
Quintiles Transnational Holdings Inc. (HOLD)

Q - Quick Alert: Quintiles Wins a Big One

KeyBanc Capital Markets Inc.
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KEY INVESTMENT POINTS

Quintiles (Q- NYSE) announced a five- year strategic relationship with Biogen Idec (BIIB- NASDAQ) focused mainly on late stage (Phase II, III, and IV) clinical studies, as well as a select number of Phase I studies. In addition, it appears that Biogen will be deploying components of Quintiles's *Infosario* information technology system as well. Generally, we would assume that Quintiles has significant latitude selecting technologies in a strategic relationship.

In our view, Biogen would likely represent one of Quintiles's larger strategic relationships. Biogen is in the top 20 biopharmaceutical firms in terms of market capitalization, and Biogen reported \$1.4 billion of R&D expense in 2013 (and growing). This follows two other major strategic relationship wins in 2013 - - one with Merck Serono and one with an undisclosed biopharmaceutical firm.

Projects under this new strategic relationship with Biogen have started, but **the full bookings/backlog impact of this new strategic relationship will likely take multiple quarters to become visible.** (Management only reports bookings on projects as they occur.) CROs tend to be relatively quiet disclosing their relationships; however, we believe Quintiles likely already had some level of activity at Biogen for several years. This strategic relationship likely involved the replacement of other smaller CROs.

What's Next? Quintiles will release its 1Q14 results on the morning of Thursday, May 1, 2014, and will host a conference call for investors at 8AM ET. **The dial in is 855- 484- 7367.** We expect to hear more details regarding the Biogen relationship, as well as other strategic relationships that Quintiles has been able to develop in recent months (that have not otherwise been disclosed).

KeyBanc Capital Markets Inc. Disclosures and Certifications

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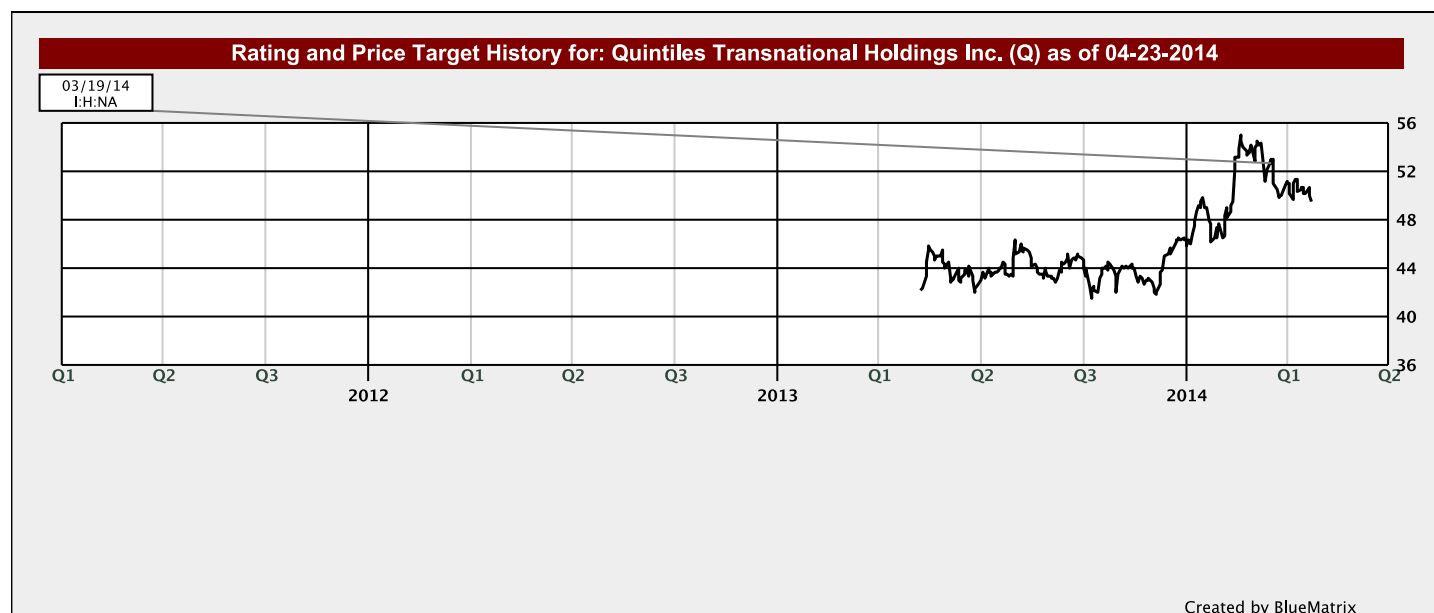
We expect to receive or intend to seek compensation for investment banking services from Quintiles Transnational Holdings Inc. within the next three months.

As of the date of this report, we make a market in Quintiles Transnational Holdings Inc..

Reg A/C Certification

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Three- Year Rating and Price Target History



Rating Disclosures

Distribution of Ratings/IB Services Firmwide and by Sector									
KeyBanc Capital Markets					HEALTHCARE				
Rating	Count	Percent	IB Serv/Past 12 Mos.		Rating	Count	Percent	IB Serv/Past 12 Mos.	
			Count	Percent				Count	Percent
BUY [BUY]	249	45.27	50	20.08	BUY [BUY]	12	42.86	0	0.00
HOLD [HOLD]	290	52.73	59	20.34	HOLD [HOLD]	15	53.57	1	6.67
SELL [UND]	11	2.00	4	36.36	SELL [UND]	1	3.57	0	0.00

Rating System

BUY - The security is expected to outperform the market over the next six to 12 months; investors should consider adding the security to their holdings opportunistically, subject to their overall diversification requirements.

HOLD - The security is expected to perform in line with general market indices over the next six to 12 months; no buy or sell action is recommended at this time.

UNDERWEIGHT - The security is expected to underperform the market over the next six to 12 months; investors should reduce their holdings opportunistically.

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