



Q: Can I count on Charles River as a stable partner and supplier?

A: As with many other corporations, Charles River is not immune to the global economic crisis and the current pharmaceutical industry challenges. In order to strengthen our ongoing business position and better meet the needs of our clients around the world, we are streamlining operations, aligning our infrastructure, and investing in productivity programs. Recognizing the need for greater efficiency from our clients, we will emerge from this period as a leaner, more aligned operation which, when combined with our deep scientific expertise, will enhance our position as an ideal partner for pharmaceutical and biotechnology companies.

Q: Why has Charles River chosen to close Arkansas and divest the Phase I business in Edinburgh?

A: Charles River is strongly committed to our global network of facilities and to our position as a leading provider of expertise and services for preclinical testing. While we have made decisions to close our Arkansas facility and divest our Phase I facility in Edinburgh, this is reflective of our global client base and the current demand. We regret having to make this decision but it is necessary in order to continue to provide competitive high-quality services that meet the efficiency needs of our clients.

Q: Will these changes impact my current study?

A: It is our intent to continue to honor our contracts and support our customers with alternate choices as we effect these changes. We are proactively working with all current customers to provide a specific solution that meets their needs, including extending the closure period to accommodate studies already in progress.

Please contact your local site or representative or call 1.877.274.8371 or 1.888.319.5343 if you have any concerns.

Q: Will these changes impact my ability to place long-term work with Charles River?

A: No. Your business is very important to us and we want to be sure our long-term relationship with you remains strong. We are committed to working with you to provide a specific solution that will ensure your satisfaction, and are happy to consider multiple alternatives at your request.

Q: Specifically, why did you close the Arkansas site?

A: Between 2007 and 2009, Charles River is building approximately 1 million square feet of new real estate, to add to our existing global network of facilities. These sites are more conveniently located in close proximity to our clients and are larger, state-of-the-art facilities that will help our customers efficiently accelerate their drug development programs.

Q: Specifically, why did you decide to sell the Phase I Edinburgh business?

A: This is a response to decisions by many of our clients, who are choosing to conduct Phase I studies in North America, China, and India because of the increased regulatory demands from European Regulatory Authorities.

Q: Does Charles River still have a strong preclinical business?

A: Charles River is strongly committed to our global network of facilities and to our position as a leading provider of expertise and services for preclinical testing. We are experts in the design and implementation of rapid, compliant safety and efficacy programs, which are key to defining the potential of new compounds in our clients' pipelines. Our scientific, program management, and regulatory expertise helps our customers leverage their internal resources by working with an experienced global partner to create tailored broad-based programs as well as efficient single studies. We are proud of our talented team and will continue to enhance and strengthen our preclinical operations.

Q: Are there plans to close other Charles River facilities?

A: No. There are no current plans to close other facilities.

Q: Are there plans to close the Tranent facility in Edinburgh?

A: No. There are no current plans to close the Tranent facility. This full-service site is very important to our global network of preclinical sites and our ability to support and partner with our clients around the world.

Q: Will you continue with your expansion programs in China and Sherbrooke?

A. Yes. We are fully committed to continue with our facility expansions in these geographies, again in response to our clients' program and offshoring needs.

Q: I am a long-term client of Arkansas, what should I do now?

A: We are fully committed to ensuring your satisfaction and will work with you to identify alternative facilities where we can efficiently and competitively meet your program needs.

For more information, please contact us at 1.877.274.8371 or 1.888.319.5343.

Q: Will the Company's workforce reductions impact the services you provide or other sites?

A: Our customers will continue to receive the highest quality products and services that they have come to rely on from Charles River. We continue to focus on providing the expertise and portfolio you expect in order to help you accelerate your research and drug discovery and development programs. We are committed to our broad portfolio of products and services that span the early research to IND continuum. This includes our Research Models, GEMS, Discovery and Imaging Services, Preclinical Services, Biopharmaceutical Services, Endotoxin and Microbial Detection Products, as well as many other areas of the company.

Q: Specifically, what will happen to my current study in Arkansas?

A: We will, of course, honor all contractual commitments to our customers and complete all studies currently in progress by implementing a phased closure approach that will ensure all the necessary staff and resources are in place throughout the duration of all existing work. You can rely on us to ensure that all necessary expertise and support is in place to appropriately and efficiently complete the work to your satisfaction.

Q: What will happen to my ongoing Phase I study in Edinburgh?

A: We will complete all studies currently in progress and you can rely on us to ensure that all necessary expertise and support is in place to safely and efficiently complete the work to your satisfaction.

For more information, please contact us at 1.877.274.8371 or 1.888.319.5343.

Q: What will happen to work already scheduled at Edinburgh?

A: We plan to conduct a measured and professional transfer of services to the new owner of the business. Participant care is a key priority, as is exceeding our clients' expectations during the transition. We will absolutely honor all contractual commitments to our clients and will be retaining all necessary staff and capabilities to ensure the conduct of studies in full accordance with terms and conditions and under full compliance with regulatory guidelines.

Q: What will happen to work currently in the process of being booked or contracted for at the Edinburgh Phase I facility?

A: We fully appreciate the amount of work undertaken in preparing for the conduct of a study and want to assure our clients that we entered into such negotiations in good faith. We remain totally committed to meeting our clients' needs and expectations during the transition of our business. Our intent is to continue to conduct operations throughout this interim period in a professional and compliant manner with, as always, a strong focus on participant care. Given the fact that the transition will be phased, we are absolutely committed to conduct new studies for clients with whom we have recently concluded definition of study protocols and proposals, as well as those studies for which we are currently under negotiation. Of course, if such clients need to discuss how this will be managed effectively, or to prefer to review alternative solutions, we have several options which we would be happy to discuss:

- a) review of the process and conduct of the study in Edinburgh with a commitment to complete the study or with a transition plan agreed to upfront with the client;
- b) transfer of the study to our US Northwest facility, with a commitment to oversee the study protocol and transfer seamlessly for the client and with accommodation for reasonable travel costs associated with such transfer.

For more information, please contact us at 1.877.274.8371 or 1.888.319.5343.

Q: Will Charles River continue to conduct Phase I studies?

A: Charles River will continue to conduct studies at Edinburgh through an extended transition period. In addition, we will continue to offer a broad selection of Phase I studies at our Northwest Clinical Services facility in Tacoma, Washington, USA. Phase I Services remain an important part of our Discovery to IND portfolio for clients around the world.

For further information about our US-based Clinical Services Northwest facility, please call 1.877.274.8371 or 1.888.319.5343.

If you have other questions, please email us at askcharlesriver@crl.com.