

Third Quarter 2015 Earnings Call

October 28, 2015



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, but not limited to, that most of the Company's contracts may be terminated on short notice, and that 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 Company may be unable to maintain information systems or effectively update them; customer or therapeutic concentration could harm the Company's business; the Company's business is subject to risks associated with international operations, including economic, political and other risks such as compliance with a myriad of laws and regulations, complications from conducting clinical trials in multiple countries simultaneously and changes in exchange rates; the Company may be unable to successfully identify, acquire and integrate businesses, services and technologies; the Company's effective income tax rate may fluctuate, which may adversely affect our operations, earnings, and earnings per share; the Company relies on exemptions for "controlled companies" from certain corporate governance requirements during a one year transition period; certain of the Company's corporate governance documents could make an acquisition of the Company more difficult; and the Company has substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect the Company's financial condition. For a further discussion of the risks relating to the Company's business, see the "Risk Factors" in Quintiles' annual report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC, as such factors may be amended or updated from time to time in Quintiles' subsequent periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in Quintiles' filings with the SEC. The Company assumes no obligation to update any such forward-looking statement after the date of this release, 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.

Third Quarter 2015 Overview

- ✓ \$0.94 diluted adjusted earnings per share, representing 44.6% growth
 - Includes \$0.03 due to equity in earnings of unconsolidated affiliates
- ✓ 8.3% constant currency service revenue growth
- ✓ Net new business wins of \$1.16 billion
 - Product Development book-to-bill of 1.20; trailing 12-month book-to-bill of 1.36
 - Consolidated book-to-bill of 1.06; trailing 12-month book-to-bill of 1.27
- ✓ Backlog of \$11.75 billion

	Three Months Ended September 30, 2015		Nine Months Ended September 30, 2015	
	Net New Business <i>(billions of dollars)</i>	Book-to-Bill	Net New Business <i>(billions of dollars)</i>	Book-to-Bill
Product Development	\$0.97	1.20x	\$3.03	1.29x
Integrated Healthcare Services	\$0.19	0.68x	\$0.81	0.95x
Total	\$1.16	1.06x	\$3.83	1.20x

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

Financial Highlights and Other Metrics

<i>(millions of dollars)</i>	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	Change	2015	2014	Change
Net New Business	\$ 1,164.0	\$ 1,512.0	-23.0%	\$ 3,832.0	\$ 4,014.0	-4.5%
Service Revenues	\$ 1,093.5	\$ 1,061.0	3.1%	\$ 3,197.8	\$ 3,101.8	3.1%
Adjusted Income from Operations	\$ 179.0	\$ 150.9	18.6%	\$ 492.2	\$ 435.2	13.1%
Adjusted Income from Operations Margin	16.4%	14.2%	220 bps	15.4%	14.0%	140 bps
Adjusted EBITDA	\$ 220.7	\$ 181.6	21.6%	\$ 593.9	\$ 534.7	11.1%
Adjusted Net Income Attributable to Quintiles	\$ 117.6	\$ 85.0	38.4%	\$ 307.5	\$ 261.6	17.6%
Diluted Adjusted EPS ¹	\$ 0.94	\$ 0.65	44.6%	\$ 2.43	\$ 1.98	22.7%

Third Quarter 2015 Highlights

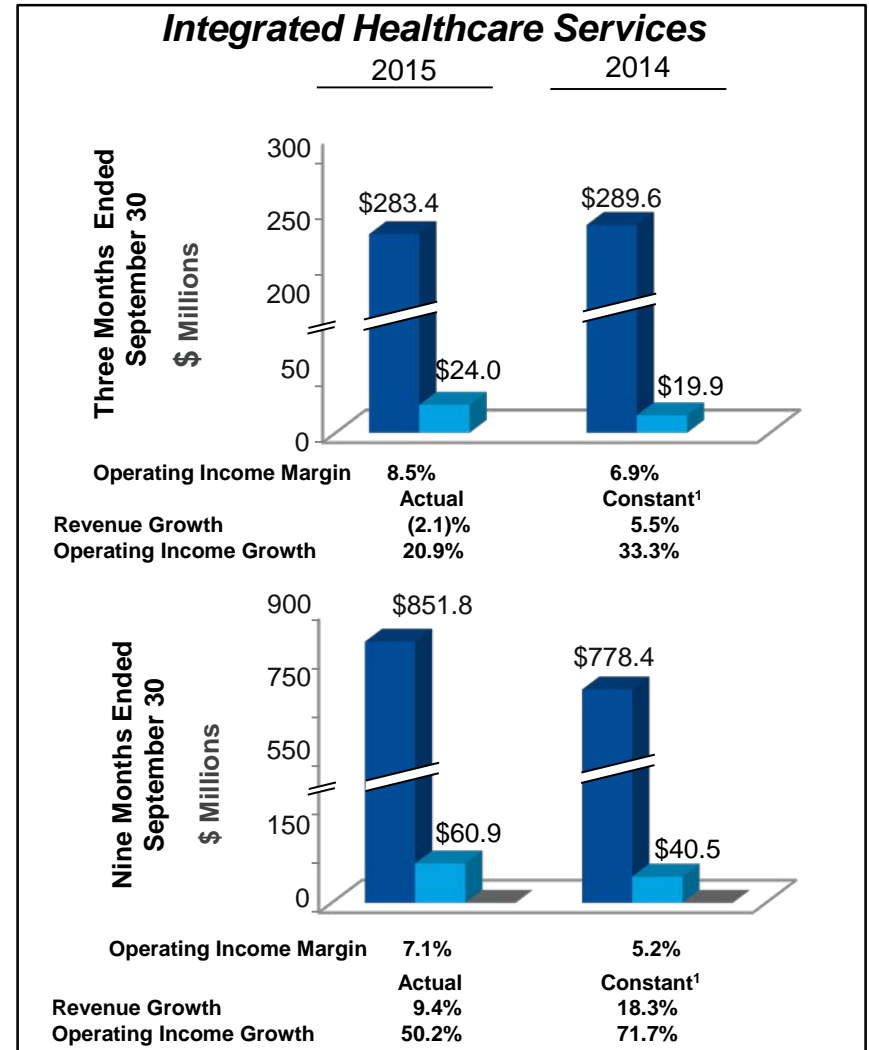
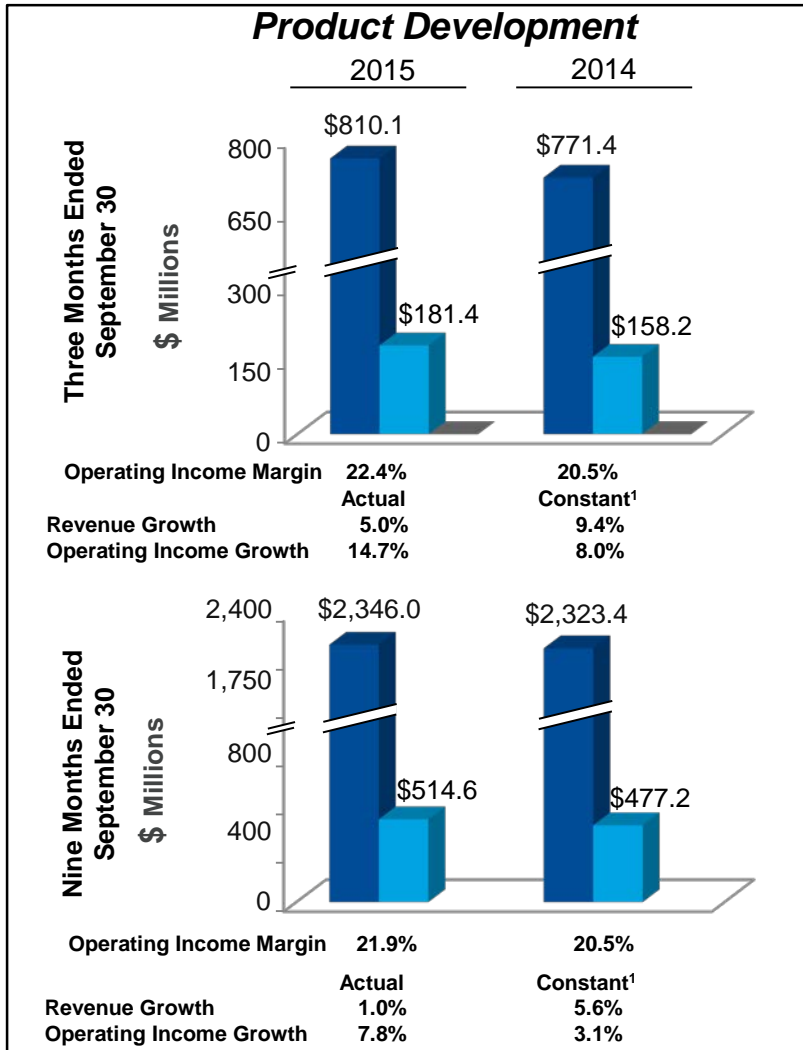
- ✓ 8.3% constant currency service revenue growth and 3.1% at actual exchange rates
- ✓ 9.4% PD constant currency service revenue growth and 5.0% at actual exchange rates
- ✓ Q3 2014 included large functional resourcing renewals in new business wins
- ✓ 220 basis points of expansion in adjusted income from operations margin due to improved IHS margins at constant currency and foreign currency benefits in PD
- ✓ Q² Solutions off to a good start

¹ 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 Operating Income



Revenues ■ Operating Income ■

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 charges to its segments.

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

Full Year 2015 Updated Guidance

Updating constant currency service revenue growth to a range of 8.6% - 9.2%

- Estimated 500 basis points of unfavorable foreign exchange at actual rates

Increasing diluted adjusted earnings per share range to \$3.27 - \$3.33¹

- 21.1% to 23.3% year over year growth range at forecasted exchange rates

Annual effective income tax rate of approximately 29.5%

This financial guidance assumes the end of September foreign currency exchange rates stay in effect for the remainder of the year and does not reflect the impact of any future equity repurchases.

¹A 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 2015 first nine months results
- ✓ 22.7% diluted adjusted EPS growth in first nine months
 - ✓ Beginning execution on recent strong bookings in Product Development and \$11.75 billion backlog
 - ✓ Sustained strength in Real World Late Phase business
 - ✓ Strong start for Q² Solutions
 - ✓ Management appointments

- 2 Recent recognition
- ✓ 2015 CRO Eagle Award by Society for Clinical Research Sites – 3rd consecutive year
 - ✓ Asia Pacific CRO Company of the Year by Frost & Sullivan – 7th win in 9 years
 - ✓ Named by ISR Reports as the preferred provider for Phase IV – 3rd consecutive year



Supplemental Information

Constant Currency Reconciliation

Contractual Revenue Currency Mix and Foreign Exchange Analysis

Income Statement Non-GAAP Reconciliation

Adjusted EBITDA Reconciliation

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Non-GAAP 2015 Guidance Reconciliation

2015 Constant Currency Reconciliation

Service Revenues and Income from Operations

<i>(millions of dollars)</i>	Three Months Ended September 30			Year on Year Growth		
	Actual	Exchange Impact	Constant	Actual	Exchange Impact	Constant
Consolidated						
Service Revenues	\$ 1,093.5	\$ (55.6)	\$ 1,149.1	3.1%	(5.2%)	8.3%
Income from Operations	\$ 167.0	\$ 10.0	\$ 157.0	12.0%	6.7%	5.3%
Adjusted Income from Operations	\$ 179.0	\$ 9.3	\$ 169.7	18.6%	6.2%	12.4%
Adjusted Income from Operations Margin	16.4%		14.8%			
Product Development						
Service Revenues	\$ 810.1	\$ (33.7)	\$ 843.8	5.0%	(4.4%)	9.4%
Income from Operations	\$ 181.4	\$ 10.6	\$ 170.8	14.7%	6.7%	8.0%
Income from Operations Margin	22.4%		20.2%			
Integrated Healthcare Services						
Service Revenues	\$ 283.4	\$ (21.9)	\$ 305.3	(2.1%)	(7.6%)	5.5%
Income from Operations	\$ 24.0	\$ (2.6)	\$ 26.6	20.9%	(12.4%)	33.3%
Income from Operations Margin	8.5%		8.7%			

<i>(millions of dollars)</i>	Nine Months Ended September 30			Year on Year Growth		
	Actual	Exchange Impact	Constant	Actual	Exchange Impact	Constant
Consolidated						
Service Revenues	\$ 3,197.8	\$ (176.8)	\$ 3,374.6	3.1%	(5.7%)	8.8%
Income from Operations	\$ 468.6	\$ 19.3	\$ 449.3	8.6%	4.5%	4.1%
Adjusted Income from Operations	\$ 492.2	\$ 17.4	\$ 474.8	13.1%	4.0%	9.1%
Adjusted Income from Operations Margin	15.4%		14.1%			
Product Development						
Service Revenues	\$ 2,346.0	\$ (107.3)	\$ 2,453.3	1.0%	(4.6%)	5.6%
Income from Operations	\$ 514.6	\$ 22.4	\$ 492.2	7.8%	4.7%	3.1%
Income from Operations Margin	21.9%		20.1%			
Integrated Healthcare Services						
Service Revenues	\$ 851.8	\$ (69.5)	\$ 921.3	9.4%	(8.9%)	18.3%
Income from Operations	\$ 60.9	\$ (8.7)	\$ 69.6	50.2%	(21.5%)	71.7%
Income from Operations Margin	7.1%		7.6%			

The exchange rate impacts on service revenues equals the current period service revenues at actual rates less the current period service revenues for foreign currency denominated contracts recalculated at the prior period exchange rates. The exchange rate impacts on expenses equals the current period expenses at actual rates less the current period expenses recalculated at the prior period exchange 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>						
	USD	Sterling	Euro	Yen	Other¹	Total
3Q '15	\$747.2	\$68.5	\$145.7	\$94.4	\$37.7	\$1,093.5
<i>% of total</i>	68%	6%	14%	9%	3%	100%
3Q '14	\$665.8	\$78.6	\$169.7	\$110.5	\$36.4	\$1,061.0
<i>% of total</i>	64%	7%	16%	10%	3%	100%
3Q '15 Average Rate		\$1.55	\$1.11	¥122.17		
3Q '14 Average Rate		\$1.67	\$1.33	¥103.98		
% Increase (Decrease)		(7.2%)	(16.0%)	(14.9%)		

<i>Consolidated Service Revenues (millions of dollars)</i>						
	USD	Sterling	Euro	Yen	Other¹	Total
YTD 2015	\$2,159.4	\$205.5	\$426.2	\$293.3	\$113.4	\$3,197.8
<i>% of total</i>	68%	6%	13%	9%	4%	100%
YTD 2014	\$1,907.8	\$254.3	\$527.0	\$320.7	\$92.0	\$3,101.8
<i>% of total</i>	62%	8%	17%	10%	3%	100%
YTD '15 Average Rate		\$1.53	\$1.12	¥120.87		
YTD '14 Average Rate		\$1.67	\$1.36	¥102.95		
% Increase (Decrease)		(8.2%)	(17.7%)	(14.8%)		

¹ Other includes a mix of more than 40 currencies.

Income Statement

GAAP – Non-GAAP Reconciliation

Three Months Ended September 30 (millions of dollars)	2015		2014	
	Income from Operations	Net Income Attributable to Quintiles	Income from Operations	Net Income Attributable to Quintiles
As Reported	\$ 167.0	\$ 111.3	\$ 149.1	\$ 92.7
Adjustments				
Restructuring Costs	12.0	12.0	1.8	1.8
Adjustment to Estimated Contingent Consideration ¹	-	0.1	-	(8.8)
Noncontrolling Interests Effect of Non-GAAP Adjustments ²	-	(2.3)	-	-
Tax Effect of Adjustments	-	(3.5)	-	(0.7)
Adjusted Non-GAAP Basis	\$ 179.0	\$ 117.6	\$ 150.9	\$ 85.0
% of Service Revenues	16.4%	10.8%	14.2%	8.0%

Nine Months Ended September 30 (millions of dollars)	2015		2014	
	Income from Operations	Net Income Attributable to Quintiles	Income from Operations	Net Income Attributable to Quintiles
As Reported	\$ 468.6	\$ 282.6	\$ 431.5	\$ 268.0
Adjustments				
Restructuring Costs	23.5	23.5	3.7	3.7
Adjustment to Estimated Contingent Consideration ¹	-	6.0	-	(8.8)
Loss on Extinguishment of Debt	-	7.8	-	-
Noncontrolling Interests Effect of Non-GAAP Adjustments ²	-	(2.3)	-	-
Tax Effect of Adjustments	-	(10.1)	-	(1.3)
Adjusted Non-GAAP Basis	\$ 492.2	\$ 307.5	\$ 435.2	\$ 261.6
% of Service Revenues	15.4%	9.6%	14.0%	8.4%

¹ Change in estimated fair value of contingent consideration on business combinations.

² Reflects the portion of Q² Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

Note: Totals may not sum due to rounding; percentages are calculated from the actual results rounded to the nearest thousand.

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

<i>(millions of dollars)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Net Income Attributable to Quintiles	\$ 111.3	\$ 92.7	\$ 282.6	\$ 268.0
Interest Expense, Net	24.3	24.4	72.8	71.7
Income Tax Expense	40.2	41.3	108.0	111.0
Depreciation and Amortization	32.9	30.2	93.2	89.1
Restructuring Costs	12.0	1.8	23.5	3.7
Adjustment to Estimated Contingent Consideration ¹	0.1	(8.8)	6.0	(8.8)
Loss on Extinguishment of Debt	-	-	7.8	-
Non-GAAP Adjusted EBITDA	\$ 220.7	\$ 181.6	\$ 593.9	\$ 534.7
% of Service Revenues	20.2%	17.1%	18.6%	17.2%

¹ Change in estimated fair value of contingent consideration on business combinations.

Note: Totals may not sum due to rounding; percentages are calculated from the actual results rounded to the nearest thousand.

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 September 30				Nine Months Ended September 30			
	2015		2014		2015		2014	
	\$	\$	\$	\$	\$	\$	\$	\$
	EPS ¹		EPS ¹		EPS ¹		EPS ¹	
Net Income Attributable to Quintiles	\$ 111.3	\$ 0.89	\$ 92.7	\$ 0.71	\$ 282.6	\$ 2.24	\$ 268.0	\$ 2.03
Restructuring Costs	12.0	0.10	1.8	0.01	23.5	0.19	3.7	0.03
Adjustment to Estimated Contingent Consideration	0.1	-	(8.8)	(0.07)	6.0	0.05	(8.8)	(0.07)
Loss on Extinguishment of Debt	-	-	-	-	7.8	0.06	-	-
Noncontrolling Interests Effect of Non-GAAP Adjustments ²	(2.3)	(0.02)	-	-	(2.3)	(0.02)	-	-
Tax Effect of Adjustments ³	(3.5)	(0.03)	(0.7)	(0.01)	(10.1)	(0.08)	(1.3)	(0.01)
Non-GAAP Adjusted Net Income	\$ 117.6	\$ 0.94	\$ 85.0	\$ 0.65	\$ 307.5	\$ 2.43	\$ 261.6	\$ 1.98
Number of Diluted Shares Outstanding⁴	125,339		130,626		126,443		131,903	

¹ EPS is represented in dollars.

² Reflects the portion of Q² Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

³ The tax effect of adjustments was based on the income tax rate of the respective transactions, which was 38.5%, with the exception of i) restructuring costs which were tax effected at 29.2% and 39.3% during the three months ended September 30, 2015 and 2014, respectively, and 30.3% and 34.6% during the nine months ended September 30, 2015 and 2014, respectively and ii) contingent consideration which is not tax effected as it represents a permanent difference between book and tax income.

⁴ Diluted shares are represented in thousands.

Note: Totals may not sum due to rounding; percentages are calculated from the actual results rounded to the nearest thousand.

Non-GAAP Full Year 2015 Guidance Reconciliation

	Non-GAAP Adjusted Net Income (millions of dollars)		Diluted Adjusted Earnings Per Share	
	Low	High	Low	High
Net Income Attributable to Quintiles	\$ 382	\$ 392	\$3.02	\$3.11
Restructuring Costs	32	28	0.25	0.22
Loss on Extinguishment of Debt	8	8	0.06	0.06
Adjustment to Estimated Contingent Consideration	6	6	0.05	0.05
Noncontrolling Interests Effect of Non-GAAP Adjustments ¹	(2)	(2)	(0.02)	(0.02)
Tax Effect of Adjustments ²	(13)	(11)	(0.10)	(0.09)
Adjusted Net Income and Diluted Adjusted Earnings Per Share	\$ 413	\$ 420	\$3.27	\$3.33

¹ Reflects the portion of Q² Solutions' after-tax non-GAAP adjustments attributable to the minority interest partner.

² The tax effect of adjustments was based on the income tax rate of the respective transactions, which was 30% for Restructuring Costs and 38.5% for Loss on Extinguishment of Debt. Adjustment to Estimated Contingent Consideration is not tax effected as it represents a permanent difference between book and tax income. Noncontrolling Interest Effect of Non-GAAP Adjustments is presented net of tax.

Note: Totals may not sum due to rounding.