

Contract Research Organizations

Research Analysts

Jeffrey Bailin, CFA

212 325 6167

jeffrey.bailin@credit-suisse.com

Glen Santangelo

212 538 5678

glen.santangelo@credit-suisse.com

Tyler Harris

212 325 2000

tyler.harris@credit-suisse.com

COMMENT

Bailin's Biweekly Check-In

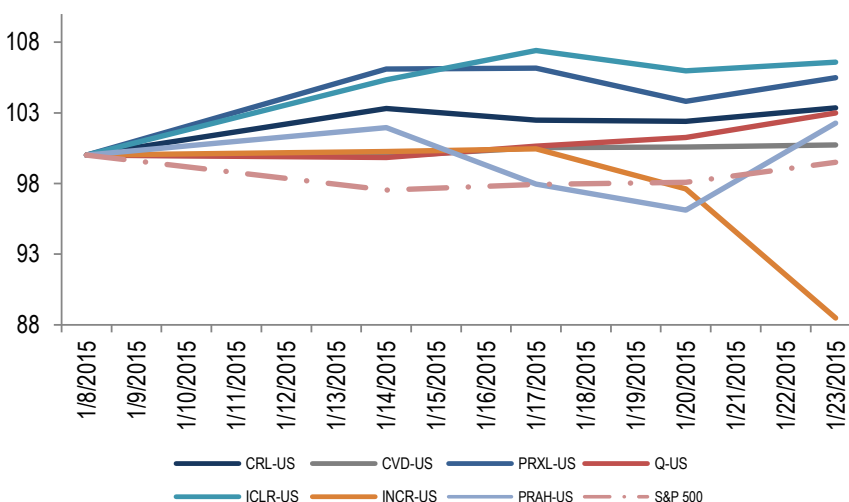
■ Major News & Events:

- Novella Announces Preferred Provider Collaboration with CRF
- Clinipace Closes \$50M Funding Round
- INC Research Makes Leadership Promotions
- PPD Expands GMP Lab in Ireland

- **Valuation & Short Interest:** Average CRO valuations are now trading roughly near historical (10-year) averages, with the group trading at 17.2x 2016 P/E and 10.5x forward (2016) EV/EBITDA. For greater details on company-specific valuation and short interest please see p. 3.

- **Insider Transaction Update:** There was an insider transaction at CRL & Q over the past two weeks. For details on recent insider transactions, please see p. 6.

Exhibit 1: CRO 2-Week Indexed Share Performance



Source: Thomson

DISCLOSURE APPENDIX AT THE BACK OF THIS REPORT CONTAINS IMPORTANT DISCLOSURES, ANALYST CERTIFICATIONS, AND THE STATUS OF NON-US ANALYSTS. US Disclosure: Credit Suisse does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Industry News

Novella Announces Preferred Provider Collaboration with CRF

On 1/12/15, Novella Clinical (owned by Quintiles) and the Cardiovascular Research Foundation announced a preferred provider collaboration. This partnership will focus specifically on cardiovascular drugs & devices and unites a clinical CRO (Novella) and an academic research organization (CRF) to provide sponsors a range of services from preclinical to post-market studies. CRF will offer access to its network of interventional cardiologists as well as CRFiCOR, the Clinical Trials Center's core imaging labs. The two parties have a history of working together on joint cardiovascular device studies. For a copy of the press release click [here](#).

Clinipace Closes \$50M Funding Round

Clinipace Worldwide, a digital clinical CRO disclosed on 1/15/15 that it had closed a \$50 million round of debt & equity financing. The CRO discussed that the financing would help fund the pipeline of acquisitions it sees that would allow the company to expand its therapeutic expertise and its ability to deliver services to clients. Clinipace noted that over the last three years it had added over 450 employees and seen a growth rate of 348%. Recall that Clinipace has emphasized a technology-based service model to service venture-backed, mid-tier, and strategic biopharma & device companies. The recent financing round was led by Virgo Investment Group and its investor partners (Crestline Investors), with Clinipace's existing investors also participating. For a copy of the press release click [here](#).

INC Research Makes Leadership Promotions

INC Research promoted two leaders within its top ranks to best position the company for growth & refocus its differentiating therapeutic expertise. Current COO Alastair MacDonald has been promoted to President & Chief Operating Officer (a role he has held since January 2013). Previously, MacDonald had served as President of Clinical Development Services for INCR and has been with the company since 2002. Additionally, Dr. Michael Gibertini has been appointed to a newly created role of President, Clinical Development, to lead the company's global therapeutic offerings and reporting directly to CEO Jamie Macdonald. Dr. Gibertini joined INCR in 2005 and has been the President & General Manager of CNS Clinical Development. For a copy of the press release click [here](#).

PPD Expands GMP Lab in Ireland

PPD recently announced that it had added a new state-of-the-art lab for cell-based assays at its Athlone, Ireland facility. This will now allow the company to offer services to support cell culture activities to meet growing demand in Europe, the Middle East, Africa, and Asia-Pacific. PPD already offers these services through its Wisconsin GMP lab. The facility also offers integrated solutions for product development & analytical development, along with marketed product support, with particular emphasis on inhalation & biopharmaceutical products. This lab opened in 2010 and following the expansion it will employ 150 people at the facility. For a copy of the press release click [here](#).

Valuation & Short Interest

Shares of the CRO group are now trading slightly below historical average valuations on a P/E basis and slightly above historical average EV/EBITDA valuations (looking at forward F16 estimates). We would highlight that short interest (as a percentage of float) across the sector generally remains below historical averages.

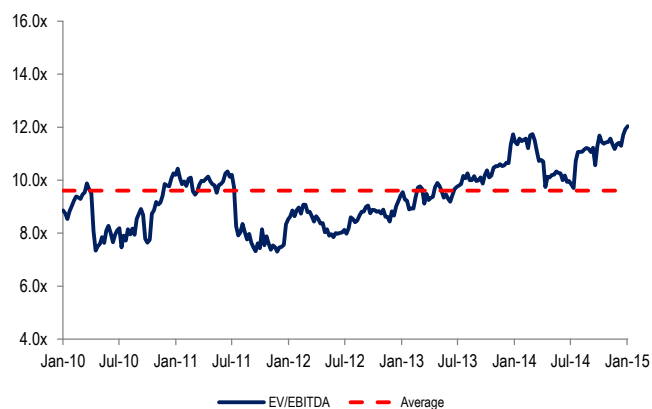
Company and Industry Valuation

Exhibit 2: CRL Historical Forward P/E



Source: Thomson

Exhibit 3: CRL Historical Forward EV/EBITDA



Source: Thomson

Exhibit 4: CVD Historical Forward P/E



Source: Thomson

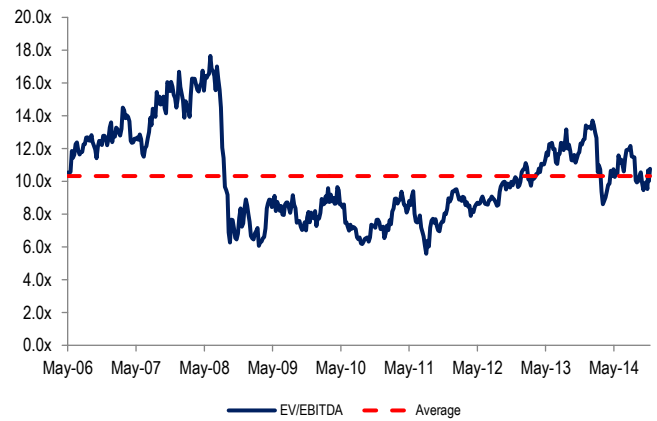
Exhibit 5: CVD Historical Forward EV/EBITDA



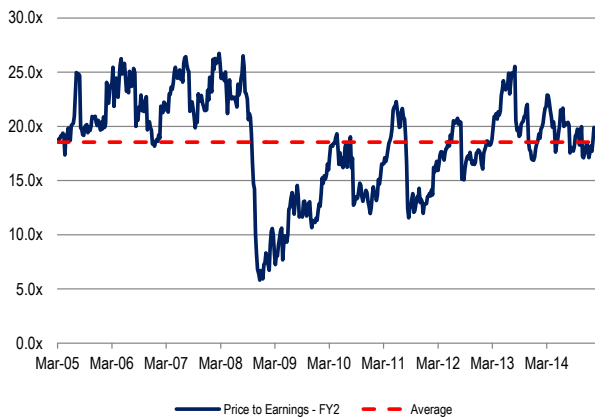
Source: Thomson

Exhibit 6: ICLR Historical Forward P/E

Source: Thomson

Exhibit 7: ICLR Historical EV/EBITDA

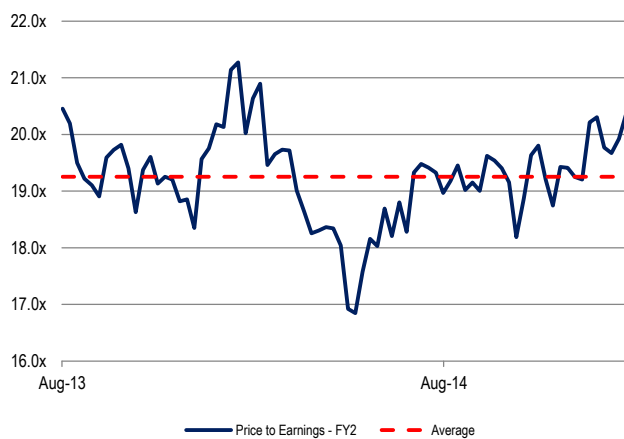
Source: Thomson

Exhibit 8: PRXL Historical Forward P/E

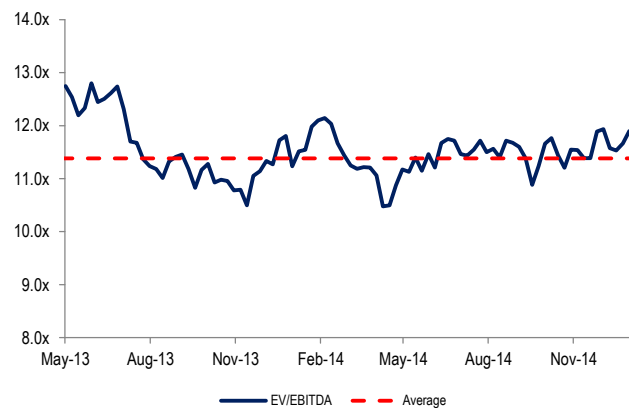
Source: Thomson

Exhibit 9: PRXL Historical Forward EV/EBITDA

Source: Thomson

Exhibit 10: Q Historical Forward P/E

Source: Thomson

Exhibit 11: Q Historical Forward EV/EBITDA

Source: Thomson

Exhibit 12: CRO Industry Comparables Analysis

Company	Ticker	Price	Mkt Cap	Net Debt	EV	EPS Estimates			Price to Earnings		EPS Growth			PEG		Ent. Value/EBITDA		
						2014C	2015C	2016C	2015	2016	2014	2015	2016	2015	2016	2014	2015	2016
Charles River Laboratories International Inc.	CRL	\$68.79	3,228	656	3,884	\$3.37	\$3.58	\$3.95	19.2X	17.4X	15%	6%	10%	3.1X	1.7X	13.1X	12.6X	11.9X
Covance, Inc.	CVD	\$106.72	6,039	(455)	5,584	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	12.9X	NA	NA
ICON plc	ICLR	\$57.24	3,524	(249)	3,275	\$2.77	\$3.20	\$3.65	17.9X	15.7X	57%	15%	14%	1.2X	1.1X	12.7X	11.0X	9.7X
INC Research, Inc.	INCR	\$23.75	1,454	324	1,778	\$0.77	\$1.20	\$1.45	19.9X	16.3X	220%	55%	21%	0.4X	0.8X	12.5X	11.0X	9.7X
PAREXEL International Corp.	PRXL	\$62.51	3,439	89	3,528	\$2.46	\$2.86	\$3.38	21.9X	18.5X	27%	16%	18%	1.3X	1.0X	12.5X	11.0X	9.6X
PRA Health Sciences, Inc.	PRAH	\$26.12	1,562	878	2,440	\$1.08	\$1.29	\$1.54	20.2X	17.0X	178%	19%	19%	1.1X	0.9X	14.0X	12.5X	11.3X
Quintiles Transnational Holdings, Inc.	Q	\$60.97	7,795	1,434	9,229	\$2.66	\$2.99	\$3.33	20.4X	18.3X	29%	12%	12%	1.6X	1.6X	13.2X	12.0X	11.0X
Mean									19.9X	17.2X				1.4X	1.2X	13.0X	11.7X	10.5X
Median									20.0X	17.2X				1.2X	1.1X	12.9X	11.5X	10.4X
Low									17.9X	15.7X				0.4X	0.8X	12.5X	11.0X	9.6X
High									21.9X	18.5X				3.1X	1.7X	14.0X	12.6X	11.9X

Source: Company data, Credit Suisse estimates, Thomson

Short Interest

Exhibit 13: Company Short Interest (as % of Float) - Data through 12/31/14

	Short Interest								
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	5-Yr Avg
CRL	1.03%	1.38%	1.74%	1.99%	1.61%	5.20%	4.91%	3.46%	4.60%
CVD	4.81%	4.29%	4.28%	4.93%	4.71%	3.76%	2.80%	2.15%	6.32%
ICLR	1.55%	0.43%	0.18%	0.45%	0.64%	0.76%	1.33%	2.22%	0.90%*
PRXL	6.14%	5.99%	4.24%	4.04%	4.27%	6.01%	9.38%	8.11%	6.32%
Q	NA	1.13%	1.73%	4.01%	4.37%	2.77%	3.25%	3.39%	3.03%*

*Q & ICLR average data based on shorter historical period due to data set/public history

Source: Company data, Bloomberg

Insider Transactions

Exhibit 14: CRO Industry Recent Transactions

Ticker	Investor Name	Title	Position Change	Price	\$ Value Chg	Buy/Sell	Tran Date	Transaction Type
Charles River Laboratories								
CRL	JOHST DAVID P	O	(4,737)	\$67.00	\$317,379	Sell	1/8/2015	Open market or private sale of non-derivative or derivative security.
CRL	CHUBB STEPHEN D	D	(2,000)	\$64.44	\$128,881	Sell	12/1/2014	Open market or private sale of non-derivative or derivative security.
CRL	JOHST DAVID P	O	(200)	\$65.54	\$13,108	Sell	11/28/2014	Open market or private sale of non-derivative or derivative security.
CRL	ACKERMAN THOMAS F	CFO	(100)	\$63.89	\$6,389	Sell	11/17/2014	Open market or private sale of non-derivative or derivative security.
CRL	REESE C RICHARD	D	(200)	\$63.44	\$12,689	Sell	11/6/2014	Open market or private sale of non-derivative or derivative security.
CRL	CROWLEY JOHN J	O	(100)	\$64.01	\$6,401	Sell	11/4/2014	Open market or private sale of non-derivative or derivative security.
CRL	ACKERMAN THOMAS F	CFO	(36,100)	\$65.00	\$2,346,500	Sell	11/3/2014	Open market or private sale of non-derivative or derivative security.
CRL	MOLHO DAVIDE A	O	(100)	\$64.85	\$6,485	Sell	11/3/2014	Open market or private sale of non-derivative or derivative security.
CRL	GILLET NANCY A	O	(26,731)	\$65.00	\$1,737,515	Sell	11/3/2014	Open market or private sale of non-derivative or derivative security.
CRL	MASSARO GEORGE E	D	(16,710)	\$65.00	\$1,086,150	Sell	11/3/2014	Open market or private sale of non-derivative or derivative security.
CRL	JOHST DAVID P	O	(74,780)	\$64.00	\$4,785,920	Sell	10/28/2014	Open market or private sale of non-derivative or derivative security.
CRL	FOSTER JAMES C	CEO	(28,997)	\$62.00	\$1,797,814	Sell	10/21/2014	Open market or private sale of non-derivative or derivative security.
CRL	FOSTER JAMES C	CEO	(136,647)	\$62.00	\$8,472,114	Sell	10/3/2014	Open market or private sale of non-derivative or derivative security.
CRL	GELLER JORG	O	(100)	\$61.93	\$6,193	Sell	10/3/2014	Open market or private sale of non-derivative or derivative security.
CRL	CHUBB STEPHEN D	D	(1,500)	\$59.20	\$88,794	Sell	9/2/2014	Open market or private sale of non-derivative or derivative security.
CRL	MASSARO GEORGE E	D	(10,440)	\$60.00	\$626,400	Sell	8/26/2014	Open market or private sale of non-derivative or derivative security.
CRL	ACKERMAN THOMAS F	CFO	(100)	\$59.34	\$5,934	Sell	8/18/2014	Open market or private sale of non-derivative or derivative security.
CRL	WALLMAN RICHARD F	D	(3,240)	\$58.20	\$188,568	Sell	8/12/2014	Open market or private sale of non-derivative or derivative security.
CRL	CHUBB STEPHEN D	D	(2,000)	\$52.93	\$105,855	Sell	6/2/2014	Open market or private sale of non-derivative or derivative security.
Covance								
CVD	HERRING JOSEPH L	CEO	(32,692)	\$103.02	\$3,367,799	Sell	12/18/2014	Open market or private sale of non-derivative or derivative security.
CVD	WATSON JOHN E	O	(15,200)	\$102.94	\$1,564,658	Sell	12/10/2014	Open market or private sale of non-derivative or derivative security.
CVD	CORNELL ALISON A	CFO	(17,570)	\$103.23	\$1,813,681	Sell	12/5/2014	Open market or private sale of non-derivative or derivative security.
CVD	KELLER-TANNER DEBORAH L	O	(17,770)	\$103.13	\$1,832,638	Sell	12/5/2014	Open market or private sale of non-derivative or derivative security.
CVD	WATSON JOHN E	O	(14,500)	\$103.21	\$1,496,560	Sell	12/5/2014	Open market or private sale of non-derivative or derivative security.
CVD	CIMINO RICHARD F	O	(20,240)	\$103.16	\$2,087,877	Sell	12/5/2014	Open market or private sale of non-derivative or derivative security.
CVD	HERRING JOSEPH L	CEO	(32,200)	\$85.13	\$2,741,025	Sell	9/9/2014	Open market or private sale of non-derivative or derivative security.
CVD	NUTT BRIAN H	O	(210)	\$103.22	\$21,676	Sell	2/25/2014	Open market or private sale of non-derivative or derivative security.
PAREXEL International								
PRXL	TSUETAKI TRACY KEN	O	300	\$54.47	\$16,341	Buy	12/12/2014	Open market or private purchase of non-derivative or derivative security.
PRXL	GOLDBERG MARK ALAN	P	(500)	\$59.01	\$29,505	Sell	12/3/2014	Open market or private sale of non-derivative or derivative security.
PRXL	GOLDBERG MARK ALAN	P	(475)	\$58.99	\$28,020	Sell	11/28/2014	Open market or private sale of non-derivative or derivative security.
PRXL	LINDOP CHRISTOPHER J	D	(12,000)	\$55.00	\$660,000	Sell	11/5/2014	Open market or private sale of non-derivative or derivative security.
PRXL	COOPER ANITA	O	(4,916)	\$57.56	\$282,965	Sell	8/18/2014	Open market or private sale of non-derivative or derivative security.
PRXL	SAARONY GADI	O	(6,075)	\$57.78	\$351,014	Sell	8/20/2014	Open market or private sale of non-derivative or derivative security.
PRXL	LOVE RICHARD L	D	(6,000)	\$57.33	\$343,980	Sell	8/11/2014	Open market or private sale of non-derivative or derivative security.
PRXL	GOLDBERG MARK ALAN	P	(16,761)	\$56.33	\$944,147	Sell	8/13/2014	Open market or private sale of non-derivative or derivative security.
PRXL	FORTUNE PATRICK J	D	(3,000)	\$53.04	\$159,120	Sell	6/5/2014	Open market or private sale of non-derivative or derivative security.
Quintiles Transnational Corp								
Q	COSINUKE ROBERT L	O	(1,200)	\$146.84	\$176,208	Sell	1/5/2015	Open market or private sale of non-derivative or derivative security.
Q	ROBINSON DAVID ERIC	D	(3,700)	\$147.08	\$544,196	Sell	1/5/2015	Open market or private sale of non-derivative or derivative security.
Q	GORDON KEVIN K	CFO	(25,000)	\$59.16	\$1,479,000	Sell	1/2/2015	Open market or private sale of non-derivative or derivative security.
Q	GREENBERG JACK M	D	6,600	\$57.41	\$378,906	Sell	12/11/2014	Open market or private sale of non-derivative or derivative security.
Q	GORDON KEVIN K	CFO	(7,000)	\$57.35	\$401,450	Sell	12/1/2014	Open market or private sale of non-derivative or derivative security.
Q	TPG ADVISORS V, INC.	B	(2,829,020)	\$58.09	\$164,337,772	Sell	11/10/2014	Open market or private sale of non-derivative or derivative security.
Q	GORDON KEVIN K	CFO	(25,000)	\$59.00	\$1,475,000	Sell	11/3/2014	Open market or private sale of non-derivative or derivative security.
Q	EVANISKO MICHAEL J	D	(5,000)	\$54.00	\$270,000	Sell	7/2/2014	Open market or private sale of non-derivative or derivative security.

Source: Thomson

Performance Summary

After a challenging 2010-11 period, share performance of the CROs rebounded nicely over 2012-13. Performance in 2014 was more volatile, but still marked the third consecutive year of solid outperformance vs. the S&P 500. More recently, capital markets and acquisition activity in the space introduced some volatility following 3Q14 earnings season, but the clinical players have largely seen rebounding sentiment after PRXL's bookings pre-announcement. Views around the preclinical trends also continue to exhibit a modest uptick.

Exhibit 15: CRO Sector Performance: 2011-15

2011	2012	2013	2014	2015 -YTD
S&P 500 Index 0.0%	Icon PLC 62.2%	Parexel International Corp 52.7%	INC Research Holdings 38.9%	Parexel International Corp 12.5%
Parexel International Corp -2.3%	Parexel International Corp 42.7%	Covance 52.4%	PRA Health Services 34.6%	Icon PLC 12.3%
Covance -11.1%	Charles River Laboratories 37.1%	Icon PLC 45.6%	Quintiles Transnational 27.0%	Charles River Laboratories 8.1%
Icon PLC -21.9%	Covance 26.4%	Charles River Laboratories 41.6%	Icon PLC 26.2%	PRA Health Services 7.8%
Charles River Laboratories -23.1%	S&P 500 Index 13.4%	S&P 500 Index 29.6%	Parexel International Corp 23.0%	Quintiles Transnational 3.6%
		Quintiles Transnational 15.8%	Charles River Laboratories 20.0%	Covance 2.8%
			Covance 17.9%	S&P 500 Index -0.3%
			S&P 500 Index 11.4%	INC Research Holdings -7.6%

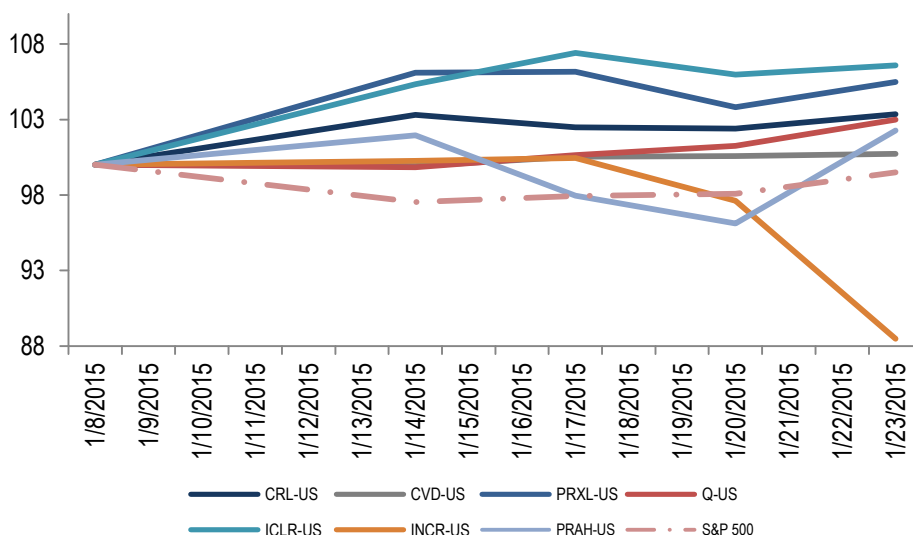
Source: Thomson

Exhibit 16: Healthcare Subsector Performance: 2011-15

2011	2012	2013	2014	2015 - YTD
Managed Care (HMO) 39.7%	Biotechnology (BTK) 44.3%	Biotechnology (BTK) 73.9%	Specialty Pharma 42.5%	Labs 7.2%
Biotechnology (BTK) 28.5%	CROs 42.1%	Specialty Pharma 69.8%	Hospitals 36.9%	Biotechnology (BTK) 6.2%
Healthcare Technology 19.2%	PBMs 35.4%	Drug Distributors 63.8%	Managed Care (HMO) 36.2%	CROs 5.6%
Pharmaceuticals (DRG) 17.7%	Hospitals 39.5%	Managed Care (HMO) 44.6%	Biotechnology (BTK) 31.1%	Pharmaceuticals (DRG) 5.4%
Specialty Pharma 18.4%	Dental 23.5%	Hospitals 44.7%	CROs 26.8%	Managed Care (HMO) 4.8%
Drug Distributors 8.6%	Drug Distributors 14.0%	CROs 41.6%	Drug Distributors 25.9%	Specialty Pharma 4.7%
PBMs 7.0%	S&P 500 Index 13.4%	Dental 39.9%	Labs 21.7%	Drug Distributors 4.4%
Dental 6.1%	Medical Technology 12.6%	Healthcare Technology 37.7%	PBMs 21.4%	Dental 3.1%
Labs 2.7%	Specialty Pharma 8.6%	Medical Technology 36.0%	Pharmaceuticals (DRG) 15.1%	PBMs 1.7%
S&P 500 Index 0.0%	Pharmaceuticals (DRG) 9.3%	S&P 500 Index 29.6%	Medical Technology 14.8%	Healthcare Technology 1.6%
Medical Technology -4.6%	Labs 0.6%	Pharmaceuticals (DRG) 27.5%	Dental 13.6%	Medical Technology 1.3%
CROs -14.6%	Managed Care (HMO) -0.8%	PBMs 26.3%	S&P 500 Index 11.4%	S&P 500 Index -0.3%
Hospitals -21.5%	Healthcare Technology -21.1%	Labs -1.3%	Healthcare Technology -0.9%	Hospitals -8.5%

Source: Thomson

Exhibit 17: CRO 2-Week Indexed Share Performance



Source: Thomson

Exhibit 18: CRO EPS Surprise History

CRL				CVD				PRXL				Q				ICLR			
Quarter	Reported EPS	Consensus	Surprise %	Quarter	Reported EPS	Consensus	Surprise %	Quarter	Reported EPS	Consensus	Surprise %	Quarter	Reported EPS	Consensus	Surprise %	Quarter	Reported EPS	Consensus	Surprise %
3Q14	\$0.86	\$0.80	7.5%	3Q14	\$0.98	\$0.98	0.0%	F1Q15	\$0.65	\$0.58	12.1%	3Q14	\$0.65	\$0.64	1.6%	3Q14	\$0.79	\$0.70	12.9%
2Q14	\$0.97	\$0.82	18.3%	2Q14	\$0.95	\$0.93	2.2%	F4Q14	\$0.65	\$0.62	4.8%	2Q14	\$0.64	\$0.61	4.9%	2Q14	\$0.64	\$0.58	10.3%
1Q14	\$0.62	\$0.74	10.8%	1Q14	\$0.90	\$0.90	0.0%	F3Q14	\$0.56	\$0.54	3.7%	1Q14	\$0.57	\$0.60	13.3%	1Q14	\$0.57	\$0.50	14.0%
4Q13	\$0.88	\$0.74	17.4%	4Q13	\$0.84	\$0.83	1.2%	F2Q14	\$0.51	\$0.49	4.1%	4Q13	\$0.58	\$0.55	5.5%	4Q13	\$0.53	\$0.45	17.8%
3Q13	\$0.79	\$0.70	12.9%	3Q13	\$0.83	\$0.80	3.7%	F1Q14	\$0.51	\$0.49	4.1%	3Q13	\$0.54	\$0.50	8.0%	3Q13	\$0.45	\$0.41	9.8%
2Q13	\$0.73	\$0.71	2.8%	2Q13	\$0.78	\$0.77	1.3%	F4Q13	\$0.45	\$0.45	0.0%	2Q13	\$0.50	\$0.47	6.4%	2Q13	\$0.43	\$0.38	13.2%
1Q13	\$0.69	\$0.71	(2.8%)	1Q13	\$0.75	\$0.72	4.2%	F3Q13	\$0.50	\$0.43	16.3%					1Q13	\$0.36	\$0.34	5.9%
4Q12	\$0.64	\$0.63	1.6%	4Q12	\$0.73	\$0.71	2.8%	F2Q13	\$0.50	\$0.40	25.0%					4Q12	\$0.34	\$0.32	6.3%
3Q12	\$0.65	\$0.62	4.8%	3Q12	\$0.72	\$0.67	7.5%	F1Q13	\$0.41	\$0.33	24.2%	Meet or Beat:		100.0%		3Q12	\$0.29	\$0.27	7.4%
2Q12	\$0.75	\$0.66	13.6%	2Q12	\$0.65	\$0.64	1.6%	F4Q12	\$0.29	\$0.28	3.6%					2Q12	\$0.21	\$0.22	(4.5%)
1Q12	\$0.70	\$0.65	7.7%	1Q12	\$0.60	\$0.60	0.0%	F3Q12	\$0.34	\$0.29	17.2%					1Q12	\$0.15	\$0.14	7.1%
4Q11	\$0.69	\$0.56	23.2%	4Q11	\$0.73	\$0.73	0.0%	F2Q12	\$0.33	\$0.31	6.5%					4Q11	\$0.07	\$0.08	(12.5%)
3Q11	\$0.57	\$0.58	(1.7%)	3Q11	\$0.71	\$0.70	1.4%	F1Q12	\$0.23	\$0.23	0.0%					3Q11	\$0.02	\$0.01	100.0%
2Q11	\$0.70	\$0.61	14.8%	2Q11	\$0.66	\$0.65	1.5%	F4Q11	\$0.20	\$0.16	25.0%					2Q11	\$0.21	\$0.23	(8.7%)
1Q11	\$0.61	\$0.54	13.0%	1Q11	\$0.60	\$0.58	3.4%	F3Q11	\$0.15	\$0.07	42.9%					1Q11	\$0.21	\$0.21	0.0%
4Q10	\$0.60	\$0.49	22.4%	4Q10	\$0.56	\$0.53	5.7%	F2Q11	\$0.27	\$0.30	(10.0%)					4Q10	\$0.36	\$0.36	0.0%
3Q10	\$0.45	\$0.49	(8.2%)	3Q10	\$0.50	\$0.50	0.0%	F1Q11	\$0.29	\$0.28	3.6%					3Q10	\$0.33	\$0.37	(10.8%)
2Q10	\$0.49	\$0.50	(2.0%)	2Q10	\$0.49	\$0.51	(3.9%)	F4Q10	\$0.30	\$0.28	7.1%					2Q10	\$0.38	\$0.37	2.7%
1Q10	\$0.45	\$0.47	(4.3%)	1Q10	\$0.60	\$0.60	0.0%	F3Q10	\$0.32	\$0.30	6.7%					1Q10	\$0.37	\$0.36	2.8%
4Q09	\$0.49	\$0.44	11.4%	4Q09	\$0.64	\$0.65	(1.5%)	F2Q10	\$0.28	\$0.27	3.7%					4Q09	\$0.40	\$0.38	5.3%
3Q09	\$0.65	\$0.60	8.3%	3Q09	\$0.67	\$0.68	(1.5%)	F1Q10	\$0.26	\$0.22	18.2%					3Q09	\$0.38	\$0.34	11.8%
2Q09	\$0.60	\$0.64	(7.0%)	2Q09	\$0.66	\$0.64	3.1%	F4Q09	\$0.19	\$0.18	5.6%					2Q09	\$0.35	\$0.35	0.0%

Source: Thomson

Guidance Review

Exhibit 19: CRO Guidance History

	Revenues	EPS	Tax Rate	Financial Guidance	Misc.	Quarterly/Segments	Industry Commentary
CRL	F3Q14 • F14 Rev. growth 10%-11%	F3Q14 • F14 Non GAAP EPS \$3.33-\$3.38 • F14 Non-GAAP EPS • +13.5%-15.5% growth YoY	F3Q14 • Non-GAAP '14 ~27% 27.5% • GAAP 26.0%-26.5%	F3Q14 • Operating Margin ~17.0% • Early Discovery margin expected to improve sequentially	F3Q14 • Non-GAAP Int Exp \$11.5M-\$12M • FCF \$180M-\$185M • CapEx \$55-\$60M • Amortization \$0.26/share • Non GAAP unallocated corporate cost 6.5% of total sales for FY14	F3Q14 • Normal seasonal trends will result in 4Q14 revenue, non-GAAP operating margin, and non-GAAP EPS below 3Q14 levels	• Expect RM Services to benefit from increased outsourcing by global biopharma and mid-tier clients higher funding to invest in their • Softer seasonal sales volume expected to have a more pronounced impact on the RMS segment there could be a slight slowdown in order activity of the DSA and manufacturing support segments around the year-end holidays • The US market has stabilized now for a couple quarters and we are pleased to see that • Our business with our global accounts is very strong, but that's an area where there are -- there is a lot of consolidation and reduction in capacity
	F2Q14 • F14 Rev. growth 9%-11%	F2Q14 • F14 Non GAAP EPS \$3.25-\$3.35 • F3Q14 Non-GAAP EPS 0.79 (~10% growth)	F2Q14 • Non-GAAP 27% 28%	F2Q14 • Operating Margin ~17.0%	F2Q14 • Non-GAAP Int Exp \$12M-\$14M • FCF \$180M-\$190M • CapEx \$55-\$65M • Amortization \$0.36/share • Shares O/S average 47.5M	F2Q14 • Believe RMS op margin >30% • 3Q14-RMS and PCS sales and margin improvement	• Normal seasonality affects RMS segment in 2H of year. • RMS segment as price increases are expected to largely offset the ongoing impact from biopharmaceutical consolidation
	F1Q14 • F14 Rev. growth 9%-11%	F1Q14 • F14 Non GAAP EPS \$3.15-\$3.25 • F2Q14 Non-GAAP EPS \$0.82	F1Q14 • Non-GAAP 27% 28%	F1Q14 • 17.3% consolidated mrgns (Same as 2013)	F1Q14 • Efficiency initiatives to generate \$25-\$30M of incremental savings • Non-GAAP Int Exp \$14M-\$16M • FCF \$180M-\$190M • CapEx \$55-\$65M • Amortization \$0.33/share • Shares O/S average 48M	F1Q14 • Believe RMS op margin >30% • 2Q14-RMS and PCS sales and margin improvement	• "We would expect to see biotech continue to be strong and we would expect to see pharma continue to strengthen given the sorting out phenomenon that we saw" • "...We would expect to see an improvement in mix between specialty and general tox, which we are beginning to get some evidence of in March" • "...[PTS Business] the last estimate we had was market's probably around \$650 million, we give an indication of the size of this business about 10% of our revenue."
	F4Q13 • F14 Revenue growth 3-5%	F4Q13 • F14 Non GAAP EPS \$3.00-\$3.10 • F1Q14 Non-GAAP EPS similar to 4Q13 \$0.73	F4Q13 • Non-GAAP 28.5% 29.5%	F4Q13 • 17.8% consolidated mrgns (up 50 bps)	F4Q13 • Efficiency initiatives to generate \$25-\$30M of incremental savings • Non-GAAP Int Exp \$12M-\$14M • FCF \$175M-\$185M • CapEx \$50-\$60M • Amortization \$0.22/share • Shares O/S average 47-47.5M	F4Q13 • Maintain RMS op margin ~30% • RMS and PCS sales growth in 3-5% range. • Approximate 1% increase in PCS spot pricing.	• "Preclinical...Pricing has generally remained unchanged, although intermittently there was aggressive pricing by all of our major competitors who have more unused capacity." • "...As industry utilization approaches more optimal levels, we are confident that pricing will eventually improve." • "...We believe demand is certainly picking up, as more of our global biopharma clients make the decision to outsource in lieu of maintaining in-house infrastructure."
CVD	F3Q14 • F14 Growth of 6%-8% • 4Q14 \$625.0-\$635.0M	F3Q14 • Pro Forma F14 EPS: \$3.78-\$3.81	F3Q14 • 24%		F3Q14 • FCF Proforma ~\$200M • CapEx \$155M	F3Q14	
	F2Q14 • F14 Growth of 6%-8%	F2Q14 • Pro Forma F14 EPS: \$3.78-\$3.92	• 24%	Oper. Margin Expansion of 50bps Early Development margins mid teens	F2Q14 • FCF ~\$130M • CapEx \$160M	F2Q14 • Both revenues and margin to increase sequentially	• "...a lot of runway for improvement with price increases & capacity utilization continues to build higher." • "...see increased activity from both biotech and large pharma sectors with increased demand for higher complexity Phase I to IIA studies • "...Outsourcing continues to expand
	F1Q14 • F14 Revenues \$260M • F14 Growth of 6%-9%	F1Q14 • Pro Forma F14 EPS: \$3.70-\$3.95	• 24%	Oper. Margin Expansion of 50bps	F1Q14 • FCF ~\$130M • CapEx \$160M	F1Q14 • Both revenues and margin to increase sequentially	• "improving trends for toxicology..."
	F4Q13 • 6%-10% revenue growth	F4Q13 • Pro Forma EPS: \$3.65-\$4.00			F4Q13 • FCF ~\$130M • CapEx \$160M	F4Q13 • Low double-digit growth in Late-Stage Development • Mid single-digit growth in Early Development	• "Seeing improving trends in toxicology" • "Increasing outsourcing penetration and clients' willingness to invest in new product development, creating better market conditions than seen in quite sometime.
PRXL	F1Q15 • F15 Revenue \$2.07B-\$2.11B	F1Q15 • F15 EPS \$2.56-\$2.75 • 1Q15 \$0.56-\$0.62	• 36%	• 100-120 bps of op margin expansion	F1Q15	F1Q15 • 1Q15 \$495.0-\$508.0M • 1Q15 \$0.56-\$0.62	• "the global CRO market is projected to grow in the low single digits over the next few years. • "the market share of the top 10 CROs and the fact that it is expected to grow from 59% in 2013 to 63% by the time we get to 2016 • "biopharma companies are changing the way they approach virtually every aspect of their business including R&D • "outsourcing penetration in the clinical arena is approaching 50% and we expect to see continued growth in this important metric
	F4Q14 • F15 Revenue \$2.13B-\$2.15B	F4Q14 • F15 EPS \$2.57-\$2.75 • 1Q15 \$0.55-\$0.59	• 34-35%	• 100-120 bps of op margin expansion	F4Q14	F4Q14 • 1Q15 \$497.0-\$503.0M • 1Q15 \$0.55-\$0.59	• "many small biopharmaceutical companies have successfully raised capital and are now deploying those funds into outsourcing of clinical development activities. • "Two other important trends that impacted our business environment are emerging markets and the ongoing digitization of clinical research
	6/24/2014 • F15 Revenue \$2.12B-\$2.15B	6/24/2014 • F15 EPS \$2.51-\$2.75	• 34-35%	• 100-120 bps of op margin expansion	6/24/2014	6/24/2014 • NA	• "...we expect that increasing R&D spend will provide 2-3 percentage points of growth and deepening outsourcing penetration will provide another 3-4 percentage points. We expect to gain market share..." • "Many emerging markets are increasing their spends on medicines, representing attractive growth opportunities...emerging markets are also where drug development spend is rapidly growing."
	F3Q14 • F14 Revenue \$1.936B-\$1.942B	F3Q14 • F14 EPS \$2.13-\$2.17	• 34-35%	• Op Margin 9.0% range for the year	F3Q14	F3Q14 • Q4 Revenue \$507M-\$513M • Q4 GAAP EPS \$0.59-\$0.63 • Op Margin ahead of Q3	• "...most of these large pharma companies and the industry overall for that matter has really purged their pipelines • "[M&A]- I guess now what one -- what is now the long-term in Wall Street terms, I don't really see a big disruption for us.

Source: Company data, Credit Suisse estimates

Exhibit 20: CRO Guidance History (Continued)

	Revenues	EPS	Tax Rate	Financial Guidance Margins	Misc.	Quarterly/Segments	Industry Commentary
Q	<u>F3Q14</u> • F14 Service Revenues \$4.16B-\$4.19B Growth of 9.2%-10%	<u>F3Q14</u> • Non GAAP EPS \$2.61 - \$2.68 GAAP-\$2.61-\$2.68	<u>F3Q14</u> • ~30%		<u>F3Q14</u> • Restructuring costs \$13M	<u>F3Q14</u>	<p>Regarding IHS, you can see the third quarter was strong for new business which will help our growth next year.</p> <p>The new business tends to be lumpy, but in the United States, the NME approvals continue to be strong with 29 NMEs approved in the first 9 months of 2014, compared to 16 YTD in 2013</p> <p>There's no fundamental changes in the number of RFPs we're seeing</p>
	<u>F2Q14</u> • F14 Service Revenues \$4.20B-\$4.24B Low double digit growth	<u>F2Q14</u> • Non GAAP EPS \$2.57 - \$2.67 GAAP-\$2.49-\$2.61	<u>F2Q14</u> • ~30%		<u>F2Q14</u> • Restructuring costs \$12M or \$14M	<u>F2Q14</u>	<p>"We continue to focus our efforts on providing emerging and midsize Pharma with access to our broad range of solutions and expertise</p> <p>"NME approvals are strong with about 17 approved in the first half of 2014 compared to 13 in the first six months of the prior year</p>
	<u>F1Q14</u> • F14 Service Revenues \$4.09 - \$4.15B or 7.4%-9% y/y constant currency growth	<u>F1Q14</u> • Non GAAP EPS \$2.45 - \$2.58 GAAP-\$2.38-\$2.52	<u>F1Q14</u> • ~30%		<u>F1Q14</u> • Restructuring costs \$12M or \$14M	<u>F1Q14</u> • Will look at accretive capability-building acquisitions	<p>"...[Possible disruption]...there are huge unmet medical needs that will fuel innovation in this industry</p> <p>"... biotech funding does continue to seem to be a strength</p> <p>"...midsize pharma has tens of billions of dollars in market cap these days, so the world is evolving.</p>
	<u>F4Q13</u> • Service Revenues \$4.09B -\$4.15B or 7.4%-9% y/y constant currency growth	<u>F4Q13</u> • Non GAAP EPS \$2.33 \$2.46 GAAP-\$2.26-\$2.40	<u>F4Q13</u> • ~30%		<u>F4Q13</u> • Restructuring costs \$12M or \$14M	<u>F4Q13</u> • Will look at accretive capability-building acquisitions	<p>"...We see growth in large, mid-sized and small biopharma...As we enter 2014 we continue to see strong record RFP volumes in Product Development and very good opportunities in IHS."</p> <p>"... we saw many leading pharmaceutical firms reexamining their development practices..."</p>
ICLR	<u>F3Q14</u> • F14 Revenue \$1.495B- \$1.515B	<u>F3Q14</u> • F14 EPS \$2.74-\$2.79	<u>F3Q14</u> • approx 16%	<u>F3Q14</u> • Operating margins 14%-16%	<u>F3Q14</u> • Capex \$30M-\$35M	<u>F3Q14</u> • seeking targeted M&A opportunities	<p>"We have tended to say in looking at our direct competitors that growth is in that kind of mid to high single-digits range</p> <p>"I think we are seeing a lot of interest from customers, particularly around the adaptive trial space</p>
	<u>F2Q14</u> • F14 Revenue \$1.49B- \$1.530B	<u>F2Q14</u> • F14 EPS \$2.62-\$2.68	<u>F2Q14</u> • approx 16%	<u>F2Q14</u> • Operating margins 14%-16%	<u>F2Q14</u> • Capex \$30M-\$35M	<u>F2Q14</u> • seeking targeted M&A opportunities	<p>"We see the biotech sector perhaps funding more of their trials in later stages and we feel we are the beneficiaries of that in circumstances</p>
	<u>F1Q14</u> • F14 Revenue \$1.48B- \$1.540B	<u>F1Q14</u> • F14 EPS \$2.30-\$2.40	<u>F1Q14</u> • approx 16%	<u>F1Q14</u> • Operating margins 15%-20%	<u>F1Q14</u>	<u>F1Q14</u>	<p>"...And then obviously penetration has increased as well. We see that going -- on our model here we would say 40% to 50%."</p> <p>"...but we see what our bigger customers, where they are being very proactive about their outsourcing that takes off about 65%</p> <p>"...not only are big pharma as well as the small, as well as the biotechs who have never invested in infrastructure, really seriously considering the model of outsourcing and significant outsourcing."</p>
	<u>F4Q13</u> • F14 Revenue \$1.415B- \$1.465B	<u>F4Q13</u> • F14 EPS \$2.05-\$2.20	<u>F4Q13</u> • approx 16%	<u>F4Q13</u>	<u>F4Q13</u>	<u>F4Q13</u> • Bookings \$1.2M • Capex \$30-\$35 M • SG&A	<p>"...We expect the market to continue to grow in 2014 driven by an increase in outsourcing penetration combined with modestly increasing R&D spending."</p>

Source: Company data, Credit Suisse estimates

Companies Mentioned (Price as of 23-Jan-2015)**Charles River Laboratories International Inc.** (CRL.N, \$68.79)**Covance, Inc.** (CVD.N, \$106.72)**ICON plc** (ICLR.OQ, \$57.24)**INC Research, Inc** (INCR.OQ, \$23.75, OUTPERFORM[V], TP \$29.0)**PAREXEL International Corp.** (PRXL.OQ, \$62.51, OUTPERFORM, TP \$62.0)**PRA Health Sciences, Inc.** (PRAH.OQ, \$26.12)**Quintiles Transnational Holdings, Inc.** (Q.N, \$60.97, OUTPERFORM, TP \$67.0)**Disclosure Appendix****Important Global Disclosures**

I, Jeffrey Bailin, CFA, certify that (1) the views expressed in this report accurately reflect my personal views about all of the subject companies and securities and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

3-Year Price and Rating History for INC Research, Inc (INCR.OQ)

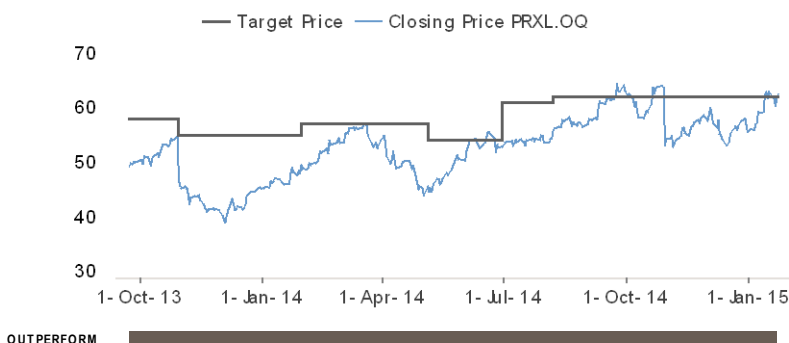
INCR.OQ	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
02-Dec-14	24.20	29.00	O *

* Asterisk signifies initiation or assumption of coverage.

**3-Year Price and Rating History for PAREXEL International Corp. (PRXL.OQ)**

PRXL.OQ	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
23-Sep-13	49.29	58.00	O *
30-Oct-13	46.53	55.00	
30-Jan-14	49.39	57.00	
05-May-14	45.49	54.00	
30-Jun-14	52.84	61.00	
07-Aug-14	55.79	62.00	

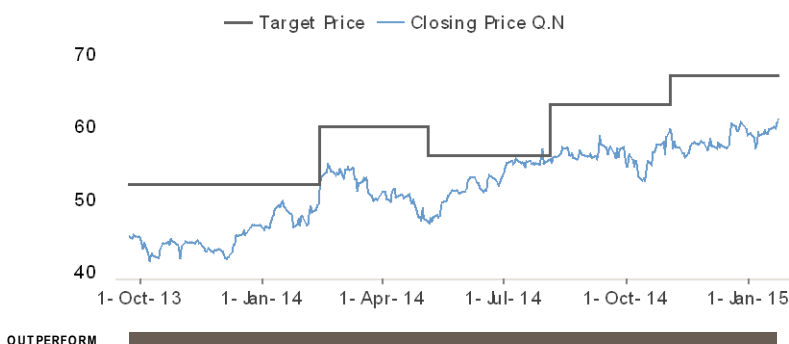
* Asterisk signifies initiation or assumption of coverage.



3-Year Price and Rating History for Quintiles Transnational Holdings, Inc. (Q.N)

Q.N	Closing Price	Target Price	
Date	(US\$)	(US\$)	Rating
23-Sep-13	44.86	52.00	O *
13-Feb-14	52.20	60.00	
05-May-14	46.99	56.00	
05-Aug-14	55.53	63.00	
03-Nov-14	59.65	67.00	

* Asterisk signifies initiation or assumption of coverage.



The analyst(s) responsible for preparing this research report received Compensation that is based upon various factors including Credit Suisse's total revenues, a portion of which are generated by Credit Suisse's investment banking activities

As of December 10, 2012 Analysts' stock rating are defined as follows:

Outperform (O) : The stock's total return is expected to outperform the relevant benchmark* over the next 12 months.

Neutral (N) : The stock's total return is expected to be in line with the relevant benchmark* over the next 12 months.

Underperform (U) : The stock's total return is expected to underperform the relevant benchmark* over the next 12 months.

*Relevant benchmark by region: As of 10th December 2012, Japanese ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. As of 2nd October 2012, U.S. and Canadian as well as European ratings are based on a stock's total return relative to the analyst's coverage universe which consists of all companies covered by the analyst within the relevant sector, with Outperforms representing the most attractive, Neutrals the less attractive, and Underperforms the least attractive investment opportunities. For Latin American and non-Japan Asia stocks, ratings are based on a stock's total return relative to the average total return of the relevant country or regional benchmark; prior to 2nd October 2012 U.S. and Canadian ratings were based on (1) a stock's absolute total return potential to its current share price and (2) the relative attractiveness of a stock's total return potential within an analyst's coverage universe. For Australian and New Zealand stocks, 12-month rolling yield is incorporated in the absolute total return calculation and a 15% and a 7.5% threshold replace the 10-15% level in the Outperform and Underperform stock rating definitions, respectively. The 15% and 7.5% thresholds replace the +10-15% and -10-15% levels in the Neutral stock rating definition, respectively. Prior to 10th December 2012, Japanese ratings were based on a stock's total return relative to the average total return of the relevant country or regional benchmark.

Restricted (R) : In certain circumstances, Credit Suisse policy and/or applicable law and regulations preclude certain types of communications, including an investment recommendation, during the course of Credit Suisse's engagement in an investment banking transaction and in certain other circumstances.

Volatility Indicator [V] : A stock is defined as volatile if the stock price has moved up or down by 20% or more in a month in at least 8 of the past 24 months or the analyst expects significant volatility going forward.

Analysts' sector weightings are distinct from analysts' stock ratings and are based on the analyst's expectations for the fundamentals and/or valuation of the sector* relative to the group's historic fundamentals and/or valuation:

Overweight : The analyst's expectation for the sector's fundamentals and/or valuation is favorable over the next 12 months.

Market Weight : The analyst's expectation for the sector's fundamentals and/or valuation is neutral over the next 12 months.

Underweight : The analyst's expectation for the sector's fundamentals and/or valuation is cautious over the next 12 months.

*An analyst's coverage sector consists of all companies covered by the analyst within the relevant sector. An analyst may cover multiple sectors.

Credit Suisse's distribution of stock ratings (and banking clients) is:

Global Ratings Distribution

Rating	Versus universe (%)	Of which banking clients (%)
Outperform/Buy*	46%	(54% banking clients)
Neutral/Hold*	38%	(50% banking clients)
Underperform/Sell*	14%	(44% banking clients)
Restricted	2%	

*For purposes of the NYSE and NASD ratings distribution disclosure requirements, our stock ratings of Outperform, Neutral, and Underperform most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.

Credit Suisse's policy is to update research reports as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated herein.

Credit Suisse's policy is only to publish investment research that is impartial, independent, clear, fair and not misleading. For more detail please refer to Credit Suisse's Policies for Managing Conflicts of Interest in connection with Investment Research: http://www.csfb.com/research-and-analytics/disclaimer/managing_conflicts_disclaimer.html

Credit Suisse does not provide any tax advice. Any statement herein regarding any US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purposes of avoiding any penalties.

Price Target: (12 months) for INC Research, Inc (INCR.OQ)

Method: We arrived at our \$29 target price for INC Research using an equal weighting of P/E & EV/EBITDA valuation. Our price to earnings valuation yields a price target of \$29 applying a multiple of 20x our F16 EPS estimate of \$1.45. Our EV/EBITDA analysis applies a roughly 11.7x multiple to our F16 EBITDA of \$183.7M. Our target valuation multiples are roughly in-line with target multiples at industry-leading clinical peers in light of slightly smaller scale & shorter public history balanced by a healthy growth outlook at the high end of industry growth rates. In valuing the contract research organization (CRO) stocks and INC Research, we primarily utilize P/E & EV/EBITDA multiples to assess the risk/reward profile of the individual stocks and the group as a whole since multiples provide both a historical and relative perspective. We evaluate multiples relative to historic averages to ensure that the stocks are trading in-line with our assessment of how current fundamentals fit into historical context. Multiples relative to a benchmark or to other industry peers sheds light on competitive positioning and performance.

Risk: Risks to INC Research's achievement of our \$29 target price: 1) favorable biotech funding environment could moderate; 2) smaller revenue footprint and scale; 3) controlled company status & PE ownership could represent overhang; and 4) high expectations for CRO group. With the CROs trading at elevated valuations we would acknowledge that earnings disappointments could result in contraction in group valuation multiples. Similarly, strong biotech funding environment has been viewed as a tailwind and to the extent that moderates it could impact sentiment as well as pose a revenue headwind. Finally, with a smaller revenue footprint & scale INC could be exposed to greater volatility due to the cancellation of individual trials relative to peers which could in turn negatively impact sentiment.

Price Target: (12 months) for PAREXEL International Corp. (PRXL.OQ)

Method: We arrived at our \$62 target price using P/E & valuation. Our price to earnings valuation yields a price target of around \$62, applying a multiple of ~21.5x on our C15 EPS estimate of \$2.86. Our target valuation multiples are a slight premium to historic averages, reflecting the company's overall strong growth outlook offset by some execution issues. In valuing the contract research organizations (CROs) and PAREXEL, we primarily utilize price-to-earnings (P/E) multiples to assess the risk/reward profile of the individual stocks and the group as a whole since multiples provide both a historical and relative perspective. We look at multiples relative to historical averages to ensure that the stocks are trading in-line with our assessment of how current fundamentals fit into historical context. Multiples relative to a benchmark or to other industry peers sheds light on competitive positioning and performance.

Risk: Risks to PRXL's achievement of our \$62 target price are: 1) inability to realize profitability improvements; 2) significant client concentration; 3) expectations remain high; and 4) softer R&D trends. If the company fails to achieve its targeted 100-120 bps of annual margin expansion or if R&D trends are softer than anticipated, EPS growth may fall short of expectations. Additionally, with significant client concentration, if a top client is acquired or terminates its contract results could be materially impacted.

Price Target: (12 months) for Quintiles Transnational Holdings, Inc. (Q.N)

Method: Our \$67 target price for Q is based on a P/E methodology. Our price to earnings valuation yields a price of around \$63, applying a roughly 22.4x multiple on our C15 EPS estimate of \$2.99. We believe that a premium multiple is consistent with the company's market-leading scale, diversity and scope of clinical services. In valuing the contract research organizations (CROs) and Quintiles, we primarily utilize price-to-earnings (P/E) multiples to assess the risk/reward profile of the individual stocks and the group as a whole since P/E provides a historical and relative perspective. We look at multiples relative to historical averages to ensure that the stocks are trading in-line with our assessment of how current fundamentals fit into historical context. P/E relative to a benchmark or to other industry peers sheds light on competitive positioning and performance.

Risk: Risks to Q's achievement of our \$67 target price are: 1) softer R&D trends; 2) disruption from Pharma M&A; 3) controlled company status; and 4) balance sheet leverage. Softer R&D trends or any pricing pressure to the company's premium margins could lead to EPS growth lower than expectations. Additionally, Q has higher leverage compared to industry peers which could limit the company's ability to accretively deploy capital.

Please refer to the firm's disclosure website at <https://rave.credit-suisse.com/disclosures> for the definitions of abbreviations typically used in the target price method and risk sections.

See the Companies Mentioned section for full company names

The subject company (INCR.OQ, Q.N, CVD.N) currently is, or was during the 12-month period preceding the date of distribution of this report, a client of Credit Suisse.

Credit Suisse provided investment banking services to the subject company (INCR.OQ, CVD.N) within the past 12 months.

Credit Suisse has received investment banking related compensation from the subject company (INCR.OQ, CVD.N) within the past 12 months

Credit Suisse expects to receive or intends to seek investment banking related compensation from the subject company (INCR.OQ, ICLR.OQ, CVD.N) within the next 3 months.

As of the date of this report, Credit Suisse makes a market in the following subject companies (INCR.OQ, PRXL.OQ, Q.N, PRAH.OQ, ICLR.OQ, CVD.N).

For other important disclosures concerning companies featured in this report, including price charts, please visit the website at <https://rave.credit-suisse.com/disclosures> or call +1 (877) 291-2683.

Important Regional Disclosures

Singapore recipients should contact Credit Suisse AG, Singapore Branch for any matters arising from this research report.

The analyst(s) involved in the preparation of this report have not visited the material operations of the subject company (INCR.OQ, PRXL.OQ, Q.N, PRAH.OQ, ICLR.OQ, CVD.N) within the past 12 months

Restrictions on certain Canadian securities are indicated by the following abbreviations: NVS--Non-Voting shares; RVS--Restricted Voting Shares; SVS--Subordinate Voting Shares.

Individuals receiving this report from a Canadian investment dealer that is not affiliated with Credit Suisse should be advised that this report may not contain regulatory disclosures the non-affiliated Canadian investment dealer would be required to make if this were its own report.

For Credit Suisse Securities (Canada), Inc.'s policies and procedures regarding the dissemination of equity research, please visit http://www.csfb.com/legal_terms/canada_research_policy.shtml.

Credit Suisse has acted as lead manager or syndicate member in a public offering of securities for the subject company (PRAH.OQ) within the past 3 years.

As of the date of this report, Credit Suisse acts as a market maker or liquidity provider in the equities securities that are the subject of this report.

Principal is not guaranteed in the case of equities because equity prices are variable.

Commission is the commission rate or the amount agreed with a customer when setting up an account or at any time after that.

For Credit Suisse disclosure information on other companies mentioned in this report, please visit the website at <https://rave.credit-suisse.com/disclosures> or call +1 (877) 291-2683.

References in this report to Credit Suisse include all of the subsidiaries and affiliates of Credit Suisse operating under its investment banking division. For more information on our structure, please use the following link: <https://www.credit-suisse.com/who-we-are/en>. This report may contain material that is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Credit Suisse AG or its affiliates ("CS") to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to CS. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of CS. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of CS or its affiliates. The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. CS may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. CS will not treat recipients of this report as its customers by virtue of their receiving this report. The investments and services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. CS does not advise on the tax consequences of investments and you are advised to contact an independent tax adviser. Please note in particular that the bases and levels of taxation may change. Information and opinions presented in this report have been obtained or derived from sources believed by CS to be reliable, but CS makes no representation as to their accuracy or completeness. CS accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that such liability arises under specific statutes or regulations applicable to CS. This report is not to be relied upon in substitution for the exercise of independent judgment. CS may have issued, and may in the future issue, other communications that are inconsistent with, and reach different conclusions from, the information presented in this report. Those communications reflect the different assumptions, views and analytical methods of the analysts who prepared them and CS is under no obligation to ensure that such other communications are brought to the attention of any recipient of this report. Some investments referred to in this report will be offered solely by a single entity and in the case of some investments solely by CS, or an associate of CS or CS may be the only market maker in such investments. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by CS and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk. Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct their own investigation and analysis of the product and consult with their own professional advisers as to the risks involved in making such a purchase. Some investments discussed in this report may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realised. Those losses may equal your original investment. Indeed, in the case of some investments the potential losses may exceed the amount of initial investment and, in such circumstances, you may be required to pay more money to support those losses. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realisable and it may be difficult to sell or realise those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of CS, CS has not reviewed any such site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to CS's own website material) is provided solely for your convenience and information and the content of any such website does not in any way form part of this document. Accessing such website or following such link through this report or CS's website shall be at your own risk. This report is issued and distributed in Europe (except Switzerland) by Credit Suisse Securities (Europe) Limited, One Cabot Square, London E14 4QJ, England, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. This report is being distributed in Germany by Credit Suisse Securities (Europe) Limited Niederlassung Frankfurt am Main regulated by the Bundesanstalt fuer Finanzdienstleistungsaufsicht ("BaFin"). This report is being distributed in the United States and Canada by Credit Suisse Securities (USA) LLC; in Switzerland by Credit Suisse AG; in Brazil by Banco de Investimentos Credit Suisse (Brasil) S.A. or its affiliates; in Mexico by Banco Credit Suisse (México), S.A. (transactions related to the securities mentioned in this report will only be effected in compliance with applicable regulation); in Japan by Credit Suisse Securities (Japan) Limited, Financial Instruments Firm, Director-General of Kanto Local Finance Bureau (Kinsho) No. 66, a member of Japan Securities Dealers Association, The Financial Futures Association of Japan, Japan Investment Advisers Association, Type II Financial Instruments Firms Association; elsewhere in Asia/ Pacific by whichever of the following is the appropriately authorised entity in the relevant jurisdiction: Credit Suisse (Hong Kong) Limited, Credit Suisse Equities (Australia) Limited, Credit Suisse Securities (Thailand) Limited, regulated by the Office of the Securities and Exchange Commission, Thailand, having registered address at 990 Abdulrahim Place, 27th Floor, Unit 2701, Rama IV Road, Silom, Bangkok, Bangkok 10500, Thailand, Tel. +66 2614 6000, Credit Suisse Securities (Malaysia) Sdn Bhd, Credit Suisse AG, Singapore Branch, Credit Suisse Securities (India) Private Limited (CIN no. U67120MH1996PTC104392) regulated by the Securities and Exchange Board of India (registration Nos. INB230970637; INF230970637; INB010970631; INF010970631), having registered address at 9th Floor, Ceejay House, Dr.A.B. Road, Worli, Mumbai - 18, India, T. +91-22 6777 3777, Credit Suisse Securities (Europe) Limited, Seoul Branch, Credit Suisse AG, Taipei Securities Branch, PT Credit Suisse Securities Indonesia, Credit Suisse Securities (Philippines) Inc., and elsewhere in the world by the relevant authorised affiliate of the above. Research on Taiwanese securities produced by Credit Suisse AG, Taipei Securities Branch has been prepared by a registered Senior Business Person. Research provided to residents of Malaysia is authorised by the Head of Research for Credit Suisse Securities (Malaysia) Sdn Bhd, to whom they should direct any queries on +603 2723 2020. This report has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (each as defined under the Financial Advisers Regulations) only, and is also distributed by Credit Suisse AG, Singapore branch to overseas investors (as defined under the Financial Advisers Regulations). By virtue of your status as an institutional investor, accredited investor, expert investor or overseas investor, Credit Suisse AG, Singapore branch is exempted from complying with certain compliance requirements under the Financial Advisers Act, Chapter 110 of Singapore (the "FAA"), the Financial Advisers Regulations and the relevant Notices and Guidelines issued thereunder, in respect of any financial advisory service which Credit Suisse AG, Singapore branch may provide to you. This information is being distributed by Credit Suisse AG, Dubai Branch, duly licensed and regulated by the Dubai Financial Services Authority (DFSA), and is directed at Professional Clients or Market Counterparties only, as defined by the DFSA. The financial products or financial services to which the information relates will only be made available to a client who meets the regulatory criteria to be a Professional Client or Market Counterparty only, as defined by the DFSA, and is not intended for any other person. This research may not conform to Canadian disclosure requirements. In jurisdictions where CS is not already registered or licensed to trade in securities, transactions will only be effected in accordance with applicable securities legislation, which will vary from jurisdiction to jurisdiction and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements. Non-U.S. customers wishing to effect a transaction should contact a CS entity in their local jurisdiction unless governing law permits otherwise. U.S. customers wishing to effect a transaction should do so only by contacting a representative at Credit Suisse Securities (USA) LLC in the U.S. Please note that this research was originally prepared and issued by CS for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of CS should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. This research may relate to investments or services of a person outside of the UK or to other matters which are not authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority or in respect of which the protections of the Prudential Regulation Authority and Financial Conduct Authority for private customers and/or the UK compensation scheme may not be available, and further details as to where this may be the case are available upon request in respect of this report. CS may provide various services to US municipal entities or obligated persons ("municipalities"), including suggesting individual transactions or trades and entering into such transactions. Any services CS provides to municipalities are not viewed as "advice" within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. CS is providing any such services and related information solely on an arm's length basis and not as an advisor or fiduciary to the municipality. In connection with the provision of the any such services, there is no agreement, direct or indirect, between any municipality (including the officials, management, employees or agents thereof) and CS for CS to provide advice to the municipality. Municipalities should consult with their financial, accounting and legal advisors regarding any such services provided by CS. In addition, CS is not acting for direct or indirect compensation to solicit the municipality on behalf of an unaffiliated broker, dealer, municipal securities dealer, municipal advisor, or investment adviser for the purpose of obtaining or retaining an engagement by the municipality for or in connection with Municipal Financial Products, the issuance of municipal securities, or of an investment adviser to provide investment advisory services to or on behalf of the municipality. If this report is being distributed by a financial institution other than Credit Suisse AG, or its affiliates, that financial institution is solely responsible for distribution. Clients of that institution should contact that institution to effect a transaction in the securities mentioned in this report or require further information. This report does not constitute investment advice by Credit Suisse to the clients of the distributing financial institution, and neither Credit Suisse AG, its affiliates, and their respective officers, directors and employees accept any liability whatsoever for any direct or consequential loss arising from their use of this report or its content. Principal is not guaranteed. Commission is the commission rate or the amount agreed with a customer when setting up an account or at any time after that.

Copyright © 2015 CREDIT SUISSE AG and/or its affiliates. All rights reserved.

Investment principal on bonds can be eroded depending on sale price or market price. In addition, there are bonds on which investment principal can be eroded due to changes in redemption amounts. Care is required when investing in such instruments.

When you purchase non-listed Japanese fixed income securities (Japanese government bonds, Japanese municipal bonds, Japanese government guaranteed bonds, Japanese corporate bonds) from CS as a seller, you will be requested to pay the purchase price only.