Quintiles Analyst Day

Tom Pike
Chief Executive Officer



© Copyright 2014 Quintiles

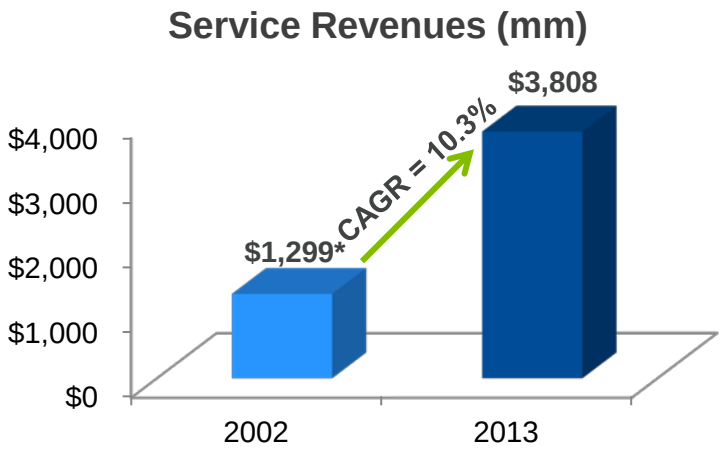
Forward Looking Statements and Use of Non-GAAP Financial Measures

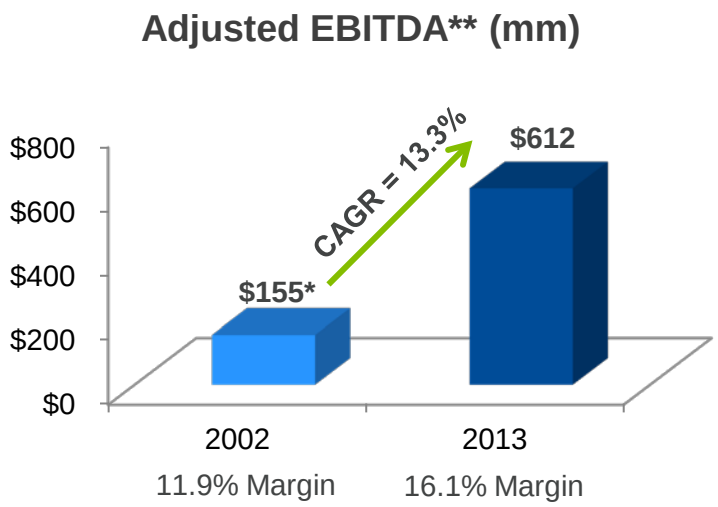
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements reflect, among other things, the Company's current expectations and anticipated 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 Company is subject to 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. 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.

32 Years and a Strong Foundation

Financial Track Record





- Founded by Dr. Dennis Gillings in 1982
- Industry pioneer
- Mathematical roots, intellectually strong
- Navigated the past, difficult decade with unparalleled success
- Restructured while private
- Powered through the recession

Quintiles has a superior foundation for future growth

* - Excludes subsequently divested or disposed of impact from Informatics, PharmaBio and Early Development ($294mm aggregate service revenues and $43mm of Adjusted EBITDA).

** - Adjusted EBITDA is equal to income from operations adjusted for certain add-backs (restructuring costs, impairment charges, transaction expenses, depreciation/ amortization, certain cash and non-cash bonuses paid to certain option holders and management fees) and deductions (to exclude the results of our former Capital Solutions segment, which primarily consisted of our PharmaBio subsidiary that was deconsolidated in 2010. These adjustments are reflected for each period presented.

Enterprise Vision and Strategy

Quintiles Vision



We bring people and knowledge together for a healthier world

Biopharma Product Development

- Clinical Services
- Differentiated Offerings
- New Markets

Integrated Healthcare Services

- Commercial Services
- Differentiated Offerings
- New Markets

Our Customer Promise

"Improve your probability of success"

- Excellence at Global People, Process & Technology
- Scientific, Therapeutic & Rx Experience
- Quantitative & Analytical Expertise

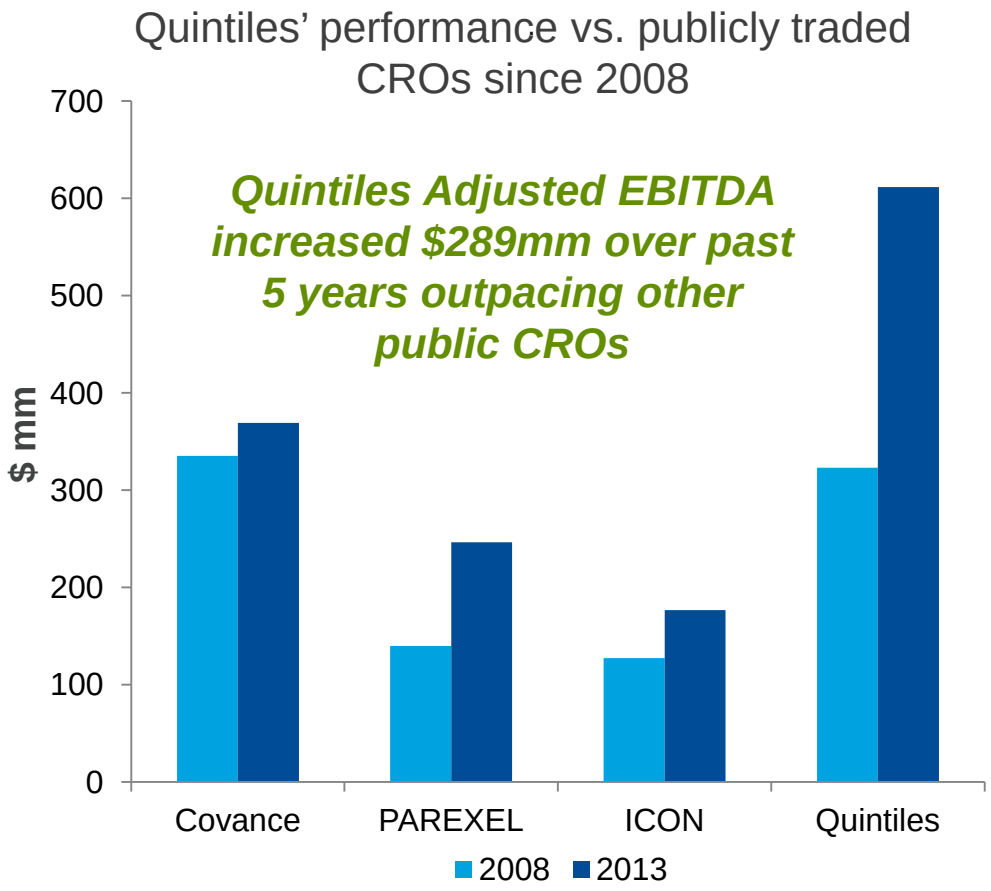
Our Strategic Agenda

- Profitable growth at above market rates
- Lead with investments that leverage our scale and differentiate us (Science, Technology, Global Workforce)
- World-class customer relationship management and offerings that provide value to customers
- Drive Productivity, Delivery and Quality, and measure our success
- Top-quality leadership development and a high-performance workforce

QUINTILES

“Separation” from Competitors

Quintiles’ value proposition has created superior industry margin



- ✓1.29x 2013 and trailing twelve month Book-to-Bill; 5 year average of 1.23x
- ✓Added more backlog in last year than other 3 combined publically traded CROs
- ✓#1 Service revenues: ~ next two largest publicly traded competitors combined
- ✓#1 Late Stage CRO
- ✓#1 CSO, #1 Real World Late Phase
- ✓Deepest medical, scientific and mathematical expertise
- ✓Decade of technology leadership

Quintiles figures exclude PharmaBio, Duloxetine Royalty Sub and Eliminations.
Quintiles Adjusted EBITDA is equal to income from operations adjusted for certain add-backs (restructuring costs, impairment charges, transaction expenses, depreciation/amortization, certain cash and non-cash bonuses paid to certain option holders and management fees) and deductions (to exclude the results of our Capital Solutions segment, which primarily consisted of our PharmaBio subsidiary that was deconsolidated in 2010). These adjustments were reflected for each period presented.
Data source for publicly traded CROs: Thomson One. Data as of 12/31/2013.

QUINTILES

Quintiles

Leader in BioPharma Services



Financial Strength and Execution Momentum

QUINTILES

Agenda

Improve Your Probability of Success

8:00 – Introduction and Welcome	Tom Pike, Chief Executive Officer
8:15 – The Landscape	Adrian McKemey, Senior Vice President, Quintiles Consulting
8:30 – Customer Relationship Management and Enterprise Sales	Paul Spreen, Senior Vice President, Enterprise Sales
8:45 – Product Development	Paula Brown Stafford, President, Clinical Development
9:25 – Integrated Healthcare Services	Scott Evangelista, President, Integrated Commercial Services
9:55 – Real-World Late Phase	Cynthia Verst, President, Real-World and Late Phase Research
10:15 – Break	
10:25 – Technology Highlights	Richard Thomas, Chief Information Officer
11:05 – Financial Overview	Kevin Gordon, Chief Financial Officer
11:20 – Q&A	
12:00 – Summary and Conclusion	Tom Pike, Chief Executive Officer

Quintiles Analyst Day Presenters



Tom Pike
Chief Executive Officer

Years of Experience: 33
(3rd year at Quintiles)



Adrian McKemey, MD
Senior Vice President, Quintiles Consulting

Years of Experience: 20
(7th year at Quintiles)



Paul Spreen
Senior Vice President, Enterprise Sales

Years of Experience: 25
(18th year at Quintiles)



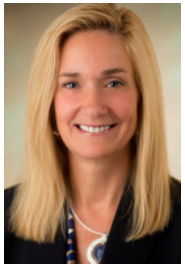
Paula Brown Stafford
President, Clinical Development

Years of Experience: 29
(29th year at Quintiles)



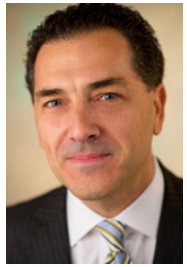
Scott Evangelista
President , Integrated Commercial Services

Years of Experience: 25
(1st year at Quintiles)



Cynthia Verst, PharmD
President, Real-World and Late Phase Research

Years of Experience: 19
(3rd year at Quintiles)



Richard Thomas
Chief Information Officer

Years of Experience: 26
(9th year at Quintiles)



Kevin Gordon
Executive Vice President, Chief Financial Officer

Years of Experience: 30
(5th year at Quintiles)

QUINTILES®

Landscape, Changes and Opportunities

Adrian McKemey
Senior Vice President Consulting



© Copyright 2014 Quintiles

Burgeoning landscape of disease

Today
39,000 people worldwide
will be diagnosed with cancer

CV disease deaths this year
1,500,000 in China and 1,370,000 Russia & India

5,700 patients with asthma will visit an emergency room in the United States today

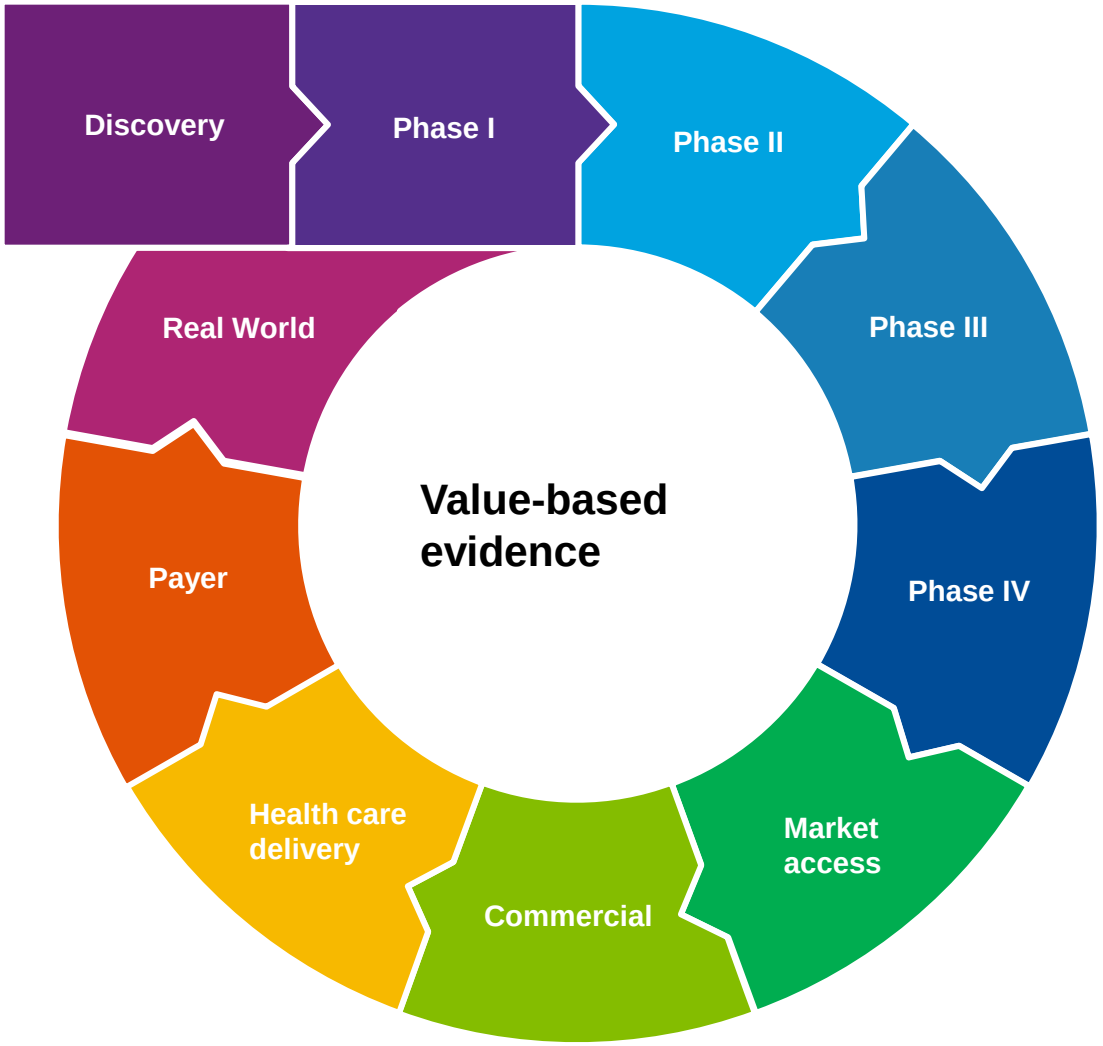
Every minute
a child dies of malaria in Africa

Somewhere in the world every
4 seconds
Alzheimer's robs a person of his/her memory

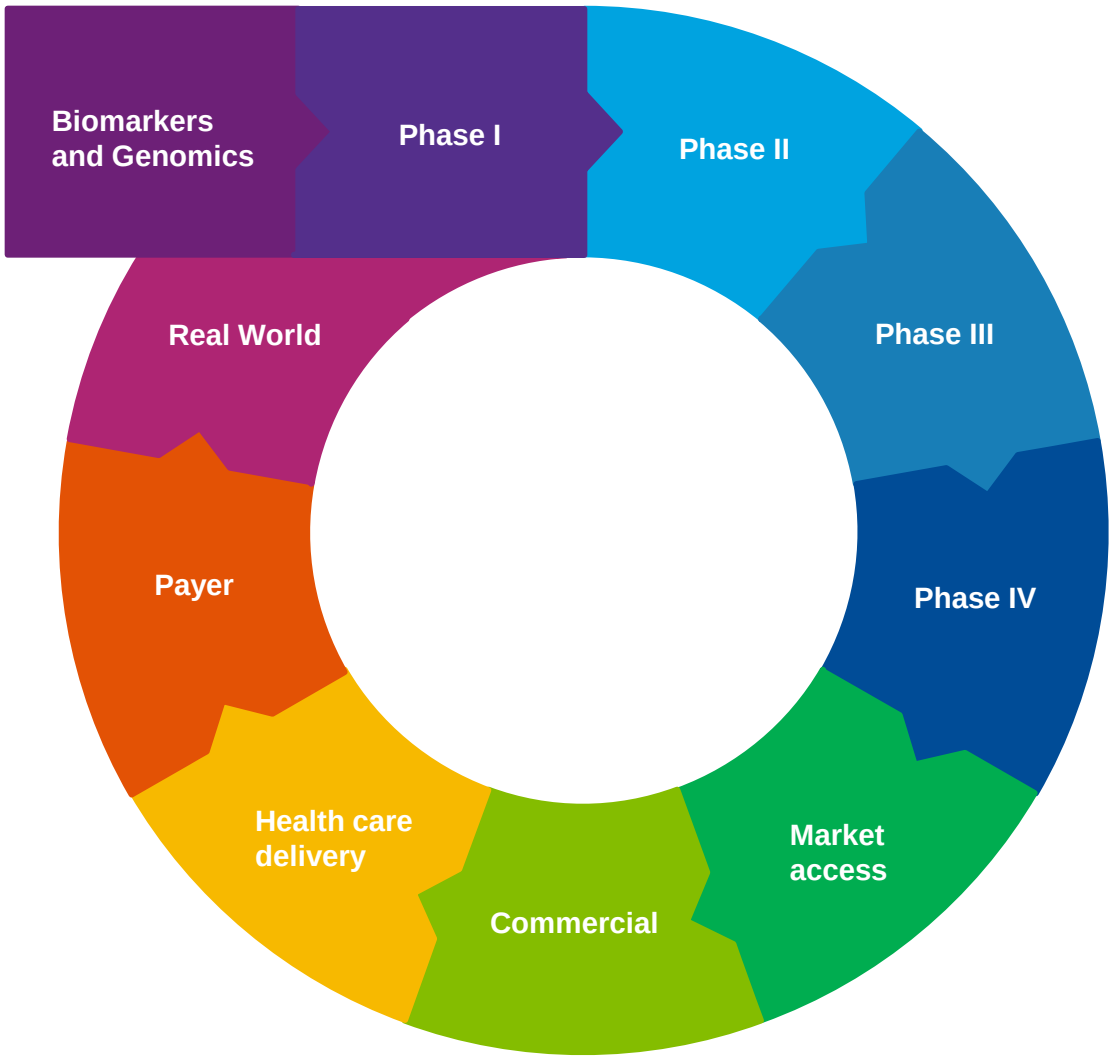
QUINTILES

Burgeoning landscape of disease

+ Unprecedented health-ecosystem changes

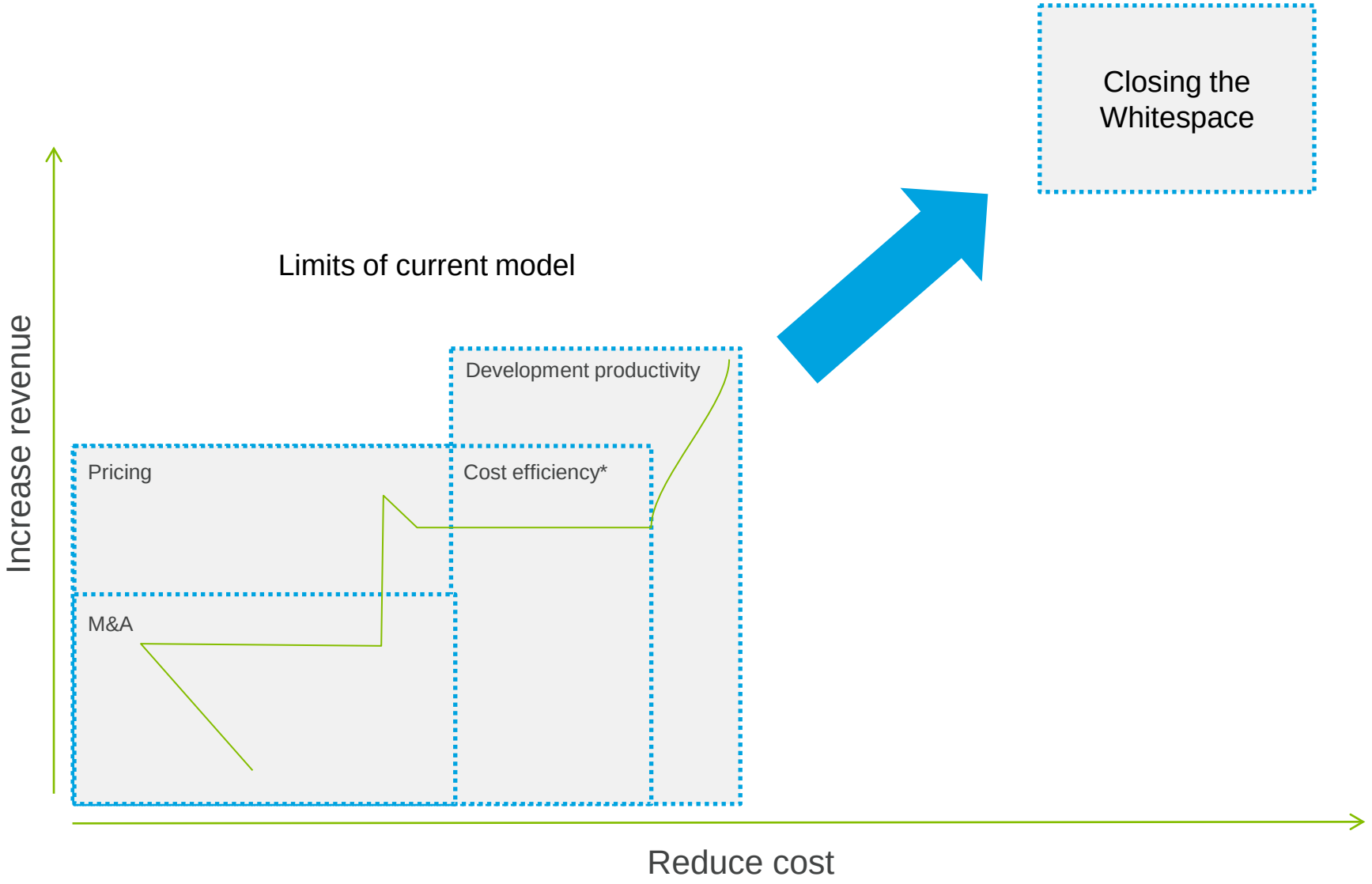

Discovery
Phase I
Phase II
Phase III
Phase IV
Market access
Commercial
Health care delivery
Payer
Real World
Value-based evidence

QUINTILES®


Biomarkers and Genomics
Phase I
Phase II
Phase III
Phase IV
Market access
Commercial
Health care delivery
Payer
Real World

QUINTILES®

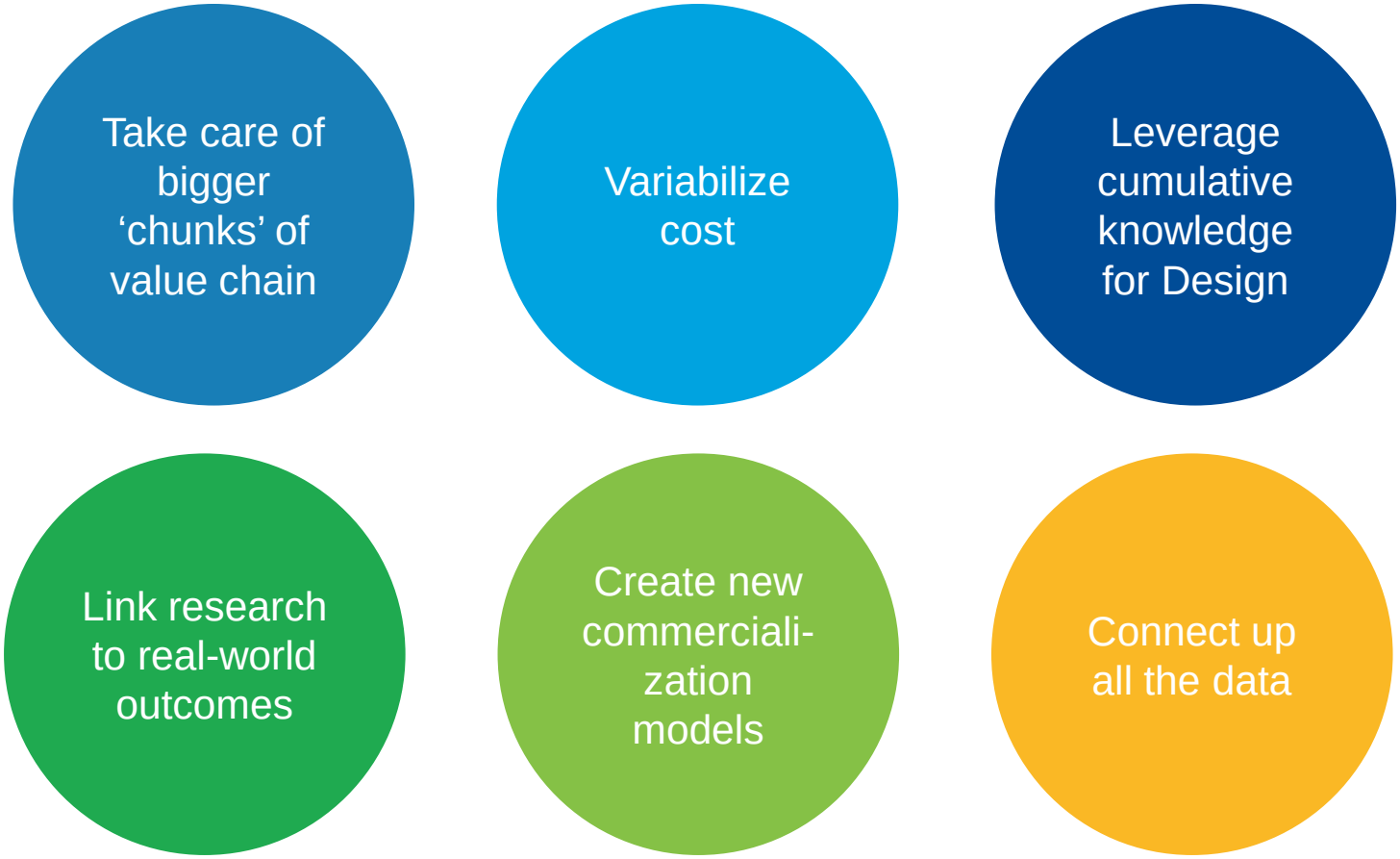




QUINTILES

* Including outsourcing

The reactions and demands from healthcare eco-system customers



Burgeoning landscape of disease + Unprecedented health-ecosystem changes

---

Unparalleled opportunity

Winning the race to capture the opportunity:

Scale

- Comprehensive services from first in human, through clinic, to commercialization and real-world evidence
- Global talent in each discipline in every market

Insight

- Proven ability to variabilize cost
- Innovative and connective technologies

Quality

- Holistic management
- Track record as a trusted partner

QUINTILES

Total market of ~$200bn across both segments with increasing outsourcing penetration which drives estimated growth of 5% – 8% per year from 2013 – 2016



(1) Based on Company estimates
(2) Includes market access, reimbursement, observational studies, comparative effectiveness research, health economics & outcomes research and commercial consulting

Quintiles Customer Relationship Management & Enterprise Sales

Paul Spreen
Senior Vice President, Enterprise Sales



© Copyright 2014 Quintiles

Deep Customer Relationships

Largest backlog in industry with diversification and sustainability

Worked with all top 20 biopharma companies in each of last 11 years

All of our top 25 key customers worked with both Quintiles segments: PD and IHS

$100mm+ service revenues from at least 8 customers in each of past 6 years

~65% of service revenues outside of US

~51% of 2013 net new business from outside the Top 20 Pharma

< 10% of revenues from largest customer – diverse customer base

Worked with **over 500** biopharma customers

C-Level access and relationships

Backlog by Top 50 Pharma



(1) Backlog as of 6/30/14 by customer based on Pharma Exec's Pharma 50 2014 ranking by 2013 Rx Sales

Customer Partnering Evolution

Needs vary by customers – we are positioned for growth across all models

Transactional Services

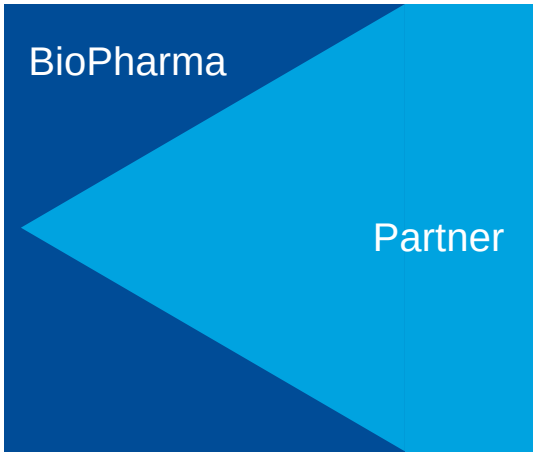
Thinking *Doing*



- Transactional RFPs
- Tactical execution
- Diffuse accountability

Partnered Services

Thinking *Doing*



- Partnership trust & relationship
- Strategic plan & execution
- Empowered authority & aligned incentives

End-to-End Partnership Solutions

Thinking *Doing*



- Blurred edges of responsibility in strategic development and CDP production
- High level of trust, transparency with metrics delivered via technology

QUINTILES

Customer Relationship Management

Driving a dynamic customer development strategy

Segmenting, Developing & Managing Customers



Account Qualification

Based on:

- Financial standing (R&D, Rx Sales)
- Development pipeline and in-line products
- Relationship with Quintiles
- Ongoing work with Quintiles



Segmentation

Segments:	**n**	**% of 2013 Net NBW**
• Enterprise	11	35%
• Elite	16	32%
• Core (Mid & Small)	>400	33%
• Regional & Local		



Targeting, Developing & Managing Customers

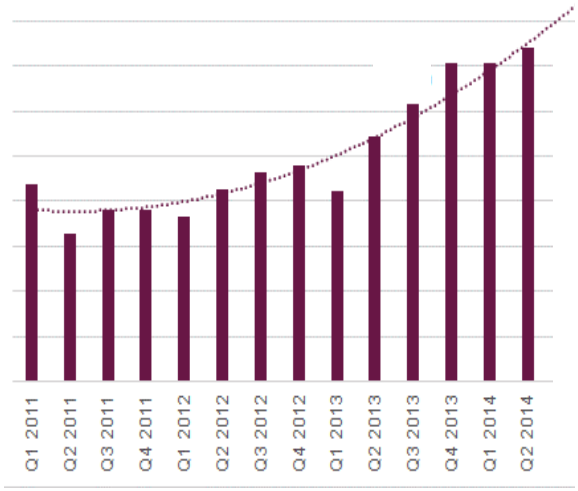
Elements tailored to account segment & customer needs:

- Governance
- Level of dedicated resources (Managing Director teams)
- Account coverage model
- Account planning

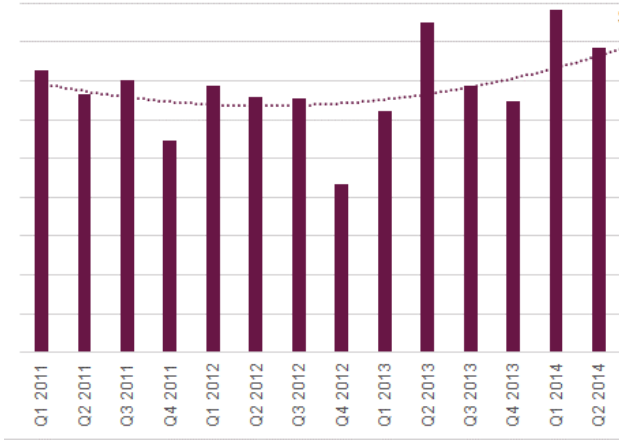
Customer Relationship Management

Well managed business development processes

Product Development Pipeline



Integrated Healthcare Services Pipeline



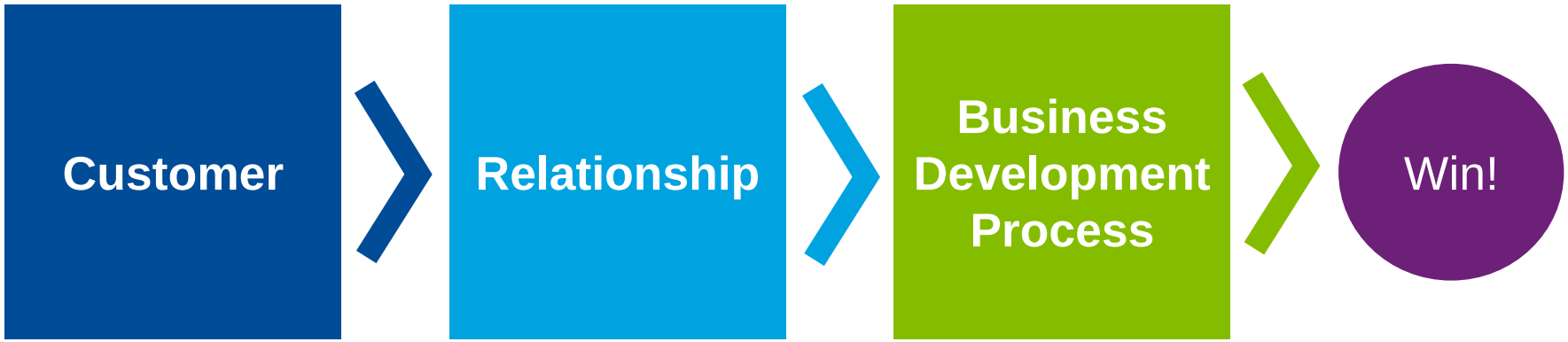
QUINTILES

Graphs not to same scale

World-Class Business Development Processes

Largest pipeline and industry-leading NNB

Therapeutic & Financial Screening



- Existing Customers
- Prospects
- Market Segments

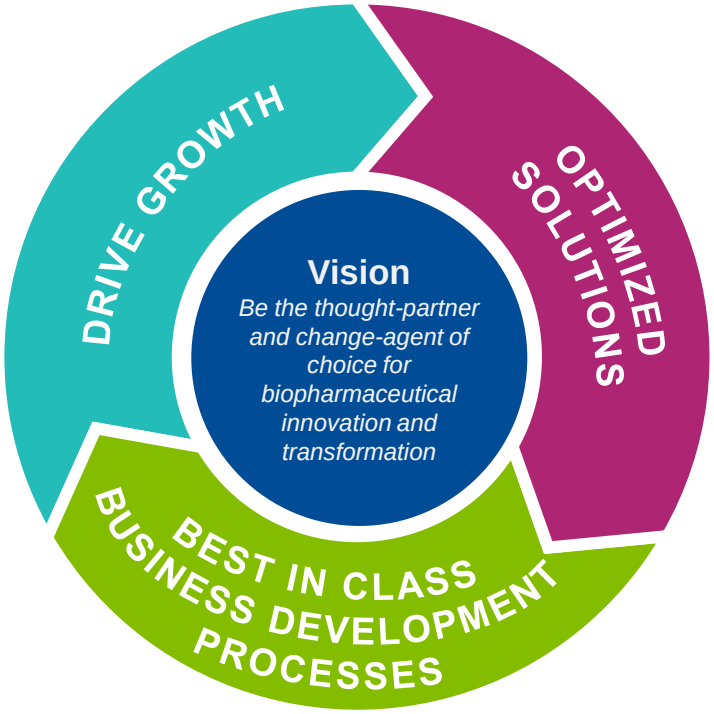
- Inside Sales
- Sales Reps
- Dedicated Customer Teams

- Unprecedented Insights and Knowledge
- CRM Usage
- World-Class Proposal Management
- Executive Engagement

QUINTILES

Relationship Management & Enterprise Sales – Takeaways

Industry leadership through differentiated value



- **Largest backlog in industry of $10.3 billion with a trailing twelve month book to bill of 1.29**
- **Diversified customer portfolio** across biopharma segments with tailored segment solutions
- **Differentiated enterprise solutions** to **capture greater share** of growing outsourced market
- **Well managed** business development organization that uses data and metrics coupled with **proactive customer insights to enable dynamic selling**

Quintiles Product Development

Paula Brown Stafford
President Clinical Development



© Copyright 2014 Quintiles

Product Development Market

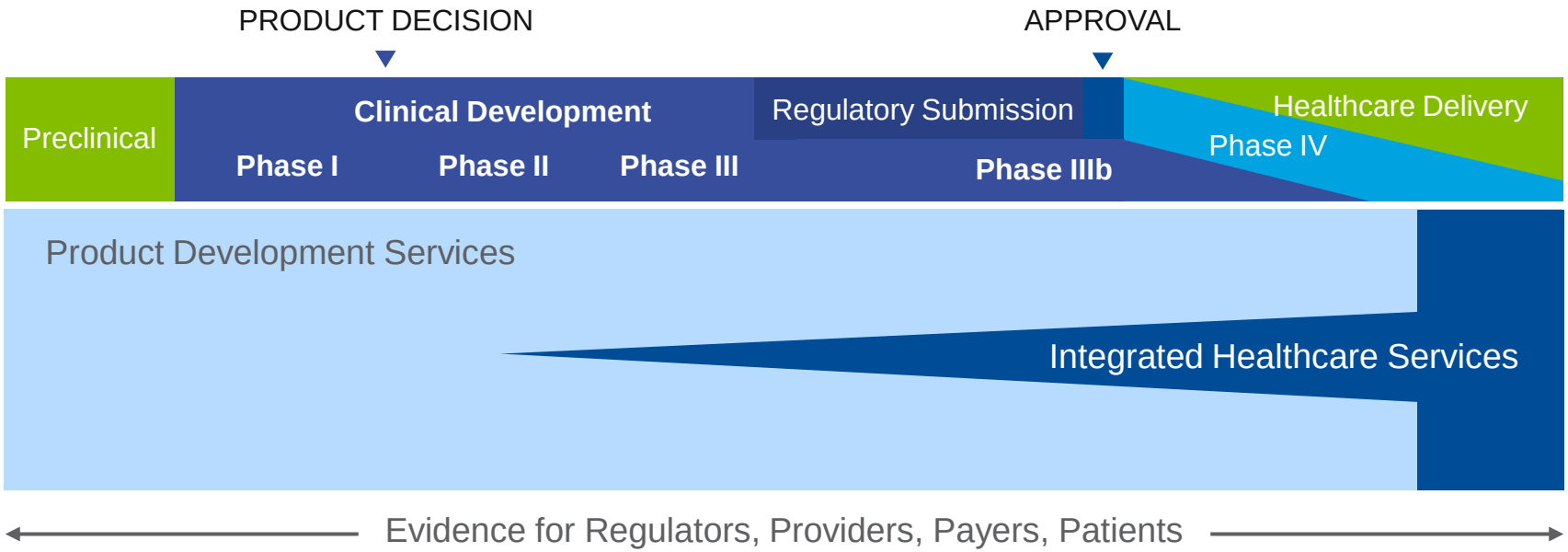
5%-8% estimated growth per year from 2013-2016

$93bn Product Development Market

$51bn Addressable Market Phase I-IV Clinical

$19bn Outsourced Phase I-IV Clinical

Outsourcing is estimated to approach 47% by 2017



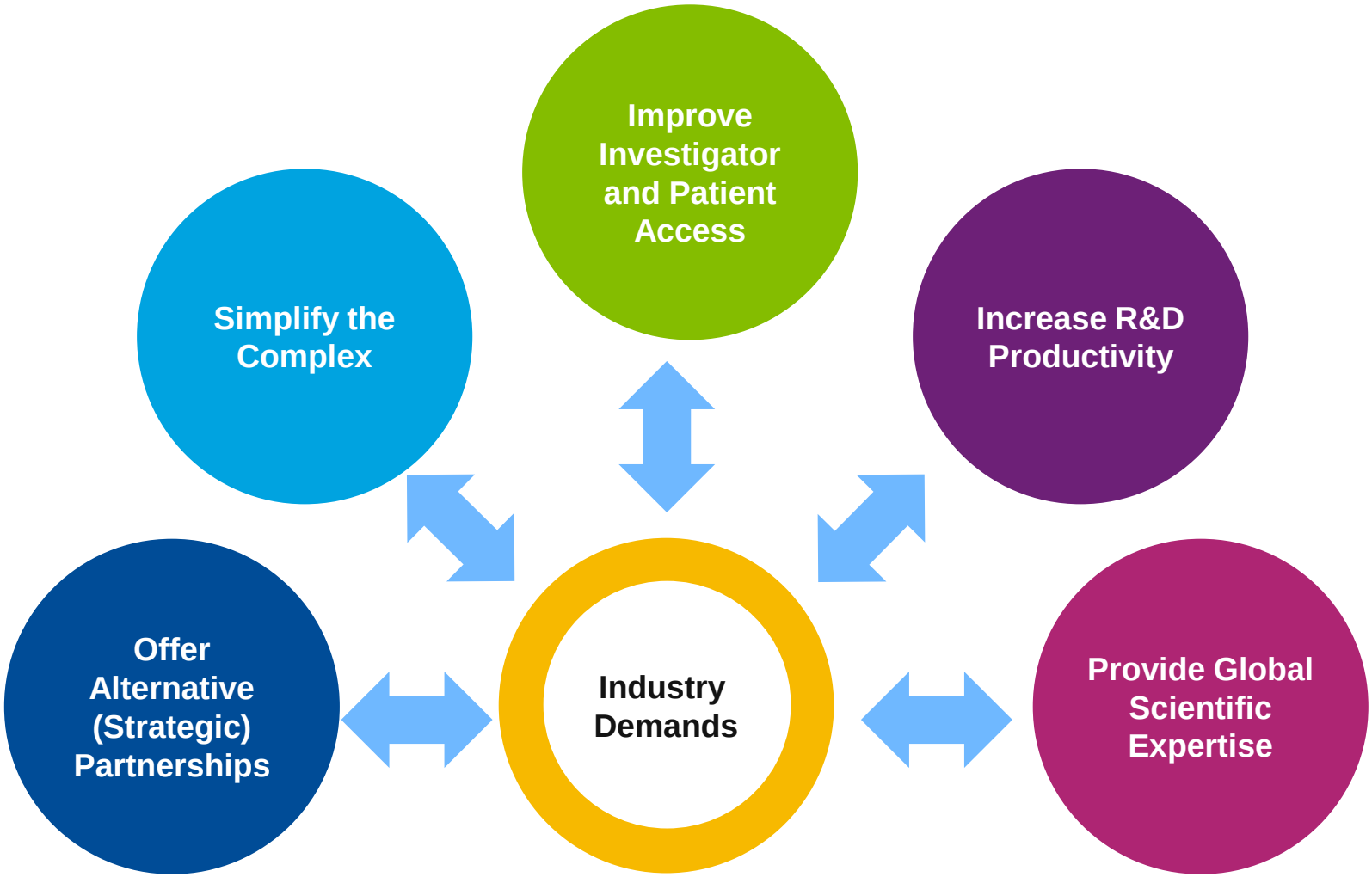
Continued Momentum

Six Months Ended June 30, 2014

FINANCIAL HIGHLIGHTS		DRIVERS
1.21	Book to Bill	Strong pipeline across all customer segments. Trailing twelve month book to bill of 1.22.
7.6%	Constant Currency Revenue Growth	Growth primarily from clinical operations, lab services and Novella, offset by the completion of our largest clinical trial ever at the end of 2013.
20.6%	Income from Operations Margin	180 basis points of income from operations margin expansion. 80 basis points of expansion from productivity and 100 basis points from foreign exchange benefits.
12.0%	Constant Currency Segment Income from Operations Growth	Revenue growth coupled with productivity from operations and foreign exchange benefits.

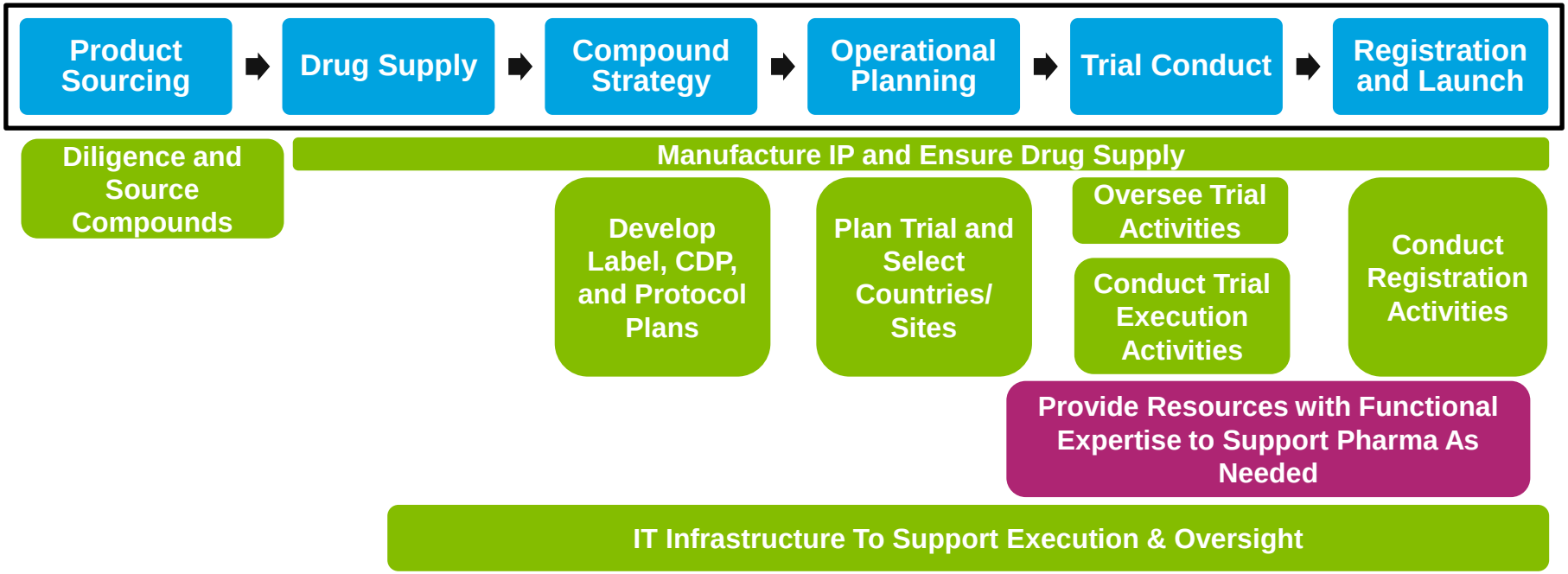
Market Drivers

We understand the needs of biopharma and how the industry is evolving



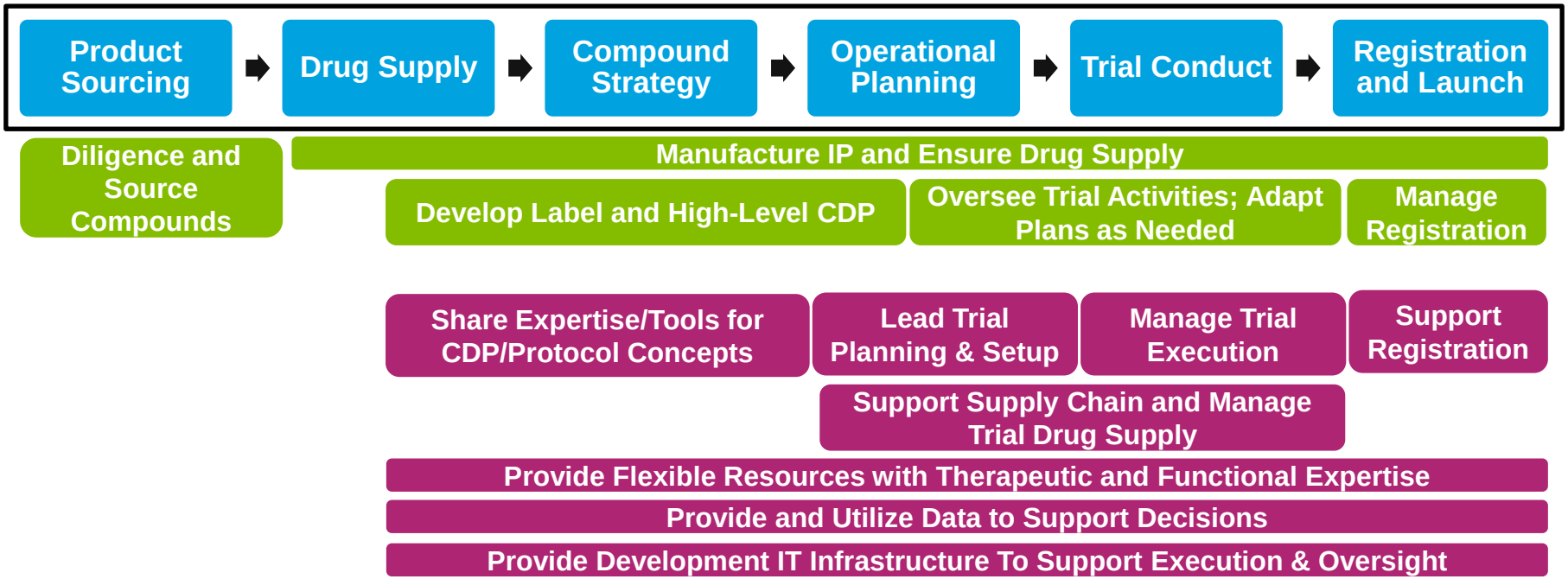
Solutions that Meet Customer Needs

Traditional clinical development service partner



Solutions that Meet Customer Needs

The dependency on partners has expanded



Pharma Core

Partner Roles

QUINTILES

Our Customers

Diversified portfolio of over 500 customers

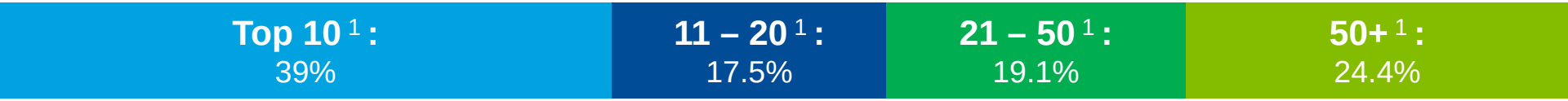
- Creating demand through our early engagement services and consulting
- Seeing strong demand across all customer segments
- Recognized differentiation by our technology, global reach, therapeutic expertise and ability to generate value for our customers

47 new accounts in the first half of 2014

2.5 times more Net New Business in the first half of 2014 from small biopharma compared to same period last year

7 accounts with $100mm or more in Net New Business from the first half of 2014

Backlog by Pharma Customer



(1) Backlog as of 6/30/14 by customer based on Pharma Exec's Pharma 50 2014 ranking by 2013 Rx Sales

QUINTILES

The Quintiles Difference

Deep Science, Therapeutic, & Regulatory Expertise

950 Medical Doctors

900 PhDs

13 Therapeutic Centers of Excellence

~600 Statisticians & Statistical Programmers

~5,700 Protocols since 2000

Global Harmonized Best in Class Processes & Workforce

~1,300 Prime & Partner Sites

~240,000 Investigators

Enabled by a Global Delivery Network of **~4,000 Professionals**

100 Countries Serviced

Technology & Informatics

Quintiles Infosario® Platform
- Planning & Design
- Global Safety System
- Analytics & Informatics

Genomics & Biomarkers

Digital Patient Communities
- Clinicalresearch.com
- Mediguard.com
- I Am More Than Lupus

61mm Unique Patient Records (EHR)

1982: US → **1987:** Europe → **1992:** Labs → **1993:** Japan, Australia → **1995:** Singapore → **1997:** E. Europe, India, China → **1998:** Taiwan → **2000:** LatAm →

QUINTILES

Quintiles Strength in Asia



32 Offices

500+ Employees with vaccine experience

950+ Clinical Trials Conducted/Ongoing

5,400+ Sites

6,570+ Employees

196,750+ Patients Enrolled

THERAPEUTIC EXPERIENCE

130+ Cardio/ Metabolic Studies

80+ Infectious Disease / Vaccines Studies

120+ Oncology Studies

70+ Immunology Studies

QUINTILES

Capability Enhancing Acquisitions

We continue to add niche capabilities to enhance our service offering and differentiation

Expansion of today's offerings

e.g. Oncology, genomics

Adjacent market segments

e.g. Devices

Recent track record

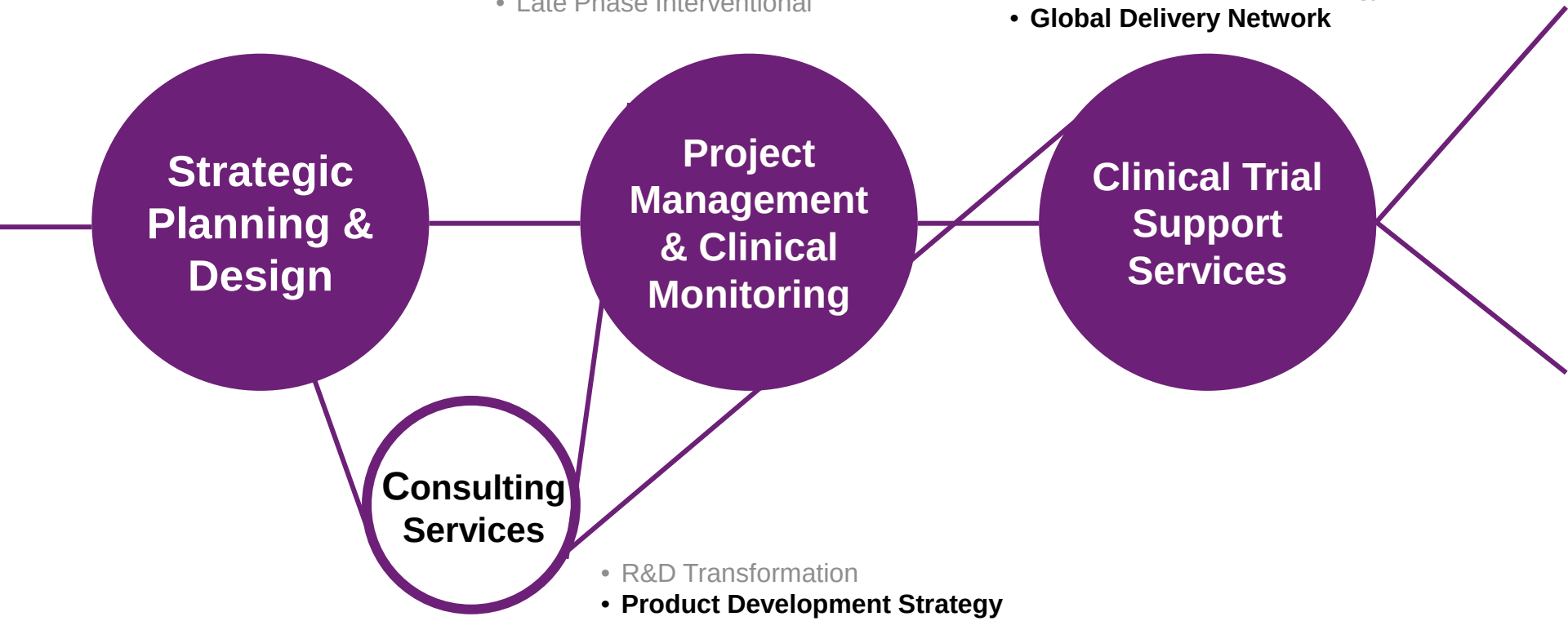
- Novella Clinical
- Expression Analysis
- Advion

Product Development Services

- Personalized Medicine
- Model Based Drug Development
- **Planning & Design**
- Regulatory Affairs Services

- Study Design & Operational Planning
- **Investigator and Patient Recruitment**
- **Clinical Monitoring (including RBM)**
- Project Management
- Late Phase Interventional

- **Clinical Data Management Operations**
- Biostatistical Services
- **Central Laboratories & Bioanalytical Labs**
- Cardiac Safety & ECG Services
- **Safety & Pharmacovigilance Ops**
- Phase I Clinical Pharmacology Units
- **Global Delivery Network**



- R&D Transformation
- **Product Development Strategy**
- Regulatory & Compliance
- Process & IT Implementation

QUINTILES

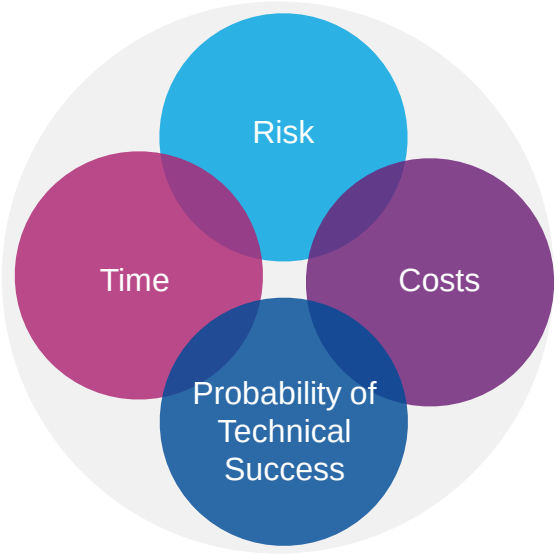
Planning & Design Challenges

Design processes are lengthy, unstructured, and consensus driven

Constraints

- **Planning and design biases; single scenarios**
- **Impact of design decision is not seen until late in the lifecycle; higher costs to develop & commercialize**
- **Increasing risks and uncertainty & regulatory scrutiny**

Tradeoffs



Protocol amendments can have a significant impact on study costs and timelines.
A third of these amendments have been found to be partially or completely avoidable.

Study Timelines
+ 2 months (65 Days)

Protocol Amendment Cost
~$500,000

QUINTILES

Sources:
http://www.appliedclinicaltrialsonline.com/appliedclinicaltrials/article/articleDetail.jsp?id=719542&pageID=1&sk=&date=
http://www.centerwatch.com/news-online/article/2205/

Quintiles Impact: Planning and Design

Infosario Planning Design:

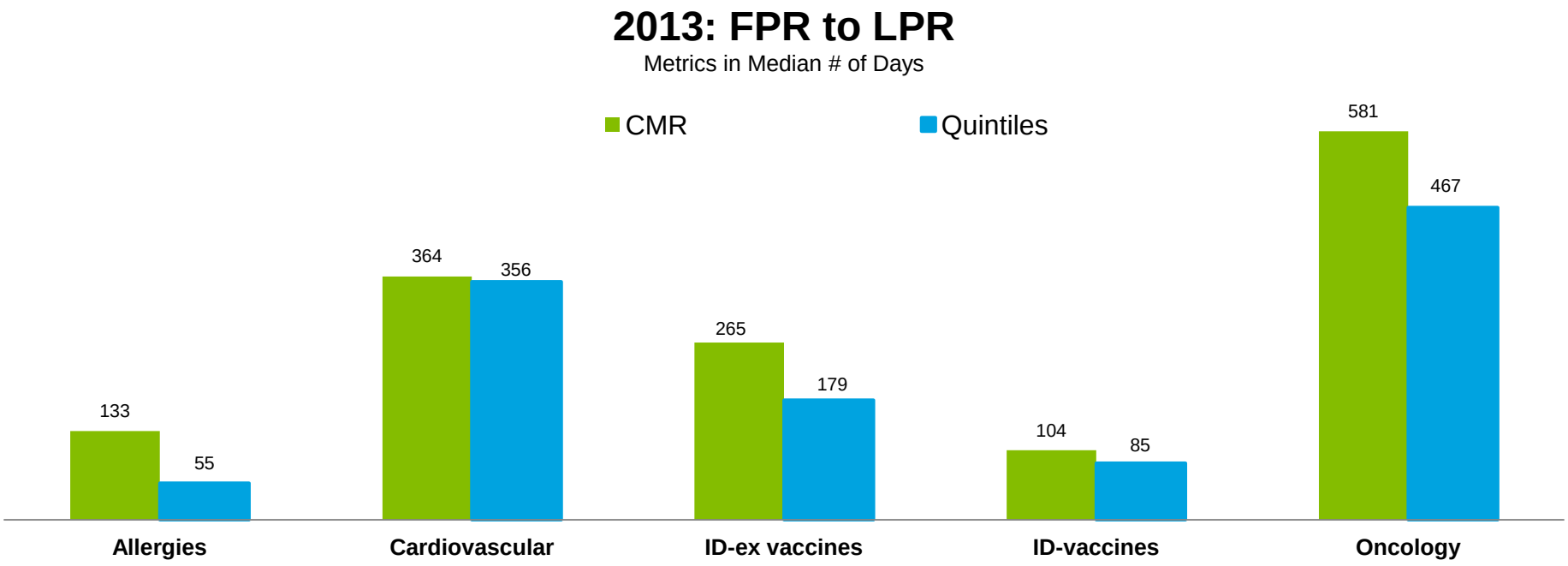
- Substantially reduced Protocol Amendments: seeing **60-80% reduction**
- Utilized proprietary design tool generating **1,000+ design scenarios** across **100+ molecules**
- Reduced traditional modeling & simulation computational time **from 2 months down to ~1 hour with industry leading tool**
- **Decreased # of visits** (revisits) to **governance** (sponsor, IRB and/or regulators)

Methodology Expertise:

- Developed **SIDES methodology** (subgroup identification based on differential effects search)
- Innovative/ Adaptive Designs
  > Designed **100+ Adaptive Trial studies**
- Employees Authored **"Clinical Trials with Missing Data"** and **"Optimal Design for Nonlinear Response Models"**
- Model Based Drug Development
- Biomarker-based Designs / Enrichment Designs
- Bayesian Methods and Techniques

Patient Recruitment & Retention

Quintiles outperforms the industry benchmark in multiple therapeutic areas



As much as **59%** *faster enrollment compared to CMR benchmark*

>110% *Average monthly enrollment vs. targets*

QUINTILES

Source: Median number of days of each metric is compared to the 2013 benchmark from CMR from projects completed between 2008-2012. FPR – First patient randomized LPR – Last patient randomized.

Quintiles Impact: Innovative Patient Access

Case Study: Pre-Recruitment Community

Patient community
recruiting 14k patients years in advance -
significantly reducing timelines and cost

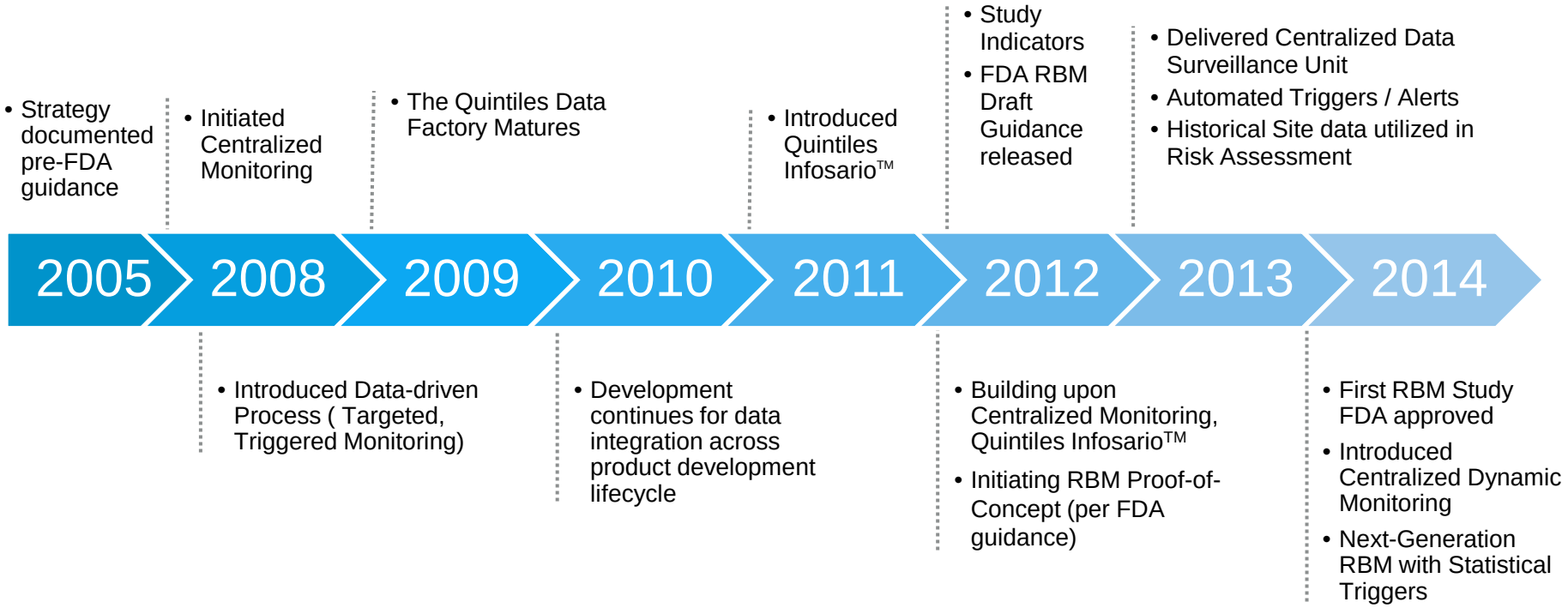


a Quintiles sponsored community

QUINTILES

Data-driven Trial Execution (DTE) at Quintiles

More than risk-based monitoring



95+
Studies

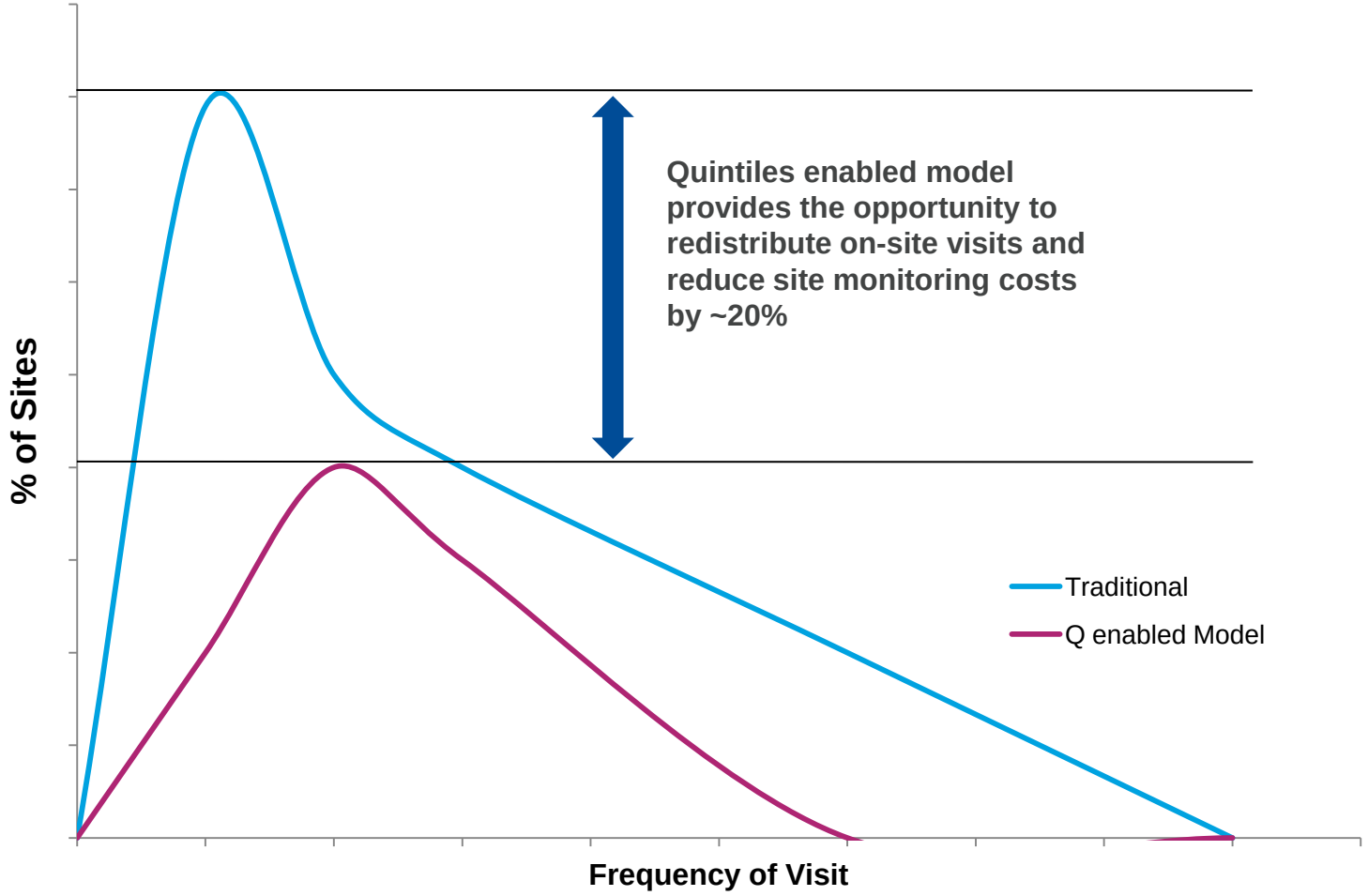
20,000+
Sites

250,000+
Subjects

QUINTILES

Quintiles Impact: Productivity with DTE

Our model decreases costs while improving quality



Quintiles Global Network of Laboratories

Central lab market growth estimated at 4.5-5% with an increase in test complexity*

- ✓ Second largest lab in industry
- ✓ Largest CAP-accredited network in the industry
- ✓ 5 of 8 labs accredited ISO CAP 15189
- ✓ Only Global service provider with an owned site in South Africa



- ✓ Globally harmonized, automated platforms
- ✓ Biomarker focused
- ✓ Expertise across all therapeutic areas
- ✓ Leading esoteric testing

- ✓ Protocol optimization
- ✓ Integrated technology
- ✓ Partnership efficiency
- ✓ Satisfied sites

- ✓ Infosario® for sponsors
- ✓ Site Gateway for investigators
- ✓ Operational data on thousands of protocols

QUINTILES

*Growth rate from 2013 – 2016, Quintiles internal estimates

Quintiles Global Delivery Network (GDN)

"Best Practices" that stitch together our global capabilities while optimizing delivery costs

What is our GDN?

- **Integrated network of delivery locations**, centrally managed for process consistency and standardization
- **Operate 'as one' in a virtual, coordinated manner** – Being flexible and respond better to changing workloads with a focus on project deliverables

OPERATIONAL SERVICES

Medical Monitoring

Data Management

Safety / Pharmacovigilance

Biostatistics & Medical Writing

Cardiac Safety

Central Lab

Overhead Functions

India (Bangalore)
- Large multi-skilled talent pool
- Cost advantage

South Africa (Bloemfontein)
- High quality talent pool
- Time zone advantage
- Cost advantage

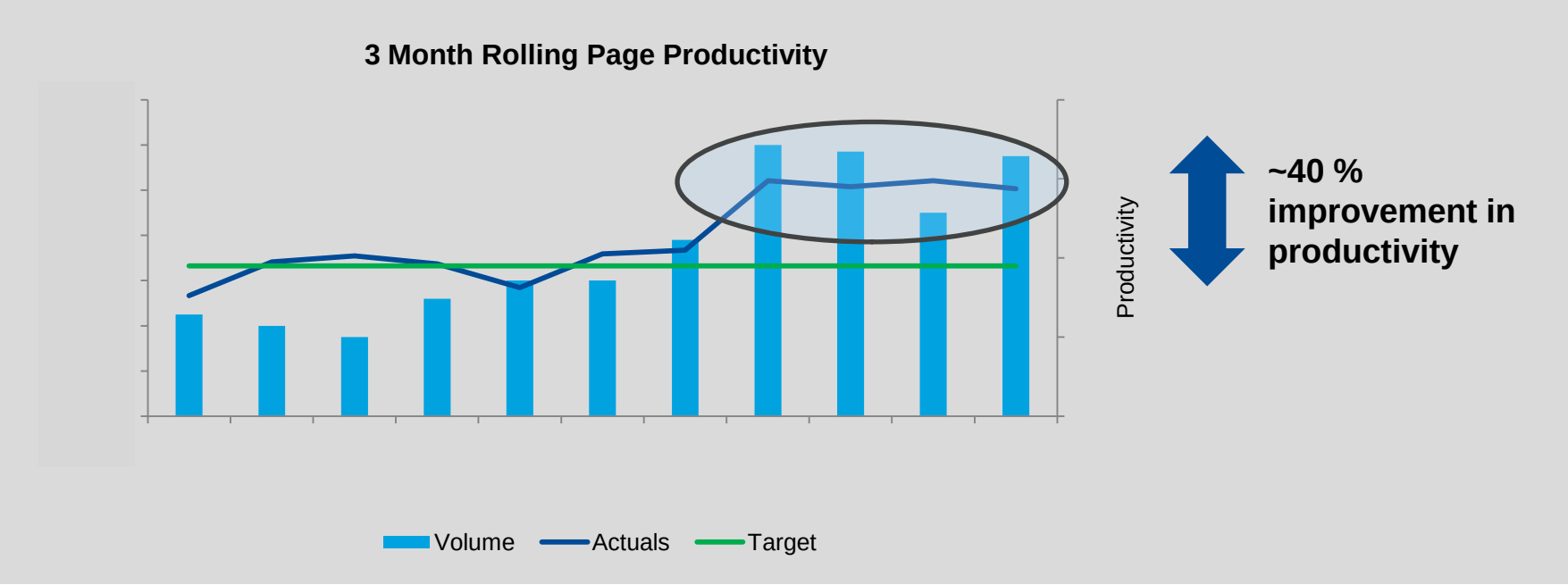
Eastern Europe (Bratislava)
- Language capabilities
- Time zone advantage
- Cost advantage

China (Dalian)
- Chinese, Japanese & Korean capabilities
- Cost advantage

QUINTILES

Quintiles Impact: Productivity in Data Management

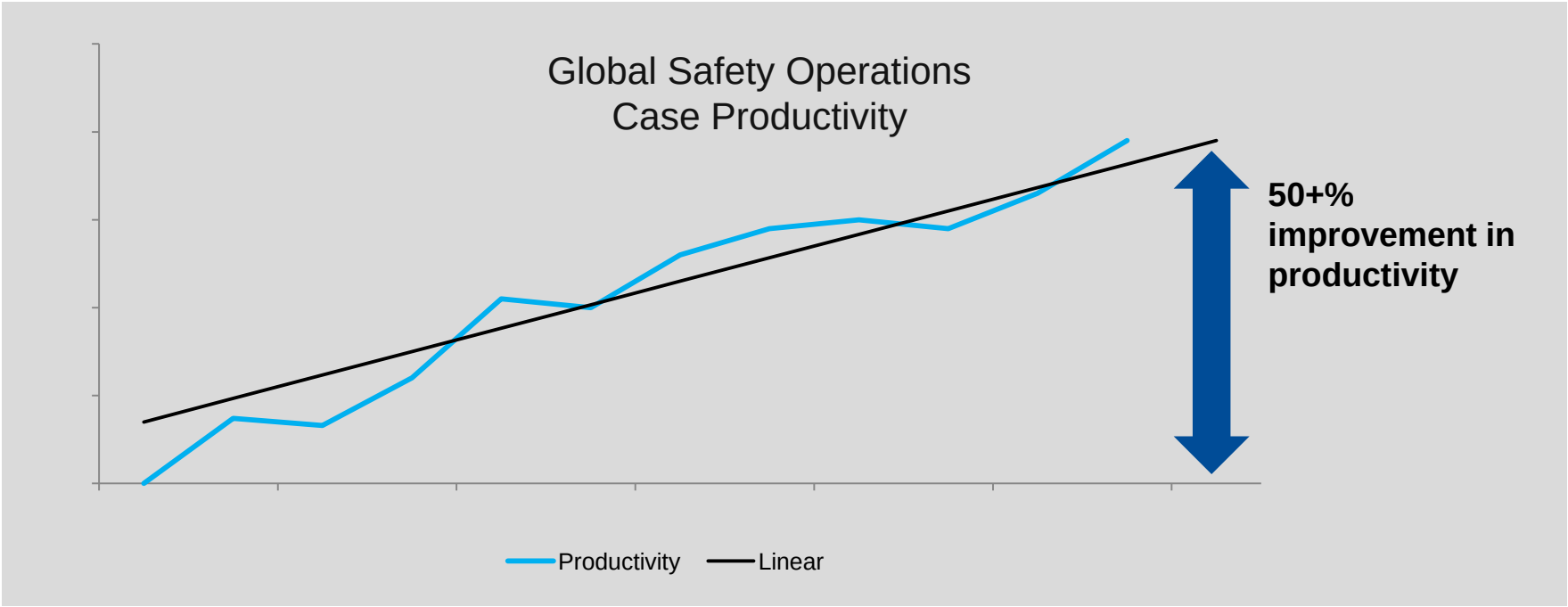
Driving tangible outcomes through our Global Delivery Network



"An innovation that will change the way we can partner with Quintiles" – Top 10 Large Pharma

Quintiles Impact: Productivity in Safety

Driving tangible outcomes through our Global Delivery Network



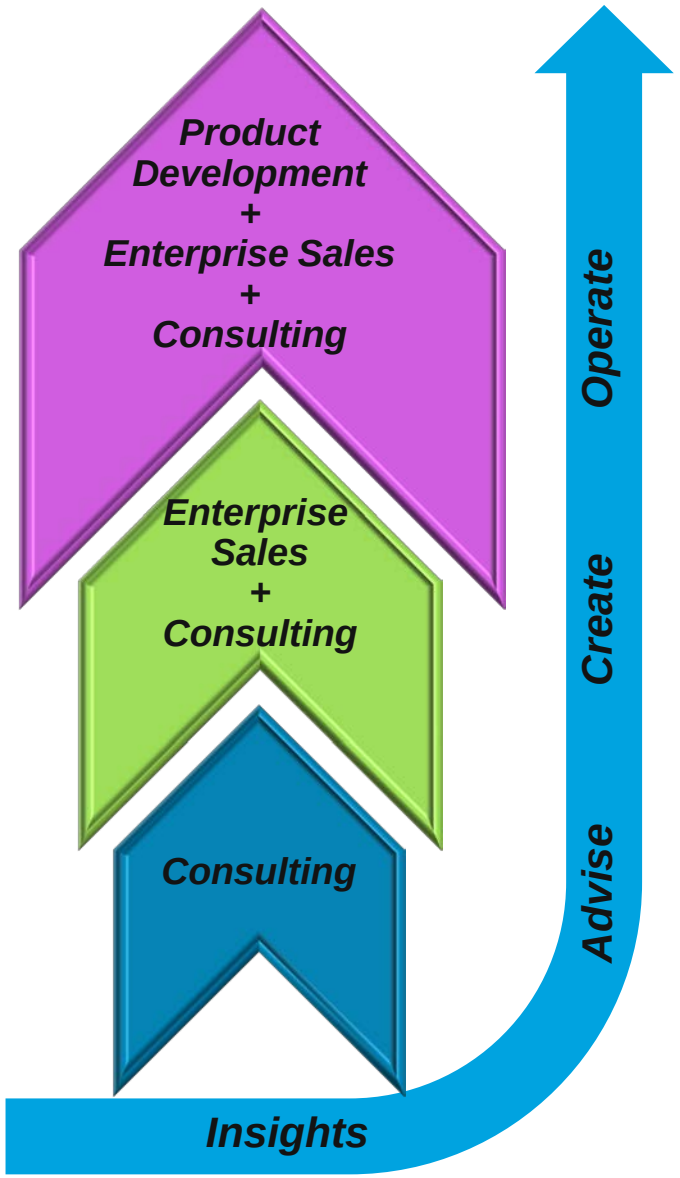
"This is a ground breaking innovation that will change the way we manage and deliver services in Pharmacovigilance. I have never seen such a breakthrough solution in my entire PV experience." – Top 20 Large Pharma

Consulting Services For Early Engagement

Quintiles Differentiation

- Industry leading Intellectual Capital on BioPharma Transformation
- Consultative approach to surfacing and shaping demand
- Unparalleled integrity in approach to translate insights to operational reality
- Therapeutic Excellence
- Change Management

- End-to-End Single Source 5-year Partnership
- Integrated operations
- Obviated cost of sales



QUINTILES

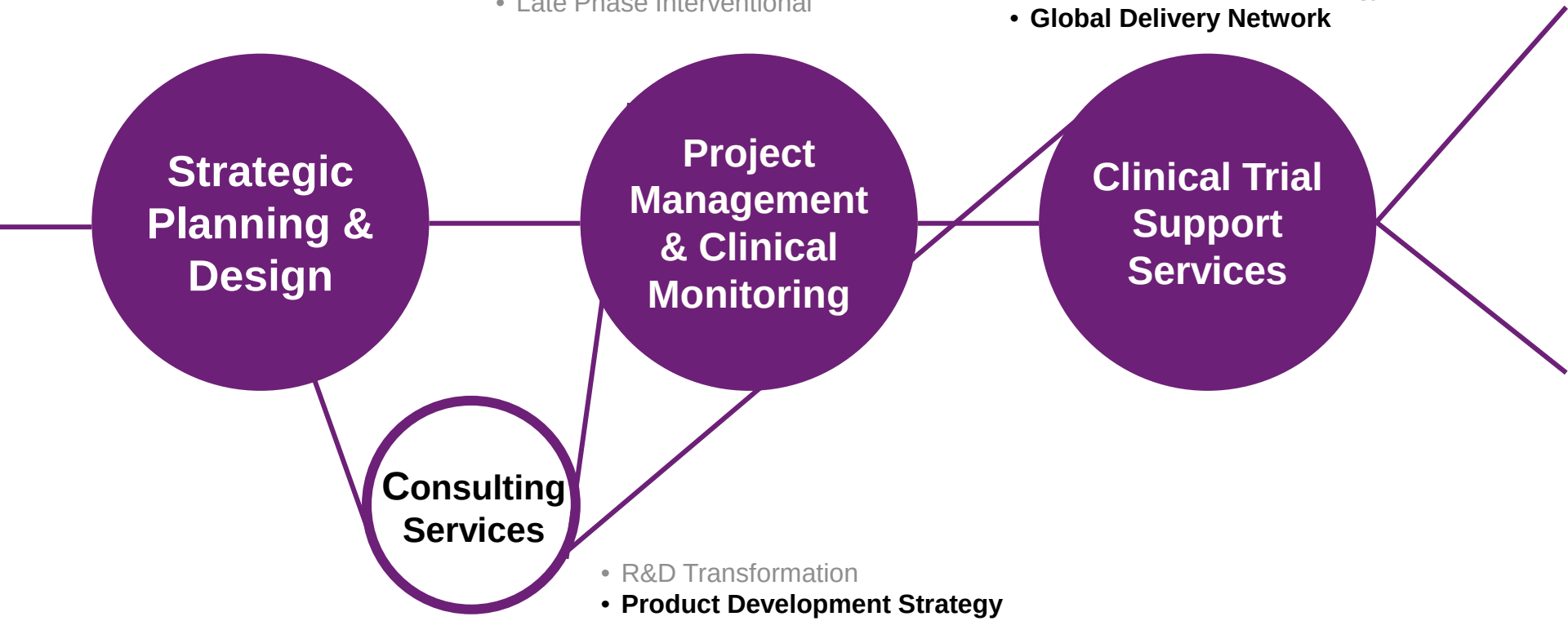
Product Development Services

The integration of solutions creates differentiated value

- Personalized Medicine
- Model Based Drug Development
- **Planning & Design**
- Regulatory Affairs Services

- Study Design & Operational Planning
- **Investigator and Patient Recruitment**
- **Clinical Monitoring (including RBM)**
- Project Management
- Late Phase Interventional

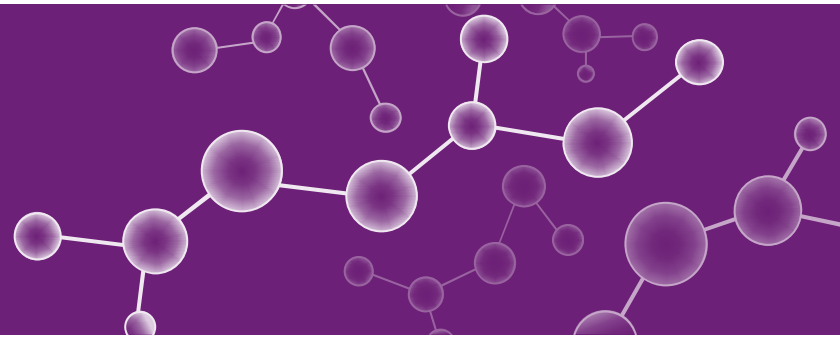
- **Clinical Data Management Operations**
- Biostatistical Services
- **Central Laboratories & Bioanalytical Labs**
- Cardiac Safety & ECG Services
- **Safety & Pharmacovigilance Ops**
- Phase I Clinical Pharmacology Units
- **Global Delivery Network**



- R&D Transformation
- **Product Development Strategy**
- Regulatory & Compliance
- Process & IT Implementation

QUINTILES

The Differentiated Value of Quintiles Product Development



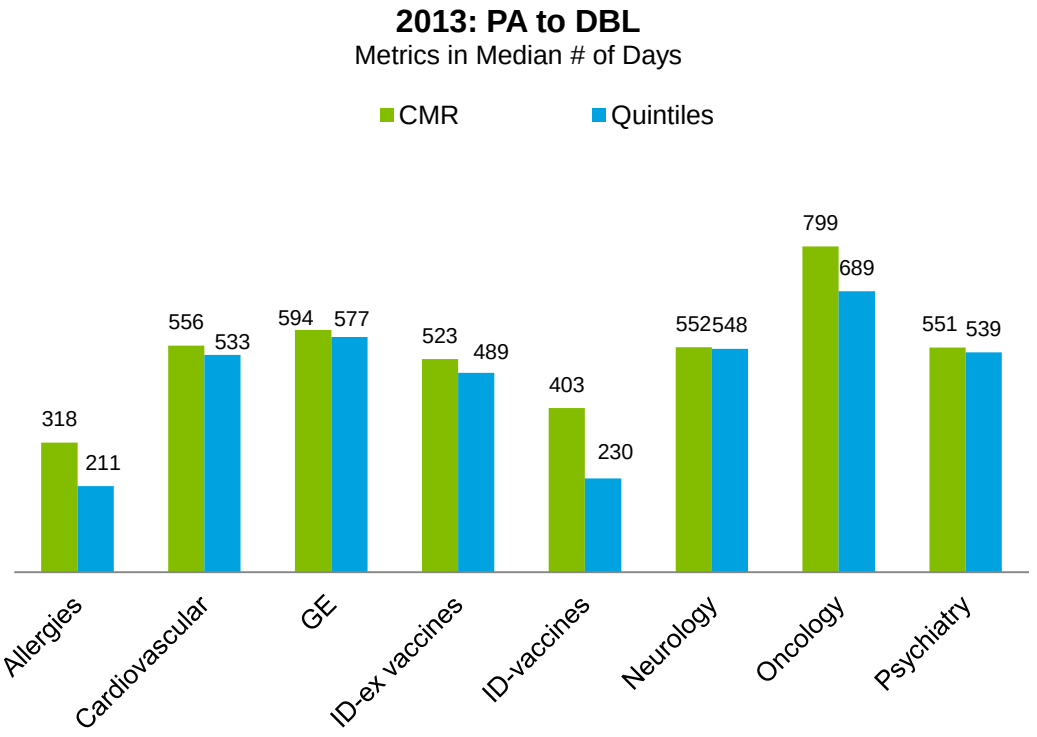
QUINTILES®

Delivering Value to Customers

Accelerating timelines through expertise, novel solutions plus technology

Quintiles performs faster across all Phases and multiple therapeutic areas against CMR data:

- ✓ Up to 119 days or 59% faster or in enrollment
- ✓ Data Clean-up as much as 72% faster
- ✓ Analysis Report Writing as much as 39% faster



Quintiles up to 43% faster in Total Study Duration in All Phase Groups

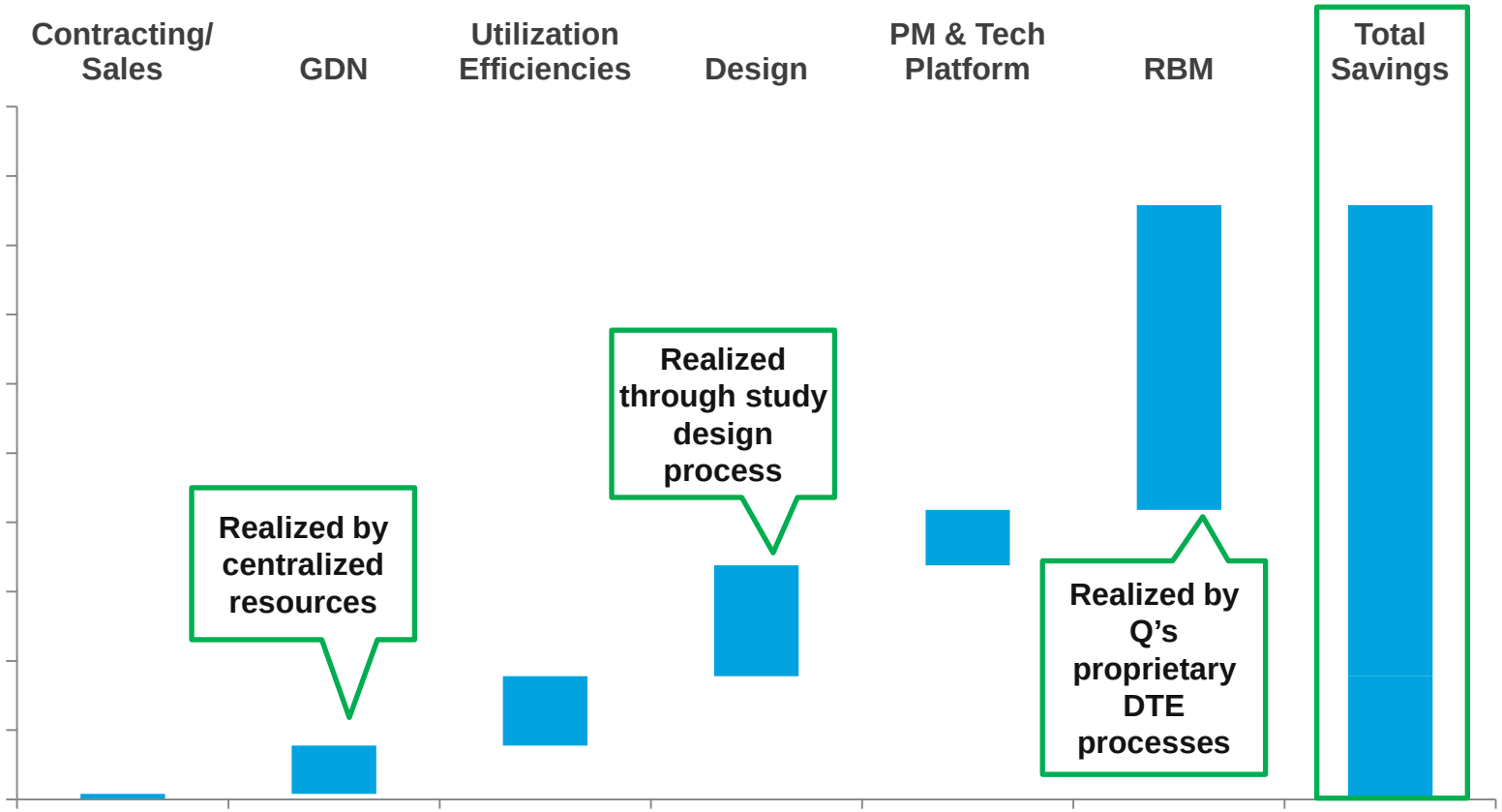
Reduction in Total Study Duration can lead to faster time to market

QUINTILES

Source: Median number of days of each metric is compared to the 2013 benchmark from CMR.
PA – Protocol Approval. DBL – Database Lock.

Delivering Value to Customers

Realizing efficiencies through programmatic approach in Phase III



Delivering Value to Customers

Creating long term enterprise value for our customers through end-to-end partnerships

Cost Efficiencies

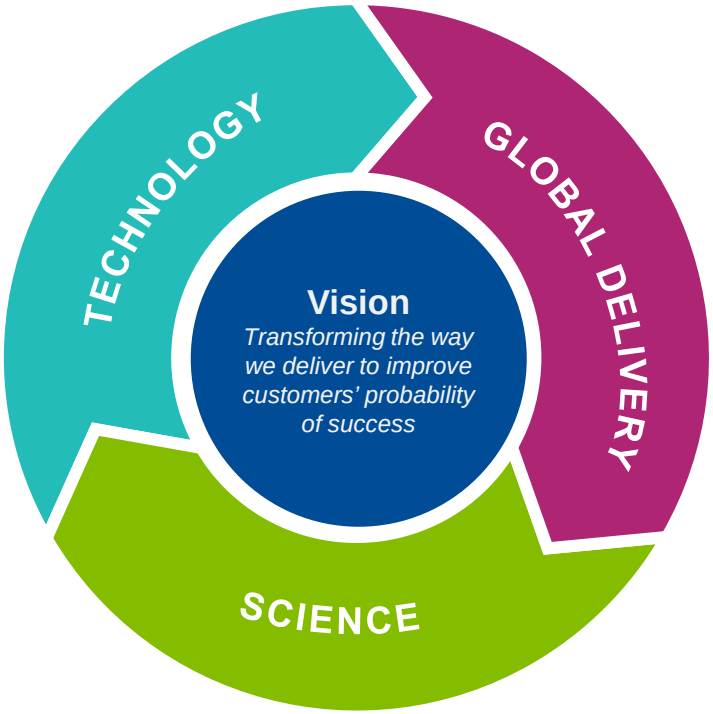
Reduced Sales Costs	Use of Global Delivery Network	Use of Technology	Better Utilization of Resources
• Optimized sales and contract process	• Remote monitoring • Continuous process and productivity improvement	• Leverage data to reduce monitoring frequency • Integration of data	• Resource mgmt based on line of sight into pipeline • Scale efficiencies

Time Efficiencies

Earlier Engagement	Faster Patient Recruitment	Full Suite of Services From One Partner	Embedding Market Insights
• Infosario Planning & Design • Adaptive trial design • Product Development Strategy Consulting	• Prime/partner sites • Patient communities • Pre-profiling	• Removal of white space • Line of sight into partners pipeline	• Market access strategy development prior to approval

Product Development – Takeaways

Industry Leadership through Differentiation



Market leader in Product Development services

Harmonized processes underpinned by **technology enabling** productivity to maintain **best in class** operating margins

Diversified customer portfolio across biopharma segments with tailored segment solutions

Deep **scientific and local regulatory expertise** from early entry into100 countries

Differentiated solutions to **capture greater share** of growing outsourced product development market

100 BEST PLACES TO WORK IN IT 2014

ISR reports
Phase I & II/III Leader 2014

THE CRO LEADERSHIP AWARDS

BioPharma Industry Awards
Best CRO in Asia 2014

HBA | ACE AWARD
Advancement Commitment Engagement
The Healthcare Businesswomen's Association

SCRS | Our Voice. Our Community.
Society for Clinical Research Sites

Integrated Healthcare Services

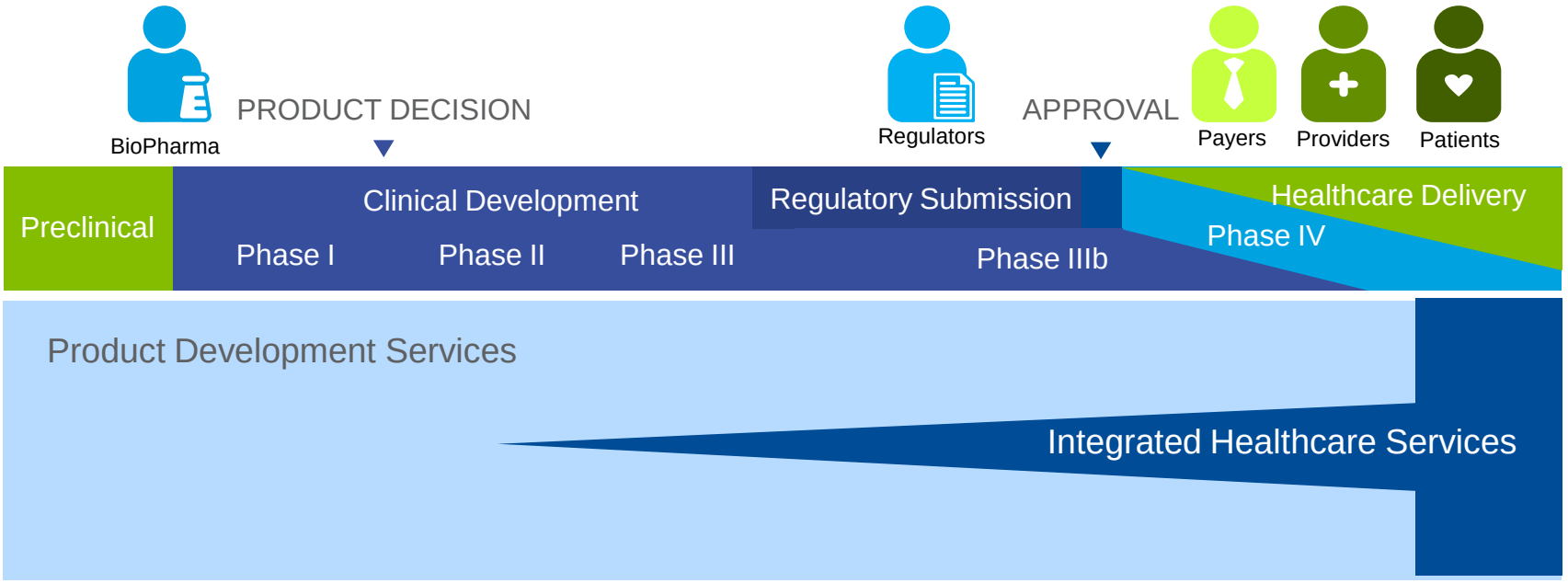
W. Scott Evangelista
President, Integrated Commercial Services



© Copyright 2014 Quintiles

Integrated Healthcare Services

Optimized, integrated solutions through the product lifecycle



$16bn

Outsourced IHS (~17%)[1]

6-8%

IHS Growth

(1) Based on Company estimates; Includes market access, reimbursement, observational studies, comparative effectiveness research, health economics & outcomes research, and commercial consulting

IHS market penetration is estimated to increase 150-200 basis points per year.

Continued Momentum

Financial results – Six months ended June 30, 2014

FINANCIAL HIGHLIGHTS		DRIVERS
1.29	Book-to-Bill Ratio	101.5% net new business growth. Strong demand in Japan and North America Commercialization, coupled with strength in Real World Late Phase. Trailing twelve month book to bill of 1.54 versus 5 year average of 1.10.
11.5%	Constant Currency Revenue Growth	Growth primarily driven from new projects booked in the third and fourth quarter of 2013.
4.2%	Segment Income from Operations Margin	30 basis points of margin improvement on a constant currency basis year over year including investments to support growth in Real World Late Phase and Commercial.
21.2%	Constant Currency Segment Income from Operations Growth	Growth from revenue and operational leverage compared to same period last year.

Backlog by Pharma Customer:

Top 10[1]:	11 – 20[1]:	21 – 50[1]:	50+[1]:
29.1%	23.4%	24.9%	22.6%

QUINTILES

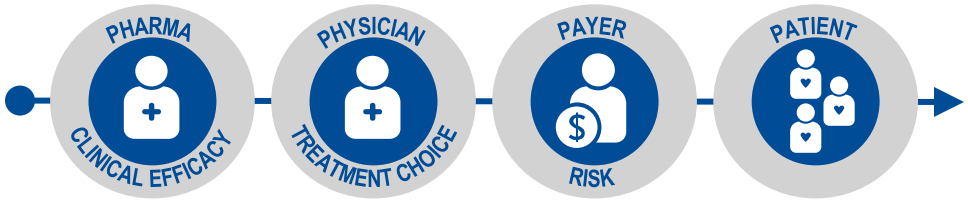
(1) Backlog as of 6/30/14 by customer based on Pharma Exec's Pharma 50 2014 ranking by 2013 Rx Sales

Healthcare System Transformation

Moving towards value-based healthcare

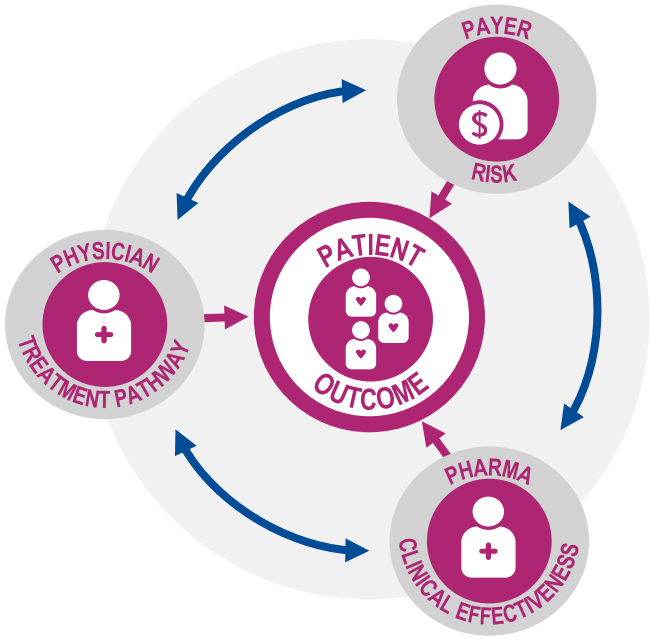
Moving from a Linear Model…..

Opinion driven medicine



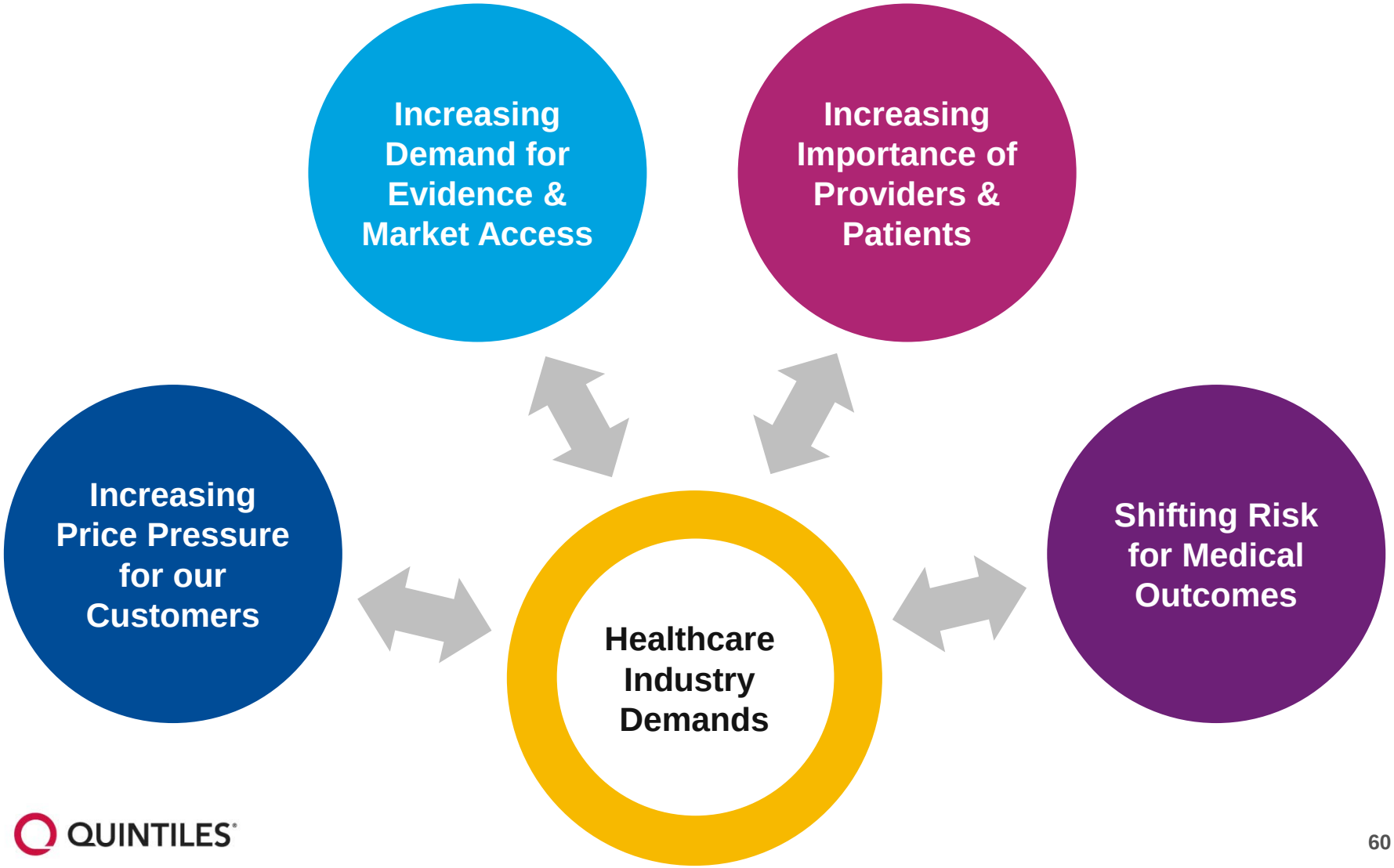
…..to an Interconnected System

Evidence-based medicine



Healthcare Industry Drivers

We understand customer needs and how the industry is evolving.



QUINTILES

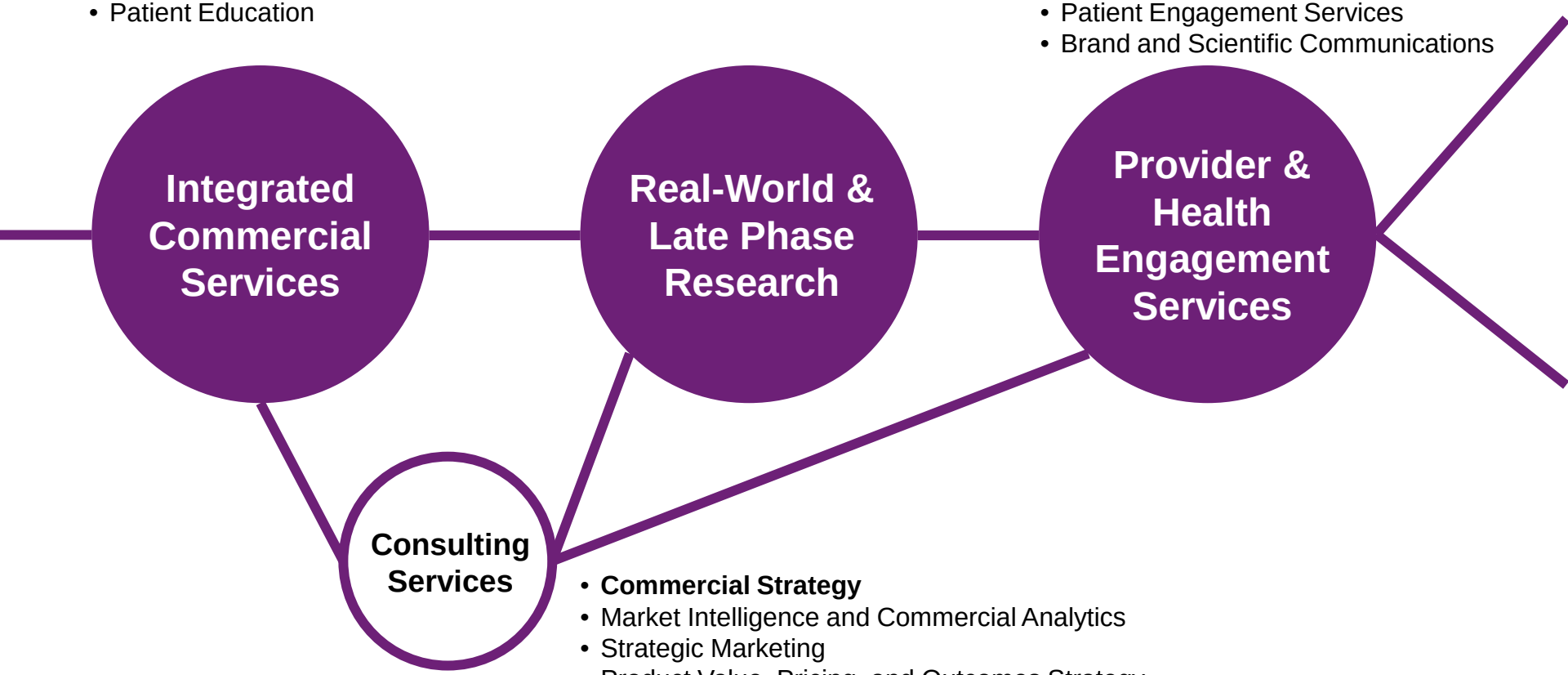
Integrated Healthcare Services

Our services at a glance

- **Contract Sales**
- **Integrated Channel Mgmt**
- **Market Access**
- Market Entry/Exit
- Patient Education

- **Observational Research and Registries**
- EHR and Data Analytics

- **EHR Implementation**
- **Meaningful Use and Quality Reporting**
- Population Health Analytics and Intervention
- Patient Engagement Services
- Brand and Scientific Communications



- **Commercial Strategy**
- Market Intelligence and Commercial Analytics
- Strategic Marketing
- Product Value, Pricing, and Outcomes Strategy

QUINTILES

The Quintiles Difference

Deep Science, Therapeutic, & Regulatory Expertise

950 Medical Doctors

900 PhDs

13 Therapeutic Centers of Excellence

~600 Statisticians & Statistical Programmers

~5,700 Protocols, since 2000

Global Harmonized Best in Class Processes & Workforce

~1,300 Prime & Partner Sites

~240,000 Investigators

Enabled by a Global Delivery Network of **4,000 Professionals**

100 Countries Serviced

Technology & Informatics

Infosario Platform
- Planning & Design
- Global Safety System
- Analytics & Informatics

Genomics & Biomarkers

Digital Patient Communities
- Clinicalresearch.com
- Mediguard.com
- I Am More Than Lupus

61mm Unique Patient Records (EHR)

6,600 Sales Representatives

~680 Clinical Educators

10,000 Tracked HTA reports from 100 Agencies

100% Compliance trained field resources

220 Product Launches in 20 countries in last 5 years

139 Launched products to secure formulary coverage

Infosario Platform
- Infosario Outcome System 3.0

400 Direct-to-Patient projects relying on technology

Four Strategic Imperatives to Drive Success

Integrated Healthcare Services

- Grow CSO business leveraging current overhead
- Scale new, higher margin services
- Drive services to support evidence-based medicine
- Expand into closely related markets

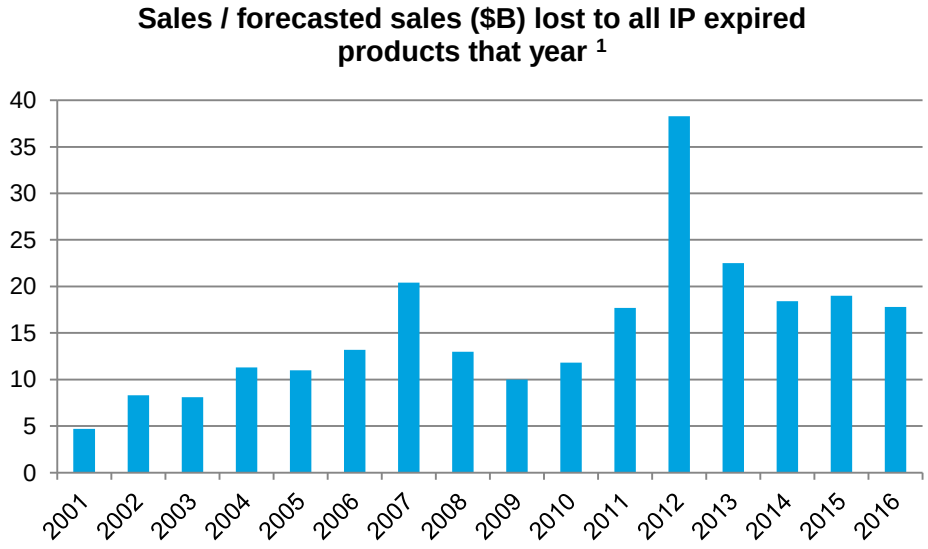
Four Strategic Imperatives to Drive Success

Integrated Healthcare Services

- Grow CSO business leveraging current overhead
- Scale new, higher margin services
- Drive services to support evidence-based medicine
- Expand into closely related markets

Drive toward Variabilization

Significant increase in new product launches in the midst of tight spending control is driving BioPharma toward variabilization of their resources



- 35 new product launches per year over next four years[2]
- ~641 products in late stage pipeline[2]

(1) Accenture Research, August 2012, based on Evaluate Pharma, in Beyond the Patent Cliff—Signs of Recovery in Biopharma's New Normal (2) The Global Use of Medicines: Outlook through 2017, report by the IMS Institute for Healthcare Informatics, November 2013.

Grow CSO Business Leveraging Current Overhead

Quintiles Differentiation

- Proprietary Performance Management System
- Superior Sales Force Effectiveness
- Experience: > 1,000 sales teams
- Largest sales force
- 220 product launches in last 5 years

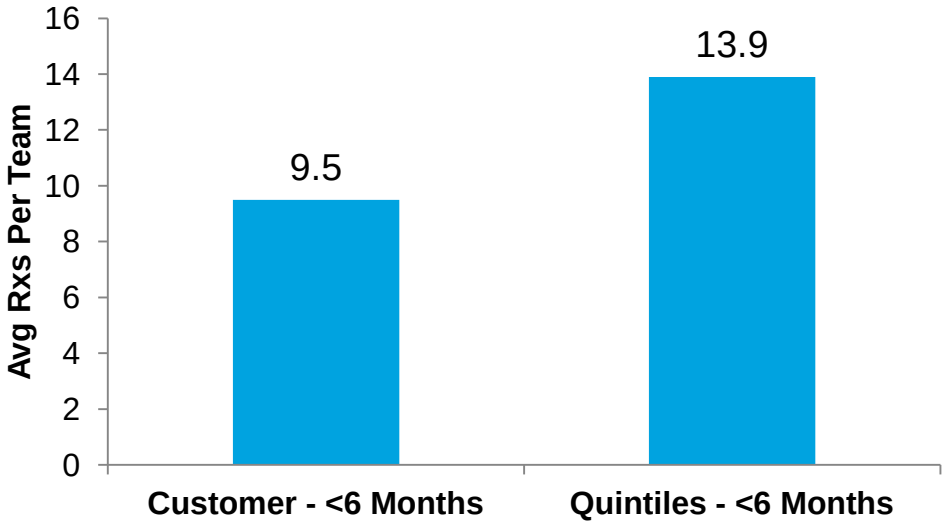
Grow the Market

Increase Share

Leverage Overhead

Representative Effectiveness

Quintiles team 46% more effective than customer team



Quintiles new hire (<6 months) representatives generated **greater Rxs on average** than customer's new hire representatives

QUINTILES

Grow CSO Business Leveraging Current Overhead

Quintiles Differentiation

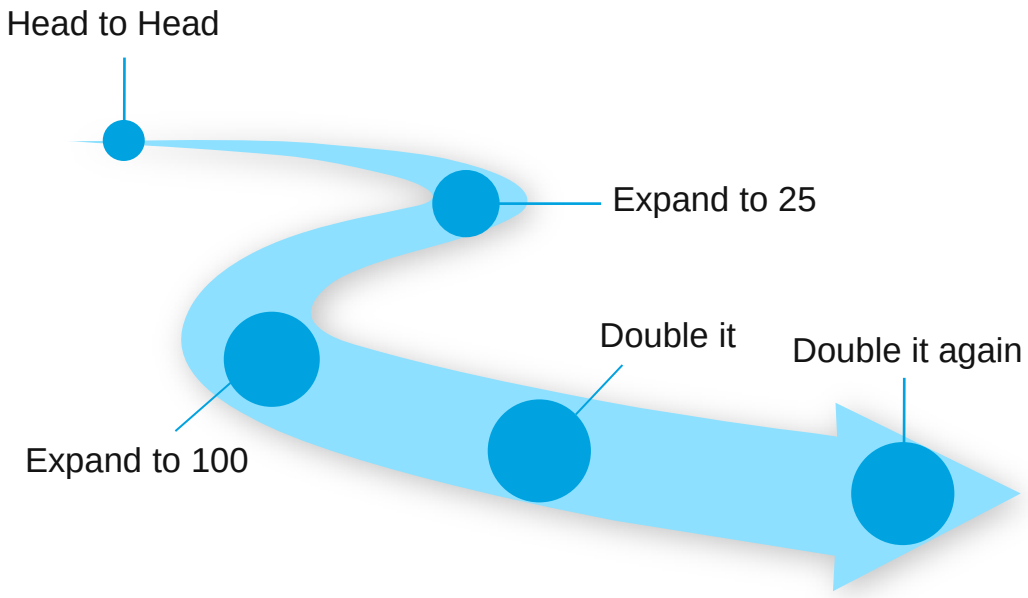
- Proprietary Performance Management System
- Superior Sales Force Effectiveness
- Experience: > 1,000 sales teams
- Largest sales force
- 220 product launches in last 5 years

Grow the Market

Increase Share

Leverage Overhead

<u>Customer Feedback</u>:
"We felt like we got better all-round quality with Quintiles than competing CSO"



Quintiles reps make up ~70% of the sales team

QUINTILES

Integrated Healthcare Solutions – Japan

Market leader due to premium and differentiated services

Quintiles Differentiation

- Japan's largest Commercial Outsourcing partner[1]
- Highest market share with Premium Foreign and Domestic Pharma companies
- ~2,200 Employees in Japan as of 6/30/14
- Dedicated Field Force training campus
- First CSO to offer MSL and Multi-Channel Services
- 99% Accreditation Test Pass Rate (vs. 85% for all CSOs and 71% all Pharma)



QUINTILES

(1) 2013 Japan CSO Association Annual Report, Japan CSO Association

Four Strategic Imperatives to Drive Success

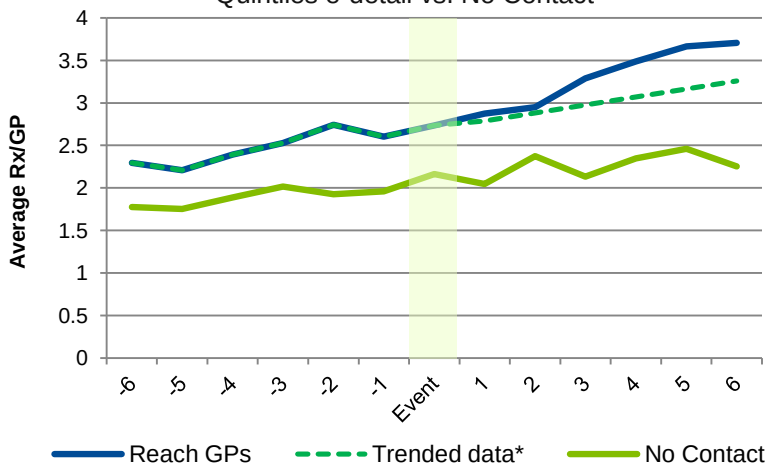
Integrated Healthcare Services

- Grow CSO business leveraging current overhead
- **Scale new, higher margin services**
- Drive services to support evidence-based medicine
- Expand into closely related markets

Focus on New, Higher-margin Services

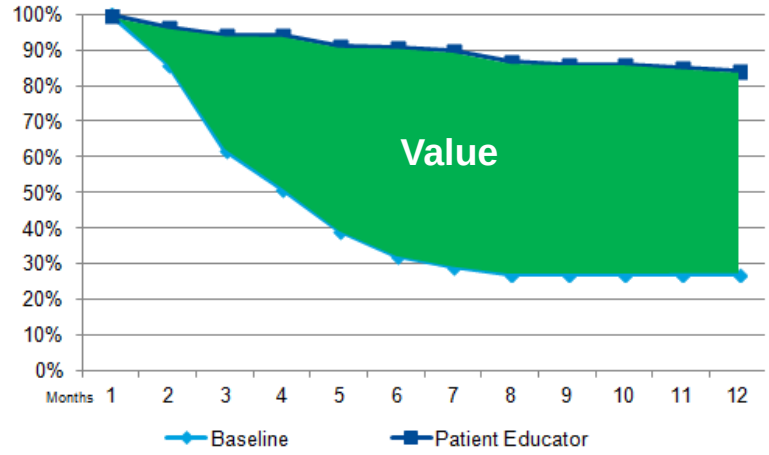
Remote e-Detailing[1]

Quintiles e-detail vs. No Contact



Patient Persistence[1]

Baseline vs. Quintiles Patient Educators



Case: Value of eDetailing[1]

- Rxing output increased by 118% vs. no contact
- Call duration 4x that of Customer's own F2F Reps
- 1:1 promotional contact rate 3x that of field force

US Costs of Non-Adherence

- $68-146B direct costs to US healthcare system[2]
- $188B lost revenue in BioPharma[3]

QUINTILES

(1) Internal Case Analyses, (2) IMS Institute for Healthcare Informatics: Avoidable Costs in US Healthcare, 2013, (3) CapGemini Consulting: Estimated Annual Pharmaceutical Revenue Loss Due to Medication Non-Adherence, 2012

Four Strategic Imperatives to Drive Success

Integrated Healthcare Services

Grow CSO business leveraging current overhead

Scale new, higher margin services

Drive services to support evidence-based medicine

Expand into closely related markets

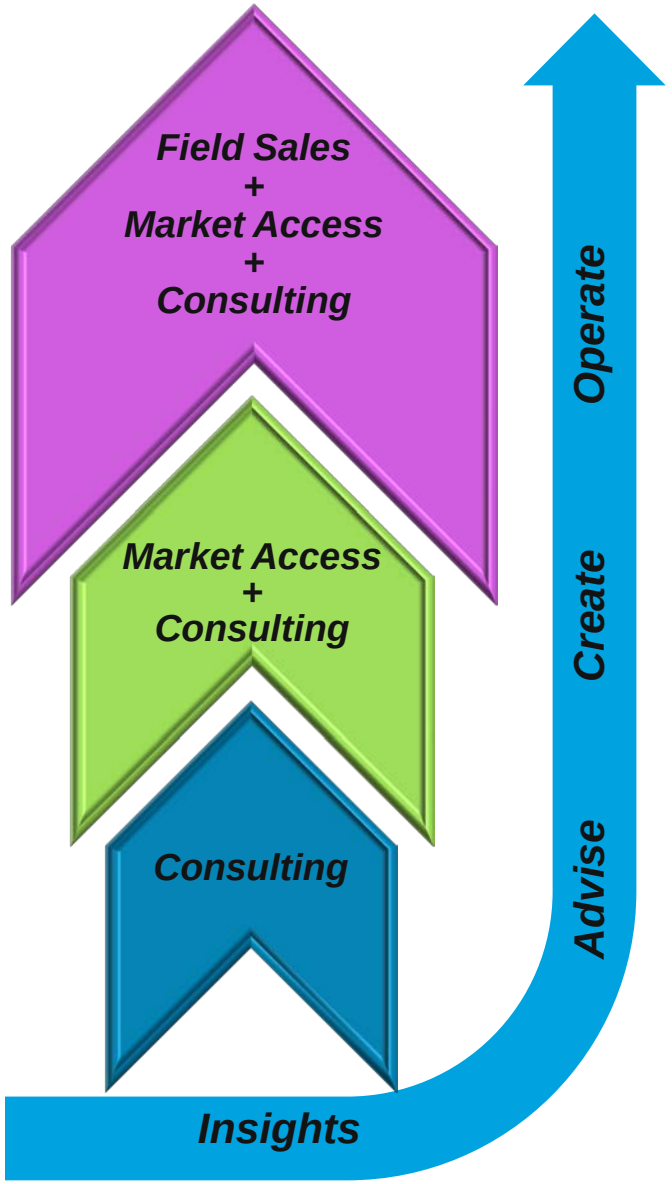
Evidence-based Services: Market Access

Quintiles Differentiation

- Market leading Real World Evidence and HEOR
- Best-in-class medical understanding of treatment pathways
- Local knowledge of healthcare systems
- HTA Suite
- Established payer and provider teams

Grow the Market

Increase Margins



Four Strategic Imperatives to Drive Success

Integrated Healthcare Services

- Grow CSO business leveraging current overhead
- Scale new, higher margin services
- Drive services to support evidence-based medicine
- Expand into closely related markets

Expand into Closely Related Markets (Encore)

Quintiles Differentiation

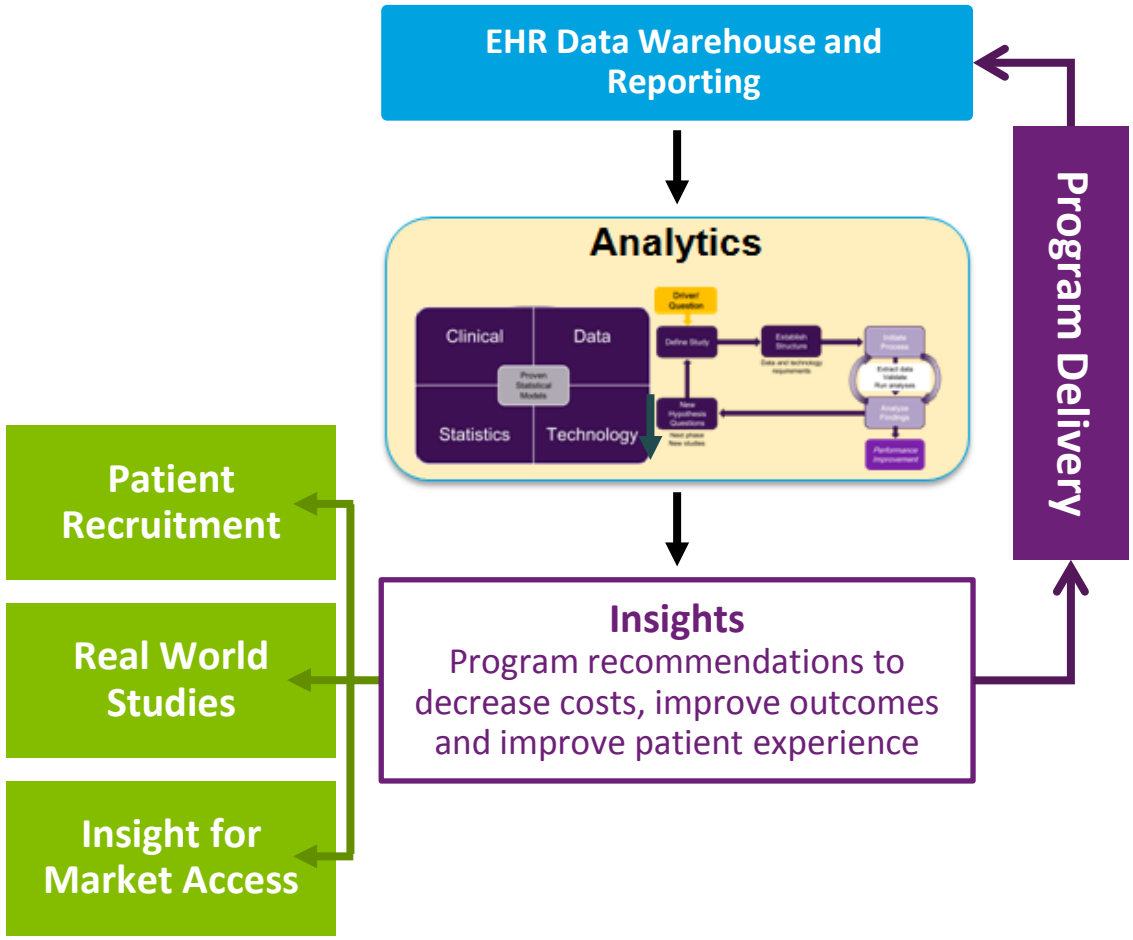
- Best-in-class core clinical and hospital workflow capability
- Deep provider relationships

- Quintiles' 30+ years experience in clinical analysis
- Quintiles field resources to deliver programs

Drive Revenue

- New services to Provider market
- Differentiated services to BioPharma

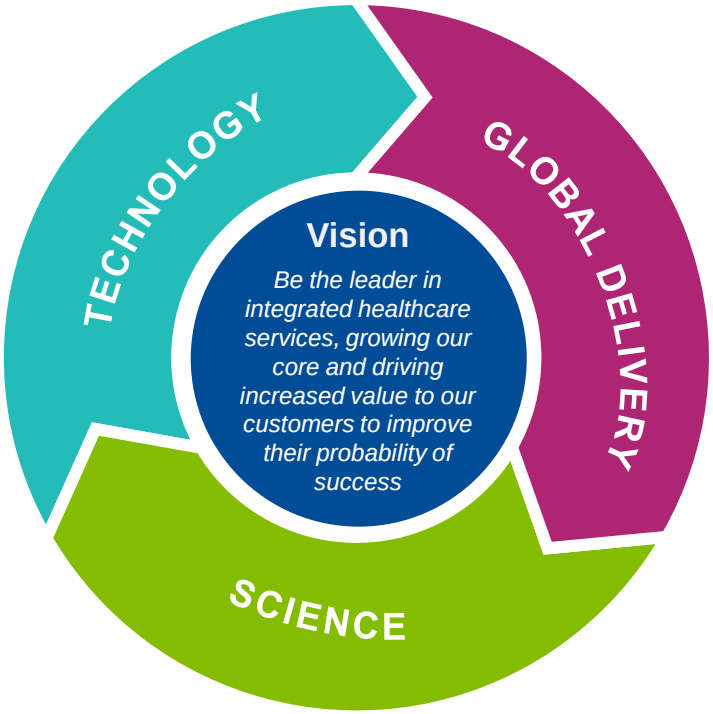
Encore & Quintiles Synergies



QUINTILES

IHS – Takeaways

Industry leadership through differentiation



- **Market leader** in Commercial and Real World Late Phase
- Scale **new, higher margin services**
- Expand into and leverage **closely related markets**
- Leverage our **global technology platform**
- **Diversified customer portfolio**

Quintiles Integrated Healthcare Services: Real World & Late Phase Research

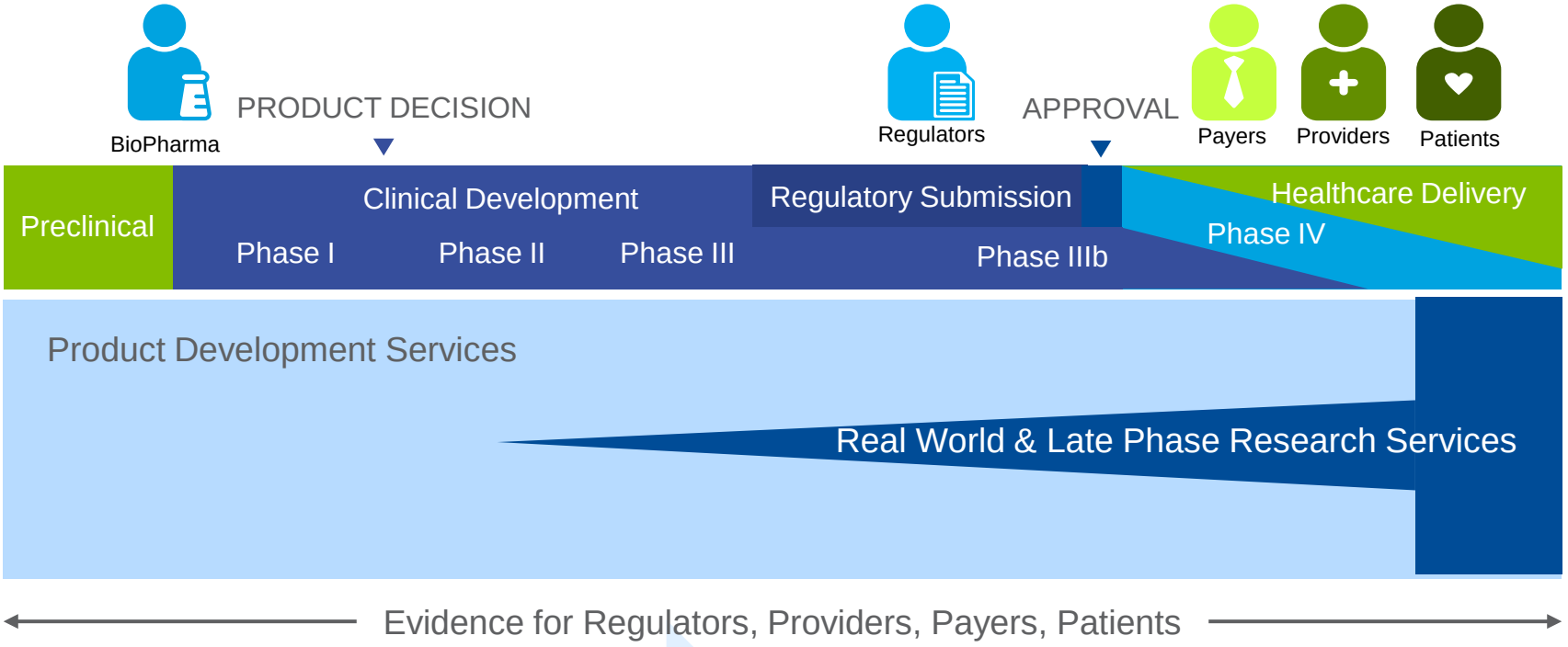
Cynthia Verst
President Real World Late Phase



© Copyright 2014 Quintiles

Addressing Increased Demand for Evidentiary Needs

Real World Evidence in today's multi-stakeholder environment requires solutions to increase efficiency and effectiveness for biopharma, payers and providers both pre- and post-approval



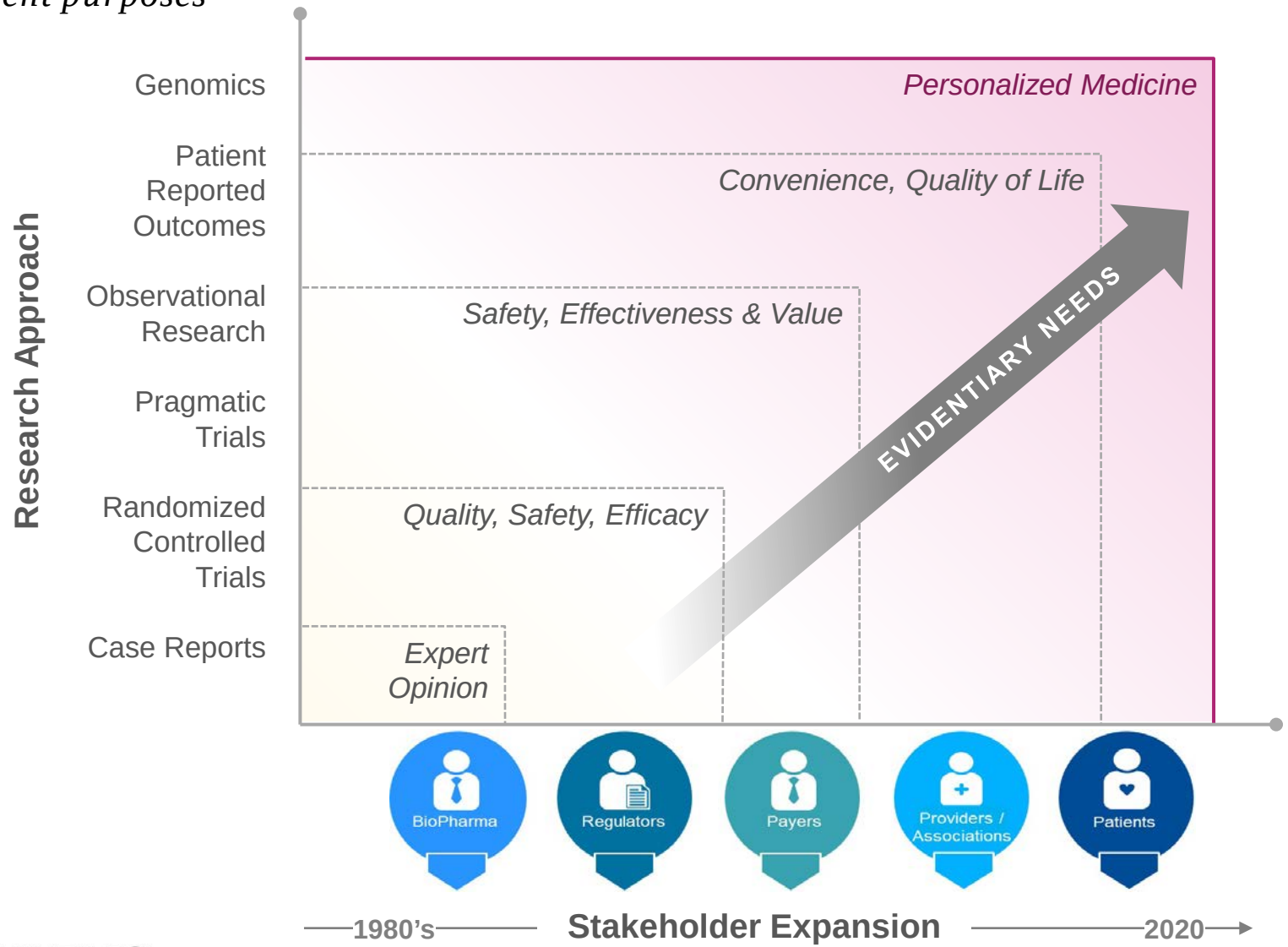
$4-5bn
Outsourced Real World & Late Phase

~8% growth per year from 2013-2016

QUINTILES

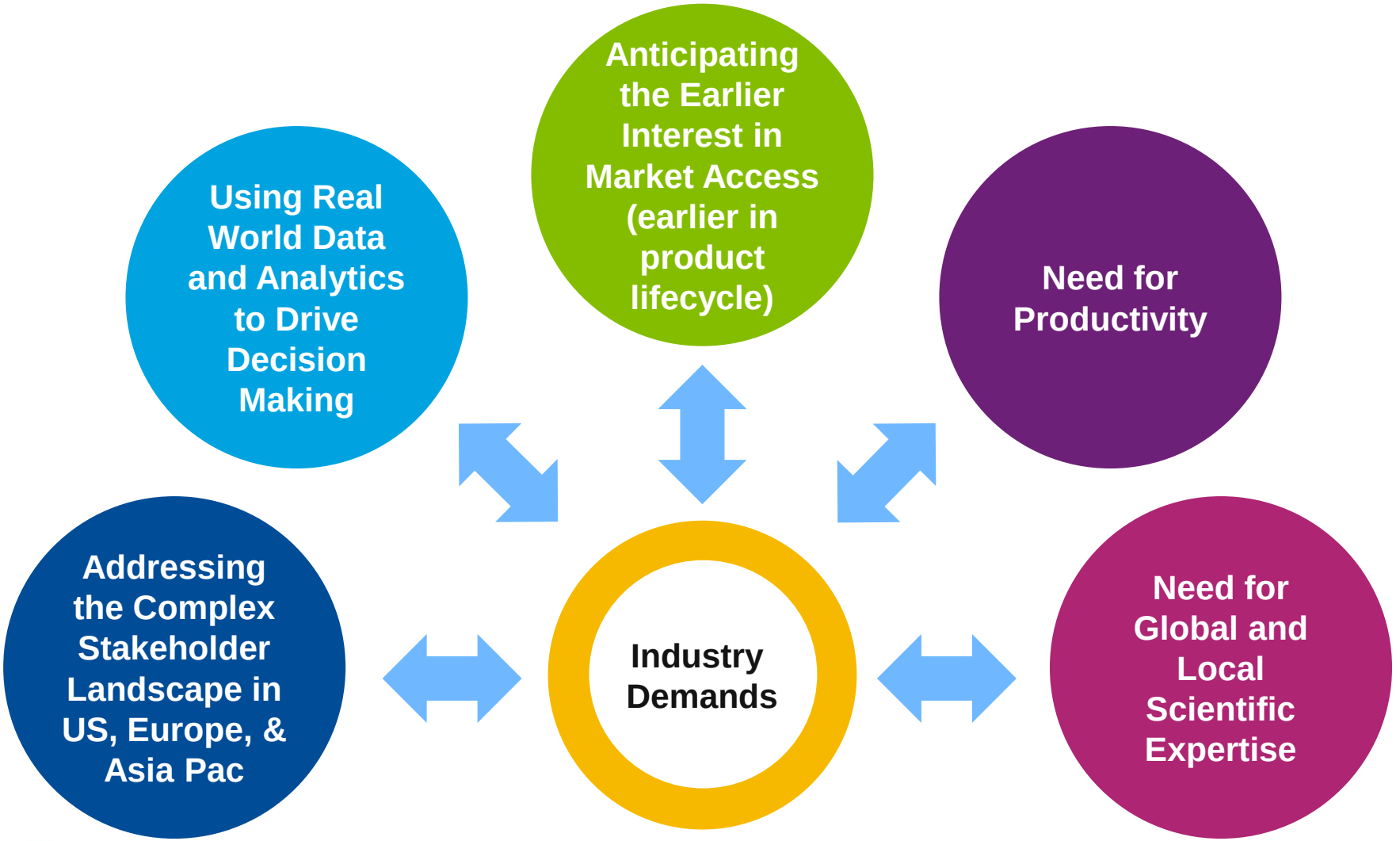
Real World & Late Phase Market Evolution

A complex market of increasingly local stakeholders who have different needs and different purposes



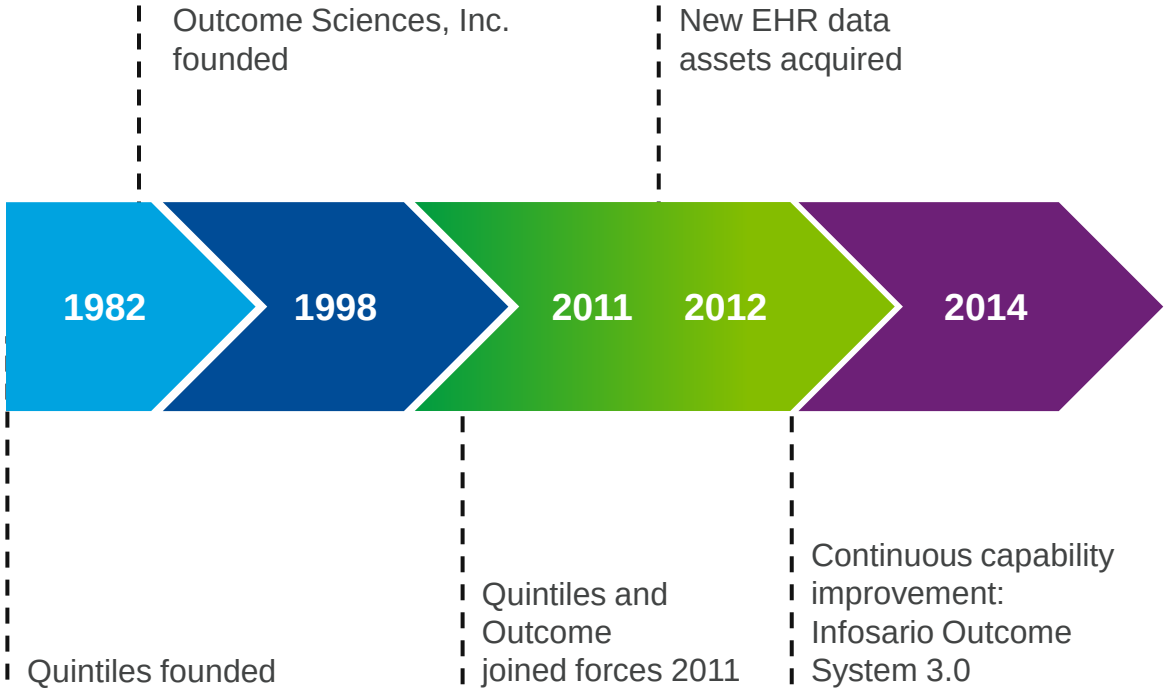
Real World & Late Phase Market & Trends

The real world & late phase market is characterized by strong growth prospects



QUINTILES

Quintiles' Real World & Late Phase Journey





The industry leader in real world and late phase research
(2013 & 2014[1])

The market is changing and so are we.

**Industry Standard Research: 2013 & 2014 CRO Quality Benchmarking Phase IV Service Providers Reports*

Our Leadership Provides a Unique Vantage Point to Anticipate and Lead this Complex Market

Complex customer study needs:

Increase in the number of 'Mega Registries' and contract size

(5-7x a typical registry)

Complexity



Patients:
100's – 1,000's

Regions:
Global + Regional + Local

Innovation:
Scalable & Sophisticated Technology, Data & Solutions

Robust Study Design and Execution to Achieve Global & Local Real World Evidence to Satisfy Multiple Stakeholders

Customer Need

- Understand and overcome the multi-regional barriers to market access for a new-to-market endocrinology drug.

Challenges & Complexities

- ***25+ countries in all regions of the globe***: Multi-country, multi-region and multi-stakeholder market access and reimbursement requirements
- ***10,000+ patients***: A multitude of health systems to navigate, languages to manage and data collection technologies to harmonize
- ***Multiple protocols***: A requirement to manage, monitor and execute the right protocol for the right internal stakeholders and populations
- ***Multiple internal customers:*** A diversity of interests and priorities.

Quintiles: Delivering on the Complexity

- Key elements of the customer-validated Quintiles solution:
  - Scientific and Operational expertise: To manage the study and to manage the multi-stakeholder customer
  - Global operations with local customization
  - Technical breadth in systems and data access/utilization
  - Leveraged the breadth of Quintiles to provide a single vendor solution

Real World & Late Phase Key Differentiators

Comprehensive, unrivaled capabilities



QUINTILES

Specialization in Observational Research and Registries

We understand the unique challenges with designing and implementing observational programs that meet stakeholders' real-world evidence requirements.

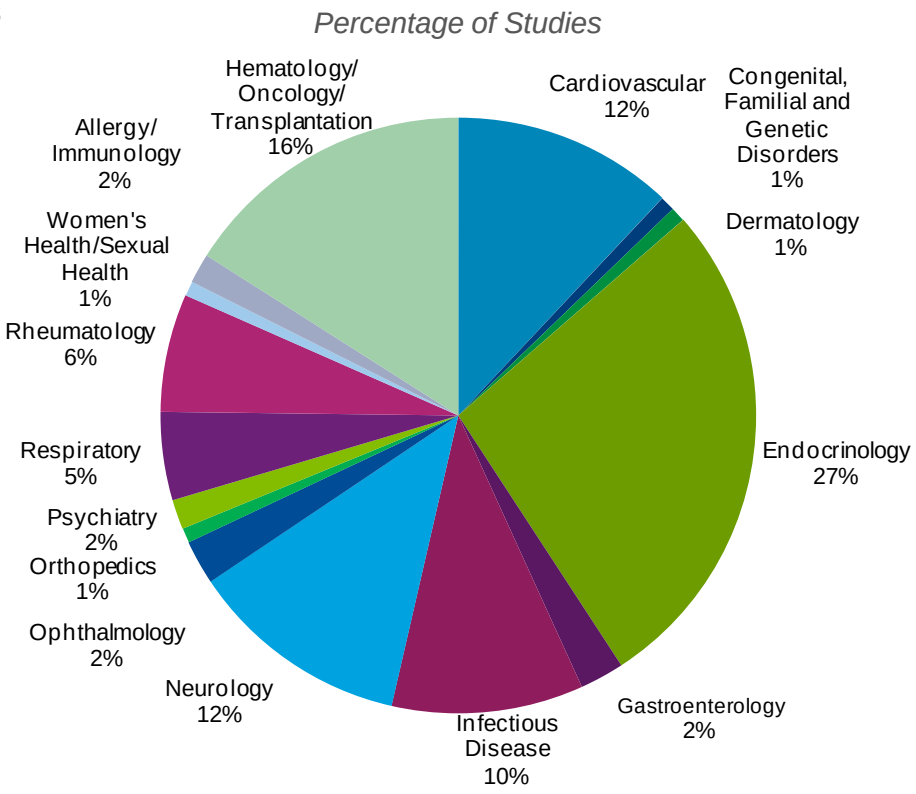
Specialization

- Observational Studies
- Patient, Disease, Pregnancy, Product Registries
- Quality Measurements /Improvement Programs
- Safety Risk Management/Risk Evaluation and Mitigation Strategies
- Health Outcomes/Economics
- Effectiveness
- Market Access
- Quality of Life/ & Other Patient Reported Outcomes
- Multi-stakeholder programs

Experience[1]

- **185+** Patient Registries and observational studies
- **31,800+** sites
- **317,000+** patients
- **95+** countries

Therapeutic Expertise



Source: Quintiles Business Metrics.

[1] 2011- July 2014

Quintiles Real World & Late Phase Scientific Expertise

We Help Set the Standards Across Healthcare on how Studies are Performed



AHRQ Registries Handbook
Best Practice Guidelines for Designing and Implementing Patient Registries



AHRQ Comparative Effectiveness
Standards and Best Practices for Designing Observational Comparative Effectiveness Research



GRACE Principles Initiative
Good Practice Principles for Observational Comparative Effectiveness Research

Patient **C**entered **O**utcomes **R**esearch **I**nstitute

PCORI
Prepared a report, Standards in the Conduct of Registry Studies for Patient-Centered Outcomes Research, to inform The PCORI Methodology Report

We Help Pioneer New Approaches to Data and Studies

ROPR

European **N**etwork of **Ce**ntres for **P**harmacoepidemiology and **P**harmacovigilance

European **M**edicines **A**gency

*ASTER

ROPR (Registry of Patient Registries)
A Central Repository for Patient Registries

ENCePP Research Center
Monitoring of Post-Marketed Medical Products in Europe

EMA PROTECT-EU Partner
Innovative Methods in Pharmacoepidemiology & Pharmacovigilence

ASTER-D
A Spontaneous Trigger Approach to Collecting Adverse Event Data through Electronic Data

We conduct registries with Provider Networks, Clinical Foundations, Professional Societies, and Government Agencies and gain exceptional provider insights

American Heart Association

NUHS National University Health System

American Society of Plastic Surgeons

APTA American Physical Therapy Association

Cystic Fibrosis Foundation

QUINTILES

American Association of Neurological Surgeons

AAOMS

European Medicines Agency

NFL

AOA

Scaleable & Sophisticated Technology, Data & Solutions

Innovation & access to navigate the complex real-world landscape

Proprietary Technology For Real World Research

- Patented Electronic Data Capture & Reporting
- Real-time Reporting & Analytics
- Standards-based Interoperability Capabilities

Electronic Health Record (EHR) & Data Analytics

- High quality EHR, clinical, claims, and integrated data sources available
- 61M Unique Patient Records
- Multiple care settings, including inpatient and outpatient

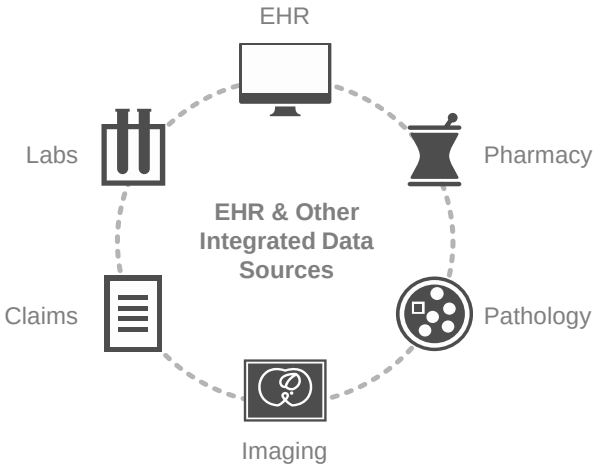
PATENTED QUINTILES INFOSARIO® OUTCOME TECHNOLOGY

INTERACTIVE VOICE/IVRS

OUTCOME ANALYTICS & REPORTING

PERFORMANCE LINKED ACCESS SYSTEMS

JOINT COMMISSION & CMS TRANSMISSION

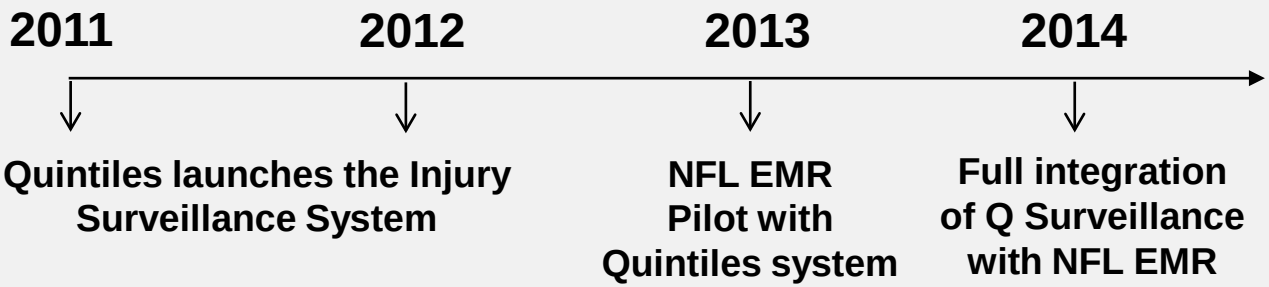


QUINTILES

Helping to Reduce Injuries

Since 2011, we have been working with the NFL to evaluate patterns of injury occurrence over time through question-driven reports

- Collects data on injuries from the start of training camp through the Super Bowl
- Focuses on concussions as well as any injury resulting in time lost from play
- Quintiles system has expanded to take full advantage of custom Electronic Medical Record (EMR)



Key research questions and activities include:

- Understanding impact of rule changes
- Interpretation of injury trends over time
- Contribute to player safety efforts across the League and its committees
- Provide data to support League in response to media speculation

Our Customers

Diversified portfolio of over 100 customers

- Continue to see strong demand across all customer segments:
  - › Large, Mid & Small biopharma
  - › Provider & Professional Associations

- **10 new accounts** in the first half of 2014

- **7 times more bookings** in the first half of 2014 from Small Pharma compared to same period last year

Backlog by Customer:

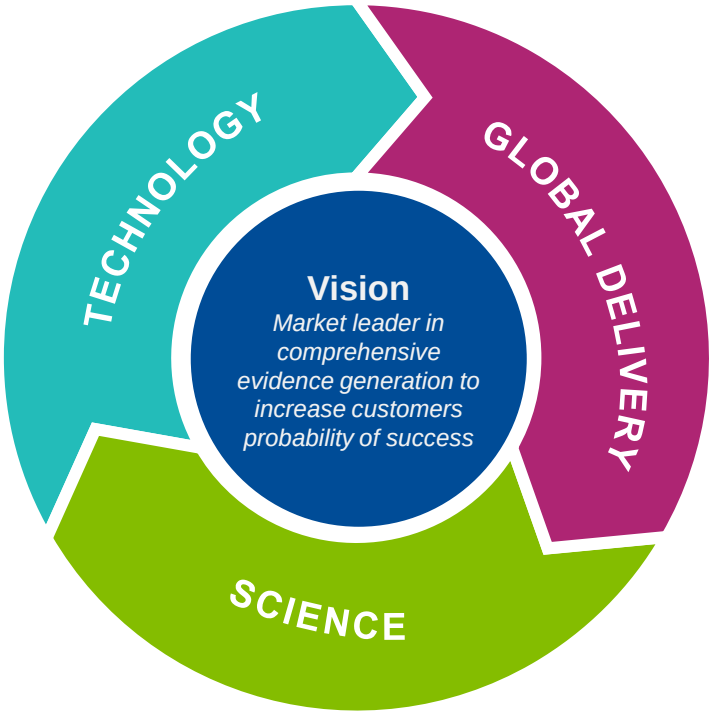


QUINTILES

(1) Backlog as of 6/30/14 by customer based on Pharma Exec's Pharma 50 2014 ranking by 2013 Rx Sales

Real World & Late Phase Research – Takeaways

Industry leadership through differentiation



Market leader in Real World and Late Phase services

Industry-defining scientific expertise

Market-specific technology

Deliver transformative and innovative solutions to our customers through data and scientific expertise

Well **positioned to capture greater share** of the specialized and growing outsourced Real World and Late Phase market

Technology

Richard Thomas
Chief Information Officer

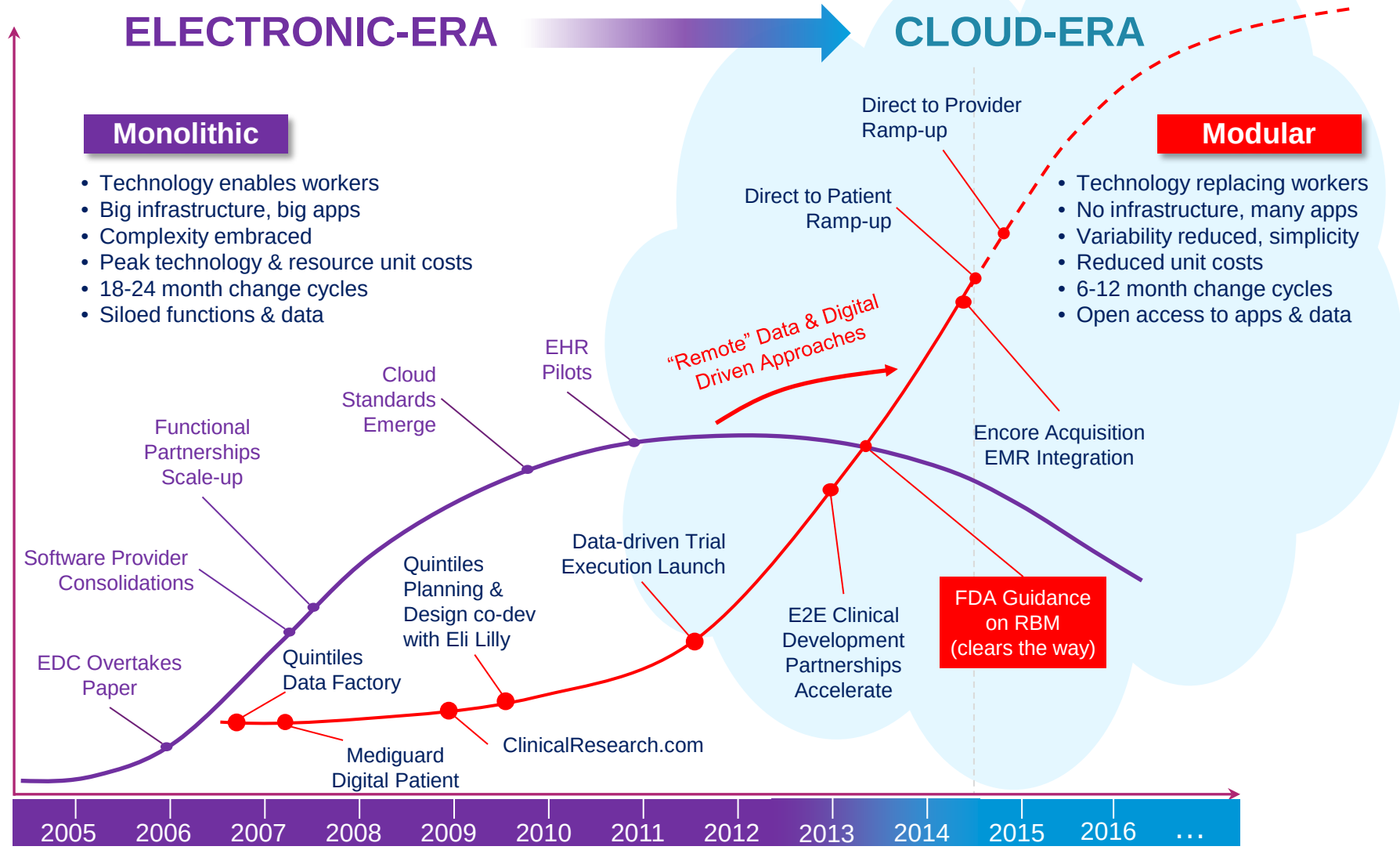


Improve your probability
of success™

© Copyright 2014 Quintiles

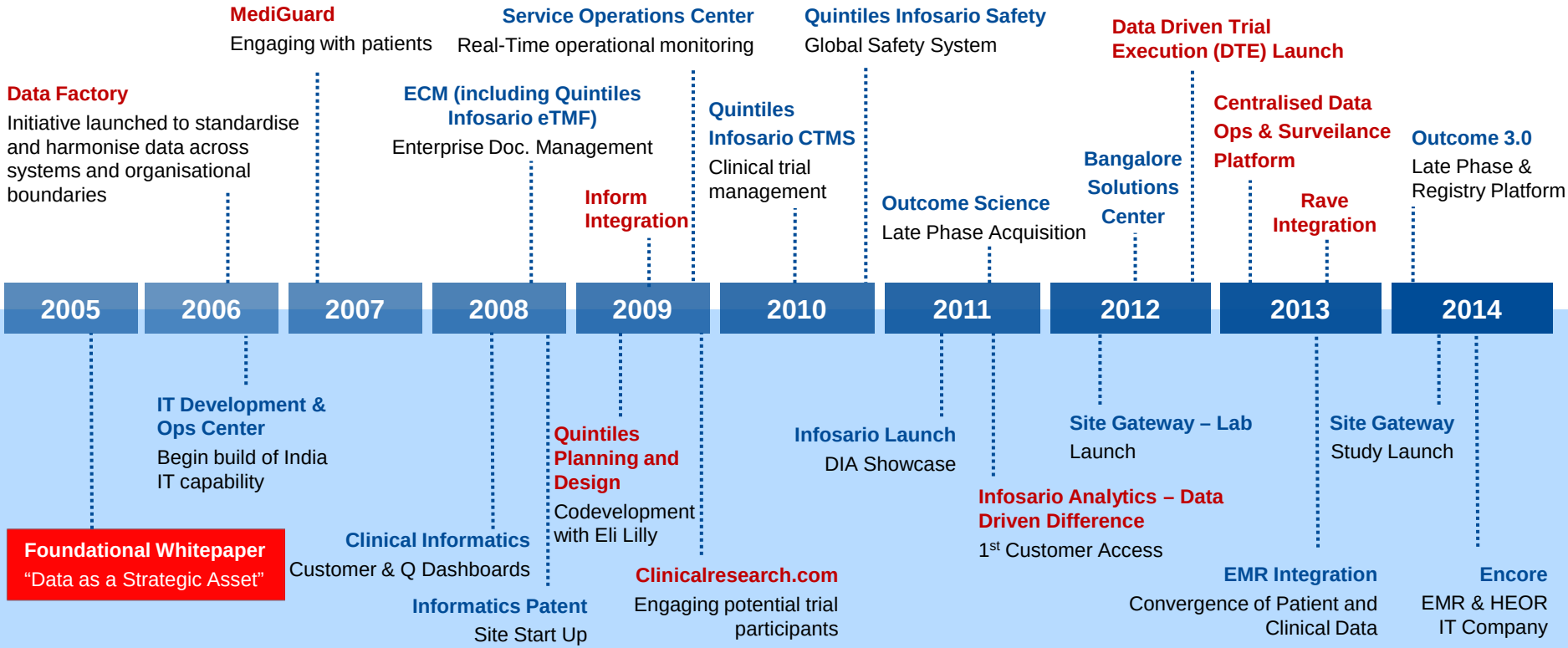
Industry Evolution

Shifting to a digital, knowledge-centric ecosystem



QUINTILES

Our Technology Journey, One Step at a Time



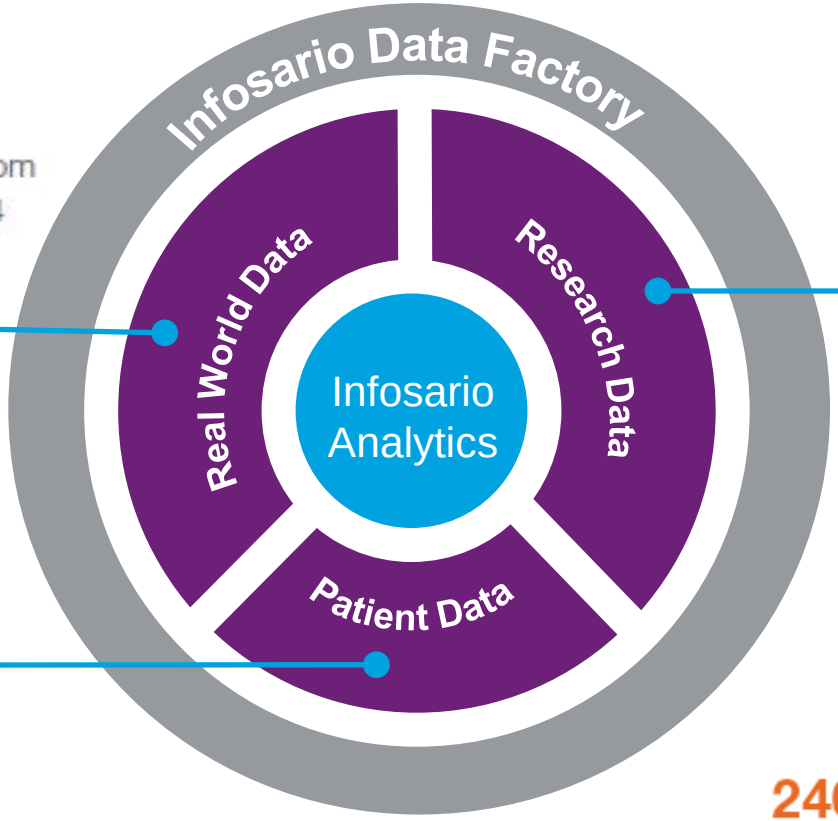
Numerous Industry Awards for Technology Innovation

- 2009-2013 Quintiles named by InformationWeek as a leading technology innovator in its annual rankings
- SCDM and SCRIP industry award finalists in 2012
- SCRIP industry award for Safety in 2013
- CIO 100 innovation award for Safety in 2014
- 2013 Informatica Innovation Award for Data Integration
- 2013 Computer World Data+ Award for Data Innovation
- 2009-2014 Quintiles IT named in Best 100 Places to work in IT

Infosario Data Factory

Data Integration is key to Unlocking the Productivity Puzzle

Access to **>61M patient lives** via **Electronic Health Records** from **>175,000 providers** since 2004



Clinical research data collected across **487 indications** in **18 therapeutic areas**

Electronic Health Records

Trial and Subject Data

Data collection experience from **5,700 studies** and **388,000 sites** and **1.6M participants** from protocols

Patient Communities and Direct-to-Patient Research

>2.8M enrolled members in MediGuard and ClinicalResearch.com

240,000 clinical investigators in Quintiles' Clinical Trial Management System

>400 direct-to-patient studies in more than 30 countries since 2008

QUINTILES

Industry Leading Technology Capabilities

Research → Real-world

Design

- Infosario Design
  - Infosario Design
  - Site Targeting

Execute

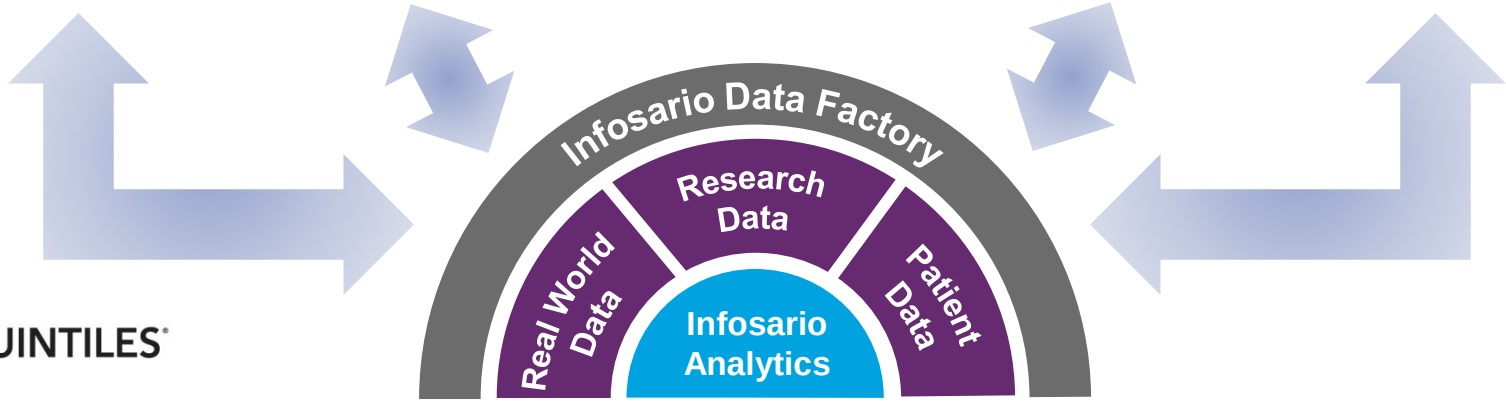
- Infosario Analytics
- Infosario Clinical
  - Infosario CTMS
  - Infosario eTMF
  - Infosario Safety
- Clinical Data Systems
  - eDC
  - Labs
  - IVR
  - ECG

Engage

- Infosario Engagement
  - ClinicalResearch.com
  - MediGuard.org
- Infosario Clinical
  - Infosario Gateway

Commercialize

- Infosario Commercial
  - eDetailing
  - Real-World Modeling
  - Infosario Safety
  - Infosario Outcome



QUINTILES

Driving Customer Value – Enabled by Technology

Research → Real-world

Design
Data-Driven Design

- **Significantly Reduce Protocol Amendments**
- **Data Driven Design –** Optimize operations, reduce tests/procedures, shorten cycle times

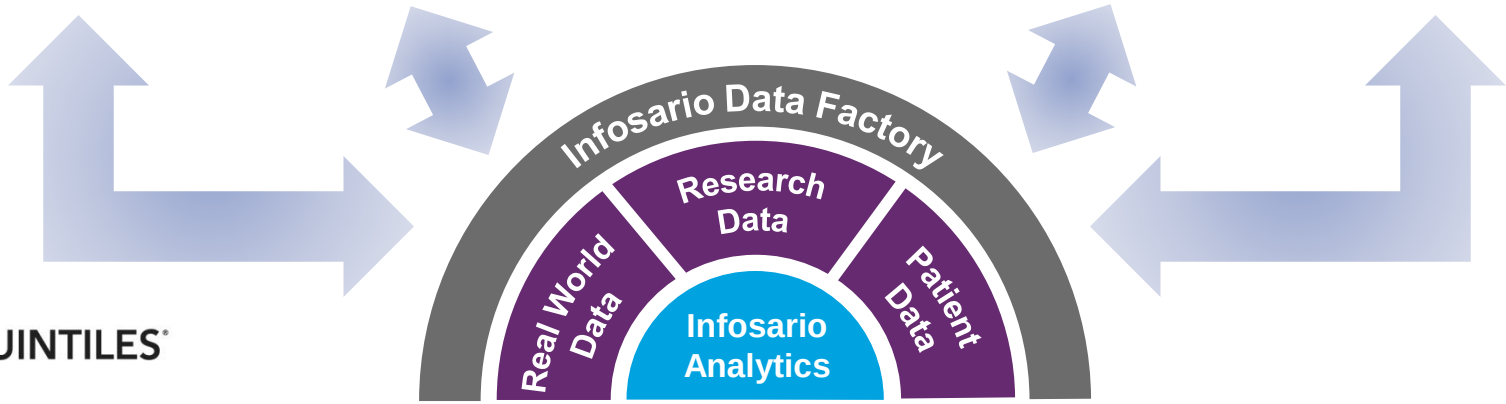
Execute
Data-Driven Execution

- **Implement Reduced SDV with multi-level data review**
- **Streamline Site Interactions/ Document Exchange**
- **Enhanced Workflows –** Align data and processes to improve oversight and decision-making

Engage
Experience-Driven Engagement

- **Optimizing recruitment through patient profiling and study matching**
- **Retaining patients by building relationships**
- **Connecting patients with Healthcare professionals**

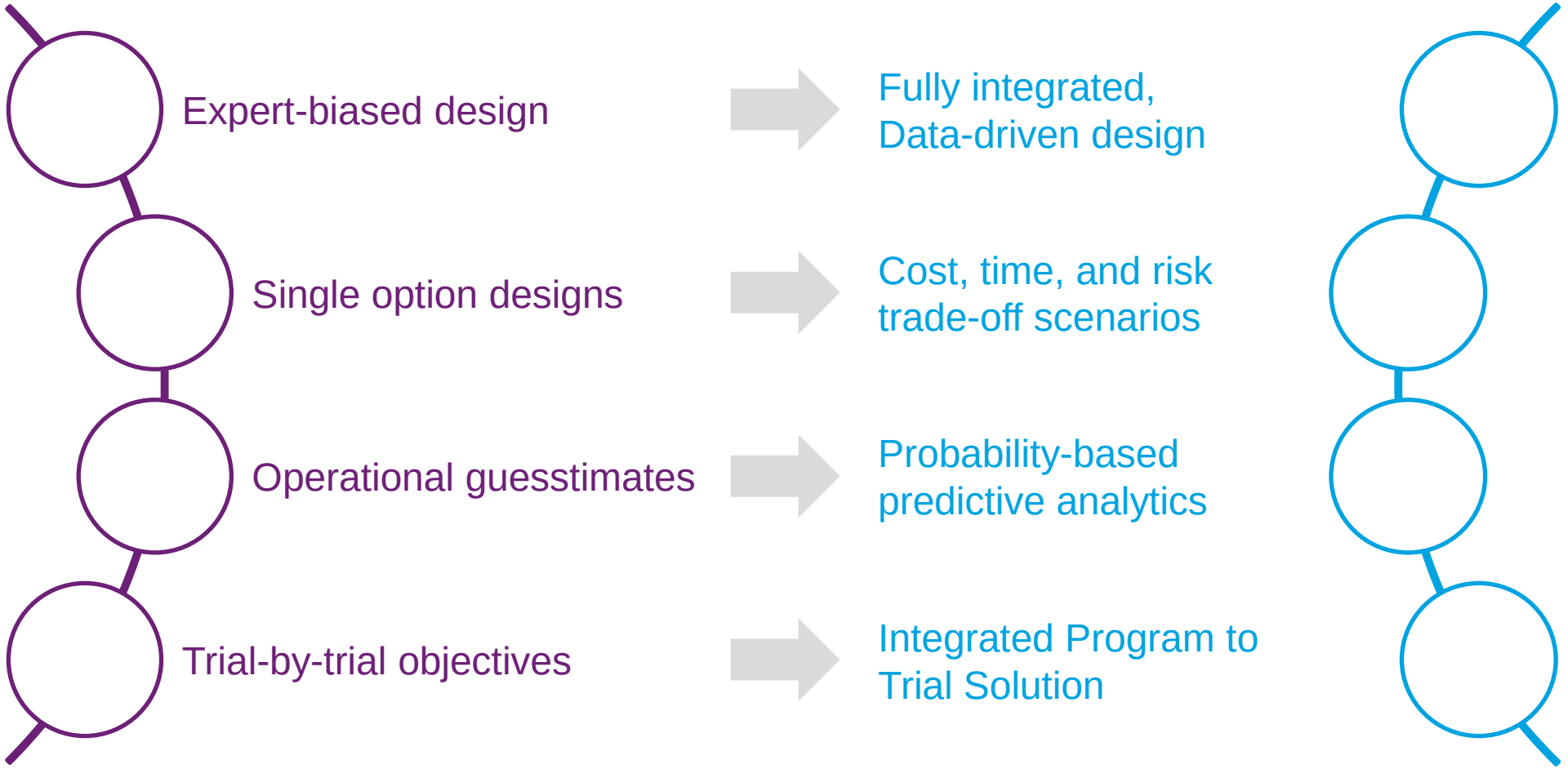
Commercialize



QUINTILES

Planning and Design – Infosario Design

Enabling better design decisions



Planning and Design – Infosario Design

Enabling better design decisions

>12K Protocols

>240K Investigators

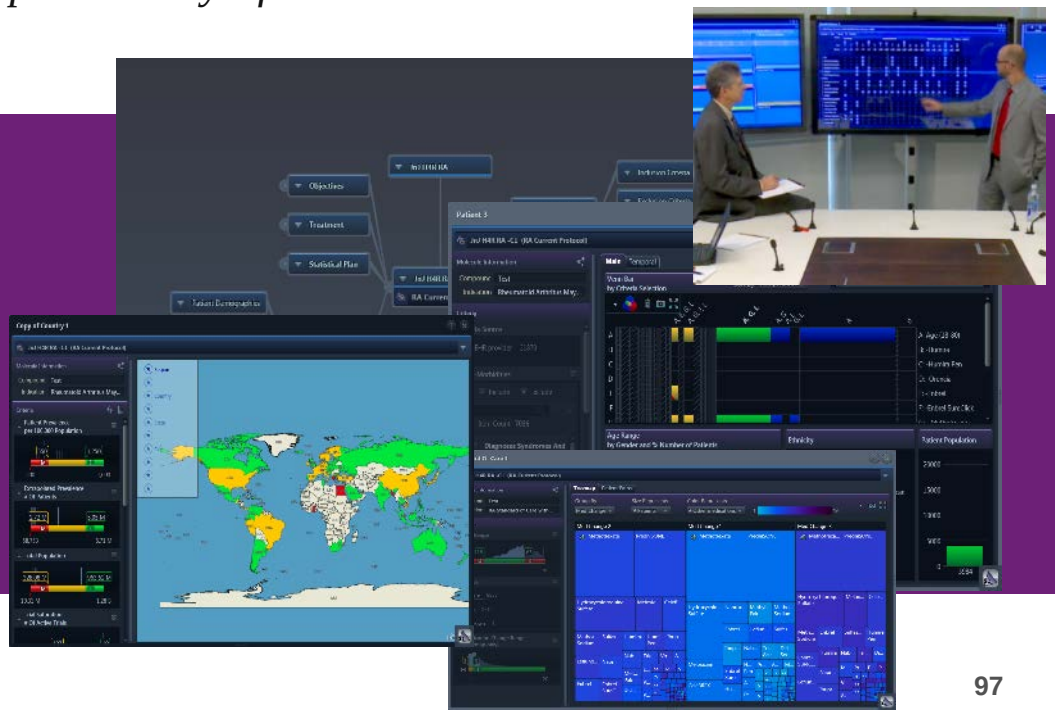
487 Indications

>61M Patient Lives

Facilitated Interactive Computer Assisted Design

Balance time, cost and risk to improve probability of technical success

100 different molecules, generating **1000** different design scenarios



Planning and Design – Infosario Design

A unique setting - The design studio bringing experts & data together



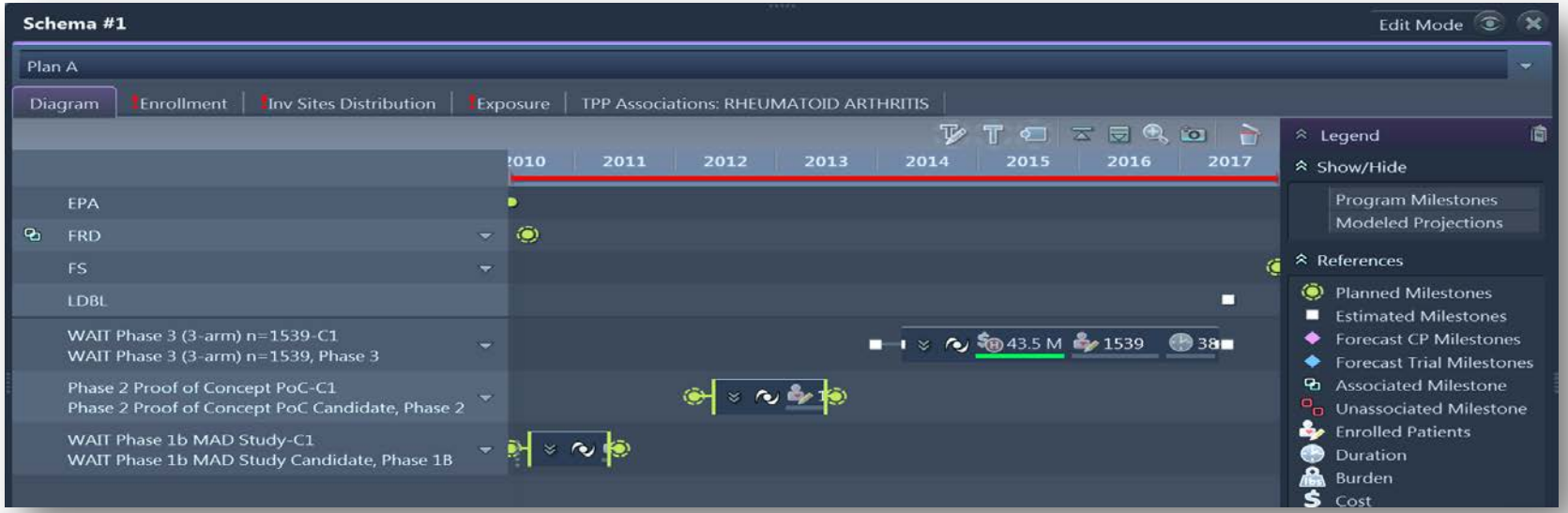
Clinical Development Program Planning

Concept Map



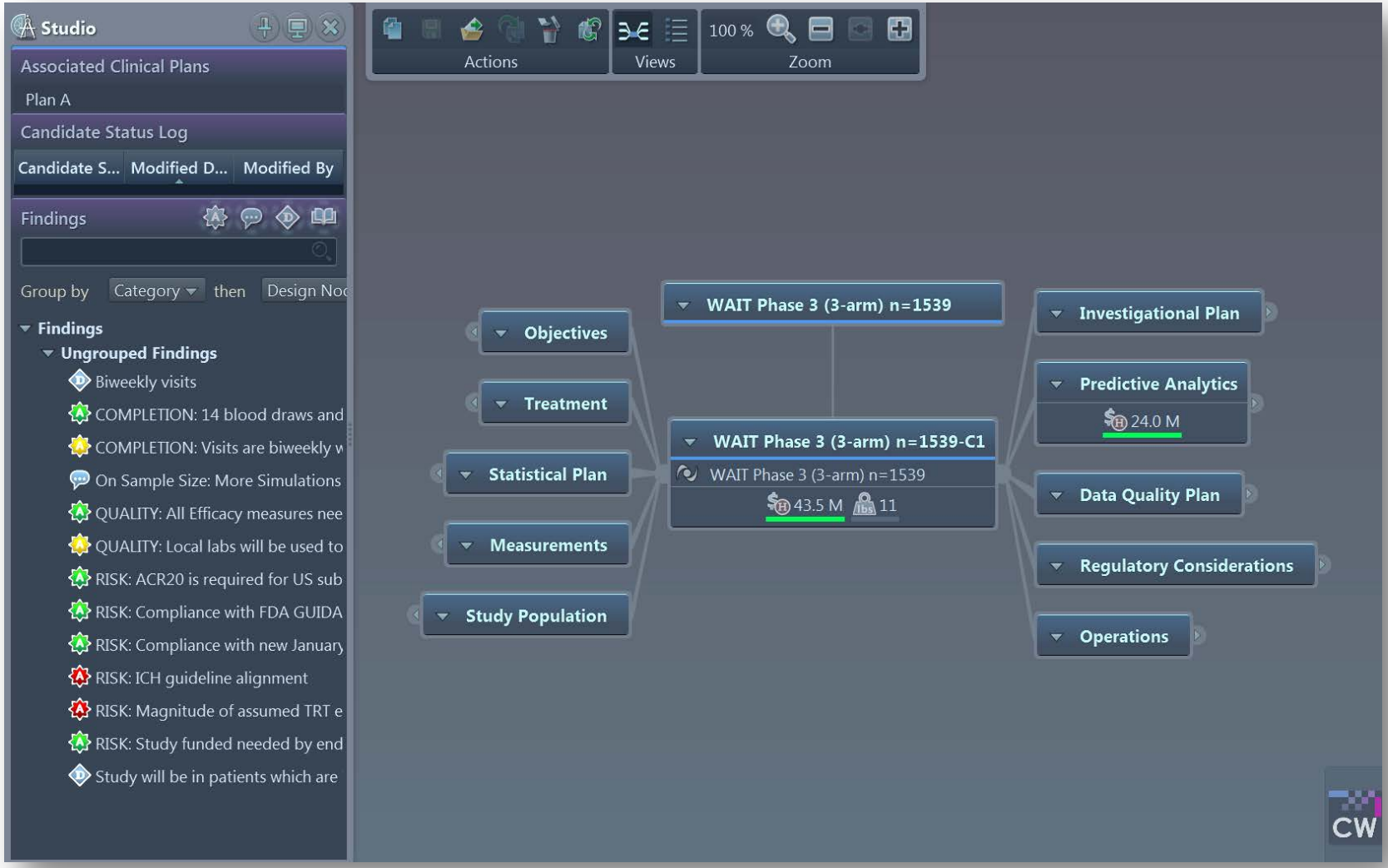
Clinical Development Program Scenarios

Clinical Trial Package



Trial Design Planning

Digital Memory - Concept Map and Assumption Tracking

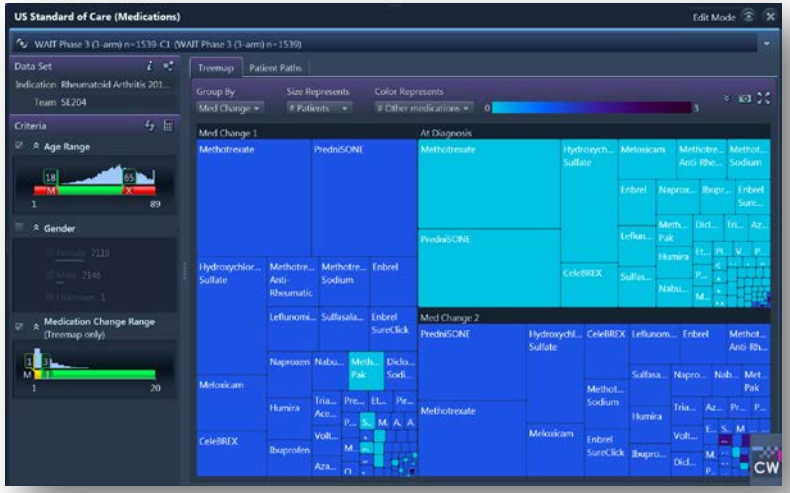


Predictive Analytics

Combining 61M Patients EHR data with 30 Years of Operational Knowledge

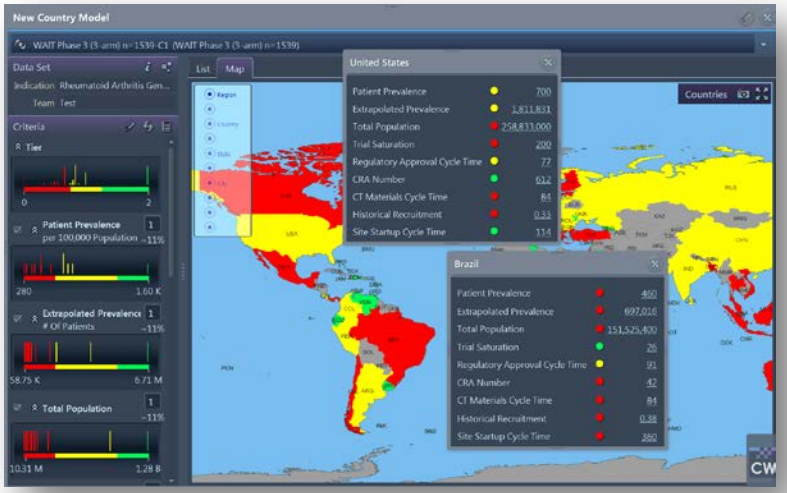
Standard of Care

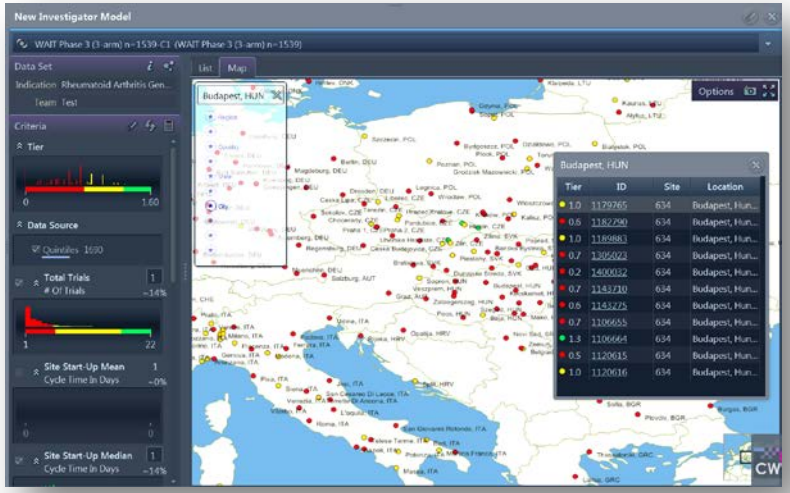
Predictive Analytics based on EHR data



Country Analytics

Multiple Sources, Detailed Country Profiles





Trial Investigator Analytics

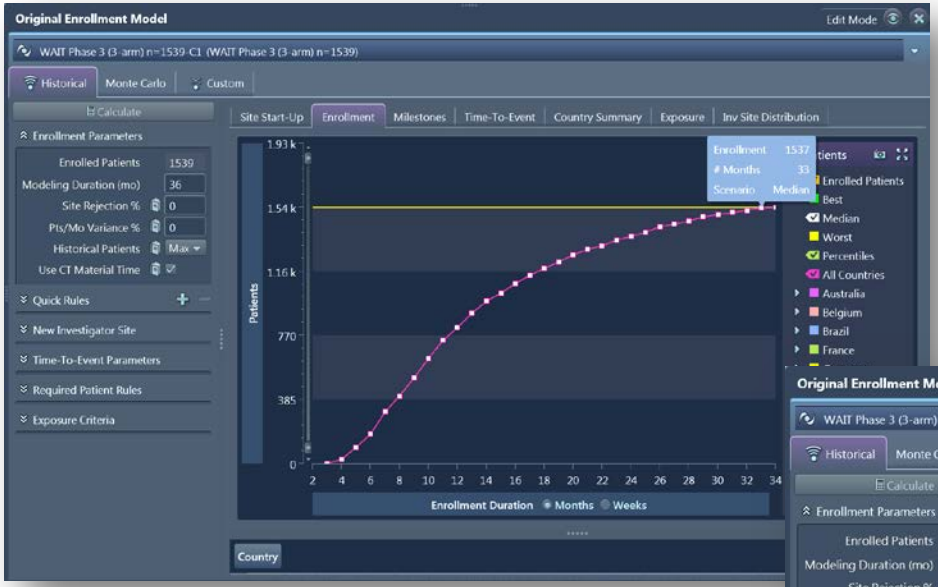
Quintiles Investigator Performance DB
(& Sponsor Investigator Performance data)

Predictive Analytics

Running Multiple Models in Real-time

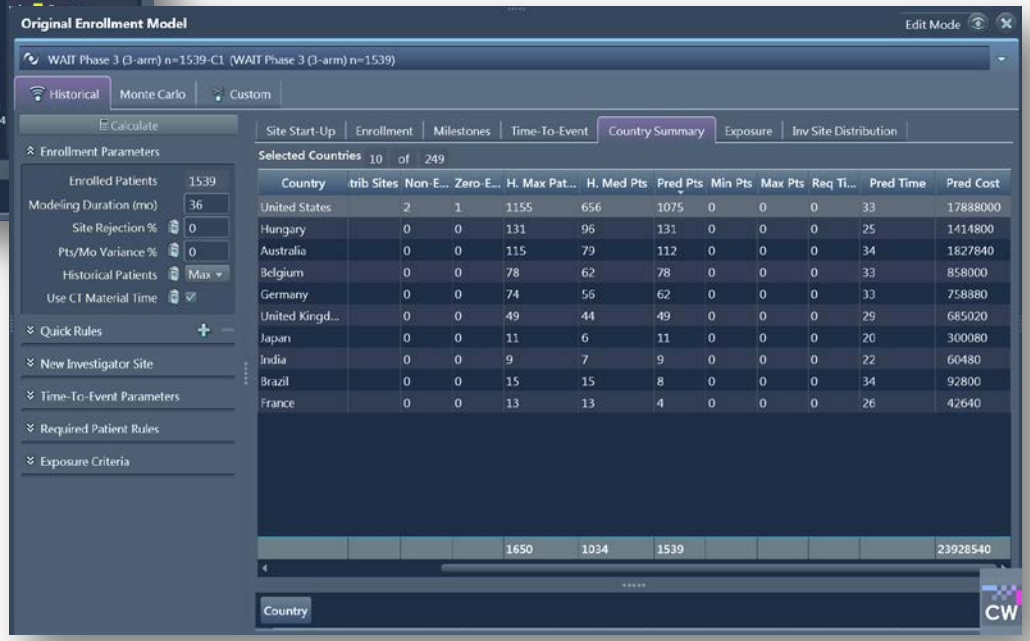
Patient Enrollment Modeling

Algorithm integrates data from prior Country/Investigator Analytics



Investigator Costs

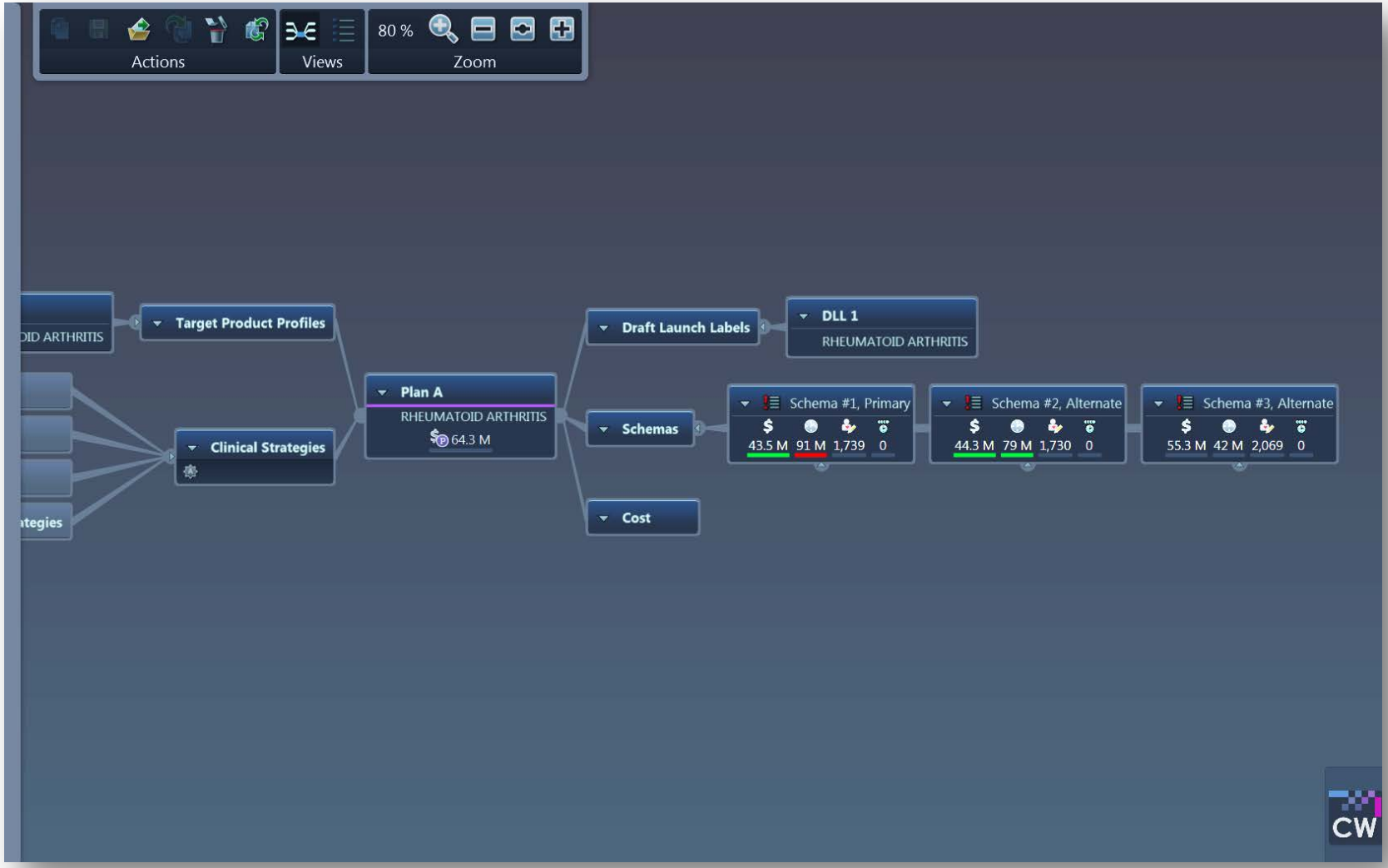
Model costs across countries as scenarios are created



QUINTILES®

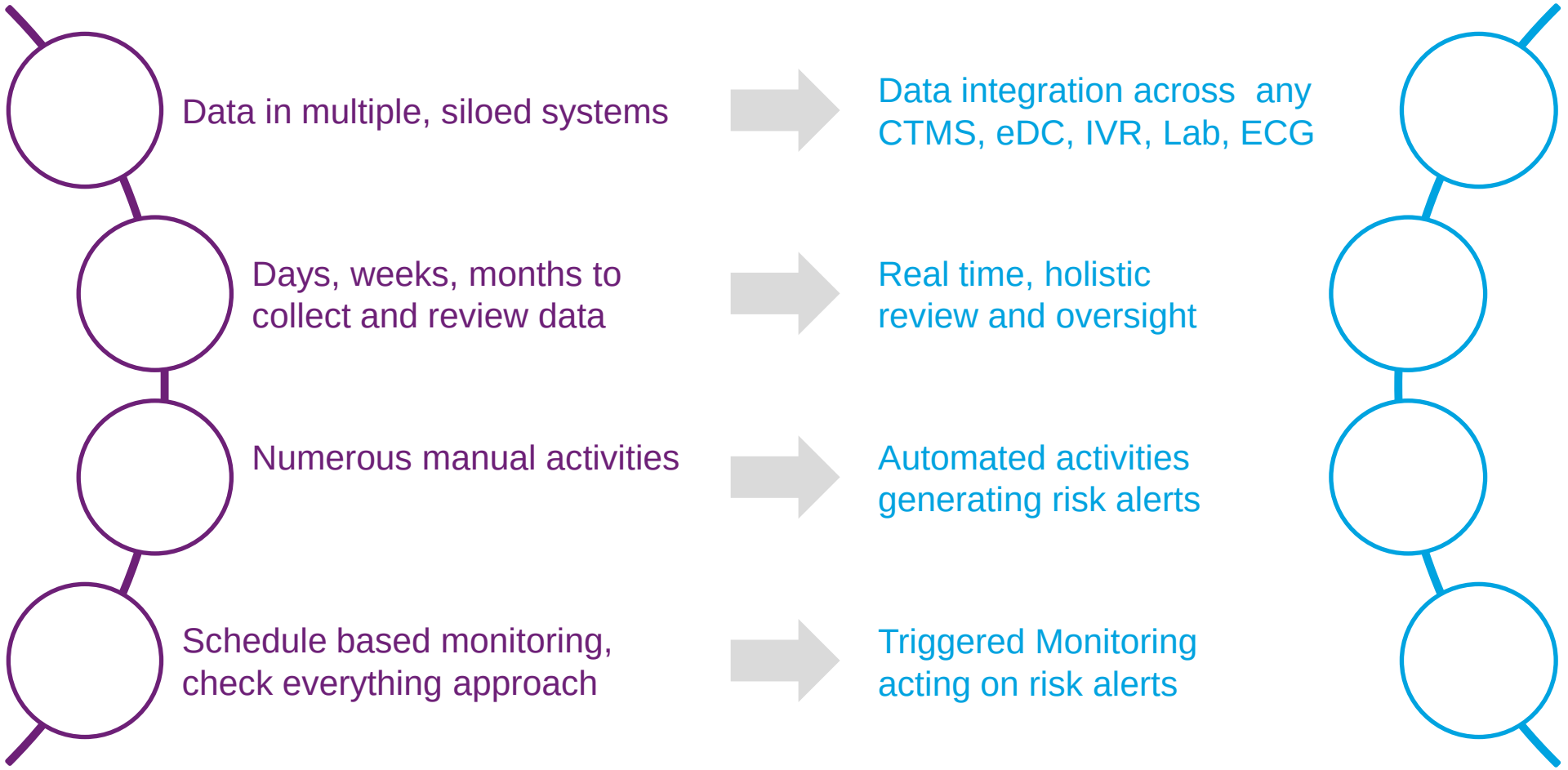
Multiple Clinical Development Planning Scenarios

Cost, Time, Risk & Patient Burden Tradeoff Decisions in real-time



Risk Based Monitoring – Infosario Clinical & Analytics

Better execution through an integrated clinical ecosystem



Risk Based Monitoring – Infosario Clinical & Analytics

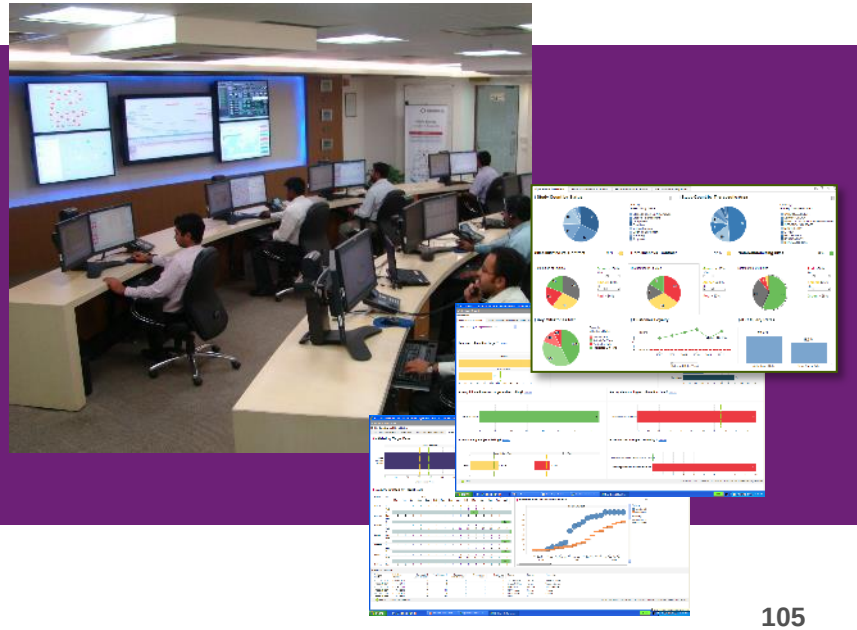
Better execution through an integrated clinical ecosystem

>95
Studies

>20,000
Sites

>250,000
Patients

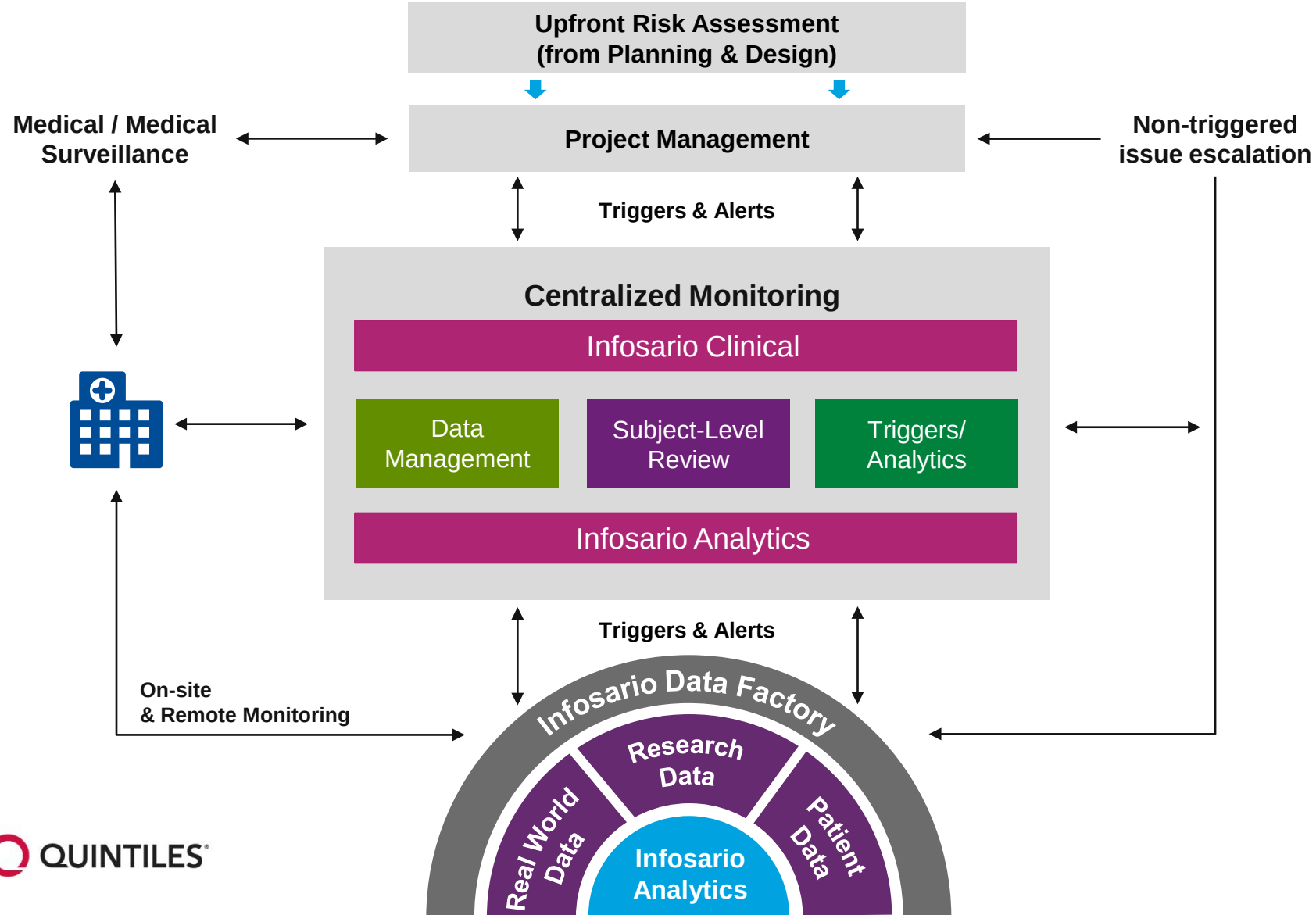
Infosario Clinical
Infosario Analytics
Solutions that bring as much as 25% cost reduction



QUINTILES

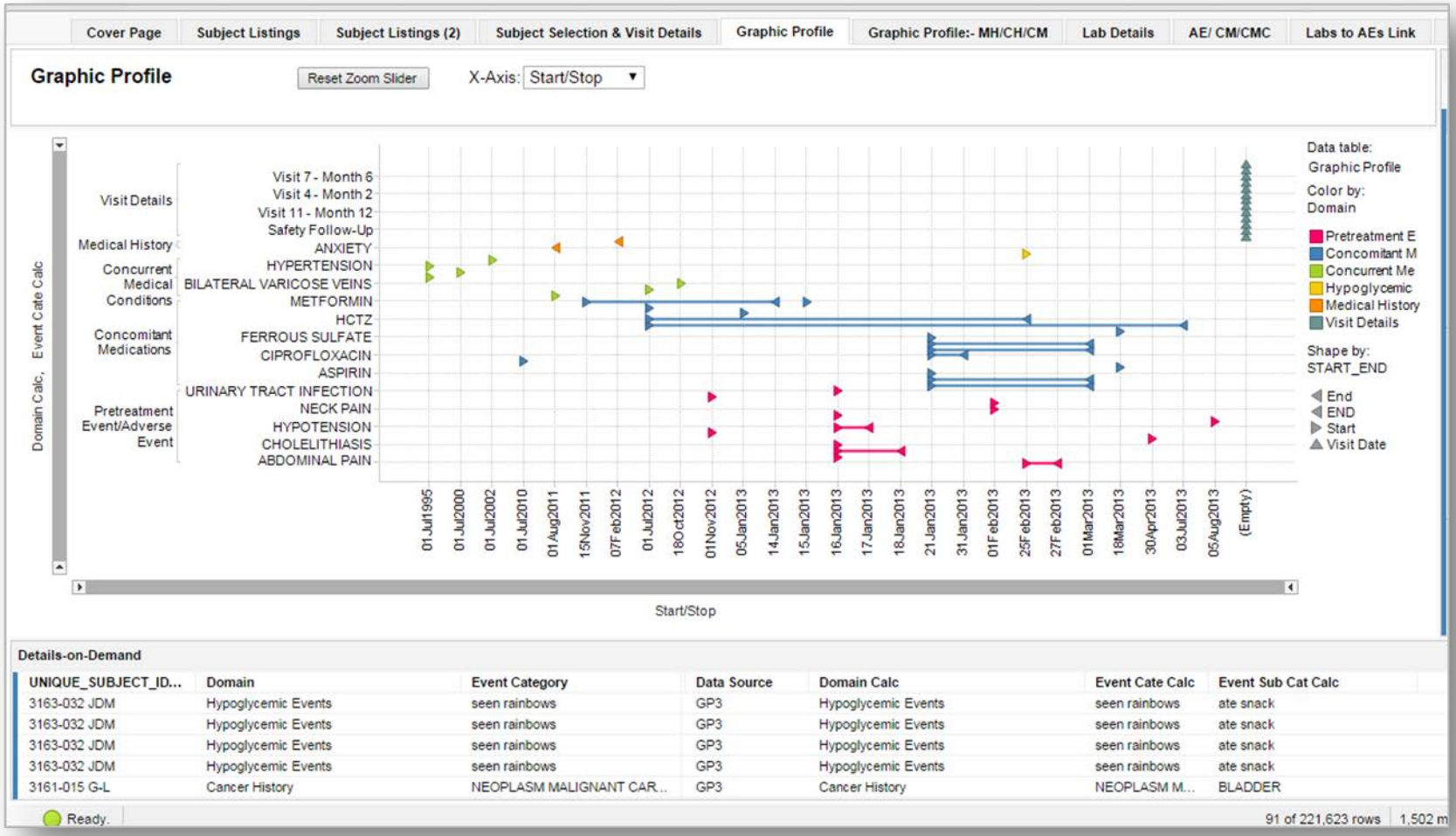
Risk Based Monitoring – Infosario Clinical & Analytics

Technology enabled execution



Graphical Patient Profile

Integrated view of all subject data



Vital Signs Review

Trend analysis



Lab Analyte Reviews

Real-time access to safety lab reviews



Clinical Project Management

Study project manager review of global sites – Alert from medical review in Bangalore

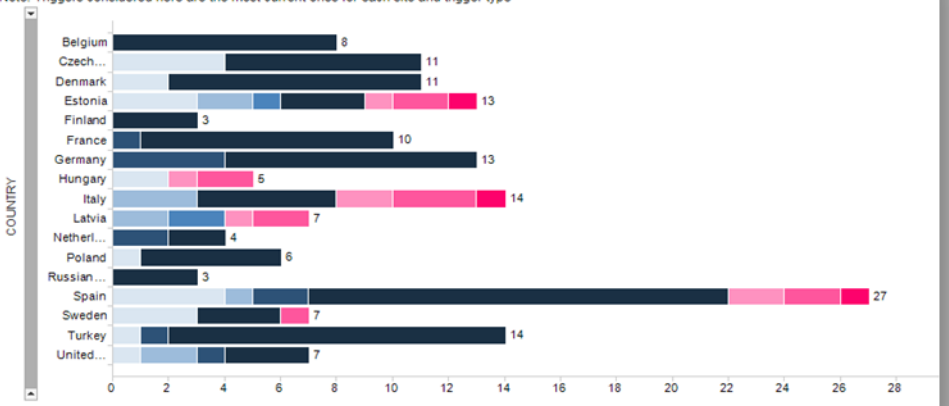


Study Demographics

COUNTRY	SITES OPEN cont.	SITES RECRUITING act.	SU SC
Belgium	9	0	
Czech Re...	7	0	
Denmark	5	0	
Estonia	3	1	
Finland	3	0	
France	6	0	
Germany	9	0	
Hungary	2	0	
Italy	7	0	
Latvia	2	2	
Netherlands	2	0	
Poland	7	0	
Russian F...	3	0	
Spain	13	0	
Sweden	3	0	
Turkey	10	0	
United Ki...	5	0	

 # Trigger Alerts for OverDue Action Items , Manual Event,Enrollment Rate,First Patient In ,Query Aging ,

Note: Triggers considered here are the most current ones for each site and trigger type

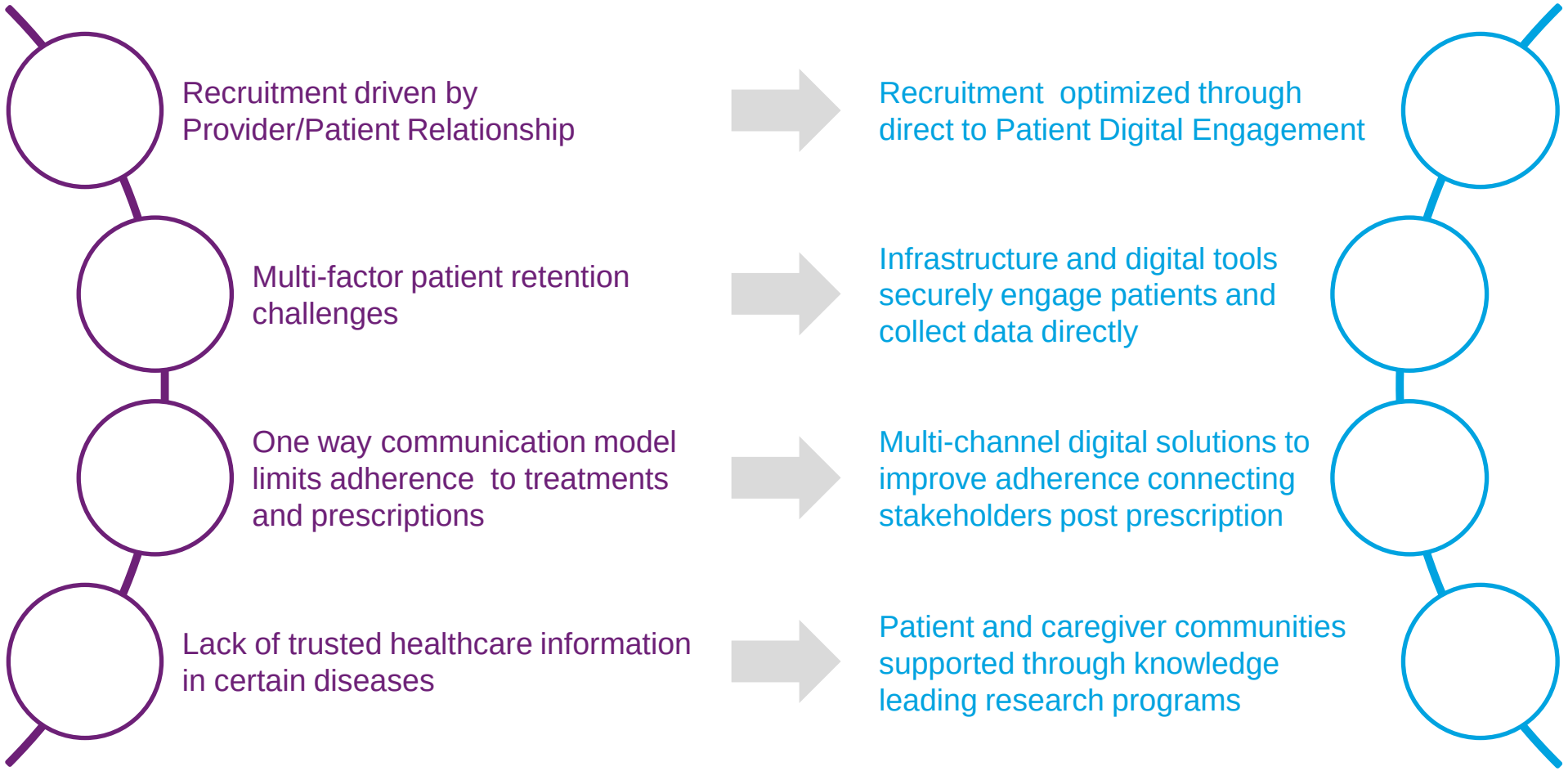


Ready. 181 of 181 rows | 0 marked | 40 columr

QUINTILES®

Patient and Provider Engagement – Infosario Engagement

Technology enables direct-to-patient long term relationships



Patient and Provider Engagement – Infosario Engagement

Technology enables direct-to-patient long term relationships

>3.2M
Patient Relationships across our communities

>400
Direct-to-Patient Studies across 30 countries

>220
Product Launches

Infosario Engagement

Building digital relationships directly with patients for research

ClinicalResearch.com | QUINTILES

MediGuard.org





MediGuard.org

Medication monitoring for our community of ***>2.6M members*** *in 7 countries* ***since 2007***





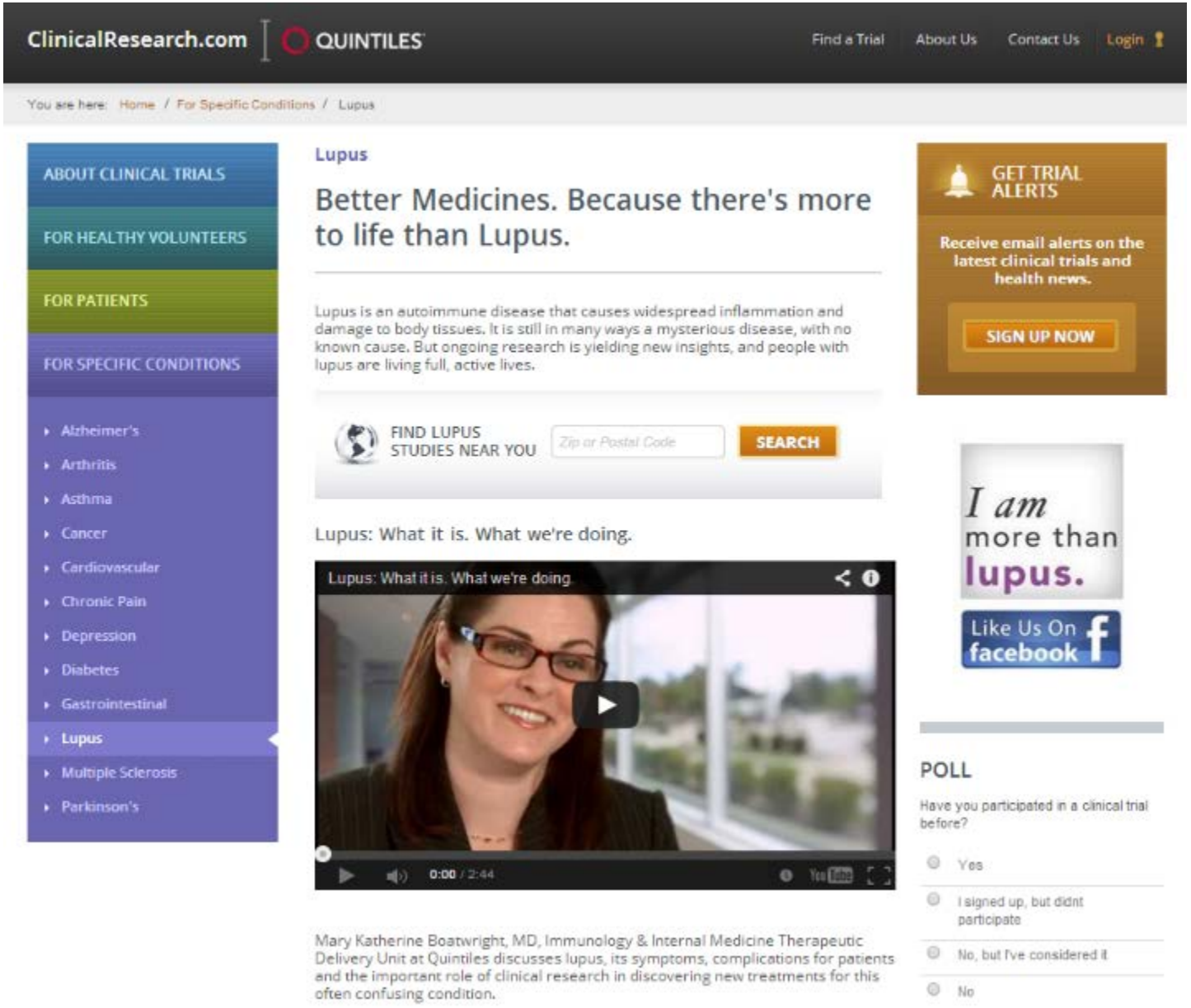
QUINTILES

ClinicalResearch.com

Clinical study matching service



ClinicalResearch.com



I Am More Than Lupus

Quintiles condition specific communities on Facebook



Technology Solutions – As a Service

Leveraging our investments to transform customer operations

>130
Billable FTE's

2012
Began Providing IT Services

>80,000
Industry Users

Tried & Tested Solutions
Industry transformation driving demand for Quintiles IT services and solutions



COMPUTERWORLD DATA+ ANALYZE | PREDICT | MONETIZE

InformationWeek

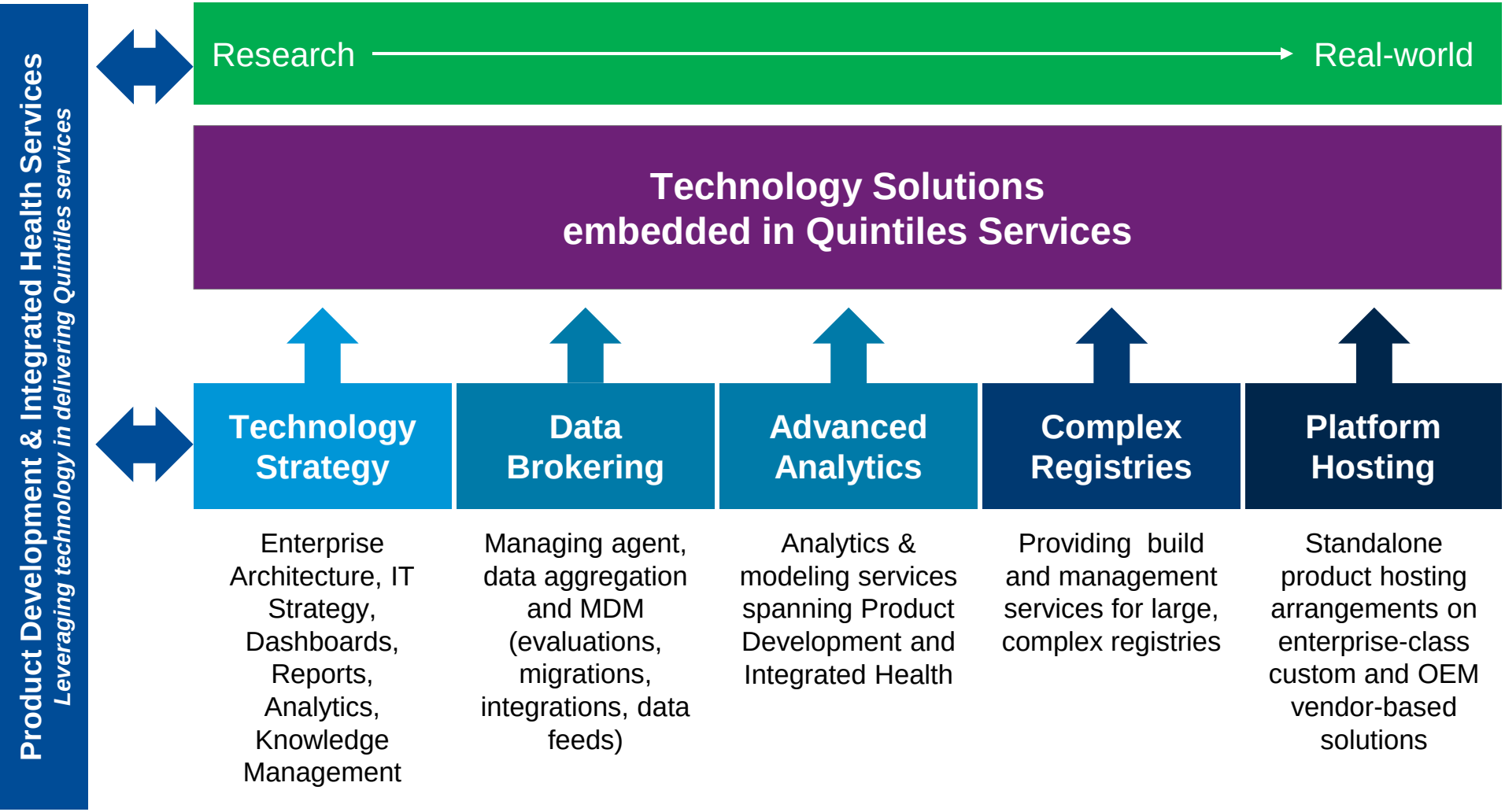
CIO100

SCRIP AWARDS 2013

INFORMATICA INNOVATION AWARDS

Technology Solutions – As a Service

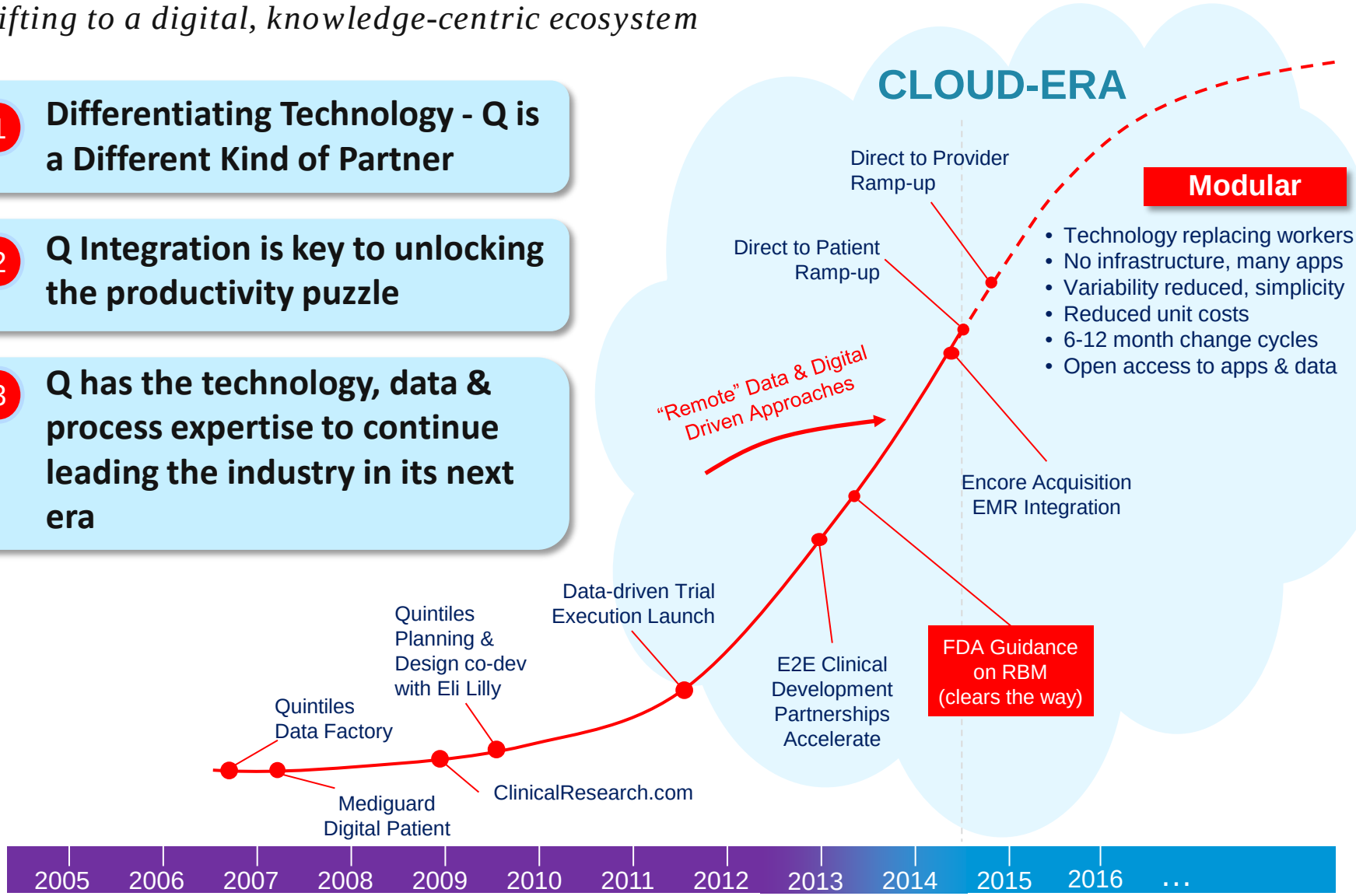
Leveraging our investments to transform customer operations



Industry Evolution

Shifting to a digital, knowledge-centric ecosystem

1. **Differentiating Technology - Q is a Different Kind of Partner**
2. **Q Integration is key to unlocking the productivity puzzle**
3. **Q has the technology, data & process expertise to continue leading the industry in its next era**



Analyst Day - Financial Overview

Kevin Gordon
Chief Financial Officer

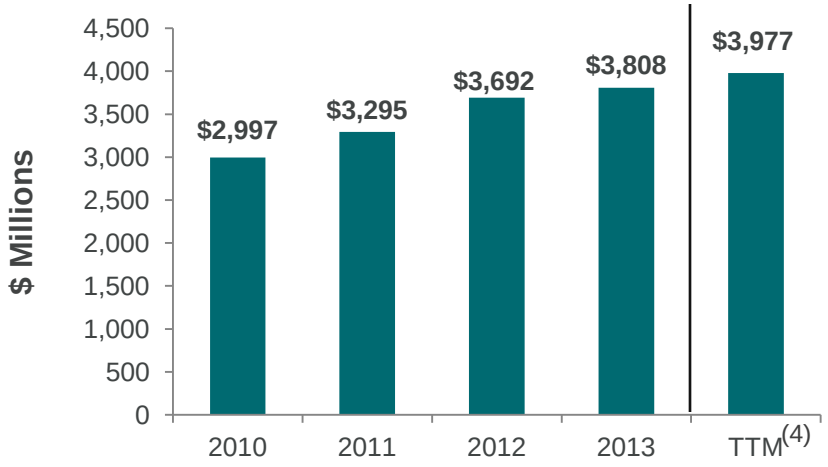


© Copyright 2014 Quintiles

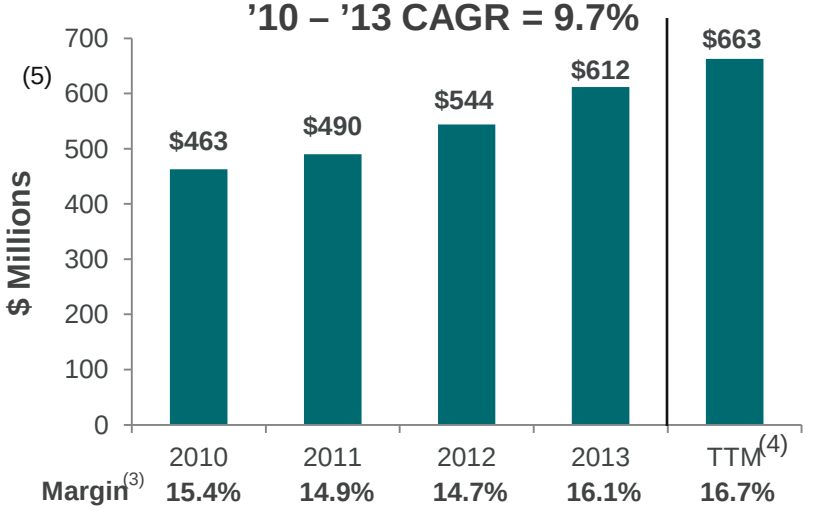
Track Record of Profitable Growth and Consistency

Long term Performance Underpinned with a Diversified Customer Portfolio

Adjusted Service Revenues(1)
'10 – '13 CAGR = 8.3%



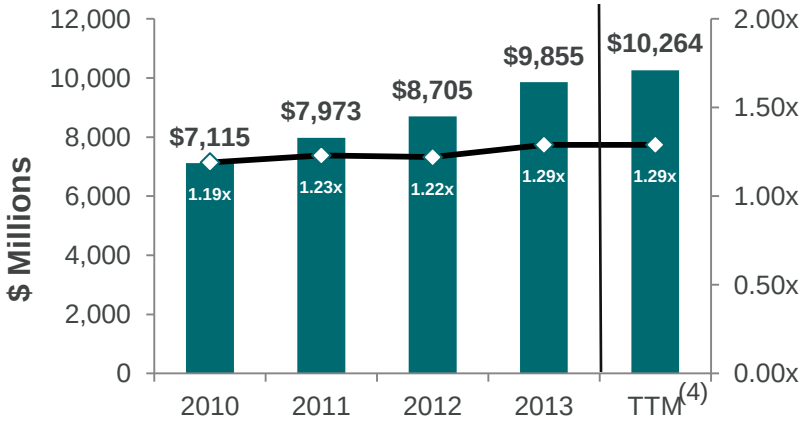
Adjusted EBITDA(2)
'10 – '13 CAGR = 9.7%



Net New Business
'10 – '13 CAGR = 11.3%



Backlog and Book-to-Bill(1,3)



QUINTILES

(1) See appendix slide 10 for reconciliation of Service Revenues to Adjusted Service Revenues
(2) See slide 11 for reconciliation of Net Income to Adjusted EBITDA
(3) Book-to-bill calculated as NNB divided by Adjusted Service Revenues
(4) Trailing twelve months ending 6/30/14

Continued Momentum in 2014

Six Months Ended June 30, 2014

FINANCIAL HIGHLIGHTS

8.5% Constant Currency Revenue[(1)]
- 7.6% in Product Development
-11.5% in Integrated Healthcare Services

90 bps Adjusted Income from Operations margin[(1)] expansion

46.6% Adjusted Net Income growth

35.7% Diluted Adjusted EPS growth

OTHER HIGHLIGHTS

1.23x Book-to-bill ratio
- 1.21x in Product Development
- 1.29x in Integrated Healthcare Services

$10.3bn Consolidated Backlog

$2.5bn Eight sequential quarters of net new business exceeding $1.0bn

$636mm Cash and cash equivalents

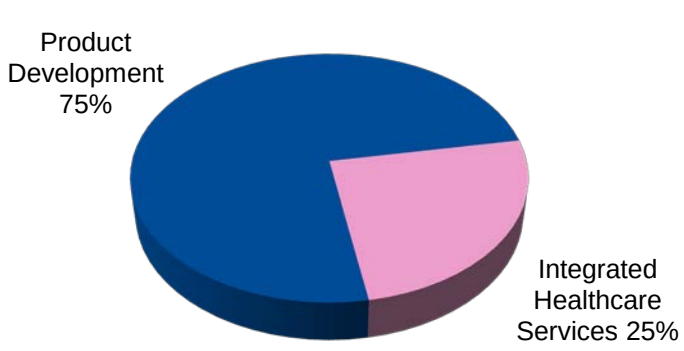
(1) See appendix slide 13

QUINTILES

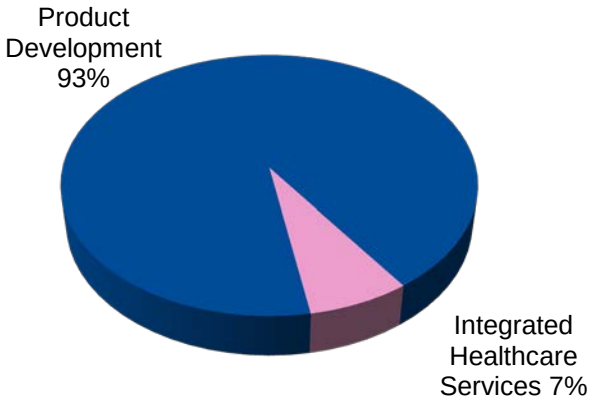
Globally Diversified Business and Services in a Growing Market

Diversified by Geography and Services

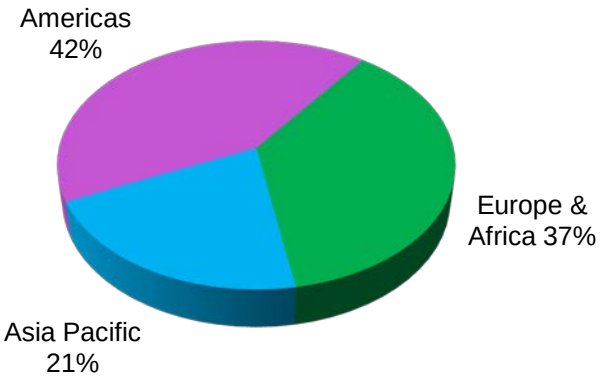
Service Revenues by Segment



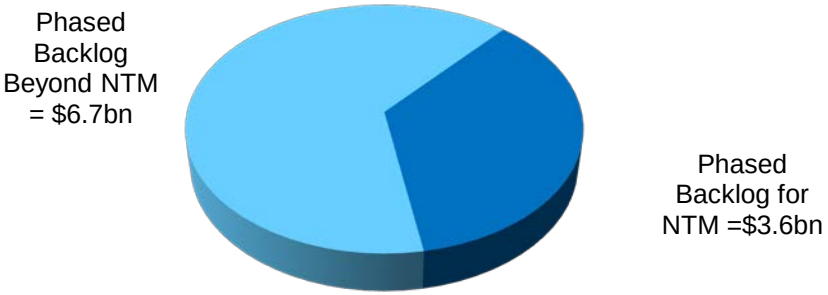
Segment Income from Operations



Service Revenues by Geography



$10.3bn of Backlog



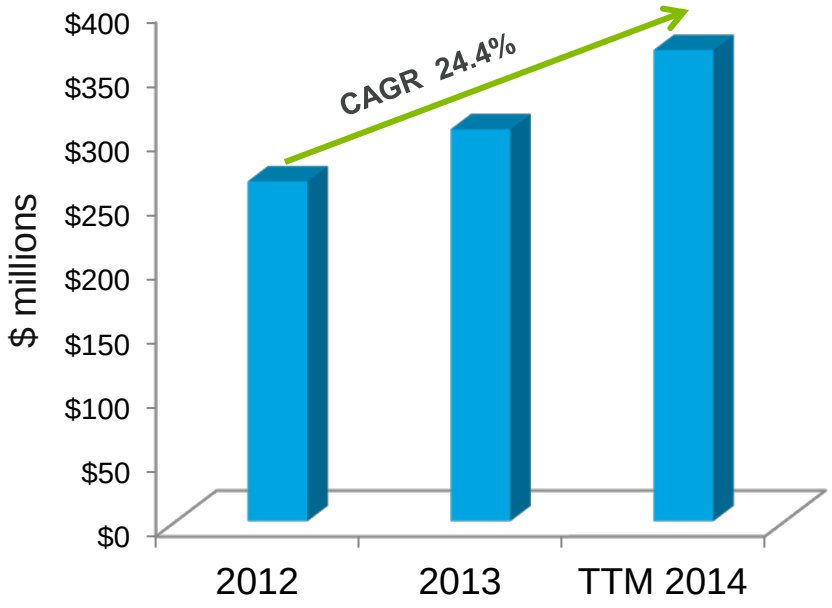
QUINTILES

Note: Charts represent second quarter 2014 ending June 30th.

Capital Deployment

Consistent free cash flow growth

Free Cash Flow



Capital Deployment Strategies

- Invest to support organic growth
- Supplement capabilities & growth through acquisitions
  - › Novella acquisition ($146.5mm)
  - › Encore acquisition ($93.6mm)
- Returns to Shareholders
  - › $65mm repurchased in Q4’13
  - › $165mm repurchased in Q2’14

Strategy Drives Growth, Margins, and Quality



Growth

- Dedicated customer relationship teams translate customer needs to Quintiles solutions
- World class sales organization driving proposals and pricing
- Targeted segment solutions for high growth markets
- Strategic partnerships
- Commitment to managed innovation
- Strategic acquisitions

Best in Class Margins

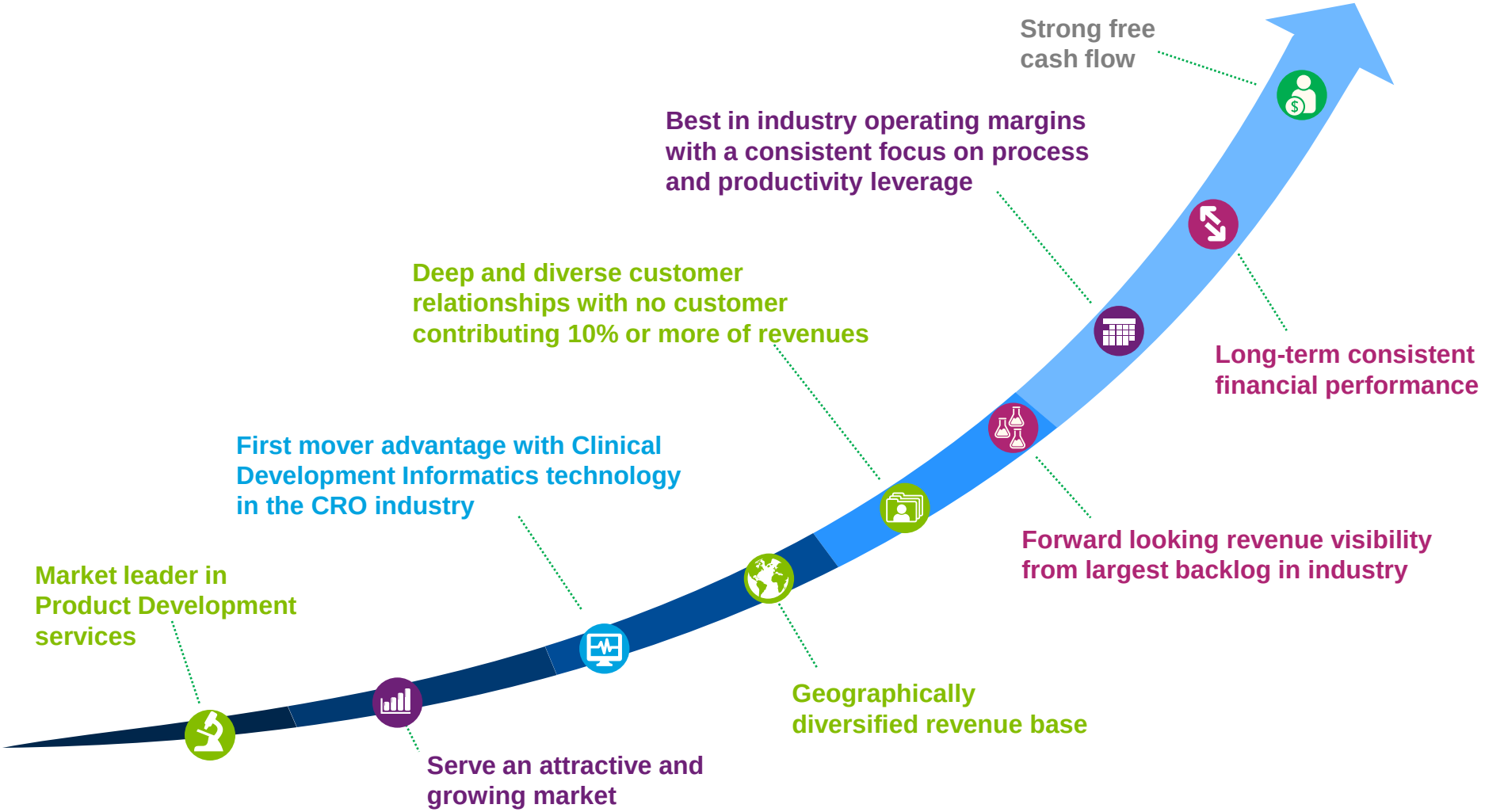
- Margin improvement programs leveraging global workforce, processes and investments in technology & informatics to drive higher value services and productivity
- SG&A programs for increased global leverage

Shareholder Value

- High quality Board-driven compliance and quality
- Governance with key customers incorporating review of quality to drive customer satisfaction
- Operational focus on excellence in project delivery
- Focus on employee morale and engagement
- Effective capital deployment and tax strategy

Quintiles

An Attractive Investment

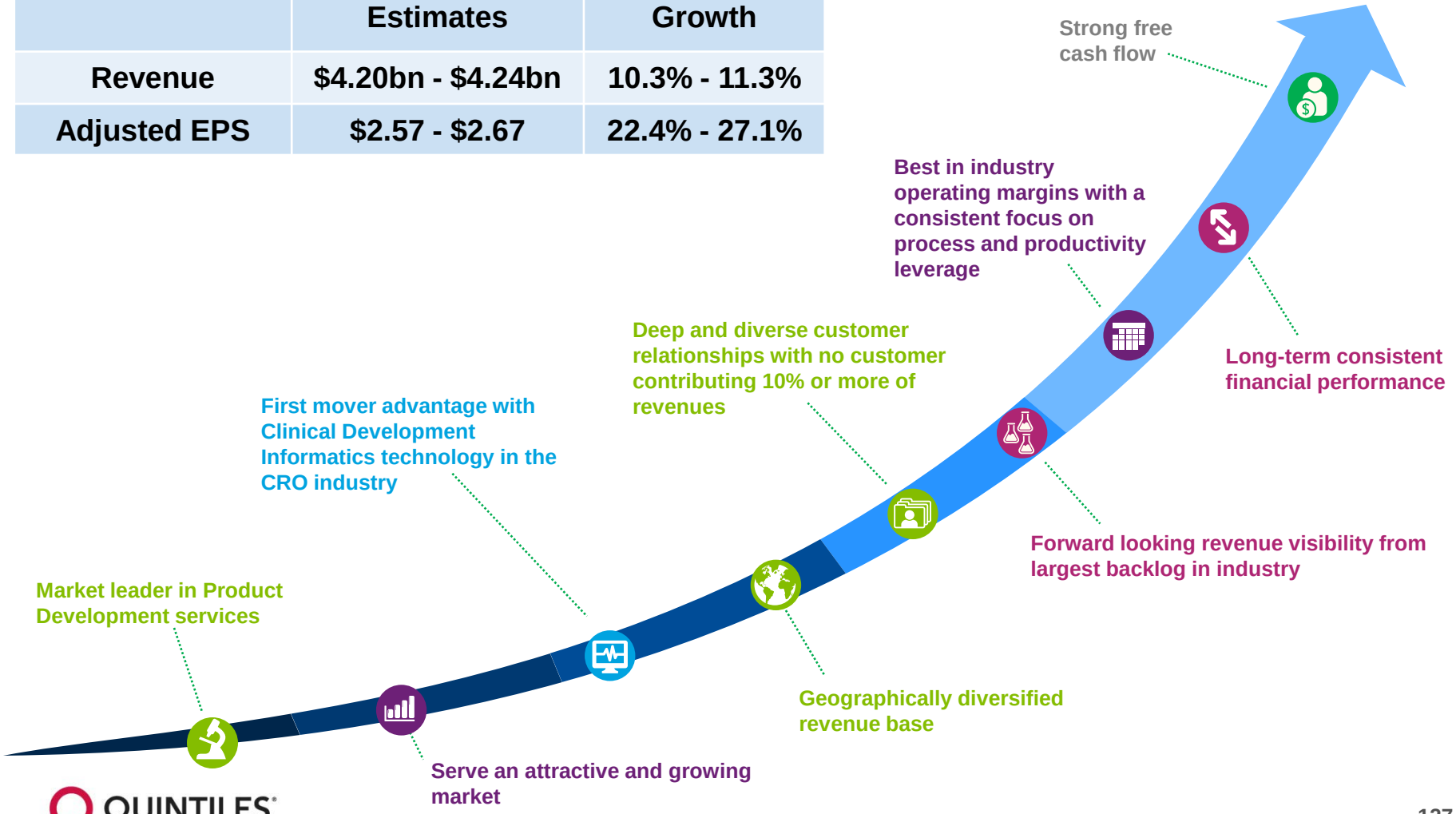


QUINTILES

Quintiles

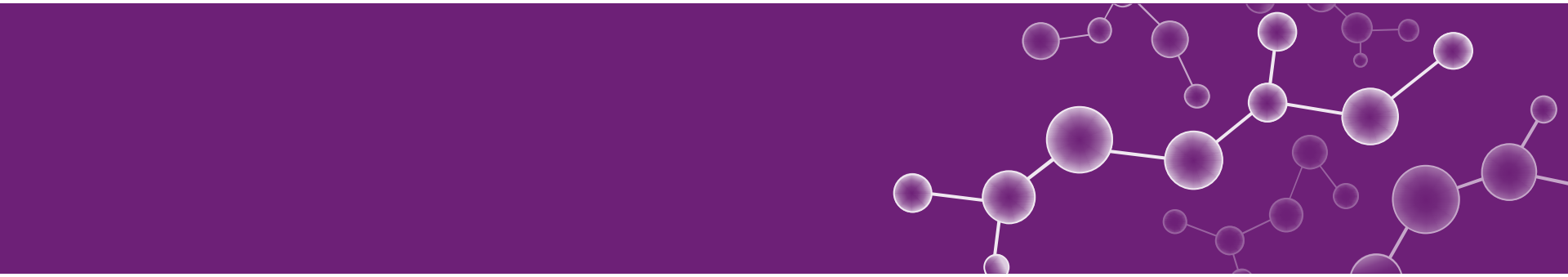
An Attractive Investment

2014 Guidance		
	Estimates	**Growth**
Revenue	**$4.20bn - $4.24bn**	**10.3% - 11.3%**
Adjusted EPS	**$2.57 - $2.67**	**22.4% - 27.1%**



QUINTILES

Appendix



Adjusted Service Revenues Reconciliation

Adjusted Service Revenues Reconciliation

(In Thousands)	Six Months Ended June 30, 2014	Trailing Twelve Months Ended June 30, 2014	Year Ended December 31 2013	2012	2011	2010
Non-GAAP Adjusted Service Revenues:						
GAAP Service Revenues as Reported	$2,040,764	3,977,431	$3,808,340	$3,692,298	$3,294,966	$3,060,950
Deconsolidation of PharmaBio	–	–	–	–	–	(64,198)
Adjusted Service Revenues	**$2,040,764**	**$3,977,431**	**$3,808,340**	**$3,692,298**	**$3,294,966**	**$2,996,752**

Adjusted EBITDA Reconciliation

Adjusted EBITDA Reconciliation

(In Thousands)	Six Months Ended June 30, 2014	Trailing 12 Months Ended June 30, 2014	Year Ended December 31 2013	2012	2011	2010
Non-GAAP Adjusted EBITDA:						
GAAP Net Income as Reported	$175,324	$314,842	$226,027	$176,631	$240,327	$165,255
Interest Expense, Net	47,253	100,135	119,571	131,304	105,126	137,631
Income Tax Expense	69,789	124,806	95,965	93,364	15,105	77,582
Depreciation and Amortization	58,933	116,811	107,504	98,288	92,004	84,217
Restructuring Costs	1,956	11,331	14,071	18,741	22,116	22,928
Impairment Charges	–	–	–	–	12,295	2,844
Incremental Share-based Compensation Expense	–	–	–	13,637	2,553	–
Bonus Paid to Certain Holders of Stock Options	–	–	–	11,308	10,992	–
Management Fees	–	–	27,694	5,309	5,213	5,159
Loss on Extinguishment of Debt	–	3,288	19,831	1,275	46,377	–
Other (Income) Expense, Net	(1,788)	(127)	(185)	(3,572)	9,073	15,647
Equity in Losses (Earnings) from Unconsolidated Affiliates	(8,262)	(8,357)	1,124	(2,567)	(70,757)	(1,110)
Deconsolidation of PharmaBio	–	–	–	–	–	(47,393)
Adjusted EBITDA	**$343,205**	**$662,729**	**$611,602**	**$543,718**	**$490,424**	**$462,760**
% of Adjusted Service Revenues	**16.8%**	**16.7%**	**16.1%**	**14.7%**	**14.9%**	**15.4%**

Adjusted Net Income Reconciliation

Adjusted Net Income Reconciliation

(In Thousands)	Six Months Ended June 30, 2014	Trailing 12 Months Ended June 30, 2014	Year Ended December 31 2013	2012	2011	2010
Non-GAAP Adjusted Net Income:						
GAAP Net Income as Reported	$175,324	$314,842	$226,027	$176,631	$240,327	$165,255
Net (Income) Loss Attributable to Noncontrolling Interests	(21)	226	564	915	1,445	(4,659)
Restructuring Costs	1,956	11,331	14,071	18,741	22,116	22,928
Impairment Charges	–	–	–	–	12,295	2,844
Incremental Share-based Compensation Expense	–	–	–	13,637	2,553	–
Bonus Paid to Certain Holders of Stock Options	–	–	–	11,308	10,992	–
Management Fees	–	–	27,694	5,309	5,213	5,159
Loss on Extinguishment of Debt	–	3,288	19,831	1,275	46,377	–
Interest Rate Swap Termination Fee	–	–	–	–	11,630	–
Gain on Sale of Business Assets	–	–	–	–	(74,880)	–
Deconsolidation of PharmaBio	–	–	–	–	–	(28,979)
Tax Effect of Non-GAAP Adjustments	(593)	(4,626)	(22,304)	(18,885)	(21,063)	(752)
Other Income tax Adjustments	–	–	3,057	–	(66,000)	–
Adjusted Net Income	**$176,666**	**$325,061**	**$268,940**	**$208,931**	**$191,005**	**$161,796**
% of Adjusted Service Revenues	**8.7%**	**8.2%**	**7.1%**	**5.7%**	**5.8%**	**5.4%**

Constant Currency Reconciliation
Service Revenues and Income from Operations

(millions of dollars)	*Three Months Ended June 30*			*Year on Year Growth*		
Consolidated	**Actual**	**Exchange Impact**	**Constant**	**Actual**	**Exchange Impact**	**Constant**
Service Revenues	$ 1,035.5	$ 10.1	$ 1,025.4	9.7%	1.1%	8.6%
Income from Operations	$ 141.0	$ 5.7	$ 135.3	48.6%	6.0%	42.6%
Adjusted Income from Operations	$ 141.9	$ 5.7	$ 136.2	14.4%	4.5%	9.9%
Adjusted Income from Operations Margin	13.7%		13.3%			
Product Development						
Service Revenues	$ 781.2	$ 8.9	$ 772.3	7.9%	1.2%	6.7%
Income from Operations	$ 158.4	$ 6.9	$ 151.5	16.4%	5.1%	11.3%
Income from Operations Margin	20.3%		19.6%			
Integrated Healthcare Services						
Service Revenues	$ 254.3	$ 1.2	$ 253.1	15.6%	0.5%	15.1%
Income from Operations	$ 11.7	$ (1.2)	$ 12.9	(6.4%)	-10.1%	3.7%
Income from Operations Margin	4.6%		5.1%			

(millions of dollars)	*Six Months Ended June 30*			*Year on Year Growth*		
Consolidated	**Actual**	**Exchange Impact**	**Constant**	**Actual**	**Exchange Impact**	**Constant**
Service Revenues	$ 2,040.8	$ 9.6	$ 2,031.2	9.0%	0.5%	8.5%
Income from Operations	$ 282.3	$ 15.9	$ 266.4	34.4%	7.6%	26.8%
Adjusted Income from Operations	$ 284.3	$ 15.9	$ 268.4	17.2%	6.5%	10.7%
Adjusted Income from Operations Margin	13.9%		13.2%			
Product Development						
Service Revenues	$ 1,552.0	$ 12.6	$ 1,539.4	8.5%	0.9%	7.6%
Income from Operations	$ 319.0	$ 17.9	$ 301.1	18.7%	6.7%	12.0%
Income from Operations Margin	20.6%		19.6%			
Integrated Healthcare Services						
Service Revenues	$ 488.8	$ (3.0)	$ 491.8	10.8%	-0.7%	11.5%
Income from Operations	$ 20.7	$ (2.1)	$ 22.8	10.1%	-11.1%	21.2%
Income from Operations Margin	4.2%		4.6%			

Service revenues exchange impact 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, while 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.

Closing

Quintiles

Leader in BioPharma Services



QUINTILES