INC Research
1Q 2015 Financial Results

April 27, 2015

INC Research®

Forward Looking Statements & Non-GAAP Financial Measures

Forward-Looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this presentation are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include, but are not limited to: the lack of a prior public market for our stock and potential volatility; our ability to maintain or generate new business awards; our backlog not being indicative of future revenues and our ability to realize the anticipated future revenue reflected in our backlog; our ability to adequately price our contracts and not overrun cost estimates; our ability to maintain effective information systems; our customer or therapeutic area concentration; international economic, political and other risks; our ability to increase our market share, grow our business and execute our growth strategies; our ability to perform services in accordance with contractual requirements, regulatory standards and ethical considerations; risks related to healthcare reform and other applicable regulations; our current and potential future indebtedness; and the other risk factors set forth from time to time in our 2014 Form 10-K , Form 10-Q for the Quarter Ended March 31, 2015, and other SEC filings, copies of which are available free of charge on our website at www.investor.incresearch.com. INC Research assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with GAAP, this presentation contains certain non-GAAP financial measures , including Adjusted Net Service Revenue, Adjusted Income from Operations, Adjusted Operating Margin, Adjusted Net Income (including Adjusted Diluted Earnings per Share), EBITDA, and Adjusted EBITDA. A “non-GAAP financial measure” is generally defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company.

We define Adjusted Net Service Revenue as net service revenue excluding the impact of higher-than-normal change order activity that occurred during 2014. We define Adjusted Income from Operations as income from operations excluding the higher-than-normal change order activity and certain expenses such as management fees that terminated in connection with our initial public offering, acquisition-related amortization, restructuring costs, transaction expenses, non-cash stock compensation expense, contingent consideration related to acquisitions, asset impairment charges. We define Adjusted Operating Margin as adjusted income from operations as a percent of adjusted net service revenue.

We define Adjusted Net Income (including Adjusted Diluted Earnings per Share) as net income (including diluted earnings per share) excluding debt refinancing expenses, other income (expense) and the items excluded from adjusted income from operations mentioned previously. After giving effect to these items, we have also included an adjustment to our income tax rate to reflect the expected long-term income tax rate.

EBITDA represents earnings before interest, taxes, depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA excluding higher-than-normal change order activity and certain expenses such as management fees that terminated in connection with our initial public offering, restructuring costs, transaction expenses, non-cash stock compensation expense, contingent consideration related to acquisitions, asset impairment charges, debt refinancing expenses, results of and gains or losses from the sale of unconsolidated subsidiaries and other income/expense.

The Company presents EBITDA because it believes it is a useful metric for investors as it is commonly used by investors, analysts and debt holders to measure our ability to service our debt obligations, fund capital expenditures and meet working capital requirements.

Each of the non-GAAP measures noted above are used by management and the Board to evaluate our core operating results as they exclude certain items whose fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business. Adjusted Net Service Revenue, Adjusted Income from Operations, Adjusted Operating Margin, and Adjusted Income (including Adjusted Diluted Earnings per Share) are used by management and the Board to assess our business, as well as by investors and analysts, to measure our performance. Adjusted EBITDA is also a helpful metric for management and investors to measure our ability to service our debt obligations.

Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP. Investors are encouraged to review the reconciliations of the non-GAAP financial measures to their most directly comparable GAAP measures included on slides 19-22 in the appendix of this presentation.

1Q 2015 Highlights
Key Operating Metrics

$M (except per share data)	Q1 2014	Q1 2015	% Change
Net New Business Awards	280.9	255.5	(9.0%)
Book-to-Bill	1.5 x	1.2 x	
Backlog[1]	1,594	1,595	0.0%
Net Service Revenue	184.7	211.5	14.5%
Adjusted Income from Operations[2]	25.7	46.4	80.6%
Adjusted EBITDA[2]	32.6	51.2	57.1%
Adjusted Net Income[2]	6.2	26.3	325.9%
Adjusted Diluted EPS[2] ($)	0.12	0.42	250.0%

1. Backlog was negatively impacted by $88M of foreign currency reductions over the past year.
2. Adjusted Income from Operations and Adjusted EBITDA were favorably impacted by $6.2M of non-recurring items in Q1 2015. The impact of these items on Adjusted Net Income was $4.0 million, which is net of tax of 36%. The resulting impact of Adjusted Diluted EPS was approximately 6 cents per share.

For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods, please refer to slides 19-22 in the appendix of this presentation.

1Q 2015 Income Statement
Adjusted Basis

$M (except per share data)		Q1 2014		Q1 2015	% Change
Net Service Revenue	$	184.7	$	211.5	14.5%
Direct Costs		120.4		124.8	3.7%
Gross Profit		64.3		86.7	34.7%
Gross Profit Margin		*34.8%*		*41.0%*	*+614 bps*
Selling, General & Administrative		31.8		35.5	11.7%
Depreciation		6.9		4.8	(30.6%)
Income from Operations		25.7		46.4	80.6%
Income from Operations Margin		*13.9%*		*22.0%*	*+803 bps*
Interest Expense, net		(15.9)		(5.3)	(66.6%)
Income before provision for income taxes		9.8		41.1	319.3%
Income Tax Expense		(3.6)		(14.8)	308.1%
Net Income	$	6.2	$	26.3	325.9%
Diluted EPS ($)		0.12		0.42	250.0%
EBITDA	$	32.6	$	51.2	57.1%
EBITDA Margin		*17.6%*		*24.2%*	*+657 bps*

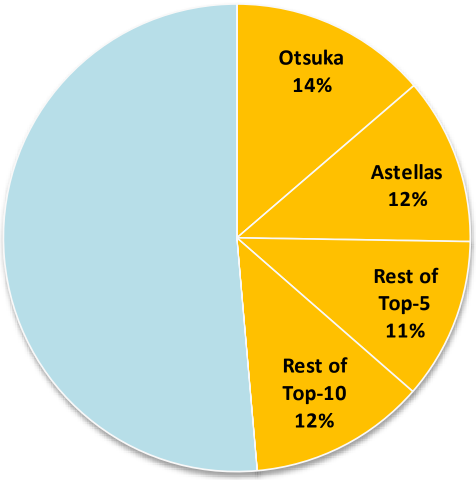
Note: Due to rounding of specific line items, line item figures may not sum to subtotals.
Non-recurring items in Q1 2015 favorably impacted direct costs and gross profit by $5.1M, SG&A by $1.1M, and income from operations and EBITDA by $6.2M. The impact of these items on net income was $4.0 million, which is net of tax of 36%. The resulting impact of diluted EPS was approximately 6 cents per share.
For a complete reconciliation of GAAP to Non-GAAP measures for the current and historical periods, please refer to slides 19-22 in the appendix of this presentation.

Diversified Customer Base

- We have a diversified base of over 300 customers and performed work for 19 of the largest 20 biopharma companies, as ranked by sales, since the beginning of 2014.

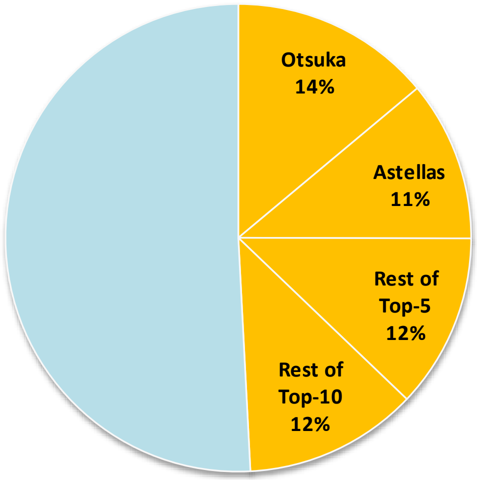
Limited Customer Concentration

2014 Revenue



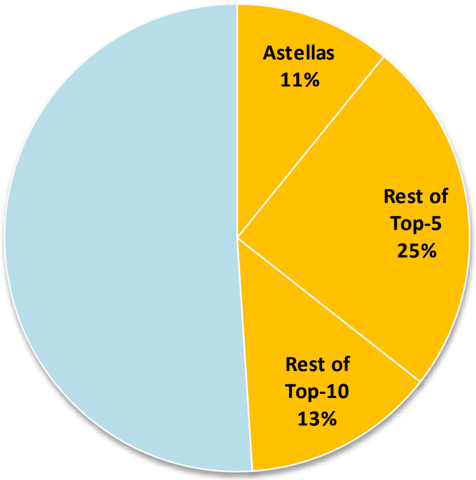
Top-5 Customers = 37% of Revenue
Top-10 Customers = 49% of Revenue

Q1 2014 Revenue



Top-5 Customers = 37% of Revenue
Top-10 Customers = 49% of Revenue

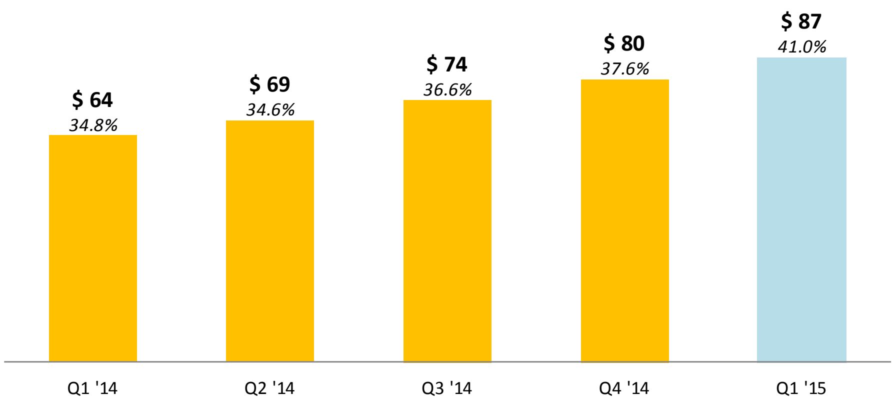
Q1 2015 Revenue



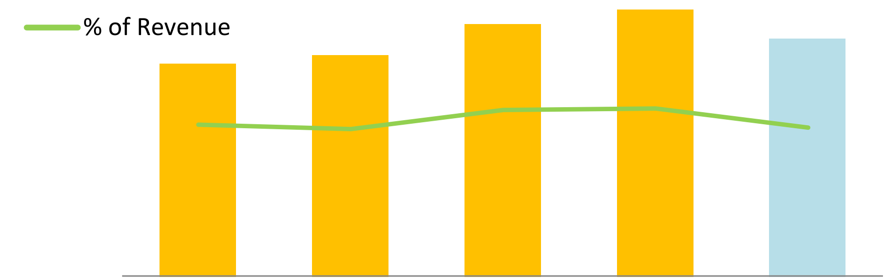
Top-5 Customers = 36% of Revenue
Top-10 Customers = 49% of Revenue

Historical Trends – Margin and SG&A Expenses

Adjusted Gross Profit ($M) *(+ Margin %)* [1,2]

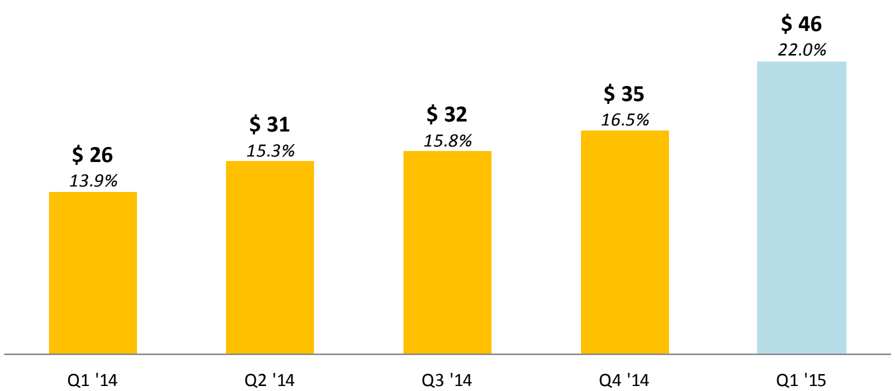


Adjusted SG&A ($M) *(+ % of Revenue)* [1,2]

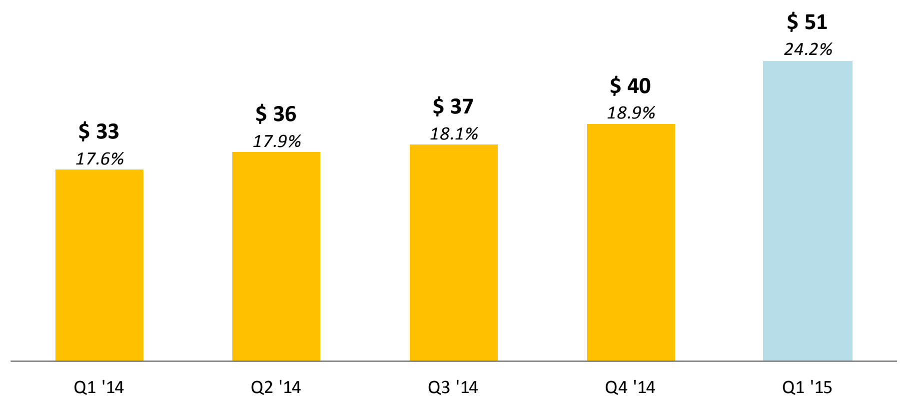


	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15
SG&A $	$ 32	$ 33	$ 38	$ 40	$ 35
% of Revenue	17.2%	16.7%	18.5%	18.7%	16.8%

Adjusted Income from Operations ($M) *(+ Margin %)* [1,2]



Adjusted EBITDA ($M) *(+ Margin %)* [1,2]



1. Non-recurring items in Q1 2015 favorably impacted Adjusted Gross Profit by $5.1M, Adjusted SG&A by $1.1M, Adjusted Income from Operations by $6.2M, and Adjusted EBITDA by $6.2M.
2. During the second and third quarters of 2014, we experienced higher-than-normal change order activity estimated to be between $6.0M and $12.0M. Adjusted Net Service Revenue, Adjusted Gross Profit, Adjusted Income from Operations, and Adjusted EBITDA have been adjusted by $9.0M ($4.5M in both the second and third quarters) in 2014 to remove the impact of this higher-than-normal change order activity.

For a complete reconciliation of GAAP to Non-GAAP measures, please refer to slides 19-22 in the appendix of this presentation.

Cash Flow and Leverage Profile

$M	Q1 2014	Q1 2015
Cash Flow from Operations	31.2	43.6
Less: Capital Expenditures	4.6	4.9
Free Cash Flow [1]	26.6	38.8
Adjusted EBITDA	32.6	51.2

$M	3/31/2014	12/31/2014	3/31/2015
Cash	114.2	126.5	156.3
Total Debt	593.3	425.5	424.2
Net Debt	479.2	299.0	267.8
Net Leverage [2]	*4.0 x*	*2.1 x*	*1.6 x*
Total Net DSO [3]	(1.1)	0.3	(2.9)

Note: Due to rounding of specific line items, line item figures may not sum to subtotals. These metrics do not reflect the potential impact of refinancing our existing debt, the potential share repurchase or the incremental $101.1 million in debt to be incurred to fund the share repurchase.

1. Free cash flow represents cash flow from operations less capital expenditures.
2. Net leverage is calculated as Net Debt as of the data presented, divided by trailing twelve month Adjusted EBITDA of $120.1M for 3/31/14, $145.3M for 12/31/14, and $163.9M for 3/31/15.
3. For DSO trend information, please refer to slides 16 and 17 in the appendix of this presentation.

Sources and Uses and Pro Forma Capitalization

$M

Sources	Amount
New $525mm Term Loan A	$525.0
Cash from Balance Sheet	53.4
Total	$578.4

Uses	Amount
Refinance Term Loan B	$423.9
Share Repurchase	150.0
Estimated Fees & Expenses	4.4
Total	$578.4

	3/31/2015			Pro Forma	
	Amount	Leverage	Adj.	Amount	Leverage
Cash and Equivalents	$156.3		($53.4)	$103.0	
Existing $100mm Revolver	--			--	
Existing $425mm Term Loan B	$423.9		($423.9)	--	
New $150mm Revolver	--			--	
New $525mm Term Loan A	--		525.0	$525.0	
Capital Lease Obligations	$0.3			0.3	
Total Debt[1]	**$424.2**	***2.6x***		**$525.3**	***3.2x***
Net Debt[1]	*$267.8*	*1.6x*		*$422.3*	*2.6x*
Net Debt, as defined in credit agreement[2]	*$349.2*	*2.0x*		*$450.3*	*2.6x*

1 Based on 3/31/2015 TTM Adjusted EBITDA of:	$163.9			$163.9
2 Based on 3/31/2015 TTM Adjusted Bank EBITDA of:	$176.4			$176.4

Note: Due to rounding of specific line items, line item figures may not sum to subtotals.

Key Terms of New Credit Facilities

Terms	New Senior Secured Credit Facilities
Amount	■ Revolving Credit Facility: $150 million ■ Term Loan A: $525 million
Maturity	■ 5 years
Indicative Pricing	(see pricing grid below)
Scheduled Amortization	(see amortization schedule below)
Permitted Share Repurchases	■ One-time share repurchase of up to $150 million within 30 days after Closing subject to compliance with certain covenants; ■ Subsequent to the initial closing and provided Company is in compliance with certain covenants, up to (a) $60 million plus (b) an additional amount equal to 50% of Consolidated Net Income (as defined in the 2015 Credit Agreement); ■ Unlimited if, on a pro forma basis considering the share repurchase, the Consolidated Net Leverage Ratio is less than 3.00 to 1.00
Financial Covenants	■ Maximum Secured Net Leverage Ratio of 4.00x with no step down ▪ Up to $75 million to be used for net leverage (up to $25 million credit for non-U.S. cash) ■ Minimum Interest Coverage Ratio of 3.00x with no step ups

Indicative Pricing:

Secured Net Leverage Ratio	LIBOR Spread	Unused Fee
<1.50x	150 bps	20 bps
≥1.50x but <2.25x	175 bps	25 bps
≥2.25x but <3.00x	200 bps	30 bps
>3.00x	225 bps	35 bps

Scheduled Amortization:

2015	2016	2017	2018	2019	2020
$13.1M	$32.8M	$39.4M	$45.9M	$59.1M	$16.4M + balance ($318.3M)

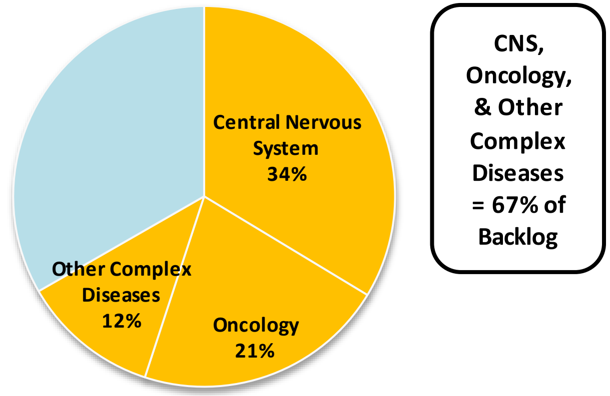
Backlog Should Support Long-Term Growth

Backlog Roll Forward ($M)

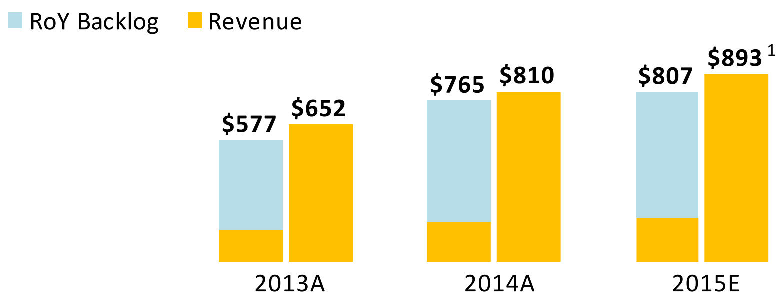
		Q1 '15
Beginning Backlog	$	1,589
+ Acquired Backlog		-
+ Net Awards		256
- Revenue, as reported		(212)
+ FX Adjustment		(39)
Ending Backlog	**$**	**1,595**

Backlog by Therapeutic Area

As of March 31, 2015

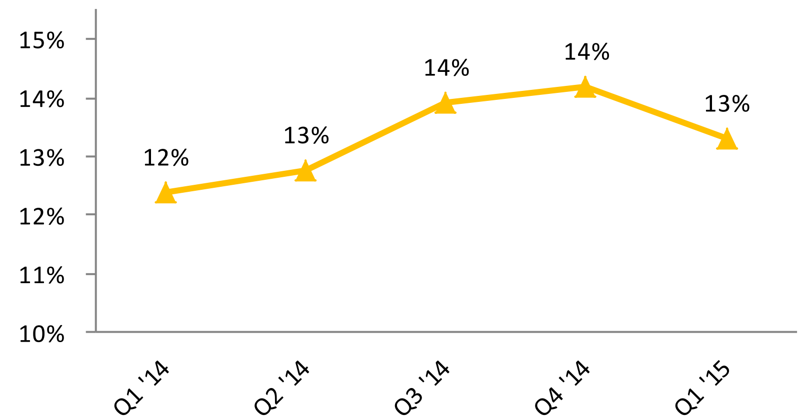


Backlog Coverage ($M)



	2013A	2014A	2015E
Backlog as of	3/31/13	3/31/14	3/31/15
Coverage Ratio	88.5%	94.5%	90.4%
YoY Revenue Growth	12.7%	24.1%	10.2%

Backlog Burn Rate [2]



Financials and related key operating metrics have not been adjusted to exclude the $9.0M ($4.5M in both the second and third quarters) of higher-than-normal change order activity for full year 2014.

1. 2015 revenue estimate represents the mid-point of the revised guidance range on page 11 of this presentation.
2. Backlog burn represents current quarter net revenue divided by previous quarter ending backlog.

Full Year 2015 Guidance

Financial Measurement	Previous: Guidance Range	Previous: Growth Rate [3]	Revised: Guidance Range	Revised: Growth Rate [3]
Net Service Revenue [1]	$ 870.0 - 900.0M	8.7 - 12.4%	$ 880.0 - 905.0M	9.9 - 13.0%
Adjusted EBITDA	$ 159.0 - 169.0M	9.4 - 16.3%	$ 175.0 - 185.0M	20.5 - 27.3%
Adjusted Net Income	$ 75.0 - 82.0M	68.0 - 83.7%	$ 89.5 - 97.0M	100.5 - 117.3%
Adjusted Diluted EPS [2]	$ 1.19 - 1.29	43.4 - 55.4%	$ 1.40 - 1.52	68.7 - 83.1%
GAAP Diluted EPS	$ 1.00 - 1.17	296.1 - 329.4%	$ 1.13 - 1.29	321.6 - 352.9%

Note: Financial guidance takes into account a number of factors, including current foreign currency exchange rates and our expected tax rates. This guidance includes the impact of refinancing our existing debt, but does not include the impact of the potential share repurchase or the incremental $101.1 million in debt to be incurred to fund the share repurchase.

1. Revised guidance for Net Service Revenue includes foreign exchange headwind of approximately $40.0M (a negative impact of 500 basis points) resulting in a constant currency growth rate of approximately 14.9 – 18.0%.
2. Revised guidance for Adjusted Diluted EPS includes the expected negative impact of foreign exchange, estimated at 1 to 2 cents per share.
3. 2015 growth rates are based on adjusted 2014 financials, with the exception of GAAP Diluted EPS. 2014 revenue has been adjusted to exclude $9.0M of higher-than-normal change order activity for the full year 2014.

For a complete reconciliation of GAAP to Non-GAAP measures for current and historical periods, please refer to slides 19 - 22 in the appendix of this presentation.

Reconciliation of Revised 2015 Guidance

	Adjusted Diluted Earnings Per Share [2]	
	Low	High
Adjusted diluted earnings per share, previous	**$ 1.19**	**$ 1.29**
Adjustments:		
Non-recurring Q1 2015 items	0.06	0.06
Q1 2015 over-performance versus forecast	0.06	0.06
Over-performance for remainder of 2015 [1]	0.05	0.06
Impact of debt refinancing	0.04	0.05
Adjusted diluted earnings per share, current [1]	**$ 1.40**	**$ 1.52**

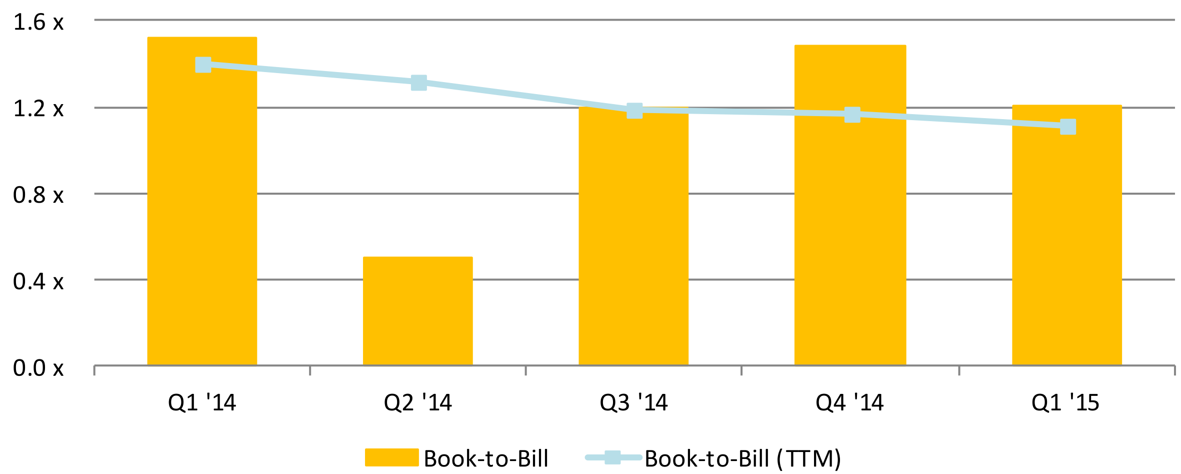
Note: Financial guidance takes into account a number of factors, including current foreign currency exchange rates and our expected tax rates. This guidance includes the impact of refinancing our existing debt, but does not include the impact of the potential share repurchase or the incremental $101.1 million in debt to be incurred to fund the share repurchase.

1. Revised guidance for Adjusted Diluted EPS includes the expected negative impact of foreign exchange, estimated at 1 to 2 cents per share.
2. For a complete reconciliation of GAAP to Non-GAAP measures for current and historical periods, please refer to slides 19 - 22 in the appendix of this presentation.

Appendix

Book to Bill Trend

Net Book-to-Bill Ratio



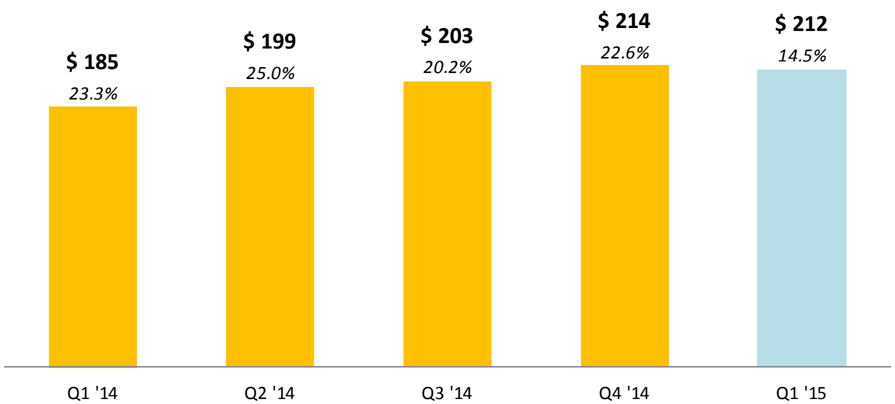
Quarterly	Q1 '14	Q2 '14 [1]	Q3 '14	Q4 '14	Q1 '15
Net New Business Awards ($M)	280.9	103.3	249.3	316.3	255.5
Net Service Revenue ($M)	184.7	203.5	207.8	213.7	211.5
Book-to-Bill Ratio	**1.5 x**	**0.5 x**	**1.2 x**	**1.5 x**	**1.2 x**

TTM	Q1 '14	Q2 '14 [1]	Q3 '14 [1]	Q4 '14 [1]	Q1 '15 [1]
Net New Business Awards (TTM) ($M)	959.4	967.3	918.8	949.8	924.4
Net Service Revenue (TTM) ($M)	687.4	731.7	770.4	809.7	836.5
Book-to-Bill Ratio (TTM)	**1.4 x**	**1.3 x**	**1.2 x**	**1.2 x**	**1.1 x**

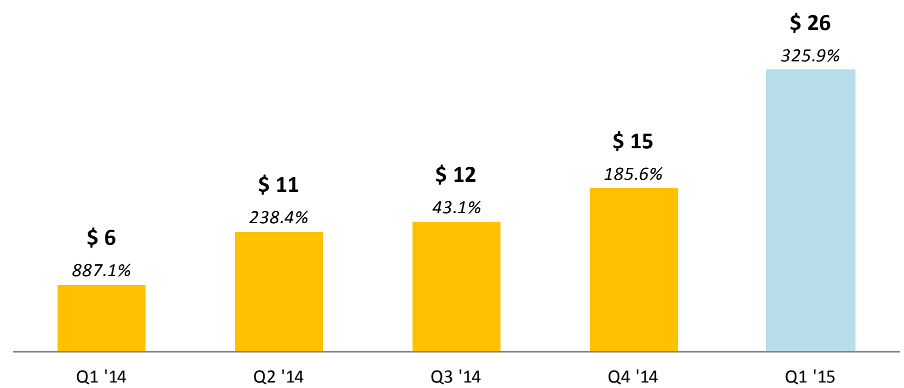
1. Net awards were negatively impacted by $132 million as a result of a cancellation of interrelated programs during the second quarter of 2014 related to scientific concerns our customer had with the viability of the compound under development.

Historical Financial Performance Trends
Key Metrics

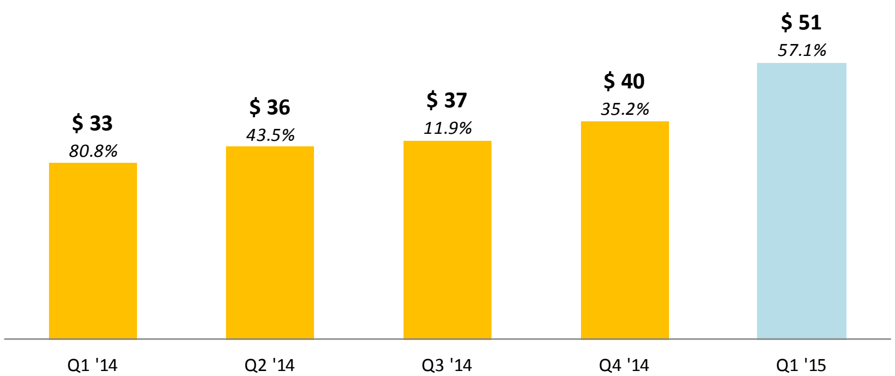
Adjusted Net Service Revenue ($M) *(+ YoY growth)* [2]



Adjusted Net Income ($M) *(+ YoY growth)* [1,2]



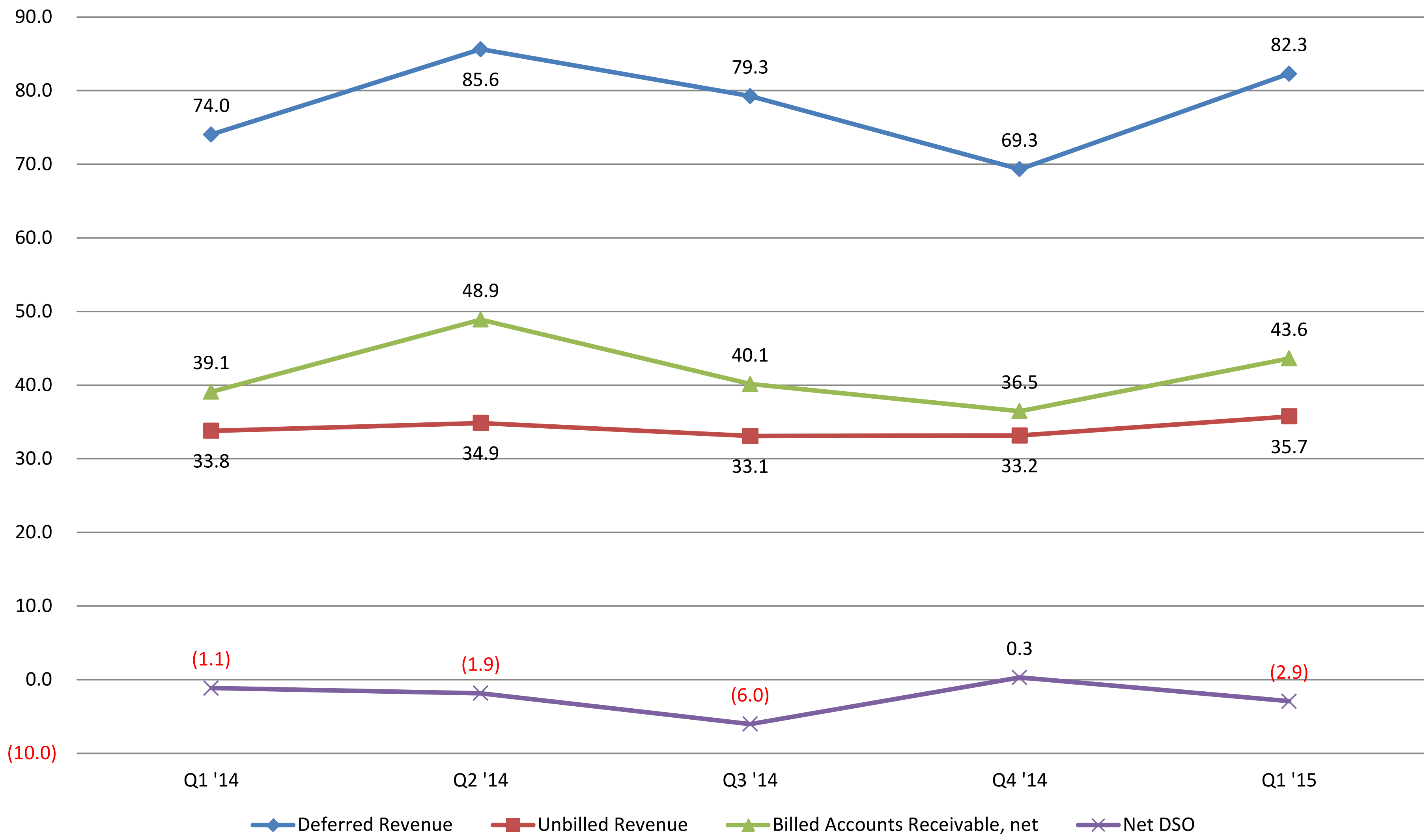
Adjusted EBITDA ($M) *(+ YoY growth)* [1,2]



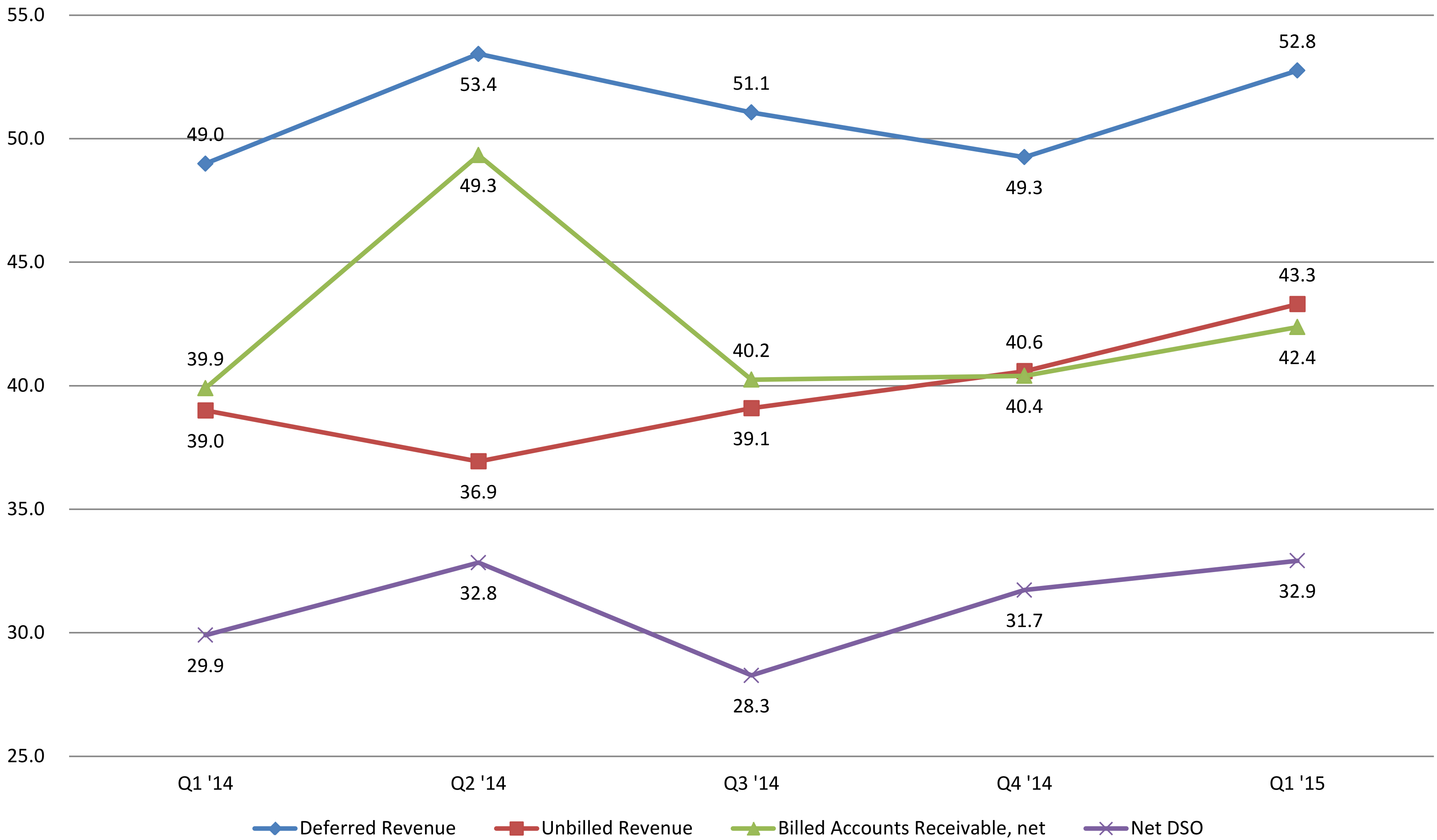
1. Non-recurring items in Q1 2015 favorably impacted Adjusted EBITDA by $6.2M and Adjusted Net Income , net of tax of 36%, by $4.0M.
2. During the second and third quarters of 2014, we experienced higher-than-normal change order activity estimated to be between $6.0M and $12.0M. Both Adjusted Net Service Revenue and Adjusted EBITDA have been adjusted by $9.0M ($4.5M in both the second and third quarters) in 2014 to remove the impact of this higher-than-normal change order activity. Adjusted Net Income, net of tax of 37%, has been adjusted by $5.7M ($2.35 million in both the second and third quarters).

For a complete reconciliation of GAAP to Non-GAAP measures , please refer to slides 19-22 in the appendix of this presentation.

Days Sales Outstanding – Total Revenue



Days Sales Outstanding – Net Service Revenue
(Excluding Reimbursable Out-of-Pocket Expenses)



Full Year 2015 Guidance Reconciliation

$M (except per share data)	Adjusted Net Income		Adjusted Diluted Earnings Per Share	
	Low	High	Low	High
Net income and diluted earnings per share	**$ 72.5**	**$ 82.5**	**$ 1.13**	**$ 1.29**
Adjustments:				
Amortization [1]	37.7	37.7		
Stock-based compensation expense [1]	3.6	3.6		
Contingent consideration treated as compensation expense [1]	0.6	0.6		
Transaction expense [1]	1.1	1.1		
Restructuring expenses [1]	2.6	2.6		
Asset impairment charges [1]	3.9	3.9		
Debt extinguishment costs [1]	10.7	10.7		
Other [1]	(3.8)	(3.7)		
Income tax effect of above adjustments [2]	(39.4)	(42.0)		
Adjusted net income and adjusted diluted earnings per share	**$ 89.5**	**$ 97.0**	**$ 1.40**	**$ 1.52**

1. Amounts are estimates with an estimated range of +/- 5% and are presented gross without the benefit of income tax reduction.
2. Income tax expense is calculated and the adjustments are tax affected at an approximate rate of 36%, which is the midpoint of our range for the expected income tax rate of 35% to 37%. This adjustment also excludes the impact of the valuation allowances recorded against our deferred tax assets. Historically, we recorded a valuation allowance against some of our deferred tax assets, but we believe that these valuation allowances cause significant fluctuations in our financial results that are not indicative of our underlying financial performance.

Reconciliation of Adjusted Net Income & EBITDA

Three Months Ended March 2015

Thousands, except per share data	GAAP	Adjustments		Adjusted
Net service revenue	$ 211,514			$ 211,514
Reimbursable out-of-pocket expenses	97,403			97,403
Total revenue	308,917	-		308,917
Cost and operating expenses:				
Direct costs	125,448	(383)	a	124,844
		(221)	b	
Reimbursable out-of-pocket expenses	97,403			97,403
Selling, general and administrative	35,800	(324)	a	35,476
Restructuring and other costs	(418)	418	c	-
Transaction expenses	122	(122)	d	-
Asset impairment charges	3,931	(3,931)	e	-
Depreciation and amortization of intangibles	14,244	(9,478)	f	4,766
Total operating expenses	276,530	(14,041)		262,489
Income from operations	32,387	14,041		46,428
Other income (expense), net:				
Interest expense, net	(5,305)			(5,305)
Other income, net	3,466	(3,466)	g	-
Total other expense, net	(1,839)	(3,466)		(5,305)
Income before provision for income taxes	30,548	10,575		41,123
Income tax expense	(5,292)	(9,513)	h	(14,805)
Net income	**$ 25,256**	**1,062**		**$ 26,318**
Net income attributable to common stockholders	$ 25,256	$ 1,062		$ 26,318
Diluted net income per share	$ 0.40			$ 0.42
Diluted weighted average common shares outstanding	63,103	-		63,103

Adjusted EBITDA Reconciliation				
EBITDA	$ 50,097			$ 50,097
Other income, net		(3,466)	g	(3,466)
Restructuring and other costs		(418)	c	(418)
Share-based compensation and contingent consideration expense		928	a, b	928
Transaction expenses		122	d	122
Asset impairment charges		3,931	e	3,931
Adjusted EBITDA	**$ 50,097**	**$ 1,097**		**$ 51,194**

Reconciliation of Adjusted Net Income & EBITDA

Footnotes for Q1 2015

a. Represents share-based compensation expense recognized related to awards granted under equity incentive plans.

b. Consists of contingent consideration expense incurred as a result of acquisitions and accounted for as compensation expense under GAAP. See Note 3 "Business Combinations" to our consolidated financial statements included in our Q1 2015 Form 10-Q.

c. Restructuring and other costs reflects the net reduction of the previously accrued liabilities for facility exit costs and other settlements, due to the completion of negotiations in the first quarter of 2015, partially offset by early lease termination payments as we exited certain other facilities in the first quarter of 2015.

d. Represents fees associated with the secondary equity offering.

e. Includes impairments associated with our Phase 1 Services reporting unit due to its deteriorating performance, comprised of a long-lived assets impairment charge of $1.0 million and a goodwill impairment charge of $2.9 million.

f. Represents the amortization of intangible assets primarily for customer relationships and backlog, including the impact of a reduction in estimated useful lives of certain intangible assets which occurred during the second quarter of 2014.

g. Primarily represents foreign exchange gains and losses, primarily driven by foreign currency gains as a result of the strengthening of the U.S. dollar.

h. In 2015, our effective tax rate has been adjusted, in order to reflect the removal of the tax impact of our valuation allowances recorded against our deferred tax assets and changes in the assertion to indefinitely reinvest the undistributed earnings of foreign subsidiaries. Historically, we recorded a valuation allowance against some of our deferred tax assets, but we believe that these valuation allowances cause significant fluctuations in our financial results that are not indicative of our underlying financial performance. Specifically, the majority of our revenue was generated in jurisdictions in which we recognized no tax expense or benefit due to changes in this valuation allowance. Income taxes have also been adjusted for the income tax effect of the non-GAAP adjustments made to arrive at Adjusted Net Income (Loss) using the estimated effective tax rate of 36%.

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Reconciliation of Adjusted Net Income & EBITDA
Three Months Ended March 2014

	GAAP	Adjustments		Adjusted
Net service revenue	$ 184,700	$ -		$ 184,700
Reimbursable out-of-pocket expenses	82,077			82,077
Total revenue	266,777	-		266,777
Cost and operating expenses:				
Direct costs	120,764	(245)	a	120,366
		(153)	b	
Reimbursable out-of-pocket expenses	82,077			82,077
Selling, general and administrative	32,185	(286)	a	31,757
		(142)	c	
Restructuring and other costs	758	(758)	d	-
Transaction expenses	2,042	(2,042)	e	-
Depreciation and amortization of intangibles	14,371	(7,502)	f	6,869
Total operating expenses	252,197	(11,128)		241,069
Income from operations	14,580	11,128		25,708
Other income (expense), net:				
Interest expense, net	(15,901)			(15,901)
Other income, net	1,378	(1,378)	g	-
Total other expense, net	(14,523)	(1,378)		(15,901)
Income before provision for income taxes	57	9,750		9,807
Income tax expense	(1,609)	(2,019)	h	(3,628)
Net (loss) income	**$ (1,552)**	**7,731**		**$ 6,179**
Class C common stock dividends	(125)	125		-
Net (loss) income attributable to common stockholders	$ (1,677)	$ 7,856		$ 6,179
Diluted net (loss) income per share	$ (0.03)			$ 0.12
Diluted weighted average common shares outstanding	51,897	50		51,947

Adjusted EBITDA Reconciliation				
EBITDA	$ 30,329			$ 30,329
Other income, net		(1,378)	g	(1,378)
Restructuring and other costs		758	d	758
Share-based compensation and contingent consideration expense		684	a,b	684
Debt refinancing expenses		1,763	e	1,763
Transaction expenses		279	e	279
Montoring and advisory fees		142	c	142
Adjusted EBITDA	**$ 30,329**	**$ 2,248**		**$ 32,577**

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Reconciliation of Adjusted Net Income & EBITDA

Footnotes for Q1 2014

a. Represents stock-based compensation expense recognized related to awards granted under equity incentive plans.
b. Consists of contingent consideration expense incurred as a result of acquisitions and accounted for as compensation expense under GAAP. See Note 3 “Business Combinations” to our consolidated financial statements included in our Q1 2015 Form 10-Q.
c. Represents monitoring and advisory fees paid to affiliates of Avista Capital Partners, L.P. in the periods prior to the initial public offering in November 2014, as well as reimbursements of expenses paid to Avista Capital Partners, L.P. and affiliates of Teachers Private Capital pursuant to the Expense Reimbursement Agreement. These arrangements were terminated upon the completion of our initial public offering.
d. Restructuring and other costs consist primarily of severance costs, and to a lesser extent, facilities closure expenses.
e. Represents fees associated with initial public offering, debt placement and refinancing, and costs incurred in connection with business combinations and potential acquisitions.
f. Represents the amortization of intangible assets primarily for customer relationships and backlog.
g. Primarily represents foreign exchange gains and losses, primarily driven by foreign currency gains as a result of the strengthening of the U.S. dollar.
h. In 2014, our effective tax rate has been adjusted, in order to reflect the removal of the tax impact of our valuation allowances recorded against our deferred tax assets and changes in the assertion to indefinitely reinvest the undistributed earnings of foreign subsidiaries. Historically, we recorded a valuation allowance against some of our deferred tax assets, but we believe that these valuation allowances cause significant fluctuations in our financial results that are not indicative of our underlying financial performance. Specifically, the majority of our revenue was generated in jurisdictions in which we recognized no tax expense or benefit due to changes in this valuation allowance. Income taxes have also been adjusted for the income tax effect of the non-GAAP adjustments made to arrive at Adjusted Net Income (Loss) using the estimated effective tax rate of 37%.