board of directors, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is included in this document as Appendix B. Holders of Charles River common stock are encouraged to read this opinion carefully in its entirety. Credit Suisse First Boston's opinion was provided to the Charles River board of directors in connection with its evaluation of the merger consideration and relates only to the fairness, from a financial point of view, to Charles River of the merger consideration. Credit Suisse First Boston's opinion does not address any other aspect of the transaction and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters relating to the transaction. The summary of Credit Suisse First Boston's opinion in this document is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Credit Suisse First Boston, among other things:

reviewed the merger agreement;

reviewed certain publicly available business and financial information, including publicly available financial forecasts, relating to Charles River and Inveresk;

reviewed certain other information relating to Charles River and Inveresk, including financial forecasts, provided to or discussed with Credit Suisse First Boston by the managements of Charles River and Inveresk;

met with the managements of Charles River and Inveresk to discuss the businesses and prospects of Charles River and Inveresk, respectively;

considered certain financial and stock market data of Charles River and Inveresk and compared that data with similar data for other publicly held companies in businesses which Credit Suisse First Boston deemed similar to those of Charles River and Inveresk;

considered, to the extent publicly available, the financial terms of business combinations and other transactions which have been effected or announced; and

considered other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse First Boston deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the information reviewed by it and relied on such information being complete and accurate in all material respects. With respect to the financial forecasts provided to or discussed with Credit Suisse First Boston by the managements of Charles River and Inveresk, Credit Suisse First Boston was advised, and assumed, that such forecasts had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Charles River and Inveresk as to the future financial performance of Charles River and Inveresk. In addition,

Credit Suisse First Boston relied, with Charles River's consent and without independent verification, on the assessments of the managements of Charles River and Inveresk as to:

the potential cost savings and other synergies, including the amount, timing and achievability of those cost savings and other synergies, and strategic benefits anticipated by the managements of Charles River and Inveresk to result from the transaction;

the ability of the managements of Charles River and Inveresk to integrate the businesses of Charles River and Inveresk; and

the ability of the managements of Charles River and Inveresk to retain key employees and customers of Charles River and Inveresk.

Credit Suisse First Boston assumed, with Charles River's consent, that the transaction would be treated as a tax-free transaction for Charles River for U.S. federal income tax purposes. Credit Suisse First Boston further assumed, with Charles River's consent, that in the course of obtaining any necessary regulatory and third party consents, approvals or agreements in connection with the transaction, no modification, delay, limitation, restriction or condition would be imposed that would have an adverse effect on Charles River, Inveresk or the contemplated benefits of the transaction and that the transaction would be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement contained in the merger agreement. In addition, Credit Suisse First Boston was not requested to, and it did not, make an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of Charles River or Inveresk, and Credit Suisse First Boston was not furnished with any evaluations or appraisals. Credit Suisse First Boston's opinion was necessarily based on information made available to it as of the date of its opinion, and financial, economic, market and other conditions as they existed and could be evaluated on the date of the opinion. Credit Suisse First Boston did not express any opinion as to the actual value of Charles River common stock when issued in the first merger or the prices at which Charles River common stock would trade at any time. Although Credit Suisse First Boston evaluated the merger consideration from a financial point of view, Credit Suisse First Boston was not requested to, and it did not, recommend the specific consideration payable in the transaction, which consideration was determined between Charles River and Inveresk. Credit Suisse First Boston's opinion did not address the relative merits of the transaction as compared to other business strategies or transactions that may be available to Charles River or Charles River's underlying business decision to proceed with the transaction. Except as described above, Charles River imposed no other limitations on Credit Suisse First Boston with respect to the investigations made or procedures followed in rendering the opinion.

In preparing its opinion to the Charles River board of directors, Credit Suisse First Boston performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse First Boston's analyses described below is not a complete description of the analyses underlying its opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Credit Suisse First Boston made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Credit Suisse First Boston arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse First Boston considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Charles River and Inveresk. No company, transaction or business used in Credit Suisse First Boston's analyses as a comparison is identical to Charles River, Inveresk or the transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the transaction, public trading or other values of the companies, business segments or other transactions analyzed. The estimates contained in Credit Suisse First Boston's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Credit Suisse First Boston's analyses are inherently subject to substantial uncertainty.

Credit Suisse First Boston's opinion and financial analyses were only one of many factors considered by the Charles River board of directors in its evaluation of the transaction and should not be viewed as determinative of the views of the Charles River board of directors or management with respect to the transaction or the merger consideration provided for in the transaction.

The following is a summary of the material financial analyses presented to the Charles River board of directors in connection with Credit Suisse First Boston's written opinion dated June 30, 2004. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse First Boston's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse First Boston's financial analyses.**

Inveresk Analyses

Selected Companies Analysis

Using publicly available information, Credit Suisse First Boston reviewed the trading multiples of Inveresk and the following selected publicly traded companies, referred to as Inveresk tier one companies:

Invitrogen Corporation

Covance Inc.

Charles River

Credit Suisse First Boston also reviewed the trading multiples of the following selected publicly traded contract research companies, referred to as CRO companies, in the pharmaceutical and biotechnology services industry:

MDS Inc.

Pharmaceutical Product Development, Inc.

ICON plc

PAREXEL International Corporation

SFBC International, Inc.

All multiples were based on closing stock prices on June 29, 2004. Estimated financial data for the selected companies were based on consensus estimates compiled by the Institutional Brokerage Estimate System, referred to as I/B/E/S, and First Call. Estimated financial data for Inveresk were based both on internal estimates of Inveresk's management, referred to as the Inveresk management

case, and publicly available research analyst's estimates, referred to as the Inveresk street case. Credit Suisse First Boston reviewed stock prices as a multiple of estimated earnings per share, commonly referred to as price to earnings ratios, for calendar years 2004 and 2005 and price to earnings ratios as a multiple of estimated long-term earnings growth rate for calendar years 2004 and 2005. Credit Suisse First Boston then applied a range of selected multiples derived from the selected companies, with particular focus on the Inveresk tier one companies, to corresponding financial data of Inveresk under both the Inveresk management case and the Inveresk street case. This analysis indicated the following implied per share equity reference ranges for Inveresk, as compared to the implied per share value of the merger consideration based on the cash component of the merger consideration and, in the case of the stock component of the merger consideration, the exchange ratio of 0.48 and the per share closing price of Charles River common stock on June 30, 2004:

Implied Per Share Equity Reference Range for Inveresk		Implied Per Share Value of Merger Consideration
Management Case	Street Case	
\$ 24.57 - \$39.09	\$ 24.60 - \$39.09	\$ 38.61

Precedent Transactions Analysis

Using publicly available information, Credit Suisse First Boston reviewed the purchase price multiples in the following 14 selected transactions in the pharmaceutical and biotechnology services industry:

Acquiror	Target
Invitrogen Corporation	BioReliance Corporation
One Equity Partners LLC	Quintiles Transnational Corporation
DSM N.V.	Catalytica, Inc.
Rhodia S.A.	ChiRex Inc.
Cordiant Communications Group plc	Healthworld Corporation
Covance Inc.	PAREXEL International Corporation
Quintiles Transnational Corporation	Pharmaceutical Marketing Services Inc.
Omnicare, Inc.	IBAH, Inc.
PAREXEL International Corporation	PPS Europe Ltd.
Cambrex Corporation	BioWhittaker, Inc.
Quintiles Transnational Corporation	Innovex Ltd.
Quintiles Transnational Corporation	BRI International, Inc.
Pharmaceutical Product Development, Inc.	Applied Bioscience International Inc.
Clintrials Research Inc.	Bio-Research Laboratories Ltd.

All multiples for the selected transactions were based on publicly available financial information. Credit Suisse First Boston reviewed equity values in the selected transactions as a multiple of last 12 months net income and next 12 months estimated net income. Credit Suisse First Boston then applied a range of selected multiples derived from the selected transactions to corresponding financial data of Inveresk under both the Inveresk management case and the Inveresk street case. This analysis indicated the following implied per share equity reference ranges for Inveresk, as compared to the implied per share value of the merger consideration based on the cash component of the merger

consideration and, in the case of the stock component of the merger consideration, the exchange ratio of 0.48 and the per share closing price of Charles River common stock on June 30, 2004:

Implied Per Share Equity Reference Range for Inveresk		Implied Per Share Value of Merger Consideration
Management Case	Street Case	
\$ 33.90 - \$43.91	\$ 33.90 - \$42.23	\$ 38.61

Premiums Paid Analysis

Credit Suisse First Boston reviewed the premiums paid in 30 transactions announced since January 1, 2001 involving publicly traded U.S.-based targets with equity values of \$750 million to \$2 billion in which the consideration paid was a combination of stock and cash, excluding self-tenders, recapitalizations, spin-offs, partial purchases and purchases of remaining interests. Credit Suisse First Boston compared the premiums paid in those transactions relative to the closing stock prices for the target companies involved in such transactions one trading day, one week and four weeks prior to public announcement of the transactions. Credit Suisse First Boston then applied the average premiums derived from those transactions to the closing price of Inveresk common stock one trading day, one week and four weeks prior to June 30, 2004. This analysis indicated the following implied per share equity reference range for Inveresk, as compared to the implied per share value of the merger consideration based on the cash component of the merger consideration and, in the case of the stock component of the merger consideration, the exchange ratio of 0.48 and the per share closing price of Charles River common stock on June 30, 2004:

Implied Per Share Equity Reference Range for Inveresk	Implied Per Share Value of Merger Consideration
\$ 37.38 - \$40.40	\$ 38.61

Discounted Cash Flow Analysis

Credit Suisse First Boston performed a discounted cash flow analysis of Inveresk to calculate the estimated present value of the unlevered, after-tax free cash flows that Inveresk could generate over calendar years 2004 through 2007, both before and after giving effect to potential cost savings and other synergies anticipated by the managements of Charles River and Inveresk to result from the transaction. Estimated financial data for Inveresk were based on the Inveresk management case. Credit Suisse First Boston applied a range of unlevered price to earnings terminal value multiples of 18.0x to 25.0x to Inveresk's calendar year 2008 estimated after-tax net operating profit. The present value of the cash flows and terminal values were calculated using discount rates ranging from 11.0% to 13.0%. This analysis indicated the following implied per share equity reference range for Inveresk, as compared to the implied per share value of the merger consideration based on the cash component of the merger consideration and, in the case of the stock component of the merger consideration, the exchange ratio of 0.48 and the per share closing price of Charles River common stock on June 30, 2004:

Implied Per Share Equity Reference Range for Inveresk		Implied Per Share Value of Merger Consideration
Without Synergies	With Synergies	
\$ 29.66 - \$41.95	\$ 32.09 - \$44.88	\$ 38.61

Charles River Analyses

Selected Companies Multiples Analysis.

Using publicly available information, Credit Suisse First Boston reviewed the trading multiples of the following selected publicly traded companies, referred to as Charles River tier one companies:

Invitrogen Corporation

Covance Inc.

Inveresk

Credit Suisse First Boston also reviewed the trading multiples of the following selected CRO companies, and publicly traded life sciences tools companies, referred to as tools companies, in the pharmaceutical and biotechnology services industry:

CRO Companies	Tools Companies
MDS Inc. Pharmaceutical Product Development, Inc. ICON plc PAREXEL International Corporation SFBC International, Inc.	Waters Corporation Applera Corporation Applied Biosystems Group Millipore Corporation Affymetrix, Inc. Techne Corporation Qiagen N.V.

All multiples were based on closing stock prices on June 29, 2004. Estimated financial data for the selected companies were based on I/B/E/S and First Call consensus estimates. Estimated financial data for Charles River were based both on internal estimates of Charles River's management, referred to as the Charles River management case, and publicly available research analyst's estimates, referred to as the Charles River street case. Credit Suisse First Boston reviewed price to earnings ratios for calendar years 2004 and 2005 and price to earnings ratios as a multiple of estimated long-term earnings growth rate for calendar years 2004 and 2005. This analysis indicated the following mean and median multiples for the tier one companies, CRO companies and tools companies, as compared to corresponding multiples for Charles River under the Charles River management case and the Charles River street case based on the closing price of Charles River common stock on June 29, 2004:

	Charles River Tier One Companies		CRO Companies		Tools Companies		Charles River	
	Mean	Median	Mean	Median	Mean	Median	Management Case	Street Case
Price to Earnings Ratio for:								
CY2004	24.4x	24.4x	22.6x	21.6x	32.2x	28.2x	24.7x	25.7x
CY2005	20.7	20.8	19.3	17.8	25.3	23.8	22.2	23.2
Price to Earnings Ratio as Multiple of Long-Term Earnings Growth Rate for:								
CY2004	1.41x	1.49x	1.25x	1.30x	1.87x	1.62x	1.76x	1.49x
CY2005	1.20	1.26	1.07	1.07	1.58	1.43	1.59	1.34

Discounted Cash Flow Analysis

Credit Suisse First Boston performed a discounted cash flow analysis of Charles River to calculate the estimated present value of the stand-alone, unlevered, after-tax free cash flows that Charles River could generate over calendar years 2004 through 2006. Estimated financial data for Charles River were based on the Charles River management case. Credit Suisse First Boston applied a range of unlevered

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price to earnings terminal value multiples of 18.0x to 26.0x to Charles River's calendar year 2007 estimated after-tax net operating profit. The present value of the cash flows and terminal values were calculated using discount rates ranging from 11.5% to 13.5%. This analysis indicated the following implied per share equity reference range for Charles River, as compared to the per share closing price of Charles River common stock on June 29, 2004:

Implied Per Share Equity Reference Range for Charles River	Per Share Closing Price of Charles River Common Stock on June 29, 2004
\$ 45.38 - \$63.03	\$ 47.62

Pro Forma Accretion/Dilution Analysis

Credit Suisse First Boston analyzed the potential pro forma financial effect of the transaction on Charles River's calendar years 2005 and 2006 estimated earnings per share under generally accepted accounting principles, referred to as GAAP EPS, and non-GAAP earnings per share which excludes one-time charges and amortization of transaction-related intangibles, referred to as cash EPS, under both a pro forma management case and pro forma street case. Each case was analyzed with and without potential cost savings and other synergies anticipated by the managements of Charles River and Inveresk to result from the transaction. Estimated financial data for Charles River and Inveresk in the pro forma management case were based on the Charles River management case and the Inveresk management case. Estimated financial data for Charles River and Inveresk in the pro forma street case were based on I/B/E/S consensus earnings per share estimates for Charles River and Inveresk and guidance from the managements of Charles River and Inveresk regarding tax rates and weighted average shares outstanding. Transaction-related adjustments were provided by or discussed with Charles River's management, and reflected interest expense on debt to be raised, and interest foregone on cash to be used, to finance the transaction and, in the case of GAAP EPS, amortization of transaction-related intangibles. Based on the merger consideration as estimated on June 29, 2004, this analysis indicated that, under both cases, the transaction could be:

with respect to Charles River's estimated GAAP EPS, dilutive in calendar year 2005 regardless of whether potential cost savings and other synergies are realized, dilutive in calendar year 2006 assuming no potential cost savings and other synergies are realized, and accretive in calendar year 2006 assuming potential cost savings and other synergies are fully realized; and

with respect to Charles River's estimated cash EPS, accretive in both calendar years 2005 and 2006 regardless of whether potential cost savings and other synergies are realized.

The actual results achieved by the combined company may vary from projected results and the variations may be material.

Other Factors

In the course of preparing its opinion, Credit Suisse First Boston also reviewed and considered other information and data, including:

the per share values of the merger consideration implied by the average per share closing prices of Charles River common stock over the 10-trading day and 30-trading day periods ended June 30, 2004;

the premiums implied by the per share equity reference ranges derived for Inveresk and Charles River relative to the market price of Inveresk common stock and Charles River common stock, respectively; and

publicly available research analysts' reports for Charles River and Inveresk.

Miscellaneous

Charles River selected Credit Suisse First Boston as its exclusive financial advisor in connection with the transaction based on Credit Suisse First Boston's experience and reputation, and its familiarity with Charles River and its business. Credit Suisse First Boston is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Credit Suisse First Boston and its affiliates have agreed to provide bank financing to Charles River, a significant portion of which is expected to be used in connection with the transaction. In addition, Credit Suisse First Boston and its affiliates in the past have provided, currently are providing, and may in the future provide, financial and investment banking services to Charles River unrelated to the transaction, for which services Credit Suisse First Boston and its affiliates have received compensation and would expect to receive compensation. In the ordinary course of business, Credit Suisse First Boston and its affiliates may actively trade the securities of Charles River and Inveresk for their own accounts and for the accounts of customers and, accordingly, may at any time hold a long or short position in those securities.

Charles River has agreed to pay Credit Suisse First Boston an aggregate fee of \$10 million for its financial advisory services in connection with the transaction, a significant portion of which is contingent upon the consummation of the first merger. Charles River also has agreed to reimburse Credit Suisse First Boston for its expenses, including the fees and expenses of legal counsel and any other advisor retained by Credit Suisse First Boston, and to indemnify Credit Suisse First Boston and related parties against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

OPINION OF INVERESK'S FINANCIAL ADVISOR

Goldman, Sachs & Co. delivered its opinion to the Inveresk board of directors, which was subsequently confirmed in writing, that, as of June 30, 2004, and based upon and subject to the factors and assumptions set forth therein, the \$15.15 in cash and 0.48 of a share of Charles River common stock to be received by the holders of each outstanding share of Inveresk common stock, taken in the aggregate, pursuant to the merger agreement is fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated June 30, 2004, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included in this document as Appendix C. Holders of Inveresk common stock are encouraged to read this opinion in its entirety. Goldman Sachs provided its opinion for the information and assistance of the Inveresk board of directors in connection with its consideration of the transactions contemplated by the merger agreement. The Goldman Sachs opinion is not a recommendation as to how any Inveresk shareholder should vote with respect to the transaction.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to shareholders and Annual Reports on Form 10-K of Inveresk for the two years ended December 31, 2003 and for Charles River for the four fiscal years ended December 27, 2003;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of Inveresk and Charles River;

certain other communications from Inveresk and Charles River to their respective shareholders;

certain internal financial analyses and forecasts for Charles River prepared by its management;

certain financial analyses and forecasts for Charles River prepared by the management of Inveresk;

certain internal financial analyses and forecasts for Inveresk prepared by its management; and

certain cost savings and operating synergies projected by the management of Inveresk to result from the transactions contemplated by the merger agreement.

Goldman Sachs also held discussions with members of the senior managements of Inveresk and Charles River regarding their assessment of the strategic rationale for, and the potential benefits of, the transaction and the past and current business operations, financial condition, and future prospects of their respective companies. In addition, Goldman Sachs reviewed the reported price and trading activity for the shares of Inveresk common stock and the shares of Charles River common stock, compared certain financial and stock market information for Inveresk and Charles River with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the pharmaceutical services industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

Goldman Sachs relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it and assumed such accuracy and completeness for purposes of rendering the opinion described above. In that regard, Goldman Sachs assumed with Inveresk's consent that certain financial analyses and forecasts for Inveresk and Charles River prepared by the management of Inveresk and certain cost savings and operating synergies

projected by the management of Inveresk to result from the transaction were reasonably prepared on a basis reflecting the best currently available estimates and judgments of Inveresk. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Inveresk or Charles River or any of their respective subsidiaries, nor was any evaluation or appraisal of the assets or liabilities of Inveresk or Charles River or any of their respective subsidiaries furnished to Goldman Sachs. Goldman Sachs also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction would be obtained without any adverse effect on Inveresk or Charles River or on the expected benefits of the transaction in any way meaningful to Goldman Sachs' analysis. Goldman Sachs' opinion does not address the underlying business decision of Inveresk to engage in the transaction. In addition, Goldman Sachs is not expressing any opinion as to the prices at which shares of Charles River common stock will trade at any time. Goldman Sachs was not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of or other business combination with Inveresk.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the board of directors of Inveresk in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent the relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before June 30, 2004 and is not necessarily indicative of current market conditions.

Historical Stock Trading Analysis. Goldman Sachs reviewed publicly available historical trading prices for Inveresk common stock and Charles River common stock for the one-year period ended June 30, 2004. In addition, Goldman Sachs analyzed the implied value of the aggregate per share consideration to be received by holders of shares of Inveresk common stock pursuant to the merger agreement as of June 30, 2004 (equal to \$38.61 based on (i) the closing market price of Charles River common stock of \$48.87 on June 30, 2004 multiplied by 0.48 plus (ii) \$15.15) in relation to (i) the closing market price of Inveresk common stock on June 30, 2004 and (ii) the one-month, two-month, three-month, six-month and one-year average closing market prices of Inveresk common stock for the periods ended June 30, 2004.

This analysis indicated that the implied value of the aggregate per share consideration of \$38.61 to be received by holders of the outstanding shares of Inveresk common stock pursuant to the merger agreement as of June 30, 2004 represented:

a premium of 25.2% based on the closing market price of \$30.84 per share on June 30, 2004;

a premium of 24.0% based on the one-month average closing market price of \$31.13 per share;

a premium of 28.0% based on the two-month average closing market price of \$30.16 per share;

a premium of 30.1% based on the three-month average closing market price of \$29.67 per share;

a premium of 37.8% based on the six-month average closing market price of \$28.02 per share; and

a premium of 60.5% based on the one-year average closing market price of \$24.06 per share.

Exchange Ratio Analysis. Goldman Sachs calculated the daily illustrative exchange ratios of the Inveresk common stock closing market price to the Charles River common stock closing market price from June 27, 2002 (the date of Inveresk's initial public offering) to June 30, 2004. In addition,

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Goldman Sachs calculated the illustrative average historical exchange ratios of Inveresk common stock to Charles River common stock based on the closing market prices of Inveresk common stock and Charles River common stock for the three-month, six-month and one-year periods ended June 30, 2004 and the period from June 27, 2002 to June 30, 2004. The following table sets forth the illustrative exchange ratios calculated by Goldman Sachs:

Period	Exchange Ratio
As of June 30, 2004	0.631x
Three months ended June 30, 2004	0.654x (average)
Six months ended June 30, 2004	0.656x (average)
One year ended June 30, 2004	0.634x (average)
From June 27, 2002 to June 30, 2004	0.569x (average)

Goldman Sachs also calculated the illustrative exchange ratio of the implied value of the aggregate per share consideration to be received by holders of shares of Inveresk common stock pursuant to the merger agreement as of June 30, 2004 to the Charles River common stock closing market price on June 30, 2004 as equal to 0.7901.

Selected Transactions Analysis. Goldman Sachs analyzed certain publicly available information relating to the following selected transactions in the pharmaceutical services industry since 1998:

Date Announced	Acquiror	Target (Asset)
December 24, 2003	Invitrogen Corporation	BioReliance Corporation
September 23, 2003	BioReliance Corporation	Q-One Biotech Group Limited
October 11, 2002	Pharma Services Holding, Inc.	Quintiles Transnational Corp.
February 22, 2001	Inveresk Research Group Limited	ClinTrials Research Inc.
February 24, 2000	MDS Inc.	Phoenix International Life Sciences Inc.
September 13, 1999	Affymetrix, Inc.	Genetic MicroSystems, Inc.
April 29, 1999(1)	Covance Inc.	PAREXEL International Corporation
March 31, 1998	Omnicare, Inc.	IBAH, Inc.
March 2, 1998	PAREXEL International Corporation	PPS Europe Limited

(1) This transaction was not completed.

For each of the selected transactions, Goldman Sachs calculated and compared (i) levered consideration as a multiple of the latest twelve months, or LTM, sales, (ii) levered consideration as a multiple of the latest twelve months earnings before interest, taxes, depreciation and amortization, referred to as EBITDA, (iii) levered consideration as a multiple of the latest twelve months earnings before interest and taxes, referred to as EBIT, (iv) equity consideration as a multiple of forward earnings and (v) premium offered on the closing market price one day prior to the announcement of the transaction. Goldman Sachs then compared these results to those of Inveresk as of June 30, 2004

and the values implied by the transactions contemplated by the merger agreement. The following table presents the results of this analysis:

	Levered Consideration as Multiple of LTM (x)		Equity Consideration as Multiple of Forward Earnings		Premium to 1 Day Prior
	Sales	EBITDA	EBIT	P/E (x)	
Inveresk as of June 30, 2004	4.2x	18.9x	23.9x	22.9x	
Proposed transaction	5.3x	23.4x	29.6x	28.7x	25.2%
Selected transactions					
High	5.4x	23.8x	37.4x	38.3x	74.5%
Mean	2.6x	16.1x	25.0x	29.4x	32.5%
Median	2.2x	15.8x	25.6x	32.3x	28.0%
Low	1.0x	5.8x	10.7x	16.4x	4.3%

Contribution Analysis. Goldman Sachs reviewed specific historical and estimated future operating and financial information including, among other things, sales, EBITDA, EBIT, and net income for Inveresk and Charles River based on estimates provided by Inveresk management. Goldman Sachs analyzed the relative estimated contributions of Inveresk and Charles River to the combined company following consummation of the transaction and compared the results of such analysis to the illustrative pro forma percentage ownership of the Inveresk shareholders in the combined company as of June 30, 2004 equal to 39.0% based on the assumption that the Inveresk shareholders would receive 100% of the merger consideration in Charles River common stock. The following table presents the results of this analysis:

	Inveresk Equity Contribution to Combined Entity
Sales 2005E	32.8%
Sales 2006E	33.0%
EBITDA 2005E	29.9%
EBITDA 2006E	30.1%
EBIT 2005E	29.4%
EBIT 2006E	29.7%
Net income 2005E	37.1%
Net income 2006E	36.0%

Goldman Sachs also calculated the diluted market capitalization of Inveresk common stock as of June 30, 2004 as a percentage of the illustrative aggregate diluted market capitalization of the common stock of Inveresk and Charles River as of June 30, 2004. In addition, Goldman Sachs analyzed the historical average diluted market capitalization of Inveresk common stock for the three-month, six-month and one-year periods ended June 30, 2004 and the period from June 27, 2002 to June 30, 2004 as a percentage of the illustrative aggregate diluted average market capitalization of the common stock of Inveresk and Charles River for the same periods. The following table presents the results of this analysis:

Period	Inveresk Illustrative Market Capitalization Contribution
As of June 30, 2004	33.9%
Three months ended June 30, 2004	34.7% (average)
Six months ended June 30, 2004	33.8% (average)
One year ended June 30, 2004	32.3% (average)
From June 27, 2002 to June 30, 2004	28.7% (average)

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Goldman Sachs then compared such calculated percentages to Inveresk shareholders' implied pro forma ownership share of the combined company equal to (i) 39.0% assuming the Inveresk shareholders would receive 100% of the transaction consideration in Charles River common stock and (ii) 28.0% assuming the Inveresk shareholders would receive 61% of the transaction consideration in Charles River common stock and 39% of the transaction consideration in cash.

Pro Forma Financial Impact Analysis. Goldman Sachs calculated for each of Inveresk, Charles River and the pro forma combined company with and without estimated synergies resulting from the contemplated transaction, based on information provided by Inveresk management, the illustrative compound annual growth rate, referred to as CAGR, of each of revenue, EBITDA and net income from 2003 to 2007, and estimated 2005 EBITDA margin. The following table presents the results of this analysis with respect to Inveresk and the pro forma combined company:

	2003A-2007E Revenue CAGR	2003A-2007E EBITDA CAGR	2003A-2007E Net Income CAGR(1)	2005E EBITDA Margin
Inveresk	15.2%	19.4%	20.3%	24.5%
Pro forma combined company without estimated synergies	12.5%	14.4%	17.5%	26.8%
Pro forma combined company with estimated synergies	12.5%	15.3%	18.4%	27.7%

(1) Assumes 100% stock consideration transaction. Incremental depreciation and amortization from the transaction are not reflected in the presentation.

Pro Forma Accretion/Dilution Analysis. Goldman Sachs compared, for each of the years 2005 and 2006, the estimated earnings per share, referred to as EPS, of Charles River, on a standalone basis, in relation to the estimated GAAP EPS and the estimated cash EPS of the combined company, using (i) EPS estimates prepared by Inveresk management for Charles River, (ii) EPS estimates provided by I/B/E/S for Charles River and (iii) GAAP and cash EPS estimates prepared by Inveresk management for the combined company assuming estimated synergies resulting from the transaction. Goldman Sachs performed these analyses based on an implied Inveresk ownership share in the combined company equal to 28.0%. The following table presents the results of this analysis:

	Hypothetical Accretion (Dilution)			
	2005E		2006E	
GAAP EPS(1)				
To Charles River standalone EPS per I/B/E/S estimates	(12.1)%	2.3	%
To Charles River standalone EPS per Inveresk management estimates	(12.0)%	(1.1)%
Cash EPS(2)				
To Charles River standalone EPS per I/B/E/S estimates	9.0	%	12.6	%
To Charles River standalone EPS per Inveresk management estimates	9.0	%	8.9	%

(1) Assumes amortization of \$50 million and \$27 million in 2005 and 2006, respectively, based on Inveresk management estimates.

(2) Excludes intangible amortization created by the proposed transaction.

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Discounted Future Stock Price Analysis. Goldman Sachs performed a discounted future stock price analysis on Inveresk using estimates provided by Inveresk's management. Goldman Sachs calculated implied future stock prices for Inveresk for the years 2005 and 2006 using Inveresk's fully diluted estimated EPS for the years 2005 and 2006 and price/earnings multiples ranging from 22.0x to 26.0x. These implied future stock prices were then discounted to calculate illustrative per share present value indications using discount rates of 10.8%, 11.8% and 12.8%. The following table presents the results of this analysis:

Illustrative Per Share Present Value Indications			
	10.8% Discount Rate	11.8% Discount Rate	12.8% Discount Rate
2005E	\$32.12 - \$37.96	\$31.83 - \$37.62	\$31.55 - \$37.29
2006E	\$32.25 - \$38.12	\$31.68 - \$37.44	\$31.12 - \$36.78

Discounted Cash Flow Analysis. Goldman Sachs performed a discounted cash flow analysis on Inveresk, on a standalone basis, and on the pro forma combined company using estimates provided by Inveresk's management.

Goldman Sachs calculated illustrative net present value indications of free cash flows for Inveresk, on a standalone basis, for the period from July 2004 to year-end 2013 using discount rates ranging from 10.8% to 12.8%. Goldman Sachs then calculated illustrative per share prices for Inveresk, on a standalone basis, using the illustrative net present value indications of free cash flows for Inveresk for the period from July 2004 to year-end 2013 and illustrative terminal value indications as of year-end 2013 based on terminal multiples of Inveresk's 2014 estimated earnings ranging from 16.0x to 20.0x and discounting these illustrative terminal value indications to illustrative present value indications using discount rates ranging from 10.8% to 12.8%. The following table presents the results of this analysis:

	Illustrative Per Share Value Indications
Inveresk on a standalone basis	\$30.35 - \$40.22

In addition, Goldman Sachs calculated illustrative net present value indications of free ca