

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

Filing Date: **1996-12-30**
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FILER

QUINTILES TRANSNATIONAL CORP

CIK: **919623** | IRS No.: **561714315** | State of Incorporation: **NC** | Fiscal Year End: **1231**
Type: **S-3** | Act: **33** | File No.: **333-19009** | Film No.: **96688410**
SIC: **8731** Commercial physical & biological research

Mailing Address
4709 CREEKSTONE DR
STE 300
DURHAM NC 27703-8411

Business Address
4709 CREEKSTONE DR
STE 300
DURHAM NC 27703-8411
9199412000

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 30, 1996

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

QUINTILES TRANSNATIONAL CORP.
(Exact name of registrant as specified in its charter)

<TABLE>	
<S>	<C>
NORTH CAROLINA	56-1714315
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
</TABLE>	

4709 CREEKSTONE DRIVE
RIVERBIRCH BUILDING, SUITE 300
DURHAM, NORTH CAROLINA 27703-8411
(919) 941-2000

(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

DENNIS B. GILLINGS, PH.D.
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
QUINTILES TRANSNATIONAL CORP.
4709 CREEKSTONE DRIVE
RIVERBIRCH BUILDING, SUITE 300
DURHAM, NORTH CAROLINA 27703-8411
(919) 941-2000

(Name, address, including zip code, and telephone number, including area code,
of agent for service)

COPIES TO:

GERALD F. ROACH, ESQ.
AMY J. MEYERS, ESQ.
SMITH, ANDERSON, BLOUNT,
DORSETT, MITCHELL & JERNIGAN, L.L.P.
2500 FIRST UNION CAPITOL CENTER
RALEIGH, NORTH CAROLINA 27601
(919) 821-1220

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time
to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered
pursuant to dividend or interest reinvestment plans, please check the following
box. []

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box

and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SECURITY (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
4.25% Convertible Subordinated Notes Due May 31, 2000.....	\$75,990,000	100%	\$75,990,000	\$23,024.97
Common Stock, \$.01 par value.....	918,282 (2)	N/A	N/A	N/A (3)

</TABLE>

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(i). Exclusive of accrued interest, if any.
- (2) Represents the number of shares of Common Stock presently issuable upon conversion of the Notes being registered hereunder, together with an additional indeterminate number of shares as may become issuable upon conversion by reason of adjustments in the conversion price. If issued, such shares of Common Stock will be issued for no additional consideration and therefore no registration fee is required.
- (3) Pursuant to Rule 457(i), no registration fee is required for the shares of Common Stock issuable upon conversion of the Notes as such shares will be issued for no additional consideration.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

2

PROSPECTUS (SUBJECT TO COMPLETION)

DATED , 1996

QUINTILES TRANSNATIONAL CORP.
\$75,990,000

4.25% CONVERTIBLE SUBORDINATED NOTES DUE MAY 31, 2000
(INTEREST PAYABLE ON MAY 31 AND NOVEMBER 30)

AND

918,282 SHARES OF COMMON STOCK, PAR VALUE \$.01 PER SHARE,

This Prospectus relates to the offer for resale from time to time for the accounts of holders of Notes named herein (the "Selling Holders") of up to \$75,990,000 aggregate principal amount of 4.25% Convertible Subordinated Notes due May 31, 2000 (the "Notes") of Quintiles Transnational Corp., a North Carolina corporation ("Quintiles" or the "Company"), and the 918,282 shares of the Company's Common Stock, par value \$.01 per share, (the "Common Stock") that are issuable upon conversion of the Notes at the initial conversion rate of 12.0846 shares per \$1,000 principal amount of Notes (equivalent to a conversion price of \$82.75 per share), subject to adjustment in certain events (the "Conversion Shares", together with the Notes, the "Offered Securities"). The Registration Statement (of which this Prospectus is a part) does not cover the issuance of the Conversion Shares upon conversion of the Notes into shares of Common Stock. See "Selling Holders" and "Plan of Distribution." None of the Notes have been converted into Conversion Shares as of the date hereof. Information concerning the Selling Holders may change from time to time and, to the extent required, will be set forth in supplements to this Prospectus.

The Notes are convertible at any time on or after August 21, 1996 and prior to the close of business on the maturity date, unless previously redeemed or repurchased, at a conversion rate of 12.0846 shares per \$1,000 principal amount of Notes (equivalent to a conversion price of \$82.75 per share), subject to adjustment in certain events. See, "Description of Notes -- Conversion Rights."

Interest on the Notes is payable on May 31 and November 30 of each year, commencing on November 30, 1996. Principal and interest payments will be made without any deduction for U.S. withholding taxes, except to the extent described under "Description of Notes -- Payment of Additional Amounts". The Notes are redeemable (a) in the event of certain developments involving U.S. withholding taxes or certification requirements (as described under "Description of Notes -- Redemption -- Redemption for Taxation Reasons"), at a redemption price of 100% of the principal amount of the Notes to be redeemed, plus accrued interest to the redemption date, and (b) at the option of the Company, on or after the close of business on May 31, 1999, in whole or in part, at the redemption price set forth herein, plus accrued interest to the redemption date. See "Description of Notes -- Redemption." The Notes are not entitled to any sinking fund. The Notes will mature on May 31, 2000.

In the event of a Change in Control (as defined), each holder of Notes may require the Company to repurchase its Notes, in whole or in part, for cash or, at the Company's option but subject to the satisfaction of certain conditions on the part of the Company, Common Stock (valued at 95% of the average closing prices for the five trading days immediately preceding and including the third trading day prior to the repurchase date), at a repurchase price of 100% of the principal amount of Notes to be repurchased, plus accrued interest to the repurchase date. See "Description of Notes -- Repurchase at Option of Holders Upon a Change in Control."

The Notes are unsecured obligations of the Company subordinated in right of payment to all existing and future Senior Indebtedness (as defined) of the Company and are effectively subordinated in right of payment to all indebtedness and other liabilities of the Company's subsidiaries. As of _____, 1996, the aggregate amount of outstanding senior indebtedness of the Company was approximately \$ _____ and subsidiaries of the Company had outstanding approximately \$ _____ of indebtedness (other than indebtedness to the Company) and other liabilities. The Indenture will not restrict the Company or its subsidiaries from incurring additional Senior Indebtedness or other indebtedness. See "Description of Notes -- Subordination."

The Notes were issued and sold in a private placement on May 23, 1996 (the "Original Offering") pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 4(2) thereof and were resold by the initial purchasers thereof to qualified institutional buyers pursuant to Rule 144A under the Securities Act and institutional accredited investors as defined in Rule 501 under the Securities Act. There is no public market for the Notes. See "Risk Factors." The

Notes issued and sold in reliance on Rule 144A currently are eligible for trading through the Private Offerings, Resales and Trading through Automatic Linkages ("PORTAL") System of the National Association of Securities Dealers, Inc. Notes sold pursuant to the Registration Statement of which this Prospectus is a part are not expected to remain eligible for trading on the PORTAL System. The Company does not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes on any automated quotation system. The Common Stock is traded on the Nasdaq National Market System ("Nasdaq/NMS") under the symbol "QTRN." The Conversion Shares will be authorized for listing on Nasdaq/NMS upon official notice of issuance. On December 27, 1996, the last reported sale price of the Common Stock on Nasdaq/NMS was \$62.50.

The Company has been advised by the Selling Holders that the Selling Holders, acting as principals for their own account, directly, through agents designated from time to time, or through brokers, dealers, or underwriters also to be designated, may sell all or a portion of the Notes or Conversion Shares which may be offered hereby by them from time to time on terms to be determined at the time of sale. See "Plan of Distribution." The aggregate proceeds to the Selling Holders from the sale of Notes and Conversion Shares which may be offered hereby by the Selling Holders will be the purchase price of such Notes or Conversion Shares less underwriting discounts and commissions, if any. The Company is responsible for payment of all other expenses incident to the offer and sale of the Notes and the Conversion Shares. The Company will not receive any proceeds from the offering of the Notes or the Conversion Shares.

The Selling Holders and any brokers, dealers, agents or underwriters that participate with the Selling Holders in the distribution of the Notes or Conversion Shares may be deemed to be "underwriters" within the meaning of the Securities Act, in which event any commissions received by such brokers, dealers, agents or underwriters and any commissions received by such brokers, dealers, agents or underwriters and any profit on the resale of the Notes or Conversion Shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. For information concerning indemnification arrangements between the Company and the Selling Holders, see, "Plan of Distribution."

The Company intends that the Registration Statement of which this Prospectus is a part will remain effective until three years after the latest date of original issuance of the Notes or such earlier date as of which such Registration Statement is no longer required for the transfer of the subject securities. See "Description of Notes -- Registration Rights."

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE SECURITIES OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

3

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the year ended December 31, 1995, the Company's Quarterly Reports on Form 10-Q for the periods ended March 31, 1996, June 30, 1996 and September 30, 1996, the Company's current reports on Form 8-K dated April 16, 1996, October 6, 1996 and November 22, 1996 filed with the Securities and Exchange Commission (the "Commission") and the description of the Company's Common Stock contained in its Registration Statement on Form 8-A as filed with the Commission on April 11, 1994 are hereby incorporated by reference in this Prospectus except as superseded or modified herein. In addition, the financial statements of BRI International, Inc. ("BRI"), included in the Company's Registration Statement on Form S-4 (File No. 333-12573) as

pages F-18 through F-72, as filed with the Commission on September 24, 1996 and amended on October 15, 1996, are incorporated herein by reference. All documents filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this Prospectus and prior to the termination of the offering shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part of this Prospectus except as so modified or superseded.

THIS PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HERewith. COPIES OF ANY SUCH DOCUMENTS, OTHER THAN EXHIBITS TO SUCH DOCUMENTS, ARE AVAILABLE WITHOUT CHARGE TO ANY PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM THIS PROSPECTUS IS DELIVERED UPON WRITTEN OR ORAL REQUEST TO CORPORATE SECRETARY, QUINTILES TRANSNATIONAL CORP., 4709 CREEKSTONE DRIVE, RIVERBIRCH BUILDING, SUITE 300, DURHAM, NORTH CAROLINA 27703-8411, OR BY TELEPHONE AT (919) 941-2000.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Exchange Act, and in accordance therewith, files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information filed by the Company may be inspected and copied at the Public Reference Facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549, and at the Commission's following regional offices: New York Regional Office, 7 World Trade Center, New York, New York 10048; and Chicago Regional Office, Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material may also be obtained at prescribed rates from the Public Reference Branch of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549-1004. The Commission maintains a Web site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission, including the Company. Quotations relating to the Company's Common Stock appear on the Nasdaq National Market and such reports and other information concerning the Company can also be inspected at the offices of the Nasdaq Stock Market, 1735 K Street, N.W., Washington, D.C. 20006-1506.

The Company has filed with the Commission a registration statement on Form S-3, (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the Notes and the Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain portions of which have been omitted as permitted by the rules and regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract or other document referred to are not necessarily complete; and with respect to each such contract or other document filed as an exhibit to the Registration Statement, reference is made to such exhibit for a more complete description of the matters involved, each such statement being qualified in all respects by such reference. For further information with respect to the Company, the Notes and the Common Stock, reference is made to the Registration Statement and exhibits thereto. The information so omitted, including exhibits, may be obtained from the Commission at its principal office in Washington, D.C. upon payment of the prescribed fees, or may be inspected without charge at the Public Reference Facilities of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549-1004.

SUMMARY

The following summary information is qualified in its entirety by the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus or incorporated by reference herein.

Information contained or incorporated by reference in this Prospectus contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by the use of forward-looking terminology, such as "may," "will," "expect," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. See "Forward-Looking Statements." The matters set forth under the caption "Risk Factors" in this Prospectus constitute cautionary statements identifying important factors with respect to such forward-looking statements, including certain risks and uncertainties that could cause actual results to vary materially.

THE COMPANY

Quintiles Transnational Corp. (the "Company" or "Quintiles") is a North Carolina corporation which provides drug development, pharmaceutical sales and marketing and healthcare consulting services to a range of public and private sector clients around the world. The Company complements the research and development departments of pharmaceutical and biotechnology companies by offering services designed to assure a high quality product for the sponsor company and reduce drug development time and cost. In addition, the Company's integrated services and extensive information technology capabilities furnish clients with broad experience and expertise in global drug development and provide clients with an outsourced variable-cost alternative to the fixed costs associated with internal drug development. The Company's core competencies include clinical research and data management, pharmaceutical sales and marketing, and consulting on healthcare policy, disease management and regulatory issues. Quintiles maintains its principal executive office at 4709 Creekstone Drive, Riverbirch Building, Suite 300, Durham, North Carolina, 27703-8411 and its telephone number is (919) 941-2000.

In November 1996, the Company acquired BRI International, Inc. ("BRI"), a global contract research organization based in Arlington, Virginia, in a merger transaction in which BRI merged with and into a wholly-owned subsidiary of the Company (the "BRI Merger"). The BRI Merger was accounted for as a pooling of interests. The Company issued approximately 1,615,000 shares of its Common Stock in the BRI Merger to the shareholders of BRI and assumed options exercisable for 338,693 shares of Common Stock. Among its other services, BRI offers outsourcing capability to the medical device industry.

Also in November 1996, the Company completed the acquisition of Innovex Limited ("Innovex"), an international contract pharmaceutical organization based in Marlow, United Kingdom, through a share exchange accounted for as a pooling of interests. The Company acquired all of the outstanding Innovex shares in exchange for approximately 9,200,000 shares of Common Stock and options to purchase approximately 800,000 shares of Common Stock. In connection with the transaction, the Company retired approximately \$60 million of Innovex obligations. Innovex's core competencies focus on supplementing the sales and marketing of drugs for many of the leading 25 pharmaceutical companies on a global basis. Innovex's clinical research and contract-selling activities are concentrated during the perimarketing phase of two years pre- and two years post-regulatory approval to market a product.

Additional information regarding the November 1996 acquisitions is contained in the Company's Form 8-K dated October 11, 1996, Form 10-Q for the period ended September 30, 1996 and Form 8-K dated November 22, 1996 as filed with the Commission and incorporated by reference herein and the financial statements of BRI incorporated by reference herein from the Company's Registration Statement on Form S-4, as filed with the Commission on September 24, 1996 and amended on October 15, 1996. See "Incorporation of Certain Documents by Reference."

THE OFFERING

Securities Offered.....	\$75,990,000 principal amount of 4.25% Convertible Subordinated Notes due May 31, 2000 (the "Notes"), with interest payable on May 31 and November 30 of each year, commencing on November 30, 1996. This Prospectus also relates to the 918,282 shares of Common Stock issuable upon conversion of the Notes at the initial conversion rate of 12.0846 shares per \$1,000 principal amount of Notes, subject to adjustment in certain circumstances (the "Conversion Shares," together with the Notes, the "Offered Securities").
Issuer.....	Quintiles Transnational Corp., a North Carolina corporation.
Conversion Rate.....	A conversion rate of 12.0846 shares per U.S.\$1,000 principal amount of Notes (equivalent to U.S.\$82.75 per share), subject to adjustment. See "Description of Notes -- Conversion Rights".
Form and Denomination.....	Upon a transfer in a transaction registered under the Securities Act pursuant to the Registration Rights Agreement (as defined herein), except as otherwise provided in the Indenture, the Notes offered hereby will be represented by a global note in definitive, fully registered form and will be deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company ("DTC") or, upon the request of a Selling Holder of Notes in certificated form, in certificated form registered in the names requested. See "Description of Notes -- Form and Denomination."
Convertibility.....	The Notes will be convertible into shares of Common Stock of the Company at any time prior to the close of business on the maturity date, unless previously redeemed or repurchased, at the conversion rate set forth above. Holders of Notes called for redemption will be entitled to convert the Notes to and including, but not after, the date fixed for redemption. The right to convert a Note delivered for repurchase will terminate on the close of business on the repurchase date. See "Description of Notes -- Conversion Rights".
Optional Redemption.....	Redeemable (a) as described immediately below under "Additional Amounts and Redemption for Taxation Reasons" and (b) at the option of the Company, on or after the close of business on May 31, 1999, at the redemption price set forth herein, plus accrued interest to the redemption date. See "Description of Notes -- Redemption -- Optional Redemption".
Additional Amounts and Redemption for Taxation Reasons.....	The Company will pay Additional Amounts (as defined in "Description of Notes -- Payment of Additional Amounts"), subject to certain exceptions in order that Holders of Notes that are United States Aliens (as defined) receive the full amount of the

principal, premium, if any, and interest specified therein (including any amount payable upon a repurchase of the Notes as described immediately below under "Repurchase at Option of Holders Upon Change in Control") without deduction for or on account of U.S. withholding taxes. In the event that the Company must pay such Additional Amounts as a result of a change in law, the Tax Affected Notes (as defined) will be redeemable at the option of the Company, as a whole but not in part,

at 100% of the principal amount thereof, plus any accrued interest to the redemption date (but without reduction for U.S. withholding taxes). The Company shall not be obligated to pay Additional Amounts in respect of payments becoming due on the Notes more than 15 days after the redemption date for such a redemption, except to the extent that the Company's obligation to pay such Additional Amounts does not arise from the change in law that resulted in such redemption.

Repurchase at Option of
Holders Upon Change in
Control.....

Repurchasable by the Company at the option of the holder upon a Change in Control (as defined under "Description of Notes -- Repurchase at Option of Holders Upon a Change in Control") at 100% of the principal amount thereof, plus accrued interest to the repurchase date. The repurchase price is payable in cash or, at the option of the Company but subject to the satisfaction of certain conditions on the part of the Company, in Common Stock (valued at 95% of the average closing prices of the Common Stock for the five trading days preceding and including the third trading day prior to the repurchase date).

Subordination.....

Subordinated to present and future Senior Indebtedness (as defined) of the Company. The Notes are also effectively subordinated in right of payment to all indebtedness and other liabilities of the Company's subsidiaries. As of _____, 1996, the aggregate amount of outstanding Senior Indebtedness was approximately \$ _____ and subsidiaries of the Company had approximately \$ _____ of indebtedness outstanding (other than indebtedness to the Company) and other liabilities. The Indenture will not restrict the incurrence of Senior Indebtedness or other indebtedness by the Company or any of its subsidiaries. See "Description of Notes -- Subordination".

Events of Default.....

Include: (a) failure to pay principal of or premium, if any, on any Note when due, whether or not such payment is prohibited by the subordination provisions of the Notes and the Indenture; (b) failure to pay any interest (including any Additional Amount) on any Note or coupon when due, continuing for 30 days; (c) failure to provide a Company Notice (as defined); (d) failure to perform any other covenant of the Company in the Indenture, continuing for 60 days after written notice as provided in the Indenture; (e) default in respect

of any indebtedness for money borrowed by the Company that results in acceleration of the maturity of an amount in excess of \$10,000,000 of indebtedness if such indebtedness is not discharged, or such acceleration is not annulled, within 30 days after written notice as provided in the Indenture, and (f) certain events of bankruptcy, insolvency or reorganization. See "Description of Notes -- Events of Default".

Use of Proceeds..... The Company will not receive any proceeds from the sale by the Selling Holders of the Offered Securities. See "Use of Proceeds."

5

7

Listing..... The Notes are currently eligible for trading on the PORTAL System of the National Association of Securities Dealers, Inc. Notes sold pursuant to the Registration Statement, of which this Prospectus forms a part, are not expected to remain eligible for trading on the PORTAL system. The Company's Common Stock is listed on the Nasdaq National Market ("Nasdaq/NMS") under the symbol "QTRN," and the Conversion Shares will be authorized for listing on Nasdaq/NMS upon official notice of issuance.

Governing Law..... The laws of the State of New York, United States of America.

Indenture..... Dated as of May 17, 1996, between the Company and Marine Midland Bank, as trustee.

6

8

RISK FACTORS

The following factors should be considered, together with the other information contained in this Prospectus, in evaluating the Company and before purchasing the Notes. See also "Forward Looking Statements."

DEPENDENCE ON CERTAIN INDUSTRIES AND CLIENTS

The Company's revenues are highly dependent on research and development expenditures by the pharmaceutical and biotechnology industries. The Company has benefited to date from the growing tendency of pharmaceutical and biotechnology companies to engage independent outside organizations to conduct large clinical research projects. The Company's operations could be materially and adversely affected by a general economic decline in these industries or by any reduction in the outsourcing of research and development expenditures. The Company has in the past derived, and may in the future derive, a significant portion of its net revenue from a relatively limited number of major projects or clients. Concentrations of business in the contract research organization ("CRO") industry are not uncommon and are increasing as large pharmaceutical companies are outsourcing larger clinical trial projects to fewer full-service CROs. The Company is likely to experience such concentration in 1997 and in future years. The loss of any such client could materially adversely affect the Company's net revenue.

LOSS OF LARGE CONTRACTS

Most of the Company's contracts are terminable upon 15-90 days' notice by the client. Although the contracts typically permit payment of certain fees for

winding down the study and, in some cases, a termination fee, the loss of a large contract or the loss of multiple contracts could materially and adversely affect the Company's future revenue and profitability. Contracts may be terminated for a variety of reasons, including the failure of products to satisfy safety requirements, unexpected or undesired results of the product, the client's decision to forego a particular study, or insufficient patient enrollment or investigator recruitment. The Company undertakes to recruit large numbers of patients in many of its studies. There can be no assurance that the Company will always be able to satisfy recruitment targets, particularly in large studies for which there is little precedent. In addition, potential conflicts of interest may arise from services or potential services to be performed by the Company for different clients. There can be no assurance that such conflicts, if any, will be resolved and that the involved clients will be retained. The Company's business may be materially and adversely affected if any such conflicts cannot be resolved.

FIXED PRICE NATURE OF CONTRACTS

Most of the Company's contracts for the provision of its services are fixed price or fee-for-service subject to a cap. Since the Company's contracts are predominantly structured in this manner, the Company bears the risk of cost overruns. Underpricing of contracts or significant cost overruns could have a material adverse effect on the Company.

COMPETITION; INDUSTRY CONSOLIDATION

The market for the Company's contract research services is extremely competitive. The Company competes against other CROs and the in-house research and development departments of pharmaceutical companies, as well as universities and teaching hospitals. In sales and marketing services, the Company competes against the in-house sales and marketing departments of pharmaceutical companies and small local contract sales organizations in each country in which it operates. Some of these competitors have greater capital, technical and other resources than the Company. The CRO industry also has attracted the attention of the investment community which could lead to increased competition by increasing the availability of financial resources for CROs. Expansion by these competitors into other areas in which the Company operates could affect the Company's competitive position. Increased competition may lead to price and other forms of competition that may affect the Company's margins.

7

9

The CRO industry consists of several hundred small, limited service providers, several medium-sized CROs, and a few full-service global drug development companies. The CRO industry is consolidating and, in recent years, several large, full-service competitors have emerged. This trend of industry consolidation may result in greater competition among the larger CROs for clients and acquisition candidates. In addition, consolidation within the pharmaceutical industry, as well as a trend by pharmaceutical companies to limit outsourcing to fewer organizations, has led to heightened competition in the CRO industry.

ACQUISITION RISKS

Acquisitions involve numerous risks, including difficulties in the assimilation of the operations and products of the acquired companies, the expenses incurred in connection with the acquisition and subsequent assimilation of operations and products, the diversion of management's attention from other business concerns, and the potential loss of key employees of the acquired company. Acquisitions of foreign companies also may involve the additional risks of assimilating differences in foreign business practices and overcoming language barriers. The Company recently has completed a number of acquisitions, both within the United States and internationally. There can be no assurance that the Company's past and any future acquisitions will be successfully integrated into the Company's operations. The Company reviews many acquisition candidates in the ordinary course of business and, in addition to acquisitions

already made, the Company continually is evaluating new acquisition opportunities. In view of the CRO industry consolidation which is occurring (see, "-- Competition; Industry Consolidation), the Company expects to compete for suitable acquisition candidates. There can be no assurance that the Company will complete any future acquisitions, nor that acquisitions, if completed, will contribute favorably to the Company's operations and future financial condition. Although the Company performs due diligence investigations on each company or business it seeks to acquire, there may be liabilities which the Company fails or is unable to discover for which the Company, as a successor owner, may be liable. The Company generally seeks to minimize its exposure to such liabilities by obtaining indemnification from each seller, which may be supported by deferring payment of a portion of the purchase price. However, there is no assurance that such indemnifications, even if obtainable, enforceable and collectible (as to which there also is no assurance), will be sufficient in amount, scope or duration to fully offset the potential liabilities arising from the acquisitions.

MANAGEMENT OF GROWTH

The Company has experienced rapid growth over the past 10 years. The Company believes that sustained growth places a strain on operational, human and financial resources. In order to manage its growth, the Company must continue to improve its operating and administrative systems and to attract and retain qualified management and professional, scientific and technical operating personnel. Foreign operations also may involve the additional risks of assimilating differences in foreign business practices, hiring and retaining qualified personnel, and overcoming language barriers. The Company has a transnational organizational structure, comprised of independent international business units performing complementary functions with a holding company performing management functions. While this structure has successfully supported the Company's growth to date, the Company recently has completed a number of acquisitions and there can be no assurance that it will continue to be effective if the scale of the Company's business changes. Failure to manage growth effectively could have a material adverse effect on the Company's business.

DEPENDENCE ON PERSONNEL

The Company relies on a number of key executives, including Dennis B. Gillings, Ph.D., its Chairman of the Board of Directors and Chief Executive Officer. The Company maintains key man life insurance on Dr. Gillings in the amount of \$3 million. The Company's performance depends on its ability to attract and retain qualified management and professional, scientific and technical operating staff. The loss of the services of any of the Company's key executives could have a material and adverse effect on the

Company. There can be no assurance the Company will be able to continue to attract and retain qualified staff.

POTENTIAL LIABILITY

The Company contracts with physicians, to serve as investigators, to conduct clinical trials to test new drugs on human volunteers. Such testing creates risk of liability for personal injury or death to volunteers, particularly to volunteers with life-threatening illnesses, resulting from adverse reactions to the drugs administered. Although the Company does not believe it is legally accountable for the medical care rendered by third party investigators, it is possible that the Company could be held liable for the claims and expenses arising from any professional malpractice of the investigators with which it contracts or in the event of personal injury or death of persons participating in clinical trials. The Company also could be held liable for errors or omissions in connection with the services it performs. In addition, as a result of the Company's Phase I clinical trials facilities, the Company could be liable for the general risks associated with a Phase I facility including, but not limited to, adverse events resulting from the

administration of drugs to clinical trial participants or the professional malpractice of Phase I medical care providers. The Company believes that its risks are reduced by contractual indemnification provisions with clients and investigators (the scope of which varies from client to client and the performances of which are not secured), insurance maintained by clients and investigators and by the Company, various regulatory requirements, including the use of institutional review boards and the procurement of each volunteer's informed consent to participate in the study. The contractual indemnifications generally do not protect the Company against certain of its own actions such as negligence. The contractual arrangements are subject to negotiation with clients and the terms and scope of such indemnification vary from client to client and from trial to trial. The financial performance of these indemnities is not secured. Therefore, the Company bears the risk that the indemnifying party may not have the financial ability to fulfill its indemnification obligations. The Company maintains professional liability insurance that covers worldwide territories in which the Company currently does business and includes drug safety issues as well as data processing errors and omissions. There can be no assurance that the Company will be able to maintain such insurance coverage on terms acceptable to the Company. The Company could be materially and adversely affected if it were required to pay damages or bear the costs of defending any claim outside the scope of or in excess of a contractual indemnification provision or beyond the level of insurance coverage or in the event that an indemnifying party does not fulfill its indemnification obligations.

UNCERTAINTY IN HEALTH CARE INDUSTRY AND PROPOSED HEALTH CARE REFORM

The health care industry is subject to changing political, economic and regulatory influences that may affect the pharmaceutical, biotechnology and medical device industries. Numerous governments have recently undertaken efforts to control growing healthcare costs through legislation, regulation and voluntary agreements with medical care providers and pharmaceutical companies. During 1994, several comprehensive health care reform proposals were introduced in the U.S. Congress. The intent of the proposals was, generally, to expand health care coverage for the uninsured and reduce the growth of total health care expenditures. While none of the proposals was adopted, health care reform may again be addressed by the U.S. Congress. Similar reform movements have occurred in Europe and Asia. Implementation of government health care reform may adversely affect research and development expenditures by pharmaceutical, biotechnology and medical device companies which could decrease the business opportunities available to the Company. Management is unable to predict the likelihood of such or similar legislation being enacted into law or the effects such legislation would have on the Company.

EXCHANGE RATE FLUCTUATIONS

The Company's operations and financial results could be significantly affected by factors associated with international operations such as changes in foreign currency exchange rates and uncertainties relative to regional economic circumstances, as well as by other risks sometimes associated with international operations. Since the revenue and expenses of the Company's foreign operations are

generally denominated in local currencies, exchange rate fluctuations between such local currencies and the United States dollar will subject the Company to currency translation risk with respect to the reported results of its foreign operations as well as to risks sometimes associated with international operations. There can be no assurance that the Company will not experience fluctuations in revenues from its operations outside the United States.

DEPENDENCE ON GOVERNMENT REGULATION

The Company's business has benefited from the extensive governmental regulation of the drug development process. In the United States, the general trend has been in the direction of continued or increased substantive

regulation. In Europe, the general trend has been toward establishing common standards for clinical testing of new drugs, leading to changes in the various requirements currently imposed by each country. The level of regulation is generally less burdensome outside the United States. A relaxation in the scope of regulatory requirements or the introduction of simplified drug approval procedures could decrease the business opportunities available to the Company. In addition, the failure on the part of the Company to comply with applicable regulations could result in the termination of ongoing research or the disqualification of data for submission to regulatory authorities. Furthermore, the issuance of a notice of finding by the Food and Drug Administration to either the Company or its clients based upon a material violation by the Company of Good Clinical Practices, Good Laboratory Practices or Current Good Manufacturing Practices requirements could have a material adverse effect on the Company.

VARIATION IN QUARTERLY OPERATING RESULTS

The Company's results of operations can be expected to be subject to quarterly fluctuations. Quarterly results can fluctuate as a result of a number of factors, including the timing of start-up expenses for new offices, acquisitions, the completion or commencement of significant contracts, changes in the mix of services offered and foreign exchange fluctuations. The Company believes that quarterly comparisons of its financial results should not be relied upon as an indication of future performance.

POSSIBLE VOLATILITY OF STOCK PRICE

The market price of the Company's Common Stock has been and may continue to be subject to wide fluctuations in response to variations in operating results from quarter to quarter, changes in earnings estimates by analysts and market conditions in the industry and general economic conditions. Furthermore, the stock market has experienced significant price and volume fluctuations unrelated to the operating performance of particular companies. These market fluctuations may have an adverse effect on the market price of the Company's Common Stock.

SUBORDINATION

The obligations of the Company under the Notes are subordinate to all present and future Senior Indebtedness of the Company and pari passu with obligations to, or rights of, the Company's general unsecured creditors. As a result, upon any acceleration of the Notes or payment or distribution of the assets of the Company to creditors upon any dissolution, winding up, liquidation or reorganization, marshalling of assets, assignment for the benefit of creditors, or in bankruptcy, insolvency, receivership or other similar proceedings of the Company, all principal, premium, if any, and interest or other amounts due on all Senior Indebtedness must be paid in full before the holders of Notes are entitled to receive any payment, and there may not be sufficient assets remaining to pay amounts due on any or all of the Notes then outstanding. The Notes are also effectively subordinated in right of payment to all indebtedness and other liabilities of the Company's subsidiaries. As of _____, 1996, the aggregate amount of outstanding Senior Indebtedness was approximately \$ _____ and subsidiaries of the Company had approximately \$ _____ of indebtedness outstanding (other than indebtedness to the Company) and

other liabilities. The Indenture does not limit the Company's or its subsidiaries' ability to incur Senior Indebtedness or any other indebtedness. See "Description of Notes -- Subordination."

ABSENCE OF TRADING MARKET FOR NOTES

Prior to this offering, there has been no trading market for the Notes other than through the PORTAL System. There can be no assurance as to the liquidity of any such market that may develop, the ability of the holders of

Notes to sell such securities, the price at which the holders of Notes would be able to sell such securities or whether a trading market, if it develops, will continue. If such a market were to exist, the Notes could trade at prices higher or lower than their principal amount, depending on many factors, including prevailing interest rates, the market for similar securities and the operating results of the Company. In addition, Notes sold pursuant to the Registration Statement, of which this Prospectus forms a part, are not expected to remain eligible for trading on the PORTAL system.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges for each of the five fiscal years in the period ended December 31, 1995 and for the nine month period ended September 30, 1996. Earnings used in computing the ratio of earnings to fixed charges have been calculated by adding fixed charges to income (loss) before taxes. Fixed charges consist of interest costs, whether expensed or capitalized, the estimated interest component of rental expenses, and amortization of debt discounts and issue costs.

<TABLE>
<CAPTION>

	FISCAL YEAR					NINE MONTHS ENDED SEPTEMBER 30, 1996
	1991	1992	1993	1994	1995	
<S> Ratio of Earnings to Fixed Charges.....	<C>	<C>	<C>	<C>	<C>	<C>

</TABLE>

THE COMPANY

Quintiles Transnational Corp. (the "Company" or "Quintiles") is a North Carolina corporation which provides drug development, pharmaceutical sales and marketing and healthcare consulting services to a range of public and private sector clients around the world. The Company complements the research and development departments of pharmaceutical and biotechnology companies by offering services designed to assure a high quality product for the sponsor company and reduce drug development time and cost. In addition, the Company's integrated services and extensive information technology capabilities furnish clients with broad experience and expertise in global drug development and provide clients with an outsourced variable-cost alternative to the fixed costs associated with internal drug development. The Company's core competencies include clinical research and data management, pharmaceutical sales and consulting on healthcare policy, disease management and regulatory issues. Quintiles maintains its principal executive office at 4709 Creekstone Drive, Riverbirch Building, Suite 300, Durham, North Carolina, 27703-8411 and its telephone number is (919) 941-2000.

In November 1996, the Company acquired BRI International, Inc. ("BRI"), a global contract research organization based in Arlington, Virginia, in a merger transaction in which BRI merged with and into a wholly-owned subsidiary of the Company (the "BRI Merger"). The BRI Merger was accounted for as a pooling of interests. The Company issued approximately 1,615,000 shares of its Common Stock in the BRI Merger to the shareholders of BRI and assumed options exercisable for 338,693 shares of Common Stock. Among its other services, BRI offers outsourcing capability to the medical device industry.

Also in November 1996, the Company completed the acquisition of Innovex Limited ("Innovex"), an international contract pharmaceutical organization based in Marlow, United Kingdom, through a share exchange accounted for as a pooling of interests. The Company acquired all of the outstanding Innovex shares in

exchange for approximately 9,200,000 shares of its Common Stock and options to purchase approximately 800,000 shares of Common Stock. In connection with the transaction, the Company retired approximately \$60 million of Innovex obligations. Innovex's core competencies focus on supplementing the sales and marketing of drugs for many of the leading 25 pharmaceutical companies on a global basis. Innovex's clinical research and contract-selling activities are concentrated during the perimarketing phase of two years pre- and two years post-regulatory approval to market a product.

Additional information regarding the November 1996 acquisitions is contained in the Company's quarterly report on Form 10-Q for the period ended September 30, 1996 and current reports on Form 8-K dated October 11, 1996 and November 22, 1996 as filed with the Commission and incorporated by reference herein and the financial statements of BRI incorporated by reference herein from pages F-18 through F-72 of the Company's Registration Statement on Form S-4 (File No. 333-12573), as filed with the Commission on September 24, 1996 and amended on October 15, 1996. See "Incorporation of Certain Documents by Reference."

USE OF PROCEEDS

The Selling Holders will receive all of the proceeds from the sale of the Offered Securities. The Company will receive no proceeds from such sales.

12

14

SELLING HOLDERS

The Notes and Conversion Shares that may be offered pursuant to this Prospectus will be offered by the Holders listed in the table below or their transferees identified in supplements to this Prospectus (the "Selling Holders"). The following table sets forth information with respect to the Selling Holders and the principal amount of Notes and number of shares of Common Stock beneficially owned and that may be offered by each such Selling Holder pursuant to this Prospectus, all as of December 20, 1996.

<TABLE>
<CAPTION>

SELLING HOLDER	PRINCIPAL AMOUNT OF NOTES OWNED	PRINCIPAL AMOUNT OF NOTES OFFERED HEREBY	COMMON STOCK OWNED PRIOR TO OFFERING (1)	COMMON STOCK OFFERED HEREBY (2)
<S>	<C>	<C>	<C>	<C>
AIM Balanced Fund.....	1,200,000	1,200,000	14,501	14,501
AIM Charter Fund.....	12,000,000	12,000,000	145,015	145,015
AIM V.I. Growth & Income Fund.....	500,000	500,000	6,042	6,042
Allstate Insurance Company.....	2,000,000	2,000,000	24,169	24,169
Bancroft Convertible Fund, Inc.	500,000	500,000	6,042	6,042
Capital World Growth and Income Fund, Inc.	10,000,000	10,000,000	120,846	120,846
Catholic Mutual Series.....	350,000	350,000	4,229	4,229
CFW-C, L.P.	1,500,000	1,500,000	18,126	18,126
Cincinnati Bell Telephone Convertible Value Fund.....	530,000	530,000	6,404	6,404
Colonial Penn Insurance.....	100,000	100,000	1,208	1,208
Colonial Penn Life Insurance Co.	100,000	100,000	1,208	1,208
Columbia/HCA Hospital Corporation.....	510,000	510,000	6,163	6,163
David Lipscomb University.....	60,000	60,000	725	725
Declaration of Trust for the Defined Benefit Plan of ICI American Holdings, Inc.	410,000	410,000	4,954	4,954
Declaration of Trust for the Defined Benefit Plans of ZENECA Holdings, Inc.	270,000	270,000	3,262	3,262
Delaware State Employees' Retirement Fund...	1,340,000	1,340,000	16,193	16,193
Delta Airlines Master Trust.....	1,175,000	1,175,000	14,199	14,199

Ellsworth Convertible Growth and Income Fund, Inc.	500,000	500,000	6,042	6,042
Equitable Life Assurance Separate Account -- Balanced.....	115,000	115,000	1,389	1,389
Equitable Life Assurance Separate Account -- Convertibles.....	1,600,000	1,600,000	19,335	19,335
First Hawaiian Bank Custodian Hotel Industry -- ILWU Pension Plan.....	80,000	80,000	966	966
First Hawaiian Bank Custodian Hotel Union Pension Trust Fund.....	220,000	220,000	2,658	2,658
General Motors Employees Domestic Group Trust.....	3,600,000	3,600,000	43,504	43,504
General Motors Salaried Employees Convertible Fund.....	4,730,000	4,730,000	57,160	57,160
Gershow Partners.....	325,000	325,000	3,927	3,927
Glen Eagles Fund.....	325,000	325,000	3,927	3,927
The HCA Foundation.....	175,000	175,000	2,114	2,114
Highbridge Capital Corporation.....	3,500,000	3,500,000	42,296	42,296
Hillside Capital Incorporated Corporate Account.....	120,000	120,000	1,450	1,450
Hudson River Trust Balanced Portfolio.....	790,000	790,000	9,546	9,546
Hudson River Trust Growth & Income.....	390,000	390,000	4,712	4,712
Hudson River Trust Growth Investors.....	690,000	690,000	8,338	8,338

</TABLE>

13

15

<TABLE>
<CAPTION>

SELLING HOLDER	PRINCIPAL AMOUNT OF NOTES OWNED	PRINCIPAL AMOUNT OF NOTES OFFERED HEREBY	COMMON STOCK OWNED PRIOR TO OFFERING (1)	COMMON STOCK OFFERED HEREBY (2)
<S>	<C>	<C>	<C>	<C>
Hughes Aircraft Company Master Retirement Trust.....	690,000	690,000	8,338	8,338
Mainstay Convertible Fund.....	1,800,000	1,800,000	21,752	21,752
Massachusetts Mutual Life Insurance Company.....	450,000	450,000	5,438	5,438
Medical Malpractice Insurance Association... ..	110,000	110,000	1,329	1,329
Memphis Light, Gas & Water.....	675,000	675,000	8,157	8,157
NB Convertible Arbitrage Partners, L.P.	3,000,000	3,000,000	36,253	36,253
New York Life Separate Account No. 7.....	500,000	500,000	6,042	6,042
North Dakota State Land Department.....	270,000	270,000	3,262	3,262
OCM Convertible Limited Partnership.....	75,000	75,000	906	906
OCM Convertible Trust.....	1,680,000	1,680,000	20,302	20,302
Palladin Partners.....	325,000	325,000	3,927	3,927
Paloma Securities L.L.C.	2,000,000	2,000,000	24,169	24,169
Ramius Fund.....	825,000	825,000	9,969	9,969
Sage Capital.....	1,600,000	1,600,000	19,335	19,335
Societe Generale Securities Corp.	1,250,000	1,250,000	15,105	15,105
State of Connecticut Combined Investment Funds.....	1,480,000	1,480,000	17,885	17,885
State of Michigan Employees Retirement Fund.....	1,215,000	1,215,000	14,682	14,682
TCW Convertible Securities Fund.....	2,750,000	2,750,000	33,232	33,232
TCW Convertible Strategy Fund.....	910,000	910,000	10,996	10,996
TCW Convertible Value Fund.....	995,000	995,000	12,024	12,024
TCW Convertible Value L.P.	320,000	320,000	3,867	3,867
TCW/DW Income & Growth Fund.....	305,000	305,000	3,685	3,685
Teepak, Inc. Master Retirement Trust.....	40,000	40,000	483	483
ThermoElectron Balanced Investment Fund.....	220,000	220,000	2,658	2,658
Van Kampen American Capital Harbor Fund.....	2,500,000	2,500,000	30,211	30,211
ZaZove Convertible Fund, L.P.	300,000	300,000	3,625	3,625

Total.....	75,990,000	75,990,000	918,282	918,282 (3)
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</TABLE>

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- (1) Includes the shares of Common Stock into which the full amount of Notes held by the Selling Holder are convertible at the initial conversion rate. The Conversion Rate and the number of shares of Common Stock issuable upon conversion of the Notes are subject to adjustment under certain circumstances. See "Description of Notes -- Conversion Rights." Accordingly, the number of shares of Common Stock issuable upon conversion of the Notes may vary from time to time.
 - (2) Assumes conversion into Common Stock at the initial conversion rate of the Notes held by the Selling Holder and offered hereby. The Conversion Rate and the number of shares of Common Stock issuable upon conversion of the Notes is subject to adjustment under certain circumstances. See "Description of Notes -- Conversion Rights." Accordingly, the number of shares of Common Stock issuable upon conversion of the Notes may vary from time to time. Fractional shares will not be issued upon conversion of the Notes; cash will be paid in lieu of fractional shares, if any.
 - (3) Due to rounding, the total of this column may not exactly equal the aggregate number of shares of Common Stock issuable upon conversion of the Notes at the initial conversion rate.

The preceding table was prepared based on information furnished to the Company by the Depository Trust Company ("DTC"), Marine Midland Bank, trustee under the Indenture, and by or on behalf of the Selling Holders.

Other than as a result of the ownership of Notes, none of the Selling Holders listed above had any material relationship with the Company within the three year period ending on the date of this Prospectus.

Because the Selling Holders may offer all or some of the Notes that they hold and/or Conversion Shares pursuant to the offering contemplated by this Prospectus, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the Notes or Conversion Shares offered hereby by the Selling Holders, it is not possible to provide an estimate of the principal amount of Notes or Common Stock that will be held by the Selling Holders after completion of this offering. In addition, the Selling Holders identified above may have sold, transferred or otherwise disposed of all or a portion of their Offered Securities in transactions exempt from the registration requirements of the Securities Act. See "Plan of Distribution."

PLAN OF DISTRIBUTION

The Offered Securities are being registered to permit public secondary trading of the Notes, and the Conversion Shares upon conversion thereof, by the holders thereof from time to time after the date of this Prospectus. The Company has agreed, among other things, to bear all expenses other than underwriting discounts and selling commissions and fees in connection with the registration and sale of the Offered Securities.

The Company will not receive any of the proceeds from this offering. The Offered Securities may be sold from time to time by or for the account of any of the Selling Holders or by their pledgees, donees, transferees or other successors in interest. The Offered Securities may be sold directly to purchasers in negotiated transactions; by or through brokers or dealers in ordinary brokerage transactions or in transactions in which the broker solicits purchasers; in block trades in which the broker or dealer will attempt to sell the Offered Securities as agent but may position and resell a portion of the block as principal; or in transactions in which a broker or dealer purchases as principal for resale for its own account. Offers and sales of the Offered

Securities may not occur through an underwritten offering unless the Company, in its discretion, consents in advance. Sales may be effected in one or more transactions (i) on the Nasdaq National Market, in other over-the counter markets, or on any stock exchange on which the Offered Securities may be listed or quoted at the time of sale; (ii) in transactions otherwise than on such exchanges or over-the-counter markets; (iii) through the writing of options (whether such options are listed on a stock exchange or otherwise) on, or settlement of short sells of, Common Stock; (iv) by means of a combination of the above; or (v) otherwise. Any of such transactions may be effected at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale or at negotiated or fixed prices, in each case as determined by the Selling Holder.

Any brokers, dealers, underwriters or agents may receive compensation in the form of discounts, concessions or commissions from the Selling Holder or from the purchasers of the securities for whom they may act as agent, which discounts, concessions or commissions may be in excess of those customary in the types of transactions involved. Such brokers, dealers, underwriters or agents, as the case may be, and the Selling Holders may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales, and any profit on the sale of the Offered Securities and any discounts, concessions or commissions received by such broker, dealer, underwriter or agent may be deemed to be underwriting discounts and commissions under the Securities Act.

To the extent required, the aggregate principal amount of Notes and number of shares of Common Stock to be sold hereby, the name of the Selling Holder, the purchase price, the name of any such agent, dealer or underwriter and any applicable commissions, discounts or other terms constituting compensation with respect to a particular offer will be set forth in an accompanying Prospectus Supplement.

Under the applicable rules and regulations promulgated under the Exchange Act, any person engaged in the distribution of the Notes or shares of Common Stock offered hereby may not

15

17

simultaneously engage in market making activities for either the Notes or the Common Stock for a period of nine business days (in the case of the Notes) or two business days (in the case of the Common Stock) prior to the commencement of such distribution. In addition, each Selling Holder and any other person who participates in a distribution of the Notes or shares of Common Stock will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Rules 10b-2, 10b-6 and 10b-7, which provisions may limit the timing of purchases and sales of Notes or shares of Common Stock by the Selling Holders. The applicable provisions of the Exchange Act and the rules and regulations thereunder may affect the marketability of the Notes and shares of Common Stock and the ability of any person to engage in market making activities for the Notes or shares of Common Stock.

To the Company's knowledge, there currently are no plans, arrangements or understandings between any Selling Holder and any broker, dealer or underwriter regarding the sale of the Offered Securities by the Selling Holders. There can be no assurance that any Selling Holder will sell any or all of the Offered Securities hereunder or that any Selling Holder will not transfer, devise or give such Offered Securities by other means not described herein.

The outstanding Common Stock is listed for trading on the Nasdaq/NMS, and the shares of Common Stock issuable upon conversion of the Notes will be authorized for listing on the Nasdaq/NMS upon official notice of issuance. The Notes currently are eligible for trading in the PORTAL market of the National Association of Securities Dealers, Inc. Notes sold pursuant to the Registration Statement, of which this Prospectus forms a part, are not expected to remain eligible for trading in the PORTAL System. The Company does not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes on any automated quotation system. There is no assurance as to the

development or liquidity of any trading market that may develop for the Notes.

The Company and the Selling Holders have agreed to indemnify each other against certain liabilities arising under the Securities Act.

DESCRIPTION OF NOTES

The Notes were issued under an Indenture, dated as of May 17, 1996 (the "Indenture"), between the Company and Marine Midland Bank, as Trustee (the "Trustee"), filed as an exhibit to the Registration Statement of which this Prospectus forms a part. Wherever particular defined terms of the Indenture (including the Notes and the various forms thereof) are referred to, such defined terms are incorporated herein by reference (the Notes and various terms relating to the Notes being referred to in the Indenture as "Securities"). References in this section to the "Company" are solely to Quintiles Transnational Corp. and not its subsidiaries. The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the detailed provisions of the Notes and the Indenture, including the definitions therein of certain terms. Section references below are references to Sections of the Indenture.

GENERAL

The Notes are unsecured subordinated obligations of the Company, are limited to U.S.\$143,750,000 aggregate principal amount, of which \$75,990,000 principal amount are being registered hereunder, will mature on May 31, 2000 and be payable at a price of 100% of the principal amount thereof. The Notes bear interest at the rate of 4.25% per annum from May 23, 1996, payable semiannually on May 31 and November 30 of each year, commencing on November 30, 1996. Interest payable per \$1,000 principal amount of Notes for the period from May 23, 1996 to November 30, 1996 was U.S.\$22.19. (sec.sec. 3.1 and 3.7)

The Notes are convertible into Common Stock initially at the conversion rate of 12.0846 shares per \$1,000 principal amount of Notes (equivalent to a conversion price of \$82.75 per share), subject to adjustment upon the occurrence of certain events described under "-- Conversion Rights", at any time

16

18

prior to the close of business on the maturity date, unless previously redeemed or repurchased. (sec. 12.1) None of the Notes have been converted into Conversion Shares as of the date hereof.

The Notes are redeemable (a) in the event of certain developments involving U.S. withholding taxes or certification requirements as described below under "-- Redemption -- Redemption for Taxation Reasons", at a redemption price of 100% of the principal amount of the Notes to be redeemed, plus accrued interest to the redemption date and (b) at the option of the Company, on or after the close of business on May 31, 1999, in whole or in part, at the redemption price set forth below under "-- Redemption -- Optional Redemption", plus accrued interest to the redemption date. (sec. 2.2)

The Company issued and sold \$143,750,000 principal amount of the Notes on May 23, 1996 to Goldman Sachs International and Smith Barney Inc. (together, the "Initial Purchasers") in a private placement exempt from the registration provisions of the Securities Act (the "Original Offering"). The Initial Purchasers have advised the Company that they resold the Notes in transactions exempt from the registration provisions of the Securities Act to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act ("Rule 144A Notes"), in transactions in reliance on Regulation S ("Regulation S Notes") and to a limited number of Institutional Accredited Investors (as defined) in transactions exempt from registration under the Securities Act not made in reliance on Rule 144A or Regulation S ("Regulation D Notes"). Pursuant to a Registration Rights Agreement entered by and among the Company and the Initial Purchasers at the time of the Original Offering (the "Registration Rights Agreement"), Notes sold in compliance with Regulation S are not eligible for

inclusion in the Registration Statement, of which this Prospectus forms a part. See "-- Registration Rights."

FORM AND DENOMINATION

Upon a transfer in a transaction registered under the Securities Act pursuant to the Registration Rights Agreement, the Notes offered hereby will be represented by (i) a global Note (the "Unrestricted Global Note") in definitive, fully registered form, without interest coupons, and which will, as of the date hereof, be deposited with the Trustee as custodian for DTC and registered in the name of a nominee of DTC or (ii) upon the request of a Selling Holder of Notes in certificated (i.e. non-global) form, in certificated form registered in the names requested.

Upon each sale by a Selling Holder of Notes or the Conversion Shares, as the case may be, offered hereby, such Selling Holder will be required to deliver a Notice (the "Notice") of such sale to the Trustee and the Company. The Notice will, among other things, identify the sale as a sale pursuant to the Registration Statement of which this Prospectus forms a part, certify that the prospectus delivery requirements, if any, of the Securities Act have been satisfied, and certify that the Selling Holder and the aggregate principal amount of Notes or the number of Conversion Shares owned by such holder are identified in the Prospectus in accordance with the applicable rules and regulations under the Securities Act. A copy of the form of Notice is included herein in Appendix A. Additional copies are available upon request to Corporate Secretary, Quintiles Transnational Corp., 4709 Creekstone Drive, Riverbirch Building, Suite 300, Durham, North Carolina 27703-8411, telephone (919) 941-2000.

Upon receipt by the Trustee of the Notice relating to a sale of the Notes, an appropriate adjustment will be made to reflect a decrease in the principal amount of the Restricted Global Note (as defined below) or the cancellation of a Note in certificated form upon the transfer thereof, and a corresponding increase in the principal amount of the Unrestricted Global Note (or upon the request of a Selling Holder of Notes in certificated form, the authentication and delivery of a Note in certificated form).

The provisions below describe the form and denomination of the Notes offered hereby in connection with their original offering in a transaction or transactions not required to be registered under the Securities Act.

Rule 144A Notes are represented by a Note in registered global form without interest coupons (the "Restricted Global Note", where the context requires, together with the Unrestricted Global Note, the

17

19

"Global Notes") which has been deposited with the Trustee as custodian for DTC and registered in the name of a nominee of DTC.

Owners of beneficial interests in any Global Note will hold such interests pursuant to the procedures and practices of DTC and must exercise any rights in respect of their interests (including any right to convert, exchange or require repurchase of their interests) in accordance with those procedures and practices. Such beneficial owners will not be Holders, and will not be entitled to any rights under any Note or the Indenture, with respect to any Global Note, and the Company and the Trustee, and any of their respective agents, may treat DTC as the Holder and owner of any Global Note. See "-- Depository Procedures with Respect to Global Notes".

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below. See " -- Transfer, Exchange and Withdrawal -- Exchange of Interests in Global Notes for Certificated Notes".

Regulation D Notes were initially issued in the form of Notes in certificated (i.e. non-global) form. Regulation D Notes were issued in minimum denominations of \$1,000 and integral multiples thereof. Regulation D Notes initially issued in certificated form may not be exchanged for beneficial interests in any Global Note, except in limited circumstances.

Rule 144A Notes (including beneficial interests in the Restricted Global Note) and Regulation D Notes are subject to certain restrictions on transfer and bear a restrictive legend. In addition, transfer of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of the DTC and its Participants (as defined below) or Indirect Participants (as defined below), which may change from time to time.

For a description of the depository procedures with respect to the Global Notes, see "-- Depository Procedures with Respect to Global Notes".

CONVERSION RIGHTS

The Holder of any Note will have the right, at the Holder's option, to convert any portion of the principal amount of any Note that is an integral multiple of \$1,000 into shares of Common Stock at any time prior to the close of business on the maturity date, unless previously redeemed or repurchased, at a conversion rate of 12.0846 shares of Common Stock per \$1,000 principal amount of Notes (the "Conversion Rate") (equivalent to a conversion price of \$82.75 per share of Common Stock) subject to adjustment as described below. The right to convert a Note called for redemption or delivered for repurchase will terminate at the close of business on the Redemption Date for such Note or the Repurchase Date, as the case may be. (sec. 12.1)

The right of conversion attaching to any Note may be exercised by the Holder by delivering the Note at the specified office of a Conversion Agent, accompanied by a duly signed and completed notice of conversion. Such notice of conversion can be obtained at the office of the Trustee at its Corporate Trust Offices in New York City and the Conversion Agent in Luxembourg and London. The conversion date will be the date on which the Note and the duly signed and completed notice of conversion are so delivered. As promptly as practicable on or after the conversion date, the Company will issue and deliver to the Trustee a certificate or certificates for the number of full shares of Common Stock issuable upon conversion, together with payment in lieu of any fraction of a share; such certificate will be sent by the Trustee to the appropriate Conversion Agent for delivery to the Holder. Such shares of Common Stock issuable upon conversion of the Notes, in accordance with the provisions of the Indenture, will be fully paid and nonassessable and will rank pari passu with the other shares of Common Stock of the Company outstanding from time to time. Any Note surrendered for conversion during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date (except Notes (or portions thereof) called for redemption on a

Redemption Date or which are repurchasable on a Repurchase Date occurring, in either case, within such period) must be accompanied by payment of an amount equal to the interest payable on such Interest Payment Date on the principal amount of Notes being surrendered for conversion. The interest so payable on such Interest Payment Date with respect to any Note (or portion thereof, if applicable) which has been called for redemption on a Redemption Date, or which may be repurchased on a Repurchase Date, occurring, in either case, during the period from the close of business on any Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date, which Note (or portion thereof, if applicable) is surrendered for conversion during such period, shall be paid to the Holder of such Note being converted in an amount equal to the interest that would have been payable on such Note if such Note had been converted as of the close of business on such Interest Payment Date. The interest so payable on such Interest Payment Date in respect of any

Note (or portion thereof, as the case may be) which has not been called for redemption on a Redemption Date, or is not eligible for repurchase on a Repurchase Date, occurring, in either case, during the period from the close of business on any Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date, which Note (or portion thereof, as the case may be) is surrendered for conversion during such period, shall be paid to the Holder of such Note as of such Regular Record Date. Interest payable in respect of any Note surrendered for conversion or repurchase on or after an Interest Payment Date shall be paid to the Holder of such Note as of the next preceding Regular Record Date, notwithstanding the exercise of the right of conversion. As a result of the foregoing provisions, except as provided above, Holders that surrender Notes for conversion on a date that is not an Interest Payment Date will not receive any interest for the period from the Interest Payment Date next preceding the date of conversion to the date of conversion or for any later period, even if the Notes are surrendered after a notice of redemption (except for the payment of interest on Notes called for redemption on a Redemption Date or repurchasable on a Repurchase Date between a Regular Record Date and the Interest Payment Date to which it relates, as provided above). No other payment or adjustment for interest, or for any dividends in respect of Common Stock, will be made upon conversion. Holders of Common Stock issued upon conversion will not be entitled to receive any dividends payable to holders of Common Stock as of any record time or date before the close of business on the conversion date. No fractional shares will be issued upon conversion but, in lieu thereof, an appropriate amount will be paid in cash by the Company based on the market price of Common Stock at the close of business on the day of conversion. (sec.sec. 2.2, 3.7, 12.2 and 12.3)

A Holder delivering a Note for conversion will not be required to pay any taxes or duties in respect of the issue or delivery of Common Stock on conversion but will be required to pay any tax or duty which may be payable in respect of any transfer involved in the issue or delivery of the Common Stock in a name other than that of the Holder of the Note. Certificates representing shares of Common Stock will not be issued or delivered unless all taxes and duties, if any, payable by the Holder have been paid. (sec.sec. 12.2 and 12.8)

The Conversion Rate is subject to adjustment in certain events, including, without duplication: (a) dividends (and other distributions) payable in Common Stock, (b) the issuance to all holders of Common Stock of rights, options or warrants entitling them to subscribe for or purchase Common Stock at less than the then Current Market Price of such Common Stock (determined as provided in the Indenture) as of the record date for shareholders entitled to receive such rights, options or warrants, (c) subdivisions, combinations and reclassifications of Common Stock, (d) distributions to all holders of Common Stock of evidences of indebtedness of the Company, shares of capital stock, cash or assets (including securities, but excluding those dividends, rights, options, warrants and distributions referred to above, dividends and distributions paid exclusively in cash and in mergers and consolidations to which the next succeeding paragraph applies), (e) distributions consisting exclusively of cash (excluding any cash portion of distributions referred to in (d) above, or cash distributed upon a merger or consolidation to which the next succeeding paragraph applies) to all holders of Common Stock in an aggregate amount that, combined together with (i) other such all-cash distributions made within the preceding 12 months in respect of which no adjustment has been made and (ii) any cash and the fair market value of other consideration payable in respect of any tender offer by the Company or any of its subsidiaries for

Common Stock concluded within the preceding 12 months in respect of which no adjustment has been made, exceeds 12.5% of the Company's market capitalization (being the product of the Current Market Price per share of the Common Stock on the record date for such distribution times the number of shares of Common Stock outstanding) on such date, and (f) the successful completion of a tender offer made by the Company or any of its subsidiaries for Common Stock which involves an aggregate consideration that, together with (i) any cash and other consideration payable in a tender offer by the Company or any of its

subsidiaries for Common Stock expiring within the 12 months preceding the expiration of such tender offer in respect of which no adjustment has been made and (ii) the aggregate amount of any such all-cash distributions referred to in (e) above to all holders of Common Stock within the 12 months preceding the expiration of such tender offer in respect of which no adjustments have been made, exceeds 10% of the Company's market capitalization on the expiration of such tender offer. The Company reserves the right to make such reductions in the Conversion Rate in addition to those required in the foregoing provisions as it considers to be advisable in order that any event treated for United States federal income tax purposes as a dividend of stock or stock rights will not be taxable to the recipients. No adjustment of the Conversion Rate will be required to be made until the cumulative adjustments amount to 1.0% or more of the Conversion Rate. (sec. 12.4) The Company shall compute any adjustments to the Conversion Rate pursuant to this paragraph and will give notices of any adjustments by mail to Holders of Notes. (sec. 12.5)

In case of any consolidation or merger of the Company with or into another Person or any merger of another Person into the Company (other than a merger which does not result in any reclassification, conversion, exchange or cancellation of the Common Stock), or in case of any sale or transfer of all or substantially all of the assets of the Company, each Note then outstanding will, without the consent of the Holder of any Note, become convertible only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock into which such Note was convertible immediately prior thereto (assuming such holder of Common Stock failed to exercise any rights of election and that such Note was then convertible). (sec. 12.11)

If at any time the Company makes a distribution of property to its stockholders which would be taxable to such stockholders as a dividend for United States federal income tax purposes (e.g., distributions of evidences of indebtedness or assets of the Company, but generally not stock dividends on common stock or rights to subscribe for common stock) and, pursuant to the anti-dilution provisions of the Indenture, the number of shares into which Notes are convertible is increased, such increase may be deemed for federal income tax purposes to be the payment of a taxable dividend to Holders of Notes. See "Certain Federal Income Tax Considerations -- Dividends".

SUBORDINATION

The payment of the principal of, premium, if any, and interest on the Notes (including any Additional Amounts and any amounts payable upon the redemption or the repurchase of the Notes permitted by the Indenture) will be subordinated in right of payment to the extent set forth in the Indenture to the prior payment in full of the principal of, premium, if any, interest and other amounts in respect of all Senior Indebtedness of the Company. The principal amount of outstanding Senior Indebtedness was approximately \$ at , 1996. Senior Indebtedness is defined in the Indenture to mean the principal of (and premium, if any) and interest (including all interest accruing subsequent to the commencement of any bankruptcy or similar proceeding, whether or not a claim for post-petition interest is allowable as a claim in any such proceeding) on, and all fees and other amounts payable in connection with, the following, whether absolute or contingent, secured or unsecured, due or to become due, outstanding on the date of the Indenture or thereafter created, incurred or assumed: (a) indebtedness of the Company to banks, insurance companies and other financial institutions evidenced by credit or loan agreements, notes or other written obligations, (b) all other indebtedness of the Company (including indebtedness of others guaranteed by the Company) other than the Notes, whether outstanding on the date of the Indenture or thereafter created, incurred or assumed, which is (i) for money borrowed or

(ii) evidenced by a note or similar instrument given in connection with the acquisition of any businesses, properties or assets of any kind, (c) obligations of the Company as lessee under leases required to be capitalized on the balance

sheet of the lessee under generally accepted accounting principles, (d) obligations of the Company under interest rate and currency swaps, caps, floors, collars or similar agreements or arrangements intended to protect the Company against fluctuations in interest or currency exchange rates and (e) renewals, extensions, modifications, restatements and refundings of, or any indebtedness or obligation issued in exchange for, any such indebtedness or obligation described in clauses (a) through (e) of this paragraph; provided, however, that Senior Indebtedness shall not include any such indebtedness or obligation (a) if the terms of such indebtedness or obligation (or the terms of the instrument under which, or pursuant to which, it is issued) provides that such indebtedness or obligation is not superior in right of payment to the Notes, (b) if such indebtedness or obligation is non-recourse to the Company or (c) any conditional sale contract or any account payable or any other indebtedness created or assumed by the Company in the ordinary course of business in connection with the obtaining of materials, inventories or services. (sec.sec. 1.1, 13.1 and 13.2)

No payment on account of principal of, premium, if any, or interest on the Notes (including any Additional Amounts and any amounts payable upon the redemption or the repurchase of the Notes permitted by the Indenture) may be made by the Company if there is a default in the payment of principal, premium, if any, or interest (including a default under any repurchase or redemption obligation) with respect to any Senior Indebtedness or if any other event of default with respect to any Senior Indebtedness, permitting the holders thereof to accelerate the maturity thereof, shall have occurred and shall not have been cured or waived or shall not have ceased to exist after written notice to the Company and the Trustee by any holder of Senior Indebtedness. Upon any acceleration of the principal due on the Notes or payment or distribution of assets of the Company to creditors upon any dissolution, winding up, liquidation or reorganization, whether voluntary or involuntary, marshalling of assets, assignment for the benefit of creditors, or in bankruptcy, insolvency, receivership or other similar proceedings of the Company, all principal, premium, if any, and interest or other amounts due on all Senior Indebtedness must be paid in full before the Holders of the Notes are entitled to receive any payment. By reason of such subordination, in the event of insolvency, creditors of the Company who are holders of Senior Indebtedness are likely to recover more, ratably, than the Holders of the Notes, and such subordination may result in a reduction or elimination of payments to the Holders of the Notes. (sec. 13.2)

In addition, the Notes will be structurally subordinated to all indebtedness and other liabilities (including trade payables and lease obligations) of the Company's subsidiaries, as any right of the Company to receive any assets of its subsidiaries upon their liquidation or reorganization (and the consequent right of the Holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that the Company itself is recognized as a creditor of such subsidiary, in which case the claims of the Company would still be subordinate to any security interest in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by the Company. As of _____, 1996, there was outstanding approximately \$ _____ of indebtedness of subsidiaries of the Company (excluding intercompany indebtedness); this amount has been included in the principal amount of the Company's outstanding Senior Indebtedness at _____, 1996, as set forth above.

The Indenture does not limit the Company's or its subsidiaries' ability to incur Senior Indebtedness or any other indebtedness.

REDEMPTION

Optional Redemption

Subject to the discussion under " -- Redemption for Taxation Reasons" below, the Notes may not be redeemed prior to the close of business on May 31, 1999. Thereafter, the Notes may be redeemed, in whole or in part, at the option of the Company, at the redemption price specified below, upon not less than 30 nor more than 60 days' prior notice as provided under " -- Notices" below.

The redemption price (expressed as a percentage of principal amount) for the 12-month period beginning as of the close of business on May 31, 1999 is 101.0625% together with accrued interest to the date of redemption. (sec.sec. 2.2, 11.1, 11.5, 11.7)

No sinking fund is provided for the Notes.

Redemption for Taxation Reasons

If the Company has or will become obligated to pay Additional Amounts (as described below under "-- Payment of Additional Amounts") as a result of any change in, or amendment to, the laws (including any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any change in, or amendment to, the application or official interpretation of such laws, regulations or rulings (any such change or amendment being herein referred to as a "Tax Law Change"), and such obligation cannot be avoided by the Company taking reasonable measures available to it, the Tax Affected Notes (as hereinafter defined) may be redeemed, at the option of the Company, in whole but not in part. With respect to any Tax Law Change, "Tax Affected Notes" shall include any Note that, on or before the 30th day after the date on which the Company publishes a notice of redemption pursuant to this paragraph, is delivered to the Trustee together with a written statement from or on behalf of the beneficial owner of such Note to the effect that such beneficial owner has or will become entitled to receive Additional Amounts as a result of such Tax Law Change. Such redemption shall be upon not less than 30 nor more than 60 days' prior notice as provided under "-- Notices" below, at a redemption price equal to 100% of the principal amount of the Notes, plus accrued interest to the redemption date and any Additional Amounts then payable; provided, however, that (1) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay any such Additional Amounts were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, the obligation to pay such Additional Amounts remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee (a) a certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred and (b) an opinion of independent counsel of recognized standing, to the effect that the Company has or will become obligated to pay such Additional Amounts as a result of a Tax Law Change.

PAYMENT AND CONVERSION

The principal of Notes will be payable in U.S. dollars, against surrender thereof at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, or, subject to any applicable laws and regulations, at the office of any Paying Agent, by dollar check drawn on, or by transfer to a dollar account (such transfer to be made only to Holders of an aggregate principal amount of Notes in excess of \$2,000,000) maintained by the Holder with a bank in New York City. Payment of any installment of interest on Notes will be made to the Person in whose name such Notes (or any predecessor Note) is registered at the close of business on the May 15 or the November 15 (whether or not a Business Day) immediately preceding the relevant Interest Payment Date (a "Regular Record Date"). Payments of such interest will be made by a dollar check drawn on a bank in New York City mailed to the Holder at such Holder's registered address or, upon application by the Holder thereof to the Trustee not later than the applicable Regular Record Date, by transfer to a dollar account (such transfer to be made only to Holders of an aggregate principal amount of Notes in excess of \$2,000,000) maintained by the Holder with a bank in New York City. No transfer to a dollar account will be made unless the Trustee has received written wire instructions not less than 15 days prior to the relevant payment date. (sec. 2.2)

Payments in respect of the principal of (and premium, if any) and interest on any Global Note registered in the name of DTC or its nominee will be payable by the Trustee to DTC or its nominee in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Company and the Trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other

22

24

purposes whatsoever. Consequently, neither the Company, the Trustee nor any agent of the Company or the Trustee has or will have any responsibility or liability for (i) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes, or (ii) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

Any payment on the Notes due on any day which is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such due date, and no interest shall accrue on such payment for the period from and after such date. "Business Day", when used with respect to any place of payment, place of conversion or any other place, as the case may be, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in such place of payment, place of conversion or other place, as the case may be, are authorized or obligated by law or executive order to close; provided, however, that a day on which banking institutions in New York, New York or London, England are authorized or obligated by law or executive order to close shall not be a Business Day for certain purposes. (sec.sec. 1.1 and 2.2)

Notes may be surrendered for conversion at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York. Notes surrendered for conversion must be accompanied by appropriate notices, and any payments in respect of interest or taxes, as applicable, as described above under "-- Conversion Rights". (sec.sec. 2.2 and 12.2)

The Company may at any time terminate the appointment of any Paying Agent or Conversion Agent and appoint additional or other Paying Agents and Conversion Agents, provided that until the Notes have been delivered to the Trustee for cancellation, or moneys sufficient to pay the principal of, premium, if any, and interest on the Notes have been made available for payment and either paid or returned to the Company as provided in the Indenture, it will maintain an office or agency in the Borough of Manhattan, The City of New York for surrender of Notes for conversion, and in a Western European city for payments with respect to the Notes and for the surrender of Notes for conversion. Notice of any such termination or appointment and of any change in the office through which any Paying Agent or Conversion Agent will act will be given in accordance with "-- Notices" below. (sec. 10.2)

Interest payable on Notes on any redemption date or repurchase date that is an Interest Payment Date will be paid to the Holders of record as of the immediately preceding Regular Record Date. (sec.sec. 11.7, 14.1 and 14.2)

All moneys deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of principal of, premium, if any, or interest on any Notes which remain unclaimed at the end of two years after such payment has become due and payable will be repaid to the Company, and the Holder of such Note will thereafter look only to the Company for payment thereof. (sec. 10.3)

PAYMENT OF ADDITIONAL AMOUNTS

The Company will pay to the Holder of any Note who is a United States Alien

such additional amounts ("Additional Amounts") as may be necessary in order that every net payment of the principal of, premium, if any, and interest on such Note (including any payment of the Repurchase Price in respect of such Note), after deduction or withholding for or on account of any present or future tax, assessment or governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in such Note to be then due and payable; provided, however, that the foregoing obligation to pay Additional Amounts will not apply to:

(a) any tax, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member, shareholder of or possessor of a power over such Holder, if

23

25

such Holder is an estate, a trust, a partnership or a corporation) and the United States or any political subdivision or taxing authority thereof or therein, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident of the United States or treated as a resident thereof, or being or having been engaged in trade or business or present therein, or having or having had a permanent establishment therein, or (ii) such Holder's present or former status as a personal holding company, a foreign personal holding company with respect to the United States, or a foreign private foundation or foreign tax exempt entity for United States tax purposes, or a corporation which accumulates earnings to avoid United States federal income tax;

(b) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by the Holder of such Note for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(c) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or governmental charge;

(d) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of such Note, if compliance is required by statute or by regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(e) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium, if any, or interest on such Note;

(f) any tax, assessment or other governmental charge imposed on a holder that actually or constructively owns 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote or that is a controlled foreign corporation related to the Company through stock ownership;

(g) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment of the principal of, premium, if any, or interest on any Note, if such payment can be made without such withholding by any other Paying Agent in Western Europe;

(h) any tax, assessment or other governmental charge imposed on a Holder that is a partnership or a fiduciary or other than the sole beneficial owner of such payment, but only to the extent that any

beneficial owner or member of the partnership or beneficiary or settlor with respect to the fiduciary would not have been entitled to the payment of Additional Amounts had the beneficial owner, member, beneficiary or settlor directly been the Holder of the Note; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h). (sec. 2.2)

Notwithstanding the foregoing, the Company shall not be obligated to pay Additional Amounts in respect of payments becoming due on the Notes more than 15 days after the redemption date for a redemption described in the first paragraph under "-- Redemption -- Redemption for Taxation Reasons", except to the extent that the Company's obligation to pay such Additional Amounts does not arise from the Tax Law Change that resulted in such redemption.

For purposes of this Prospectus, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction and a "United States Alien" is any person who, for United States federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is for United States federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust. (sec. 2.2)

24

26

REPURCHASE AT OPTION OF HOLDERS UPON A CHANGE IN CONTROL

If a Change in Control (as defined) occurs, each Holder of Notes shall have the right, at the Holder's option, to require the Company to repurchase all of such Holder's Notes, or any portion of a Note, that is \$5,000 or an integral multiple of \$1,000 in excess thereof, on the date (the "Repurchase Date") that is 45 days after the date of the Company Notice (as defined), at a price equal to 100% of the principal amount of the Notes to be repurchased together with interest accrued to the Repurchase Date (the "Repurchase Price"). (sec. 14.1)

The Company may, at its option, in lieu of paying the Repurchase Price in cash, pay the Repurchase Price in Common Stock valued at 95% of the average of the closing prices of the Common Stock for the five trading days ending on and including the third trading day preceding the Repurchase Date; provided that payment may not be made in Common Stock unless the Company satisfies certain conditions with respect to such payment as provided in the Indenture. (sec. sec. 14.1 and 14.2)

Within 30 days after the occurrence of a Change in Control, the Company is obligated to give to all Holders of the Notes notice, as provided in the Indenture (the "Company Notice"), of the occurrence of such Change in Control and of the repurchase right arising as a result thereof, or, at the request of the Company on or before the 15th day after such occurrence, the Trustee shall give the Company Notice. The Company must also deliver a copy of the Company Notice to the Trustee and to the office of each Paying Agent. To exercise the repurchase right, a Holder of Notes must deliver on or before the 30th day after the date of the Company Notice irrevocable written notice to the Trustee or any Paying Agent of the Holder's exercise of such right, together with the Notes with respect to which the right is being exercised. (sec. 14.3)

A Change in Control shall be deemed to have occurred at such time after the original issuance of the Notes as there shall occur:

(i) the acquisition by any Person (including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act) of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of capital stock of the Company entitling such Person to exercise 50% or more of the total voting power of all shares of capital stock of the Company

entitled to vote generally in elections of directors, other than any such acquisition by the Company, any subsidiary of the Company or any employee benefit plan of the Company; or

(ii) any consolidation or merger of the Company with or into, any other Person, any merger of another Person into the Company, or any conveyance, sale, transfer or lease of all or substantially all of the assets of the Company to another Person (other than (a) any such transaction (x) which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock and (y) pursuant to which holders of Common Stock immediately prior to such transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of capital stock entitled to vote generally in the election of directors of the continuing or surviving person immediately after such transaction and (b) any merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of common stock);

provided, however, that a Change in Control shall not be deemed to have occurred if the closing price per share of the Common Stock for any five trading days within the period of 10 consecutive trading days ending immediately after the later of the Change in Control or the public announcement of the Change in Control (in the case of a Change in Control under clause (i) above) or ending immediately before the Change in Control (in the case of a Change in Control under clause (ii) above) shall equal or exceed 105% of the Conversion Price of the Notes in effect on each such trading day. The "Conversion Price" is equal to \$1,000 divided by the Conversion Rate. "Beneficial Owner" shall be determined in accordance

25

27

with Rule 13d-3 promulgated by the Commission under the Exchange Act, as in effect on the date of execution of the Indenture. (sec. 14.4)

The Company may, to the extent permitted by applicable law, at any time purchase Notes in the open market or by tender at any price or by private agreement. Any Note so purchased by the Company may, to the extent permitted by applicable law and subject to restrictions contained in the Underwriting Agreement entered by and among the Company and the Initial Purchasers in connection with the Original Offering, be re-issued or resold or may, at the Company's option, be surrendered to the Trustee for cancellation. Any Notes surrendered as aforesaid may not be re-issued or resold and will be cancelled promptly.

The foregoing provisions would not necessarily afford Holders of the Notes protection in the event of highly leveraged or other transactions involving the Company that may adversely affect Holders.

MERGERS AND SALES OF ASSETS BY THE COMPANY

The Company shall not consolidate or merge with or into any other Person or convey, transfer, sell or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate or merge with or into the Company or convey, transfer, sell or lease such Person's properties and assets substantially as an entirety to the Company unless (a) the Person formed by such consolidation or into or with which the Company is merged or the Person to which the properties and assets of the Company are so conveyed, transferred, sold or leased shall be a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States, any State thereof or the District of Columbia and shall expressly assume the payment of the principal of, premium, if any, and interest on the Notes and the performance of the other covenants of the Company under the Indenture, and (b) immediately after giving effect to such transaction, no Event of Default, and no event that, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be

continuing. (sec. 7.1)

EVENTS OF DEFAULT

The following will be Events of Default under the Indenture: (a) failure to pay principal of or premium, if any, on any Note when due, whether or not such payment is prohibited by the subordination provisions of the Notes and the Indenture; (b) failure to pay any interest (including any Additional Amount) on any Note or coupon when due, continuing for 30 days; (c) failure to provide a Company Notice; (d) failure to perform any other covenant of the Company in the Indenture, continuing for 60 days after written notice as provided in the Indenture; (e) default in respect of any indebtedness for money borrowed by the Company that results in acceleration of the maturity of an amount in excess of \$10,000,000 of indebtedness if such indebtedness is not discharged, or such acceleration is not annulled, within 30 days after written notice as provided in the Indenture; and (f) certain events of bankruptcy, insolvency or reorganization. (sec. 5.1) Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee reasonable indemnity. (sec. 6.3) Subject to such provisions for the indemnification of the Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. (sec. 5.12)

If an Event of Default shall occur and be continuing, either the Trustee or the Holders of at least 25% in principal amount of the Outstanding Notes may accelerate the maturity of all Notes; provided, however, that after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of Outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the non-payment of principal of the Notes which have become due solely by such declaration of acceleration, have been cured or waived as

26

28

provided in the Indenture. (sec. 5.2) For information as to waiver of defaults, see "-- Meetings, Modification and Waiver".

No Holder of any Note will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default and the Holders of at least 25% in aggregate principal amount of the Outstanding Notes shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of the Outstanding Notes a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. (sec. 5.7) However, such limitations do not apply to a suit instituted by a Holder of a Note for the enforcement of payment of the principal of, premium, if any, or interest on such Note on or after the respective due dates expressed in such Note or of the right to convert such Note in accordance with the Indenture. (sec. 5.8)

The Company will be required to furnish to the Trustee annually a statement as to the performance by the Company of certain of its obligations under the Indenture and as to any default in such performance. (sec. 10.9)

MEETINGS, MODIFICATION AND WAIVER

The Indenture contains provisions for convening meetings of the Holders of Notes to consider matters affecting their interests. (Article Nine)

Modifications and amendments of the Indenture may be made, and certain past

defaults by the Company may be waived, either (i) with the written consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding or (ii) by the adoption of a resolution, at a meeting of Holders of the Notes at which a quorum is present, by the Holders of at least 66 2/3% in aggregate principal amount of the Notes represented at such meeting. However, no such modification or amendment may, without the consent of the Holder of each Outstanding Note or coupon affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest on, any Note or coupon, (b) reduce the principal amount of, or the premium, if any, or interest on, any Note or coupon, (c) reduce the amount payable upon a redemption or mandatory repurchase, (d) modify the provisions with respect to the repurchase right of the Holders in a manner adverse to the Holders, (e) change the obligation of the Company to pay Additional Amounts pursuant to the Indenture in a manner adverse to the Holders, (f) change the place or currency of payment of principal of, premium, if any, or interest on, any Note (including any payment of the Repurchase Price in respect of such Note) or coupon, (g) impair the right to institute suit for the enforcement of any payment on or with respect to any Note or coupon, (h) modify the obligation of the Company to maintain an office or agency in New York City and in a Western European city, (i) except as otherwise permitted or contemplated by provisions concerning consolidation, merger, conveyance, transfer, sale or lease of all or substantially all of the property and assets of the Company, adversely affect the right of Holders to convert any of the Notes or to require the Company to repurchase any Note other than as provided in the Indenture, (j) modify the subordination provisions in a manner adverse to the Holders of the Notes, (k) reduce the above-stated percentage of Outstanding Notes necessary to modify or amend the Indenture, (l) reduce the percentage of aggregate principal amount of Outstanding Notes necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults, (m) reduce the percentage in aggregate principal amount of Outstanding Notes required for the adoption of a resolution or the quorum required at any meeting of Holders of Notes at which a resolution is adopted, or (n) modify the obligation of the Company to deliver information required under Rule 144A to permit resales of Notes and Common Stock issuable upon conversion thereof in the event the Company ceases to be subject to certain reporting requirements under the United States securities laws (sec.sec. 8.2 and 5.13). The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the Notes at the time Outstanding and, at any reconvened meeting adjourned for lack of a quorum, 25% of such aggregate principal amount. (sec. 9.4)

27

29

The Holders of a majority in aggregate principal amount of the Outstanding Notes may waive compliance by the Company with certain restrictive provisions of the Indenture by written consent. (sec. 10.13) The Holders of a majority in aggregate principal amount of the Outstanding Notes also may waive any past default under the Indenture, except a default in the payment of principal, premium, if any, or interest, by written consent. (sec. 5.13)

REGISTRATION RIGHTS

The Selling Holders are entitled to the benefits of a registration rights agreement dated as of May 17, 1996, between the Company and the Initial Purchasers entered in connection with the Original Offering (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has, at its own expense, filed with the Commission a shelf registration statement of which this Prospectus forms a part (the "Shelf Registration Statement") covering resales by the holders of Notes in registered form (and the shares of Common Stock issuable upon conversion of such Notes) which cannot be resold in the United States except pursuant to a registration statement under the Securities Act or an exemption from registration under the Securities Act (collectively, the "Registrable Securities") and were not acquired in a transaction in reliance on Regulation S. The Company will use reasonable efforts to cause such Shelf Registration Statement to become effective as promptly as practicable and keep such Shelf Registration Statement effective until such date that is three years after the latest date of original issuance of the Notes or,

if earlier, until all of the Registrable Securities (i) have been sold in a manner contemplated by the Shelf Registration Statement, (ii) have been transferred in compliance with Rule 144 under the Securities Act or are transferable pursuant to Rule 144(k) under the Securities Act, (iii) have been sold in compliance with Regulation S (and do not constitute part of the unsold allotment of a "distributor" within the meaning of Regulation S), or (iv) have otherwise been transferred and a new security not subject to transfer restrictions under the Securities Act has been delivered by or on behalf of the Company. Notwithstanding the foregoing, the Company will be permitted, in accordance with the Registration Rights Agreement, to suspend the use of any Prospectus that is a part of the Shelf Registration Statement during the existence of a state of facts or the happening of an event (including without limitation pending negotiations relating to, or the consummation of, a transaction or the occurrence of any event which in the opinion of the Company might require additional disclosure of material, non-public information by the Company in the Shelf Registration Statement as to which the Company believes it has a bona fide business purpose for preserving confidentiality or which renders the Company unable to comply with the rules and regulations under the Securities Act) which in the opinion of outside counsel to the Company might reasonably result in the Shelf Registration Statement, or any amendment or post-effective amendment thereto, or the Prospectus or any supplement thereto, or any document incorporated therein by reference containing an untrue statement of material fact or omitting to state a material fact.

This summary of certain provisions of the Registration Rights Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, all the provisions of the Registration Rights Agreement filed as an exhibit to the Registration Statement, of which this Prospectus forms a part.

TRANSFER, EXCHANGE AND WITHDRAWAL

At the option of the Holder upon request confirmed in writing, and subject to the terms of the Indenture, any Note in registered form will be exchangeable at any time into an equal aggregate principal amount of Notes in registered form of different authorized denominations. (sec. 3.5)

Notes in registered form may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) or exchange, at the office of any transfer agent or at the office of the security registrar, without service charge but, in the case of a transfer, upon payment of any taxes and other governmental charges as described in the Indenture. Any registration of transfer or exchange will be effected upon the transfer agent or the security registrar, as the case may be, being satisfied with the documents of title and identity of the person making the request, and subject to such reasonable

28

30

regulations as the Company may from time to time agree upon with the transfer agents and the security registrar, all as described in the Indenture. Notes may be transferred in whole or in part in authorized denominations. Upon surrender for registration of transfer of any such Notes, one or more new Notes will be deliverable, in accordance with the Indenture, at the office of any transfer agent. (sec. 3.5)

The Company has initially appointed the Trustee as security registrar and transfer agent, acting through its Corporate Trust Offices in New York City. The Company reserves the right to vary or terminate the appointment of the security registrar or of any transfer agent or to appoint additional or other transfer agents or to approve any change in the office through which any security registrar or any transfer agent acts, provided that there will at all times be a security registrar and a transfer agent in a Western European city. (sec. sec. 3.5 and 10.2)

In the event of a redemption of less than all of the Notes (other than, a redemption for any of the reasons described under "-- Redemption -- Redemption

for Taxation Reasons") for any of the reasons set forth below under "-- Redemption", the Company will not be required (a) to register the transfer or exchange of Notes for a period of 15 days immediately preceding the date notice is given identifying the serial numbers of the Notes called for such redemption or (b) to register the transfer of or exchange any Note, or portion thereof, called for redemption. (sec. 3.5)

Exchange of Interests in the Restricted Global Note and Regulation D Notes for Interests in Unrestricted Global Note. Upon each sale by a Selling Holder of Notes or Conversion Shares, as the case may be, offered hereby, such Selling Holder will be required to deliver a Notice (the "Notice") of such sale to the Trustee and the Company. The Notice will among other things, identify the sale as a sale pursuant to the Registration Statement of which this Prospectus forms a part, certify that the prospectus delivery requirements, if any, of the Securities Act have been satisfied, and certify that the Selling Holder and the aggregate principal amount of Notes or the number of Conversion Shares owned by such holder are identified in the Prospectus in accordance with the applicable rules and regulations under the Securities Act. A copy of the Notice is attached hereto as Appendix A. Additional copies are available upon request to Corporate Secretary, Quintiles Transnational Corp., 4709 Creekstone Drive, Riverbirch Building, Suite 300, Durham, North Carolina 27703-8411, telephone (919) 941-2000.

Upon receipt by the Trustee of the Notice relating to a sale of Notes, an appropriate adjustment will be made to reflect a decrease in the principal amount of the Restricted Global Note or the cancellation of a Note in certificated form upon the transfer thereof, and a corresponding increase in the principal amount of the Unrestricted Global Note (or upon the request of a Selling Holder of Notes in certificated form, the authentication and delivery of a Note in certificated form).

Any beneficial interest in the Restricted Global Note that is transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Note will, upon transfer, cease to be an interest in the Restricted Global Note and will become an interest in the Unrestricted Global Note and, accordingly, will thereafter be subject to all procedures applicable to the Unrestricted Global Note for so long as it remains such an interest.

Exchange of Interests in Global Notes for Certificated Notes. As long as DTC, or its nominee, is the registered Holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner and Holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. Unless DTC notifies the Company that it is unwilling or unable to continue as depository for a Global Note, or ceases to be a "Clearing Agency" registered under the Exchange Act, or announces an intention permanently to cease business or does in fact do so, or an Event of Default has occurred and is continuing with respect to a Global Note, owners of beneficial interests in a Global Note will not be entitled to have any portions of such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or Holders of the Global Note (or any Notes represented thereby) under the Indenture or the Notes. In addition, no beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Indenture referred to herein). In the event that owners of beneficial interests in a Global Note become entitled to receive Notes in certificated

form, such Notes will be issued only as Notes in certificated form in denominations of \$1,000 and integral multiples thereof.

Transfers involving an exchange of a beneficial interest in the Restricted Global Note for a beneficial interest in the Unrestricted Global Note or vice versa will be effected in DTC by means of an instruction originated by the Trustee through the DTC/Deposit Withdraw at Custodian (DWAC) System.

Accordingly, appropriate adjustments will be made to reflect a decrease in the principal amount of the Restricted Global Note and a corresponding increase in the principal amount of the Unrestricted Global Note or vice versa, as applicable.

TITLE

The Company, the Trustee, any Paying Agent and any Conversion Agent may treat the registered owner (as reflected in the Security Register) of any Note as the absolute owner thereof (whether or not such Note shall be overdue) for the purpose of making payment and for all other purposes. (sec. 2.2)

NOTICES

Notices to Holders of Notes will be given by mail to the addresses of such Holders as they appear in the Security Register. Such notices will be deemed to have been given on the date of such mailing. (sec.sec. 1.1 and 1.6)

Notice of a redemption of Notes will be given at least once not less than 30 nor more than 60 days (and in the case of the redemption described in the second paragraph under "-- Redemption -- Redemption for Taxation Reasons", at least 75 days) prior to the redemption date (which notice shall be published in accordance with the procedures described in the preceding paragraph, but shall be irrevocable except as otherwise provided in the second paragraph under "-- Redemption -- Redemption for Taxation Reasons") and will specify the redemption date.

REPLACEMENT OF NOTES

Notes that become mutilated, destroyed, stolen or lost will be replaced by the Company at the expense of the Holder upon delivery to the Trustee of the mutilated Notes or evidence of the loss, theft or destruction thereof satisfactory to the Company and the Trustee. In the case of a lost, stolen or destroyed Note, indemnity satisfactory to the Trustee and the Company may be required at the expense of the Holder of such Note before a replacement Note will be issued. (sec. 3.6)

PAYMENT OF STAMP AND OTHER TAXES

The Company will pay all stamp and other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority thereof or therein with respect to the issuance of the Notes. Except as described under "--Payment of Additional Amounts", the Company will not be required to make any payment with respect to any other tax, assessment or governmental charge imposed by any government or any political subdivision thereof or taxing authority thereof or therein.

DEPOSITORY PROCEDURES WITH RESPECT TO GLOBAL NOTES

With respect to the Global Notes, DTC has advised the Company as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended, and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers

and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect

Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interest and transfer of ownership interest of each actual purchaser of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that pursuant to procedures established by it, (i) upon deposit of the Global Notes, DTC credits the accounts of designated Participants with portions of the principal amount of the Global Notes and (ii) ownership of such interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations which are Participants in such system. All interests in a Global Note may be subject to the procedures and requirements of DTC.

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited to that extent. Because DTC can act only on behalf of its Participants, which in turn act on behalf of Indirect Participants and certain banks, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

EXCEPT AS DESCRIBED ABOVE UNDER "-- FORM, DENOMINATION AND WITHDRAWAL", OWNERS OF INTERESTS IN THE GLOBAL NOTES WILL NOT HAVE NOTES REGISTERED IN THEIR NAMES, WILL NOT RECEIVE PHYSICAL DELIVERY OF NOTES IN CERTIFICATED FORM AND WILL NOT BE CONSIDERED THE REGISTERED OWNERS OR HOLDERS THEREOF UNDER THE INDENTURE FOR ANY PURPOSE.

DTC has advised the Company that its current practice, upon receipt of any payment in respect of interests in securities such as the Global Notes (including principal and interest) held by it or its nominee, is to credit the accounts of the relevant Participants with the payment on the payment date, in amounts proportionate to their respective holdings in principal amount of beneficial interests in the relevant security such as the Global Notes as shown on the records of DTC unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name". Such payments will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. Neither the Company nor the Trustee will be liable for any delay by DTC or any of its Participants or Indirect Participants in identifying the beneficial owners of the Notes, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee as the registered owner of the Global Notes for all purposes.

Transfers of beneficial interests in the Global Notes between Participants in DTC will be effected in accordance with DTC's procedures, and such beneficial interests will trade in DTC's Same-Day Funds Settlement System; and consequently, secondary market trading activity in such interests will settle in immediately available funds.

DTC has advised the Company that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of

Default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of beneficial ownership interests in the Global Notes among Participants of DTC, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, its Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations, including maintaining, supervising or reviewing the records relating to, or payments made on account of, beneficial ownership interests in Registered Global Notes.

GOVERNING LAW

The Indenture and the Notes are governed by and construed in accordance with the laws of the State of New York, United States of America. (sec. 1.11)

THE TRUSTEE

In case an Event of Default shall occur (and shall not be cured), the Trustee will be required to use the degree of care of a prudent person in the conduct of his own affairs in the exercise of its powers. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the Holders of Notes, unless they shall have offered to the Trustee reasonable security or indemnity. (sec.sec. 6.1 and 6.3)

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income tax considerations relevant to purchasers of the Notes and the Conversion Shares, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based on laws, regulations, rulings and decisions now in effect (or, in the case of certain United States Treasury Regulations ("Treasury Regulations"), now in proposed form), all of which are subject to change. This summary deals only with holders that will hold Notes and Common Stock into which Notes may be converted as "capital assets" (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code")) and does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt organizations, insurance companies, dealers in securities or currencies, persons that will hold Notes as a position in a hedging transaction, "straddle" or "conversion transaction" for tax purposes, or non-United States persons. INVESTORS CONSIDERING THE PURCHASE OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Payment of Interest

Interest on a Note generally will be includible in the income of a holder as ordinary income at the time such interest is received or accrued, in accordance with such holder's method of accounting for United States federal income tax purposes.

Sale, Exchange or Redemption of the Notes

Upon the sale, exchange or redemption of a Note, a holder generally will recognize capital gain or loss equal to the difference between (i) the amount of

cash proceeds and the fair market value of any property received on the sale, exchange or redemption (except to the extent such amount is attributable to accrued interest income, which is taxable as ordinary income) and (ii) such holder's adjusted tax basis in the Note. A holder's adjusted tax basis in a Note generally will equal the cost of the Note to such

holder, less any principal payments received by such holder. Such capital gain or loss will be long-term capital gain or loss if the holder's holding period in the Note is more than one year at the time of sale, exchange or redemption.

Conversion of the Notes

A holder generally will not recognize any income, gain or loss upon conversion of a Note into Common Stock except with respect to cash received in lieu of a fractional Share of Common Stock. Such holder's tax basis in the Common Stock received on conversion of a Note will be the same as such holder's adjusted tax basis in the Note at the time of conversion (reduced by any basis allocable to a fractional share interest), and the holding period for the Common Stock received on conversion will generally include the holding period of the Note converted.

Cash received in lieu of a fractional share of Common Stock upon conversion will be treated as a payment in exchange for the fractional share of Common Stock. Accordingly, the receipt of cash in lieu of a fractional share of Common Stock generally will result in a capital gain or loss (measured by the difference between the cash received for the fractional share and the holder's adjusted tax basis in the fractional share).

Dividends

Dividends paid on the Common Stock generally will be includible in the income of a holder as ordinary income to the extent of the Company's current or accumulated earnings and profits.

If at any time (i) the Company makes a distribution of cash or property to its stockholders or purchases Common Stock and such distribution or purchase would be taxable to such stockholders as a dividend for United States federal income tax purposes (e.g., distributions of evidences of indebtedness or assets of the Company, but generally not stock dividends or rights to subscribe for Common Stock) and, pursuant to the antidilution provisions of the Indenture, the conversion rate of the Notes is increased, or (ii) the conversion rate of the Notes is increased at the discretion of the Company, such increase in conversion rate may be deemed to be the payment of a taxable dividend to holders of Notes (pursuant to Section 305 of the Code). Holders of Notes could therefore have taxable income as a result of an event pursuant to which they received no cash or property.

Market Discount

In general, if a holder purchases a Note after its original issuance at a price which is less than the Note's stated redemption price at maturity by more than a statutory de minimis amount, the Note will be treated as having market discount equal to the difference between the purchase price and the stated redemption price at maturity. Such market discount is treated as accruing ratably (or, if the holder elects, on a constant interest rate basis) over the period between the holder's purchase of the Note and the Note's maturity date. The holder of a Note with market discount must generally include accrued market discount in ordinary income when the Note is sold or otherwise disposed of. In addition, the holder must treat any principal payments received on the Note as ordinary income to the extent of accrued market discount not previously taken into income. Alternatively, the holder may elect to accrue market discount on a constant yield basis. Absent such an election, holders who have incurred or continued indebtedness in connection with the acquisition or holding of a Note with market discount may be required to defer the deduction of all or a portion

of the interest on such indebtedness until the Note is disposed of in a taxable transaction.

Bond Premium

In general, if a holder purchases a Note at a price in excess of the Note's stated redemption price at maturity, the Note will be treated as having bond premium equal to such excess. Bond premium with respect to a Note does not, however, include any amount attributable to the conversion feature of the Note. In general, a holder may elect to amortize bond premium with respect to a Note using a constant

33

35

yield method over the Note's remaining life. The amount of bond premium amortized by an electing holder during a year will generally reduce the amount required to be included in income during the year with respect to interest on the Note and will reduce the holder's adjusted tax basis in the Note. An election to amortize bond premium will apply to all taxable bonds held by the holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the holder, and is irrevocable without the consent of the Internal Revenue Service.

Information Reporting and Backup Withholding Tax

In general, information reporting requirements will apply to payments of principal, premium, if any, and of interest on a Note, payments of dividends on Common Stock, payments of the proceeds of the sale of a Note and payments of the proceeds of the sale of Common Stock to certain non-corporate holders, and a 31% backup withholding tax may apply to such payments if the holder (i) fails to furnish or certify his correct taxpayer identification number to the payor in the manner required, (ii) is notified by the Internal Revenue Service (the "IRS") that he has failed to report payments of interest and dividends properly, or (iii) under certain circumstances, fails to certify that he has not been notified by the IRS that he is subject to backup withholding for failure to report interest and dividend payments. Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a credit against such holder's United States federal income tax and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

DESCRIPTION OF CAPITAL STOCK

COMMON STOCK

The Company has authorized 200 million shares of Common Stock, \$.01 par value per share. As of November 30, 1996, 32,883,906 shares of Common Stock were issued and outstanding. Holders of Common Stock are entitled to one vote for each share held on matters which are submitted to a vote of shareholders and are not entitled to cumulative voting in the election of directors. Subject to any preferential rights of holders of Preferred Stock, holders of Common Stock are entitled to receive dividends, if any, as declared from time to time by the Board of Directors out of assets legally available for such purpose. The Company has never paid any cash dividends on Common Stock, and its existing domestic credit facility prohibits the payment of dividends without the prior consent of the lender. The Company does not anticipate paying any cash dividends in the foreseeable future and intends to retain future earnings for the development and expansion of its business. On liquidation, holders of Common Stock are entitled to a pro rata portion of all assets available for distribution after payment of creditors and the liquidation preference of any outstanding shares of Preferred Stock. Holders of Common Stock have no preemptive rights or other rights to subscribe for additional shares. All outstanding shares of Common Stock are, and the Conversion Shares will be, upon issuance in accordance with the provisions of the Indenture, duly authorized validly issued, fully paid and non-assessable. Notices to Holders of Common Stock will be given by the Company by mail to the addresses of such Holders as they appear in the books and records of the Company.

PREFERRED STOCK

The Company has authorized 25 million shares of Preferred Stock, \$.01 par value per share. The Company may issue shares of Preferred Stock in one or more series as may be determined by the Company's Board of Directors, who may establish, from time to time, the number of shares to be included in each series, may fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and may increase or decrease the number of shares of any such series without any further vote or action by the shareholders. Any Preferred Stock so issued by the Board of Directors may rank senior to the Common Stock with respect to the payment of dividends or upon liquidation, dissolution or winding up of the Company, or both. In addition, any such shares of Preferred Stock may have class or series voting rights. Under certain circumstances the

34

36

issuance of Preferred Stock or the existence of the unissued Preferred Stock may tend to discourage or render more difficult a merger or other change in control of the Company. No shares of Preferred Stock currently are outstanding, and the Company has no current plans to issue Preferred Stock.

CERTAIN ARTICLES OF INCORPORATION AND BYLAWS PROVISIONS HAVING POTENTIAL ANTI-TAKEOVER EFFECTS

General

A number of provisions of the Company's Articles of Incorporation and Bylaws address matters of corporate governance and the rights of shareholders. The following summary of such provisions is not intended to be complete and is qualified in all respects by the Company's Articles of Incorporation and Bylaws. Certain of these provisions, as well as the ability of the Board of Directors to issue shares of Preferred Stock and to set the voting rights, preferences and other terms thereof, may delay or prevent takeover attempts not first approved by the Board of Directors (including takeovers which certain shareholders may deem to be in their best interests). These provisions also could delay or frustrate the removal of incumbent directors or the assumption of control by shareholders.

Classification of Board of Directors

The Articles of Incorporation provide that the Board of Directors of the Company is divided into three classes as nearly equal in number as possible. The directors of each class elected after the expiration of the initial term of office for such class will serve a term of three years. As a result of the classification of the Board of Directors, approximately one-third of the members of the Board of Directors will be elected each year, and, two annual meetings will be required for the Company's shareholders to change a majority of the members constituting the Board of Directors.

Nomination and Removal of Directors; Filling Vacancies

The Company's Bylaws provide that nominations to the Board of Directors may only be made by the Board of Directors, a nominating committee of the Board or by any shareholder entitled to vote in elections of directors who complies with certain notice procedures. In addition, the Articles of Incorporation provide that (i) a director may be removed by the shareholders only upon the affirmative vote of the holders of two-thirds of the voting power of all shares of capital stock entitled to vote generally in the election of directors, however if a Director was elected by the holders of one class or series of capital stock, or a group of such class or series, only members of that voting group may participate in the vote to remove him, and (ii) vacancies on the Board of Directors may be filled only by the Board of Directors. The purpose of this provision is to prevent a majority shareholder from circumventing the classified board system by removing directors and filling the vacancies with new

individuals selected by that shareholder. Accordingly, the provision may have the effect of impeding efforts to gain control of the Board by anyone who obtains a controlling interest in the Company's Common Stock.

Amendment of Articles of Incorporation

The Articles of Incorporation of the Company provide that amendments to the Articles of Incorporation may be adopted only upon the affirmative vote of the holders of at least two-thirds of the voting power of all shares of capital stock of the Company entitled to vote thereon. However, if such amendment has received the prior approval by an affirmative vote of a majority of Disinterested Directors, as defined below, then the affirmative vote of the holders of at least a majority of the voting power of all shares of capital stock of the Company entitled to vote thereon, or such greater percentage approval as required by North Carolina law, is sufficient to adopt such amendment. A Disinterested Director is defined as any member of the Board of Directors who is unaffiliated with, and not a nominee of, a Control Person, as defined below, and was a member of the Board of Directors prior to the time a Control Person became such, and any successor of a Disinterested Director who is unaffiliated with, and not a nominee of, a Control Person, who is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors. A Control Person is defined as any corporation, person, group,

35

37

or other entity, which together with its affiliates, prior to a Business Combination, as defined below, beneficially owns 10% or more of the shares of any class of equity or convertible securities of the Company, and any affiliate of any such corporation, person, group, or other entity; provided, however, any corporation, person, group or other entity which, together with its affiliates, prior to January 1, 1994 beneficially owned 10% or more of the shares of any class of equity or convertible securities of the Company, and any affiliate of any such party is not considered to be a Control Person.

Amendment of Bylaws

Subject to certain restrictions described below, either the Board of Directors or the shareholders of the Company may amend the Company's Bylaws. The Board of Directors may amend the Bylaws and adopt new Bylaws except that: (i) a bylaw adopted, amended, or repealed by the shareholders may not be readopted, amended, or repealed by the Board of Directors if neither the Articles of Incorporation or a bylaw adopted by the shareholders authorizes the Board of Directors to adopt, amend, or repeal that particular bylaw or the Bylaws generally; (ii) a bylaw that fixes a greater quorum or voting requirement for the Board of Directors may not be adopted by the Board of Directors by a vote of less than a majority of the directors then in office and may not itself be amended by a quorum or vote of directors less than the quorum or vote therein prescribed or prescribed by a bylaw adopted or amended by the shareholders; and (iii) if a bylaw fixing a greater quorum or voting requirement for the Board of Directors is originally adopted by the shareholders, it may be amended or repealed only by the shareholders, unless the Bylaws permit amendment or repeal by the Board of Directors. The shareholders of the Company generally may adopt, amend, or repeal the Bylaws upon the affirmative vote of the holders of two-thirds of the voting power of all shares of capital stock entitled to vote thereon.

Supermajority Vote Requirement

The Articles of Incorporation of the Company provide that, unless otherwise more restrictively required by applicable law, any Business Combination, as defined below, must be approved by a majority of a quorum of the Board of Directors and must receive the level of shareholder approval, if any, as follows: (i) to the extent shareholder approval is otherwise required by law, by an affirmative vote of the shareholders holding at least a majority of the shares of capital stock of the Company entitled to vote thereon, provided that

such Business Combination has been approved by an affirmative vote of at least two-thirds of the full Board of Directors before such Business Combination is submitted for approval to the shareholders or (ii) by an affirmative vote of the shareholders holding at least two-thirds of the shares of capital stock of the Company entitled to vote thereon, provided that such Business Combination has been approved by an affirmative vote of at least a majority of a quorum of the Board of Directors (but less than two-thirds of the full Board of Directors). In addition, if the Business Combination is approved by the affirmative vote of the shareholders holding at least two-thirds of the shares of Common Stock entitled to vote and by a majority of a quorum of the Board of Directors but less than two-thirds of the full Board of Directors, the Business Combination must grant to shareholders not voting to approve the Business Combination certain "fair price" rights.

The Company's Articles of Incorporation define a Business Combination as (i) any merger or consolidation of the Company into any other corporation, person, group, or other entity where the Company is not the surviving or resulting entity; (ii) any merger or consolidation of the Company with or into any Control Person or with any corporation, person, group or other entity where the merger or consolidation is proposed by or on behalf of a Control Person; (iii) any sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company; (iv) any sale, lease, exchange, or other disposition of more than 10% of the total assets of the Company to a Control Person; (v) the issuance of any securities of the Company to a Control Person; (vi) the acquisition by the Company of any securities of a Control Person unless such acquisition begins prior to the person becoming a Control Person or is an attempt to prevent the Control Person from obtaining greater control of the Company; (vii) the acquisition by the Company of all or substantially all of the assets of any Control Person or any entity where the acquisition is proposed by or on behalf of a Control Person; (viii) the adoption of any plan or

36

38

proposal for the liquidation or dissolution of the Company which is proposed by or on behalf of a Control Person; (ix) any reclassification of securities or recapitalization of the Company which has the effect of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Company which is beneficially owned or controlled by a Control Person; (x) any of the above transactions which are between the Company and any of its subsidiaries and which are proposed by or on behalf of any Control Person; or (xi) any agreement, plan, contract, or other arrangement providing for any of the above transactions.

The requirement of a supermajority vote of shareholders to approve certain business transactions, as described above, may discourage a change in control of the Company by allowing shareholders holding less than a majority of the shares of Common Stock to prevent a transaction favored by shareholders holding a majority of such shares. Also, in some circumstances, the Board of Directors could cause a two-thirds vote to be required to approve a transaction thereby enabling management to retain control over the affairs of the Company and their positions with the Company.

Fair Price Provision

The "fair price" provision of the Company's Articles of Incorporation applies to Business Combinations which have received the approval of two-thirds of the shareholders entitled to vote but have not received the approval of two-thirds of the full Board of Directors and only to shareholders who vote against such Business Combinations and who elect to sell their shares to the Company for cash at their fair price. This "fair price" provision requires that the consideration for such shares be paid in cash by the Company and that the price per share be at least equal to the greater of the following:

- (i) The highest price per share paid for the Company's Common Stock during the four years immediately preceding the Business Combination vote by any shareholder who beneficially owned five percent or more of the

Company's Common Stock and who votes in favor of the Business Combination;

(ii) The cash value of the highest price per share previously offered pursuant to a tender offer to the shareholders of the Company within the four years immediately preceding the Business Combination vote; or

(iii) The highest price per share, including commissions and fees, paid by a Control Person in acquiring any of its holdings of the Company's Common Stock.

The fair price provision is intended to prevent some of the potential inequities of two-step takeover attempts by encouraging negotiations with the Company. However, some shareholders may find the fair price provision disadvantageous to the extent it discourages changes in control in which shareholders might receive for at least some of their shares a substantial premium above the market price at the time an acquisition transaction is made.

The Company is not aware of any pending or threatened effort to acquire control of the Company or to change management. The Board of Directors does not presently intend to propose any additional anti-takeover provisions.

Constituencies

The Company's Articles of Incorporation expressly authorize the Board of Directors of the Company, any committee of the Board of Directors, or any individual director in determining what is in the best interest of the Company and its shareholders, to consider, in addition to the long-term and short-term interests of the shareholders, the social and economic effects of the matter to be considered on the Company and its subsidiaries, their employees, clients, creditors, and the communities in which the Company and its subsidiaries operate or are located. When evaluating a business combination or a proposal by another person to make a business combination or a tender offer or any other proposal relating to a potential change in control of the Company, the Board of Directors may consider such matters as the business and financial condition and earnings prospects of the acquiring person, and the

37

39

possible effect of such condition upon the Company and its subsidiaries and the communities in which the Company and its subsidiaries operate, the competence, experience, and integrity of the acquiring person and its management and the prospects for successful conclusion of the business combination, offer or proposal. The consideration of any of the above factors is completely discretionary with the Company's Board of Directors. The constituency provision of the Company's Articles of Incorporation may discourage or make more difficult certain acquisition proposals or business combinations and therefore, may adversely affect the ability of shareholders to benefit from certain transactions opposed by the Company's Board of Directors.

Special Meetings of Shareholders

The Company's Bylaws provide that special meetings of shareholders may be called only by the Board of Directors, the Chairman of the Board, the President or holders of 25% or more of the voting power of the outstanding shares of the Company. As a result, this provision would prevent shareholders owning less than 25% of the voting power of the outstanding Common Stock from compelling shareholder consideration of any proposal (such as a proposal for a Business Combination) over the opposition of the Company's Board of Directors.

Shareholder Proposals

The Company's Bylaws provide that shareholders who desire to bring any business before a meeting of shareholders must follow specified procedures, including advance written notice to the Company. The shareholder proposal provision may make it more difficult for shareholder proposals to be considered at shareholder meetings.

Transfer Agent and Registrar

The Company's transfer agent and registrar for its Common Stock is First Union National Bank of North Carolina, Charlotte, North Carolina.

LEGAL MATTERS

The validity of the Notes and of the Common Stock issuable upon conversion thereof offered hereby will be passed upon for the Company by Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P., Raleigh, North Carolina.

38

40

EXPERTS

The consolidated financial statements of the Company for the years ended December 31, 1995 and 1994 and for the three years in the period ended December 31, 1995 appearing in the Company's Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 1995 incorporated herein by reference have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. The financial statements of Lewin-VHI as of and for the year ended December 31, 1995 included in the Company's current report on Form 8-K dated April 16, 1996 have been audited by Ernst & Young, LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of BRI as of May 31, 1996 and for the six month period ended May 31, 1996 included in the Registration Statement on Form S-4, as filed with the Commission under the Securities Act (File No. 333-12573) on September 24, 1996 and amended on October 15, 1996 (the "BRI Registration Statement"), when such registration statement became effective and incorporated herein by reference, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. The consolidated financial statements of BRI as of November 30, 1995 and 1994 and for each of the two years in the period ended November 30, 1995 included in the BRI Registration Statement when such registration statement became effective and incorporated herein by reference have been audited by Coopers & Lybrand L.L.P., independent accountants, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such reports given on the authority of such firms as experts in accounting and auditing.

The consolidated financial statements of Innovex included in the Company's Current Report on Form 8-K dated October 6, 1996 and incorporated by reference herein have been audited by KPMG, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

FORWARD-LOOKING STATEMENTS

Information set forth in this Prospectus or incorporated by reference herein contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which statements represent the Company's reasonable judgment concerning the future and are subject to risks and uncertainties that could cause the Company's actual and operating results and financial position to differ materially.

The Company cautions that any such forward-looking statements are further qualified by important factors that could cause the Company's actual operating

results to differ materially from those in the forward-looking statements, including, without limitation those set forth in this Prospectus under "Risk Factors" and the following: possible loss of existing relationships in the pharmaceutical, biotechnology and medical device industries and with specific large clients in those industries; potential loss of large contracts; greater than anticipated competition and CRO industry consolidation; possible volatility of the price of the Common Stock; greater than anticipated costs of acquisitions and managing growth of the Company; unexpected malpractice or similar liabilities or an inability to maintain adequate liability insurance to cover legal claims; reforms in the healthcare industry; decreases in government regulatory requirements which lead companies to engage CROs; and dependence on key personnel; and other cautionary language included in documents incorporated herein by reference. See "Risk Factors".

APPENDIX A

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

Marine Midland Bank, as Trustee
Quintiles Transnational Corp.
c/o Marine Midland Bank
140 Broadway, 12th Floor
New York, New York 10005
Attention: Corporate Trust Services -- Quintiles

Re: Quintiles Transnational Corp. (the "Company") 4.25% Convertible
Subordinated Notes due May 31, 2000 (the "Notes")

Dear Sirs:

Please be advised that _____ has transferred \$ _____ aggregate principal amount of the above-referenced Notes, or _____ number of shares of the Company's Common Stock, par value \$0.01 per share (the "Common Stock"), issued upon conversion of the Notes, pursuant to an effective Registration Statement on Form S-3 (File No. 333- _____) filed by the Company.

We hereby certify that the prospectus delivery requirements, if any, of the Securities Act of 1933, as amended, have been satisfied and that the above-named beneficial owner of the Notes or Common Stock is named as a "Selling Holder" in the Prospectus dated _____, 1996 or in supplements thereto, and that the aggregate principal amount of the Notes or shares of Common Stock transferred are (or are included in) the Notes or shares of Common Stock listed in such Prospectus opposite such owner's name.

Dated:

Very truly yours,

(Name)

By: -----
(Authorized Signature)

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR

<S>	<C>
SEC Registration Fee.....	\$23,025
Nasdaq Listing Fee.....	\$17,500*
Legal Fees and Expenses.....	\$
Accounting Fees and Expenses.....	\$
Printing and Engraving Expenses.....	\$
Miscellaneous Expenses.....	\$

Total.....	\$
	=====

</TABLE>

* Payable upon official notice of the first conversion.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Sections 55-8-50 through 55-8-58 of the North Carolina Business Corporation Act permit a corporation to indemnify its directors, officers, employees or agents under either or both a statutory or non-statutory scheme of indemnification. Under the statutory scheme, a corporation may, with certain exceptions, indemnify a director, officer, employee or agent of the corporation who was, is, or is threatened to be made, a party to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative, or investigative, because of the fact that such person was a director, officer, agent or employee of the corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. This indemnity may include the obligation to pay any judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) and reasonable expenses incurred in connection with the proceeding (including counsel fees), but no such indemnification may be granted unless such director, officer, agent or employee (i) conducted himself in good faith, (ii) reasonably believed (1) that any action taken in his official capacity with the corporation was in the best interest of the corporation or (2) that in all other cases his conduct at least was not opposed to the corporation's best interest, and (iii) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. Whether a director has met the requisite standard of conduct for the type of indemnification set forth above is determined by the board of directors, a committee of directors, special legal counsel or the shareholders in accordance with Section 55-8-55. A corporation may not indemnify a director under the statutory scheme in connection with the proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation or in connection with the proceeding in which a director was adjudged liable on the basis of having received an improper personal benefit.

In addition to, and separate and apart from the indemnification described above under the statutory scheme, Section 55-8-57 of the North Carolina Business Corporation Act permits a corporation to indemnify or agree to indemnify any of its directors, officers, employees or agents against liability and expenses (including attorneys fees) in any proceeding (including proceedings brought by or on behalf of the corporation) arising out of their status as such or their activities in such capacities, except for any liabilities or expenses incurred on account of activities that were, at the time taken, known or believed by the person to be clearly in conflict with the best interests of the corporation. The Company's bylaws provide for indemnification to the fullest extent permitted under the North Carolina Business Corporation Act, provided, however, that the Company will indemnify any person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the

II-1

Board of Directors of the Company. Accordingly, the Company may indemnify its directors, officers, and employees in accordance with either the statutory or

non-statutory standard.

Sections 55-8-52 and 55-8-56 of the North Carolina Business Corporation Act require a corporation, unless its articles of incorporation provide otherwise, to indemnify a director or officer who has been wholly successful, on the merits or otherwise, in the defense of any proceeding to which such director or officer was a party. Unless prohibited by the articles of incorporation, a director or officer also may make application and obtain court-ordered indemnification if the court determines that such director or officer is fairly and reasonably entitled to such indemnification as provided in Sections 55-8-54 and 55-8-56.

Finally, Section 55-8-57 of the North Carolina Business Corporation Act provides that a corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the corporation against certain liabilities incurred by such persons, whether or not the corporation is otherwise authorized by the North Carolina Business Corporation Act to indemnify such party. The Company's directors and officers are currently covered under directors' and officers' insurance policies maintained by the Company.

As permitted by North Carolina law, Article XI of the Company's Articles of Incorporation limits the personal liability of directors for monetary damages for breaches of duty as a director provided that such limitation will not apply to (i) acts or omissions that the director at the time of the breach knew or believed were clearly in conflict with the best interests of the Company, (ii) any liability for unlawful distributions under N.C. Gen. Stat. Section 55-8-33, (iii) any transaction from which the director derived an improper personal benefit or (iv) acts or omissions occurring prior to the date the provision became effective.

II-2

45

ITEM 16. EXHIBITS

The following documents (unless indicated) are filed herewith and made a part of this Registration Statement.

<TABLE>
<CAPTION>
EXHIBIT

NO.	DESCRIPTION
<C>	<S>
4.01(1)	Specimen Common Stock Certificate
4.02	Amended and Restated Articles of Incorporation
4.03(2)	Amended and Restated Bylaws
4.04(3)	Indenture, dated as of May 17, 1996, between the Company and Marine Midland Bank, as Trustee, with respect to the Company's 4.25% Convertible Subordinated Notes due May 31, 2000
4.05	Form of the Company's 4.25% Convertible Subordinated Notes in Unrestricted Global Form
4.06	Form of the Company's 4.25% Convertible Subordinated Notes in Certificated Form
5.01	Opinion of Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P.
12.01	Computation of Ratio of Earnings to Fixed Charges*
23.01	Consent of Ernst & Young, LLP
23.02	Consent of Coopers & Lybrand L.L.P.
23.03	Consent of KPMG
23.04	Consent of Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P. (included in Exhibit 5.01 hereto)
24.01	Powers of Attorney (see Page II-6)
25.01	Statement of Eligibility of Trustee
99.01(3)	Registration Rights Agreement, dated as of May 17, 1996, by and among the Company, Goldman Sachs International and Smith Barney Inc.

</TABLE>

* To be provided by amendment.

- (1) Exhibit to the Company's Registration Statement on Form S-1 as filed with the Securities and Exchange Commission (Registration No. 33-75766) effective April 20, 1994 and incorporated herein by reference.
- (2) Exhibit to the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission on April 26, 1996 and incorporated herein by reference.
- (3) Exhibit to the Company's Quarterly Report on Form 10-Q as filed with the Securities and Exchange Commission on August 15, 1996 and incorporated herein by reference.

II-3

46

ITEM 17. UNDERTAKINGS

The undersigned registrant hereby undertakes:

(1) To file during, any period in which offers and sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of the prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (1)(i) and (1)(ii) of this section do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities and Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the

Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

II-4

47

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Durham, State of North Carolina, on December 30, 1996.

QUINTILES TRANSNATIONAL CORP.

By: /s/ RACHEL R. SELISKER

Rachel R. Selisker
Chief Financial Officer and
Vice President Finance

II-5

48

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Dennis B. Gillings and Rachel R. Selisker and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, with full powers of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons as of December 30, 1996 in the capacities indicated.

<TABLE>
<CAPTION>

SIGNATURE

TITLE

<C>

/s/ DENNIS B. GILLINGS

Dennis B. Gillings

/s/ SANTO J. COSTA

Santo J. Costa

/s/ RACHEL R. SELISKER

Rachel R. Selisker

/s/ SARA B. CREAGH

Sara B. Creagh

/s/ WILLIAM A. SOLLECITO

William A. Sollecito

/s/ LUDO J. REYNDERS

Ludo J. Reynders

/s/ ERIC J. SOUETRE

Eric J. Souetre

/s/ RICHARD H. THOMPSON

Richard H. Thompson

/s/ CHESTER W. DOUGLASS

Chester W. Douglass

/s/ JOHN G. FRYER

John G. Fryer

/s/ ARTHUR M. PAPPAS

Arthur M. Pappas

/s/ ROBERT C. BISHOP

Robert C. Bishop

Lawrence Lewin

*By: /s/ RACHEL R. SELISKER

Rachel R. Selisker as Attorney-in-Fact

</TABLE>

<S>

Chairman of the Board of Directors, President and Chief Executive Officer

President, Chief Operating Officer and Director

Chief Financial Officer, Vice President Finance, Treasurer and Director (Principal Accounting and Financial Officer)

Director

Director

Director

Director

Director

Director

Director

Director

Director

Director

By: /s/ DENNIS B. GILLINGS

Dennis B. Gillings as Attorney-in-Fact

II-6

49

INDEX TO EXHIBITS

<TABLE>
<CAPTION>
EXHIBIT

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23.03	Consent of KPMG
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25.01	Statement of Eligibility of Trustee
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- (3) Exhibit to the Company's Quarterly Report on Form 10-Q as filed with the Securities and Exchange Commission on August 15, 1996 and incorporated herein by reference.

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
QUINTILES TRANSNATIONAL, CORP.

ARTICLE I

The name of the Corporation is QUINTILES TRANSNATIONAL, CORP.

ARTICLE II

The period of duration of the Corporation is perpetual.

ARTICLE III

The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under Chapter 55 of the General Statutes of North Carolina.

ARTICLE IV

Section 4.1. Total Number of Shares of Stock. The total number of shares of capital stock of all classes that the Corporation shall have the authority to issue is 75,000,000 shares. The authorized capital stock is divided into 25,000,000 shares of preferred stock, having \$.01 par value (the "Preferred Stock"), and 50,000,000 shares of common stock, having \$.01 par value (the "Common Stock").

Section 4.2. Preferred Stock. (a) The shares of Preferred Stock of the Corporation may be issued from time to time in one or more classes or series, the shares of each class or series to have such voting powers, full or limited, or no voting powers, and such designations, preferences and rights (or qualifications, limitations or restrictions thereof) as are stated in the

2

resolution or resolutions providing for the issue of such class or series adopted by the Board of Directors as provided in Section 4.2(b).

(b) Authority is granted to the Board of Directors of the Corporation, subject to the provisions of this Article IV and to the limitations prescribed by the North Carolina Business Corporation Act, to authorize the issuance of one or more classes, or series within a class, of Preferred Stock and with respect to each such class or series to fix by resolution or resolutions the voting powers, full or limited, if any, of the shares of such class or series and the designations, preferences and rights (or qualifications, limitations or restrictions thereof).

Section 4.3. Common Stock. The shares of Common Stock of the Corporation shall be one and the same class. Subject to the rights of the Preferred Stock provided for by resolution or resolutions of the Board of Directors pursuant to this Article IV or by the North Carolina Business Corporation Act, the holders of shares of Common Stock shall have one vote per share on all matters on which holders of shares of Common Stock are entitled to vote. The holders of shares of Common Stock shall receive the net assets of the Corporation upon dissolution.

ARTICLE V

The shareholders of the Corporation shall have no right to cumulate their votes for the election of directors.

2

3

ARTICLE VI

The shareholders of the Corporation shall have no preemptive right to acquire additional shares of the Corporation.

ARTICLE VII

The address of the current registered office of the Corporation in the State of North Carolina is 1007 Slater Road, Morrisville, Wake County, North Carolina, and the name of its current registered agent at such address is Dennis B. Gillings, Ph.D.

ARTICLE VIII

Section 8.1. Number of Directors. The number of directors constituting the Board of Directors shall be not less than nine (9) nor more than fifteen (15), as specified in the Corporation's Bylaws. The number of directors constituting the Board of Directors following the effectiveness of these Amended and Restated Articles of Incorporation shall be nine (9), divided into three classes as described in Section 8.2.

Section 8.2. Classified Board of Directors. The Board of Directors shall be divided into three (3) classes, Class I, Class II, and Class III, which shall be as nearly equal in number as possible. The term of office of each Director in Class I shall expire at the first annual meeting of shareholders of the Corporation following the effectiveness of these Amended and Restated Articles of Incorporation. The term of office of each Director in Class II shall expire at the second annual meeting of shareholders of the Corporation following the effectiveness of

3

these Amended and Restated Articles of Incorporation. The term of office of each Director in Class III shall expire at the third annual meeting of shareholders of the Corporation following the effectiveness of these Amended and Restated Articles of Incorporation. Each Director shall serve until the election and qualification of a successor or until such Director's earlier resignation, death, or removal from office. Upon the expiration of the term of office for each class of Directors, the Directors of such class shall be elected for a term of three (3) years, to serve until the election and the qualification of their successors or until their earlier resignation, death, or removal from office.

Section 8.3. Directors. The names and classes of those persons who are to serve as the Directors of the Corporation following the effectiveness of these Amended and Restated Articles of Incorporation are set forth below. The address for each such director is 1007 Slater Road, Morrisville, North Carolina 27560.

CLASS I

S. Epes Robinson
 Vacancy to be filled by Board of Directors
 Vacancy to be filled by Board of Directors

CLASS II

David H. Smith, M.D.
 Paul A. Stark, Ph.D.
 John G. Fryer, Ph.D.

CLASS III

Richard H. Thompson
 Chester W. Douglass, Ph.D.
 Dennis B. Gillings, Ph.D.

Section 8.4. Removal of Directors. Any Director, or the entire Board of Directors, may be removed from office at any time, with or without cause, but only by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the shares of capital stock of the Corporation then entitled to vote generally in the election of Directors. If a Director was elected by the holders of the class or series of capital stock, or of a group of such classes or series, only members of that

voting group may participate in the vote to remove him.

Section 8.5. Vacancies. Any vacancy occurring in the Board of Directors, including, without limitation, a vacancy resulting from an increase in the number of Directors or from the failure by the shareholders to elect the full authorized number of Directors, shall be filled only by the Board of Directors or, if the Directors remaining in office constitute fewer than quorum of the Board, by the affirmative vote of a majority of the remaining Directors or by the sole remaining Director. If the vacant office was held by a Director elected by holders of one class or series of capital stock, or of a group of such classes or series, only the remaining Director or Directors elected by that voting group are entitled to fill the vacancy.

Section 8.6. Factors to be Considered by the Directors. In connection with the exercise of its or his judgement in determining what is in the best interests of the Corporation and its shareholders, the Board of Directors of the Corporation, any

committee of the Board of Directors, or any individual director may, but shall not be required to, in addition to considering the long-term and short-term interests of the shareholders, consider any of the following factors and any other factors and any other factors which it or he deems relevant: (i) the social and economic effects of the matter to be considered on the Corporation and its subsidiaries, its and their employees, clients, and creditors, and the communities in which the Corporation and its subsidiaries operate or are located; and (ii) when evaluating a business combination or a proposal by another Person or Persons to make a business combination or a tender or exchange offer or any other proposal relating to a potential change of control of the Corporation (x) the business and financial condition and earnings prospects of the acquiring Person or Persons, including, but not limited to, debt service and other existing financial obligations, financial obligations to be incurred in connection with the acquisition, and other likely financial obligations of the acquiring Person or Persons, and the possible effect of such conditions upon the Corporation and its subsidiaries and the communities in which the Corporation and its subsidiaries operate or are located, (y) the competence, experience, and integrity of the acquiring Person or Persons and its or their management, and (z) the prospects for successful conclusion of the business combination, offer or proposal. The provisions of this Section shall be deemed solely to grant discretionary authority to the directors and shall not be deemed to provide to any constituency the right to be considered. As used in

7

this Section, the term "Person" means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity; when two or more Persons act as a partnership, limited partnership, syndicate, or other group acting in concert for the purpose of acquiring, holding, voting or disposing of securities of the Corporation, such partnership, limited partnership, syndicate or group shall also be deemed a "Person" for purposes of this Section.

ARTICLE IX

Section 9.1. Approval of Business Combinations. With regard to any Business Combination (as defined in Section 9.5(b)) between the Corporation and any other corporation, person, or other entity, excluding its Subsidiaries (as defined in Section 9.5(g)) except as provided in section 9.5(b), such Business Combination must be approved only as follows unless otherwise more restrictively required by applicable North Carolina law:

(a) The Business Combination must be approved by resolution adopted by affirmative vote of a majority of a quorum of the Board of Directors;

(b) In addition to the Board approval specified in section 9.1(a), the Business Combination must receive one of the following levels of shareholder approval:

(1) To the extent a shareholder's vote is required by law, at a special or annual meeting of shareholders by an affirmative vote of the shareholders holding at least a majority of the shares of capital stock of the Corporation issued and

7

8

outstanding and entitled to vote thereon if such Business Combination has received the prior approval by resolution adopted by an affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the full Board of Directors before such Business Combination is submitted for approval to the shareholders; or

(2) At a special or annual meeting of shareholders by an affirmative vote of the shareholders holding at least sixty-six and two-thirds percent (66-2/3%) of the shares of capital stock of the Corporation issued and outstanding and entitled to vote thereon if such Business Combination has received the prior approval by resolution adopted by an affirmative vote of a majority of a quorum (but less than sixty-six and two-thirds percent (66-2/3%)) of the Board of Directors; and

(c) If the Business Combination is to be approved pursuant to Section 9.1(b)(2), the Business Combination as approved must grant to shareholders not voting to approve the Business Combination the rights set forth in Section 9.2.

Section 9.2. Fair Price. When any Business Combination above is approved pursuant Section 9.1(b)(2), any shareholder not voting to approve the Business Combination may elect to sell his shares for cash to the Corporation at their "Fair Price" (as defined in Section 9.5(f)), upon so notifying the Corporation in writing within twenty (20) days after receiving written notification of his rights hereunder and that the Business Combination was approved by the Corporation's shareholders. The Corporation shall have ten (10) days after receipt of the

8

9

shareholder's tender of shares to make payment in cash. Tender of shares may be made simultaneously with, or after, the shareholder's written notification that he is electing to be paid the Fair Price of his shares. The Business Combination shall not be consummated until all shareholders electing to sell their shares for cash to the Corporation at their Fair Price pursuant to this Article IX have been paid in full by the Corporation.

Section 9.3 Certain Restrictions on Business Combinations. Notwithstanding any other provision of this Article IX, prior to the consummation of any Business Combination between the Corporation and a Control Person (as defined in Section 9.5(c)):

(a) such Control Person shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges or other financial assistance tax credits provided by the Corporation; and

(b) there shall have been no increase or reduction in the annual rate of dividends paid on the Corporation's common stock after the Control Person became such (except as necessary to reflect any subdivision of the common stock), unless such increase or reduction has been approved by a majority of Disinterested Directors (as defined in Section 9.5(e)).

Section 9.4. Amendments to Articles of Incorporation. Amendments to these Articles of Incorporation shall be adopted only upon receiving the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of all the shares of capital stock of the Corporation issued and outstanding and

9

10

entitled to vote thereon; provided, however, that if such amendment shall have

received prior approval by resolution adopted by an affirmative vote of a majority of Disinterested Directors, then the affirmative vote of the holders of at least a majority of all the shares of capital stock of the Corporation issued and outstanding and entitled to vote, or such greater percentage approval as required by North Carolina law, shall be sufficient to amend these Articles of Incorporation.

Section 9.5. Definitions. As used in this Article IX, the following terms shall have the following meanings:

(a) "Affiliate," as used in defining "Control Person," shall mean a corporation, person, group, or other entity that directly or indirectly controls, is controlled by, or is under common control with the Control Person.

(b) "Business Combination" shall mean (i) any merger or consolidation of the Corporation into any other corporation, person, group or other entity where the Corporation is not the surviving or resulting entity; (ii) any merger or consolidation of the Corporation with or into any Control Person or with any corporation, person, group or other entity where the merger or consolidation is proposed by or on behalf of a Control Person; (iii) any sale, lease, exchange, transfer, hypothecation or other disposition of all or substantially all of the assets of the Corporation; (iv) any sale, lease, exchange, transfer, hypothecation or other disposition of a Substantial Part (as defined in Section 9.5(h)) of the assets of the Corporation to a

10

11

Control Person, whether in a single transaction or in related transactions; (v) the issuance of any securities of the Corporation to a Control Person; (vi) the acquisition by the Corporation of any securities of a Control Person unless such acquisition commences prior to the person becoming a Control Person or is an attempt to prevent the Control Person from obtaining greater control of the Corporation; (vii) the acquisition by the Corporation of all or substantially all of the assets of any Control Person or any corporation, person, group or other entity where the acquisition is proposed by or on behalf of a Control Person; (viii) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation which is proposed by or on behalf of a Control Person; (ix) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation which is beneficially owned or controlled by a Control Person; (x) any of the transactions described in this definition of Business Combination which are between the Corporation and any of its Subsidiaries and which are proposed by or on behalf of any Control Person; or (xi) any agreement, plan, contract or other arrangement providing for any of the transactions described in this definition of Business Combination.

(c) "Control Person" shall mean and include any corporation, person,

12

prior to a Business Combination beneficially owns (as the term is defined by federal securities law) ten percent (10%) or more of the shares of any class of equity or convertible securities of the Corporation, and any Affiliate of any such corporation, person, group or other entity; provided, however, any corporation, person, group or other entity which, together with its Affiliates, prior to January 1, 1994 beneficially owned (as the term is defined by federal securities law) ten percent (10%) or more of the shares of any class of equity or convertible securities of the Corporation, and any Affiliate of any such corporation, person, group or other entity shall not be considered to be a Control Person for the purposes hereof.

(d) "Corporation shall mean Quintiles Transnational, Corp. and its Subsidiaries, or any one of them, and their successors.

(e) "Disinterested Director" shall mean any member of the Board of Directors of the Corporation who is unaffiliated with, and not a nominee of, a Control Person and was a member of the Board of Directors prior to the time a Control Person became such, and any successor of a Disinterested Director who is unaffiliated with, and not a nominee of, a Control Person and who is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board of Directors.

(f) "Fair Price" shall mean the highest of the following: (i) the highest price per share paid for the Corporation's shares during the four years immediately preceding the Section 9.1(b)(2) vote of shareholders by any shareholder who, at the time of the

12

13

Section 9.1 (b) (2) shareholder vote, beneficially owned five percent (5%) or more of the Corporation's common stock and who, in whole or in part, votes in favor of the Business Combination; (ii) the cash value of the highest price per share previously offered pursuant to a tender offer to the shareholders of the Corporation within the four years immediately preceding the Section 9.1(b)(2) shareholder vote; and (iii) the highest price per share (including brokerage commissions, soliciting dealers' fees and dealer-management compensation) paid by a Control Person in acquiring any of its holdings of the Corporation's common stock.

(g) "Subsidiaries" shall mean any entity in which the Corporation owns, directly or indirectly, a majority of the voting interests.

(h) "Substantial Part" shall mean more than ten percent (10%) of the total assets of the Corporation, as of the end of the Corporation's most recent fiscal year prior to the time the determination is being made.

ARTICLE X

The Board of Directors shall have the power to adopt, amend, alter, change, and repeal the Bylaws of the Corporation. In addition to any requirements of the Bylaws and the North Carolina Business Corporation Act as in effect from time to time (and notwithstanding the fact that a lesser percentage may be specified by the Bylaws or the North Carolina Business Corporation Act), the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all the shares

13

14

of capital stock of the Corporation then entitled to vote generally in the election of directors, voting together as a single class, shall be required for the shareholders of the Corporation to adopt, amend, alter, change, or repeal the Bylaws of the Corporation.

ARTICLE XI

Except to the extent that the North Carolina General Statutes prohibit such limitation or elimination of liability of directors for breaches of duty, no director of the Corporation shall have any personal liability arising out of an action whether by or in the right of the Corporation or otherwise for monetary damages for breach of any duty as a director. No amendment to or repeal of this article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. The provisions of this article shall not be deemed to limit or preclude indemnification of a director by the Corporation for any liability that has not been eliminated by the provisions of this article.

ARTICLE XII

Section 12.1. Opt-Out of North Carolina Shareholder Protection Act. The provisions of the North Carolina Shareholder Protection Act, as amended from time to time, shall not be applicable to the Corporation.

Section 13.2. Opt-Out of North Carolina Control Share Acquisition Act. The provisions of the North Carolina Control

14

Share Acquisition Act, as amended from time to time, shall not be applicable to the Corporation.

ARTICLES OF AMENDMENT
OF
QUINTILES TRANSNATIONAL, CORP.

The undersigned corporation hereby submits these Articles of Amendment for the purpose of amending its Amended and Restated Articles of Incorporation:

- 1. The name of the corporation is Quintiles Transnational, Corp.
- 2. The Amended and Restated Articles of Incorporation of the corporation are hereby amended as follows:

Article I is hereby amended so that the name of the corporation is QUINTILES TRANSNATIONAL CORP.

- 3. The foregoing amendment was adopted on November 3, 1994 by the corporation's board of directors without shareholder action, which was not required because N.C. Gen. Stat. Section 55-10-02 permits a corporation's board of directors to make minor changes to the corporation's name.

This is the 7th day of March, 1995.

QUINTILES TRANSNATIONAL, CORP.

By: /s/ Santo J. Costa

Santo J. Costa
President

State of North Carolina
Department of the Secretary of State

ARTICLES OF AMENDMENT
OF THE

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
QUINTILES TRANSNATIONAL CORP.

Pursuant to Section 55-10-06 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Amendment for the purpose of amending its Amended and Restated Articles of Incorporation.

I. The name of the corporation is Quintiles Transnational Corp.

II. The text of the amendment adopted is as follows:

"Article IV, Section 4.1 of the Amended and Restated Articles of Incorporation of Quintiles Transnational Corp. should be amended and restated to read in full as follows:

Section 4.1. Total Number of Shares of Stock. The total number of shares of capital stock of all classes that the Corporation shall have the authority to issue is 225,000,000 shares. The authorized capital stock is divided into 25,000,000 shares of preferred stock, having \$.01 par value (the "Preferred Stock"), and 200,000,000 shares of common stock, having \$.01 par value (the "Common Stock")."

III. The foregoing amendment was adopted on the 24th day of October, 1996, by the board of directors of the corporation, and approved by the shareholders of the corporation at a special meeting held on November 26, 1996, as required by Section 55-10-03 of the General Statutes of North Carolina.

IV. These articles shall be effective upon filing.

IN WITNESS WHEREOF, the corporation has caused this instrument to be duly executed as of the 9th day of December, 1996.

QUINTILES TRANSNATIONAL CORP.

By: /s/ Gregory D. Porter

Gregory D. Porter

Vice President, General Counsel

[FACE OF SECURITY]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY, WHICH MAY BE TREATED BY THE COMPANY, THE TRUSTEE AND ANY AGENT THEREOF AS OWNER AND HOLDER OF THIS SECURITY FOR ALL PURPOSES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR REGISTERED SECURITIES IN DEFINITIVE REGISTERED FORM IN THE LIMITED CIRCUMSTANCES REFERRED TO IN THE INDENTURE, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

QUINTILES TRANSNATIONAL CORP.

4.25% CONVERTIBLE SUBORDINATED NOTE
DUE MAY 31, 2000

No. _____

U.S.\$0

CUSIP NO. _____

QUINTILES TRANSNATIONAL CORP., a corporation duly organized and existing under the laws of the State of North Carolina (herein called the "Company", which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of zero United States Dollars (U.S.\$0) (which

principal amount may from time to time be increased or decreased to such other principal amounts (which, taken together with the principal amounts of all

other Outstanding Securities, shall not exceed \$143,750,000 in the aggregate at any time) by adjustments made on the records of the Trustee hereinafter referred to in accordance with the Indenture) on May 31, 2000 and to pay interest thereon, from May 23, 1996, or from the most recent Interest Payment Date (as defined below) to which interest has been paid or duly provided for, semi-annually in arrears on May 31 and November 30 in each year (each, an "Interest Payment Date"), commencing November 30, 1996, at the rate of 4.25% per annum, until the principal hereof is due, and at the rate of 4.25% per annum on any overdue principal and premium, if any, and, to the extent permitted by law, on any overdue interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Company, notice whereof shall be given to Holders of Registered Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. Payments of principal shall be made upon the surrender of this Security at the option of the Holder at the Corporate Trust Office of the Trustee, or at such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, or at such other offices or agencies as the Company may designate, by United States Dollar check drawn on, or transfer to, a United States Dollar account (such a transfer to be made only to a Holder of an aggregate principal amount of Registered Securities in excess of U.S. \$2,000,000, and only if such Holder shall have furnished wire instructions in writing to the Trustee no later than 15 days prior to the relevant payment date) maintained by the payee with a bank in the Borough of Manhattan, The City of New York. Payment of interest on this Security may be made by United States Dollar check drawn on a bank in the Borough of Manhattan, The City of New York mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, or, upon written application by the Holder to the Security Registrar setting forth wire instructions not later than the relevant Record Date, by transfer to a United States Dollar account (such a transfer to

be made only to a Holder of an aggregate principal amount of Registered Securities in excess of U.S.\$2,000,000 and only if such Holder shall have furnished wire instructions in writing to the Trustee no later than 15 days prior to the relevant payment date) maintained by the payee with a bank in the Borough of Manhattan, The City of New York.

The Company will pay to the Holder of this Security who is a United States Alien (as defined below) such additional amounts ("Additional Amounts") as may be necessary in order that every net payment of the principal of, premium, if any, and interest on this Security (including payment on redemption or repurchase (including any payment of the Repurchase Price), after deduction or withholding for or on account of any present or future tax, assessment or governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in this Security to be then due and payable; provided, however, that the Company shall not be obligated to pay any Additional Amounts in respect of payments becoming due on the Securities more than 15 days after the Redemption Date with respect to any redemption of Tax Affected Securities pursuant to the third paragraph of the reverse of this Security, except to the extent that the Company's obligation to pay such Additional Amounts does not arise from the Tax Law Change that resulted in such redemption; and provided further, that the foregoing obligation to pay Additional Amounts will not apply to:

(a) any tax, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member, shareholder of or possessor of a power over such Holder, if such Holder is an estate, a trust, a partnership or a corporation) and the United States or any political subdivision or taxing authority thereof or therein, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident of the United States or treated as a resident thereof, or being or having been engaged in trade or business or present therein, or having or having had a permanent establishment therein, or (ii) such Holder's present or former status as a personal holding company, a foreign personal holding company with respect to the United States, or a foreign private foundation or foreign tax exempt entity for United States tax purposes, or a corporation which accumulates earnings to avoid United States Federal income tax;

(b) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by the Holder of this Security for payment on a date more than 15 days after the date on which such payment

became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(c) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or governmental charge;

(d) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of this Security, if compliance is required by statute or by regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(e) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium, if any, or interest on this Security;

(f) any tax, assessment or other governmental charge imposed as a result of a Holder that actually or constructively owns 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote or that is a controlled foreign corporation related to the Company through stock ownership;

(g) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment of the principal of, premium, if any, or interest on this Security, if such payment can be made without such withholding by any other Paying Agent in Western Europe;

(h) any tax, assessment or other governmental charge imposed on a Holder that is a partnership or a fiduciary or other than the sole beneficial owner of such payment, but only to the extent that any beneficial owner or member of the partnership or beneficiary or settlor with respect to the fiduciary would not have been entitled to the payment of Additional Amounts had the beneficial owner, member, beneficiary or; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h).

For purposes of this Security, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction

and a "United States Alien" is any person who, for United States federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign

-4-

5

estate or trust, or a foreign partnership one or more of the members of which is for United States federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

Except as specifically provided herein and in the Indenture, the Company shall not be required to make any payment with respect to any tax, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein. Whenever in this Security there is a reference, in any context, to the payment of the principal of, premium, if any, or interest on, or in respect of, any Security such mention shall be deemed to include mention of the payment of Additional Amounts payable as described in the second preceding paragraph to the extent that, in such context, Additional Amounts are, were or would be payable in respect of this Security pursuant to such paragraph and express mention of the payment of Additional Amounts (if applicable) in any provisions of this Security shall not be construed as excluding Additional Amounts in those provisions of this Security where such express mention is not made.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof or an Authenticating Agent by the manual signature of one of their respective authorized signatories, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

-5-

6

IN WITNESS WHEREOF, the Company has caused this Security to be duly executed under its corporate seal.

Dated: _____, 1996

QUINTILES TRANSNATIONAL CORP.

[Corporate Seal]

By: _____

Name:

Title:

Attest:

Name:

Title:

This is one of the Securities referred to in the within-mentioned Indenture.

Dated: _____, 1996

MARINE MIDLAND BANK,
as Trustee

By: _____
Authorized Signatory

-6-

7

[REVERSE OF SECURITY]

This Security is one of a duly authorized issue of securities of the Company designated as its "4.25% Convertible Subordinated Notes due May 31, 2000" (herein called the "Securities"), limited in aggregate principal amount to U.S.\$143,750,000, issued and to be issued under an Indenture, dated as of May 17, 1996 (herein called the "Indenture"), between the Company and Marine Midland Bank, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, the holders of Senior Indebtedness and the Holders of the Securities and any coupons appertaining thereto and of the terms upon which the Securities are, and are to be, authenticated and delivered. The Securities

are issuable as Bearer Securities, with interest coupons attached, in the denomination of U.S.\$5,000, and as Registered Securities, without coupons, in denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Registered Securities are exchangeable for a like aggregate principal amount of Registered Securities of any authorized denominations as requested by the Holder surrendering the same upon surrender of the Registered Security or Registered Securities to be exchanged, at the Corporate Trust Office of the Trustee or at such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York or at such other offices or agencies as the Company may designate (each a "Transfer Agent"). The Transfer Agent (if other than the Trustee) will then forward such surrendered Registered Securities (together with any payment surrendered therewith) to the Trustee. The Trustee upon such surrender by the Holder or receipt from the Transfer Agent will issue the new Registered Securities in the requested denominations. Bearer Securities may not be issued in exchange for Registered Securities.

No sinking fund is provided for the Securities. The Securities are subject to redemption at the option of the Company on or after the close of business on May 31, 1999, in whole or in part, upon not less than 30 nor more than 60 days' notice to the Holders prior to the Redemption Date at a Redemption Price equal to 101.0625% of the principal amount if redeemed on or prior to May 31, 2000 (the final Stated Maturity of the Securities), together with accrued interest to the Redemption Date, and certain Securities held by United States Aliens are also redeemable, in whole but not in part, under the circumstances described in the next succeeding paragraph, at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the Redemption Date; provided, however, that interest installments on Registered Securities whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more

-7-

8

Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.

If as a result of a Tax Law Change, the Company has or will become obligated to pay to the Holder of any Security or coupon Additional Amounts, as described in the second paragraph of the face of this Security, and such obligation cannot be avoided by the Company taking reasonable measures available to it, then the Company may, at its option, redeem the Tax Affected Securities as a whole, but not in part, upon not less than 30 nor more than 60 days' notice to the Holders prior to the Redemption Date, at a Redemption Price equal to 100% of the principal amount plus interest accrued to the Redemption

Date, and any Additional Amounts then payable; provided, that (i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay any such Additional Amounts were a payment in respect of the Tax Affected Securities then due and (ii) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect; provided further, however, that such redemption by the Company shall apply only to a Registered Security (or any portion of a Registered Security that is a Global Security) the Holder of which within 30 days of the publication of such notice of redemption provides a written statement from or on behalf of the beneficial owner of such Registered Security (or such portion, in the case of a Registered Security that is a Global Security) to the Trustee or any Paying Agent to the effect that such beneficial owner is entitled or will be entitled to receive Additional Amounts. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee (a) an Officers' Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred and (b) an Opinion of Counsel selected by the Company to the effect that the Company has or will become obligated to pay such Additional Amounts as a result of such Tax Law Change. The Company's right to redeem the Tax Affected Securities shall continue as long as the Company is obligated to pay such Additional Amounts, notwithstanding that the Company shall have made payments of Additional Amounts specified in such second paragraph.

In the event of a redemption of less than all of the Securities (other than a redemption that by its terms is applicable solely to Bearer Securities), the Company will not be required (a) to register the transfer or exchange of Registered Securities or to exchange Bearer Securities for Registered Securities for a period of 15 days immediately preceding the date notice is given identifying the serial numbers of the Securities called for such redemption, (b) to register the transfer or exchange of any Registered Security, or portion thereof, called for redemption, or (c) to exchange any Bearer Security called for redemption; provided, however, that a Bearer Security called for redemption may be exchanged for a Registered Security which is simultane-

-8-

9

ously surrendered to the Registrar or Transfer Agent making such exchange with written instructions for conversion consistent with the provisions described in Sections 2.5 and 12.2 of the Indenture.

Notice of redemption will be given by publication in Authorized Newspapers in the City of London, England, and, so long as the

Securities are listed on the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, in Luxembourg, or, if not practicable in either London, England, or Luxembourg, elsewhere in a Western European city, and by mail to Holders of Registered Securities. Notice to the Holders will be given not less than 30 nor more than 60 days prior to the Redemption Date as provided in the Indenture.

In any case where the due date for the payment of the principal of, premium, if any, or interest, including Additional Amounts and Bearer Additional Amounts, on any Security or the last day on which a Holder of a Security has a right to convert his Security shall be, at any Place of Payment or Place of Conversion, as the case may be, a day on which banking institutions at such Place of Payment or Place of Conversion are authorized or obligated by law or executive order to close, then payment of principal, premium, if any, or interest, including Additional Amounts and Bearer Additional Amounts, or delivery for conversion of such Security need not be made on or by such date at such place but may be made on or by the next succeeding day at such place which is not a day on which banking institutions are authorized or obligated by law or executive order to close, with the same force and effect as if made on the date for such payment or the date fixed for redemption or repurchase, or by such last day for conversion, and no interest shall accrue on the amount so payable for the period after such date.

Subject to and upon compliance with the provisions of the Indenture, the Holder of this Security is entitled, at his option, at any time on or after August 21, 1996, and on or before the close of business on May 31, 2000, or in case this Security or a portion hereof is called for redemption or the Holder hereof has exercised his right to require the Company to repurchase this Security or such portion hereof, then in respect of this Security until and including, but (unless the Company defaults in making the payment due upon redemption or repurchase, as the case may be) not after, the close of business on the Redemption Date or the Repurchase Date, as the case may be, to convert this Security (or any portion of the principal amount hereof that is an integral multiple of U.S.\$1,000, provided that the unconverted portion of such principal amount is U.S.\$1,000 or any integral multiple of U.S.\$1,000 in excess thereof) into fully paid and nonassessable shares of Common Stock of the Company at an initial Conversion Rate of 12.0846 for each share of Common Stock (or at the current adjusted Conversion Rate if an adjustment has been made as provided in the Indenture) by surrender of this Security, duly endorsed or assigned to the Company or in blank and, in case such surrender shall be made during

the period from the close of business on any Regular Record Date next preceding

any Interest Payment Date to the opening of business on such Interest Payment Date (except if this Security has been called for redemption on a Redemption Date or is repurchasable on a Repurchase Date occurring, in either case, during such period and is surrendered for such conversion during such period), also accompanied by payment in New York Clearing House or other funds acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Security then being converted (or, if this Security was issued in exchange for a Bearer Security after the close of business on such Regular Record Date, by surrender of one or more coupons relating to such Interest Payment Date or by both payment in such funds and surrender of such coupon or coupons, in either case, in an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Security then being converted; provided that coupons may be so surrendered only at an office or agency outside the United States designated pursuant to the Indenture), and also the conversion notice hereon duly executed, to the Company at the Corporate Trust Office of the Trustee, or at such other office or agency of the Company, subject to any laws or regulations applicable thereto and subject to the right of the Company to terminate the appointment of any Conversion Agent (as defined below) as may be designated by it for such purpose in the Borough of Manhattan, The City of New York, or at such other offices or agencies as the Company may designate (each a "Conversion Agent"), provided further, that if this Security or portion hereof has been called for redemption on a Redemption Date or is repurchasable on a Repurchase Date occurring, in either case, during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such succeeding Interest Payment Date and is surrendered for conversion during such period, then the Holder of this Security who converts this Security or a portion hereof during such period will be entitled to receive the interest accruing hereon from the Interest Payment Date next preceding the date of such conversion to such succeeding Interest Payment Date and shall not be required to pay such interest upon surrender of this Security for conversion. Subject to the provisions of the preceding sentence and, in the case of a conversion after the close of business on the Regular Record Date next preceding any Interest Payment Date and or before the close of business on such Interest Payment Date, to the right of the Holder of this Security (or any Predecessor Security of record as of such Regular Record Date) to receive the related installment of interest to the extent and under the circumstances provided in the Indenture, no cash payment or adjustment is to be made on conversion for interest accrued hereon from the Interest Payment Date next preceding the day of conversion, or for dividends on the Common Stock issued on conversion hereof. The Company shall thereafter deliver to the Holder the fixed number of shares of Common Stock (together with any cash adjustment, as provided in the Indenture) into which this Security is convertible and such delivery will be deemed to satisfy the Company's obligation to pay the principal amount of this Security. No fractions of shares or scrip representing fractions of shares will be issued on conversion, but

instead of any fractional interest (calculated to the nearest 1/100th of a share) the Company shall pay a cash adjustment as provided in the Indenture. The Conversion Rate is subject to adjustment as provided in the Indenture. In addition, the Indenture provides that in case of certain consolidations or mergers to which the Company is a party or the conveyance, transfer, sale or lease of all or substantially all of the property and assets of the Company, the Indenture shall be amended, without the consent of any Holders of Securities, so that this Security, if then Outstanding, will be convertible thereafter, during the period this Security shall be convertible as specified above, only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, transfer, sale or lease by a holder of the number of shares of Common Stock of the Company into which this Security could have been converted immediately prior to such consolidation, merger, conveyance, transfer, sale or lease (assuming such holder of Common Stock is not a Constituent Person, failed to exercise any rights of election and received per share the kind and amount received per share by a plurality of Non-electing Shares and further assuming, if such consolidation, merger, conveyance, transfer, sale or lease occurs prior to the later of August 21, 1996 and the receipt of Securities in definitive form (in the case of Securities initially represented by a Temporary Global Bearer Security), that the Security was convertible at the time of such occurrence at the Conversion Rate specified above as adjusted from the issue date of such Security to such time as provided in the Indenture). No adjustment in the Conversion Rate will be made until such adjustment would require an increase or decrease of at least one percent of such rate, provided that any adjustment that would otherwise be made will be carried forward and taken into account in the computation of any subsequent adjustment.

Subject to certain limitations in the Indenture, at any time when the Company is not subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, upon the request of a Holder of a Restricted Security or the holder of shares of Common Stock issued upon conversion thereof, the Company will promptly furnish or cause to be furnished Rule 144A Information (as defined below) to such Holder of Restricted Securities or such holder of shares of Common Stock issued upon conversion of Restricted Securities, or to a prospective purchaser of any such security designated by any such Holder or holder, as the case may be, to the extent required to permit compliance by such Holder or holder with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the resale of any such security. "Rule 144A Information" shall be such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

If this Security is a Registrable Security, then the Holder of this Security and the Common Stock issuable upon conversion hereof is entitled to the benefits of a Registration Rights Agreement, dated as of May 17, 1996

"Registration Rights Agreement"), executed by the Company. Pursuant to the Registration Rights Agreement, the Company has agreed for the benefit of the Holders from time to time of Registrable Securities (which term is defined to include the Common Stock issuable upon conversion of such Securities), at the Company's expense, (a) to use its best efforts to file within 90 days after the first date of original issuance of the Securities, a shelf registration statement (the "Shelf Registration Statement") with the Commission with respect to resales of the Registrable Securities, (b) thereafter to use reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as promptly as practicable, and (c) to use reasonable efforts to maintain such Shelf Registration Statement continuously effective under the Securities Act until a period of the three years from the last date of original issuance of the Securities or, if earlier, until there are no outstanding Registrable Securities.

Notwithstanding the foregoing, the Company will not be required to file a Shelf Registration Statement and will be permitted to suspend the use of the prospectus that is a part of the Shelf Registration Statement during the existence of a state of facts or the happening of an event (including without limitation pending negotiations relating to, or the consummation of, a transaction or the occurrence of any event which in the opinion of the Company might require additional disclosure of material, non-public information by the Company in the Shelf Registration Statement as to which the Company believes it has a bona fide business purpose for preserving confidentiality or which renders the Company unable to comply with the rules and regulations under the Securities Act) which in the opinion of outside counsel to the Company might reasonably result in the Shelf Registration Statement, or any amendment or post-effective amendment thereto, or the prospectus or any supplement thereto, or any document incorporated therein by reference containing an untrue statement of material fact or omitting to state a material fact.

If this Security is a Registrable Security and the Holder of this Security elects to sell this Security pursuant to the Shelf Registration Statement then, by its acceptance hereof, such Holder of this Security agrees to be bound by the terms of the Registration Rights Agreement relating to the Registrable Securities which are the subject of such election.

If a Change in Control occurs, the Holder of this Security, at the Holder's option, shall have the right, in accordance with the provisions of the Indenture, to require the Company to repurchase this Security (or any

portion of the principal amount hereof that is an integral multiple of \$1,000, provided that the portion of the principal amount of this Security to be Outstanding after such repurchase is at least equal to U.S.\$5,000) for cash at a Repurchase Price equal to 100% of the principal amount thereof plus interest accrued to the Repurchase Date. At the option of the Company, the Repurchase Price may be paid in cash or, subject

-12-

13

to the conditions provided in the Indenture, by delivery of shares of Common Stock having a fair market value equal to the Repurchase Price. For purposes of this paragraph, the fair market value of shares of Common Stock shall be determined by the Company and shall be equal to 95% of the average of the Closing Prices Per Share for the five consecutive Trading Days ending on and including the third Trading Day immediately preceding the Repurchase Date. Whenever in this Security there is a reference, in any context, to the principal of any Security as of any time, such reference shall be deemed to include reference to the Repurchase Price payable in respect of such Security to the extent that such Repurchase Price is, was or would be so payable at such time, and express mention of the Repurchase Price in any provision of this Security shall not be construed as excluding the Repurchase Price so payable in those provisions of this Security when such express mention is not made; provided, however, that, for the purposes of the third succeeding paragraph, such reference shall be deemed to include reference to the Repurchase Price only to the extent the Repurchase Price is payable in cash.

In the event of a deposit or withdrawal of an interest in this Security, including an exchange, transfer, redemption, repurchase or conversion of this Security in part only, the Trustee, as custodian of the Depositary, shall make an adjustment on its records to reflect such deposit or withdrawal in accordance with the Applicable Procedures.

The indebtedness evidenced by this Security is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, and this Security is issued subject to such provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes.

If an Event of Default shall occur and be continuing, the principal of all the Securities, together with accrued interest to the date of declaration, may be declared due and payable in the manner and with the effect

provided in the Indenture. Upon payment (i) of the amount of principal so declared due and payable, together with accrued interest to the date of declaration, and (ii) of interest on any overdue principal and overdue interest, all of the Company's obligations in respect of the payment of the principal of and interest on the Securities shall terminate.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities and coupons under the Indenture at any time by the Company and the Trustee with either (a) the written consent of the

-13-

14

Holders of a majority in principal amount of the Securities at the time Outstanding, or (b) by the adoption of a resolution, at a meeting of Holders of the Outstanding Securities at which a quorum is present, by the Holders of 66-2/3% in principal amount of the Outstanding Securities represented and entitled to vote at such meeting. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities and coupons, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security or such other Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity and the Trustee shall not have received from the Holders of a majority in principal amount of the Securities Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof, premium, if any, or interest hereon (including any Additional Amounts or additional interest) on or after the respective due dates expressed herein

or for the enforcement of the right to convert this Security as provided in the Indenture.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on (including Additional Amounts and additional interest, as described herein) this Security at the times, places and rate, and in the coin or currency, herein prescribed or to convert this Security as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of Registered Securities is registrable on the Security Register upon surrender of a Registered Security for registration of transfer (a) at the Corporate Trust Office of the Trustee or at such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York, or (b) subject to any laws or regulations applicable thereto

-14-

15

and to the right of the Company to terminate the appointment of any Transfer Agent, at the offices of the Transfer Agents described herein or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing, and thereupon one or more new Registered Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees by the Registrar. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to recover any tax or other governmental charge payable in connection therewith.

Prior to due presentation of a Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Registered Security is registered, as the owner thereof for all purposes, whether or not such Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

-15-

16

ELECTION OF HOLDER TO REQUIRE REPURCHASE

1. Pursuant to Section 14.1 of the Indenture, the undersigned hereby elects to have this Security repurchased by the Company.

2. The undersigned hereby directs the Trustee or the Company to pay it or _____ an amount in cash or, at the Company's election, Common Stock valued as set forth in the Indenture, equal to 100% of the principal amount to be repurchased (as set forth below), plus interest accrued to the Repurchase Date, as provided in the Indenture.

Dated: _____

Signature

Signature Guaranteed

Principal amount to be repurchased
(an integral multiple of U.S.\$1,000): _____

Remaining principal amount following such repurchase
(not less than U.S.\$5,000): _____

NOTICE: The signature to the foregoing Election must correspond to the Name as written upon the face of this Security in every particular, without alteration or any change whatsoever.

-16-

[FACE OF SECURITY]

QUINTILES TRANSNATIONAL CORP.

4.25% CONVERTIBLE SUBORDINATED NOTE
DUE MAY 31, 2000

No. _____

U.S.\$ _____

CUSIP NO. 748767AB6

QUINTILES TRANSNATIONAL CORP., a corporation duly organized and existing under the laws of the State of North Carolina (herein called the "Company", which term includes any successor Person under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ United States Dollars (U.S.\$ _____) on May 31, 2000 and to pay interest thereon, from May 23, 1996, or from the most recent Interest Payment Date (as defined below) to which interest has been paid or duly provided for, semi-annually in arrears on May 31 and November 30 in each year (each, an "Interest Payment Date"), commencing November 30, 1996, at the rate of 4.25% per annum, until the principal hereof is due, and at the rate of 4.25% per annum on any overdue principal and premium, if any, and, to the extent permitted by law, on any overdue interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 15 or November 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Company, notice whereof shall be given to Holders of Registered Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. Payments of principal shall be made upon the surrender of this Security at the option of the Holder at the Corporate Trust Office of the Trustee, or at such other office or agency of the Company as may be designated

by it for such purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, or at such other offices or agencies as the Company may designate, by United States Dollar check drawn on, or transfer to, a United States Dollar account (such a transfer to be made only to a Holder of an aggregate principal amount of Registered Securities in excess of U.S. \$2,000,000, and only if such Holder shall have furnished wire instructions in writing to the Trustee no later than 15 days prior to the relevant payment date) maintained

2

by the payee with a bank in the Borough of Manhattan, The City of New York. Payment of interest on this Security may be made by United States Dollar check drawn on a bank in the Borough of Manhattan, The City of New York mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, or, upon written application by the Holder to the Security Registrar setting forth wire instructions not later than the relevant Record Date, by transfer to a United States Dollar account (such a transfer to be made only to a Holder of an aggregate principal amount of Registered Securities in excess of U.S.\$2,000,000 and only if such Holder shall have furnished wire instructions in writing to the Trustee no later than 15 days prior to the relevant payment date) maintained by the payee with a bank in the Borough of Manhattan, The City of New York.

The Company will pay to the Holder of this Security who is a United States Alien (as defined below) such additional amounts ("Additional Amounts") as may be necessary in order that every net payment of the principal of, premium, if any, and interest on this Security (including payment on redemption or repurchase (including any payment of the Repurchase Price)), after deduction or withholding for or on account of any present or future tax, assessment or governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in this Security to be then due and payable; provided, however, that the Company shall not be obligated to pay any Additional Amounts in respect of payments becoming due on the Securities more than 15 days after the Redemption Date with respect to any redemption of Tax Affected Securities pursuant to the third paragraph of the reverse of this Security, except to the extent that the Company's obligation to pay such Additional Amounts does not arise from the Tax Law Change that resulted in such redemption; and provided further, that the foregoing obligation to pay Additional Amounts will not apply to:

(a) any tax, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member, shareholder of or possessor of a power over such Holder, if such Holder is an estate, a trust, a partnership or a corporation) and the United States or any political subdivision or taxing authority thereof or therein, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or

possessor) being or having been a citizen or resident of the United States or treated as a resident thereof, or being or having been engaged in trade or business or present therein, or having or having had a permanent establishment therein, or (ii) such Holder's present or former status as a personal holding company, a foreign personal holding company with respect to the United States, or a foreign private foundation or foreign tax exempt entity for United States tax purposes, or a corporation which accumulates earnings to avoid United States Federal income tax;

(b) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by the Holder of this Security for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

-2-

3

(c) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or governmental charge;

(d) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of this Security, if compliance is required by statute or by regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(e) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium, if any, or interest on this Security;

(f) any tax, assessment or other governmental charge imposed as a result of a Holder that actually or constructively owns 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote or that is a controlled foreign corporation related to the Company through stock ownership;

(g) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment of the principal of, premium, if any, or interest on this Security, if such payment can be made without such withholding by any other Paying Agent in Western Europe;

(h) any tax, assessment or other governmental charge imposed on a Holder that is a partnership or a fiduciary or other than the sole

beneficial owner of such payment, but only to the extent that any beneficial owner or member of the partnership or beneficiary or settlor with respect to the fiduciary would not have been entitled to the payment of Additional Amounts had the beneficial owner, member, beneficiary or; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) and (h).

For purposes of this Security, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction and a "United States Alien" is any person who, for United States federal income tax purposes, is a foreign corporation, a nonresident alien individual, a nonresident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is for United States federal income tax purposes, a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust.

Except as specifically provided herein and in the Indenture, the Company shall not be required to make any payment with respect to any tax, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority thereof or therein. Whenever in this Security there is a reference, in any context, to the

-3-

4

payment of the principal of, premium, if any, or interest on, or in respect of, any Security such mention shall be deemed to include mention of the payment of Additional Amounts payable as described in the second preceding paragraph to the extent that, in such context, Additional Amounts are, were or would be payable in respect of this Security pursuant to such paragraph and express mention of the payment of Additional Amounts (if applicable) in any provisions of this Security shall not be construed as excluding Additional Amounts in those provisions of this Security where such express mention is not made.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof or an Authenticating Agent by the manual signature of one of their respective authorized signatories, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

5

IN WITNESS WHEREOF, the Company has caused this Security to be duly executed under its corporate seal.

Dated: _____, 1996

QUINTILES TRANSNATIONAL CORP.

[Corporate Seal]

By: _____

Name:

Title:

Attest:

Name:

Title:

This is one of the Securities referred to in the within-mentioned Indenture.

Dated: _____, 1996

MARINE MIDLAND BANK,
as Trustee

By: _____

Authorized Signatory

[REVERSE OF SECURITY]

This Security is one of a duly authorized issue of securities of the Company designated as its "4.25% Convertible Subordinated Notes due May 31, 2000" (herein called the "Securities"), limited in aggregate principal amount to U.S.\$143,750,000, issued and to be issued under an Indenture, dated as of May 17, 1996 (herein called the "Indenture"), between the Company and Marine Midland Bank, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, the holders of Senior Indebtedness and the Holders of the Securities and any coupons appertaining thereto and of the terms upon which the Securities are, and are to be, authenticated and delivered. The Securities are issuable as Bearer Securities, with interest coupons attached, in the denomination of U.S.\$5,000, and as Registered Securities, without coupons, in denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Registered Securities are exchangeable for a like aggregate principal amount of Registered Securities of any authorized denominations as requested by the Holder surrendering the same upon surrender of the Registered Security or Registered Securities to be exchanged, at the Corporate Trust Office of the Trustee or at such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York or at such other offices or agencies as the Company may designate (each a "Transfer Agent"). The Transfer Agent (if other than the Trustee) will then forward such surrendered Registered Securities (together with any payment surrendered therewith) to the Trustee. The Trustee upon such surrender by the Holder or receipt from the Transfer Agent will issue the new Registered Securities in the requested denominations. Bearer Securities may not be issued in exchange for Registered Securities.

No sinking fund is provided for the Securities. The Securities are subject to redemption at the option of the Company on or after the close of business on May 31, 1999, in whole or in part, upon not less than 30 nor more than 60 days' notice to the Holders prior to the Redemption Date at a Redemption Price equal to 101.0625% of the principal amount if redeemed on or prior to May 31, 2000 (the final Stated Maturity of the Securities), together with accrued interest to the Redemption Date, and certain Securities held by United States Aliens are also redeemable, in whole but not in part, under the circumstances described in the next succeeding paragraph, at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the Redemption Date; provided, however, that interest installments on Registered Securities whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more

Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.

If as a result of a Tax Law Change, the Company has or will become obligated to pay to the Holder of any Security or coupon Additional Amounts, as described in the second paragraph of the face of this Security, and such obligation cannot be avoided by the Company taking reasonable measures available to it, then the Company may, at its option, redeem the Tax Affected Securities as a whole, but not in part, upon not less than 30 nor more than 60 days' notice to the Holders prior to the Redemption Date, at a Redemption Price equal to 100% of the principal amount plus interest accrued to the Redemption Date, and any Additional Amounts then payable; provided, that (i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay any such Additional Amounts were a payment in respect of the Tax Affected Securities then due and (ii) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect; provided further, however, that such redemption by the Company shall apply only to a Registered Security (or any portion of a Registered Security that is a Global Security) the Holder of which within 30 days of the publication of such notice of redemption provides a written statement from or on behalf of the beneficial owner of such Registered Security (or such portion, in the case of a Registered Security that is a Global Security) to the Trustee or any Paying Agent to the effect that such beneficial owner is entitled or will be entitled to receive Additional Amounts. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Trustee (a) an Officers' Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred and (b) an Opinion of Counsel selected by the Company to the effect that the Company has or will become obligated to pay such Additional Amounts as a result of such Tax Law Change. The Company's right to redeem the Tax Affected Securities shall continue as long as the Company is obligated to pay such Additional Amounts, notwithstanding that the Company shall have made payments of Additional Amounts specified in such second paragraph.

In the event of a redemption of less than all of the Securities (other than a redemption that by its terms is applicable solely to Bearer Securities), the Company will not be required (a) to register the transfer or exchange of Registered Securities or to exchange Bearer Securities for Registered Securities for a period of 15 days immediately preceding the date notice is given identifying the serial numbers of the Securities called for such redemption, (b) to register the transfer or exchange of any Registered Security, or portion thereof, called for redemption, or (c) to exchange any

Bearer Security called for redemption; provided, however, that a Bearer Security called for redemption may be exchanged for a Registered Security which is simultane-

-7-

8

ously surrendered to the Registrar or Transfer Agent making such exchange with written instructions for conversion consistent with the provisions described in Sections 2.5 and 12.2 of the Indenture.

Notice of redemption will be given by publication in Authorized Newspapers in the City of London, England, and, so long as the Securities are listed on the Luxembourg Stock Exchange and the rules of such stock exchange shall so require, in Luxembourg, or, if not practicable in either London, England, or Luxembourg, elsewhere in a Western European city, and by mail to Holders of Registered Securities. Notice to the Holders will be given not less than 30 nor more than 60 days prior to the Redemption Date as provided in the Indenture.

In any case where the due date for the payment of the principal of, premium, if any, or interest, including Additional Amounts and Bearer Additional Amounts, on any Security or the last day on which a Holder of a Security has a right to convert his Security shall be, at any Place of Payment or Place of Conversion, as the case may be, a day on which banking institutions at such Place of Payment or Place of Conversion are authorized or obligated by law or executive order to close, then payment of principal, premium, if any, or interest, including Additional Amounts and Bearer Additional Amounts, or delivery for conversion of such Security need not be made on or by such date at such place but may be made on or by the next succeeding day at such place which is not a day on which banking institutions are authorized or obligated by law or executive order to close, with the same force and effect as if made on the date for such payment or the date fixed for redemption or repurchase, or by such last day for conversion, and no interest shall accrue on the amount so payable for the period after such date.

Subject to and upon compliance with the provisions of the Indenture, the Holder of this Security is entitled, at his option, at any time on or after August 21, 1996, and on or before the close of business on May 31, 2000, or in case this Security or a portion hereof is called for redemption or the Holder hereof has exercised his right to require the Company to repurchase this Security or such portion hereof, then in respect of this Security until and including, but (unless the Company defaults in making the payment due upon redemption or repurchase, as the case may be) not after, the close of business on the Redemption Date or the Repurchase Date, as the case may be, to convert this Security (or any portion of the principal amount hereof that is an

integral multiple of U.S.\$1,000, provided that the unconverted portion of such principal amount is U.S.\$1,000 or any integral multiple of U.S.\$1,000 in excess thereof) into fully paid and nonassessable shares of Common Stock of the Company at an initial Conversion Rate of 12.0846 for each share of Common Stock (or at the current adjusted Conversion Rate if an adjustment has been made as provided in the Indenture) by surrender of this Security, duly endorsed or assigned to the Company or in blank and, in case such surrender shall be made during

-8-

9

the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such Interest Payment Date (except if this Security has been called for redemption on a Redemption Date or is repurchasable on a Repurchase Date occurring, in either case, during such period and is surrendered for such conversion during such period), also accompanied by payment in New York Clearing House or other funds acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Security then being converted (or, if this Security was issued in exchange for a Bearer Security after the close of business on such Regular Record Date, by surrender of one or more coupons relating to such Interest Payment Date or by both payment in such funds and surrender of such coupon or coupons, in either case, in an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Security then being converted; provided that coupons may be so surrendered only at an office or agency outside the United States designated pursuant to the Indenture), and also the conversion notice hereon duly executed, to the Company at the Corporate Trust Office of the Trustee, or at such other office or agency of the Company, subject to any laws or regulations applicable thereto and subject to the right of the Company to terminate the appointment of any Conversion Agent (as defined below) as may be designated by it for such purpose in the Borough of Manhattan, The City of New York, or at such other offices or agencies as the Company may designate (each a "Conversion Agent"), provided further, that if this Security or portion hereof has been called for redemption on a Redemption Date or is repurchasable on a Repurchase Date occurring, in either case, during the period from the close of business on any Regular Record Date next preceding any Interest Payment Date to the opening of business on such succeeding Interest Payment Date and is surrendered for conversion during such period, then the Holder of this Security who converts this Security or a portion hereof during such period will be entitled to receive the interest accruing hereon from the Interest Payment Date next preceding the date of such conversion to such succeeding Interest Payment Date and shall not be required to pay such interest upon surrender of this Security for conversion. Subject to the provisions of the preceding sentence and, in the case of a conversion after the close of business on the Regular Record Date next preceding any Interest Payment Date and or before the close of business on such Interest Payment Date, to the

right of the Holder of this Security (or any Predecessor Security of record as of such Regular Record Date) to receive the related installment of interest to the extent and under the circumstances provided in the Indenture, no cash payment or adjustment is to be made on conversion for interest accrued hereon from the Interest Payment Date next preceding the day of conversion, or for dividends on the Common Stock issued on conversion hereof. The Company shall thereafter deliver to the Holder the fixed number of shares of Common Stock (together with any cash adjustment, as provided in the Indenture) into which this Security is convertible and such delivery will be deemed to satisfy the Company's obligation to pay the principal amount of this Security. No fractions of shares or scrip representing fractions of shares will be issued on conversion, but

-9-

10

instead of any fractional interest (calculated to the nearest 1/100th of a share) the Company shall pay a cash adjustment as provided in the Indenture. The Conversion Rate is subject to adjustment as provided in the Indenture. In addition, the Indenture provides that in case of certain consolidations or mergers to which the Company is a party or the conveyance, transfer, sale or lease of all or substantially all of the property and assets of the Company, the Indenture shall be amended, without the consent of any Holders of Securities, so that this Security, if then Outstanding, will be convertible thereafter, during the period this Security shall be convertible as specified above, only into the kind and amount of securities, cash and other property receivable upon such consolidation, merger, conveyance, transfer, sale or lease by a holder of the number of shares of Common Stock of the Company into which this Security could have been converted immediately prior to such consolidation, merger, conveyance, transfer, sale or lease (assuming such holder of Common Stock is not a Constituent Person, failed to exercise any rights of election and received per share the kind and amount received per share by a plurality of Non-electing Shares and further assuming, if such consolidation, merger, conveyance, transfer, sale or lease occurs prior to the later of August 21, 1996 and the receipt of Securities in definitive form (in the case of Securities initially represented by a Temporary Global Bearer Security), that the Security was convertible at the time of such occurrence at the Conversion Rate specified above as adjusted from the issue date of such Security to such time as provided in the Indenture). No adjustment in the Conversion Rate will be made until such adjustment would require an increase or decrease of at least one percent of such rate, provided that any adjustment that would otherwise be made will be carried forward and taken into account in the computation of any subsequent adjustment.

Subject to certain limitations in the Indenture, at any time when the Company is not subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, upon the request of a Holder of a Restricted Security or the holder of shares of Common Stock issued upon conversion

thereof, the Company will promptly furnish or cause to be furnished Rule 144A Information (as defined below) to such Holder of Restricted Securities or such holder of shares of Common Stock issued upon conversion of Restricted Securities, or to a prospective purchaser of any such security designated by any such Holder or holder, as the case may be, to the extent required to permit compliance by such Holder or holder with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the resale of any such security. "Rule 144A Information" shall be such information as is specified pursuant to Rule 144A(d) (4) under the Securities Act (or any successor provision thereto).

If this Security is a Registrable Security, then the Holder of this Security and the Common Stock issuable upon conversion hereof is entitled to the benefits of a Registration Rights Agreement, dated as of May 17, 1996 (the

-10-

11

"Registration Rights Agreement"), executed by the Company. Pursuant to the Registration Rights Agreement, the Company has agreed for the benefit of the Holders from time to time of Registrable Securities (which term is defined to include the Common Stock issuable upon conversion of such Securities), at the Company's expense, (a) to use its best efforts to file within 90 days after the first date of original issuance of the Securities, a shelf registration statement (the "Shelf Registration Statement") with the Commission with respect to resales of the Registrable Securities, (b) thereafter to use reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as promptly as practicable, and (c) to use reasonable efforts to maintain such Shelf Registration Statement continuously effective under the Securities Act until a period of the three years from the last date of original issuance of the Securities or, if earlier, until there are no outstanding Registrable Securities.

Notwithstanding the foregoing, the Company will not be required to file a Shelf Registration Statement and will be permitted to suspend the use of the prospectus that is a part of the Shelf Registration Statement during the existence of a state of facts or the happening of an event (including without limitation pending negotiations relating to, or the consummation of, a transaction or the occurrence of any event which in the opinion of the Company might require additional disclosure of material, non-public information by the Company in the Shelf Registration Statement as to which the Company believes it has a bona fide business purpose for preserving confidentiality or which renders the Company unable to comply with the rules and regulations under the Securities Act) which in the opinion of outside counsel to the Company might reasonably result in the Shelf Registration Statement, or any amendment or post-effective amendment thereto, or the prospectus or any supplement thereto, or any document incorporated therein by reference containing an untrue statement of material fact or omitting to state a material fact.

If this Security is a Registrable Security and the Holder of this Security elects to sell this Security pursuant to the Shelf Registration Statement then, by its acceptance hereof, such Holder of this Security agrees to be bound by the terms of the Registration Rights Agreement relating to the Registrable Securities which are the subject of such election.

If a Change in Control occurs, the Holder of this Security, at the Holder's option, shall have the right, in accordance with the provisions of the Indenture, to require the Company to repurchase this Security (or any portion of the principal amount hereof that is an integral multiple of \$1,000, provided that the portion of the principal amount of this Security to be Outstanding after such repurchase is at least equal to U.S.\$5,000) for cash at a Repurchase Price equal to 100% of the principal amount thereof plus interest accrued to the Repurchase Date. At the option of the Company, the Repurchase Price may be paid in cash or, subject

-11-

12

to the conditions provided in the Indenture, by delivery of shares of Common Stock having a fair market value equal to the Repurchase Price. For purposes of this paragraph, the fair market value of shares of Common Stock shall be determined by the Company and shall be equal to 95% of the average of the Closing Prices Per Share for the five consecutive Trading Days ending on and including the third Trading Day immediately preceding the Repurchase Date. Whenever in this Security there is a reference, in any context, to the principal of any Security as of any time, such reference shall be deemed to include reference to the Repurchase Price payable in respect of such Security to the extent that such Repurchase Price is, was or would be so payable at such time, and express mention of the Repurchase Price in any provision of this Security shall not be construed as excluding the Repurchase Price so payable in those provisions of this Security when such express mention is not made; provided, however, that, for the purposes of the third succeeding paragraph, such reference shall be deemed to include reference to the Repurchase Price only to the extent the Repurchase Price is payable in cash.

In the event of redemption, repurchase or conversion of this Security in part only, a new Registered Security or Registered Securities for the unredeemed, unrepurchased or unconverted portion hereof will be issued in the name of the Holder hereof.

The indebtedness evidenced by this Security is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, and this Security is issued subject to such provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a)

agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee his attorney-in-fact for any and all such purposes.

If an Event of Default shall occur and be continuing, the principal of all the Securities, together with accrued interest to the date of declaration, may be declared due and payable in the manner and with the effect provided in the Indenture. Upon payment (i) of the amount of principal so declared due and payable, together with accrued interest to the date of declaration, and (ii) of interest on any overdue principal and overdue interest, all of the Company's obligations in respect of the payment of the principal of and interest on the Securities shall terminate.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities and coupons under the Indenture at any time by the Company and the Trustee with either (a) the written consent of the Holders of a majority in principal amount of the Securities at the time Outstanding, or

-12-

13

(b) by the adoption of a resolution, at a meeting of Holders of the Outstanding Securities at which a quorum is present, by the Holders of 66-2/3% in principal amount of the Outstanding Securities represented and entitled to vote at such meeting. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities and coupons, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security or such other Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity and the Trustee shall not have received from the Holders of a majority in principal

amount of the Securities Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof, premium, if any, or interest hereon (including any Additional Amounts or additional interest) on or after the respective due dates expressed herein or for the enforcement of the right to convert this Security as provided in the Indenture.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on (including Additional Amounts and additional interest, as described herein) this Security at the times, places and rate, and in the coin or currency, herein prescribed or to convert this Security as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of Registered Securities is registrable on the Security Register upon surrender of a Registered Security for registration of transfer (a) at the Corporate Trust Office of the Trustee or at such other office or agency of the Company as may be designated by it for such purpose in the Borough of Manhattan, The City of New York, or (b) subject to any laws or regulations applicable thereto and to the right of the Company to terminate the appointment of any Transfer Agent,

-13-

14

at the offices of the Transfer Agents described herein or at such other offices or agencies as the Company may designate, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing, and thereupon one or more new Registered Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees by the Registrar. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to recover any tax or other governmental charge payable in connection therewith.

Prior to due presentation of a Registered Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Registered Security is registered, as the owner thereof for all purposes, whether or not such Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

-14-

15

ELECTION OF HOLDER TO REQUIRE REPURCHASE

1. Pursuant to Section 14.1 of the Indenture, the undersigned hereby elects to have this Security repurchased by the Company.

2. The undersigned hereby directs the Trustee or the Company to pay it or _____ an amount in cash or, at the Company's election, Common Stock valued as set forth in the Indenture, equal to 100% of the principal amount to be repurchased (as set forth below), plus interest accrued to the Repurchase Date, as provided in the Indenture.

Dated: _____

Signature

Signature Guaranteed

Principal amount to be repurchased
(an integral multiple of U.S.\$1,000): _____

Remaining principal amount following such repurchase
(not less than U.S.\$5,000): _____

NOTICE: The signature to the foregoing Election must correspond to the Name as written upon the face of this Security in every particular, without alteration or any change whatsoever.

December 30, 1996

(919) 821-6668

Quintiles Transnational Corp
4709 Creekstone Drive
Riverbirch Building, Suite 300
Durham, North Carolina 27703

Ladies and Gentlemen:

As counsel for Quintiles Transnational Corp. (the "Company"), we furnish the following opinion in connection with the preparation of a Registration Statement on Format.3 ("Registration Statement") to be filed by the Company with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), relating to the registration of (a) \$75,990,000 principal amount of the Company's 4.25% Convertible Subordinated Notes Due May 31, 2000 (the "Notes") for the accounts of the holders named in the Registration Statement and (b) 918,282 shares (the "Shares") of the Company's common stock, par value \$.01 per share, that are issuable by the Company upon conversion of the Notes. The Notes have been issued pursuant to an Indenture entered into between the Company and Marine Midland Bank, as trustee (the "Indenture"). This opinion is furnished pursuant to the requirement of Item 601(b)(5) of Regulation S.K under the Act.

We have examined the Amended and Restated Articles of Incorporation, as amended, and the Amended and Restated Bylaws of the Company, the Indenture, the Registration Statement, the minutes of meetings of the Company's Board of Directors, and such other corporate records of the Company and other documents

2

Quintiles Transnational Corp.
December 30, 1996
Page 2

and have made such examinations of law as we have deemed relevant for purposes of this opinion.

Based on and subject to the foregoing and to the additional qualifications set forth below, it is our opinion that (a) the Notes that are being offered pursuant to the Registration Statement have been legally issued in accordance with the Indenture and, assuming due delivery against payment therefor when the Notes were issued, are binding obligations of the Company, and (b) the Shares, when issued by the Company in accordance with the Company's Amended and Restated Articles of Incorporation, as amended, and its Amended and Restated Bylaws, will be legally issued and, assuming due delivery against payment therefor when the Shares are issued upon the conversion of the Notes, will be fully paid and nonassessable

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. Such consent shall not be deemed to be an admission that this firm is within the category of persons whose consent is required under Section 7 of the Act or the regulations promulgated pursuant to the Act.

This opinion is limited to the laws of the State of North Carolina and no opinion is expressed as to the laws of any other jurisdiction, including without limitation, with respect to the enforceability of the Indenture and the Notes under New York law.

Our opinion is as of the date hereof, and we do not undertake to advise you of matters which might come to our attention subsequent to the date hereof which may affect our legal opinion expressed herein.

Sincerely yours,

SMITH, ANDERSON, BLOUNT, DORSETT,
MITCHELL & JERNIGAN, L.L.P.

By: /s/ Gerald F. Roach
Gerald F. Roach

GFR/dto

CONSENT OF ERNST & YOUNG LLP INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Quintiles Transnational Corp. for the registration of \$75,990,000 of its 4.25% Convertible Subordinated Notes Due May 31, 2000 and 918,282 shares of its Common Stock and to the incorporation by reference therein of (i) our report dated January 30, 1996, with respect to the consolidated financial statements of Quintiles Transnational Corp. incorporated by reference in its Annual Report on Form 10-K for the year ended December 31, 1995, (ii) our report dated April 11, 1996 with respect to the financial statements of Lewin-VHI, a subsidiary of Value Health, Inc., for the year ended December 31, 1995 incorporated by reference from the Current Report on Form 8-K, dated April 16, 1996 and (iii) our report dated August 2, 1996 with respect to the consolidated financial statements of BRI International, Inc. for the six month period ended May 31, 1996 incorporated by reference from Amendment No. 1 to the Registration Statement on Form S-4 (No. 333-12573) dated October 15, 1996 filed with the Securities and Exchange Commission.

Ernst & Young LLP
Raleigh, North Carolina
December 30, 1996

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statement of Quintiles Transnational Corp. ("Quintiles") on Form S-3 (File No. 333-00000) of our report dated May 15, 1996, on our audits of the consolidated financial statements of BRI International, Inc. as of November 30, 1995 and 1994, and for the years then ended, which report is included in Quintiles' Registration Statement on Form S-4 (File No. 333-12573). We also consent to the reference to our firm under the caption "Experts."

Coopers & Lybrand L.L.P.
Rockville, Maryland
December 30, 1996

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-3 of Quintiles Transnational Corp. in respect of 4.25% convertible subordinated notes due May 31, 2000 and to the incorporation by reference of our report dated July 24, 1996, with respect to the combined balance sheets of the Innovex Companies as at March 31, 1995 and 1996 and the related combined income statements and statements of cash flows for each of the years in the three-year period ended March 31, 1996 included in the Current Report on Form 8-K, dated October 6, 1996, filed with the Securities and Exchange Commission.

KPMG
Reading, England
December 30, 1996

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1
STATEMENT OF ELIGIBILITY UNDER THE TRUST
INDENTURE ACT OF 1939 OF A CORPORATION
DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b) (2)

MARINE MIDLAND BANK
(Exact name of trustee as specified in its charter)

New York (Jurisdiction of incorporation or organization if not a U.S. national bank)	16-1057879 (I.R.S. Employer Identification No.)
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140 Broadway, New York, N.Y. (212) 658-1000 (Address of principal executive offices)	10005-1180 (Zip Code)
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Eric Parets
Senior Vice President
Marine Midland Bank
140 Broadway
New York, New York 10005-1180
Tel: (212) 658-6560
(Name, address and telephone number of agent for service)

QUINTILES TRANSNATIONAL CORP.
(Exact name of obligor as specified in its charter)

North Carolina (State or other jurisdiction of incorporation or organization)	56-1714315 (I.R.S. Employer Identification No.)
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4709 Creekstone Drive Riverbirch Building, Suite 300 Durham, North Carolina (919) 941-2000 (Address of principal executive offices)	27703-8411 (Zip Code)
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4.25% CONVERTIBLE SUBORDINATED NOTES DUE MAY 31, 2000
(Title of Indenture Securities)

General

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervisory authority to which it is subject.

State of New York Banking Department.

Federal Deposit Insurance Corporation, Washington, D.C.

Board of Governors of the Federal Reserve System,
Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None

3

Item 16. List of Exhibits.

Exhibit

<TABLE>

<S>			<C>
T1A(i)	*	-	Copy of the Organization Certificate of Marine Midland Bank.
T1A(ii)	*	-	Certificate of the State of New York Banking Department dated December 31, 1993 as to the authority of Marine Midland Bank to commence business.
T1A(iii)		-	Not applicable.
T1A(iv)	*	-	Copy of the existing By-Laws of Marine Midland Bank as adopted on January 20, 1994.
T1A(v)		-	Not applicable.
T1A(vi)	*	-	Consent of Marine Midland Bank required by Section 321(b) of the Trust Indenture Act of 1939.
T1A(vii)		-	Copy of the latest report of condition of the trustee (September 30, 1996), published pursuant to law or the requirement of its supervisory or examining authority.
T1A(viii)		-	Not applicable.
T1A(ix)		-	Not applicable.

</TABLE>

* Exhibits previously filed with the Securities and Exchange Commission with Registration No. 33-53693 and incorporated herein by reference thereto.

4

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, Marine Midland Bank, a banking corporation and trust company organized under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York on the 18th day of December 1996.

MARINE MIDLAND BANK

By: /s/ Frank J. Godino

Frank J. Godino
Assistant Vice President

EXHIBIT T1A (VII)

<TABLE>
<S>

<C>
Board of Governors of the Federal Reserve System
OMB Number: 7100-0036
Federal Deposit Insurance Corporation
OMB Number: 3064-0052
Office of the Comptroller of the Currency
OMB Number: 1557-0081
Expires March 31, 1999

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

This financial information has not been reviewed, or confirmed for accuracy or relevance, by the Federal Reserve System.

Please refer to page 1, [1]
Table of Contents, for the required disclosure of estimated burden.

CONSOLIDATED REPORTS OF CONDITION AND INCOME FOR
A BANK WITH DOMESTIC AND FOREIGN OFFICES--FFIEC 031

REPORT AT THE CLOSE OF BUSINESS SEPTEMBER 30, 1996

(9506230)

(RCRI9999)

This report is required by law; 12 U.S.C. Section 324 (State member banks); 12 U.S.C. Section 1817 (State nonmember banks); and 12 U.S.C. Section 161 (National banks).

This report form is to be filed by banks with branches and consolidated subsidiaries in U.S. territories and possessions, Edge or Agreement subsidiaries, foreign branches, consolidated foreign subsidiaries, or International Banking Facilities.

NOTE: The Reports of Condition and Income must be signed by an authorized officer and the Report of Condition must be attested to by not less than two directors (trustees) for State nonmember banks and three directors for State member and National Banks.

The Reports of Condition and Income are to be prepared in accordance with Federal regulatory authority instructions. NOTE: These instructions may in some cases differ from generally accepted accounting principles.

I, Gerald A. Ronning, Executive VP & Controller

Name and Title of Officer Authorized to Sign Report

of the named bank do hereby declare that these Reports of Condition and Income (including the supporting schedules) have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and believe.

We, the undersigned directors (trustees), attest to the correctness of this Report of Condition (including the supporting schedules) and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

/s/ Gerald A. Ronning

Signature of Officer Authorized to Sign Report

10/28/96

Date of Signature

/s/ James H. Cleave

Director (Trustee)

/s/ Bernard J. Kennedy

Director (Trustee)

/s/ Northrup R. Knox

Director (Trustee)

FOR BANKS SUBMITTING HARD COPY REPORT FORMS:

STATE MEMBER BANK: Return the original and one copy to the appropriate Federal Reserve District Bank.

STATE NONMEMBER BANKS: Return the original only in the special return address envelope provided. If express mail is used in lieu of the special return address envelope, return the original only to the FDIC, c/o Quality Data Systems, 2127 Espey Court, Suite 204, Crofton, MD 21114.

NATIONAL BANKS: Return the original only in the special return address envelope provided. If express mail is used in lieu of the special return address envelope, return the original only to the FDIC, c/o Quality Data Systems, 2127 Espey Court, Suite 204, Crofton, MD 21114.

FDIC Certificate Number 0 0 5 8 9

</TABLE>

6

NOTICE

This form is intended to assist institutions with state publication requirements. It has not been approved by any state banking authorities. Refer to your appropriate state banking authorities for your state publication requirements.

REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the
Marine Midland Bank of Buffalo
Name of Bank City

in the state of New York, at the close of business
September 30, 1996

ASSETS

	Thousands of dollars
Cash and balances due from depository institutions:	
<TABLE>	
<S>	<C>
Noninterest-bearing balances	
currency and coin.....	\$ 924,069
Interest-bearing balances	1,269,750
Held-to-maturity securities.....	0
Available-for-sale securities.....	3,096,772
Federal Funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:	
Federal funds sold.....	785,600
Securities purchased under agreements to resell.....	306,969
Loans and lease financing receivables:	
Loans and leases net of unearned income.....	14,428,376
LESS: Allowance for loan and lease losses.....	440,075
LESS: Allocated transfer risk reserve	0
Loans and lease, net of unearned income, allowance, and reserve.....	13,988,301
Trading assets.....	791,225
Premises and fixed assets (including capitalized leases).....	180,892
Other real estate owned.....	5,104
Investments in unconsolidated subsidiaries and associated companies.....	0
Customers' liability to this bank on acceptances outstanding.....	19,791
Intangible assets.....	161,326

</TABLE>

<TABLE>	<S>	<C>	<C>
Other assets.....			459,739
Total assets.....			21,989,538
 LIABILITIES			
Deposits:			
In domestic offices.....			14,736,857
Noninterest-bearing.....		3,198,971	
Interest-bearing.....		11,537,886	
In foreign offices, Edge, and Agreement subsidiaries, and IBFs.....			3,676,395
Noninterest-bearing.....		0	
Interest-bearing.....		3,676,395	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and its Edge and Agreement subsidiaries, and in IBFs:			
Federal funds purchased.....			385,430
Securities sold under agreements to repurchase.....			212,177
Demand notes issued to the U.S. Treasury			300,000
Trading Liabilities.....			293,523
Other borrowed money:			
With original maturity of one year or less.....			28,701
With original maturity of more than one year.....			0
Mortgage indebtedness and obligations under capitalized leases.....			
Bank's liability on acceptances executed and outstanding.....			19,791
Subordinated notes and debentures.....			100,000
Other liabilities.....			305,078
Total liabilities.....			20,091,565
Limited-life preferred stock and related surplus.....			0
 EQUITY CAPITAL			
Perpetual preferred stock and related surplus.....			0
Common Stock.....			185,000
Surplus.....			1,633,279
Undivided profits and capital reserves.....			77,442
Net unrealized holding gains (losses) on available-for-sale securities.....			2,252
Cumulative foreign currency translation adjustments.....			0
Total equity capital.....			1,897,973
Total liabilities, limited-life preferred stock, and equity capital.....			21,989,538

</TABLE>