

Quintiles Transnational Holdings Reveals Mystery Partner from Prior Announcement

Quintiles & Biogen Idec officially announce 5-year pact

As part of our positive stance on the CRO industry, we believe strategic partnerships with large pharma and biotech manufacturers will continue to be key upside drivers for the stocks. Unfortunately, it has become more common over the past year or two for partnership details to remain undisclosed (including the involved parties themselves). However, today appears to be an exception with the full disclosure that Quintiles and Biogen (BIIB) have entered into a 5-year pact spanning phase II-IV studies and select phase I studies. Q previously alluded to the signing of a new large strategic partnership back on the 3Q13 conf call, and now Quintiles is revealing that this partner is Biogen. As such, we believe the contribution for 2014 to Q is already factored into guidance.

Partnership details remain scant (but we provide some analysis on rev pot'l)

In speaking with Q, mgmt did not disclose the amount of expected revenues and/or bookings from the collaboration but highlighted that the deal represents an ongoing 'annuity' for the company. Additionally, it appears that ongoing trials may be transitioning over to Quintiles; however, timing is unclear in this regard. Nevertheless, we provide below a quick top-down analysis to decipher potential contribution to Q.

BIIB deal may add \$150-200 mil incremental bookings (with growth over time)

First, Biogen currently has ~\$1.5 bil in annualized R&D spend, and based on industry averages, we assume that ~\$1.0-1.1 bil of this is 'D' (development), and perhaps \$700-800 mil of this is addressable by CROs. If we further assume that BIIB has been utilizing CROs at a level perhaps slightly below the industry penetration rate of 40%, this would imply ~\$200-250 mil or so of annual business was being funneled to CROs (of which Q likely already had a portion). Thus, we think Q may now be in position to pick up another \$150-200 mil in bookings annually from the new collaboration, which could increase further over time if BIIB chooses to outsource a greater portion of its development work.

Valuation: Maintain Buy rating with \$59 PT

Despite Q being the largest CRO, the collaboration is impressive as a symbol of Q's ability to gain market share. Our \$59 price target is based on 22x P/E on our CY15E EPS of \$2.69; = 11x EBITDA.

Equities

Americas
Pharmaceuticals

12-month rating **Buy**

12m price target **US\$59.00**

Price **US\$49.47**

RIC: Q.N BBG: Q US

Trading data and key metrics

52-wk range	US\$54.94-41.58
Market cap.	US\$6.57bn
Shares o/s	133m (COM)
Free float	79%
Avg. daily volume ('000)	204
Avg. daily value (m)	US\$10.5
Common s/h equity (12/14E)	(US\$0.32bn)
P/BV (12/14E)	NM
Net debt / EBITDA (12/14E)	1.5x

EPS (UBS, diluted) (US\$)

	12/14E	
	UBS	Cons.
Q1E	0.57	0.55
Q2E	0.58	0.59
Q3E	0.61	0.62
Q4E	0.64	0.65
12/14E	2.40	2.42
12/15E	2.69	2.74
12/16E	2.95	3.10

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Highlights (US\$m)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Revenues	3,295	3,692	3,808	4,090	4,408	4,716	4,999	5,268
EBIT (UBS)	398	445	504	550	585	635	683	726
Net earnings (UBS)	191	209	269	319	344	379	418	455
EPS (UBS, diluted) (US\$)	1.62	1.77	2.10	2.40	2.69	2.95	3.27	3.58
DPS (US\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net (debt) / cash	(1,453)	(1,851)	(1,265)	(1,008)	(749)	(464)	(243)	(50)
Profitability/valuation	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
EBIT margin %	12.1	12.1	13.2	13.5	13.3	13.5	13.7	13.8
ROIC (EBIT) %	-	100.5	103.8	95.3	87.0	80.9	75.0	69.3
EV/EBITDA (core) x	-	-	11.4	11.3	10.3	9.2	8.3	7.9
P/E (UBS, diluted) x	-	-	20.9	20.6	18.4	16.8	15.1	13.8
Equity FCF (UBS) yield %	-	-	7.1	6.4	4.7	5.1	5.6	6.0
Net dividend yield %	-	-	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company accounts, Thomson Reuters, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US\$49.47 on 23 Apr 2014 19:43 EDT

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Investment Thesis

Quintiles

Investment case

Quintiles Transnational Holdings Inc. is the largest contract research organization with reported revenue of \$3.7 billion in 2012, with 74% from Product Development and 26% from Integrated Healthcare Services. Following the successful IPO in May 2013, management has executed on the operational strategy by leveraging the top-line growth of the overall CRO industry. While the Quintiles story is not predicated on margin expansion like several other CROs, we still see room for solid EPS growth from a combination of top-line enhancement, deleveraging, share repurchases and tuck-in acquisitions. Our \$59 price target is based on a P/E of 22x our 2015E EPS of \$2.69.

Upside scenario

In our upside scenario, we believe the company may be able to sign new strategic partnership contracts with additional pharmaceutical companies, which would provide upside to our base case projections. It is difficult to assess the potential at this time, but based on experience with previous contracts, we estimate FY15 EPS could be as much as 10% higher than our base case \$2.69 forecast. Applying a slightly higher PE multiple of 23x to a theoretical ~\$2.96 EPS translates into an upside valuation of \$68.

Downside scenario

In our downside scenario, the company could witness cancellations of projects and/or contracts at a higher than normal pace. Even though the company could conduct some cost-cutting (-2% SG&A) to offset the weaker revenue (-5%), we estimate there would still be a 12% impact to EPS in this downside scenario. If we apply a slightly lower PE multiple of 20x to a theoretically lower EPS of ~\$2.37, this translates into a downside valuation of \$47.

Upcoming catalysts

May 1 (bmo) – 1Q14 Results

12-month rating

Buy

12m price target

US\$59.00

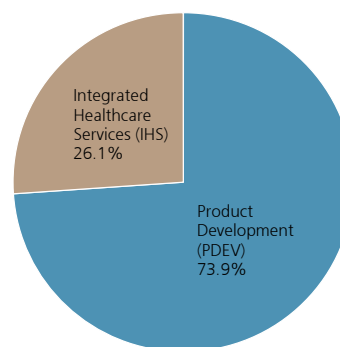
Business description

Quintiles Transnational Holdings Inc. is a contract research organization. The company provides biopharmaceutical development services and commercial outsourcing services to pharmaceutical and biotechnology companies. The company reported revenue of \$3.7 billion in 2012, with 74% from Product Development and 26% from Integrated Healthcare Services. The company IPOed in May 2013. The company announced the acquisition of Novella Clinical, Inc. in August 2013. The transaction closed in the third quarter.

Industry outlook

The CRO industry has been growing at a steady clip, primarily the result of significant growth in the phase II-IV market. However, we expect the early development market to have relatively flat growth through 2018. We expect the overall CRO industry to have a CAGR of ~6-7% through 2018, with CRO market penetration accelerating at a rapid pace. We expect CRO market penetration to increase from ~36% in 2012 to ~49% in 2018. The significant market penetration should benefit CRO industry participants. As Quintiles is the largest CRO in the industry, the company will likely be the beneficiary of significant outsourcing as the more well-known brand-name.

Revenues by Segment (FY12)



Source: Company data, UBS

Figure 1: Quintiles – 2013 - 2014 Guidance Table

Quintiles Corp.: Company Guidance Table			
Guidance For Period:	FY13	FY13	4Q13
Date Announced:	8/1/2013	10/31/2013	10/31/2013
Consolidated Services Revenues	\$3.76 - 3.81 bil	\$3.77 - 3.80 bil	\$965 - 996 mil
Constant currency revenue growth	3.8% - 5.2% YoY	4.1% - 4.9% YoY	
Non-GAAP Effective Tax Rate	30% - 32%	30%	
Non-GAAP Diluted EPS	\$1.95 - 2.05	\$2.03 - 2.09	\$0.50-0.56
Y-O-Y Growth	10.2% - 15.8%	14.7% - 18.1%	
GAAP Diluted EPS	\$1.63 to \$1.73	\$1.71 to \$1.77	

Quintiles Corp.: Company Guidance Table			
Guidance For Period:	FY14		
Date Announced:	2/13/2014		
Consolidated Services Revenues	\$4.09 - 4.15 bil		
Constant currency revenue growth	7.4-9.0% YoY		
Non-GAAP Effective Tax Rate	~30%		
Non-GAAP Diluted EPS	\$2.33 - 2.46		
Y-O-Y Growth	11-17%		
GAAP Diluted EPS	\$2.26-2.40		
Note:	EPS Guidance does not Incl. equity repurchases		

Source: Company documents; UBS estimates

Figure 2: Quintiles – Quarterly Revenue Model

Quintiles Corp. - Quarterly Segment Model (\$mm)								
	Q 03/31/13 Actual	Q 06/30/13 Actual	Q 09/30/13 Actual	Q 12/31/13 Actual	03/31/14 Projected	06/30/14 Projected	09/30/14 Projected	12/31/14 Projected
Service Revenues								
Product Development (PDEV)	\$706.3	\$724.2	\$714.2	\$775.0	\$755.7	\$782.1	\$767.8	\$833.1
Integrated Healthcare Services (IHS)	221.1	220.1	218.5	228.9	235.5	236.6	234.2	245.0
Total Service Revenues	\$927.4	\$944.2	\$932.7	\$1,003.9	\$991.3	\$1,018.7	\$1,002.0	\$1,078.1
Revenue Mix (% of Service Revenues)								
Product Development (PDEV)	76.2%	76.7%	76.6%	77.2%	76.2%	76.8%	76.6%	77.3%
Integrated Healthcare Services (IHS)	23.8%	23.3%	23.4%	22.8%	23.8%	23.2%	23.4%	22.7%
Total Service Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue Growth								
Product Development (PDEV)	7.6%	4.6%	5.5%	10.2%	7.0%	8.0%	7.5%	7.5%
Integrated Healthcare Services (IHS)	-4.6%	-12.9%	-7.6%	-5.7%	6.5%	7.5%	7.2%	7.0%
Total Service Revenue Growth	4.4%	-0.1%	2.1%	6.2%	6.9%	7.9%	7.4%	7.4%
Bookings								
Product Development (PDEV)								
Gross New business								
Less: Cancellations								
Net Bookings	\$1,100.0	\$871.0	\$861.0	\$964.0	\$1,177.0	\$923.3	\$912.7	\$1,021.8
Net book-to-bill ratio	1.56	1.20	1.21	1.24	1.56	1.18	1.19	1.23
	29.6%	16.8%	9.0%	-11.2%	7.0%	6.0%	6.0%	6.0%
Integrated Healthcare Services (IHS)								
Gross New business								
Less: Cancellations								
Net Bookings	\$170.4	\$142.6	\$479.0	\$335.0	\$192.6	\$171.12	\$383.20	\$318.3
Net book-to-bill ratio	0.77	0.65	2.19	1.46	0.82	0.72	1.64	1.30
	-16.0%	-7.6%	89.8%	-20.5%	13.0%	20.0%	-20.0%	-5.0%
Total Company								
Gross New business								
Less: Cancellations								
Net Bookings	\$1,270.4	\$1,013.6	\$1,340.0	\$1,299.0	\$1,369.6	\$1,094.4	\$1,295.9	\$1,340.1
Net book-to-bill ratio	1.37	1.07	1.44	1.29	1.38	1.07	1.29	1.24
Yr/Yr Growth	20.8%	12.6%	28.5%	-13.8%	7.8%	8.0%	-3.3%	3.2%
Backlog Data								
Total Backlog	\$9,000.0	\$9,034.0	\$9,583.0	\$9,900.0				
Yr/Yr Growth	11.3%	12.5%	17.5%	13.7%				

Source: Company documents; UBS estimates

Figure 3: Quintiles Segment Model

Quintiles Corp. - Quarterly Segment Model (\$mm)								
	Q 03/31/13 Actual	Q 06/30/13 Actual	Q 09/30/13 Actual	Q 12/31/13 Actual	03/31/14 Projected	06/30/14 Projected	09/30/14 Projected	12/31/14 Projected
Gross Profit By Segment:								
Product Development (PDEV)	\$276.7	\$282.3	\$288.2	\$319.2	\$300.8	\$307.4	\$304.8	\$324.9
Integrated Healthcare Services (IHS)	38.8	44.3	43.9	42.8	44.7	45.7	46.8	50.2
General Corporate Cost of Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Gross Profit	\$315.5	\$326.6	\$332.0	\$362.0	\$345.5	\$353.0	\$351.7	\$375.1
Gross Margin								
Product Development (PDEV)	39.2%	39.0%	40.3%	41.2%	39.8%	39.3%	39.7%	39.0%
Integrated Healthcare Services (IHS)	17.5%	20.1%	20.1%	18.7%	19.0%	19.3%	20.0%	20.5%
Total Gross Margin	34.0%	34.6%	35.6%	36.1%	34.9%	34.7%	35.1%	34.8%
Gross Profit Growth								
Product Development (PDEV)	9.8%	7.2%	11.6%	17.4%	8.7%	8.9%	5.8%	1.8%
Integrated Healthcare Services (IHS)	-14.6%	-17.2%	1.2%	-5.5%	15.3%	3.1%	6.7%	17.4%
Total Gross Profit Growth	6.1%	3.1%	10.1%	14.1%	9.5%	8.1%	5.9%	3.6%
SG&A Expense By Segment:								
Product Development (PDEV)	\$144.7	\$146.2	\$147.5	\$166.3	\$154.2	\$158.8	\$156.6	\$169.1
Integrated Healthcare Services (IHS)	32.8	31.8	32.2	31.1	34.4	33.8	31.9	30.9
General Corporate SG&A	21.0	50.9	19.8	35.4	24.8	25.5	26.1	29.1
Total SG&A Expense	\$198.4	\$228.8	\$199.6	\$232.8	\$213.3	\$218.1	\$214.5	\$229.1
SG&A Expense as % of Segment Sales:								
Product Development (PDEV)	20.5%	20.2%	20.7%	21.5%	20.4%	20.3%	20.4%	20.3%
Integrated Healthcare Services (IHS)	14.8%	14.4%	14.7%	13.6%	14.6%	14.3%	13.6%	12.6%
General Corporate SG&A (% of Total Net Sales)	2.3%	5.4%	2.1%	3.5%	2.5%	2.5%	2.6%	2.7%
Total SG&A Expense as % of Total Sales	21.4%	24.2%	21.4%	23.2%	21.5%	21.4%	21.4%	21.3%
SG&A Expense Growth								
Product Development (PDEV)	3.3%	1.5%	7.7%	13.5%	6.6%	8.6%	6.2%	1.7%
Integrated Healthcare Services (IHS)	5.4%	-4.4%	4.0%	-2.0%	4.9%	6.4%	-1.1%	-0.7%
General Corporate SG&A	-39.5%	93.9%	-20.3%	-5.4%	18.2%	-49.9%	31.5%	-17.8%
Total SG&A Expense Growth	-3.6%	12.4%	3.5%	8.0%	7.5%	-4.7%	7.5%	-1.6%
EBIT By Segment:								
Product Development (PDEV)	\$132.0	\$136.1	\$140.6	\$152.9	\$146.6	\$148.6	\$148.2	\$155.8
Integrated Healthcare Services (IHS)	6.0	12.5	11.7	11.7	10.4	11.8	15.0	19.4
General Corporate	(21.0)	(50.9)	(19.8)	(35.4)	(24.8)	(25.5)	(26.1)	(29.1)
Total EBIT	\$117.0	\$97.7	\$132.5	\$129.2	\$132.2	\$135.0	\$137.1	\$146.0
EBIT Margin:								
Product Development (PDEV)	18.7%	18.8%	19.7%	19.7%	19.4%	19.0%	19.3%	18.7%
Integrated Healthcare Services (IHS)	2.7%	5.7%	5.3%	5.1%	4.4%	5.0%	6.4%	7.9%
General Corporate (% of Total Net Sales)	-2.3%	-5.4%	-2.1%	-3.5%	-2.5%	-2.5%	-2.6%	-2.7%
Total EBIT Margin	12.6%	10.4%	14.2%	12.9%	13.3%	13.2%	13.7%	13.5%
EBIT Growth								
Product Development (PDEV)	17.8%	14.2%	16.0%	21.9%	11.1%	9.2%	5.4%	1.9%
Integrated Healthcare Services (IHS)	-58.0%	-38.2%	-5.8%	-13.8%	72.3%	-5.4%	28.5%	65.3%
General Corporate SG&A	-39.5%	93.9%	-20.4%	-5.3%	18.2%	-49.9%	31.5%	-17.8%
Total SG&A Expense Growth	27.6%	-13.6%	21.9%	27.1%	13.0%	38.1%	3.5%	13.0%

Source: Company documents; UBS estimates

Figure 4: Quintiles – Quarterly Income Statement

Quintiles Corp. - Quarterly Income Statement (Millions)								
	Q	Q	Q	Q				
Revenues	03/31/13	06/30/13	09/30/13	12/31/13	03/31/14	06/30/14	09/30/14	12/31/14
	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected
Total Revenue	\$927.4	\$944.2	\$932.7	\$1,003.9	\$991.3	\$1,018.7	\$1,002.0	\$1,078.1
% change	4.4%	-0.1%	2.1%	6.2%	6.9%	7.9%	7.4%	7.4%
Expenses								
COGS	612.0	617.7	600.7	642.0	645.7	665.7	650.4	703.0
% of revenue	66.0%	65.4%	64.4%	63.9%	65.1%	65.3%	64.9%	65.2%
Gross Profit	315.5	326.6	332.0	362.0	345.5	353.0	351.7	375.1
% of revenue	34.0%	34.6%	35.6%	36.1%	34.9%	34.7%	35.1%	34.8%
SG&A	198.4	228.8	199.6	232.8	213.3	218.1	214.5	229.1
% of revenue	21.4%	24.2%	21.4%	23.2%	21.5%	21.4%	21.4%	21.3%
Stock Based Compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Fee	(1.4)	(26.4)	0.0	0.0	0.0	0.0	0.0	0.0
One-Time Compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and Amortization	(25.8)	(25.0)	(27.3)	(30.6)	(30.8)	(31.0)	(31.0)	(31.4)
	144.1	149.1	159.8	159.7				
Adjusted EBITDA	144.1	149.1	159.8	159.7	163.0	166.0	168.1	177.4
% of revenue	15.5%	15.8%	17.1%	15.9%	16.4%	16.3%	16.8%	16.5%
Depreciation and Amortization	25.8	25.0	27.3	30.6	30.8	31.0	31.0	31.4
% of revenue	2.8%	2.6%	2.9%	3.0%	3.1%	3.0%	3.1%	2.9%
Operating Income	118.4	124.1	132.5	129.2	132.2	135.0	137.1	146.0
% of revenue	12.8%	13.1%	14.2%	12.9%	13.3%	13.2%	13.7%	13.5%
Interest Expense	35.0	31.1	27.6	26.8	25.3	25.0	24.5	24.5
Other Expense (Income), net	(2.4)	0.5	3.2	(3.1)	0.0	0.0	0.0	0.0
Pretax Income	85.8	92.5	101.6	105.5	106.9	110.0	112.6	121.5
% of revenue	9.3%	9.8%	10.9%	10.5%	10.8%	10.8%	11.2%	11.3%
Income Taxes	26.7	30.2	29.5	29.6	32.1	33.5	32.4	37.1
Tax Rate (%)	31.1%	32.6%	29.0%	28.0%	30.0%	30.5%	28.8%	30.5%
Loss/(Income) from Noncontrolling Interests	0.2	0.2	0.2	0.1	0.3	0.3	0.3	0.3
Loss/(Income) from Unconsolidated Affiliates	(1.7)	0.5	(0.4)	0.5	0.5	0.5	0.5	0.5
Net Income	57.6	62.9	71.9	76.5	75.7	77.3	81.1	85.3
% of revenue	6.2%	6.7%	7.7%	7.6%	7.6%	7.6%	8.1%	7.9%
<i>Reported EPS from Cont. Ops.</i>	<i>\$0.48</i>	<i>\$0.50</i>	<i>\$0.54</i>	<i>\$0.58</i>				
Non-GAAP EPS - Fully Diluted	\$0.48	\$0.50	\$0.54	\$0.58	\$0.57	\$0.58	\$0.61	\$0.64
% change	9.4%	4.7%	20.8%	40.7%	17.5%	17.0%	13.0%	11.6%
Fully Diluted Shares (mil.)	118.7	126.6	133.3	132.9	132.9	132.9	132.9	132.9
P&L Line Growth Comparison:								
Revenues	4.4%	-0.1%	2.1%	6.2%	6.9%	7.9%	7.4%	7.4%
COGS	3.6%	-1.7%	-1.9%	2.1%	5.5%	7.8%	8.3%	9.5%
Gross Profit	6.1%	3.1%	10.1%	14.1%	9.5%	8.1%	5.9%	3.6%
SG&A	-3.6%	12.4%	3.5%	8.0%	7.5%	-4.7%	7.5%	-1.6%
EBITDA	11.2%	7.9%	17.7%	14.0%	13.1%	11.3%	5.2%	11.1%
Depreciation and Amortization	10.7%	5.3%	6.2%	19.5%	19.5%	24.1%	13.5%	2.8%
Operating Income	11.3%	8.4%	20.4%	12.8%	11.7%	8.8%	3.5%	13.0%
Pretax Income	7.4%	5.3%	38.2%	37.9%	24.6%	18.9%	10.9%	15.2%
Net Income	10.5%	12.6%	36.7%	58.2%	31.5%	22.8%	12.7%	11.6%
EPS	9.4%	4.7%	20.8%	40.7%	17.5%	17.0%	13.0%	11.6%
Shares Outstanding	1.0%	7.5%	13.1%	12.5%	11.9%	5.0%	-0.3%	0.0%
Dividend Per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Source: Company documents; UBS estimates

Figure 5: Quintiles – Annual Revenue Model

Quintiles Corp. - Annual Revenue Model By Segment								
	Q FY11 Actual	Q FY12 Actual	Q FY13 Actual	FY14 Projected	FY15 Projected	FY16 Projected	FY17 Projected	FY18 Projected
Service Revenues								
Product Development (PDEV)	\$2,437.8	\$2,728.7	\$2,919.7	\$3,138.8	\$3,389.9	\$3,627.2	\$3,844.8	\$4,056.3
Integrated Healthcare Services (IHS)	857.1	963.6	888.6	951.2	1,017.8	1,089.1	1,154.4	1,212.1
Total Service Revenues	\$3,295.0	\$3,692.3	\$3,808.3	\$4,090.0	\$4,407.7	\$4,716.3	\$4,999.3	\$5,268.4
Revenue Mix (% of Service Revenues)								
Product Development (PDEV)	74.0%	73.9%	76.7%	76.7%	76.9%	76.9%	76.9%	77.0%
Integrated Healthcare Services (IHS)	26.0%	26.1%	23.3%	23.3%	23.1%	23.1%	23.1%	23.0%
Total Service Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue Growth								
Product Development (PDEV)	9.7%	11.9%	7.0%	7.5%	8.0%	7.0%	6.0%	5.5%
Integrated Healthcare Services (IHS)	10.6%	12.4%	-7.8%	7.0%	7.0%	7.0%	6.0%	5.0%
Total Service Revenue Growth	10.0%	12.1%	3.1%	7.4%	7.8%	7.0%	6.0%	5.4%
Bookings								
Product Development (PDEV)								
Gross New business	\$3,200.4	\$4,069.6						
Less: Cancellations	(160.0)	(599.4)						
Net Bookings	\$3,040.4	\$3,470.2	\$3,796.0	\$4,034.8	\$4,256.7	\$4,469.5	\$4,693.0	\$4,927.6
Net book-to-bill ratio	1.25	1.27	1.30	1.29	1.26	1.23	1.22	1.21
Yr/Yr Growth	10.2%	14.1%	9.4%	6.3%	5.5%	5.0%	5.0%	5.0%
Integrated Healthcare Services (IHS)								
Gross New business	\$1,180.0	\$1,196.0						
Less: Cancellations	(176.3)	(165.0)						
Net Bookings	\$1,003.7	\$1,030.9	\$1,127.0	\$1,065.1	\$1,129.0	\$1,191.1	\$1,250.7	\$1,307.0
Net book-to-bill ratio	1.17	1.07	1.27	1.12	1.11	1.09	1.08	1.08
Yr/Yr Growth	26.7%	2.7%	9.3%	-5.5%	6.0%	5.5%	5.0%	4.5%
Total Company								
Gross New business	\$4,380.4	\$5,265.6						
Less: Cancellations	(336.3)	(764.4)						
Net Bookings	\$4,044.1	\$4,501.2	\$4,923.0	\$5,099.9	\$5,385.7	\$5,660.6	\$5,943.7	\$6,234.6
Net book-to-bill ratio	1.23	1.22	1.29	1.25	1.22	1.20	1.19	1.18
Yr/Yr Growth	13.9%	11.3%	9.4%	3.6%	5.6%	5.1%	5.0%	4.9%
Backlog Data								
Total Backlog	\$7,972.9	\$8,704.5	\$9,900.0					
Yr/Yr Growth		9.2%	13.7%					

Source: Company documents; UBS estimates

Figure 6: Quintiles – Annual Segment Model

Quintiles Corp. - Annual Profit Model By Segment								
	Q FY11 Actual	Q FY12 Actual	Q FY13 Actual	FY14 Projected	FY15 Projected	FY16 Projected	FY17 Projected	FY18 Projected
Gross Profit By Segment:								
Product Development (PDEV)	\$974.0	\$1,045.4	\$1,166.3	\$1,237.9	\$1,318.7	\$1,407.4	\$1,487.9	\$1,569.8
Integrated Healthcare Services (IHS)	168.4	187.6	169.8	187.5	203.6	223.3	242.4	255.8
General Corporate Cost of Revenue	(0.4)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Total Gross Profit	\$1,142.0	\$1,232.9	\$1,336.1	\$1,425.4	\$1,522.2	\$1,630.6	\$1,730.4	\$1,825.5
Gross Margin								
Product Development (PDEV)	40.0%	38.3%	39.9%	39.4%	38.9%	38.8%	38.7%	38.7%
Integrated Healthcare Services (IHS)	19.7%	19.5%	19.1%	19.7%	20.0%	20.5%	21.0%	21.1%
Total Gross Margin	34.7%	33.4%	35.1%	34.8%	34.5%	34.6%	34.6%	34.7%
Gross Profit Growth								
Product Development (PDEV)	2.9%	7.3%	11.6%	6.1%	6.5%	6.7%	5.7%	5.5%
Integrated Healthcare Services (IHS)	21.4%	11.4%	-9.5%	10.4%	8.6%	9.7%	8.6%	5.5%
Total Gross Profit Growth	5.2%	8.0%	8.4%	6.7%	6.8%	7.1%	6.1%	5.5%
SG&A Expense By Segment:								
Product Development (PDEV)	\$549.2	\$567.5	\$604.7	\$638.7	\$684.8	\$729.1	\$768.97	\$807.20
Integrated Healthcare Services (IHS)	110.2	127.1	127.9	130.9	137.4	143.8	148.9	155.2
General Corporate SG&A	102.8	123.2	127.1	105.4	114.6	122.6	130.0	137.0
Total SG&A Expense	\$762.3	\$817.8	\$859.7	\$875.0	\$936.8	\$995.4	\$1,047.9	\$1,099.3
SG&A Expense as % of Segment Sales:								
Product Development (PDEV)	22.5%	20.8%	20.7%	20.3%	20.2%	20.1%	20.0%	19.9%
Integrated Healthcare Services (IHS)	12.9%	13.2%	14.4%	13.8%	13.5%	13.2%	12.9%	12.8%
General Corporate SG&A (% of Total Net Sales)	3.1%	3.3%	3.3%	2.6%	2.6%	2.6%	2.6%	2.6%
Total SG&A Expense as % of Total Sales	23.1%	22.1%	22.6%	21.4%	21.3%	21.1%	21.0%	20.9%
SG&A Expense Growth								
Product Development (PDEV)	7.3%	3.3%	6.6%	5.6%	7.2%	6.5%	5.5%	5.0%
Integrated Healthcare Services (IHS)	13.5%	15.3%	0.6%	2.4%	4.9%	4.6%	3.6%	4.2%
General Corporate SG&A	#DIV/0!	19.8%	3.2%	-17.0%	8.7%	7.0%	6.0%	5.4%
Total SG&A Expense Growth	25.1%	7.3%	5.1%	1.8%	7.1%	6.3%	5.3%	4.9%
EBIT By Segment:								
Product Development (PDEV)	\$424.7	\$477.9	\$561.6	\$599.2	\$633.9	\$678.3	\$719.0	\$762.6
Integrated Healthcare Services (IHS)	58.2	60.5	41.9	56.5	66.2	79.5	93.5	100.6
General Corporate	(103.3)	(123.2)	(127.1)	(105.4)	(114.6)	(122.6)	(130.0)	(137.0)
Total EBIT	\$379.7	\$415.2	\$476.4	\$550.3	\$585.5	\$635.2	\$682.5	\$726.2
EBIT Margin:								
Product Development (PDEV)	17.4%	17.5%	19.2%	19.1%	18.7%	18.7%	18.7%	18.8%
Integrated Healthcare Services (IHS)	6.8%	6.3%	4.7%	5.9%	6.5%	7.3%	8.1%	8.3%
General Corporate (% of Total Net Sales)	-3.1%	-3.3%	-3.3%	-2.6%	-2.6%	-2.6%	-2.6%	-2.6%
Total EBIT Margin	11.5%	11.2%	12.5%	13.5%	13.3%	13.5%	13.7%	13.8%
EBIT Growth								
Product Development (PDEV)	0.6%	12.5%	17.5%	6.7%	5.8%	7.0%	6.0%	6.1%
Integrated Healthcare Services (IHS)	55.6%	4.0%	-30.8%	34.9%	17.0%	20.2%	17.6%	7.6%
General Corporate SG&A	19.9%	19.3%	3.1%	-17.0%	8.7%	7.0%	6.0%	5.4%
Total SG&A Expense Growth	1.6%	9.4%	14.7%	15.5%	6.4%	8.5%	7.5%	6.4%

Source: Company documents; UBS estimates

Figure 7: Quintiles – Annual Income Statement

Quintiles Corp. - Annual Income Statement (Millions)								
Revenues	Q FY11 Actual	Q FY12 Actual	Q FY13 Actual	FY14 Projected	FY15 Projected	FY16 Projected	FY17 Projected	FY18 Projected
Total Revenue	\$3,295.0	\$3,692.3	\$3,808.3	\$4,090.0	\$4,407.7	\$4,716.3	\$4,999.3	\$5,268.4
% change	10.0%	12.1%	3.1%	7.4%	7.8%	7.0%	6.0%	5.4%
Expenses								
COGS	2,153.0	2,459.4	2,472.3	2,664.7	2,885.5	3,085.7	3,268.9	3,442.9
% of revenue	65.3%	66.6%	64.9%	65.2%	65.5%	65.4%	65.4%	65.3%
Gross Profit	1,142.0	1,232.9	1,336.1	1,425.4	1,522.2	1,630.6	1,730.4	1,825.5
% of revenue	34.7%	33.4%	35.1%	34.8%	34.5%	34.6%	34.6%	34.7%
SG&A	762.3	817.8	859.7	875.0	936.8	995.4	1,047.9	1,099.3
% of revenue	23.1%	22.1%	22.6%	21.4%	21.3%	21.1%	21.0%	20.9%
Stock Based Compensation	(2.6)	(13.6)	0.0	0.0	0.0	0.0	0.0	0.0
Management Fee	(5.2)	(5.3)	(27.7)	0.0	0.0	0.0	0.0	0.0
One-Time Compensation	(11.0)	(11.3)	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and Amortization	(92.0)	(98.3)	(108.6)	(124.2)	(130.0)	(135.0)	(140.0)	(145.0)
	490.4	543.7						
Adjusted EBITDA	490.4	543.7	612.7	674.5	715.5	770.2	822.5	871.2
% of revenue	14.9%	14.7%	16.1%	16.5%	16.2%	16.3%	16.5%	16.5%
Depreciation and Amortization	92.0	98.3	108.6	124.2	130.0	135.0	140.0	145.0
% of revenue	2.8%	2.7%	2.9%	3.0%	2.9%	2.9%	2.8%	2.8%
Operating Income	398.4	445.4	504.1	550.3	585.5	635.2	682.5	726.2
% of revenue	12.1%	12.1%	13.2%	13.5%	13.3%	13.5%	13.7%	13.8%
Interest Expense	105.1	131.3	120.5	99.3	95.0	90.0	85.0	80.0
Other Expense (Income), net	(2.4)	(3.6)	(1.8)	0.0	0.0	0.0	0.0	0.0
Pretax Income	295.7	317.7	385.4	451.0	490.5	545.2	597.5	646.2
% of revenue	9.0%	8.6%	10.1%	11.0%	11.1%	11.6%	12.0%	12.3%
Income Taxes	102.2	112.3	115.9	135.1	149.6	169.0	182.2	193.9
Tax Rate (%)	34.6%	35.3%	30.1%	30.0%	30.5%	31.0%	30.5%	30.0%
Loss/(Income) from Noncontrolling Interests	1.4	0.9	0.6	1.4	1.1	1.1	1.1	1.1
Loss/(Income) from Unconsolidated Affiliates	(4.1)	2.6	(1.1)	2.2	1.9	1.9	1.9	1.9
Net Income	190.8	208.9	268.9	319.4	343.8	379.1	418.2	455.3
% of revenue	5.8%	5.7%	7.1%	7.8%	7.8%	8.0%	8.4%	8.6%
<i>Reported EPS from Cont. Ops.</i>	<i>\$1.62</i>	<i>\$1.77</i>	<i>\$2.10</i>	<i>\$2.40</i>	<i>\$2.69</i>	<i>\$2.95</i>	<i>\$3.27</i>	<i>\$3.58</i>
Non-GAAP EPS - Fully Diluted	\$1.62	\$1.77	\$2.10	\$2.40	\$2.69	\$2.95	\$3.27	\$3.58
% change	17.8%	9.6%	18.6%	14.3%	11.7%	9.8%	10.7%	9.7%
Fully Diluted Shares (mil.)	117.9	117.8	127.9	132.9	128.0	128.5	128.0	127.0
P&L Line Growth Comparison:								
Revenues	10.0%	12.1%	3.1%	7.4%	7.8%	7.0%	6.0%	5.4%
COGS	11.4%	14.2%	0.5%	7.8%	8.3%	6.9%	5.9%	5.3%
Gross Profit	7.4%	8.0%	8.4%	6.7%	6.8%	7.1%	6.1%	5.5%
SG&A	10.5%	7.3%	5.1%	1.8%	7.1%	6.3%	5.3%	4.9%
EBITDA	6.0%	10.9%	12.7%	10.1%	6.1%	7.6%	6.8%	5.9%
Depreciation and Amortization	9.2%	6.8%	10.5%	14.3%	4.7%	3.8%	3.7%	3.6%
Operating Income	5.3%	11.8%	13.2%	9.2%	6.4%	8.5%	7.5%	6.4%
Pretax Income	31.3%	7.4%	21.3%	17.0%	8.7%	11.2%	9.6%	8.2%
Net Income	17.7%	9.5%	28.7%	18.8%	7.6%	10.3%	10.3%	8.9%
EPS	17.8%	9.6%	18.6%	14.3%	11.7%	9.8%	10.7%	9.7%
Shares Outstanding	-0.1%	-0.1%	8.5%	3.9%	-3.7%	0.4%	-0.4%	-0.8%
Dividend Per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Source: Company documents; UBS estimates

Quintiles Transnational Holdings (Q.N)

Income statement (US\$m)	12/11	12/12	12/13	12/14E	% ch	12/15E	% ch	12/16E	12/17E	12/18E
Revenues	3,295	3,692	3,808	4,090	7.4	4,408	7.8	4,716	4,999	5,268
Gross profit	1,142	1,233	1,336	1,425	6.7	1,522	6.8	1,631	1,730	1,826
EBITDA (UBS)	490	544	613	675	10.1	715	6.1	770	823	871
Depreciation & amortisation	(92)	(98)	(109)	(124)	14.3	(130)	4.7	(135)	(140)	(145)
EBIT (UBS)	398	445	504	550	9.2	585	6.4	635	683	726
Associates & investment income	0	0	0	0	-	0	-	0	0	0
Other non-operating income	2	4	2	0	-	0	-	0	0	0
Net interest	(105)	(131)	(121)	(99)	17.6	(95)	4.3	(90)	(85)	(80)
Exceptionals (incl goodwill)	0	0	0	0	-	(130)	-	(135)	(140)	(145)
Profit before tax	296	318	385	451	17.0	360	-20.1	410	457	501
Tax	(102)	(112)	(116)	(135)	-16.6	(150)	-10.7	(169)	(182)	(194)
Profit after tax	194	205	269	316	17.2	211	-33.3	241	275	307
Preference dividends	0	0	0	0	-	0	-	0	0	0
Minorities	(3)	3	(1)	4	-	3	-16.4	3	3	3
Extraordinary items	0	0	0	0	-	0	-	0	0	0
Net earnings (local GAAP)	191	209	269	319	18.8	214	-33.1	244	278	310
Net earnings (UBS)	191	209	269	319	18.8	344	7.6	379	418	455
Tax rate (%)	34.6	35.3	30.1	30.0	-0.4	41.5	38.5	41.2	39.8	38.7
Per share (US\$)	12/11	12/12	12/13	12/14E	% ch	12/15E	% ch	12/16E	12/17E	12/18E
EPS (UBS, diluted)	1.62	1.77	2.10	2.40	14.3	2.69	11.7	2.95	3.27	3.58
EPS (local GAAP, diluted)	1.62	1.77	2.10	2.40	14.3	1.67	-30.5	1.90	2.17	2.44
EPS (UBS, basic)	1.62	1.77	2.10	2.40	14.3	2.69	11.7	2.95	3.27	3.58
Net DPS (US\$)	0.00	0.00	0.00	0.00	-	0.00	-	0.00	0.00	0.00
Cash EPS (UBS, diluted) ¹	2.40	2.61	2.95	3.34	13.1	3.70	10.9	4.00	4.36	4.73
Book value per share	(7.66)	(10.74)	(5.27)	(2.44)	53.7	0.31	-	3.46	6.21	8.92
Average shares (diluted)	117.94	117.80	127.86	132.86	3.9	128.00	-3.7	128.50	128.00	127.00
Balance sheet (US\$m)	12/11	12/12	12/13	12/14E	% ch	12/15E	% ch	12/16E	12/17E	12/18E
Cash and equivalents	519	571	781	821	5.2	815	-0.8	885	891	1,084
Other current assets	846	939	1,165	1,275	9.4	1,405	10.2	1,545	1,695	1,855
Total current assets	1,365	1,510	1,946	2,096	7.7	2,220	5.9	2,430	2,585	2,939
Net tangible fixed assets	186	194	200	267	33.9	338	26.6	418	506	602
Net intangible fixed assets	547	575	708	681	-3.8	660	-3.1	640	622	606
Investments / other assets	224	220	214	234	9.4	254	8.6	279	304	334
Total assets	2,323	2,499	3,067	3,278	6.9	3,472	5.9	3,767	4,017	4,481
Trade payables & other ST liabilities	1,172	1,262	1,472	1,557	5.8	1,652	6.1	1,757	1,872	1,997
Short term debt	20	56	10	10	0.00	10	0.00	10	10	10
Total current liabilities	1,192	1,318	1,482	1,567	5.7	1,662	6.1	1,767	1,882	2,007
Long term debt	1,952	2,366	2,036	1,819	-10.7	1,554	-14.6	1,339	1,124	1,124
Other long term liabilities	149	174	216	216	0.0	216	0.0	216	216	216
Preferred shares	0	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	3,293	3,858	3,734	3,602	-3.5	3,432	-4.7	3,322	3,222	3,347
Common s/h equity	(970)	(1,360)	(667)	(324)	51.5	40	-	445	795	1,133
Minority interests	1	0	0	0	-	0	-	0	0	0
Total liabilities & equity	2,323	2,499	3,067	3,278	6.9	3,472	5.9	3,767	4,017	4,481
Cash flow (US\$m)	12/11	12/12	12/13	12/14E	% ch	12/15E	% ch	12/16E	12/17E	12/18E
Net income (before pref divs)	191	209	269	319	18.8	214	-33.1	244	278	310
Depreciation & amortisation	92	98	109	124	14.3	130	4.7	135	140	145
Net change in working capital	(83)	12	60	(45)	-	(55)	-22.2	(60)	(60)	(65)
Other operating	39	88	46	124	170.8	130	4.7	135	140	145
Operating cash flow	239	408	483	523	8.2	419	-19.9	454	498	535
Tangible capital expenditure	(76)	(71)	(92)	(105)	-13.7	(110)	-4.8	(120)	(130)	(140)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
Net (acquisitions) / disposals	(224)	(40)	(143)	(60)	57.9	(70)	-16.7	(75)	(80)	(85)
Other investing	75	(20)	(5)	0	-	0	-	0	0	0
Investing cash flow	(225)	(132)	(240)	(165)	31.3	(180)	-9.1	(195)	(210)	(225)
Equity dividends paid	(288)	(568)	0	0	-	0	-	0	0	0
Share issues / (buybacks)	(13)	(10)	480	4	-99.2	10	150.0	15	(80)	(130)
Other financing	0	0	(26)	0	-	0	-	0	0	0
Change in debt & pref shares	242	430	(384)	(217)	43.47	(265)	-22.12	(215)	(215)	0
Financing cash flow	(59)	(147)	71	(213)	-	(255)	-19.7	(200)	(295)	(130)
Cash flow inc/(dec) in cash	(45)	129	314	145	-53.9	(16)	-	59	(7)	180
FX / non cash items	-	(78)	(104)	(104)	-0.5	10	-	11	12	13
Balance sheet inc/(dec) in cash	-	51	210	41	-80.7	(6)	-	70	5	193

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts. ¹Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Quintiles Transnational Holdings (Q.N)

Valuation (x)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
P/E (local GAAP, diluted)	-	-	20.9	20.6	29.6	26.0	22.8	20.2
P/E (UBS, diluted)	-	-	20.9	20.6	18.4	16.8	15.1	13.8
P/CEPS	-	-	14.9	14.8	13.4	12.4	11.3	10.5
Equity FCF (UBS) yield %	-	-	7.1	6.4	4.7	5.1	5.6	6.0
Net dividend yield (%)	-	-	0.0	0.0	0.0	0.0	0.0	0.0
P/BV x	-	-	NM	NM	NM	14.3	8.0	5.5
EV/revenues (core)	-	-	1.8	1.9	1.7	1.5	1.4	1.3
EV/EBITDA (core)	-	-	11.4	11.3	10.3	9.2	8.3	7.9
EV/EBIT (core)	-	-	13.8	13.9	12.6	11.2	10.1	9.5
EV/OpFCF (core)	-	-	11.8	13.1	12.0	10.7	9.7	9.2
EV/op. invested capital	-	-	NM	NM	NM	9.1	7.5	6.6
Enterprise value (US\$m)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Market cap.	-	-	5,484	6,573	6,573	6,573	6,573	6,573
Net debt (cash)	1,453	1,652	1,558	1,136	878	606	354	354
Buy out of minorities	1	1	0	0	0	0	0	0
Pension provisions/other	0	0	0	0	0	0	0	0
Total enterprise value	-	-	7,042	7,709	7,451	7,179	6,926	6,926
Non core assets	(34)	(55)	(63)	(63)	(63)	(63)	(63)	(63)
Core enterprise value	-	-	6,979	7,646	7,387	7,116	6,863	6,863
Growth (%)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Revenue	-	12.1	3.1	7.4	7.8	7.0	6.0	5.4
EBITDA (UBS)	-	10.9	12.7	10.1	6.1	7.6	6.8	5.9
EBIT (UBS)	-	11.8	13.2	9.2	6.4	8.5	7.5	6.4
EPS (UBS, diluted)	-	9.6	18.6	14.3	11.7	9.8	10.7	9.7
Net DPS	-	-	-	-	-	-	-	-
Margins & Profitability (%)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Gross profit margin	34.7	33.4	35.1	34.8	34.5	34.6	34.6	34.7
EBITDA margin	14.9	14.7	16.1	16.5	16.2	16.3	16.5	16.5
EBIT margin	12.1	12.1	13.2	13.5	13.3	13.5	13.7	13.8
Net earnings (UBS) margin	5.8	5.7	7.1	7.8	7.8	8.0	8.4	8.6
ROIC (EBIT)	-	100.5	103.8	95.3	87.0	80.9	75.0	69.3
ROIC post tax	-	65.0	72.6	66.8	60.5	55.8	52.1	48.5
ROE (UBS)	-	(17.9)	(26.5)	(64.4)	(241.9)	156.5	67.5	47.2
Capital structure & Coverage (x)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Net debt / EBITDA	3.0	3.4	2.1	1.5	1.0	0.6	0.3	0.1
Net debt / total equity %	(149.8)	(136.2)	(189.5)	NM	NM	104.2	30.6	4.4
Net debt / (net debt + total equity) %	NM	NM	NM	NM	95.0	51.0	23.4	4.2
Net debt/EV	-	-	18.1	13.2	10.1	6.5	3.5	0.7
Capex / depreciation %	82.3	72.6	85.0	84.5	84.6	88.9	92.9	96.6
Capex / revenue %	2.3	1.9	2.4	2.6	2.5	2.5	2.6	2.7
EBIT / net interest	3.8	3.4	4.2	5.5	6.2	7.1	8.0	9.1
Dividend cover (UBS)	-	-	-	-	-	-	-	-
Div. payout ratio (UBS) %	-	-	-	-	-	-	-	-
Revenues by division (US\$m)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Others	3,295	3,692	3,808	4,090	4,408	4,716	4,999	5,268
Total	3,295	3,692	3,808	4,090	4,408	4,716	4,999	5,268
EBIT (UBS) by division (US\$m)	12/11	12/12	12/13	12/14E	12/15E	12/16E	12/17E	12/18E
Others	398	445	504	550	585	635	683	726
Total	398	445	504	550	585	635	683	726

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	+19.3%
Forecast dividend yield	0.0%
Forecast stock return	+19.3%
Market return assumption	5.4%
Forecast excess return	+13.9%

Statement of Risk

The primary risk factors for Quintiles include: 1) Risk of expansion / contraction of Pharmaceutical and Biotech drug company research & development budgets, particularly late-stage development; 2) Risk of increase/decrease in the trend of Pharmaceutical and Biotechnology Company outsourcing of drug research and development, particularly with respect to early-stage drug development. 3) Risk of changes to government regulations required in the process of drug research & development. 4) Risk of a loss of a Strategic Partner (client) relationship or the cancellation of a contract. The company also bares the financial risk of fixed price or fee-for-service contracts if initially under-priced or otherwise overrun initial cost estimates.

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UBS 12-Month Rating	Definition	Coverage ¹	IB Services ²
Buy	FSR is > 6% above the MRA.	47%	33%
Neutral	FSR is between -6% and 6% of the MRA.	42%	34%
Sell	FSR is > 6% below the MRA.	11%	23%
UBS Short-Term Rating	Definition	Coverage ³	IB Services ⁴
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	less than 1%	less than 1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	less than 1%	less than 1%

Source: UBS. Rating allocations are as of 31 March 2014.

1: Percentage of companies under coverage globally within the 12-month rating category. 2: Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

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UBS Securities LLC: Steven Valiquette.

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Company Name	Reuters	12-month rating	Short-term rating	Price	Price date
Quintiles Transnational Holdings ^{2, 4, 5, 6, 16}	Q.N	Buy	N/A	US\$49.47	23 Apr 2014

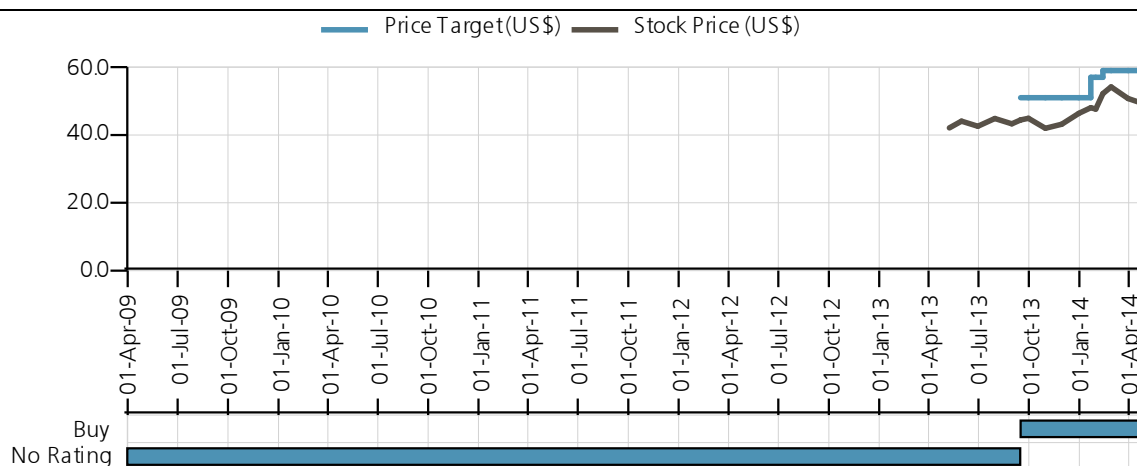
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Quintiles Transnational Holdings (US\$)



Source: UBS; as of 23 Apr 2014

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