
PRESS RELEASE**LIFE SCIENCES RESEARCH, INC.**

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LSR ANNOUNCES SECOND QUARTER RESULTS**Highlights:**

- *Revenues of \$47.9 million. Net Income of \$1.1 million, or \$0.08 per share.*
- *Net new orders of \$50.8 million.*
- *\$46.2 million Convertible Capital Bond fully repaid on April 6, 2006.*
- *\$10 million Promissory Note repaid to Company on June 30, 2006. Elimination of FIN46R consolidation accounting effective that date.*

East Millstone, New Jersey, August 7, 2006 – Life Sciences Research, Inc. (Other OTC: LSRI) announced today that revenues for the quarter ended June 30, 2006 were \$47.9 million, 6.5% above the revenues for the same period in the prior year of \$44.9 million. Excluding the effect of exchange rate movements, revenues increased 7.7%. Operating income for the quarter ended June 30, 2006 was \$4.8 million, or 10.1% of revenues, compared with \$5.4 million, or 12.0% of revenues for the same period in the prior year. The Company reported net income before the cumulative effect of the accounting change for the quarter ended June 30, 2006 of \$1.1 million, compared with \$1.7 million loss for the quarter ended June 30, 2005. Net income per common share before the cumulative effect of the accounting change for the quarter ended June 30, 2006 was \$0.09 compared with \$0.13 loss in the quarter ended June 30, 2005. Net income per fully diluted share before the cumulative effect of the accounting change was \$0.08 for the current quarter compared to \$0.11 loss in the prior year.

Concurrently with the repayment of the \$10 million promissory note that was owed to the Company by Alconbury Estates from the Sale and Leaseback transaction that was announced in June 2005, FIN46R consolidation accounting ceased effective June 30, 2006. As a result, the Company recognized a charge in the period for the cumulative effect of the accounting change of \$20.7 million, of which the largest charge is associated with the non-cash write-down of the Company's UK facilities.

The net income before the cumulative effect of the accounting change for the three months ended June 30, 2006 included Other Expenses of \$2.2 million which comprised \$3.3 million from a non-cash foreign exchange remeasurement gain pertaining to the Convertible Capital Bonds and New Financing denominated in US dollars and other exchange gains of \$0.3 million, offset by finance arrangement fees of \$1.4 million primarily reflecting fees of Alconbury Estates, LSR's landlord, which were consolidated under FIN46. In the same period in the prior year, Other Expenses of \$2.7 million were comprised of finance arrangement fees of \$0.3 million, and \$2.4 million from the non-cash foreign exchange remeasurement loss pertaining to the Convertible Capital Bonds. Excluding these non cash items and related tax effect, net income before the cumulative effect of the accounting change for the current quarter was \$1.1 million, or \$0.07 per fully diluted share, compared to \$3.1 million, or \$0.22 per fully diluted share in the prior year.

Earnings before Interest, Taxes, Depreciation and Amortization and Other Income/(Expense) ("EBITDA") was \$7.5 million for the second quarter of 2006, or 15.6% of revenues, compared with \$7.9 million, or 17.5% of revenues, for the same period in the prior year.

Net days sales outstanding at June 30, 2006 were 12 (13 at June 30, 2005 and 16 at December 31, 2005). Capital expenditure totaled \$2.3 million in the second quarter of 2006, compared to \$3.7 million in the second quarter of 2005.

Cash on hand at June 30, 2006 was \$42.8 million compared with \$15.4 million at December 31, 2005. Long-term debt was \$100.0 million at June 30, 2006 compared with \$30.4 million at December 31, 2005. These increases in both the cash on hand and the long-term debt were due to the \$70 million New Financing Loan which generated net proceeds of approximately \$64 million, of which \$46.2 million was used to redeem the outstanding principal amount of the Convertible Capital Bonds. The Company included in its reported long-term debt the \$22.8 million of finance lease debt due to the deconsolidation of Alconbury.

Revenues for the six months ended June 30, 2006 of \$90.3 million were 2.3% above revenues for the same period in the prior year of \$88.2 million. Excluding the effect of exchange rate movements, the increase was 6.0%. Operating Income for the six months ended June 30, 2006 was \$8.9 million, or 9.8% of revenues, compared with \$10.6 million, or 12.0% of revenues for the same period in the prior year. The Company reported net income before the cumulative effect of the accounting change for the six months ended June 30, 2006 of \$1.6 million, compared with \$0.9 million for the same period in the prior year. Net income per fully diluted share before the cumulative effect of the accounting change for the six months ended June 30, 2006 was \$0.11 compared with \$0.06 for the same period in the prior year.

The net income before the cumulative effect of the accounting change in the six months ended June 30, 2006 included Other Income of \$1.3 million which comprised \$3.7 million from the non-cash foreign exchange remeasurement gain pertaining to the Convertible Capital Bonds and New Financing denominated in US dollars and other exchange gains of \$0.2 million, offset by finance arrangement fees of \$2.6 million primarily reflecting gains of Alconbury Estates, LSR's landlord, which were consolidated under FIN46. In the same period in the prior year, Other Expenses of \$3.4 million were comprised of finance arrangement fees of \$0.3 million and \$3.1 million of a non-cash foreign exchange remeasurement loss pertaining to the Convertible Capital Bonds. Excluding these non cash items and related tax effect, net income before the cumulative effect of the accounting change for the six months ended June 30 2006 was \$2.3 million, or \$0.16 per fully diluted share, compared to \$6.2 million, or \$0.43 per fully diluted share in the prior year.

Earnings before Interest, Taxes, Depreciation and Amortization and Other Income/(Expense) ("EBITDA") was \$14.0 million for the six months ended June 30, 2006, or 15.5% of revenues, compared with \$15.4 million, or 17.5% of revenues, for the same period in the prior year.

Capital expenditure totaled \$4.0 million in the first six months of 2006, compared to \$6.9 million in the first six months of 2005.

Net new business signings totaled \$50.8 million for the second quarter of 2006. This represented an increase of 10% from the second quarter orders in 2005. Net new business signings for the six months ended June 30, 2006 were \$107.4 million, an increase of 14% on the six months ended June 30, 2005. At June 30, 2006 backlog (booked on work) amounted to approximately \$144 million.

Brian Cass, LSR's President and Managing Director added, "We are delighted with the strong order levels we have experienced this year. We are now seeing an 18% growth over last year on this measure on a constant currency basis. This has been driven by increases in the pharmaceutical business which year on year is now up 27% at constant currency. Particularly pleasing within this was the support from the top global pharmaceutical companies. These order levels are beginning to flow through into increased revenues as we saw this quarter. Despite an unusually high expense profile this quarter we did show margin improvement from the first quarter and expect to maintain this going forward."

LSR will hold an investor conference call to discuss the quarter's results on Monday morning, August 7, 2006 at 9:30 a.m. Eastern Time. That call can be listened to by dialing (312) 470-0031 pass code 25264. We suggest calling five minutes prior to the scheduled call.

Life Sciences Research, Inc. is a global contract research organization providing product development services to the pharmaceutical, agrochemical and biotechnology industries. LSR brings leading technology and capability to support its clients in non-clinical safety testing of new compounds in early stage development and assessment. The purpose of this work is to identify risks to humans, animals or the environment resulting from the use or manufacture of a wide range of chemicals which are essential components of LSR's clients' products. The Company's services are designed to meet the regulatory requirements of governments around the world. LSR operates research facilities in the United States (the Princeton Research Center, New Jersey) and the United Kingdom (Huntingdon and Eye, England).

This announcement contains statements that may be forward-looking as defined by the Private Securities Litigation Reform Act of 1995. These statements are based largely on LSR's expectations and are subject to a number of risks and uncertainties, certain of which are beyond LSR's control, as more fully described in the Company's SEC filings, including its Form 10-K for the fiscal year ended December 31, 2005, as filed with the US Securities and Exchange Commission.

- tables to follow -

Life Sciences Research Inc. and Subsidiaries
Condensed Consolidated Statements of Income

	Unaudited			
	Three months ended		Six months ended	
	June 30		June 30	
(Dollars in thousands, except per share data)	2006	2005	2006	2005
Revenues	\$47,851	\$44,941	\$90,306	\$88,235
Cost of sales	(35,125)	(32,459)	(66,883)	(63,541)
Gross profit	12,726	12,482	23,423	24,694
Selling, general and administrative expenses	(7,881)	(7,074)	(14,552)	(14,086)
Operating income	4,845	5,408	8,871	10,608
Interest income	273	22	531	45
Interest expense	(3,932)	(1,934)	(6,895)	(3,717)
Other income/(expense)	2,234	(2,703)	1,263	(3,435)
Income before income taxes	3,420	793	3,770	3,501
Income tax expense	(2,283)	(2,455)	(2,163)	(2,639)
Income/(loss) before cumulative effect of accounting change	\$1,137	\$(1,662)	\$1,607	\$862
Cumulative effect of accounting change (net of income tax benefit of \$22,218)	(20,656)	-	(20,656)	-
Net (loss)/income	\$(19,519)	\$(1,662)	\$(19,049)	\$862
Basic (loss)/income per share				
Income/(loss) before cumulative effect of accounting change	\$0.09	\$(0.13)	\$0.13	\$0.07
Cumulative effect of accounting change	(1.63)	-	(1.64)	-
Basic (loss)/income per share	\$(1.54)	\$(0.13)	\$(1.51)	\$0.07
Diluted (loss)/income per share:				
Income/(loss) before cumulative effect of accounting change	\$0.08	\$(0.11)	\$0.11	\$0.06
Cumulative effect of accounting change	\$(1.42)	-	\$(1.42)	-
Diluted (loss)/income per share	\$(1.34)	\$(0.11)	\$(1.31)	\$0.06
Weighted average number of common stock				
- Basic (000's)	12,653	12,521	12,606	12,487
- Diluted (000's)	14,533	14,543	14,500	14,504

**Life Sciences Research Inc. and Subsidiaries
 Consolidated Balance Sheets**

(Dollars in thousands, except per share data)

	June 30, 2006 Unaudited	December 31, 2005 Audited
ASSETS		
Current assets:		
Cash and cash equivalents	\$42,830	\$15,420
Accounts receivable, net of allowance of \$728 and \$618 in 2006 and 2005 respectively	28,345	26,810
Unbilled receivables	14,257	11,981
Inventories	1,970	1,992
Prepaid expenses and other current assets	9,429	7,062
Total current assets	96,831	63,265
Property and equipment, net	56,785	105,605
Goodwill	1,422	1,195
Other assets	9,383	901
Unamortized capital bonds issue costs	-	70
Deferred income taxes	34,364	13,333
Total assets	\$198,785	\$184,369
LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)		
Current liabilities:		
Accounts payable	\$14,865	\$15,742
Accrued payroll and other benefits	3,711	3,655
Accrued expenses and other liabilities	14,140	15,862
Pension liabilities	4,994	4,635
Short-term debt	680	46,946
Fees invoiced in advance	35,941	32,920
Total current liabilities	74,331	119,760
Long-term debt	100,005	30,430
Pension liabilities, less short-term portion	52,514	48,747
Total liabilities	\$226,850	\$198,937
Commitments and contingencies		
Stockholders' equity/(deficit)		
Preferred Stock, \$0.01 par value. Authorized 5,000,000 Issued and outstanding: None	-	-
Non-Voting Common Stock, \$0.01 par value. Authorized 5,000,000 Issued and outstanding: None	-	-
Voting Common Stock, \$0.01 par value. Authorized 50,000,000 Issued and outstanding at June 30, 2006: 12,668,820 (December 31, 2005: 12,553,251)	127	126
Paid in capital	81,284	75,848
Less: Promissory notes for the issuance of common stock	(73)	(205)
Accumulated other comprehensive loss	(49,406)	(49,389)
Accumulated deficit	(59,997)	(40,948)
Total stockholders' equity/(deficit)	(28,065)	(14,568)
Total liabilities and stockholders' equity/(deficit)	\$198,785	\$184,369