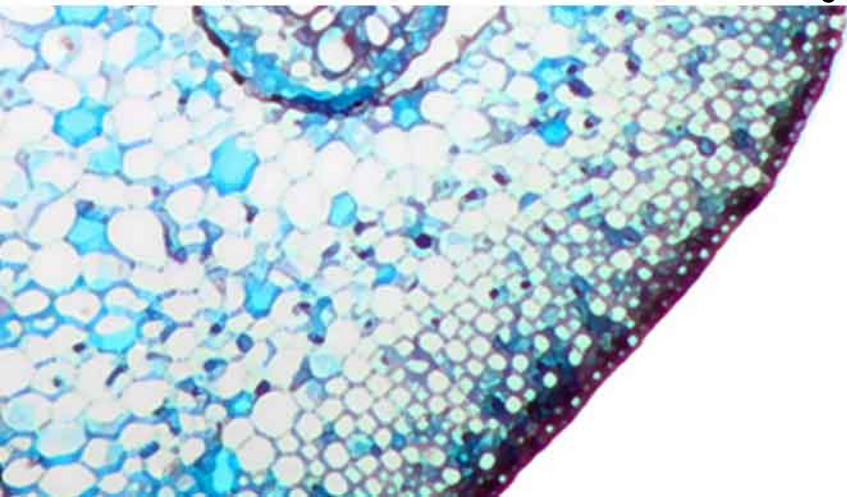


# First Quarter 2014 Earnings Call

May 1, 2014



# Forward Looking Statements and Use of Non-GAAP Financial Measures



*This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements reflect, among other things, the Company's current expectations and anticipated results of operations, all of which are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements, market trends or industry results to differ materially from those expressed or implied by such forward-looking statements. Therefore, any statements contained herein that are not statements of historical fact may be forward-looking statements and should be evaluated as such. Without limiting the foregoing, the words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "should," "guidance," "targets," "will" and the negative thereof and similar words and expressions are intended to identify forward-looking statements. Actual results may differ materially from the Company's expectations due to a number of factors, including that most of the Company's contracts may be terminated on short notice, the Company may be unable to maintain large customer contracts or to enter into new contracts, the Company may under-price its contracts, overrun its cost estimates, or fail to receive approval for or experience delays in documenting change orders; the historical indications of the relationship of backlog to revenues may not be indicative of their future relationship, the complex and changing regulatory and international environments in which the Company operates, the Company may be unable to successfully identify, acquire and integrate businesses, the Company's substantial indebtedness, and other risks more fully set forth in the Company's filings with the SEC, including the Company's annual report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 13, 2014, as such factors may be amended or updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). Unless legally required the Company assumes no obligation to update any forward-looking statement after the date of this presentation, whether as a result of new information, future developments or otherwise.*

*This presentation includes financial measures not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Management believes that these non-GAAP financial measures provide useful supplemental information to management and investors regarding the underlying performance of the Company's business operations and are more indicative of core operating results as they exclude certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the Company's business. Investors and potential investors are encouraged to review the reconciliations of the non-GAAP financial measures to their most directly comparable GAAP measures attached to this presentation.*

# First Quarter 2014 Overview



- ✓ Solid financial results for the first quarter of 2014
  - Over \$1.0 billion of service revenues in the quarter
  - 8.4% constant currency revenue growth in the quarter
  - 140 basis points of adjusted income from operations margin expansion which includes 110 basis points of foreign exchange benefit
  - 57.8% adjusted net income growth
  - 38.8% diluted adjusted earnings per share growth
  - \$10.1 billion of backlog

<i>Three Months Ended March 31, 2014</i>	<b>Net New Business</b> <i>(billions of dollars)</i>	<b>Book-to-Bill</b>
Product Development	\$1.005	1.30
Integrated Healthcare Services	\$0.269	1.15
Total	\$1.274	1.27

# Financial Highlights and Other Metrics



<i>(millions of dollars)</i>	Three Months Ended March 31		
	2014	2013	Change
Net New Business	\$ 1,274.0	\$ 1,245.0	2.3%
Service Revenues	\$ 1,005.3	\$ 927.4	8.4%
Adjusted Income from Operations	\$ 142.3	\$ 118.4	20.2%
Adjusted Income from Operations Margin	14.2%	12.8%	140 bps
Adjusted EBITDA	\$ 171.4	\$ 143.0	19.9%
Adjusted Net Income Attributable to Quintiles	\$ 90.9	\$ 57.6	57.8%
Diluted Adjusted EPS <sup>1</sup>	\$ 0.68	\$ 0.49	38.8%

## First Quarter 2014 Highlights

- ✓ 8.4% service revenue growth at both actual and constant currency exchange rates
- ✓ IHS segment service revenue growth of 7.9% at constant currency exchange rates and 6.0% at actual exchange rates
- ✓ 20.2% growth in adjusted income from operations
- ✓ 140 basis points of expansion in adjusted income from operations margin
- ✓ 57.8% growth in adjusted net income; 38.8% increase in Diluted Adjusted EPS
- ✓ Non-operating items contributed \$.04 per share to Diluted Adjusted EPS

<sup>1</sup> Diluted Adjusted EPS is represented in dollars.

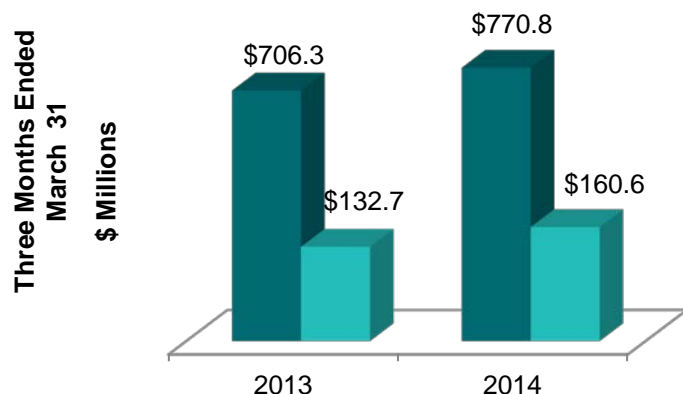
Reconciliations of the non-GAAP measures adjusted income from operations, adjusted income from operations margin, Adjusted EBITDA, adjusted net income attributable to Quintiles, and diluted adjusted earnings per share to the corresponding GAAP measures are attached in the Supplemental Information section of this presentation.

# Segment Performance

Service Revenues and Income from Operations

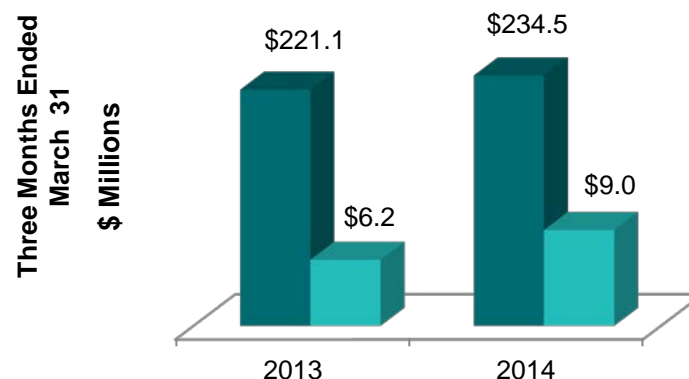


## Product Development



Actual Growth	9.1%	21.1%
Constant Growth <sup>1</sup>	8.6%	12.8%
Margin	18.8%	20.8%

## Integrated Healthcare Services



Actual Growth	6.0%	43.2%
Constant Growth <sup>1</sup>	7.9%	56.3%
Margin	2.8%	3.8%

Certain costs are not allocated to the Company's segments and are reported as general corporate and unallocated expenses. These costs primarily consist of share-based compensation and expenses for corporate overhead functions such as finance, human resources, information technology, facilities and legal. The Company does not allocate restructuring or impairment charges to its segments.

<sup>1</sup> The constant currency calculation is provided in the Supplemental Information section of this presentation.

# 2014 Guidance



Service Revenues range of \$4.13 billion to \$4.19 billion

- 8.4% to 10.0% year over year projected constant currency growth

Diluted Adjusted Earnings per share range of \$2.45 to \$2.58

- 16.7% to 22.9% year over year growth range at forecasted rates

Annual Effective Income Tax Rate of approximately 30%

This financial guidance is based on the actual results for the first three month period of 2014 combined with our targets for the following nine months of 2014, assuming the March foreign currency exchange rates stay in effect for the remainder of the year and does not reflect the impact of any future equity repurchases.

A reconciliation of forecasted diluted adjusted earnings per share to diluted GAAP net income per share is provided in the Supplemental Information section of this presentation.

# Summary



1 Good start to 2014

- ✓ IHS returned to growth with 7.9% constant currency service revenue growth
- ✓ Product Development continues to execute consistently with good revenue growth, productivity, and net new business

2 Recognitions during the quarter

- ✓ Best CRO in Asia for third consecutive time
- ✓ Recognized as the Industry Leader in Phase II/III Research for second year in a row by ISR
- ✓ Several Great Place to Work Awards

3 Strong delivery model

- ✓ Global business model that enables “global best services industry practices” across both segments

4 Consistent Strategic Agenda

- ✓ Investing in offerings and assets that leverage our scale and create value for our customers
- ✓ Leading with world-class, customer relationship management
- ✓ Driving quality, productivity and “proactive” delivery management
- ✓ Investing in our people for leadership development and a high performance workforce



## *Supplemental Information*

Constant Currency Reconciliation

Contractual Revenue Currency Mix and Foreign Exchange Analysis

Income Statement Non-GAAP Reconciliation

Adjusted Net Income and EPS Reconciliation

Adjusted EBITDA Reconciliation

Non-GAAP 2014 Guidance Reconciliation





# Constant Currency Reconciliation

## Service Revenues and Income from Operations



<i>(millions of dollars)</i>	<i>Three Months Ended March 31</i>			<i>Year on Year Growth</i>		
	<b>Actual</b>	<b>Exchange Impact</b>	<b>Constant</b>	<b>Actual</b>	<b>Exchange Impact</b>	<b>Constant</b>
<b>Consolidated</b>						
Service Revenues	\$ 1,005.3	\$ (0.5)	\$ 1,005.8	8.4%	0.0%	8.4%
Income from Operations	\$ 141.3	\$ 10.2	\$ 131.1	22.7%	8.9%	13.8%
Adjusted Income from Operations	\$ 142.3	\$ 10.2	\$ 132.1	20.2%	8.6%	11.6%
Adjusted Income from Operations Margin	14.2%		13.1%			
<b>Product Development</b>						
Service Revenues	\$ 770.8	\$ 3.7	\$ 767.1	9.1%	0.5%	8.6%
Income from Operations	\$ 160.6	\$ 11.0	\$ 149.6	21.1%	8.3%	12.8%
Income from Operations Margin	20.8%		19.5%			
<b>Integrated Healthcare Services</b>						
Service Revenues	\$ 234.5	\$ (4.2)	\$ 238.7	6.0%	(1.9%)	7.9%
Income from Operations	\$ 9.0	\$ (0.9)	\$ 9.9	43.2%	(13.1%)	56.3%
Income from Operations Margin	3.8%		4.1%			

Service revenues exchange impact equals the current period service revenues for foreign currency denominated contracts recalculated at the prior period exchange rates less the current period service revenues, while the exchange rate impacts on expenses equals the current period expenses recalculated at the prior period exchange rates less the current period expenses at actual rates.

The segment detail presented above excludes general corporate and unallocated expenses and restructuring costs.

# Contractual Revenue Currency Mix and Foreign Exchange Analysis



<i>Consolidated Service Revenues (millions of dollars)</i>						
	<b>USD</b>	<b>Sterling</b>	<b>Euro</b>	<b>Yen</b>	<b>Other<sup>1</sup></b>	<b>Total</b>
<b>1Q '14</b>	\$595.8	\$91.8	\$188.5	\$102.7	\$26.5	\$1,005.3
<i>% of total</i>	<i>59%</i>	<i>9%</i>	<i>19%</i>	<i>10%</i>	<i>3%</i>	<i>100%</i>
<b>1Q '13</b>	\$575.1	\$74.9	\$159.7	\$95.3	\$22.4	\$927.4
<i>% of total</i>	<i>62%</i>	<i>8%</i>	<i>17%</i>	<i>10%</i>	<i>3%</i>	<i>100%</i>
<b>1Q '14 Average Rate</b>		\$1.66	\$1.37	¥102.77		
<b>1Q '13 Average Rate</b>		\$1.55	\$1.32	¥92.30		
<b>% Increase (Decrease)</b>		6.6%	3.7%	(10.2%)		

<sup>1</sup> Other includes a mix of more than 40 currencies.

# Income Statement

## GAAP – Non-GAAP Reconciliation



Three Months Ended March 31 (millions of dollars)	2014			2013		
	Selling, General and Administrative	Income from Operations	Net Income Attributable to Quintiles	Selling, General and Administrative	Income from Operations	Net Income Attributable to Quintiles
<b>As Reported</b>	<b>\$ 219.2</b>	<b>\$ 141.3</b>	<b>\$ 90.2</b>	<b>\$ 199.3</b>	<b>\$ 115.2</b>	<b>\$ 48.3</b>
Adjustments						
Restructuring Costs	-	1.0	1.0	-	1.9	1.9
Management Fees	-	-	-	(1.3)	1.3	1.3
Tax Effect of Adjustments	-	-	(0.3)	-	-	(1.2)
Other Income Tax Adjustments	-	-	-	-	-	7.3 <sup>1</sup>
<b>Adjusted Non-GAAP Basis</b>	<b>\$ 219.2</b>	<b>\$ 142.3</b>	<b>\$ 90.9</b>	<b>\$ 198.0</b>	<b>\$ 118.4</b>	<b>\$ 57.6</b>
% of Service Revenues	<b>21.8%</b>	<b>14.2%</b>	<b>9.0%</b>	<b>21.4%</b>	<b>12.8%</b>	<b>6.2%</b>

<sup>1</sup>Represents the Company's change in its permanent reinvestment assertion during 2Q 2013 retroactively applied to 1Q 2013 for the new estimated annual effective income tax rate.

# Reconciliation of Net Income Attributable to Quintiles to Non-GAAP Adjusted EBITDA



<i>(millions of dollars)</i>	Three Months Ended March 31	
	2014	2013
<b>Net Income Attributable to Quintiles</b>	<b>\$ 90.2</b>	<b>\$ 48.3</b>
Income from Noncontrolling Interests	-	(0.2)
Interest Expense, Net	23.4	35.6
Income Tax Expense	37.4	32.2
Depreciation and Amortization	29.1	24.6
Restructuring Costs	1.0	1.9
Management Fees	-	1.3
Other Income	(4.8)	(2.4)
(Earnings) Losses from Unconsolidated Affiliates	(4.9)	1.7
<b>Non-GAAP Adjusted EBITDA</b>	<b>\$ 171.4</b>	<b>\$ 143.0</b>
<b>% of Service Revenues</b>	<b>17.1%</b>	<b>15.4%</b>

# Reconciliation of Net Income Attributable to Quintiles to Non-GAAP Adjusted Net Income and Diluted Adjusted EPS



<i>(millions of dollars)</i>	Three Months Ended March 31			
	2014	EPS <sup>1</sup>	2013	EPS <sup>1</sup>
<b>Net Income Attributable to Quintiles</b>	<b>\$ 90.2</b>	<b>\$ 0.68</b>	<b>\$ 48.3</b>	<b>\$ 0.41</b>
Restructuring Costs	1.0	0.01	1.9	0.02
Management Fees	-	-	1.3	0.01
Tax Effect of Adjustments <sup>2</sup>	(0.3)	(0.01)	(1.2)	(0.01)
Other Income Tax Adjustments <sup>3</sup>	-	-	7.3	0.06
<b>Non-GAAP Adjusted Net Income</b>	<b>\$ 90.9</b>	<b>\$ 0.68</b>	<b>\$ 57.6</b>	<b>\$ 0.49</b>
<b>Number of Diluted Shares Outstanding<sup>4</sup></b>	<b>133,040</b>		<b>118,740</b>	

<sup>1</sup> EPS is represented in dollars.

<sup>2</sup> The tax effect of adjustments was based on the income tax rate of the respective transactions, which was 38.5%, with the exception of restructuring costs which were tax effected at 24.5% during the current quarter compared with 36.0% in the 2013 quarter.

<sup>3</sup> Represents the Company's change in its permanent reinvestment assertion during 2Q 2013 retroactively applied to 1Q 2013 for the new estimated annual effective income tax rate.

<sup>4</sup> Diluted shares represented in thousands.

# Non-GAAP 2014 Guidance Reconciliation



	Non-GAAP Adjusted Net Income <i>(millions of dollars)</i>		Diluted Adjusted Earnings Per Share	
	Low	High	Low	High
Net income attributable to Quintiles	\$318	\$337	\$2.38	\$2.52
Restructuring costs	14	12	0.10	0.09
Tax effect of adjustments <sup>1</sup>	(4)	(4)	(0.03)	(0.03)
Adjusted net income and diluted adjusted earnings per share	\$328	\$345	\$2.45	\$2.58

<sup>1</sup> Restructuring costs are tax effected at approximately 30%.