OMNIQUIP INTERNATIONAL INC

Filed by

TEXTRON INC

FORM SC 14D1

(Statement of Ownership: Tender Offer)

Filed 08/27/99

Address	222 E MAIN ST
	PORT WASHINGTON, WI 53074
Telephone	4142688965
CIK	0001023973
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	09/30

OMNIQUIP INTERNATIONAL INC

FORM SC 14D1
(Statement of Ownership: Tender Offer)

Filed 8/27/1999

Address	222 E MAIN ST
	PORT WASHINGTON, Wisconsin 53074
Telephone	414-268-8965
CIK	0001023973
Fiscal Year	09/30

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
PURSUANT TO SECTION 14(d)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

OMNIQUIP INTERNATIONAL, INC.

(NAME OF SUBJECT COMPANY)

TELESCOPE ACQUISITION INC.
TEXTRON INC.
(BIDDERS)

COMMON STOCK, PAR VALUE $0.01 PER SHARE
(AND THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS(1))

(TITLE OF CLASS OF SECURITIES) 681969101

(CUSIP NUMBER OF CLASS OF SECURITIES)

WAYNE W. JUCHATZ, ESQ.
EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL
TEXTRON INC.
40 WESTMINSTER STREET
PROVIDENCE, RI 02903
TELEPHONE: (401) 457-7800

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDER)

COPY TO:

RICHARD A. GARVEY, ESQ.
SIMPSON THACHER & BARTLETT
425 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017
TELEPHONE: (212) 455-2000

CALCULATION OF FILING FEE

Transaction Valuation(2)	Amount of Filing Fee(3)
$322,787,325.00	$64,557.47

(1) Includes associated rights to purchase one one-hundreth of a share of the Subject Company's Series A Preferred Stock (the "Rights"). Until the occurrence of certain prescribed events, the Rights are not exercisable, are evidenced by the Certificate representing common stock, par value $0.01 per share (the "Common Stock") and will be transferred only with such shares of Common Stock.

(2) Based on the offer to purchase all of the outstanding shares of Common Stock of the Subject Company at $21.00 cash per share, 14,277,500 shares of Common Stock outstanding and 1,093,325 outstanding options as of August 20, 1999.

(3) 1/50 of 1% of Transaction Valuation.

[ ] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	Filing Party:
Form or Registration No.:	Date Filed:

This Tender Offer Statement on Schedule 14D-1 (the "Schedule 14D-1") relates to the offer by Telescope Acquisition Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Textron Inc., a Delaware corporation ("Parent"), to purchase for cash all of the outstanding shares of Common Stock, par value $0.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation (the "Company"), including the associated preferred stock purchase rights issued pursuant to the Rights Agreement, dated August 21, 1998, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent, at a purchase price of $21.00 per Share net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated as of August 27, 1999 (the "Offer to Purchase"), a copy of which is attached hereto as Exhibit (a)(1), and in the related Letter of Transmittal (which, together with the Offer to Purchase, as amended from time to time, constitute the "Offer"), a copy of which is attached hereto as Exhibit (a)(2).

ITEM 1. SECURITY AND SUBJECT COMPANY.

(a) The name of the subject company is OmniQuip International, Inc. The information set forth in Section 7 ("Certain Information Concerning the Company") of the Offer to Purchase is incorporated herein by reference.

(b) The exact title of the class of equity securities being sought in the Offer is Common Stock, par value $0.01 per share, of the Company and the associated preferred stock purchase rights. The information set forth in the Introduction ("Introduction") of the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 ("Price Range of Shares; Dividends") of the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(d) and (g) This Statement is filed by Purchaser and Parent. The information set forth in Section 8 ("Certain Information Concerning Purchaser and Parent") of the Offer to Purchase and in Schedule I thereto is incorporated herein by reference.

(e) and (f) During the last five years, neither Purchaser nor Parent nor, to the best knowledge of Purchaser or Parent, any of the persons listed in Schedule I to the Offer to Purchase (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

(a) and (b) The information set forth in Section 8 ("Certain Information Concerning Purchaser and Parent"), Section 10 ("Background of the Offer; Contacts with the Company") and Section 11 ("The Merger Agreement, Stock Purchase Agreements and Discussions Regarding Employment") of the Offer to Purchase is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) and (b) The information set forth in Section 9 ("Source and Amount of Funds") of the Offer to Purchase is incorporated herein by reference.

(c) Not applicable.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

(a)-(e) The information set forth in the Introduction, Section 10 ("Background of the Offer; Contacts with the Company"), Section 11 ("The Merger Agreement, Stock Purchase Agreements and Discussions Regarding Employment"),
Section 12 ("Purpose of the Offer; The Merger; Plans for the Company; Rights Agreement") and Section 14 ("Effect of the Offer on the Market for the Shares, Nasdaq Listing and Exchange Act Registration") of the Offer to Purchase is incorporated herein by reference.

(f)-(g) The information set forth in Section 14 ("Effect of the Offer on the Market for the Shares, Nasdaq Listing and Exchange Act Registration") of the Offer to Purchase is incorporated herein by reference.

Except as contemplated by the Merger Agreement and the Stock Purchase Agreements (as such terms are defined in the Offer to Purchase), neither Parent nor Purchaser has any plans or proposals which relate to or would result in (x) the acquisition by any person of additional securities of the Company or the disposition of securities of the Company, or (y) changes to the Company's charter, by-laws or instruments corresponding thereto or other action which may impede the acquisition of control of the Company by any person.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) and (b) The information set forth in the Introduction and Section 8 ("Certain Information Concerning Purchaser and Parent") of and Schedule I to the Offer to Purchase is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

The information set forth in the Introduction, Section 8 ("Certain Information Concerning Purchaser and Parent"), Section 10 ("Background of the Offer; Contacts with the Company"), Section 11 ("The Merger Agreement, Stock Purchase Agreements and Discussions Regarding Employment") and Section 12 ("Purpose of the Offer; The Merger; Plans for the Company; Rights Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

The information set forth in the Introduction and Section 17 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

The information set forth in Section 8 ("Certain Information Concerning Purchaser and Parent") of the Offer to Purchase is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

(a) The information set forth in Section 11 ("The Merger Agreement, Stock Purchase Agreements and Discussions Regarding Employment") is incorporated herein by reference.

(b) and (c) The information set forth in Section 16 ("Certain Legal Matters and Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth in Section 14 ("Effect of the Offer on the Market for the Shares, Nasdaq Listing and Exchange Act Registration") and
Section 16 ("Certain Legal Matters and Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(e) None.

(f) The information set forth in the Offer to Purchase and the Letter of Transmittal is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(1) Offer to Purchase dated August 27, 1999.

(a)(2) Letter of Transmittal.

(a)(3) Notice of Guaranteed Delivery.

(a)(4) Letter from the Dealer Manager to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.

(a)(5) Letter to clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.

(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

(a)(7) Summary Advertisement as published on August 27, 1999.

(a)(8) Press Release issued by Parent and the Company on August 23, 1999.

(b) 5-Year Credit Agreement dated as of April 1, 1998, among Textron Inc., the Banks listed therein and Morgan Guaranty Trust Company of New York as Administrative Agent.((1))

(c)(1) Agreement and Plan of Merger, dated as of August 21, 1999, by and among Textron Inc., Telescope Acquisition Inc. and OmniQuip International, Inc.

(c)(2) Stock Purchase Agreement, dated as of August 20, 1999, between Telescope Acquisition Inc. and P. Enoch Stiff.

(c)(3) Stock Purchase Agreement, dated as of August 20, 1999, among Telescope Acquisition Inc., Curtis Laetz and Linda Laetz.

(d) Not applicable.

(e) Not applicable.

(f) Not applicable.

---

(1) Incorporated by reference to Exhibit 10.2 to Textron Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 1998.

SIGNATURE

After due inquiry and to the best of our knowledge and belief, we hereby certify that the information set forth in this statement is true, complete and correct.

TEXTRON INC.

By: /s/ WAYNE W. JUCHATZ, ESQ.

Name: Wayne W. Juchatz, Esq.
Title: Executive Vice President and General Counsel

TELESCOPE ACQUISITION INC.

By: /s/ BHIKHAJI MANECKJI

Name: Bhikhaji Maneckji
Title: Vice President

Date: August 27, 1999

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE NO.
(a)(1)	Offer to Purchase dated August 27, 1999.	
(a)(2)	Letter of Transmittal.	
(a)(3)	Notice of Guaranteed Delivery.	
(a)(4)	Letter from the Dealer Manager to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.	
(a)(5)	Letter to clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.	
(a)(6)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.	
(a)(7)	Summary Advertisement as published on August 27, 1999.	
(a)(8)	Press Release issued by Parent on August 23, 1999.	
(b)	5-Year Credit Agreement dated as of April 1, 1998, among Textron Inc., the Banks listed therein and Morgan Guaranty Trust Company of New York as Administrative Agent.(2)	
(c)(1)	Agreement and Plan of Merger, dated as of August 21, 1999, by and among Textron Inc., Telescope Acquisition Inc. and OmniQuip International, Inc.	
(c)(2)	Stock Purchase Agreement, dated as of August 20, 1999, between Telescope Acquisition Inc. and P. Enoch Stiff.	
(c)(3)	Stock Purchase Agreement, dated as of August 20, 1999, among Telescope Acquisition Inc., Curtis Laetz and Linda Laetz.	
(d)	Not applicable.	
(e)	Not applicable.	
(f)	Not applicable.	

(2) Incorporated by reference to Exhibit 10.2 to Textron Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 4, 1998.

OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.
AT

$21.00 NET PER SHARE

BY

TELESCOPE ACQUISITION INC.,
A WHOLLY OWNED SUBSIDIARY OF

TEXTRON INC.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,

NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 24, 1999, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PURSUANT TO THE OFFER PRIOR TO THE EXPIRATION OF THE OFFER SUCH NUMBER OF SHARES OF COMMON STOCK, PAR VALUE $.01 PER SHARE (THE "SHARES"), AND THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS (THE "RIGHTS"), OF OMNIQUIP INTERNATIONAL, INC. (THE "COMPANY"), WHICH CONSTITUTES MORE THAN 50% OF THE SHARES (DETERMINED ON A FULLY-DILUTED BASIS) THEN OUTSTANDING AND (II) THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED. THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS. SEE THE INTRODUCTION AND SECTIONS 1, 11 AND 15.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO, AND IN THE BEST INTERESTS OF, THE COMPANY AND ITS STOCKHOLDERS AND RECOMMENDS THAT STOCKHOLDERS OF THE COMPANY ACCEPT THE OFFER AND TENDER THEIR SHARES TO THE PURCHASER PURSUANT TO THE OFFER.

IMPORTANT

Any stockholder desiring to tender all or any portion of such stockholder's Shares and the associated Rights issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended (as so amended, the "Rights Agreement"), between the Company and First Chicago Trust Company of New York, as Rights Agent, should either (1) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal, mail or deliver the Letter of Transmittal (or such facsimile) and any other required documents to the Depositary (as defined herein), and either deliver the certificates representing the tendered Shares (and Rights, if applicable) and any other required documents to the Depositary or tender such Shares (and Rights, if applicable) pursuant to the procedure for book-entry transfer set forth in Section 3 or (2) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. Stockholders having Shares (and Rights, if applicable) registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender Shares so registered.

A stockholder who desires to tender Shares (and Rights) and whose certificates representing such Shares (and Rights, if applicable) are not immediately available, or who cannot deliver the certificates for Shares (and Rights, if applicable) and all other required documents to reach the Depository on or prior to the Expiration Date (as defined herein), or who cannot comply with the procedure for book-entry transfer on a timely basis may tender such Shares (and Rights, if applicable) by following the procedures for guaranteed delivery set forth in Section 3.

Questions and requests for assistance may be directed to Salomon Smith Barney Inc. (the "Dealer Manager") or to D.F. King & Co., Inc. (the "Information Agent") at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Dealer Manager for the Offer is:

SALOMON SMITH BARNEY

August 27, 1999

TABLE OF CONTENTS

To the Stockholders of
OmniQuip International, Inc.

INTRODUCTION

Telescope Acquisition Inc., a Delaware corporation (the "Purchaser"), which is a wholly owned subsidiary of Textron Inc., a Delaware corporation (the "Parent" or "Textron"), hereby offers to purchase all of the outstanding shares of common stock, par value $.01 per share (the "Shares"), and the associated preferred stock purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended (as so amended, the "Rights Agreement"), between the Company and First Chicago Trust Company of New York, as Rights Agent, of OmniQuip International, Inc., a Delaware corporation (the "Company"), at a purchase price of $21.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with this Offer to Purchase, as amended from time to time, constitute the "Offer"). The Rights Agreement is described in greater detail below in
Section 12. Unless the context requires otherwise, all references in this Offer to Purchase to Shares shall be deemed to refer also to the associated Rights, and all references to Rights shall be deemed to include all benefits that may inure to the stockholders of the Company or to holders of the Rights pursuant to the Rights Agreement. In connection with the Merger Agreement (as defined below), the Company has amended the Rights Agreement so that (a) the execution of the Merger Agreement, the Stock Purchase Agreements (as defined below) and the consummation of the transactions contemplated by such agreements, do not (i) give any holder of Rights or any other person any right, remedy or claim under the Rights Agreement, (ii) result in the Parent or the Purchaser becoming an Acquiring Person (as defined in the Rights Agreement) or (iii) result in the occurrence of a Distribution Date or a Stock Acquisition Date (each as defined in the Rights Agreement) and (b) the Rights will expire at the earliest of (i) the close of business on the Final Expiration Date (as defined in the Rights Agreement), (ii) the time at which the Rights are redeemed as provided in
Section 23 of the Rights Agreement and (iii) immediately prior to the Effective Time (as defined in the Merger Agreement). Unless and until the Distribution Date occurs, the Rights will be transferred with and only with the Shares and, therefore, the surrender for transfer of any of the certificates representing Shares (the "Share Certificates"), including upon acceptance for payment of such Shares pursuant to the Offer, will also constitute the surrender for transfer of the Rights associated with the Shares represented by such Share Certificates. See Section 12.

Tendering stockholders will not be obligated to pay brokerage fees or commissions or, subject to Instruction 6 of the Letter of Transmittal, stock transfer taxes on the transfer and sale of Shares and Rights pursuant to the Offer. The Purchaser will pay all fees and expenses of Salomon Smith Barney Inc., which is acting as Dealer Manager for the Offer (in such capacity, the "Dealer Manager"), Citibank, N.A. which is acting as the Depositary (in such capacity, the "Depositary"), and D.F. King & Co., Inc., which is acting as the Information Agent (in such capacity, the "Information Agent"), incurred in connection with the Offer. See Section 17.

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD OF DIRECTORS" OR THE "BOARD") HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER (AS DEFINED

BELOW), AND DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO, AND IN THE BEST INTERESTS OF, THE COMPANY AND ITS STOCKHOLDERS AND RECOMMENDS THAT STOCKHOLDERS OF THE COMPANY ACCEPT THE OFFER AND TENDER THEIR SHARES AND THE ASSOCIATED RIGHTS TO THE PURCHASER PURSUANT TO THE OFFER.

The Board of Directors has received the written opinion dated August 21, 1999 of Morgan Stanley & Co. Incorporated ("Morgan Stanley"), financial advisor to the Company, to the effect that, as of such date and based upon and subject to certain matters stated therein, the $21.00 per Share cash consideration to be received in the Offer and the Merger by holders of Shares (other than the Parent, the Purchaser or any direct or indirectly wholly owned subsidiary of the Parent or the Purchaser) is fair to such holders from a financial point of view. A copy of the written opinion of Morgan Stanley is attached to the Company's Solicitation/Recommendation Statement on Schedule 14D-9, which is being distributed to the stockholders of the Company, and stockholders are urged to read the opinion carefully in its entirety for the assumptions made, matters considered and limitations on the review undertaken by Morgan Stanley.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (i) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PURSUANT TO THE OFFER PRIOR TO THE EXPIRATION DATE (AS DEFINED IN SECTION 1) SUCH NUMBER OF SHARES WHICH CONSTITUTES MORE THAN 50% OF THE SHARES (DETERMINED ON A FULLY DILUTED BASIS) THEN OUTSTANDING (THE "MINIMUM CONDITION") AND (ii) THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT") (THE "HSR ACT CONDITION"). SEE SECTIONS 1, 11 AND 15. IF THE PURCHASER PURCHASES NOT LESS THAN THAT NUMBER OF SHARES NEEDED TO SATISFY THE MINIMUM CONDITION, IT WILL BE ABLE TO EFFECT THE MERGER WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER STOCKHOLDER OF THE COMPANY. SEE SECTION 12.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of August 21, 1999 (the "Merger Agreement"), by and among the Parent, the Purchaser and the Company. The Merger Agreement provides, among other things, for the making of the Offer by the Purchaser, and further provides that, following the completion of the Offer, upon the terms and subject to the conditions of the Merger Agreement, and in accordance with the Delaware General Corporation Law (the "DGCL"), the Purchaser will be merged with and into the Company (the "Merger"). Following the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and become a wholly owned subsidiary of the Parent, and the separate corporate existence of the Purchaser will cease. See Section 11.

At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than (i) Shares owned by the Company and Shares owned by the Parent, the Purchaser or any other direct or indirectly wholly owned subsidiary of the Parent or the Purchaser, which shall be cancelled, and (ii) Shares, if any (collectively, "Dissenting Shares"), held by stockholders who have properly exercised appraisal rights under Section 262 of the DGCL) will, by virtue of the Merger and without any action on the part of the holders of the Shares be cancelled, extinguished and converted into and become a right to receive $21.00 in cash (the "Merger Consideration"), payable to the holder thereof, without interest, upon surrender of the certificate formerly representing such Share, less any required withholding taxes.

The Merger Agreement is more fully described in Section 11. Certain Federal income tax consequences of the sale of the Shares pursuant to the Offer and the exchange of Shares for the Merger Consideration pursuant to the Merger are described in Section 5.

The Company has represented to the Parent and the Purchaser that, as of the close of business on August 20, 1999, there were 14,277,500 Shares issued and outstanding and 1,093,325 Shares issuable upon exercise of outstanding options. Based upon the foregoing, the Purchaser believes that approximately 7,685,413 Shares constitutes 50% of the outstanding Shares on a fully diluted basis.

On August 21, 1999, Purchaser acquired 346,275 shares from P. Enoch Stiff, President and Chief Executive Officer of the Company, and 63,938 shares from Curtis J. Laetz, Senior Vice President, Chief Administrative Officer and Assistant Secretary of the Company, for $21.00 per Share, subject to the terms and conditions of the Stock Purchase Agreements entered into by the Purchaser with each of Messrs. Stiff and Laetz. The Stock Purchase Agreements (as defined in Section 11) are more fully described in Section 11.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

THE OFFER

1. TERMS OF THE OFFER; EXPIRATION DATE. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), the Purchaser will accept for payment and pay for all Shares validly tendered on or prior to the Expiration Date and not properly withdrawn as permitted by Section 4. The term "Expiration Date" means 12:00 Midnight, New York City time, on Friday, September 24, 1999, unless and until the Purchaser, in its sole discretion (but subject to the terms and conditions of the Merger Agreement), shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, SATISFACTION OF THE MINIMUM CONDITION AND THE HSR ACT CONDITION AND CERTAIN OTHER CONDITIONS. SEE
SECTION 15, WHICH SETS FORTH IN FULL THE CONDITIONS TO THE OFFER. SUBJECT TO THE PROVISIONS OF THE MERGER AGREEMENT AND THE APPLICABLE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), THE PURCHASER RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO WAIVE ANY OR ALL CONDITIONS TO THE OFFER (OTHER THAN THE MINIMUM CONDITION) AND TO MODIFY THE TERMS OF THE OFFER. SUBJECT TO THE PROVISIONS OF THE MERGER AGREEMENT, INCLUDING THE PROVISIONS OF THE MERGER AGREEMENT DESCRIBED IN THE NEXT TWO PARAGRAPHS, AND THE APPLICABLE RULES AND REGULATIONS OF THE COMMISSION, IF BY THE EXPIRATION DATE ANY OR ALL OF SUCH CONDITIONS TO THE OFFER HAVE NOT BEEN SATISFIED, THE PURCHASER RESERVES THE RIGHT (BUT SHALL NOT BE OBLIGATED) TO (i) TERMINATE THE OFFER AND RETURN ALL TENDERED SHARES TO TENDERING STOCKHOLDERS, (ii) WAIVE SUCH UNSATISFIED CONDITIONS AND PURCHASE ALL SHARES VALIDLY TENDERED OR (iii) EXTEND THE OFFER AND, SUBJECT TO THE TERMS OF THE OFFER (INCLUDING THE RIGHTS OF STOCKHOLDERS TO WITHDRAW THEIR SHARES), RETAIN THE SHARES WHICH HAVE BEEN TENDERED, UNTIL THE TERMINATION OF THE OFFER, AS EXTENDED.

Subject to the applicable rules and regulations of the Commission and the provisions of the Merger Agreement, the Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 15 shall have occurred, to
(i) extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary or (ii) amend the Offer in any respect by giving oral or written notice of such amendment to the Depositary. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer, subject to the right of a tendering stockholder to withdraw such stockholder's Shares. Under the terms of the Merger Agreement, the Purchaser has agreed with the Company that it will not, without the prior written consent of the Company, (i) decrease the price per Share payable in the Offer to below $21.00, (ii) change the form of consideration to be paid in the Offer, (iii) reduce the maximum number of Shares to be purchased in the Offer or the Minimum Condition, (iv) impose conditions to the Offer in addition to the Offer conditions set forth in Annex A to the Merger Agreement (the "Offer Conditions") or modify the Offer conditions in a manner adverse to the holders of Shares or (v) amend any other term of the Offer in a manner adverse to the holders of the Shares (provided that a waiver by Purchaser of any condition other than the Minimum Condition shall not be deemed to be adverse to the holders of the Shares).

Notwithstanding the foregoing, Purchaser may, without the consent of the Company, (i) extend the Offer on one or more occasions for up to ten business days for each such extension beyond the then scheduled expiration date (the initial scheduled expiration date being 20 business days following commencement of the Offer), if at the then scheduled expiration date of the Offer any of the conditions to Purchaser's obligation to accept for payment and pay for the Shares shall not be satisfied or waived, until such time as such conditions are satisfied or waived (and, at the request of the Company, Purchaser shall, subject to Purchaser's right to terminate the Merger Agreement pursuant to Article IX thereof, extend the Offer for additional periods, unless the only conditions not satisfied or earlier waived on the then scheduled expiration date are one or more of the Minimum Condition and the conditions set forth in paragraph (b) of the Offer Conditions, provided that (x) if the only condition not satisfied is the Minimum Condition, the satisfaction or waiver of all other conditions shall have been publicly disclosed at least five business days before termination of the Offer, and (y) if paragraph (b) of the Offer Conditions has not been satisfied and the failure to so satisfy can be remedied, the Offer shall not be terminated unless the failure is not remedied within 10 calendar days after Purchaser has furnished the Company written notice of such failure) and (ii) extend the Offer for any period required by any rule, regulation, interpretation or position of the Commission or the staff thereof applicable to the Offer and (iii) extend the Offer for an aggregate period of not more than 5 business days beyond the latest expiration date that would otherwise be permitted under clause (i) or (ii) of this sentence if there shall not have been tendered sufficient Shares so that the Merger could be effected without a meeting of the Company's stockholders in accordance with Section 253 of the DGCL. The Purchaser shall have no obligation to pay interest on the purchase price of tendered Shares. The rights reserved by the Purchaser in this Section 1 are in addition to the Purchaser's rights to terminate the Offer pursuant to
Section 15.

If the Purchaser makes a material change in the terms of the Offer or if it waives a material condition of the Offer, the Purchaser will disseminate additional tender offer material and extend the Offer to the extent required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The minimum period

during which an offer must remain open following material changes in the terms of the Offer, other than a change in price or a change in the percentage of securities sought, will depend upon the facts and circumstances, including the materiality, of the changes. With respect to a change in price or, subject to certain limitations, a change in the percentage of securities sought, a minimum ten business day period from the day of such change is generally required to allow for adequate dissemination to stockholders. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday, or a federal holiday and consists of the time period from 12:01 A.M. through 12:00 Midnight, New York City time.

The Company has provided the Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed by the Purchaser to record holders of Shares and furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment Shares that have been validly tendered and not properly withdrawn on or prior to the Expiration Date as soon as practicable after the later to occur of (i) the Expiration Date and (ii) the satisfaction or waiver of the conditions of the Offer set forth in Section 15, including without limitation the Minimum Condition and the HSR Act Condition. In addition, subject to applicable rules of the Commission, the Purchaser expressly reserves the right to delay acceptance for payment of or payment for Shares pending receipt of any other regulatory approvals specified in Section 16. Any such delays will be effected in compliance with Rule 14e-1(c) under the Exchange Act (relating to a bidder's obligation to pay for or return tendered securities promptly after the termination or withdrawal of such bidder's offer).

For information with respect to approvals required to be obtained prior to the consummation of the Offer, including the HSR Act, see Section 16.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) Share Certificates and, if applicable, certificates evidencing the Rights ("Rights Certificates"), or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares and, if applicable, Rights into the Depositary's account at The Depositary Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3, (ii) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry transfer, and (iii) any other documents required by the Letter of Transmittal.

The term "Agent's Message" means a message transmitted by the Book-Entry Transfer Facility to and received by the Depositary and forming a part of a Book-Entry Confirmation, which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares and, if applicable, Rights that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce such agreement against such participant.

PRIOR TO A DISTRIBUTION DATE, A VALID TENDER OF SHARES WILL ALSO CONSTITUTE

A TENDER OF THE ASSOCIATED RIGHTS. See Sections 3 and 12.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares and Rights pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares and Rights accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting such payments to stockholders whose Shares and Rights have been accepted for payment. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE FOR SHARES AND RIGHTS BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT. If, for any reason whatsoever, acceptance for payment of or payment for any Shares and Rights tendered pursuant to the Offer is delayed or the Purchaser is unable to accept for payment or pay for Shares and Rights tendered pursuant to the Offer, then without prejudice to the Purchaser's rights set forth herein, the Depositary may nevertheless, on behalf of the Purchaser and subject to Rule 14e-1(c) under the Exchange Act, retain tendered Shares and Rights and such Shares and Rights may not be withdrawn except to the extent that the tendering stockholder is entitled to and duly exercises withdrawal rights as described in Section 4.

If any tendered Shares and Rights are not accepted for payment for any reason or if Share Certificates are submitted for more Shares and Rights than are tendered, Share Certificates evidencing unpurchased or untendered Shares and Rights will be returned without expense to the tendering stockholder (or, in the case of Shares and Rights tendered by book-entry transfer into the Depositary's account at a Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3, such Shares and Rights will be credited to an account maintained at such Book-Entry Transfer Facility), in each case with the related Rights Certificates, if any, as promptly as practicable following the expiration, termination or withdrawal of the Offer.

If, prior to the Expiration Date, Purchaser increases the consideration to be paid per Share pursuant to the Offer, Purchaser will pay the increased consideration for all Shares purchased pursuant to the Offer, whether or not such Shares were tendered prior to the increase in consideration.

The Purchaser reserves the right to transfer or assign to any direct or indirect wholly owned subsidiary or subsidiaries of Parent, the right to purchase all of the Shares and Rights tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares and Rights validly tendered and accepted for payment pursuant to the Offer.

3. PROCEDURE FOR TENDERING SHARES AND RIGHTS.

Valid Tenders. Except as set forth below, in order for Shares and Rights to be validly tendered pursuant to the Offer, either (a) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in connection with a book-entry delivery of Shares and Rights, and any other documents required by the Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration

Date and either (i) Share Certificates and Rights Certificates, if applicable, evidencing tendered Shares and Rights must be received by the Depositary at such address or such (ii) Shares and Rights must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depositary, in each case on or prior to the Expiration Date or (b) the guaranteed delivery procedures described below must be complied with by tendering stockholders.

Rights Certificates. PRIOR TO A DISTRIBUTION DATE, A VALID TENDER OF SHARES WILL ALSO CONSTITUTE A TENDER OF THE ASSOCIATED RIGHTS. If the Distribution Date has occurred and Rights Certificates have been distributed to such holders prior to the date of tender pursuant to the Offer, Rights Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary or, if available, a Book-Entry Confirmation must be received by the Depositary with respect thereto, in order for such Shares to be validly tendered. If the Distribution Date has occurred and Rights Certificates have not been distributed prior to the time Shares are tendered pursuant to the Offer, Rights may be tendered prior to a stockholder receiving Rights Certificates by use of the guaranteed delivery procedures described below. A tender of Shares without Rights Certificates constitutes an agreement by the tendering stockholder to deliver Rights Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within three business days after the date Rights Certificates are distributed. See Section 1.

Book-Entry Transfer. The Depositary will make a request to establish accounts with respect to the Shares at the Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make book-entry delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at such Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at the Book-Entry Transfer Facility, the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required by the Letter of Transmittal, must in any case be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedures described below. If the Distribution Date occurs, to the extent that the Rights become eligible for book-entry transfer under procedures established by the Book-Entry Transfer Facility, the Depositary will make a request to establish an account with respect to the Rights at the Book-Entry Transfer Facility as soon as practicable. If book-entry delivery of Rights is available, the foregoing book-entry transfer procedure will also apply to Rights. However, no assurance can be given that book-entry delivery of Rights will be available. If book-entry delivery is not available and if separate Rights Certificates have been issued, a tendering stockholder is not relieved of delivery requirements hereunder and thus will be required to tender Rights by means of actual physical delivery of Rights Certificates to the Depositary or pursuant to the guaranteed delivery procedures set forth below.

DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THE BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES AND RIGHTS CERTIFICATES, IF APPLICABLE, AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF BOOK-ENTRY TRANSFER,

BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Signature Guarantees. Signatures on Letters of Transmittal must be guaranteed by a firm which is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program (each of the foregoing being referred to as an "Eligible Institution"), except in cases where Shares and Rights are tendered
(i) by a registered holder of Shares and Rights who has not completed either the box labeled "Special Payment Instructions" or the box labeled "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

If the Share Certificates and Rights Certificates, if applicable, are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made, or Share Certificates and Rights Certificates, if applicable, not accepted for payment or not tendered are to be returned, to a person other than the registered holder, the Share Certificates and Rights Certificate, if applicable, must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name of the registered holder appears on such certificates, with the signatures on such certificates or stock powers guaranteed as aforesaid. See Instructions 1 and 5 of the Letter of Transmittal.

If Share Certificates and Rights Certificates, if applicable, are forwarded separately to the Depositary, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) must accompany each such delivery.

Guaranteed Delivery. If a stockholder desires to tender Shares and Rights pursuant to the Offer and such stockholder's Share Certificates and Rights Certificates, if applicable, are not immediately available, or such stockholder cannot deliver the Share Certificates and Rights Certificates, if applicable, and all other required documents to reach the Depositary on or prior to the Expiration Date, or such stockholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such Shares and Rights may nevertheless be tendered, provided that all of the following conditions are satisfied:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, is received by the Depositary as provided below on or prior to the Expiration Date; and

(iii) the Share Certificates and Rights Certificates, if applicable (or a Book-Entry Confirmation), representing all tendered Shares and Rights in proper form for transfer, together with the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message) and any other documents required by the Letter of Transmittal are received by the Depositary within three trading days after the date of execution of such Notice of Guaranteed Delivery. A trading day is any day on which the Nasdaq National Market is open for business.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, telex, facsimile transmission or mail to the Depositary and must include a guarantee by an Eligible Institution and a representation that the stockholder owns the Shares and Rights tendered within the meaning of, and that the tender of the Shares and Rights effected

thereby complies with, Rule 14e-4 under the Exchange Act, each in the form set forth in such Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of Share Certificates and Rights Certificates, if applicable, for, or of Book-Entry Confirmation with respect to, such Shares and Rights, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof), together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by the Letter of Transmittal. Accordingly, payment might not be made to all tendering stockholders at the same time and will depend upon when Share Certificates and Rights Certificates, if applicable, or Book-Entry Confirmations with respect to such Shares and Rights are received into the Depositary's account at a Book-Entry Transfer Facility.

Appointment as Proxy. By executing the Letter of Transmittal, a tendering stockholder irrevocably appoints designees of the Purchaser and each of them as such stockholder's attorneys-in-fact and proxies, with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares and Rights tendered by such stockholder and accepted for payment by the Purchaser (and with respect to any and all other Shares or Rights or other securities issued or issuable in respect of such Shares or Rights on or after the date hereof). All such powers of attorney and proxies shall be considered irrevocable and coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, the Purchaser accepts such Shares and Rights for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares and Rights (and such other Shares, Rights and other securities) will be revoked without further action, and no subsequent powers of attorney and proxies may be given nor any subsequent written consents executed (and, if given or executed, will not be deemed effective). The designees of the Purchaser will, with respect to the Shares and Rights (and such other Shares, Rights and other securities) for which such appointment is effective, be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. The Purchaser reserves the right to require that, in order for Shares and Rights to be deemed validly tendered, immediately upon the Purchaser's payment for such Shares and Rights, the Purchaser must be able to exercise full voting rights with respect to such Shares, Rights and other securities, including voting at any meeting of stockholders.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares and Rights will be determined by the Purchaser in its sole discretion, which determination shall be final and binding. The Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of which may in the opinion of its counsel be unlawful. The Purchaser also reserves the absolute right to waive any of the conditions of the Offer (subject to the provisions of the Merger Agreement) or any defect or irregularity in any tender of Shares and Rights of any particular stockholder whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of Shares or Rights will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of the Purchaser, the Parent, any of their affiliates or assigns, the Dealer Manager, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any

liability for failure to give any such notification. The Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

Backup Federal Income Tax Withholding and Substitute Form W-9. Under the "backup withholding" provisions of federal income tax law, the Depositary may be required to withhold 31% of the amount of any payments of cash pursuant to the Offer. In order to avoid backup withholding, each stockholder surrendering Shares in the Offer must, unless an exemption applies, provide the payor of such cash with such stockholder's correct taxpayer identification number ("TIN") on a substitute Form W-9 and certify, under penalties of perjury, that such TIN is correct and that such stockholder is not subject to backup withholding. If a stockholder does not provide its correct TIN or fails to provide the certifications described above, the Internal Revenue Service ("IRS") may impose a penalty on such stockholder and payment of cash to such stockholder pursuant to the Offer may be subject to backup withholding of 31%. All stockholders surrendering Shares pursuant to the Offer should complete and sign the substitute Form W-9 included in the Letter of Transmittal to provide the information and certification necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Depositary). Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. Noncorporate foreign stockholders should complete and sign a Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the Depositary, in order to avoid backup withholding. See Instruction 9 of the Letter of Transmittal.

Other Requirements. The Purchaser's acceptance for payment of Shares and Rights tendered pursuant to any of the procedures described above will constitute a binding agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer, including the tendering stockholder's representation and warranty that the stockholder is the holder of the Shares and Rights within the meaning of, and that the tender of the Shares and Rights complies with, Rule 14e-4 under the Exchange Act.

4. WITHDRAWAL RIGHTS. Tenders of Shares and Rights made pursuant to the Offer are irrevocable, except that Shares and Rights tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after October 25, 1999. If the Purchaser extends the Offer, is delayed in its acceptance for payment of Shares and Rights or is unable to purchase Shares and Rights validly tendered pursuant to the Offer for any reason, then without prejudice to the Purchaser's rights under the Offer, the Depositary may nevertheless, on behalf of the Purchaser, retain tendered Shares and Rights and such Shares and Rights may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in this Section 4. Any such delay in acceptance for payment will be accompanied by an extension of the Offer to the extent required by law.

For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares and Rights to be withdrawn, the number of Shares and Rights to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares or Rights. If Share Certificates or Rights Certificates to be withdrawn have been delivered or otherwise identified to the Depositary,

then prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution unless such Shares or Rights have been tendered for the account of an Eligible Institution. If Shares or Rights have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares or Rights, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the first sentence of this paragraph.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding. None of the Purchaser, the Parent, any of their affiliates or assigns, the Dealer Manager, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

Withdrawals of Shares and Rights may not be rescinded. Any Shares and Rights properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares and Rights may be re-tendered at any time prior to the Expiration Date by following one of the procedures described in Section 3.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The summary of tax consequences set forth below is for general information only and is based on the law as currently in effect. The tax treatment of each stockholder will depend in part upon such stockholder's particular situation. Special tax consequences not described herein may be applicable to particular classes of taxpayers, such as financial institutions, broker-dealers, insurance companies, foreign corporations, foreign partnerships, foreign trusts, foreign estates, persons who are not citizens or residents of the United States, tax-exempt entities, stockholders who acquired their Shares through the exercise of an employee stock option or otherwise as compensation, and persons who received payments in respect of options to acquire Shares. ALL STOCKHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OFFER AND THE MERGER TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF THE ALTERNATIVE MINIMUM TAX AND ANY STATE, LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS AND CHANGES IN SUCH TAX LAWS.

The receipt of cash pursuant to the Offer or the Merger will be a taxable transaction for Federal income tax purposes under the Internal Revenue Code of 1986, as amended, and may also be a taxable transaction under applicable state, local, foreign income or other tax laws. Generally, for Federal income tax purposes, a stockholder will recognize gain or loss in an amount equal to the difference between the cash received by the stockholder pursuant to the Offer or the Merger and the stockholder's adjusted tax basis in the Shares and the associated Rights tendered by the stockholder and purchased pursuant to the Offer or the Merger. Gain or loss will be calculated separately for each block of Shares tendered and purchased pursuant to the Offer or converted in the Merger, as the case may be. For Federal income tax purposes, such gain or loss will be a capital gain or loss if the Shares are a capital asset in the hands of the stockholder, and a long-term capital gain or loss if the stockholder's holding period is more than one year as of the date the Purchaser accepts such Shares for payment pursuant to the Offer or the effective date of the Merger, as the case may be. There are limitations on the deductibility of capital losses. Capital gains of individuals derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation which may vary depending upon the holding period of such capital assets.

6. PRICE RANGE OF SHARES; DIVIDENDS. The Shares are listed on the Nasdaq National Market under the symbol "OMQP" and have traded since March 21, 1997. The following table sets forth, for the calendar quarters indicated, the high and low sales prices per Share on the Nasdaq National Market as reported in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1998 (the "1998 Annual Report") with respect to the fiscal years covered by such Annual Report and as reported by Bloomberg L.P. thereafter and the amount of cash dividends paid or declared per Share for each quarter based on publicly available sources.

	HIGH	LOW	DIVIDENDS
Fiscal 1997:			
Second Quarter (beginning March 21, 1997).....	$14 5/8	$14 1/4	$ --
Third Quarter.....	$24 1/4	$11 7/8	$ --
Fourth Quarter.....	$25 5/8	$11 1/8	$0.01
Fiscal 1998:			
First Quarter.....	$21 1/4	$15 1/2	$0.01
Second Quarter.....	$26 5/8	$19 1/2	$0.01
Third Quarter.....	$25 3/4	$17 1/4	$0.01
Fourth Quarter.....	$19 1/4	$ 9	$0.01
Fiscal 1999:			
First Quarter.....	$ 17	$8 5/8	$0.01
Second Quarter.....	$15 1/2	$9 1/2	$0.01
Third Quarter.....	$13 1/4	$ 7	$0.01
Fourth Quarter (through August 25, 1999).....	$20 3/4	$7 1/2	$0.01

On July 23, 1999, one month prior to announcement of the Offer, the closing sale price per Share of the Company's common stock reported on the Nasdaq National Market was $8.125. On August 20, 1999, the last full trading day prior to announcement of the Offer, the closing sale price per Share of the Company's common stock reported on the Nasdaq National Market was $13.125. STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.

Pursuant to the Merger Agreement, the Company, among other things, has agreed that it will not declare or pay dividends on, or make other distributions in respect of, the Shares, other than the regular quarterly cash dividend on the Shares of $0.01 per Share, payable on September 30, 1999 to holders of record on September 15, 1999, which dividend was declared on August 10, 1999. Tendering stockholders who are holders of record on September 15, 1999 will be entitled to receive and retain such regular quarterly dividend regardless of when Shares are tendered or accepted for payment pursuant to the Offer.

The Rights are currently attached to the outstanding Shares and may not be traded separately. If a Distribution Date occurs, the Rights could begin trading separately from the Shares. See Section 12. IN SUCH EVENT, STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION, IF ANY, FOR THE RIGHTS. Holders of Shares are required to tender one Right for each Share tendered in order to effect a valid tender of such Share. Accordingly, if a Distribution Date occurs, stockholders who sell their Rights separately from their Shares and do not

otherwise acquire Rights may not be able to satisfy the requirements of the Offer for a valid tender of Shares.

7. CERTAIN INFORMATION CONCERNING THE COMPANY. The information concerning the Company in this Section 7 and elsewhere in this Offer to Purchase has been furnished by the Company or has been taken from or based upon the 1998 Annual Report and other publicly available documents and records on file with the Commission and other public sources. Although the Purchaser does not have any knowledge that would indicate that any information concerning the Company contained in such documents and records is untrue, the Purchaser does not assume any responsibility for the accuracy or completeness of the information contained therein, or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any information concerning the Company, but which are unknown to the Parent and the Purchaser.

General. The Company was incorporated in Delaware on May 16, 1995. The Company's principal executive offices are located at 222 East Main Street, Port Washington, Wisconsin 53074, and its telephone number is (414) 268-8965. As of August 20, 1999, the Company has approximately 1,600 employees.

The Company is the largest North American manufacturer of telescopic material handlers and one of the leading North American producers of aerial work platforms. Other products manufactured by the Company include skid steer loaders and a range of other material handling equipment. OmniQuip's products are used in a variety of applications for construction, industrial, maintenance, military and agricultural markets. The Company's principal products are marketed under the SKY TRAK, LULL, SNORKELIFT and WILDCAT brand names.

Financial Information. Set forth below are certain selected consolidated financial data for the Company's last three fiscal years which were derived from the 1998 Annual Report. More comprehensive financial information is included in the reports (including management's discussion and analysis of financial condition and results of operations) and other documents filed by the Company with the Commission, and the following financial data are qualified in their entirety by reference to such reports and other documents including the financial information and related notes contained therein. Such reports and other documents may be examined and copies thereof may be obtained from the offices of the Commission and Nasdaq in the manner set forth below.

OMNIQUIP INTERNATIONAL, INC.

SELECTED CONSOLIDATED FINANCIAL DATA
(IN THOUSANDS, EXCEPT FOR PER SHARE AMOUNTS)

	FISCAL YEAR ENDED SEPTEMBER 30,		
	1998(1)	1997(2)	1996(3)
STATEMENT OF OPERATIONS DATA:			
Net sales	$455,653	$264,213	$124,861
Cost of sales	349,584	192,270	92,688
Gross profit	106,069	71,943	32,173
Selling, general and administrative expenses	47,365	27,717	16,311
Operating income	58,704	44,226	15,862
Interest expense	10,261	6,106	3,434
Other finance charges	2,553	2,182	2,012
Income before income taxes	45,890	35,938	10,416
Provision for income taxes	18,547	14,556	4,060
Income before extraordinary item	27,343	21,382	6,356
Extraordinary item, net(4)	(545)	(782)	(314)
Net income	$ 26,798	$ 20,600	$ 6,042
Basic Earnings Per Share:			
Income before extraordinary item	$ 1.92	$ 1.66	$ 0.56
Extraordinary item(4)	(0.04)	(0.06)	(0.03)
Net income	$ 1.88	$ 1.60	$ 0.53
Diluted Earnings Per Share:			
Income before extraordinary item	$ 1.90	$ 1.66	$ 0.56
Extraordinary item(4)	(0.04)	(0.06)	(0.03)
Net income	$ 1.86	$ 1.60	$ 0.53
Dividends Per Share	$ 0.04	$ 0.01	$ 0.00
Weighted average number of shares outstanding:			
Basic	14,261	12,845	11,250
Diluted	14,392	12,905	11,250
BALANCE SHEET DATA:			
Working capital	$ 58,892	$ 14,402	$ 13,393
Total assets	316,462	144,298	139,580
Short-term debt	13,750	8,625	3,875
Long-term debt	124,250	25,609	84,566
Total Stockholders' equity	94,969	70,398(5)	12,425(5)

(1) Amounts as of and for the fiscal year ended September 30, 1998 reflect the acquisition of Snorkel on November 17, 1997.
(2) Amounts as of and for the fiscal year ended September 30, 1997 reflect the effects of the Company's initial public offering of common shares on March 20, 1997.
(3) Amounts as of and for the fiscal year ended September 30, 1996 reflect the acquisition of Lull on August 15, 1996.
(4) Amount in fiscal year 1998 reflects the write-off of deferred finance charges, net of $371 of income tax benefits, in connection with the refinancing of debt. Amount in fiscal 1997 reflects the write-off of deferred finance charges, net of $521 of income tax benefits, in connection with the refinancing of debt. Amount in fiscal year 1996 reflects the write-off of deferred finance charges, net of $200 of income tax benefits, in connection with the refinancing of debt.
(5) The change in stockholders' equity as of September 30, 1997 versus September 30, 1996 includes $37,156 of proceeds from the Company's initial public offering of common stock which was completed in March 1997.

Other Information. The Shares are registered under the Exchange Act. Accordingly, the Company is subject to the informational filing requirements of the Exchange Act and in accordance therewith is obligated to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Information as of particular dates concerning the Company's directors and officers, their remuneration, options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company is required to be disclosed in such proxy statements and distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference facilities of the Commission located in Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and should also be available for inspection and copying at prescribed rates at the regional offices of the Commission located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and Seven World Trade Center, Suite 1300, New York, New York 10048. Such reports, proxy statements and other information may also be obtained at the Web site that the Commission maintains at http://www.sec.gov. Copies of this material may also be obtained by mail, upon payment of the Commission's customary fees, from the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, such material should also be available for inspection at the library of the Nasdaq Stock Market, 1735 K Street, N.W., Washington, D.C. 20006. Except as otherwise noted in this Offer to Purchase, all of the information with respect to the Company set forth in this Offer to Purchase has been derived from publicly available information.

Certain Projections. To the knowledge of the Parent and the Purchaser, the Company does not as a matter of course make public forecasts as to its future operating performance. However, in connection with the Parent's and the Purchaser's business investigation of the Company and during the course of negotiations between the Parent and the Purchaser, the Company and their respective advisors described in Section 10 of this Offer to Purchase, as well as negotiations with respect to the Stock Purchase Agreements described in Section 11, the Company provided the Parent and the Purchaser with certain projections of future operating performance of the Company which the Parent and the Purchaser believe are not publicly available. Neither the Parent nor the Purchaser has verified the accuracy of such projections. Such projections covered the period through the fiscal year ending September 30, 2000 (the Company has not provided Parent or Purchaser with projections for periods following such date) and, among other things, contained the following information regarding the Company's future consolidated operating results:

	FISCAL YEAR ENDING SEPTEMBER 30,	
	1999	2000
	(IN THOUSANDS OF DOLLARS) (PROJECTED)	
Net Sales	$524,355	$567,171
Operating Profit	44,980	80,753
Net Income	17,461	37,468

It is the understanding of the Parent and the Purchaser that the projections were not prepared with a view to public disclosure or compliance with published guidelines of the Commission or the guidelines of the American Institute of Certified Public Accountants regarding projections or forecasts. The foregoing summary of the projections is included

herein only because such information was provided to the Parent and the Purchaser as described above.

THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE PROJECTIONS. THE COMPANY HAS ADVISED THE PARENT AND THE PURCHASER THAT ITS INTERNAL FINANCIAL FORECASTS (UPON WHICH THE PROJECTIONS PROVIDED TO THE PARENT AND THE PURCHASER WERE BASED) ARE, IN GENERAL, PREPARED SOLELY FOR INTERNAL USE AND CAPITAL BUDGETING PURPOSES AND OTHER MANAGEMENT DECISIONS, AND ARE SUBJECTIVE IN MANY RESPECTS AND THUS SUSCEPTIBLE TO INTERPRETATIONS AND PERIODIC REVISION BASED ON ACTUAL EXPERIENCE AND BUSINESS DEVELOPMENTS. THE PROJECTIONS ALSO REFLECT NUMEROUS ASSUMPTIONS (NOT ALL OF WHICH WERE PROVIDED TO THE PARENT OR THE PURCHASER), ALL MADE BY MANAGEMENT OF THE COMPANY, WITH RESPECT TO INDUSTRY PERFORMANCE, GENERAL BUSINESS, ECONOMIC, MARKET AND FINANCIAL CONDITIONS AND OTHER MATTERS, ALL OF WHICH ARE DIFFICULT TO PREDICT, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL AND NONE OF WHICH WAS SUBJECT TO APPROVAL BY EITHER THE PARENT OR THE PURCHASER. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS MADE IN PREPARING THE PROJECTIONS WILL PROVE ACCURATE, AND ACTUAL RESULTS MAY BE MATERIALLY GREATER OR LESS THAN THOSE CONTAINED IN THE PROJECTIONS. THE INCLUSION OF THE FOREGOING SUMMARY OF THE PROJECTIONS IN THIS OFFER TO PURCHASE SHOULD NOT BE REGARDED AS AN INDICATION THAT ANY OF THE PARENT, THE PURCHASER, THE COMPANY OR ANY OF THEIR RESPECTIVE REPRESENTATIVES CONSIDERED OR CONSIDER THE PROJECTIONS TO BE A RELIABLE PREDICTION OF FUTURE EVENTS, AND THE PROJECTIONS SHOULD NOT BE RELIED UPON AS SUCH. NONE OF THE PARENT, THE PURCHASER, THE COMPANY OR ANY OF THEIR REPRESENTATIVES ASSUMES ANY RESPONSIBILITY FOR THE VALIDITY, REASONABLENESS, ACCURACY OR COMPLETENESS OF THE PROJECTIONS. NONE OF THE PARENT, THE PURCHASER, THE COMPANY OR ANY OF THEIR REPRESENTATIVES HAS MADE, OR MAKES, ANY REPRESENTATION TO ANY PERSON REGARDING THE INFORMATION CONTAINED IN THE PROJECTIONS AND NONE OF THEM INTENDS TO UPDATE OR OTHERWISE REVISE THE PROJECTIONS TO REFLECT CIRCUMSTANCES ARISING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROJECTIONS ARE SHOWN TO BE IN ERROR.

8. CERTAIN INFORMATION CONCERNING THE PURCHASER AND PARENT

The Purchaser. The Purchaser is a newly formed Delaware corporation organized at the direction of the Parent in connection with the Offer and the Merger. The address of the Purchaser is the same as the address of the Parent.

The Parent. The Parent is a Delaware corporation that was incorporated on July 31, 1967 as a successor to a Rhode Island corporation which was incorporated in 1928. The Parent is a global multi-industry company with operations in four business segments --

Aircraft, Automotive, Industrial and Finance. Textron consists of two borrowing groups, Textron Finance and Textron Manufacturing. Textron Finance consists of Textron Financial Corporation consolidated with its subsidiaries, which are the entities through which Textron operates in the Finance segment. Textron Manufacturing is Textron Inc., the parent company, consolidated with the entities through which Textron operates in the Aircraft, Automotive and Industrial business segments.

The Parent's principal executive offices are located at 40 Westminster Street, Providence, R.I. 02903. The telephone number of the Parent at such offices is (401) 421-2800.

Set forth below are certain selected consolidated financial data relating to the Parent and its subsidiaries for the Parent's last three fiscal years which should be read in conjunction with the financial statements contained in the Parent's Annual Report on Form 10-K for the fiscal year ended January 2, 1999 (the "Form 10-K") filed by the Parent with the Commission. Certain prior year balances have been reclassified to conform to the current year presentation. More comprehensive financial information is included in the reports (including management's discussion and analysis of financial condition and results of operations) and other documents filed by the Parent with the Commission, and the following financial data should be read in conjunction with such reports and other documents, including the financial information and related notes contained therein.

TEXTRON INC.

SELECTED CONSOLIDATED FINANCIAL DATA
(ALL DOLLAR AND SHARE AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

	YEAR		
	1998	1997	1996
INCOME STATEMENT DATA:			
Textron Manufacturing			
Revenues	$ 9,316	$ 8,333	$ 7,179
Cost and Expenses			
Cost of sales	7,572	6,836	5,837
Selling and administrative	958	840	761
Interest expense	146	117	137
Gain on sale of division	(97)	--	--
Special charges	87	--	--
Total costs and expenses	8,666	7,793	6,735
Textron Manufacturing income	650	540	444
Textron Finance			
Revenues	367	350	327
Cost and Expenses			
Interest	155	153	147
Selling and administrative	79	66	58
Provision for losses on collection of finance receivables	20	23	26
Total costs and expenses	254	242	231
Textron Finance income	113	108	96
Income from continuing operations before income taxes and distributions on preferred securities of subsidiary trust	763	648	540
Income taxes	(294)	(250)	(211)
Distribution on preferred securities of subsidiary trust, net of income taxes	(26)	(26)	(23)
Income from continuing operations	443	372	306
Discontinued operations, net of income taxes:			
Income from operations	165	186	192
Loss on disposal(1)	--	--	(245)
Net income	$ 608	$ 558	$ 253
Basic income from continuing operations per share(2)	$ 2.74	$ 2.25	$ 1.82
Diluted income from continuing operations per share(2)	$ 2.68	$ 2.19	$ 1.78
Weighted average number of shares outstanding:			
Basic	161,254	164,830	167,453
Diluted	165,374	169,503	171,652
BALANCE SHEET DATA (AT PERIOD END):			
Total assets	$ 13,721	$ 11,330	$ 11,514
Total liabilities	10,241	7,619	7,848
Preferred securities of subsidiary trust	483	483	483
Total shareholders' equity	2,997	3,228	3,183

(1) In 1996, Textron agreed to sell Paul Revere Corporation, resulting in a net after tax loss of $245 million

(2) Basic and diluted income from continuing operations per share reflects the effect of the two-for-one stock split in the form of a stock dividend paid in May 1997.

Textron is subject to the informational filing requirements of the Exchange Act and in accordance therewith is obligated to file periodic reports and other information with the Commission relating to its business, financial condition and other matters. Such reports and other information should be available for inspection at the public reference facilities of the Commission located in Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and should also be available for inspection and copying at prescribed rates at the regional offices of the Commission located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and Seven World Trade Center, Suite 1300, New York, New York 10048. Such reports and other information may also be obtained at the Web site that the Commission maintains at http://www.sec.gov. Copies of this material may also be obtained by mail, upon payment of the Commission's customary fees, from the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. The financial statements set forth in Item 1 of Textron's Quarterly Report on Form 10-Q for the period ended July 3, 1999 and in Item 8 of Textron's Annual Report on Form 10-K for the year ended January 2, 1999 are incorporated herein by reference.

The name, citizenship, business address, present principal occupation or employment and five-year employment history of each of the directors and executive officers of the Purchaser and Parent are set forth on Schedule I hereto.

None of the Purchaser, the Parent nor, to the best knowledge of Purchaser and the Parent, any of the persons listed on Schedule I hereto or any associate or majority-owned subsidiary of the Purchaser, the Parent or any of the persons so listed, beneficially owns or has a right to acquire directly or indirectly any Shares, and none of the Purchaser, the Parent nor, to the best knowledge of the Purchaser and the Parent, any of the entities referred to above, or any of the respective executive officers, directors or subsidiaries of any of the foregoing, has effected any transactions in the Shares during the past 60 days, other than as set forth in Section 11 and in Schedule II.

Except as set forth in this Offer to Purchase, since March 21, 1997 there have been no (i) transactions or series of similar transactions between any of the Parent, the Purchaser or, to the best knowledge of the Purchaser and the Parent, any of the persons listed in Schedule I hereto, on the one hand, and the Company or any of its affiliates which are corporations or executive officers, directors or affiliates of the Company which are not corporations, on the other hand, involving an aggregate amount exceeding $40,000 or (ii) contacts, negotiations or transactions between any of the Parent, the Purchaser or, to the best knowledge of the Purchaser and the Parent, any of the persons listed in Schedule I hereto, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer or other acquisition of securities, an election of directors, or a sale or other transfer of a material amount of assets, in each case other than as described in Section 11 or in Schedule II.

9. SOURCE AND AMOUNT OF FUNDS.

The total amount of funds required by the Purchaser to purchase all of the outstanding Shares and pay related fees and expenses is expected to be approximately $320 million. The Purchaser will obtain such funds through capital contributions by the Parent. Parent anticipates funding the capital contributions through one or more of a combination of cash on hand, internally generated funds, private or public sales of notes and arranged bank credit facilities. The Purchaser has not conditioned the Offer on obtaining financing.

The Parent is party to an unsecured revolving 5-year credit facility dated as of April 1, 1998. The revolving credit facility is provided by a group of lenders and Morgan Guaranty Trust Company of New York as administrative agent (the "Agent"). The revolving credit facility allows the Parent to borrow up to $1 billion through the incurrence of revolving credit loans or bid loans. Amounts borrowed (other than the bid loans) pursuant to the revolving credit facility bear interest at the following rates per annum, at the Parent's option:
(i) the higher of (a) the Federal Funds Effective Rate as published by the Federal Reserve Bank of New York plus 0.5% and (b) the prime commercial lending rate announced by the Agent from time to time ranging from .075% to .300% as specified in the revolving credit facility. The Parent has agreed to pay a facility fee ranging from .075% to .150% per annum on the daily average commitment whether used or unused as specified in the revolving credit facility and an annual administration fee. The covenants in the revolving credit facility, among other things, restrict the Parent from liens other than as permitted under the revolving credit facility. In addition, the revolving credit facility requires that the Parent and its restricted subsidiaries, on a consolidated basis, satisfy an interest coverage test and a minimum net worth test.

It is anticipated that any indebtedness incurred by Parent in connection with the Offer and the Merger will be repaid from funds generated internally by Parent and its subsidiaries (including, after the Merger, if consummated, funds generated by the Surviving Corporation and its subsidiaries), bank refinancing or other sources. No final decisions have been made, however, concerning the method Parent will employ to repay any such indebtedness. Such decisions, when made, will be based on Parent's review from time to time of the advisability of particular actions, as well as on prevailing interest rates and financial and other economic conditions.

10. BACKGROUND OF THE OFFER; CONTACTS WITH THE COMPANY.

In early August 1998, the Company received separate informal inquiries, from two publicly traded participants in the construction equipment industry ("Company 1" and "Company 2"), expressing an interest in exploring a possible business combination with, or acquisition of, the Company. In light of such inquiries, the Board of Directors appointed a special committee of directors (the "Special Committee") to oversee inquiries received by the Company concerning possible business combinations and to review steps that might be taken to address the Company's stock price, which had fallen sharply from early June 1998 to mid-August 1998. Separately, another special committee of the Board of Directors had been appointed in July 1998 to evaluate the desirability of adopting a stockholders' rights plan. That special committee engaged Morgan Stanley & Co. Incorporated ("Morgan Stanley") to assist it in evaluating the desirability of adopting a stockholder rights plan and the terms thereof. On August 21, 1998, that special committee recommended to the Board of Directors, and the Board of Directors approved, the adoption of the Rights Agreement.

From late August to early October 1998, the Special Committee met on several occasions, consulted with the Company's financial and legal advisors and considered various alternatives to enhance stockholder value and protect stockholder interests. Although follow-up discussions between representatives of Company 1 and Company 2 occurred, no formal process was initiated and the Special Committee, as well as the Board of Directors, determined that it would not be in the best interests of the Company and its stockholders to pursue further any possible business combination or sale of the Company at that time.

During the first several weeks of 1999, the Company's share price traded down by over 25% from the closing share price at the end of 1998. On February 5, 1999, the Chief

Executive Officer of Company 1 wrote a letter (the "Letter") to the Company's Chief Executive Officer, P. Enoch Stiff, expressing a desire to pursue a business combination with the Company. The Special Committee requested that Morgan Stanley make a presentation to the Board of Directors on the Company's alternatives and discuss ways to respond to the Letter.

On February 16, 1999, the Board of Directors met in Milwaukee to discuss a number of matters, including the Letter. Morgan Stanley presented a range of possible alternatives available to the Company and discussed, on a preliminary basis, issues and opportunities associated with those alternatives. At the conclusion of the meeting, the Board of Directors determined to authorize management and Morgan Stanley to initiate discussions with Company 1, Company 2 and other parties about a possible business combination.

On March 4, 1999, the Company formally retained Morgan Stanley to assist it in connection with the exploration of a possible business combination.

Subsequent to February 16, 1999, Morgan Stanley contacted a number of parties to explore their potential interest in a business combination with the Company. Morgan Stanley and the Company provided information, subject to confidentiality agreements, to Company 1, Company 2, and other third parties.

During May, June and July, potential acquirors of the Company, including Company 1 and Company 2, undertook a business investigation of the Company, including meetings with management, tours of certain of the Company's manufacturing facilities, and a review of certain of the Company's financial, legal and other documents and records.

On June 23, 1999, John Janitz, President and Chief Operating Officer of Parent, called Mr. Stiff to express an interest in a possible business combination. On July 9, 1999, Parent and the Company executed a confidentiality agreement, pursuant to which the Company provided financial and other information to the Parent. Mr. Janitz and Mr. Stiff met in Milwaukee on July 19, 1999, and discussed the merits of a possible business combination. Mr. Stiff informed Mr. Janitz that the Company would be willing to make available to Parent additional financial and other information about the Company. Commencing on July 21, 1999 and continuing into August, representatives of Parent undertook a due diligence investigation of the Company.

During the week of August 2, 1999, the Company received proposals for a business combination from Company 1, Company 2 and Parent.

On August 6, 1999, the Special Committee convened a telephonic meeting to review the proposals. It was determined to discuss the proposals with the Board of Directors at a meeting held on August 10, 1999.

At the August 10 Board of Directors meeting, management and Morgan Stanley reviewed the process conducted over the preceding months and reviewed the proposals. Morgan Stanley presented a financial presentation on the Company including a detailed discussion of valuation. The Board of Directors concluded that Parent's proposal was superior to the indications of interest provided by Company 1 and Company 2 and, accordingly, determined to authorize management and the Company's legal and financial advisors to enter into contractual negotiations with Parent concerning a transaction and to allow Parent to conclude its due diligence investigation of the Company.

Prior to the August 10 meeting, representatives of Parent contacted Mr. Stiff and indicated that, in connection with Parent's proposal, Parent also desired to enter into certain

arrangements with Mr. Stiff providing for the purchase of a portion of the Shares owned by him and additional understandings concerning his employment by the Company following an acquisition by Parent. Subsequently, those discussions were broadened to include other members of management. Between August 10 and August 20, various members of management and their counsel negotiated with Parent and its counsel concerning the terms of such arrangements. See Section 11.

Following the August 10 meeting, the Company's counsel provided Parent's counsel with a draft merger agreement and proceeded to negotiate the terms thereof with Parent's counsel. On August 17, 1999, the Board of Directors of the Company met by telephone to review developments since its meeting on August 10 and to evaluate progress made by Parent in completing its due diligence investigation and the status of contract negotiations between the parties. In addition, the Board of Directors received and reviewed a report from management containing preliminary internal financial projections for fiscal 2000 and subsequent years.

Between August 17 and August 20, 1999, counsel to the Company and counsel to Parent substantially completed negotiations concerning the terms of the Merger Agreement, and Messrs. Stiff and Laetz and their counsel completed negotiations with Parent and its counsel concerning the terms of the Stock Purchase Agreements.

On August 20, 1999, the Board of Directors met to consider the proposed Merger Agreement and the transactions contemplated thereby. At such meeting, the Board of Directors reviewed the discussions between the Company, Parent and other parties and considered the proposed transaction with Parent. In particular, the Board of Directors received reports from its legal and financial advisers concerning the transaction process and reviewed the terms and conditions of the proposed Merger Agreement. Morgan Stanley delivered its opinion to the Board of Directors that, based upon and subject to the matters set forth therein and as of the date thereof, the cash consideration to be received by stockholders of the Company in the Offer and the Merger was fair to the stockholders of the Company from a financial point of view. After considering such presentations, the Board of Directors unanimously approved the proposed Merger Agreement and all transactions contemplated thereby, including the Offer and the Merger, and determined that the terms of the Offer and the Merger are fair to, and in the best interests of, the stockholders of the Company. The Board of Directors unanimously recommended that stockholders of the Company accept the Offer and tender their Shares and the associated Rights to the Purchaser pursuant to the Offer.

At the meeting, the Company also approved an amendment to the Rights Agreement that provides that Parent shall not be deemed an Acquiring Person (as defined in the Rights Agreement) and that the Rights will not separate from the Shares as a result of entering into the Merger Agreement, commencing or consummating the Offer or consummating the Merger pursuant to the terms of the Merger Agreement. The Company has also taken actions necessary to ensure that the Merger Agreement and the transactions contemplated thereby will not trigger any "poison pill" or any other anti-takeover provision adopted by the Company or available to it, to its knowledge, under applicable law.

Following the meeting on August 20, 1999 of the Board of Directors, the Stock Purchase Agreements were executed and delivered. On August 21, 1999, the Company's counsel and Parent's counsel completed final negotiations concerning the terms of the Merger Agreement and the Merger Agreement was executed and delivered.

11. THE MERGER AGREEMENT, STOCK PURCHASE AGREEMENTS AND DISCUSSIONS REGARDING EMPLOYMENT.

THE MERGER AGREEMENT

The following is a summary of the Merger Agreement, which summary is qualified in its entirety by reference to the copy thereof filed as an exhibit to the Tender Offer Statement on Schedule 14D-1.

The Offer. The Merger Agreement provides that no later than five business days from and including the date of initial public announcement of the Merger Agreement the Purchaser will commence the Offer. The parties to the Merger Agreement have agreed in the Merger Agreement that the obligations of the Purchaser to accept for payment and pay for Shares tendered pursuant to the Offer will be subject only to the satisfaction or waiver of the conditions described in Section 15 hereof, including the Minimum Condition. Under the Merger Agreement, the Purchaser expressly reserves the right, in its sole discretion, to waive any such condition (other than the Minimum Condition), provided, that, without the prior written consent of the Company, the Purchaser will not (i) decrease the amount to be paid per share in the Offer to below $21.00, (ii) change the form of consideration to be paid in the Offer, (iii) reduce the maximum number of Shares to be purchased in the Offer or the Minimum Condition, (iv) impose conditions to the Offer in addition to the Offer conditions set forth in Annex A to the Merger Agreement (the "Offer Conditions") or modify the Offer conditions in a manner adverse to the holders of Shares or
(v) amend any other term of the Offer in a manner adverse to the holders of the Shares, (provided that a waiver by Purchaser of any condition other than the Minimum Condition shall not be deemed to be adverse to the holders of the Shares).

Notwithstanding the foregoing, Purchaser may, without the consent of the Company, (i) extend the Offer on one or more occasions for up to ten business days for each such extension beyond the then scheduled expiration date (the initial scheduled expiration date being 20 business days following commencement of the Offer), if at the then scheduled expiration date of the Offer any of the conditions to Purchaser's obligation to accept for payment and pay for the Shares shall not be satisfied or waived, until such time as such conditions are satisfied or waived (and, at the request of the Company, Purchaser shall, subject to Purchaser's right to terminate the Merger Agreement pursuant to Article IX thereof, extend the Offer for additional periods, unless the only conditions not satisfied or earlier waived on the then scheduled expiration date are one or more of the Minimum Condition and the conditions set forth in paragraph (b) of the Offer Conditions, provided that (x) if the only condition not satisfied is the Minimum Condition, the satisfaction or waiver of all other conditions shall have been publicly disclosed at least five business days before termination of the Offer and (y) if paragraph (b) of the Offer Conditions has not been satisfied and the failure to so satisfy can be remedied, the Offer shall not be terminated unless the failure is not remedied within 10 calendar days after Purchaser has furnished the Company written notice of such failure) and (ii) extend the Offer for any period required by any rule, regulation, interpretation or position of the Commission or the staff thereof applicable to the Offer and (iii) extend the Offer for an aggregate period of not more than 5 business days beyond the latest expiration date that would otherwise be permitted under clause (i) or (ii) of this sentence if there shall not have been tendered sufficient Shares so that the Merger could be effected without a meeting of the Company's stockholders in accordance with Section 253 of the DGCL. The Purchaser shall have no obligation to pay interest on the purchase price of tendered Shares. The rights reserved by the Purchaser in this

Section 11 are in addition to the Purchaser's rights to terminate the Offer pursuant to Section 15.

Company Board Representation. The Merger Agreement provides that, promptly (but in any event within two business days) upon purchase by the Purchaser of a majority of the outstanding Shares pursuant to the Offer, either (a) a majority of the members of the Board of Directors of the Company shall resign and the remaining members of the Board of Directors of the Company shall fill all of the vacated Board positions with persons designated by Parent or (b) the size of the Board of Directors of the Company shall be expanded and the vacant seats filled with persons designated by Parent so that Parent's designees shall constitute a majority of the members of the Board of Directors of the Company. In either case, at all times thereafter through the Effective Time a majority of the members of the Board of Directors of the Company shall be persons designated by Parent. The Merger Agreement further provides that the Company's obligations to appoint designees to its Board of Directors will be subject to Section 14(f) of the Exchange Act and Rule 14f-1 thereunder.

The Merger. The Merger Agreement provides, upon the terms and subject to the conditions thereof, at the Effective Time and in accordance with the DGCL, the Purchaser will be merged with and into the Company. As a result of the Merger, the separate corporate existence of the Purchaser will cease and the Company will continue as a the Surviving Corporation.

The Merger Agreement provides that the certificate of incorporation of Purchaser, as in effect immediately prior to Effective Time, shall be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided by law (except that the name of the Surviving Corporation shall be changed to OmniQuip Textron International Inc.). At the Effective Time, the by-laws of the Purchaser, as in effect immediately prior to the Effective Time will be the by-laws of the Surviving Corporation and until thereafter altered, amended or repealed as provided by law. The Merger Agreement provides that the directors of the Purchaser immediately prior to the Effective Time will be the initial directors of the Surviving Corporation and the officers of the Company immediately prior to the Effective Time will be the initial officers of the Surviving Corporation, each to hold office until their respective successor shall be duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the certificate of incorporation and by-laws of the Surviving Corporation.

At the Effective Time, each Share and each associated Right that are issued and outstanding immediately prior to the Effective Time (other than Shares (and associated Rights) owned by the Company or by the Parent, the Purchaser or any direct or indirectly wholly-owned subsidiary of the Company, the Parent or the Purchaser, which shall be cancelled, and other than Shares (and associated Rights), if any (collectively, "Dissenting Shares"), held by stockholders who have properly exercised appraisal rights under Section 262 of the DGCL) will, by virtue of the Merger and without any action on the part of the Company, the Purchaser or the holders of the Shares, be cancelled, extinguished and converted into and become a right to receive $21.00 in cash (the "Merger Consideration"), payable to the holder thereof, without interest, upon surrender of the certificate formerly representing such Share, less any required withholding taxes. All Shares that are owned by the Company (as treasury stock or otherwise) and all Shares owned by the Parent, the Purchaser or any direct or indirect wholly-owned subsidiary of the Company, the Parent or the Purchaser, if any, will be canceled and retired and cease to exist, and no cash or other consideration will be delivered in exchange therefore.

The Merger Agreement provides that Shares that are issued and outstanding immediately prior to the Effective Time and which are held by a stockholder who has not voted in favor of the Merger and who is otherwise entitled to demand and who properly demands appraisal for such Shares in accordance with all the provisions of the DGCL concerning the rights of holders of Shares to dissent from the Merger and require appraisal of their Shares will not be converted into or exchangeable for the right to receive the Merger Consideration unless such holder fails to perfect or otherwise effectively withdraws or loses such holder's right to appraisal, if any. Such holders will be entitled to receive the appraised value of such Shares held by them in accordance with the applicable provisions of the DGCL. If, after the Effective Time, such holder fails to perfect or loses its right to appraisal, each Share of such holder will be treated as if it had been converted as of the Effective Time into the right to receive the Merger Consideration, without any interest thereon.

The Merger Agreement provides that each share of common stock of the Purchaser will be converted into one share of common stock of the Surviving Corporation.

The Merger Agreement provides that each option granted to a Company employee or director pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan (the "LTIP") and 1996 Directors Non-Qualified Stock Option Plan (the "Directors Plan"; together, the "Stock Plans") to acquire shares of Company Common Stock (each such option hereinafter is referred to as an "Option") that is outstanding immediately prior to the Effective Time, whether or not then vested or exercisable, with respect to which, as of the Effective Time, $21.00 exceeds the exercise price per share shall, effective as of immediately prior to the Effective Time, be canceled in exchange for a single lump sum cash payment equal to the product of (1) the number of Shares subject to such Option and (2) the excess of $21.00 over the exercise price per share of such Option (subject to any applicable withholding taxes). Each Option that is outstanding immediately prior to the Effective Time, whether or not then vested or exercisable, with respect to which, as of the Effective Time, $21.00 does not exceed the exercise price per share shall, effective as of immediately prior to the Effective Time, be canceled and no payments shall be made with respect thereto. Prior to the Effective Time, the Company (a) will obtain any consents from holders of Options under the Directors Plan necessary to give effect to the aforementioned discussed above and (b) will use its reasonable best efforts to obtain consents to the cancellation of Options with exercise prices that exceed $21.00 per Share from holders of Options under the LTIP.

Immediately prior to the Effective Time, each Share previously issued in the form of restricted stock pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan shall fully vest and all restrictions thereon shall be removed.

Representations and Warranties. The Merger Agreement contains various customary representations and warranties of the parties thereto including, without limitation, representations and warranties by the Company as to the Company's organization and authorizations, capital stock, subsidiaries, noncontravention and consents, filings with the Commission, financial statements, no material adverse change, legal proceedings, subsequent events, commissions and fees, offering documents, employee benefit plans, compliance with the law, rights plan, intellectual property, taxes and opinion of financial advisor. Some of the representations are qualified by the limitation that, in order for the representation to have been breached, the event breaching the representation must have a Material Adverse Effect. A "Material Adverse Effect" as to the Company means any adverse change or changes in the financial condition, properties, business or results of operations of the Company or any of its Subsidiaries, which individually or in the aggregate is or are material to the Company and its Subsidiaries, taken as a whole, other than (i) any change or effect arising out of general

economic conditions or (ii) any change or effect which the Company has disclosed in writing, prior to the date hereof, to Parent has occurred or is likely to occur.

In addition, the Merger Agreement contains representations and warranties of the Parent and the Purchaser concerning their organization, authorizations of the agreement, noncontravention and consents, commissions and fees, and financing.

AGREEMENTS OF THE COMPANY, THE PARENT AND THE PURCHASER.

CONDUCT OF BUSINESS PENDING THE MERGER. Pursuant to the Merger Agreement, the Company has covenanted and agreed that, prior to the Effective Time, the Company and its subsidiaries will conduct their operations according to their ordinary and usual course of business and consistent with past practice. The Merger Agreement further provides that, without limiting the generality of the foregoing, and except as expressly contemplated by the Merger Agreement, or as set forth in the Schedules, prior to the Effective Time, neither the Company nor any of its subsidiaries will, without the prior written consent of the Parent:

(a) except for shares to be issued or delivered pursuant to awards outstanding on the date hereof under the Company's Stock Plans, issue, deliver, sell, dispose of, pledge or otherwise encumber, or authorize or propose the issuance, sale, disposition or pledge or other encumbrance of (A) any additional shares of capital stock of any class (including the Shares), or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for any shares of capital stock, or any rights, warrants, options, calls, commitments or any other agreements of any character to purchase or acquire any shares of capital stock or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of capital stock, or (B) any other securities in respect of, in lieu of, or in substitution for, Shares outstanding on the date hereof;

(b) redeem, purchase or otherwise acquire, or propose to redeem, purchase or otherwise acquire, any of its outstanding capital stock, including the Shares;

(c) split, combine, subdivide or reclassify any Shares or declare, set aside for payment or pay any dividend, or make any other actual, constructive or deemed distribution in respect of any Shares or otherwise make any payments to stockholders in their capacity as such, other than the payment of a regular quarterly cash dividend on the Shares on or about September 30, 1999 of $0.01 per Share payable to stockholders of record on September 15, 1999 and except for dividends by a wholly-owned subsidiary of the Company;

(d) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its Subsidiaries (other than the Merger);

(e) adopt any amendments to its Certificate of Incorporation or By-Laws or alter through merger, liquidation, reorganization, restructuring or in any other fashion the corporate structure or ownership of any subsidiary of the Company;

(f) make any acquisition, by means of merger, consolidation or otherwise, or material disposition (other than acquisition or disposition of inventory, supplies and products in the ordinary course of business, consistent with past practice), of assets or

securities, or permit any assets to become subject, other than in the ordinary course of business, to any material lien or encumbrance;

(g) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or guarantee any such indebtedness or make any loans, advances or capital contributions to, or investments in, any other person, other than to the Company or any wholly-owned subsidiary of the Company;

(h) grant any increases in the compensation of any of its directors, officers or key employees; for avoidance of doubt "compensation" being defined to include all stock options, stock appreciation rights, phantom stock units, restricted stock grants, contingent stock grants or similar benefits;

(i) grant any increases in the compensation of any of its employees, other than employees who are directors, officers or key employees, except in the ordinary course of business consistent with past practice;

(j) pay or agree to pay or accelerate the payment of any pension, retirement allowance or other employee benefit not required or contemplated by any of the existing benefit, severance, termination, pension or employment plans, agreements or arrangements as in effect on the date hereof to any director or officer of the Company or any of its Subsidiaries, whether past or present;

(k) enter into any new or amend any existing employment or severance or termination agreement with any such director or officer;

(l) except as may be required to comply with applicable law, become obligated under any new pension plan, welfare plan, multiemployer plan, employee benefit plan, severance plan, benefit arrangement, or similar plan or arrangement, which was not in existence on the date hereof, or amend any such plan or arrangement in existence on the date hereof if such amendment would have the effect of enhancing any benefits thereunder;

(m) settle or compromise any material claims (including any claims in respect of tax liabilities or refunds) or litigation or, except in the ordinary and usual course of business, modify, amend or terminate any of its material contracts or waive, release or assign any material rights or claims;

(n) make any change, other than as required by applicable law, regulation or change in generally accepted accounting principles, in accounting policies or procedures applied by the Company (including tax accounting policies and procedures);

(o) except as otherwise required by applicable law or regulation, make any tax election or permit any insurance policy naming it as a beneficiary or a loss payable payee to be canceled or terminated, except in the ordinary course of business;

(p) take any action to amend or alter the Rights Agreement in any manner adverse to Parent's, Purchaser's or the Company's ability to commence or consummate the transactions contemplated by the Merger Agreement pursuant to the terms hereof;

(q) incur any capital expenditures, other than in the ordinary course of business and consistent with past practices; or

(r) authorize, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

No Solicitation of Transactions. The Merger Agreement provides that the Company, its affiliates and their respective officers, directors, employees, representatives and agents shall immediately cease any existing discussions or negotiations, if any, with any parties conducted heretofore with respect to any Takeover Proposal (as defined below). The Merger Agreement also provides that the Company, its subsidiaries, directors, employees, representatives and agents may furnish information and access, in each case only in response to a request for such information or access to any person made after the date hereof which was not initiated, solicited or knowingly encouraged by the Company or any of its affiliates or any of its or their respective officers, directors, employees, representatives or agents after the date hereof (with respect to confidential information, pursuant to appropriate confidentiality agreements), and may participate in discussions and negotiate with such entity or group concerning any Takeover Proposal, only if such entity or group has submitted a bona fide proposal to the Board of Directors relating to any such transaction and (a) if the Board of Directors determines in good faith, after receiving advice from its independent financial advisor, that such entity or group has submitted to the Company a Takeover Proposal which is reasonably likely to be a Superior Proposal (as defined below), and (b) if the Board of Directors determines, in its good faith judgment, based on the opinion of outside legal counsel to the Company, that failing to take such action would constitute a breach of such Board's fiduciary obligations under applicable law. The Company shall promptly notify Parent if any proposal or offer, or any inquiry or contact with any person with respect thereto, is made and shall, in any such notice to Parent, indicate in reasonable detail the identity of the offeror and the terms and conditions of any proposal or offer, or any such inquiry or contact. The Company is required to promptly provide to Parent any non-public information concerning the Company or its Subsidiaries provided to any other person which was not previously provided to Parent and to keep Parent promptly advised of all developments which could reasonably be expected to culminate in the Board of Directors withdrawing, modifying or amending its recommendation of the Offer, the Merger and other transactions contemplated by the Merger Agreement. Except as set forth in Section 7.2 of the Merger Agreement, neither the Company nor any of its affiliates, nor any of its or their respective officers, directors, employees, representatives or agents, shall, directly or indirectly, knowingly encourage or solicit, participate in or initiate discussions or negotiations with, or provide any information to, any corporation, partnership, person or other entity or group (other than Parent and Purchaser, any affiliate or associate of Parent and Purchaser, or any designees of Parent or Purchaser) concerning any Takeover Proposal; provided, that the Company or the Board of Directors may take, and disclose to the Company's stockholders, a position contemplated by Rules 14d-9 and 14e-2 promulgated under the Exchange Act; provided further, that the Board of Directors may not recommend that the stockholders of the Company tender their Shares in connection with any such tender offer unless the Board of Directors determines in its good faith judgment based on the opinion of independent outside legal counsel to the Company, that failing to take such action would constitute a breach of the fiduciary duty of the Board of Directors under applicable law. As used in the Merger Agreement, "Takeover Proposal" shall mean any tender or exchange offer, proposal for a merger, consolidation or other business combination involving the Company or any subsidiary of the Company or any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the assets of, the Company or its subsidiaries other than transactions contemplated by the Merger Agreement. As used in the Merger Agreement, "Superior Proposal" means a bona fide proposal made by a third party to acquire all of the outstanding Shares of the Company pursuant to a tender offer or a merger, or to purchase all or substantially all of the assets of the Company, on terms which a majority of the members of the Board of Directors of the Company determines in its good faith reasonable judgment (based on the advice of its financial and legal advisors) to be more favorable to the

Company and its stockholders than the transactions contemplated by the Merger Agreement, after taking into account all relevant factors, including, without limitation, (i) the consideration to be paid to stockholders pursuant thereto,
(ii) the time estimated to be required for consummation, and (iii) financial, regulatory and other risks of nonconsummation.

Meeting of Stockholders; Proxy Statement. The Merger Agreement provides that if required by applicable law in order to consummate the Merger, the Company will duly call, give notice of, convene and hold an annual or special meeting of stockholders ("Stockholders Meeting") promptly after the consummation of the Offer to consider and vote upon the Merger Agreement and the Merger. At the Stockholders Meeting, the Parent and the Purchaser will cause all Shares then owned by them and their subsidiaries to be voted in favor of the approval and adoption of the Merger Agreement and approve the Merger. If the Stockholders Meeting is called, the Company will prepare and file with the Commission a proxy statement (the "Proxy Statement") to be mailed to the stockholders of the Company in connection with the meeting of such stockholders to consider and vote upon the Merger which will include, subject to the fiduciary obligations of the Board of Directors under applicable law, the recommendation of the Board that the stockholders of the Company vote in favor of the approval and adoption of the Merger Agreement and the transactions contemplated thereby. As soon as practicable following the consummation of the Offer, the Company will file the Proxy Statement with the Commission. The Company, the Parent and the Purchaser will use their reasonable best efforts to respond promptly to all comments of and requests by the Commission and to cause the Proxy Statement and all required amendments and supplements thereto to be mailed to holders of Shares entitled to vote at the Stockholders Meeting at the earliest practicable time following expiration or termination of the Offer. The Merger Agreement provides that in the event that the Purchaser shall acquire at least 90% of the outstanding Shares, the Company will, at the request of the Purchaser, subject to Article VIII of the Merger Agreement, take all necessary and appropriate action to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's stockholders, in accordance with
Section 253 of the DGCL.

Access to Information; Confidentiality. The Merger Agreement provides that the Company will and will cause each of its subsidiaries to give the Parent and its representatives reasonable access, during regular business hours during the period prior to the Effective Time upon reasonable notice, to all of the properties, books and records and, during such period, shall (and shall cause each of its subsidiaries) to furnish promptly to Parent and its representatives all information concerning its business, properties and personnel as may reasonably be requested. Information obtained by the Parent or the Purchaser will be subject to the confidentiality agreement between the Company and Parent (the "Confidentiality Agreement").

Public Disclosures. The Merger Agreement provides that the Parent and the Company will consult with each other and mutually agree before issuing any press release or otherwise making any public statement with respect to the Offer or the Merger and will not issue any such press release or make any such public statement prior to such consultation and agreement, except as may be required by applicable law or requirements of any exchange upon which the Shares or the shares of the Parent are traded, in which case the party proposing to issue such press release or make such public announcement will use its reasonable best efforts to consult in good faith with the other party before issuing such press releases or making any such public statements.

Indemnification and Insurance. The Merger Agreement provides that the certificate of incorporation and by-laws of the Surviving Corporation will contain the provisions with

respect to indemnification set forth in the certificate of incorporation and by-laws of the Company on the date of the Merger Agreement, which will not be amended, repealed or otherwise modified for a period of six years after the Effective Time in any manner that would adversely affect the rights of individuals who prior to the Effective Time were directors, officers, employees or agents of the Company in respect of actions or omissions occurring at or prior to the Effective Time, (including, without limitation, the transactions contemplated by the Merger Agreement), unless such modification is required by law; provided, that in the event any claim or claims are asserted or made within such six-year period, all rights to indemnification in respect of any such claim or claims shall continue until disposition of any and all such claims.

In addition, the Merger Agreement provides that Parent shall cause to be maintained in effect for the Indemnified Parties (as defined below) for not less than six years the policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by the Company and the Company's subsidiaries with respect to matters occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by the Merger Agreement); provided, that Parent may substitute therefor policies of substantially the same coverage containing terms and conditions which are no less advantageous to the Company's present or former directors or officers or other employees covered by such insurance policies prior to the Effective Time (the "Indemnified Parties") and provided further that substitution does not result in any gaps in coverage with respect to matters occurring prior to the Effective Time.

Further Assurances. The Merger Agreement provides that, subject to the other provisions of the Merger Agreement, each of the parties will use its best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by the Merger Agreement, including, without limitation, the Offer and the Merger, which efforts shall include, without limitation, Parent, Purchaser and the Company using their respective best efforts to prevent any preliminary or permanent injunction or other order by a court of competent jurisdiction or governmental entity relating to consummating the transactions contemplated by the Merger Agreement, and, if issued, to appeal any such injunction or order through the appellate court or body for the relevant jurisdiction; provided, however, in no event shall Parent, Purchaser or the Company be obligated to agree or consent to any divestiture of assets, hold-separate agreement or other similar undertakings pursuant to any antitrust or similar laws or regulations for the purposes of consummating or making effective transactions contemplated by the Merger Agreement.

Notice of Subsequent Events. The Merger Agreement provides that each party will give the other party notice of the occurrence, or non-occurrence, of any event the respective occurrence, or non-occurrence, of which would be likely to cause any representation or warranty contained in the Merger Agreement to be untrue or inaccurate and any failure of a party to comply or satisfy any covenant, condition or agreement to be complied with under the Merger Agreement.

Employment; Employee Welfare. The Merger Agreement provides that the Parent will maintain for a period of one year following the Effective Time employee benefit plans and programs, for the benefit of employees of the Company and its subsidiaries (other than those employees covered by collective bargaining arrangements) that are in the aggregate no less favorable than those provided to such employees of the Company and its subsidiaries, as applicable, under the plans as in effect immediately prior to the Closing (the "Existing Plans"). The Parent will credit the prior service of all employees of the Company and its

subsidiaries for purposes of determining the eligibility, and vesting under any employee benefit plan provided by Parent for the benefit of the employees. Employees covered by collective bargaining agreements shall be provided with such benefits as shall be required under the terms of any applicable collective bargaining agreement. In addition, the Surviving Corporation will assume and honor in accordance with their terms all existing employment and severance agreements and arrangements which are set forth in the Company Disclosure Schedule.

Conditions to the Merger. The Merger Agreement provides that the respective obligation of each party to effect the Merger is subject to the fulfillment, at or prior to the Effective Time, of each of the following conditions: (i) there shall not be in effect any statute, rule, regulation, executive order, decree, ruling or injunction or other order of a court or governmental or regulatory agency of competent jurisdiction directing that the transactions contemplated herein not be consummated; (ii) to the extent required by applicable law and the certificate of incorporation and by-laws of the Company, the Merger Agreement and the Merger shall have been approved and adopted by the requisite vote of the holders of the Shares; (iii) all governmental consents, orders and approvals legally required for the consummation of the Merger and the transactions contemplated by the Merger Agreement shall have been obtained and be in effect at the Effective Time, except where the failure to obtain any such consent would not reasonably be expected to have a Material Adverse Effect on Parent and its subsidiaries, considered as whole (assuming the Merger had taken place), or on Parent's ability to own, control and operate the Company and its subsidiaries, and the waiting periods under the HSR Act shall have expired or been terminated; and
(iv) the Purchaser or its permitted assignee shall have purchased all Shares tendered pursuant to the Offer. The conditions to the Merger set forth above are different from the conditions to the Offer which are set forth in Section 15.

Termination; Fees and Expenses. The Merger Agreement provides that it may be terminated at any time and the Offer and Merger may be abandoned at any time prior to the Effective Time:

(a) by mutual written consent of the parties;

(b) by either the Parent or the Company if (i) any governmental or regulatory agency located or having jurisdiction within the United States or any country or economic region in which either the Company or Parent, directly or indirectly, has material assets or operations shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the acceptance for payment of, or payment for, shares of Company Common Stock pursuant to the Offer or the Merger and such order, decree or ruling or other action shall have become final and nonappealable; or (ii) due to an occurrence or circumstance which would result in a failure to satisfy any of the Offer Conditions, Purchaser shall have failed to pay for Shares pursuant to the Offer on or prior to the Outside Date (as defined below), unless such failure has been caused by or results from the failure of the party seeking to terminate the Merger Agreement to perform in any material respect any of its respective covenants or agreements contained in the Merger Agreement. As used herein, the term "Outside Date" shall mean the later of (A) 90 days following the date of the Merger Agreement, or (B) the date on which either the applicable waiting period under the HSR Act shall have expired or been terminated;

(c) by the Company if (i), by action of the Board of Directors, (A) the Company, based on the advice of outside legal counsel to the Company that such action is necessary

in order for the Board of Directors of the Company to comply with its fiduciary duties under applicable law, subject to complying with the terms of the Merger Agreement, proposes to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal and the Company notifies Parent in writing that it intends to enter into such an agreement, attaching the most current version of such agreement to such notice and (B) Parent does not make, within five business days of receipt of the Company's written notification of its intention to enter into a binding agreement for a Superior Proposal, an offer to enter into an amendment to the Merger Agreement such that the Board of Directors determines, in good faith after consultation with its financial advisors, that the Merger Agreement as so amended is at least as favorable, from a financial point of view, to the stockholders of the Company as the Superior Proposal; and (ii) if (A) Purchaser shall have (x) failed to commence the Offer within five business days following the date of the initial public announcement of the Offer, (y) failed to pay for any Shares pursuant to the Offer to the extent required under the Merger Agreement, or (z) terminated the Offer without purchasing Shares pursuant to the Offer, or (B) there has been a material breach by Parent or Purchaser of any representation, warranty, covenant or agreement contained in the Merger Agreement that is not curable or, if curable, is not cured within 10 calendar days after written notice of such breach is given by the Company to the party committing such breach. The Merger Agreement provides that (A) the Company will not enter into a binding agreement referred to in clause (i) above until at least the sixth business day after it has provided the notice to Parent required thereby, and (B) the Company will notify Parent promptly if its intention to enter into a written agreement referred to in its notification shall change at any time after giving such notification and
(C) it shall be a condition precedent to the effectiveness of any termination pursuant to clause (i) that the $20,000,000 fee required to be paid as described below shall have been paid in full simultaneously with, or prior to, such termination; and

(d) by the Parent if (i) the Board of Directors shall have withdrawn or adversely modified its approval or recommendation of the Merger Agreement or failed to reconfirm its recommendation thereof within five business days after a written request by Parent to do so, (ii) there has been a breach by the Company of any representation, warranty, covenant or agreement contained in the Merger Agreement that is qualified as to materiality or there has been a material breach of any other representation, warranty, covenant or agreement contained in the Merger Agreement, in any case that is not curable or, if curable, is not cured within 10 calendar days after written notice of such breach is given by Parent to the party committing such breach, or (iii) on a scheduled expiration date all conditions to Purchaser's obligation to accept for payment and pay for Shares pursuant to the Offer shall have been satisfied or waived other than the Minimum Condition and Purchaser terminates the Offer without purchasing Shares pursuant to the Offer, provided that the satisfaction or waiver of all other conditions shall have been publicly disclosed at least five business days before termination of the Offer, or
(iv) Purchaser shall have otherwise terminated the Offer in accordance with the terms of the Merger Agreement without purchasing shares pursuant to the Offer.

The Merger Agreement provides that if (i) the Merger Agreement is terminated by the Company pursuant to (c)(i) above or (ii) is terminated by Parent pursuant to (d)(i)above, then the Company shall simultaneously or prior to such termination, pay Parent a termination fee of $ 20,000,000 and pay, in no event later than two days after the date of such termination, the amount of all documented out-of pocket expenses of the Parent and Purchaser incurred in connection with the negotiation and execution of the Merger Agreement and the consumma-

tion of the transactions contemplated thereby. If the Merger Agreement is terminated by Parent pursuant to (d)(ii) above, then the Company shall promptly pay, but in no event later than two days after the date of such termination, a termination fee of $1,000,000 representing liquidated damages for Parent's internal costs and expenses plus the amount of all documented out-of pocket expenses of the Parent and the Purchaser incurred in connection with the negotiation and execution of the Merger Agreement and the consummation of the transactions contemplated thereby. If the Merger Agreement is (i) terminated by the Company pursuant to (c)(ii)(A)(x) or (y) or (c)(ii)(B), above, then Parent shall promptly, but in no event later than two days after the date of such termination or event, pay the Company a termination fee of $1,000,000, plus the amount of all documented out of pocket expenses of the Company incurred in connection with the negotiation and execution of the Merger Agreement and the consummation of the transactions contemplated thereby.

The Merger Agreement provides that in the event of a termination by either the Company, the Parent and the Purchaser pursuant to the terms of the Merger Agreement, the Merger Agreement will then become null and void and there will be no further liability or obligation on the part of either the Company, the Parent or the Purchaser (or any of their respective directors, officers, employees, agents, advisors or other representatives), subject to certain exceptions.

The Merger Agreement further provides that except as otherwise specifically provided therein, each party will bear its own expenses in connection with the Merger Agreement and the transactions contemplated thereby.

THE STOCK PURCHASE AGREEMENTS

The following is a summary of the Stock Purchase Agreements (collectively, the "Stock Purchase Agreements"), each dated August 20, 1999, between the Purchaser and each of Messrs. Stiff and Laetz (collectively, the "Sellers"), which summary is qualified in its entirety by reference to the copies thereof filed as exhibits to the Tender Offer Statement on Schedule 14D-1. See "Background of the Offer; Contacts with the Company -- Background" for a description of background of the Stock Purchase Agreements.

Consideration; Escrow Arrangements. The Purchaser has entered into Stock Purchase Agreements, dated as of August 20, 1999, with each of
(a) Mr. Stiff and
(b) Mr. Laetz and his wife (Mr. Laetz's shares were held jointly with Mrs. Laetz). In consideration for the transfer and delivery of 346,275 and 63,938 Shares (collectively, the "Transferred Shares") to the Purchaser by Mr. Stiff and the Laetz', respectively, the Purchaser paid $7,271,775 and $1,342,698, respectively, for such Shares pursuant to the Stock Purchase Agreements. Of such amounts, the Purchaser paid Mr. Stiff $5,194,125 and the Laetz' $959,070 upon Purchaser's receipt of the Transferred Shares on August 21, 1999. The remaining portions of the consideration, $2,077,650 in the case of Mr. Stiff and $383,628 in the case of the Laetz' (collectively, the "Escrow Amounts"), have been deposited with an escrow agent who established accounts for such Escrow Amounts.

Under the terms of the Stock Purchase Agreements, the Escrow Amounts will be paid to the Sellers or returned to Purchaser, depending upon the Company's operating performance during the period beginning October 1, 1999 and ending December 31, 2002. The Stock Purchase Agreements establish a Performance Benchmark (as defined below) and provide that if the cumulative Performance Benchmark over the applicable period does not exceed $164,597,000, all of the Escrow Amounts will be payable to Purchaser. If the cumulative Performance Benchmark equals or exceeds $222,696,000 over the applicable period, the

Sellers will be entitled to receive all of the Escrow Amounts. If the cumulative Performance Benchmark over the applicable period falls between the foregoing amounts, the Stock Purchase Agreements provide for proportionate payments of the Escrow Amounts to Sellers, with the balance being payable to Purchaser.

The Stock Purchase Agreements also contain provisions for the payment of the Escrow Amounts in the event of termination of employment of a Seller during the applicable performance period. If employment is terminated by the Company for any reason but "cause," or by a Seller for "good reason" (as such terms are defined in employment agreements that may be entered into with the Company) at any time prior to December 31, 2002, such Seller will be entitled to receive the entire Escrow Amount. In the event of termination for "cause" or without "good reason," the Stock Purchase Agreements establish a formula for the proportionate payment of the Escrow Amounts based upon lapse of time and partial proportionate achievement of the Performance Benchmark over the period from October 1, 1999 to the date of termination of employment. In addition, if the Purchaser fails to commence the Offer for any reason or the Offer is terminated without purchases being made thereunder for any reason other than a sale of the Company at a price higher than the Purchaser's Offer, the Escrow Amounts are payable in full to the Purchaser.

The Stock Purchase Agreements also provide for loans to the Sellers for periods of up to four years at the lowest available interest rate that would not result in imputed income to the Sellers for Federal income tax purposes in order for the Sellers to meet obligations for the payment of taxes arising from the Escrow Amounts.

For purposes of the Stock Purchase Agreements, "Performance Benchmark" shall mean, net sales less finance charges less cost of sales less sales, general and administrative expenses (SG&A) of the Company and its subsidiaries on a consolidated basis. For the avoidance of doubt, the parties have agreed that the definition of Performance Benchmark shall include acquisition goodwill amortization of the Company (including its consolidated subsidiaries) for acquisition goodwill created prior to the date of Purchaser's purchase of Shares pursuant to the Offer of $4.152 million; and shall exclude (i) interest expense,
(ii) the Parent's corporate expenses; (iii) the goodwill amortization of the Parent relating to the Merger and related purchase price adjustments; (iv) additional depreciation expense resulting from the write up of assets following the Merger; (v) expenses relating to the period after the Merger for environmental, health and safety expenses, plant reorganization, product liability insurance savings; (vi) savings resulting from the elimination of the obligation of the Company to report its financial results publicly; and (vii) the effect of acquisitions by the Company or its subsidiaries after the Merger Date or of the transfer by the Parent of any business or product line to the Company or its subsidiaries.

DISCUSSIONS REGARDING EMPLOYMENT

During the period in which the Parent and the Purchaser were engaged in discussions regarding the terms of the Stock Purchase Agreements, the Parent and the Purchaser were also engaged in discussions with Mr. Stiff regarding his continued employment with the Company following the consummation of the transactions contemplated by the Merger Agreement. Such discussions were extended to include Mr. Laetz and two other executive officers of the Company. Among the matters discussed were: (i) general terms and conditions of employment; (ii) possible grants of options to purchase Parent common stock pursuant to the terms of Parent's 1999 Long Term Incentive Plan; and (iii) incentive compensation based on the performance of the Company following the consummation of the transactions

contemplated by the Merger. As of the date of this Offer to Purchase, such discussions were continuing between the Parent (and its counsel) and Messrs. Stiff and Laetz (and their counsel), but had ceased with respect to the other two executive officers of the Company. Among the issues resolved in principle between Parent and Messrs. Stiff and Laetz were the amount of the incentive compensation and the duration of the employment agreement. Subject to resolving certain other employment-related terms and conditions (including, among other things, the amount payable in the event of a termination of their employment) and the preparation of mutually satisfactory documentation, Mr. Stiff could receive incentive compensation of up to approximately $3.1 million and Mr. Laetz could receive incentive compensation of up to approximately $575,000 if the Company reaches the applicable Cumulative Performance Benchmark in the periods between October 1, 1999 and December 31, 2002. Such levels of performance were determined by the Parent by adjusting the financial projections provided by the Company (see "Certain Information Concerning the Company -- Certain Projections" above) and extrapolating them for the applicable period. The Parent also expects that any employment agreements with Messrs. Stiff and Laetz will provide for grants to them of options to purchase Parent common stock pursuant to the terms of the Parent's 1999 Long Term Incentive Plan and other customary fringe benefits. The Parent and the Purchaser believe that it would be in their best interests to successfully conclude negotiations with respect to the foregoing employment agreements as promptly as possible and have committed to continue negotiations in this regard. However, the consummation of the Offer and the Merger are not conditioned upon the execution and delivery of any employment agreement with either Mr. Stiff or Mr. Laetz.

12. PURPOSE OF THE OFFER; THE MERGER; PLANS FOR THE COMPANY; RIGHTS AGREEMENT.

Purpose. The purpose of the Offer is to acquire control of, and the entire equity interest in, the Company. The Offer is being made pursuant to the Merger Agreement. As promptly as practicable following consummation of the Offer and after satisfaction or waiver of all conditions to the Merger set forth in the Merger Agreement, the Purchaser intends to acquire the remaining equity interest in the Company not acquired in the Offer by consummating the Merger.

Vote Required to Approve the Merger. The Board of Directors of the Company has approved the Merger Agreement in accordance with the DGCL. If required for approval of the Merger, the Company has agreed, subject to the satisfaction of the conditions to the Merger set forth in the Merger Agreement, in accordance with and subject to the DGCL, to duly convene a meeting of its stockholders as promptly as practicable following the purchase of Shares pursuant to the Offer for the purpose of considering and taking action on the Merger Agreement. If stockholder approval is required, the Merger Agreement must generally be approved by the vote of the holders of a majority of the outstanding Shares. As a result, if the Minimum Condition is satisfied, the Purchaser will have the power to approve the Merger Agreement without the affirmative vote of any other stockholder.

The Merger Agreement provides that, notwithstanding the foregoing, in the event that the Purchaser shall acquire at least 90% of the outstanding Shares, the Company shall, at the Purchaser's request, take all necessary and appropriate action to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's stockholders, in accordance with Section 253 of the DGCL.

THIS OFFER TO PURCHASE DOES NOT CONSTITUTE A SOLICITATION OF A PROXY, CONSENT OR AUTHORIZATION FOR OR WITH RESPECT TO THE ANNUAL MEETING OR ANY SPECIAL MEETING OF THE COMPANY'S STOCKHOLDERS OR ANY ACTION IN LIEU THEREOF. ANY SUCH SOLICITATION WHICH THE

PURCHASER OR THE COMPANY MAY MAKE WILL BE MADE ONLY PURSUANT TO SEPARATE PROXY MATERIALS IN COMPLIANCE WITH SECTION 14(a) OF THE EXCHANGE ACT.

Appraisal Rights. Stockholders do not have appraisal rights as a result of the Offer. However, if the Merger is consummated, stockholders of the Company at the time of the Merger who do not vote in favor of the Merger and comply with all statutory requirements will have the right under the DGCL to demand appraisal of, and receive payment in cash of the fair value of, their Shares outstanding immediately prior to the effective date of the Merger in accordance with Section 262 of the DGCL.

Under the DGCL, stockholders who properly demand appraisal and otherwise comply with the applicable statutory procedures will be entitled to receive a judicial determination of the fair value of their Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) and to receive payment of such fair value in cash. Any such judicial determination of the fair value of such Shares could be based upon considerations other than or in addition to the price paid in the Offer and the Merger and the market value of the Shares. In Weinberger v. UOP, Inc., the Delaware Supreme Court stated, among other things, that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in an appraisal proceeding. Stockholders should recognize that the value so determined could be equal to or higher or lower than the price per Share paid pursuant to the Offer or the consideration per Share to be paid in the Merger.

In addition, several decisions by Delaware courts have held that in certain circumstances a controlling stockholder of a corporation involved in a merger has a fiduciary duty to other stockholders that requires that the merger be fair to other stockholders. In determining whether a merger is fair to minority stockholders, Delaware courts have considered, among other things, the type and amount of the consideration to be received by the stockholders and whether there was fair dealing among the parties. The Delaware Supreme Court stated in Weinberger and Rabkin v. Philip A. Hunt Chemical Corp. that the remedy ordinarily available to minority stockholders in a cash-out merger is the right to appraisal described above. However, a damages remedy or injunctive relief may be available if a merger is found to be the product of unfairness, including fraud, misrepresentation or other misconduct.

THE FOREGOING SUMMARY OF THE RIGHTS OF STOCKHOLDERS DOES NOT PURPORT TO BE A COMPLETE STATEMENT OF THE PROCEDURES TO BE FOLLOWED BY STOCKHOLDERS DESIRING TO EXERCISE ANY AVAILABLE APPRAISAL RIGHTS. THE PRESENTATION AND EXERCISE OF APPRAISAL RIGHTS REQUIRE STRICT ADHERENCE TO THE APPLICABLE PROVISIONS OF THE DELAWARE LAW.

The foregoing description of certain provisions of the DGCL is not necessarily complete and is qualified in its entirety by reference to the DGCL.

Rule 13e-3. The Commission has adopted Rule 13e-3 under the Exchange Act which is applicable to certain "going private" transactions and which may under certain circumstances be applicable to the Merger following the purchase of Shares pursuant to the Offer in which the Purchaser seeks to acquire any remaining Shares. Rule 13e-3 should not be applicable to the Merger if the Merger is consummated within one year after the expiration or termination of the Offer and the price paid in the Merger is not less than the per Share price paid pursuant to the Offer. However, in the event that the Purchaser is deemed to have acquired control of the Company pursuant to the Offer and if the Merger is consummated more than one year after completion of the Offer or an alternative acquisition transaction is effected whereby stockholders of the Company receive consideration less than that paid pursuant to the Offer,

in either case at a time when the Shares are still registered under the Exchange Act, the Purchaser may be required to comply with Rule 13e-3 under the Exchange Act. If applicable, Rule 13e-3 would require, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the Merger or such alternative transaction and the consideration offered to minority stockholders in the Merger or such alternative transaction, be filed with the Commission and disclosed to stockholders prior to consummation of the Merger or such alternative transaction. The purchase of a substantial number of Shares pursuant to the Offer may result in the Company being able to terminate its Exchange Act registration. See Section 14. If such registration were terminated, Rule 13e-3 would be inapplicable to any such future Merger or such alternative transaction.

Plans for the Company. If the Purchaser obtains control of the Company pursuant to the Offer, the Parent expects to conduct a detailed review of the Company and its businesses, assets, corporate structure, capitalization, operations, properties, policies, management and personnel and to consider what, if any, changes would be desirable in light of the circumstances that then exist. Such changes could include changes in the Company's businesses, corporate structure, certificate of incorporation, by-laws, capitalization, board of directors, management or dividend policy.

Except as described in this Offer to Purchase, neither the Parent nor the Purchaser has any present plans or proposals that would relate to or result in an extraordinary corporate transaction such as a merger, reorganization or liquidation involving the Company or any of its subsidiaries or a sale or other transfer of a material amount of assets of the Company or any of its subsidiaries, any material change in the capitalization or dividend policy of the Company or any other material change in the Company's corporate structure or business or the composition of its Board of Directors or management.

Rights Agreement. In 1998, the Board of Directors of the Company declared a dividend, payable to stockholders of record as of August 31, 1998, of one Right for each outstanding Share. The Rights Agreement provides that each Right, when exercisable, will entitle the holder thereof until August 31, 2008, to purchase one-hundredth of a share of Series A Preferred Stock, par value $.01 per share, at an exercise price of $85, subject to certain anti-dilution adjustments. The Rights will not be exercisable or transferable apart from Shares until the earlier of (i) the close of business on the tenth day after the date on which there is a public announcement that a Person (as defined in the Rights Agreement) or group has acquired beneficial ownership of 10% or more of the outstanding Shares (an "Acquiring Person") or (ii) the close of business on the tenth business day after the date that a tender or exchange offer for 10% or more of the outstanding Shares is first published or sent or given within the meaning of Rule 14d-2 under the Exchange Act. The Rights are redeemable by the Company at $.01 per right at any time prior to the earlier of (i) the close of business on the tenth day after the date that a Person or group becomes an Acquiring Person or (ii) August 31, 2008. At any time after a Section 11(a)(2) Event (as defined in the Rights Agreement) occurs, the Company's Board of Directors may exchange all or any part of the Right for Shares at an exchange ratio of one Share per Right.

In the event that the Company is a party to a merger or other business combination transaction in which the Company is not the surviving entity, each Right will entitle the holder to purchase, at the exercise price of the Right, that number of shares of the common stock of the acquiring company which, at the time of such transaction, would have a market value of two times the exercise price of the Right. In addition, at any time after a Section 11(a)(2) Event occurs, each Right would become exercisable for the number of

shares of Common Stock which, at that time, would have a market value of two times the exercise price of the Right.

In connection with executing the Merger Agreement, the Company has amended the Rights Agreement to provide that Parent shall not be deemed an Acquiring Person (as defined in the Rights Agreement) and that the Rights will not separate from the Shares as a result of entering into the Merger Agreement, commencing or consummating the Offer or consummating the Merger pursuant to the terms of the Merger Agreement. The Company has also taken all action necessary to ensure that the Merger Agreement and the transactions contemplated thereby will not trigger any "poison pill" or any other anti-takeover provision adopted by the Company or available to it under applicable law.

The foregoing description of the Rights Agreement, as amended, and of the Rights is qualified in its entirety by the terms of the Rights Agreement, dated as of August 21, 1998, by and between the Company and the Rights Agent, a copy of which has been filed as an exhibit to the Company's Current Report on Form 8-K dated August 21, 1998, the terms of the First Amendment to the Rights Agreement, dated as of October 2, 1998, a copy of which has been filed as an exhibit to the Company's Current Report on Form 8-K dated October 2, 1998, the terms of the Second Amendment to the Rights Agreement, dated as of February 16, 1999, a copy of which has been filed as an exhibit to the Company's Current Report on Form 8-K dated February 24, 1999, and a copy of the Third Amendment to the Rights Agreement, dated as of August 20, 1999, which has been filed as an exhibit to the Schedule 14D-9 of the Company, dated August 27, 1999, all of which are incorporated herein by reference. A copy of the Rights Agreement is available free of charge from the Company.

13. DIVIDENDS AND DISTRIBUTIONS. If on or after the date of the Merger Agreement (except as set forth in the Merger Agreement -- See Section 6), the Company should declare or pay any cash or stock dividend or other distribution on, or issue any right with respect to, the Shares that is payable or distributable to stockholders of record on a date prior to the transfer to the name of the Purchaser or the nominee or transferee of the Purchaser on the Company's stock transfer records of such Shares that are purchased pursuant to the Offer, then without prejudice to the Purchaser's rights under Section 15,
(i) the purchase price payable per Share by the Purchaser pursuant to the Offer will be reduced to the extent any such dividend or distribution is payable in cash and (ii) any non-cash dividend, distribution (including additional Shares) or right received and held by a tendering stockholder shall be required to be promptly remitted and transferred by the tendering stockholder to the Depositary for the account of the Purchaser, accompanied by appropriate documentation of transfer. Pending such remittance or appropriate assurance thereof, the Purchaser will, subject to applicable law, be entitled to all rights and privileges as owner of any such non-cash dividend, distribution or right and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by the Purchaser in its sole discretion.

14. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES, NASDAQ LISTING AND EXCHANGE ACT REGISTRATION. The purchase of Shares pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and will reduce the number of holders of Shares. This could adversely affect the liquidity and market value of the remaining Shares held by the public. Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements of Nasdaq for continued inclusion on the Nasdaq National Market. If as a result of the purchase of Shares pursuant to the Offer or otherwise, the Shares no longer meet the requirements of Nasdaq for continued inclusion on Nasdaq and

the Shares are no longer included on Nasdaq, as the case may be, the market for the Shares could be adversely affected.

In the event that the Shares no longer meet the requirements of Nasdaq, it is possible that such Shares would continue to trade on other securities exchanges or in the over-the-counter market and that price quotations would be reported by such exchanges or through other sources. However, the extent of the public market for the Shares and the availability of such quotations would depend upon such factors as the number of stockholders and/or the aggregate market value of the Shares remaining at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration under the Exchange Act as described below and other factors. The Purchaser cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for or marketability of the Shares.

The Shares are currently registered under the Exchange Act. The purchase of Shares pursuant to the Offer may result in the Shares becoming eligible for deregistration under the Exchange Act. Registration of the Shares may be terminated upon application of the Company to the Commission if the Shares are not listed on a national securities exchange and there are fewer than 300 record holders. The termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of the Shares and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement in connection with stockholders' meetings and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Shares. Furthermore, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of the securities pursuant to Rule 144 under the Securities Act of 1933.

15. CERTAIN CONDITIONS OF THE OFFER. Notwithstanding any other provision of the Offer and provided that Purchaser shall not be obligated to accept for payment any Shares until (i) expiration of all applicable waiting periods under the HSR Act and (ii) the Minimum Condition shall have been satisfied, Purchaser shall not be required to accept for payment or pay for, or may delay the acceptance for payment of or payment for, any Shares tendered pursuant to the Offer, and may, subject to the terms of the Merger Agreement, terminate or amend the Offer if on or after August 21, 1999, and at or before the time of payment for any of such Shares, any of the following events shall occur (or become known to Parent) and remain in effect:

(a) there shall have occurred and be continuing as of the then scheduled expiration date of the Offer: (i) any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or the Nasdaq National Market; (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States; (iii) a commencement or escalation of a war, armed hostilities or other international or national calamity directly involving the United States; or (iv) any material limitation (whether or not mandatory) by any governmental or regulatory authority, agency or commission, domestic or foreign ("Governmental Entity"), on the extension of credit by banks or other lending institutions in the United States;

(b) (i) the Company shall have breached or failed to perform in any material respect any of its obligations, covenants or agreements under the Merger Agreement; (ii) any representation or warranty of the Company set forth in the Merger Agreement which is qualified by materiality shall not have been true and correct as of the date of the

Merger Agreement and as of the then scheduled expiration date of the Offer as though made on and as of the then scheduled expiration date of the Offer; or (iii) any representation or warranty of the Company set forth in the Merger Agreement which is not qualified by materiality shall not have been true and correct in all material respects as of the date of the Merger Agreement and as of the then scheduled expiration date of the Offer as though made on and as of the then scheduled expiration date of the Offer, except in the case of clauses (ii) and (iii) of this paragraph (b) for representations and warranties which by their terms speak only as of another date, which representations and warranties, if qualified by materiality, shall not have been true and correct as of such date and, if not qualified, shall not have been true and correct in all material respects as of such other date;

(c) any court or Governmental Entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order which is in effect and which:
(i)prevents, prohibits or materially restricts consummation of the Offer or the Merger; (ii) prohibits or materially limits the ownership or operation by the Company, Parent or any of their subsidiaries of all or any material portion of the business or assets of the Company and its subsidiaries taken as a whole, or as a result of the Offer or the Merger compels the Company, Parent or any of their subsidiaries to dispose of or hold separate all or any material portion of their respective business or assets; (iii) imposes material limitations on the ability of Parent or any subsidiary of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer or otherwise on all matters properly presented to the Company's stockholders including, without limitation, the approval and adoption of the Merger Agreement and the transactions contemplated thereby; or (iv) requires divestiture by Parent or any affiliate of Parent of any Shares;

(d) any change in the financial condition, properties, business or results of operations of the Company and its subsidiaries after the date of the Merger Agreement that, individually or in the aggregate, has or is reasonably likely to have a Material Adverse Effect;

(e) the Board of Directors (or a special committee thereof) shall have withdrawn or amended, or modified in a manner adverse to Parent and Purchaser its recommendation of the Offer or the Merger, or shall have endorsed, approved or recommended any Superior Proposal;

(f) any Person, other than Parent, Purchaser or their affiliates or any group of which any of them is a member, acquires beneficial ownership of twenty percent or more of the Shares or rights to acquire twenty percent or more of the Shares; or

(g) the Merger Agreement shall have been terminated by the Company or Parent or Purchaser in accordance with its terms or Parent or Purchaser shall have reached an agreement or understanding in writing with the Company providing for termination or amendment of the Offer or delay in payment for the Shares;

which makes it inadvisable, as determined by the Purchaser in good faith, to proceed with the Offer or with such acceptance for payment or payments.

The foregoing conditions (other than the Minimum Condition) are for the sole benefit of Parent and Purchaser and may be asserted by Parent or Purchaser or may be waived by Parent or Purchaser, in whole or in part at any time and from time to time in its sole

discretion. The failure of Parent or Purchaser at any time to enforce any of the foregoing rights shall not be deemed a waiver of such right, the waiver of such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances, and each right shall be deemed an ongoing right that may be asserted at any time and from time to time.

16. CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS.

General. Except as set forth below, neither the Purchaser nor the Parent is aware of any licenses or other regulatory permits that appear to be material to the business of the Company and its subsidiaries, taken as a whole, that might be adversely affected by the Purchaser's acquisition of Shares (and the indirect acquisition of the stock of the Company's subsidiaries) as contemplated herein, or of any filings, approvals or other actions by or with any domestic (Federal or state), foreign or supranational governmental authority or administrative or regulatory agency that would be required prior to the acquisition of Shares (or the indirect acquisition of the stock of the Company's subsidiaries) by the Purchaser pursuant to the Offer as contemplated herein. Should any such approval or other action be required, it is the Parent's present intention to seek such approval or action. There can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the business of the Company, the Parent or the Purchaser or that certain parts of the businesses of the Company, the Parent or the Purchaser might not have to be disposed of or held separate or other substantial conditions complied with in order to obtain such approval or other action or in the event that such approval was not obtained or such other action was not taken, any of which could cause the Purchaser to elect (subject to the terms of the Merger Agreement) to terminate the Offer without the purchase of the Shares thereunder. The Purchaser's obligation under the Offer to accept for payment and pay for Shares is subject to certain conditions, including conditions relating to the legal matters discussed in this Section 16.

State Takeover Laws. A number of states have adopted takeover laws and regulations which purport to varying degrees to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have or whose business operations have substantial economic effects in such states, or which have substantial assets, security holders, principal executive offices or principal places of business therein. In 1982, the Supreme Court of the United States, in Edgar v. Mite Corp., invalidated on constitutional grounds the Illinois Business Takeovers Act, which as a matter of state securities law made takeovers of corporations meeting certain requirements more difficult, and the reasoning in such decision is likely to apply to certain other state takeover statutes. However, in 1987, in CTS Corp. v. Dynamics Corp. of America, the Supreme Court of the United States held that the State of Indiana could, as a matter of corporate law and in particular those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions. Subsequently, in TLX Acquisition Corp.
v. Telex Corp., a Federal district court in Oklahoma ruled that the Oklahoma statutes were unconstitutional insofar as they applied to corporations incorporated outside Oklahoma in that they would subject such corporations to inconsistent regulations. Similarly, in Tyson Foods, Inc. v. McReynolds, a Federal district court in Tennessee ruled that four Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit. In December 1988, a Federal district court in Florida held in Grand Metropolitan PLC v. Butterworth that the provisions of the Florida Affiliated

Transactions Act and the Florida Control Share Acquisition Act were unconstitutional as applied to corporations incorporated outside of Florida.

Except as described herein, the Purchaser has not attempted to comply with any state takeover statutes in connection with the Offer. The Purchaser reserves the right to challenge the validity or applicability of any state law allegedly applicable to the Offer and nothing in this Offer to Purchase nor any action taken in connection herewith is intended as a waiver of that right. In the event that any state takeover statute is found applicable to the Offer, the Purchaser might be unable to accept for payment or purchase Shares tendered pursuant to the Offer or be delayed in continuing or consummating the Offer. In such case, the Purchaser may not be obligated to accept for purchase or pay for, any Shares tendered. See Section 16.

Antitrust. Under the HSR Act and the rules that have been promulgated thereunder by the Federal Trade Commission ("FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied.

Parent filed on August 25, 1999 with the FTC and the Antitrust Division a Premerger Notification and Report Form in connection with the purchase of Shares pursuant to the Offer. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares pursuant to the Offer may not be consummated until the expiration of a 15-calendar day waiting period following the filing by the Parent, unless both the Antitrust Division and the FTC terminate the waiting period prior thereto. If, within such 15-calendar day waiting period, either the Antitrust Division or the FTC requests additional information or documentary material from the Parent, the waiting period would be extended for an additional 10 calendar days following substantial compliance by the Parent with such request. Thereafter, the waiting period could be extended only by court order. If the acquisition of Shares is delayed pursuant to a request by the FTC or the Antitrust Division for additional information or documentary material pursuant to the HSR Act, the Offer may, but need not (except as otherwise provided in the Merger Agreement), be extended and in any event the purchase of and payment for Shares will be deferred until 10 days after the request is substantially complied with, unless the waiting period is sooner terminated by the FTC and the Antitrust Division. See Section 2. Only one extension of such waiting period pursuant to a request for additional information is authorized by the HSR Act and the rules promulgated thereunder, except by court order. Any such extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. See Section 4.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as the proposed acquisition of Shares by the Purchaser pursuant to the Offer. At any time before or after the purchase by the Purchaser of Shares pursuant to the Offer, either of the FTC and the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking the divestiture of Shares purchased by the Purchaser or the divestiture of substantial assets of the Parent, its subsidiaries or the Company. Private parties and state attorneys general may also bring legal action under Federal or state antitrust laws under certain circumstances.

Based upon an examination of publicly available information relating to the businesses in which the Company and its subsidiaries are engaged, the Parent and the Purchaser believe that the acquisition of Shares pursuant to the Offer would not violate the antitrust laws. There can be no assurance, however, that a challenge to the Offer on antitrust grounds will not be

made or, if such challenge is made, what the outcome will be. See Section 15 for certain conditions to the Offer, including conditions with respect to litigation and certain government actions.

Margin Credit Regulations. Federal Reserve Board Regulations G, T, U and X (the "Margin Credit Regulations") restrict the extension or maintenance of credit for the purpose of buying or carrying margin stock, including the Shares, if the credit is secured directly or indirectly thereby. Such secured credit may not be extended or maintained in an amount that exceeds the maximum loan value of the margin stock. Under the Margin Credit Regulations, the Shares are presently margin stock and the maximum loan value thereof is generally 50% of their current market value. The definition of "indirectly secured" contained in the Margin Credit Regulations provides that the term does not include an arrangement with a customer if the lender in good faith has not relied upon margin stock as collateral in extending or maintaining the particular credit.

17. FEES AND EXPENSES. Salomon Smith Barney Inc. is acting as Dealer Manager in connection with the Offer and serving as the Parent's exclusive financial advisor in connection with the Parent's proposed acquisition of the Company, for which services Salomon Smith Barney Inc. will obtain customary compensation contingent upon the successful consummation of the Offer. Parent will also reimburse Salomon Smith Barney Inc. for all reasonable travel and other out-of-pocket expenses, including reasonable fees and expenses of its legal counsel, and has also agreed to indemnify Salomon Smith Barney Inc. and certain related parties against certain liabilities, including certain liabilities under the Federal securities laws, arising out of its engagement. In the ordinary course of business, Salomon Smith Barney Inc. and its affiliates may actively trade or hold the securities of the Parent and the Company for their account or for the account of customers and, accordingly, may at any time hold a long or short position in such securities.

The Purchaser has retained D. F. King & Co., Inc. to act as the Information Agent and Citibank, N.A. to act as the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telegraph and personal interview and may request brokers, dealers and other nominee stockholders to forward the Offer materials to beneficial owners. The Information Agent and the Depositary will receive reasonable and customary compensation for services relating to the Offer and will be reimbursed for certain out-of-pocket expenses. The Purchaser and the Parent have also agreed to indemnify the Information Agent and the Depositary against certain liabilities and expenses in connection with the Offer, including certain liabilities under the Federal securities laws.

The Purchaser will not pay any fees or commissions to any broker or dealer or any other person for soliciting tenders of Shares pursuant to the Offer (other than to the Dealer Manager, the Information Agent and the Depositary). Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Purchaser for customary mailing and handling expenses incurred by them in forwarding offering materials to their customers.

18. MISCELLANEOUS. The Offer is being made solely by this Offer to Purchase and the related Letter of Transmittal and is being made to all holders of Shares. The Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, the Purchaser will make a good faith effort to comply with any such state statute. If after such good faith effort, the Purchaser cannot comply with such state statute, the Offer will not be made to nor will tenders be accepted from or on behalf of the holders of Shares in such state.

In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

The Purchaser and the Parent have filed with the Commission a Schedule 14D-1 (including exhibits) pursuant to Rule 14d-3 under the Exchange Act, furnishing certain additional information with respect to the Offer. Such statement and any amendments thereto, including exhibits, may be inspected and copies may be obtained from the offices of the Commission (except that they will not be available at the regional offices of the Commission) in the manner set forth in Section 8 of this Offer to Purchase.

No person has been authorized to give any information or to make any representation on behalf of the Purchaser or the Parent not contained herein or in the Letter of Transmittal and if given or made, such information or representation must not be relied upon as having been authorized.

Telescope Acquisition Inc.

August 27, 1999

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS

1. Directors and executive officers of Purchaser. The name and position of each director and executive officer of the Purchaser are set forth below. All directors and executive officers listed below are citizens of the United States of America. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Purchaser. Unless otherwise indicated the business address of each such director and officer is c/o Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903.

NAME AND BUSINESS ADDRESS	AGE, PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
Frank J. Feraco	Mr. Feraco, 52, has been President of Telescope Acquisition Inc. since August 1999. Mr. Feraco has been President, Textron Industrial Products since September 1998. Previously, Mr. Feraco was President, Outdoor Leisure Division, Sunbeam Corporation from January 1998 to August 1998. From 1996 to 1998, Mr. Feraco was President and Sector Executive, Kohler International -- Sterling Plumbing Group, Kohler Company, and from 1994 to 1996, he was President, Danaher Tool Group, Danaher Corporation. Mr. Feraco is a director of the American Hardware Association.
Edward C. Arditte	Mr. Arditte, 44, has been Vice President and Treasurer of Telescope Acquisition Inc. since August 1999. Mr. Arditte is Vice President and Treasurer of Textron Inc., a position he has held since 1997. Previously, Mr. Arditte was Vice President Finance and Business Development, Textron Fastening Systems from 1995 to 1997, and Vice President -- Communications and Risk Management of Textron Inc. from 1994 to 1995.
John R. Curran	Mr. Curran, 44, has been Vice President of Telescope Acquisition Inc. since August 1999. Mr. Curran is Vice President, Business Development -- Industrial Products Segment of Textron Inc., a position he has held since July 1998. Previously, Mr. Curran was Director, Business Development, Textron Industrial Products from 1995 to June 1998, and Director, Tax Planning and Senior Tax Counsel, Textron Inc. from 1994 to 1995.
Arnold M. Friedman	Mr. Friedman, 56, has been Vice President of Telescope Acquisition Inc. since August 1999. Mr. Friedman has been Vice President and Deputy General Counsel of Textron Inc. since 1984.
Gregory E. Hudson	Mr. Hudson, 52, has been Vice President -- Taxes of Telescope Acquisition Inc. since August 1999. Mr. Hudson has been Vice President -- Taxes of Textron Inc. since 1987.

NAME AND BUSINESS ADDRESS	AGE, PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
Wayne W. Juchatz	Mr. Juchatz, 53, has been Vice President of Telescope Acquisition Inc. since August 1999. Mr. Juchatz is Executive Vice President and General Counsel of Textron Inc., a position he has held since 1995. Previously, Mr. Juchatz was Executive Vice President and General Counsel, R. J. Reynolds Tobacco Company from 1994 to 1995, and Senior Vice President, General Counsel and Secretary, R. J. Reynolds Tobacco Company from 1987 to 1994.
Bhikhaji M. Maneckji	Mr. Maneckji, 50, has been a director and Vice President, General Counsel and Assistant Secretary of Telescope Acquisition Inc. since August 1999. Mr. Maneckji is Vice President and General Counsel, Textron Industrial Products, a position he has held since 1997. Previously, Mr. Maneckji was General Counsel, Textron Industrial Products from 1995 to 1997, and Assistant General Counsel and Assistant Secretary, Textron Inc. from 1986 to 1995. Mr. Maneckji was a director of Bridgeport Machines, Inc. from 1995 through August 1999.
Lawrence J. O'Connell	Mr. O'Connell, 36, has been a director and Vice President of Telescope Acquisition Inc. since August 1999. Mr. O'Connell is Group Counsel - Golf, Turf Care and Specialty Products, Textron Industrial Products, a position he has held since May 1999. Previously, Mr. O'Connell was Risk Management Counsel, Textron Inc. from 1994 to May 1999.
Ann T. Willaman	Ms. Willaman, 45, has been a director and Vice President and Secretary of Telescope Acquisition Inc. since August 1999. Ms. Willaman has been Legal Department Administrator and Assistant Secretary of Textron Inc. since 1989.

2. Directors of Parent. The name, business address, age, present principal occupation or employment and five-year employment history of each director and executive officer of the Parent are set forth below. All directors listed below are citizens of the United States of America except for Mr. Gagne (who is a citizen of Canada). Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with the Parent. Unless otherwise indicated the business address of each such director is c/o Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903.

NAME	BUSINESS ADDRESS	AGE, PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
H. Jesse Arnelle	Womble, Carlyle, Sandridge & Rice, 200 W. Second Street, Winston-Salem, NC 27102	Mr. Arnelle, 65, was a senior partner in the law firm of Arnelle, Hastie, McGee, Willis & Greene, San Francisco, with which he had been associated from 1985 through his retirement in 1996. Following his retirement, he became Of Counsel to the North Carolina law firm of Womble, Carlyle, Sandridge & Rice. Mr. Arnelle is a director of FPL Group, Inc., Waste Management, Inc., Eastman Chemical Corporation, Armstrong World Industries and Union Pacific Resources, Inc. and served from November 1990 through 1998 as a director of Wells Fargo Bank, N.A. and Wells Fargo & Company.
Teresa Beck	1681 South Mohawk Way, Salt Lake City, UT 84108	Ms. Beck, 44, is the former President of American Stores Company, one of the nation's largest food and drug retailers. She joined American Stores Company in 1982 and progressed through various executive positions. Ms. Beck was named Senior Vice President of Finance and Assistant Secretary in 1989, became Executive Vice President, Administration in 1992 and Executive Vice President, Finance in 1994 and assumed the additional position of Chief Financial Officer from 1995. She became President in 1998 and served in that capacity until 1999 when she left the Company.
Lewis B. Campbell		Mr. Campbell, 53, is Chairman and Chief Executive Officer of Textron. He joined Textron in 1992 as Executive Vice President and Chief Operating Officer, became President and Chief Operating Officer in 1994, assumed the title of Chief Executive Officer and relinquished the title of Chief Operating Officer in July 1998 and assumed the title of Chairman and relinquished the title of President in February 1999. Prior to joining Textron he was a Vice President of General Motors Corporation and General Manager of its GMC Truck Division. Mr. Campbell is a director of Bristol Myers Squibb Co.
R. Stuart Dickson	Ruddick Corporation, 2000 First Union Plaza, Charlotte, NC 28282	Mr. Dickson, 70, was Chairman of the Board of Ruddick Corporation, a diversified holding company with interests in industrial sewing thread and regional supermarkets, from 1968 until 1994. Mr. Dickson currently serves as Chairman of the Ruddick Executive Committee. Mr. Dickson is a director of Ruddick Corporation, First Union Corporation, PCA International, United Dominion Industries and Dimon Incorporated.
Lawrence K. Fish	Citizens Financial Group, Inc., One Citizens Plaza, Providence, RI 02903	Mr. Fish, 54, is Chairman, President and Chief Executive Officer of Citizens Financial Group, Inc., a multi-state bank holding company headquartered in Providence, Rhode Island, a position he has held since joining the bank in 1992. He is a director of the Royal Bank of Scotland Group. Mr. Fish is a member of the Federal Reserve Advisory Council and the past co-chair of the Rhode Island Economic Development Council.

Joe T. Ford	ALLTEL Corporation, One Allied Drive, Little Rock, AR 72202	Mr. Ford, 62, is Chairman of the Board and chief executive officer of ALLTEL Corporation, a telecommunications and information services company. He was named President of ALLTEL upon its formation in 1983 from a merger between Allied Telephone Company in Little Rock and Mid-Continental Telephone Corporation, became chief executive officer in 1987 and assumed his current position in 1991. Mr. Ford is a director of The Dial Corporation.
Paul E. Gagne	Kroger, Inc., 3285 Bedford Road, Montreal, Quebec H35 1G5 Canada	Mr. Gagne, 53, was President and Chief Executive Officer of Avenor Inc., a forest products company, and is now a consultant in the area of corporate strategic planning and acquisitions. He joined Avenor in 1976, became President and chief operating officer in 1990 and assumed the additional position of chief executive officer in 1991 serving in that capacity until November 1997, when he left the company. In 1998, Mr. Gagne joined Kroger Inc., a major privately held producer of paper and tissue, as advisor, corporate strategy and acquisitions. He is a director of Inmet Mining Corporation, Wajax Limited, Celanese Canada Limited and Kroger Tissue Group (U.K.), and a member of the board of the C.D. Howe Institute.
John A. Janitz		Mr. Janitz, 56, is President and Chief Operating Officer of Textron. He joined Textron in 1996 as Chairman, President and Chief Executive Officer of Textron Automotive Company and assumed his present position in March 1999. From 1990 to 1996 he was Executive Vice President and General Manager of TRW Inc.'s Occupant Restraint Group based in Cleveland, Ohio, a worldwide business that develops, manufactures and markets air bags, seat belts and fastening systems. Prior to joining TRW, he was President of Wickes Manufacturing Company, an automotive supplier based in Southfield, Michigan.
John D. Macomber	JDM Investment Group, 2806 N Street, N.W., Washington, DC 20007	Mr. Macomber, 71, is Principal of JDM Investment Group, a private investment firm. He joined the firm as Principal in 1992. He served as Chairman and President of the Export-Import Bank of the United States from 1989 to 1992. Mr. Macomber was chief executive officer of Celanese Corporation, a diversified chemical company, from 1977 to 1986 and also served as Chairman from 1980 to 1986. He is a director of The Brown Group, Inc., IRI International, Lehman Brothers Holdings Inc., and Mettler-Toledo International Inc.
Dana G. Mead	Tenneco, Inc., 1275 King Street, Greenwich, CT 06831	Mr. Mead, 63, is Chairman and chief executive officer of Tenneco Inc., a global manufacturing company that owns and manages businesses in two sectors: automotive parts and packaging. He joined the company as President and chief operating officer in 1992 and assumed his current position in 1994. Prior to joining Tenneco, Mr. Mead was Executive Vice President and a director of International Paper Company, a manufacturer of paper, pulp and wood products. Mr. Mead is also a director of Pfizer Inc., the Zurich Insurance Group, Unisource Worldwide, Inc. and Newport News Shipbuilding Inc., a former Tenneco subsidiary.

Brian H. Rowe	GE Aircraft Engines, General Electric Company, 1 Neumann Way, N178, Cincinnati, OH 45215	Mr. Rowe, 66, is the retired Chairman and now a consultant of GE Aircraft Engines, General Electric Company, a manufacturer of combustion turbine engines for aircraft, marine and industrial applications. He joined General Electric in 1957, became President and Chief Executive Officer of GEAE in 1979 and Chairman in 1993, serving in that capacity until his retirement in 1994. Mr. Rowe is a director of Atlas Air, Inc., B/ E Aerospace, Canadian Marconi, Fifth Third Bank, Stewart & Stevenson Services, Inc., Cincinnati Bell Inc., Convergys and Dynatech Corporation.
Sam F. Segnar	10077 Grogan's Mill Road, Suite 530, The Woodlands, TX 77380	Mr. Segnar, 71, is the retired Chairman and Chief Executive Officer of Enron Corporation and former Chairman of the Board of Vista Chemical Co. and Collecting Bank, N.A., Houston, TX. Mr. Segnar is a director of Seagull Energy Corporation and Gulf States Utilities Company, and an advisory director of Pilko and Associates Inc.
Jean Head Sisco	Sisco Associates, 5335 Wisconsin Avenue, Suite 440, Washington, DC 20015-2034	Mrs. Sisco, 74, is a partner in the international trade consulting firm of Sisco Associates. She is a director of The Neiman Marcus Group, Inc., Newmont Mining Corporation, Chiquita Brands International, Inc., K-Tron International, Inc., American Funds -- Series I and Socrates Technology. She held various executive offices with the Washington, D.C. department store chain of Woodward & Lothrop from 1950 to 1974. She served as a consultant on governmental and public affairs to the American Retail Federation from 1974 to 1977 and is a past Chairman and a director of the National Association of Corporate Directors.
Martin D. Walker	M.A. Hanna Company, 200 Public Square, Suite 36-50000 Cleveland, OH 44114-2304	Mr. Walker, 67, is Chairman and Chief Executive Officer of M. A. Hanna Company, an international specialty chemicals company, a position he was elected to in October 1998. He held this position previously from September 1986 until December 1996, and then continued as chairman of the board until June 1997, when he retired. Mr. Walker is a director of Comerica, Inc., The Timken Company, The Goodyear Tire & Rubber Co. and Lexmark International, Inc.
Thomas B. Wheeler	Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield, MA 01111	Mr. Wheeler, 63, is Chairman of Massachusetts Mutual Life Insurance Company. He was a member of the Massachusetts Mutual field sales force from 1962 to 1983, served as Executive Vice President of Massachusetts Mutual's insurance and financial management line from 1983 to 1986, became President and chief operating officer in 1987, President and Chief Executive Officer in 1988 and Chairman and Chief Executive Officer in 1996. He relinquished the title of Chief Executive Officer in January 1999. He is a director of The Bank of Boston Corporation and Chairman of Oppenheimer Acquisition Corp. and David L. Babson & Co. Inc.

4. Executive officers of Parent. The name, business address, age, present principal occupation or employment and five-year employment history of each executive officer of the Parent are set forth below. All executive officers listed below are citizens of the United States of America. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with the Parent. The business address of each such executive officer is c/o Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903.

NAME AND BUSINESS ADDRESS	AGE, PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
Lewis B. Campbell	See "Directors of Parent" above.
John A. Janitz	See "Directors of Parent" above.
John D. Butler	Mr. Butler, 52, is Executive Vice President Administration and Chief Human Resources Officer, a title he assumed in January 1999. He previously was Executive Vice President and Chief Human Resources Officer (1997 to December 1998) and Vice President Personnel of General Motors International Operations, Zurich, Switzerland (1993 to 1997).
Mary L. Howell	Ms. Howell, 46, is Executive Vice President Government, International, Communications and Investor Relations, a title she assumed in July 1998. She previously was Executive Vice President Government and International (1995 to July 1998) and Senior Vice President Government and International Relations (1993 to 1995).
Wayne W. Juchatz	See "Directors and executive officers of Purchaser" above.
Stephen L. Key	Mr. Key, 55, is Executive Vice President and Chief Financial Officer, a title he assumed in 1995. He previously was Executive Vice President and Chief Financial Officer of ConAgra, Inc. (1992 to 1995).

5. Persons Who May Be Designated by Parent to Serve as Directors on the Company's Board of Directors. The name of each person who may be designated by Parent to serve as directors on the Company's Board of Directors is set forth below. All persons listed below are citizens of the United States of America. The other required information with respect to each such person is set forth under "Executive Officers of Parent" above. The business address of each such designee is c/o Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903.

NAME AND BUSINESS ADDRESS	AGE, PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE-YEAR EMPLOYMENT HISTORY
Robert J. Ayotte	Mr. Ayotte, 46, is Chief Financial Officer, Textron Industrial Products, an office he has held since January 1999. Previously, Mr. Ayotte was Vice President - Finance, Textron Fastening Systems-Europe from January 1997 to December 1998, Vice President - Finance of Avdel Textron from September 1994 to December 1996, and Vice President - Finance of Textron Systems Division from April 1991 to August 1994.
John R. Curran	See "Directors and executive officers of Purchaser" above.
Frank J. Feraco	See "Directors and executive officers of Purchaser" above.
Bhikhaji M. Maneckji	See "Directors and executive officers of Purchaser" above.
Lawrence J. O'Connell	See "Directors and executive officers of Purchaser" above.

6. Ownership of Shares by Directors and Officers. None.

SCHEDULE II

PURCHASES OF SHARES OF COMMON STOCK BY PARENT AND ITS SUBSIDIARIES

DATE	NUMBER OF SHARES	PRICE PER SHARE	SELLER
August 21, 1999.....	346,275	$21*	P. Enoch Stiff
August 21, 1999.....	63,938	$21*	Curtis and Linda Laetz

* Subject to adjustment as described under "The Merger Agreement, Stock Purchase Agreements and Discussions Regarding Employment" in Section 11.

Facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal, certificates for Shares (and, if a Distribution Date shall have occurred, certificates for Rights) and any other required documents should be sent or delivered by each stockholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depositary as follows:

The Depositary for the Offer is:

CITIBANK, N.A.

BY HAND:	BY MAIL:	BY OVERNIGHT COURIER DELIVERY:
Citibank, N.A. Corporate Trust Window 111 Wall Street, 5th Floor New York, New York 10043	Citibank, N.A. P. O. Box 685 Old Chelsea Station New York, New York 10113	Citibank, N.A. 915 Broadway, 5th Floor New York, New York 10010

FACSIMILE:
(for Eligible Institutions Only)
(212) 505-2248
FACSIMILE CONFIRMATION BY TELEPHONE:
(800) 270-0808

Any questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and addresses listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 Water Street
New York, New York 10005

Banks and Brokers Call Collect: (212) 269-5550 All Others Call Toll-Free: (800) 848-2998

The Dealer Manager for the Offer is:

SALOMON SMITH BARNEY

388 Greenwich Street
New York, New York 10013

Call Toll-Free: (800) 772-7865

LETTER OF TRANSMITTAL

TO TENDER SHARES OF COMMON STOCK

(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.
PURSUANT TO THE OFFER TO PURCHASE
DATED AUGUST 27, 1999

BY

TELESCOPE ACQUISITION INC.,

A WHOLLY OWNED SUBSIDIARY

OF

TEXTRON INC.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,

NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 24, 1999, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

CITIBANK, N.A.

BY HAND:	BY MAIL:	BY OVERNIGHT COURIER DELIVERY:
Citibank, N.A. Corporate Trust Window 111 Wall Street, 5th Floor New York, New York 10043	Citibank, N.A. P. O. Box 685 Old Chelsea Station New York, New York 10113	Citibank, N.A. 915 Broadway, 5th Floor New York, New York 10010

FACSIMILE: (for Eligible Institutions Only) (212) 505-2248 CONFIRM BY TELEPHONE: (800) 270-0808

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSIONS OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be completed by stockholders, either if certificates for Shares or Rights (as such terms are defined below) are to be forwarded herewith or, unless an Agent's Message (as defined in the Offer to Purchase) is utilized, if tenders of Shares or Rights are to be made by book-entry transfer into the account of Citibank, N.A. as Depositary (the "Depositary"), at the Depository Trust Company ("DTC") (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase (as defined below). Stockholders who tender Shares or Rights by book-entry transfer are referred to herein as "Book-Entry Stockholders".

Holders of Shares will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. Unless and until a Distribution Date (as defined in the Offer to Purchase) occurs, a tender of Shares will also constitute a tender of the associated Rights. See Section 3 of the Offer to Purchase. If the Distribution Date has occurred, and certificates representing Rights (the "Rights Certificates") have been distributed to holders of Shares, such holders will be required to tender Rights Certificates representing a number of Rights equal to the number of Shares being tendered in order to effect a valid tender of such Shares.

Holders of Shares and Rights whose certificates for such Shares (the "Share Certificates") and, if applicable, Rights Certificates are not immediately available or who cannot deliver their Share Certificates or, if applicable, Rights Certificates and all other required documents to the Depositary prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase), or who cannot complete the procedure for book-entry transfer on a timely basis, must tender their Shares and Rights according to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. See Instruction 2. DELIVERY OF
DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

DESCRIPTION OF SHARES TENDERED

NAME(S) & ADDRESSES OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON CERTIFICATE(S))	SHARE CERTIFICATE(S) AND SHARE(S) (ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)		
	SHARE CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
	Total Shares.....		

* Need not be completed by Book-Entry Stockholders. ** Unless otherwise indicated, all Shares represented by certificates delivered to the Depositary will be deemed to have been tendered. See Instruction 4.

[ ] CHECK HERE IF SHARES ARE BEING TENDERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution

Check box of Book-Entry Transfer Facility:

[ ] The Depository Trust Company

Account Number _____ Transaction Code Number

[ ] CHECK HERE IF SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Owner(s):

Window Ticket Number (if any):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution that Guaranteed Delivery:

If delivered by Book-Entry Transfer, check box of Book-Entry Transfer Facility:

[ ] The Depository Trust Company

Account Number _____ Transaction Code Number

DESCRIPTION OF RIGHTS TENDERED*

NAME(S) & ADDRESSES OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON CERTIFICATE(S))	RIGHT(S) CERTIFICATE(S) AND RIGHT(S) (ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)		
	RIGHTS CERTIFICATE NUMBER(S)**	TOTAL NUMBER OF RIGHTS REPRESENTED BY CERTIFICATE(S)**	NUMBER OF RIGHTS TENDERED***
	Total Rights.....		

* Need not be completed if the Distribution Date has not occurred. ** Need not be completed by Book-Entry Stockholders. *** Unless otherwise indicated, all Rights represented by certificates delivered to the Depositary will be deemed to have been tendered. See Instruction 4.

[ ] CHECK HERE IF RIGHTS ARE BEING TENDERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER RIGHTS BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution
Check box of Book-Entry Transfer Facility:

[ ] The Depository Trust Company

Account Number
---------- Transaction Code Number

[ ] CHECK HERE IF RIGHTS ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Owner(s):

Window Ticket Number (if any):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution that Guaranteed Delivery:

If delivered by Book-Entry Transfer, check box of Book-Entry Transfer Facility:

[ ] The Depository Trust Company

Account Number _____ Transaction Code Number

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Telescope Acquisition Inc., a Delaware corporation (the "Purchaser"), which is a wholly owned subsidiary of Textron Inc., a Delaware corporation (the "Parent"), the shares of common stock, par value $.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation (the "Company"), and the associated preferred stock purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated August 21, 1998, as amended (as so amended, the "Rights Agreement"), between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agent"), at a purchase price of $21.00 per Share (and associated Right), net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase dated August 27, 1999 (the "Offer to Purchase") and in this Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context requires otherwise, all references to Shares shall be deemed to refer also to the associated Rights, and all references to Rights shall be deemed to include all benefits that may inure to the stockholders of the Company or to holders of the Rights pursuant to the Rights Agreement. The undersigned understands that the Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to any direct or indirect wholly owned subsidiary or subsidiaries of Parent, the right to purchase all or any portion of the Shares and Rights tendered pursuant to the Offer, receipt of which is hereby acknowledged.

Prior to the occurrence of a Distribution Date (as defined in the Rights Agreement), a valid tender of Shares will constitute a tender of the associated Rights. The undersigned understands that if the Distribution Date has occurred and certificates representing Rights (the "Rights Certificates") have been distributed to holders prior to the date of tender of the Shares and Rights tendered herewith pursuant to the Offer, Rights Certificates representing a number of Rights equal to the number of Shares being tendered herewith must be delivered to Citibank, N.A. (the "Depositary") or, if available, a Book-Entry Confirmation (as defined herein) must be received by the Depositary with respect thereto in order for such Shares tendered herewith to be validly tendered. If the Distribution Date has occurred and Rights Certificates have not been distributed prior to the time Shares are tendered herewith pursuant to the Offer, the undersigned agrees to deliver Rights Certificates representing a number of Rights equal to the number of Shares tendered herewith to the Depositary within three business days after the date such Rights Certificates are distributed. A tender of Shares without Rights Certificates constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within three business days after the date such Rights Certificates are distributed. The undersigned understands that if the Distribution Date occurs prior to the Expiration Date, the Purchaser reserves the Right to require that the Depositary receive such Rights Certificates or a Book-Entry Confirmation with respect to such Rights prior to accepting Shares for payment. In that event, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of, or Book-Entry Confirmation with respect to, among other things, Rights Certificates, if Rights Certificates have been distributed to holders of Shares.

Subject to, and effective upon, acceptance for payment for the Shares and Rights tendered herewith in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Purchaser all right, title and interest in and to all of the Shares and Rights that are being tendered hereby and any and all dividends, distributions (including Rights and additional Shares) or rights declared, paid or issued with respect to the tendered Shares and Rights on or after the date hereof and payable or distributable to the undersigned on a date prior to the transfer to the name of the Purchaser or nominee or transferee of the Purchaser on the Company's stock transfer records of the Shares and Rights tendered herewith (other than a regular quarterly cash dividend of $0.01 per share, payable on September 30, 1999 to holders of record on September 15, 1999) (collectively, a "Distribution"), and appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares and Rights (and any Distribution) with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Share

Certificates (as defined herein) and Rights Certificates (and any Distribution) or transfer ownership of such Shares and Rights (and any Distribution) on the account books maintained by a Book-Entry Transfer Facility, together in either case with appropriate evidences of transfer, to the Depositary for the account of the Purchaser, (b) present such Shares and Rights (and any Distribution) for transfer on the books of the Company and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares and Rights (and any Distribution), all in accordance with the terms and subject to the conditions of the Offer.

The undersigned irrevocably appoints designees of the Purchaser as such stockholder's attorney in fact and proxy, with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares and Rights tendered by such stockholder and accepted for payment by the Purchaser and with respect to any and all other shares or other securities issued or issuable in respect of such Shares or Rights on or after the date hereof. Such appointment will be effective when, and only to the extent that, the Purchaser accepts such Shares and Rights for payment. Upon such acceptance for payment, all prior proxies given by such stockholder with respect to such Shares and Rights (and such other shares and securities) will be revoked without further action, and no subsequent proxies may be given nor any subsequent written consents executed (and, if given or executed, will not be deemed effective). The designees of the Purchaser will be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. The Purchaser reserves the right to require that, in order for Shares and Rights to be deemed validly tendered, immediately upon the Purchaser's payment for such Shares and Rights the Purchaser must be able to exercise full voting rights with respect to such Shares and Rights.

The undersigned hereby represents and warrants that (a) the undersigned has full power and authority to tender, sell, assign and transfer the Shares and Rights (and any Distribution) tendered hereby and (b) when the Shares and Rights are accepted for payment by the Purchaser, the Purchaser will acquire good, marketable and unencumbered title to the Shares and Rights (and any Distribution), free and clear of all liens, restrictions, charges and encumbrances, and the same will not be subject to any adverse claim. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or the Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares and Rights tendered hereby (and any Distribution). In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of the Purchaser any and all Distributions in respect of the Shares and Rights tendered hereby, accompanied by appropriate documentation of transfer; and pending such remittance or appropriate assurance thereof, the Purchaser will be, subject to applicable law, entitled to all rights and privileges as owner of any such Distribution and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by the Purchaser in its sole discretion.

All authority herein conferred or agreed to be conferred shall not be affected by and shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Tenders of Shares and Rights made pursuant to the Offer are irrevocable, except that Shares and Rights tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date (as defined in the Offer to Purchase) and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after October 25, 1999. See Section 4 of the Offer to Purchase.

The undersigned understands that tenders of Shares and Rights pursuant to any of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and the Purchaser upon the terms and subject to the conditions set forth in the Offer, including the undersigned's representation that the undersigned owns the Shares and Rights being tendered.

Unless otherwise indicated herein under "Special Payment Instructions", please issue the check for the purchase price and/or issue or return any certificate(s) for Shares and Rights not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Shares Tendered" and "Description of Rights Tendered", respectively. Similarly, unless otherwise indicated herein under "Special

Delivery Instructions", please mail the check for the purchase price and/or any certificates) for Shares and Rights not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered" and "Description of Rights Tendered", respectively. In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed please issue the check for the purchase price and/or any certificate(s) for Shares and Rights not tendered or accepted for payment in the name of, and deliver such check and/or such certificates to, the person or persons so indicated. Unless otherwise indicated herein under "Special Payment Instructions", please credit any Shares and Rights tendered herewith by book-entry transfer that are not accepted for payment by crediting the account at the Book-Entry Transfer Facility (as defined herein) designated above. The undersigned recognizes that the Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares or Rights from the name(s) of the registered holder(s) thereof if the Purchaser does not accept for payment any of the Shares or Rights so tendered.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if certificate(s) for Shares and Rights not tendered or not accepted for payment and/or the check for the purchase price of Shares and Rights accepted for payment are to be issued in the name of someone other than the undersigned or if Shares or Rights tendered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at a Book-Entry Transfer Facility other than the account indicated above.

Issue: [ ] check [ ] certificates to:

Name
(PLEASE PRINT)

Address

(INCLUDE ZIP CODE)

(TAX ID. OR SOCIAL SECURITY NO.)

(SEE SUBSTITUTE FORM W-9)

[ ] Credit Shares and Rights tendered by book-entry transfer that are not accepted for payment to the Book-Entry Transfer Facility account.

(DTC ACCOUNT NO.)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if certificate(s) for Shares and Rights not tendered or not accepted for payment and/or the check for the purchase price of Shares and Rights accepted for payment are to be sent to someone other than the undersigned at an address other than that shown above.

Issue: [ ] check [ ] certificates to:

Name
(PLEASE PRINT)

Address

(INCLUDE ZIP CODE)

(TAX ID. OR SOCIAL SECURITY NO.)

(SEE SUBSTITUTE FORM W-9)

SIGN HERE
AND COMPLETE SUBSTITUTE FORM W-9

X

X

(Signature(s) of Stockholder(s))

Dated:
---------- , 1999

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificate(s) or Rights certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information and see Instruction 5.)

Name(s)

(PLEASE PRINT)

Capacity (full title)

Address

(INCLUDE ZIP CODE)

Area Code and Telephone Number

Tax Identification or Social Security Number

COMPLETE SUBSTITUTE FORM W-9

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 1 AND 5)

Authorized Signature

Name(s)

Name of Firm

(PLEASE PRINT)

Address

(INCLUDE ZIP CODE)

Area Code and Telephone Number

Dated
---------- , 1999

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. No signature guarantee is required on this Letter of Transmittal (a) if this Letter of Transmittal is signed by the registered holder(s) of Shares and Rights (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares and/or Rights) tendered herewith, unless such holder (s) has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" above, or (b) if such Shares and/or Rights are tendered for the account of a firm which is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program (each of the foregoing being referred to as an "Eligible Institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5 of this Letter of Transmittal.

2. REQUIREMENTS OF TENDER. This Letter of Transmittal is to be completed by stockholders either if certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if tenders are to be made pursuant to the procedure for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase. Share Certificates evidencing tendered Shares, or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of Shares into the Depositary's account at the Book-Entry Transfer Facility, as well as this Letter of Transmittal (or a facsimile hereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth herein prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) and, if a Distribution Date occurs, Rights Certificates evidencing tendered Rights, or timely confirmation of a book-entry transfer of Rights into the Depositary's account at the Book-Entry Transfer Facility, if available (together with, if Rights are forwarded separately from Shares, a properly completed and duly executed Letter of Transmittal (or a facsimile hereof), with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other documents required by this Letter of Transmittal), must be received by the Depositary at one of its addresses set forth herein prior to the Expiration Date or, if later, within three business days after the date such Rights Certificates are distributed. Stockholders whose Share Certificates or Rights Certificates are not immediately available (including Rights Certificates that have not yet been distributed by the Company) or who cannot deliver their Share Certificates or Rights Certificates and all other required documents to the Depositary prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Shares and Rights by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, must be received by the Depositary prior to the Expiration Date; (iii) the Share Certificates (or a Book-Entry Confirmation) representing all tendered Shares, in proper form for transfer, in each case together with the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry delivery, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three Nasdaq National Market trading days after the date of execution of such Notice of Guaranteed Delivery; and (iv) the Rights Certificates, if issued, representing the appropriate number of Rights or a Book-Entry Confirmation, if available, in each case together with a properly completed and duly executed Letter of Transmittal (or a facsimile thereof), with any required signature guarantees (or, in the case of a book-entry delivery, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three Nasdaq National Market trading days after the date of execution of such Notice of Guaranteed Delivery, or if later, three business days after Rights Certificates are distributed to shareholders, all as provided in Section 3 of the Offer to Purchase. If Share Certificates and Rights Certificates are forwarded separately to the Depositary, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Prior to a Distribution Date, a valid tender of Shares will constitute a tender of the associated Rights.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, SHARE CERTIFICATES (AND, IF A DISTRIBUTION DATE OCCURS, RIGHTS CERTIFICATES) AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF BOOK ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares and Rights will be purchased. All tendering stockholders, by execution of this Letter of Transmittal (or a facsimile hereof), waive any right to receive any notice of the acceptance of their Shares and Rights for payment.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares and Rights and any other required information should be listed on a separate signed schedule attached hereto.

4. PARTIAL TENDERS. (Not Applicable to Book-Entry Stockholders) If fewer than all the Shares evidenced by any Share Certificates submitted are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". If fewer than all the Rights evidenced by any Rights Certificates submitted are to be tendered, fill in the number of Rights which are to be tendered in the box entitled "Number of Rights Tendered". In such cases, new Share Certificates or Rights Certificates, as the case may be, for the Shares or Rights that were evidenced by your old Share Certificates or Rights Certificates, but were not tendered by you, will be sent to you, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by Share Certificates and all Rights represented by Rights Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL, STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares and Rights tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) or Rights Certificate(s), as the case may be, without alteration, enlargement or any change whatsoever.

If any of the Shares and Rights tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the tendered Shares and Rights are registered in different names on several Share Certificates or Rights Certificates, as the case may be, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any Share Certificates, Rights Certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to the Purchaser of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares and Rights listed and transmitted hereby, no endorsements of Share Certificates, Rights Certificates or separate stock powers are required unless payment is to be made to or Share Certificates or Rights Certificates for Shares or Rights not tendered or not purchased are to be issued in the name of a person other than the registered holder(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) listed, the Share Certificate(s) or Rights Certificate(s), as the case may be, must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the certificate(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

If Rights Certificates have been distributed to holders of Shares, such holders are required to tender Rights Certificate(s) representing a number of Rights equal to the number of Shares tendered in order to effect a valid tender of such Shares. It is necessary that shareholders follow all signature requirements of this Instruction 5 with respect to the Rights in order to tender such Rights. Prior to a Distribution Date, a valid tender of Shares will constitute a tender of the associated Rights.

6. STOCK TRANSFER TAXES. Except as otherwise provided in this Instruction 6, the Purchaser will pay any stock transfer taxes with respect to the transfer and sale of Shares and Rights to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if certificate(s) for Shares and Rights not tendered or accepted for payment are to be registered in the name of, any person other than the registered holder(s), or if tendered certificate(s) are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s) or such person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or an exemption therefrom, is submitted. Except as otherwise provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the certificate(s) listed in this Letter of Transmittal.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If a check is to be issued in the name of, and/or certificates for Shares and Rights not tendered or not accepted for payment are to be issued or returned to, a person other than the signer of this Letter of Transmittal or if a check and/or such certificates are to be returned to a person other than the person(s) signing this Letter of Transmittal or to an address other than that shown in this Letter of Transmittal, the appropriate boxes on this Letter of Transmittal must be completed. A Book-Entry Stockholder may request that Shares and/or Rights not accepted for payment be credited to such account maintained at the Book-Entry Transfer Facility as such Book-Entry Stockholder may designate under "Special Payment Instructions". If no such instructions are given, such Shares or Rights not accepted for payment will be returned by crediting the account at the Book-Entry Transfer Facility designated above.

8. WAIVER OF CONDITIONS. Subject to the terms and conditions of the Merger Agreement (as defined in the Offer to Purchase), the conditions of the Offer (other than the Minimum Condition (as defined in the Offer to Purchase)) may be waived by the Purchaser in whole or in part at any time and from time to time in its sole discretion.

9. 31% BACKUP WITHHOLDING; SUBSTITUTE FORM W-9. Under U.S. Federal income tax law, a stockholder whose tendered Shares are accepted for payment is required to provide the Depositary with such stockholder's correct taxpayer identification number ("TIN") on Substitute Form W-9 below. If the Depositary is not provided with the correct TIN, the Internal Revenue Service may subject the stockholder or other payee to a $50 penalty. In addition, payments that are made to such stockholder or other payee with respect to Shares purchased pursuant to the Offer may be subject to 31% backup withholding.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, the stockholder must submit a Form W-8, signed under penalties of perjury, attesting to that individual's exempt status. A Form W-8 can be obtained from the Depositary. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for more instructions.

If backup withholding applies, the Depositary is required to withhold 31% of any such payments made to the stockholder or other payee. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

The box in Part 3 of the Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 3 is checked, the stockholder or other payee must also complete the Certificate of Awaiting Taxpayer Identification Number below in

order to avoid backup withholding. Notwithstanding that the box in Part 3 is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the Depositary will withhold 31% of all payments made prior to the time a properly certified TIN is provided to the Depositary.

The stockholder is required to give the Depositary the TIN (e.g., social security number or employer identification number) of the record owner of the Shares or of the last transferee appearing on the transfers attached to, or endorsed on, the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

10. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions or requests for assistance may be directed to the Dealer Manager or the Information Agent at their respective addresses and telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or the Dealer Manager or from brokers, dealers, commercial banks or trust companies.

11. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares (or, if a Distribution Date occurs, Rights) has been lost, destroyed or stolen, the stockholder should promptly notify the Depositary. The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

12. DIVIDENDS. Pursuant to the Merger Agreement, the Company, among other things, has agreed that it will not declare or pay dividends on, or make other distributions in respect of, the Shares, other than a regular quarterly cash dividend of $0.01 per Share, payable on September 30, 1999 to holders of record on September 15, 1999, which was declared on August 10, 1999. Tendering shareholders who are holders of record on September 15, 1999 will be entitled to receive and retain such regular quarterly dividend regardless of when Shares are tendered or accepted for payment pursuant to the Offer.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE HEREOF), TOGETHER WITH SHARE CERTIFICATES (AND, IF A DISTRIBUTION DATE OCCURS, RIGHTS CERTIFICATES) OR CONFIRMATION OF BOOK-ENTRY TRANSFER OR THE NOTICE OF GUARANTEED DELIVERY, AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE.

PAYER'S NAME: Citibank, N.A.

SUBSTITUTE FORM W-9	Part 1 -- PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW	Social Security Number or Employer Identification Number ----------
DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE PAYEE'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER ("TIN")	Part 2 -- Certification -- Under the penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding. CERTIFICATION INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under-reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out such item (2).	
	Signature ----------	
SIGN HERE:	Date ---------- , 1999	PART 3 -- Awaiting TIN [ ]

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF THE SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 31% of all reportable payments made to me will be withheld.

Signature

Date ---------- , 1999

Questions and requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal and other tender offer materials may be directed to the Information Agent at its address and telephone number set forth below:

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 Water Street
New York, New York 10005

Banks and Brokers Call Collect: (212) 269-5550 All Others Call Toll-Free: (800) 848-2998

The Dealer Manager for the Offer is:

SALOMON SMITH BARNEY

388 Greenwich Street
New York, New York 10013
Call Toll-Free: (800) 772-7865

August 27, 1999

NOTICE OF GUARANTEED DELIVERY

TO

TENDER SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.

As set forth in Section 3 of the Offer to Purchase described below, this instrument or one substantially equivalent hereto must be used to accept the Offer (as defined below) if certificates for Shares (as defined below) or the associated preferred stock purchase rights (the "Rights") are not immediately available or the certificates for Shares or Rights and all other required documents cannot be delivered to Citibank, N.A. (the "Depositary") on or prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) or if the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This instrument may be delivered by hand or transmitted by facsimile transmission or mailed to the Depositary.

The Depositary for the Offer is:

CITIBANK, N.A.

BY HAND:
Citibank, N.A.
Corporate Trust Window
111 Wall Street, 5th Floor
New York, New York 10043

BY MAIL:
Citibank, N.A.
P. O. Box 685
Old Chelsea Station
New York, New York 10113

BY OVERNIGHT COURIER DELIVERY:
Citibank, N.A.
915 Broadway, 5th Floor
New York, New York 10010

FACSIMILE:
(for Eligible Institutions Only)
(212) 505-2248
CONFIRM BY TELEPHONE:
(800) 270-0808

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS FORM IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX IN THE LETTER OF TRANSMITTAL.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tender(s) to Telescope Acquisition Inc., a Delaware corporation, which is a wholly owned subsidiary of Textron Inc., a Delaware corporation (the "Parent"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated August 27, 1999 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), receipt of which is hereby acknowledged, the number of shares of common stock, par value $.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation, and the associated preferred stock purchase rights (the "Rights"), pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Signature(s)
Name(s) of Record Holders

Please Type or Print Number of Shares and Rights

Certificate Nos. (if Available)

Dated

----------, 1999

Address(es)

Zip Code Area Code and Tel. No(s)

Check box if Shares and Rights will be tendered by book-entry transfer:

[ ] The Depository Trust Company

Account Number

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm which is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agents Medallion Program, (a) represents that the above named person(s) "own(s)" the Shares and Rights tendered hereby within the meaning of Rule 14e-4 under the Securities Exchange Act of 1934, as amended ("Rule 14e-4"), (b) represents that such tender of Shares and Rights complies with Rule 14e-4, (c) guarantees to deliver to the Depositary either the certificates evidencing all tendered Shares, in proper form for transfer, or to deliver Shares pursuant to the procedure for book-entry transfer into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility"), in either case together with the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry delivery, and any other required documents, all within three Nasdaq National Market trading days after the date hereof and (d) guarantees, if a Distribution Date (as defined in the Offer to Purchase) occurs, to deliver certificates representing the Rights ("Rights Certificates") in proper form for transfer, or to deliver such Rights pursuant to the procedure for book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility, together with, if Rights are forwarded separately, the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message in the case of a book-entry delivery, and any other required documents, all within the later of
(1) three Nasdaq National Market trading days after the date hereof and (2) three business days after the date the Rights Certificates are distributed to holders of Shares.

----------	----------
Name of Firm	Authorized Signature
----------	Name ----------
Address	Please Type or Print
----------	Title
Zip Code	----------
----------	Dated ----------, 1999
Area Code and Tel. No	

NOTE: DO NOT SEND CERTIFICATES FOR SHARES OR, IF A DISTRIBUTION DATE OCCURS,
CERTIFICATES FOR RIGHTS WITH THIS NOTICE. CERTIFICATES FOR SHARES OR, IF A DISTRIBUTION DATE OCCURS, CERTIFICATES FOR RIGHTS SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.

AT

$21.00 NET PER SHARE

BY

TELESCOPE ACQUISITION INC.,

A WHOLLY OWNED SUBSIDIARY

OF

TEXTRON INC.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,

NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 24, 1999, UNLESS THE OFFER IS EXTENDED.

August 27, 1999

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by Telescope Acquisition Inc., a Delaware corporation (the "Purchaser"), which is a wholly owned subsidiary of Textron Inc., a Delaware corporation (the "Parent"), to act as dealer manager in connection with the Purchaser's offer to purchase for cash all the outstanding shares of common stock, par value $.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation (the "Company"), and the associated preferred stock purchase rights ("the Rights") issued pursuant to the Rights Agreement dated August 21, 1998, as amended, between the Company and First Chicago Trust Company of New York, at a purchase price of $21.00 per Share (and associated Right), net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated August 27, 1999 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, as amended from time to time, together constitute the "Offer") enclosed herewith. Holders of Shares will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. If the Distribution Date (as defined in the Offer to Purchase) has not occurred prior to the time Shares are tendered pursuant to the Offer, a tender of Shares will constitute a tender of the associated Rights. If the Distribution Date has occurred and the certificates representing such Rights ("Rights Certificates") have been distributed by the Company to holders of Shares, such holders of Shares will be required to tender Rights Certificates representing a number of Rights equal to the number of Shares being tendered in order to effect valid tender of such Shares. Holders of Shares and Rights whose certificates for such Shares (the "Share Certificates") and, if applicable, Rights Certificates and all other required documents to the Depositary (as defined below) prior to the Expiration Date (as defined in the Offer to Purchase), or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Shares and Rights according to the guaranteed delivery procedures set forth in
Section 3 of the Offer to Purchase. As used herein, unless the context otherwise requires, the term "Shares" includes the associated Rights.

Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

Enclosed herewith for your information and forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee are copies of the following documents:

1. The Offer to Purchase.

2. The Letter of Transmittal to tender Shares for your use and for the information of your clients. Facsimile copies of the Letter of Transmittal may be used to tender Shares.

3. The Notice of Guaranteed Delivery for Shares to be used to accept the Offer if Share Certificates or, if applicable, Rights Certificates are not immediately available or if such certificates and all other required documents cannot be delivered to Citibank, N.A. (the "Depositary") by the Expiration Date or if the procedure for book-entry transfer cannot be completed by the Expiration Date.

4. The Letter to Stockholders of the Company from the Chairman of the Board and President and Chief Executive Officer of the Company, accompanied by the Company's Solicitation/Recommendation Statement on Schedule 14D-9, which includes the recommendation of the Board of Directors of the Company that stockholders accept the Offer and tender their Shares to the Purchaser pursuant to the Offer.

5. A printed form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.

6. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

7. A return envelope addressed to the Depositary.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 24, 1999, UNLESS THE OFFER IS EXTENDED.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of August 21, 1999 (the "Merger Agreement"), by and among the Parent, the Purchaser and the Company. The Merger Agreement provides, among other things, for the making of the Offer by the Purchaser, and further provides that, following the completion of the Offer, upon the terms and subject to the conditions of the Merger Agreement, and in accordance with the Delaware General Corporation Law, the Purchaser will be merged with and into the Company (the "Merger"). Following the Merger, the Company will continue as the surviving corporation and become a wholly owned subsidiary of the Parent, and the separate corporate existence of the Purchaser will cease.

The Board of Directors of the Company has approved, by unanimous vote of the directors, the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger and determined that the terms of the Offer and the Merger are fair to, and in the best interests of, the holders of the Shares and recommends that the holders of the Shares accept the Offer and tender their Shares to the Purchaser pursuant to the Offer.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PURSUANT TO THE OFFER PRIOR TO THE EXPIRATION DATE (AS DEFINED IN SECTION 1 OF THE OFFER TO PURCHASE) SUCH NUMBER OF SHARES WHICH CONSTITUTES MORE THAN 50% OF THE SHARES (DETERMINED ON A FULLY DILUTED BASIS) (THE "MINIMUM CONDITION"), AND (II) THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED.

In order to take advantage of the Offer, (i) a duly executed and properly completed Letter of Transmittal and any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase) in connection with a

book-entry delivery of Shares, and other required documents should be sent to the Depositary, and (ii) either Share Certificates and, if applicable, Rights Certificates, representing the tendered Shares and, if applicable, tendered Rights should be delivered to the Depositary, or such Shares and Rights should be tendered by book-entry transfer into the Depositary's account maintained at the Book-Entry Transfer Facility (as described in the Offer to Purchase), all in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

The Purchaser will not pay any commissions or fees to any broker, dealer or other person (other than the Dealer Manager, the Depositary and D.F. King & Co., Inc. (the "Information Agent") (as described in the Offer to Purchase)) for soliciting tenders of Shares pursuant to the Offer. The Purchaser will, however, upon request, reimburse you for customary clerical and mailing expenses incurred by you in forwarding any of the enclosed materials to your clients. The Purchaser will pay or cause to be paid any stock transfer taxes payable on the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Inquiries you may have with respect to the Offer should be addressed to the Information Agent or the undersigned, at the respective addresses and telephone numbers set forth on the back cover of the Offer to Purchase. Additional copies of the enclosed materials may be obtained from the Information Agent.

Very truly yours,

Salomon Smith Barney Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THE PURCHASER, THE PARENT, THE DEALER MANAGER, THE COMPANY, THE DEPOSITARY OR THE INFORMATION AGENT, OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.

AT

$21.00 NET PER SHARE

BY

TELESCOPE ACQUISITION INC.,

A WHOLLY OWNED SUBSIDIARY

OF

TEXTRON INC.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,

NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 24, 1999, UNLESS THE OFFER IS EXTENDED.

August 27, 1999

To Our Clients:

Enclosed for your consideration is an Offer to Purchase dated August 27, 1999 (the "Offer to Purchase"), and the related Letter of Transmittal relating to an offer by Telescope Acquisition Inc., a Delaware corporation (the "Purchaser"), which is a wholly owned subsidiary of Textron Inc., a Delaware corporation (the "Parent"), to purchase all of the outstanding shares of common stock, par value $.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation (the "Company"), and the associated preferred stock purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended (as so amended, the "Rights Agreement"), between the Company and First Chicago Trust Company of New York, as Rights Agent, at a purchase price of $21.00 per Share (and associated Right), net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context requires otherwise, all references to "Shares" shall be deemed to refer also to the associated Rights, and all references to Rights shall be deemed to include all benefits that may inure to the stockholders of the Company or to the holders of the Rights pursuant to the Rights Agreement. Holders of Shares and Rights whose certificates for such Shares (the "Share Certificates") and, if a Distribution Date (as defined in the Offer to Purchase) has occurred, for such Rights (the "Rights Certificates") are not immediately available or who cannot deliver their Share Certificates and, if applicable, Rights Certificates and all other required documents to Citibank, N.A., the Depositary, prior to the Expiration Date (as defined in the Offer to Purchase), or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

WE ARE THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to have us tender on your behalf any or all of such Shares held by us for your account, pursuant to the terms and subject to the conditions set forth in the Offer to Purchase.

Your attention is directed to the following:

1. The tender price is $21.00 per share, net to the seller in cash, without interest thereon.

2. The Offer is made for all of the outstanding Shares.

3. The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of August 21, 1999 (the "Merger Agreement"), by and among the Parent, the Purchaser and the Company. The Merger Agreement provides, among other things, for the making of the Offer by the Purchaser, and further provides that, following the completion of the Offer, upon the terms and subject to the conditions of the Merger Agreement, and in accordance with the Delaware General Corporation Law, the Purchaser will be merged with and into the Company (the "Merger"). Following the Merger, the Company will continue as the surviving corporation and become a wholly owned subsidiary of the Parent, and the separate corporate existence of the Purchaser will cease.

4. The Board of Directors of the Company has approved, by unanimous vote of the directors, the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and determined that the terms of the Offer and the Merger are fair to, and in the best interests of, the holders of Shares and recommends that holders of Shares accept the Offer and tender their Shares and the associated Rights to the Purchaser pursuant to the Offer.

5. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Friday, September 24, 1999, unless the Offer is extended.

6. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares pursuant to the Offer.

7. The Offer is conditioned upon, among other things, (a) there being validly tendered and not withdrawn pursuant to the Offer prior to the expiration of the Offer such number of Shares and the associated preferred stock purchase rights which constitutes more than 50% of the Shares (determined on a fully-diluted basis) then outstanding and (b) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The Offer is being made solely by the Offer to Purchase and the related Letter of Transmittal and is being made to all holders of Shares. The Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, the Purchaser will make a good faith effort to comply with any such state statute. If, after such good faith effort, the Purchaser cannot comply with such state statute, the Offer will not be made to, nor will tenders be accepted from or on behalf of, the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by Salomon Smith Barney Inc., the Dealer Manager for the Offer, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

If you wish to have us tender any or all of the Shares held by us for your account, please instruct us by completing, executing and returning to us the instruction form contained in this letter. If you authorize a tender of your Shares, all such Shares will be tendered unless otherwise specified in such instruction form. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer.

INSTRUCTIONS WITH RESPECT TO
THE OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.

BY

TELESCOPE ACQUISITION INC.,

A WHOLLY OWNED SUBSIDIARY

OF

TEXTRON INC.

The undersigned acknowledge(s) receipt of your letter enclosing the Offer to Purchase dated August 27, 1999 (the "Offer to Purchase") and the related Letter of Transmittal pursuant to an offer by Telescope Acquisition Inc., a Delaware corporation, which is a wholly owned subsidiary of Textron Inc., a Delaware corporation, to purchase all of the outstanding shares of common stock, par value $.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation, and the associated preferred stock purchase rights (the "Rights"), at a purchase price of $21.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal.

This will instruct you to tender the number of Shares indicated below (or, if no number is indicated below, all Shares which are held by you for the account of the undersigned), upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal furnished to the undersigned.

Number of Shares (and Rights) to be Tendered*

---------- Shares (and Rights)

Date:

SIGN HERE

Signature(s)

Please Print Name(s)

Address

Area Code and Telephone Number

Tax Identification or Social Security Number

* Unless otherwise indicated, it will be assumed that all of your Shares (and Rights) held by us for your account are to be tendered. Prior to a Distribution Date (as defined in the Offer to Purchase), a valid tender of Shares will constitute a tender of the associated Rights.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER FOR THE PAYEE (YOU) TO GIVE THE PAYER. -- Social security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employee identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer. All "Section" references are to the Internal Revenue Code of 1986, as amended. "IRS" is the Internal Revenue Service.

For this type of account:	Give the social security number of --
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship	The owner(3)
For this type of account:	**Give the employer identification number of --**
6. Sole proprietorship	The owner(3)
7. A valid trust, estate, or pension trust	The legal entity(4)
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization account	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.
(2) Circle the minor's name and furnish the minor's social security number.
(3) You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or your employer identification number (if you have one).
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

OBTAINING A NUMBER

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Card, at the local Social Administration office, or Form SS-4, Application for Employer Identification Number, by calling 1 (800) TAX-FORM, and apply for a number. If you have applied for a TIN check the box in Part 3 of the Form W-9.

PAYEE EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from withholding include:

- An organization exempt from tax under Section 501(a), an individual retirement account (IRA), or a custodial account under Section 403(b)(7), if the account satisfies the requirements of Section 401(f)(2).
- The United States or a state thereof, the District of Columbia, a possession of the United States, or a political subdivision or wholly-owned agency or instrumentality of any one or more of the foregoing.
- An international organization or any agency or instrumentality thereof.
- A foreign government and any political subdivision, agency or instrumentality thereof.

Payees that may be exempt from backup withholding include:
- A corporation.
- A financial institution.
- A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under Section 584(a).
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A middleman known in the investment community as a nominee or who is listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List.
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- A foreign central bank of issue.

Payments of dividends and patronage dividends generally exempt from backup withholding include:
- Payments to nonresident aliens subject to withholding under Section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) payments made by an ESOP.

Payments of interest generally exempt from backup withholding include:
- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under Section 852).
- Payments described in Section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under Section 1451.
- Payments made by certain foreign organizations.
- Mortgage interest paid to you.

Certain payments, other than payments of interest, dividends, and patronage dividends, that are exempt from information reporting are also exempt from backup withholding. For details, see the regulations under sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N.

EXEMPT PAYEES DESCRIBED ABOVE MUST FILE FORM W-9 OR A SUBSTITUTE FORM W-9 TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART 2 OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE OF INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

PRIVACY ACT NOTICE. -- Section 6109 requires you to provide your correct taxpayer identification number to payers, who must report the payments to the IRS. The IRS uses the number for identification purposes and may also provide this information to various government agencies for tax enforcement or litigation purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to payer. Certain penalties may also apply.

PENALTIES

(1) FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. -- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX

CONSULTANT OR THE INTERNAL REVENUE SERVICE.

THIS ANNOUNCEMENT IS NEITHER AN OFFER TO PURCHASE NOR A SOLICITATION OF AN OFFER TO SELL SHARES (AS DEFINED BELOW) OR THE ASSOCIATED RIGHTS (AS DEFINED BELOW). THE OFFER (AS DEFINED BELOW) IS MADE SOLELY BY THE OFFER TO PURCHASE DATED AUGUST 27, 1999 AND THE RELATED LETTER OF TRANSMITTAL (AND ANY AMENDMENTS THERETO) AND IS BEING MADE TO ALL HOLDERS OF SHARES AND THE ASSOCIATED RIGHTS. THE PURCHASER (AS DEFINED BELOW) IS NOT AWARE OF ANY STATE WHERE THE MAKING OF THE OFFER IS PROHIBITED BY ADMINISTRATIVE OR JUDICIAL ACTION PURSUANT TO ANY VALID STATE STATUTE. IF THE PURCHASER BECOMES AWARE OF ANY STATE WHERE THE MAKING OF THE OFFER IS PROHIBITED, THE PURCHASER WILL MAKE A GOOD FAITH EFFORT TO COMPLY WITH ANY SUCH STATUTE. IF, AFTER SUCH GOOD FAITH EFFORT, THE PURCHASER CANNOT COMPLY WITH ANY SUCH STATUTE, THE OFFER WILL NOT BE MADE TO (NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF) THE HOLDERS OF SHARES AND THE ASSOCIATED RIGHTS IN SUCH STATE. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE OFFER SHALL BE DEEMED TO BE MADE ON BEHALF OF THE PURCHASER BY SALOMON SMITH BARNEY INC., THE DEALER MANAGER, OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF SUCH JURISDICTIONS. UNLESS THE CONTEXT OTHERWISE REQUIRES, ALL REFERENCES TO "SHARES" SHALL BE DEEMED TO REFER ALSO TO THE ASSOCIATED RIGHTS, ALL REFERENCES TO THE RIGHTS SHALL BE DEEMED TO INCLUDE ALL BENEFITS THAT MAY INURE TO STOCKHOLDERS OF THE COMPANY (AS DEFINED BELOW) OR TO THE HOLDERS OF THE RIGHTS PURSUANT TO THE RIGHTS AGREEMENT (AS DEFINED BELOW).

NOTICE OF OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

OMNIQUIP INTERNATIONAL, INC.

AT

$21.00 NET PER SHARE

BY

TELESCOPE ACQUISITION INC.,

A WHOLLY OWNED SUBSIDIARY OF
TEXTRON INC.

Telescope Acquisition Inc., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Textron Inc., a Delaware corporation (the "Parent"), hereby offers to purchase for cash all of the outstanding shares of common stock, par value $0.01 per share (the "Shares"), of OmniQuip International, Inc., a Delaware corporation (the "Company"), and the associated preferred stock purchase rights (the "Rights") issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended (as so amended, the "Rights Agreement"), between the Company and First Chicago Trust Company of New York, as Rights Agent, at a purchase price of $21.00 per Share, net to the seller in cash, without interest thereon, upon the

terms and subject to the conditions set forth in the Offer to Purchase dated August 27, 1999 (the "Offer to Purchase") and in the related Letter of Transmittal (which, as amended from time to time, together constitute the "Offer").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 24, 1999, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A MAJORITY OF SHARES OF COMMON STOCK OF OMNIQUIP INTERNATIONAL, INC. (DETERMINED ON A FULLY-DILUTED BASIS) THEN OUTSTANDING (THE "MINIMUM CONDITION") AND (2) THE EXPIRATION OR TERMINATION OF ANY WAITING PERIODS UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of August 21, 1999 (as amended from time to time, the "Merger Agreement"), among the Parent, the Purchaser and the Company. The Merger Agreement provides, among other things, for the making of the Offer by the Purchaser, and further provides that, following the completion of the Offer, upon the terms and subject to the conditions of the Merger Agreement and the Delaware General Corporation Law ("DGCL"), the Purchaser will be merged with and into the Company (the "Merger"). The purpose of the Offer is to acquire control of, and the entire equity interest in, the Company. Following the consummation of the Offer and after satisfaction or waiver of all conditions to the Merger set forth in the Merger Agreement, the Purchaser intends to acquire the remaining equity interest in the Company not acquired by the Offer by consummating the Merger. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than (1) any Shares held by Parent, the Purchaser, any wholly-owned subsidiary of Parent or the Purchaser, in the treasury of the Company or by any wholly-owned subsidiary of the Company, which Shares, by virtue of the Merger, shall be cancelled and shall cease to exist with no payment being made with respect thereto, and (2) Shares, if any, held by stockholders who have not voted in favor of the Merger Agreement or consented thereto in writing and have timely delivered to the Company demand for appraisal of such Shares in accordance with the DGCL) will, by virtue of the Merger and without any action on the part of the holders be cancelled, extinguished and converted into the right to receive $21.00 in cash payable to the holder thereof, and without interest, upon surrender of the certificate formerly representing such Share. The Merger Agreement is more fully described in Section 11 of the Offer to Purchase.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING EACH OF THE OFFER AND THE MERGER, ARE FAIR TO, AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF, THE COMPANY AND RECOMMENDS THAT ALL STOCKHOLDERS ACCEPT THE OFFER AND TENDER ALL OF THEIR SHARES AND THE ASSOCIATED RIGHTS TO THE PURCHASER.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when the Purchaser gives oral or written notice to Citibank, N.A. (the "Depositary") of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the

Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting such payments to stockholders whose Shares have been accepted for payment. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE FOR SHARES BE PAID, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT. In all cases, payment for Shares and associated Rights tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates representing such Shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depositary's account at the Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (ii) if a Distribution Date (as defined in the Rights Agreement) shall have occurred, Certificates representing such Rights (the "Rights Certificates") or timely confirmations of a book-entry transfer of such Rights into the Depositary's account at the Book-Entry Transfer Facility pursuant to procedures set forth in Section 3 of the Offer to Purchase, (iii) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined in Section 2 of the Offer to Purchase) in connection with a book-entry transfer, and (iv) any other documents required by the Letter of Transmittal.

Subject to the provisions of the Merger Agreement and the applicable rules and regulations of the Securities and Exchange Commission (the "Commission"), the Purchaser reserves the right, in its sole discretion, to waive any or all conditions to the Offer (other than the Minimum Condition) and to make any other changes in the terms and conditions to the Offer. Subject to the provisions of the Merger Agreement and the applicable rules and regulations of the Commission, if by the Expiration Date any or all of such Offer conditions have not been satisfied, the Purchaser reserves the right (but shall not be obligated) to (i) terminate the Offer and return all tendered Shares to tendering stockholders, (ii) waive such unsatisfied conditions (other than the Minimum Condition) and purchase all Shares validly tendered or (iii) extend the Offer and, subject to the terms of the Offer (including the rights of stockholders to withdraw their Shares), retain the Shares which have been tendered, until the termination of the Offer, as extended.

Subject to the applicable rules and regulations of the Commission and the terms of the Merger Agreement, the Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 15 of the Offer to Purchase shall have occurred or shall have been determined by the Purchaser to have occurred, to (i) extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary and (ii) amend the Offer in any respect by giving oral or written notice of such amendment to the Depositary.

Any extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement thereof to be made no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer, subject to the rights of a tendering stockholder to withdraw such stockholder's Shares.

The term "Expiration Date" means 12:00 Midnight, New York City time, on Friday, September 24, 1999, unless and until the Purchaser, in its discretion (but subject to the terms and conditions of the Merger Agreement), shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

Tenders of Shares made pursuant to the Offer are irrevocable, except that Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after October 25, 1999. For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares. If Share Certificates (and, if a Distribution Date shall have occurred, Rights Certificates) to be withdrawn have been delivered or otherwise identified to the Depositary, then prior to the physical release of such certificates, the name of the registered holder (if different from the tendering stockholder) and the serial numbers shown on such certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 3 of the Offer to Purchase) unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the second sentence of this paragraph. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding. None of the Purchaser, the Parent, any of their affiliates, successors or assigns, the Dealer Manager, the Depositary, the Information Agent or any person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawal of Shares and Rights may not be rescinded. Any Shares properly withdrawn will thereafter be deemed not to have been validly tender for purposes of the Offer. However, withdrawn Shares and Rights may be re-tendered at any time prior to the Expiration Date by following one of the procedures described in Section 3 of the Offer to Purchase.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided the Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed by the Purchaser to record holders of Shares and furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

Questions and requests for assistance may be directed to the Dealer Manager or the Information Agent as set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal and all other tender offer materials may be directed to the Information Agent or the above-described brokers, dealers, commercial banks and trust companies, and copies will be furnished promptly at the Purchaser's expense. The Purchaser will not pay any fees or commissions to any broker or dealer

or any other person (other than the Dealer Manager and the Information Agent) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.
77 Water Street
New York, New York 10005

Banks and Brokers Call Collect: (212) 269-5550 All Others Call Toll Free: (800) 848-2998

The Dealer Manager for the Offer is:

SALOMON SMITH BARNEY
388 Greenwich Street
New York, New York 10013
Call Toll-Free (800) 772-7865

August 27, 1999

TEXTRON NEWS
Corporate Communications Department

TEXTRON INC.
40 Westminister Street
Providence, R.I. 02903-2596
(401) 421-2800

CONTACT INFORMATION:
Mary Lovejoy (Textron Investor Contact): 401-457-6009 Brian Sullivan (Textron Media Contact): 401-457-2502 Tom Breslin (OmniQuip Contact): 414-268-3105

FOR IMMEDIATE RELEASE

TEXTRON AGREES TO ACQUIRE OMNIQUIP INTERNATIONAL

ACQUISITION PROVIDES NEW GROWTH PLATFORM, SYNERGY OPPORTUNITIES

PROVIDENCE, RI AND PORT WASHINGTON, WI - AUGUST 23, 1999 - Textron Inc. (NYSE: TXT) and OmniQuip International, Inc. (NASDAQ: OMQP) today announced the signing of a definitive merger agreement whereby Textron will acquire the entire outstanding capital stock of OmniQuip for $21 per share in a cash transaction valued at approximately $477 million including the assumption of debt. The agreement has been approved by the Boards of Directors of both companies.

The Agreement provides for an all-cash tender offer by Textron for all of OmniQuip's outstanding shares of common stock to commence within five business days. The tender is expected to close by September 24, unless extended, and is subject to the valid tender of at least a majority of the outstanding OmniQuip shares on a fully diluted basis, and to customary government filings and other customary conditions.

-more-

With estimated fiscal 1999 sales of approximately $520 million, OmniQuip is a leading manufacturer of light construction equipment including telescopic material handlers, aerial work platforms and skid steer loaders. Over the past three years, OmniQuip has achieved strong, consistent revenue growth through acquisitions as well as increased sales, primarily to the fast-growing rental-fleet sector of the market.

"With demand for its products expected to increase 10-20% per year, OmniQuip establishes a promising growth platform within our Industrial segment while being accretive to Textron's earnings in the first year," said Textron Chairman and Chief Executive Officer Lewis B. Campbell.

"Textron's strategy is to buy good businesses and make them better," said Textron President and Chief Operating Officer John A. Janitz. "OmniQuip will benefit from Textron's manufacturing processes, materials sourcing and distribution networks in international markets. Further opportunities to provide leasing and financing for OmniQuip's products could also be realized with Textron Financial Corporation, our commercial finance operation," Janitz added.

"This is an excellent strategic move for OmniQuip. With Textron's strong financial backing, we will be able to grow OmniQuip's business at a much faster pace than we would have been able to on our own. We will be actively pursuing opportunities to improve and further develop our existing brands, while acquiring new, complementary product lines that will offer our customers a broad range of light construction equipment," said P. Enoch Stiff, President and Chief Executive Officer of OmniQuip.

-more-

"This merger provides tremendous growth opportunities for OmniQuip which will in turn benefit our employees, customers and suppliers. From attractive financing programs to opportunities to enhance the product line, the merger puts OmniQuip in a solid position to strengthen its relationships with the large national rental fleets and aggressively grow this new line of business for Textron," said Stiff.

Since 1992 Textron has made 39 acquisitions with proforma revenues of approximately $6.5 billion. With $2.9 billion in after-tax proceeds from the divestiture of its consumer finance operation, Textron plans to spend $1 billion per year on strategic acquisitions and is on track to meet or exceed this target for 1999.

"Our rigorous acquisition criteria ensures that each transaction is undertaken with keen attention to shareholder and customer value. OmniQuip is a perfect fit for Textron and is wholly supportive of our acquisition strategy," said Campbell. "The strength and expertise of OmniQuip's management team will be a great asset to Textron as we actively pursue growth opportunities in this business," he added.

The tender offer for shares of OmniQuip common stock will be made only through definitive tender offer documents, which will be filed with the Securities and Exchange Commission and mailed to the shareholders of OmniQuip. Following completion of the tender offer, it is contemplated that the holders of any then-outstanding shares of common stock will receive, in a second-step merger, the same $21 per share cash consideration as holders will receive in the tender offer.

-more-

OmniQuip, which has approximately 1600 employees at 16 locations in the U.S., U.K., Australia and New Zealand, is the largest North American producer of telescopic material handlers. The company also manufactures aerial work platforms, skid steer loaders, power lifters and power haulers and markets a line of mini-excavators. OmniQuip's products are used in a wide variety of applications by commercial and residential building contractors, as well as by customers in other construction, military, industrial and agricultural markets. Additional information is available at www.omniquip.com.

Textron Inc. is a $10 billion, global, multi-industry company with market-leading businesses in Aircraft, Automotive, Industrial and Finance. Textron has a workforce of over 64,000 employees and major manufacturing facilities in 23 countries. Textron is among Fortune magazine's "America's Most Admired Companies." Additional information is available at www.textron.com.

###

Forward-looking Information: Certain statements in this release are forward-looking statements including those that discuss strategies, goals, outlook or other non-historical matters; or projected revenues, income, returns or other financial measures. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, and are detailed in Textron's and OmniQuip's Annual Reports and other filings under the Securities Exchange Act of 1934.

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

TEXTRON INC.,

TELESCOPE ACQUISITION INC.

AND

OMNIQUIP INTERNATIONAL, INC.

DATED AS OF

AUGUST 21, 1999

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of August 21, 1999, by and among Textron Inc., a Delaware corporation ("Parent"), Telescope Acquisition Inc., a Delaware corporation and a wholly-owned subsidiary of Parent ("Purchaser"), and OmniQuip International, Inc., a Delaware corporation (the "Company").

RECITALS

WHEREAS, the Board of Directors of the Company has unanimously determined that the terms of the Offer and the Merger (each as defined below) are fair to, and in the best interests of, the shareholders of the Company and approved and adopted this Agreement and the transactions contemplated hereby; and

WHEREAS, in furtherance thereof, it is proposed that Purchaser shall make a tender offer (the "Offer") to acquire all of the outstanding shares (the "Shares") of common stock, par value $0.01 per share (the "Company Common Stock"), of the Company, together with the associated Rights (as hereafter defined), at a price of Twenty-One Dollars ($21) per Share (such amount, or any greater amount per share paid pursuant to the Offer, being hereinafter referred to as the "Per Share Amount"), net to the seller in cash, in accordance with the terms and subject to the conditions of this Agreement;

WHEREAS, as a condition to Parent's and Purchaser's entering into this Agreement and incurring the obligations set forth herein, concurrently with the execution and delivery of this Agreement, Parent, Purchaser and the officers of the Company listed in Annex B hereto (the "Key Employees") are entering into Share Purchase Agreements (collectively, the "Key Employee Share Purchase Agreements") whereby such Key Employees are selling Shares to the Purchaser all upon terms and subject to the conditions set forth in the Key Employee Share Purchase Agreements; and

WHEREAS, Parent, Purchaser and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Offer and the Merger;

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, Parent, Purchaser and the Company hereby agree as follows:

ARTICLE I

THE OFFER

Section 1.1 The Offer.

(a) Provided that this Agreement shall not have been terminated in accordance with Article IX, Purchaser shall commence the Offer as promptly as practicable, but in no event later than the fifth business day from and including the date of initial public announcement of this Agreement. Purchaser shall accept for payment Shares that have been validly tendered and not withdrawn pursuant to the Offer at the earliest practicable time following expiration of the Offer that all conditions to the Offer, as set forth on Annex A (the "Offer Conditions"), shall have been satisfied or waived by Purchaser. The obligation of Purchaser to accept for

payment, purchase and pay for Shares tendered pursuant to the Offer shall be subject only to such Offer Conditions and to the further condition that a number of Shares representing not less than a majority of the Shares then outstanding on a fully diluted basis shall have been validly tendered and not withdrawn prior to the final expiration date of the Offer (the "Minimum Condition"). Unless previously approved by the Company in writing, no change in the Offer may be made (i) which decreases the Per Share Amount payable in the Offer, (ii) which changes the form of consideration to be paid in the Offer, (iii) which reduces the maximum number of Shares to be purchased in the Offer or the Minimum Condition, (iv) which imposes conditions to the Offer in addition to the Offer Conditions or which modifies the Offer Conditions in a manner adverse to the holders of Shares or (v) which amends any other term of the Offer in a manner adverse to the holders of the Shares (it being agreed that a waiver by Purchaser of any condition other than the Minimum Condition shall not be deemed to be adverse to the holders of the Shares). Notwithstanding the foregoing, Purchaser may, without the consent of the Company, (i) extend the Offer on one or more occasions for up to 10 business days for each such extension beyond the then scheduled expiration date (the initial scheduled expiration date being 20 business days following commencement of the Offer), if at the then scheduled expiration date of the Offer any of the conditions to Purchaser's obligation to accept for payment and pay for the Shares shall not be satisfied or waived, until such time as such conditions are satisfied or waived (and, at the request of the Company, Purchaser shall, subject to Purchaser's right to terminate this Agreement pursuant to Article IX, extend the Offer for additional periods, unless the only conditions not satisfied or earlier waived on the then scheduled expiration date are one or more of the Minimum Condition and the conditions set forth in paragraph (b) of the Offer Conditions, provided that (x) if the only condition not satisfied is the Minimum Condition, the satisfaction or waiver of all other conditions shall have been publicly disclosed at least five business days before termination of the Offer and (y) if paragraph (b) of the Offer Conditions has not been satisfied and the failure to so satisfy can be remedied, the Offer shall not be terminated unless the failure is not remedied within 10 calendar days after Purchaser has furnished the Company written notice of such failure) and (ii) extend the Offer for any period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "SEC") or the staff thereof applicable to the Offer and (iii) extend the Offer for an aggregate period of not more than 5 business days beyond the latest expiration date that would otherwise be permitted under clause (i) or (ii) of this sentence if there shall not have been tendered sufficient Shares so that the Merger could be effected without a meeting of the Company's shareholders in accordance with Section 253 of the Delaware General Corporation Law (the "DGCL"). Subject to the terms and conditions of the Offer and this Agreement, Purchaser shall pay for all Shares validly tendered and not wit hdrawn pursuant to the Offer that Purchaser becomes obligated to purchase pursuant to the Offer as soon as practicable after the expiration of the Offer.

(b) As soon as practicable on the date of commencement of the Offer, Parent or Purchaser shall file with the SEC a Tender Offer Statement on Schedule 14D-1 with respect to the Offer (together with any supplements or amendments thereto, the "Offer Documents"). The Offer Documents will comply in all material respects with the provisions of applicable federal securities laws, except that no representation is made by Parent or Purchaser with respect to information supplied by the Company in writing for inclusion or incorporation by reference in the Offer Documents. Parent or Purchaser and the Company each agree promptly to correct any information provided by them for use in the Offer Documents if and to the extent that it shall have become false or misleading in any material respect and Purchaser further agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each

case as and to the extent required by applicable federal securities laws. Parent and Purchaser agree to provide the Company and its counsel with any comments Parent, Purchaser or their counsel receive from the SEC or its staff with respect to the Offer Documents promptly after receipt of such comments. In addition, to the extent practicable, the Company and its counsel shall be given an opportunity to review and comment upon the Offer Documents and any amendments thereto prior to the filing thereof with the SEC.

Section 1.2 Company Action.

(a) The Company hereby approves of and consents to the Offer and represents that the Board of Directors of the Company, including all of its disinterested directors, at a meeting duly called and held, has, subject to the terms and conditions set forth herein, unanimously (i) approved this Agreement and the transactions contemplated hereby, including the Offer and the Merger and (ii) resolved to recommend that the shareholders of the Company accept the Offer, tender their Shares and associated Rights thereunder to Purchaser and approve and adopt this Agreement and the Merger; provided, that such recommendation may be withdrawn, modified or amended pursuant to Section 7.2. The Company hereby consents to the inclusion in the Offer Documents of the recommendations of the Board of Directors described in this Section 1.2(a).

(b) The Company hereby agrees to file with the SEC as soon as practicable on the date of commencement of the Offer a Solicitation/ Recommendation Statement on Schedule 14D-9 (together with any amendments or supplements thereto, the "Schedule 14D-9") containing the recommendation described in
Section 1.2(a). The Schedule 14D-9 will comply in all material respects with the provisions of applicable federal securities laws, except that no representation is made by the Company with respect to information supplied by Parent or Purchaser in writing for inclusion or incorporation by reference in the Schedule 14D-9. The Company, Parent and Purchaser each agree promptly to correct any information provided by them for use in the Schedule 14D-9 if and to the extent that it shall have become false or misleading in any material respect and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and disseminated to the holders of Shares, in each case as and to the extent required by applicable federal securities laws. Notwithstanding anything to the contrary in this Agreement, the Board of Directors of the Company may withdraw, modify or amend its recommendation pursuant to Section 7.2. The Company agrees to provide Parent, Purchaser and their counsel with any comments the Company or its counsel receives from the SEC or its staff with respect to Schedule 14D-9 promptly after receipt of such comments. In addition, to the extent practicable, Parent, Purchaser and their counsel shall be given an opportunity to review and comment upon the Schedule 14D-9 and any amendments thereto prior to the filing thereof with the SEC.

(c) In connection with the Offer, the Company will promptly furnish Purchaser with mailing labels, security position listings and any available listing or computer files containing the names and addresses of the record holders of the Shares as of a recent date and shall furnish Purchaser with such additional information and assistance (including, without limitation, updated lists of shareholders, mailing labels and lists of securities positions) as Purchaser or its agents may reasonably request in communicating the Offer to the record and beneficial holders of Shares. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Merger, Purchaser and its affiliates, associates, agents and advisors shall use the information contained in any such labels, listings and files only in

connection with the Offer and the Merger, and, if this Agreement shall be terminated, will deliver to the Company all copies of such information then in their possession.

ARTICLE II

THE MERGER; EFFECTIVE TIME; CLOSING

Section 2.1 The Merger. Subject to the terms and conditions of this Agreement and in accordance with the DGCL, at the Effective Time (as defined in Section 2.2), the Company and Purchaser shall consummate a merger (the "Merger") in which (a) Purchaser shall be merged with and into the Company and the separate corporate existence of Purchaser shall thereupon cease, and (b) the Company shall be the surviving corporation in the Merger and shall continue to be governed by the laws of the State of Delaware. The corporation surviving the Merger is sometimes hereinafter referred to as the "Surviving Corporation." The Merger shall have the effects set forth in Section 259 of the DGCL.

Section 2.2 Effective Time. Parent, Purchaser and the Company will cause an appropriate Certificate of Merger (the "Certificate of Merger") to be executed and filed on the date of the Closing (as defined in Section 2.3) (or on such other date as Purchaser and the Company may agree) as provided in the DGCL. The Merger shall become effective upon the latest to occur of (i) the date on which the Certificate of Merger is filed with the Secretary of State of the State of Delaware or (ii) such later date as is agreed upon by the parties and specified in the Certificate of Merger, and the time of such effectiveness is hereinafter referred to as the "Effective Time."

Section 2.3 Closing. The closing of the Merger (the "Closing") shall take place (a) at the offices of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, NY 10017-3954, at 10:00 a.m., local time, on the first business day following the date on which the last of the conditions set forth in Article VIII hereof shall be fulfilled or waived in accordance with this Agreement or (b) at such other place, time and date as Parent and the Company may agree.

ARTICLE III

SURVIVING CORPORATION

Section 3.1 Certificate of Incorporation. The Certificate of Incorporation of Purchaser, as in effect immediately prior to the Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation, except that the name of the Surviving Corporation shall be changed to OmniQuip Textron International Inc.

Section 3.2 By-Laws. The By-Laws of Purchaser, as in effect immediately prior to the Effective Time, shall be the By-Laws of the Surviving Corporation.

Section 3.3 Directors. The directors of Purchaser at the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Certificate of Incorporation and By-Laws.

Section 3.4 Officers. The officers of the Company at the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Certificate of Incorporation and By-

Laws. Nothing in the foregoing shall limit the ability of the Parent to cause the Surviving Corporation to elect or appoint different or additional officers of the Surviving Corporation.

ARTICLE IV

MERGER CONSIDERATION; CONVERSION OR CANCELLATION OF SHARES IN THE MERGER

Section 4.1 Share Consideration for the Merger; Conversion or Cancellation of Shares in the Merger. At the Effective Time, by virtue of the Merger and without any action on the part of the holders of any Shares or capital stock of Purchaser:

(a) Common Stock; Rights. Each Share, together with any preferred stock purchase rights (the "Rights"), issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended, by and between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), that are issued and outstanding immediately prior to the Effective Time (other than (i) Shares (and associated Rights) owned by Parent, Purchaser or any direct or indirect wholly-owned Subsidiary of Parent (collectively, "Parent Companies") or any of the Company's direct or indirect wholly-owned Subsidiaries or Company Common Stock held in the treasury of the Company and (ii) Shares held by Dissenting Stockholders (as defined in Section 4.6 hereof) shall, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holder thereof, be canceled and extinguished and converted into the right to receive, pursuant to Section 4.3, the Per Share Amount in cash (the "Merger Consideration"), payable to the holder thereof, without interest thereon, less any required withholding of taxes, upon the surrender of the certificate formerly representing such Share.

(b) Parent and Company Owned Shares. Each Share (and associated Right) issued and outstanding and owned by any of the Parent Companies or any of the Company's direct or indirect wholly-owned Subsidiaries or authorized but unissued shares of Company Common Stock held in the treasury of the Company immediately prior to the Effective Time shall cease to be outstanding, be canceled and retired without payment of any consideration therefor and cease to exist.

(c) Capital Stock of Purchaser. Each share of common stock, par value $1.00 per share, of Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock, par value $1.00 per share, of the Surviving Corporation.

Section 4.2 Shareholders' Meeting.

(a) The Company, acting through the Board of Directors, shall, if required by applicable law:

(i) duly call, give notice of, convene and hold a special meeting of its shareholders (the "Shareholders Meeting"), to be held as soon as practicable after Purchaser shall have purchased Shares pursuant to the Offer, for the purpose of considering and taking action upon this Agreement;

(ii) prepare and file with the SEC as soon as practicable a preliminary proxy statement, together with a form of proxy, or information statement with respect to the Shareholders Meeting and as promptly as practicable thereafter, subject to compliance

with the rules and regulations of the SEC, mail a definitive proxy statement or information statement to shareholders of the Company (the term "Proxy Statement" shall mean such proxy statement or information statement at the time it initially is mailed to the Company's shareholders and all amendments and supplements thereto, if any, similarly filed and mailed);

(iii) except as provided in Section 7.2, include in the Proxy Statement the recommendation of the Board of Directors that shareholders of the Company vote in favor of the adoption and approval of this Agreement and the transactions contemplated hereby; and

(iv) use all reasonable best efforts (A) to obtain and furnish the information required to be included by it in the Proxy Statement and, after consultation with Parent and Purchaser, respond promptly to any comments made by the SEC with respect to the Proxy Statement and any preliminary version thereof and cause the Proxy Statement to be mailed to its shareholders at the earliest practicable time following the expiration or termination of the Offer and (B) except as provided in Section 7.2, obtain the necessary approvals by its shareholders of this Agreement and the transactions contemplated hereby.

At the Shareholders Meeting, Parent, Purchaser and their affiliates will vote all Shares owned by them in favor of adoption and approval of this Agreement and the transactions contemplated hereby.

(b) Notwithstanding the foregoing, in the event that Purchaser shall acquire at least 90 percent (90%) of the then outstanding Shares, the parties hereto agree, at the request of Purchaser, subject to Article VIII, to take all necessary and appropriate action to cause the Merger to become effective, in accordance with Section 253 of the DGCL, as soon as reasonably practicable after such acquisition, without a meeting of the shareholders of the Company.

Section 4.3 Payment for Shares in the Merger. The manner of making payment for Shares in the Merger shall be as follows:

(a) At the Effective Time, Parent shall make available to First Chicago Trust Company of New York (the "Exchange Agent"), or such other exchange agent selected by Parent and reasonably acceptable to the Company, for the benefit of the holders of Shares, the funds necessary to make the payments contemplated by
Section 4.1 (the "Exchange Fund"). The Exchange Agent shall, pursuant to irrevocable instructions, deliver the Merger Consideration out of the Exchange Fund. The Exchange Fund shall not be used for any other purpose.

(b) As soon as reasonably practicable, after the Effective Time, the Exchange Agent shall mail to each holder of record (other than holders of certificates representing Shares referred to in Section 4.1(b)) of a certificate or certificates which immediately prior to the Effective Time represented outstanding Shares (the "Certificates") (i) a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent) and (ii) instructions for use in effecting the surrender of the Certificates for payment therefor. Upon surrender of Certificates for cancellation to the Exchange Agent, together with such letter of transmittal duly executed and any other required documents, the holder of such Certificates shall be entitled to receive for each of the Shares represented by such Certificates the Merger Consideration, without any interest thereon, less any required withholding of taxes, and the Certificates so surrendered shall forthwith be canceled. Until so surrendered,

such Certificates shall represent solely the right to receive the Merger Consideration with respect to each of the Shares represented thereby, without any interest thereon. If payment is to be made to a person other than the person in whose name a Certificate so surrendered is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed and otherwise in proper form for transfer and that the person requesting such payment shall pay to the Exchange Agent any transfer or other taxes required by reason of the payment to a person other than the registered holder of the Certificate surrendered, or shall establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable.

(c) Any portion of the Exchange Fund made available to the Exchange Agent which remains unclaimed by the former shareholders of the Company six (6) months after the Effective Time shall be delivered (along with any interest received with respect thereto) to Parent, upon demand, and any former shareholders of the Company shall thereafter look only to Parent (subject to abandoned property, escheat or other similar laws) for payment of their claim for the Merger Consideration for the Shares, but only as general creditors of Parent. Notwithstanding the foregoing, none of Parent, the Surviving Corporation or the Exchange Agent shall be liable to any holder of a certificate representing Shares for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(d) In the event that any certificate representing Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed and, if required by Purchaser, the posting by such person of a bond in such reasonable amount as Purchaser may direct as indemnity against any claim that may be made against it with respect to such certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed certificate the Merger Consideration with respect to such certificate, to which such person is entitled pursuant hereto.

Section 4.4 Transfer of Shares After the Effective Time; No Further Ownership Rights in the Shares. At the Effective Time, the stock transfer books of the Company shall be closed, and thereafter no transfers of Shares shall be made on the stock transfer books of the Company. From and after the Effective Time, the holders of certificates representing Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares, except as otherwise provided herein or by applicable law. If, after the Effective Time, certificates representing Shares are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in Section 4.3.

Section 4.5 Stock Options and Other Plans.

(a) Each option granted to a Company employee or director pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan and 1996 Directors Non-Qualified Stock Option Plan to acquire shares of Company Common Stock (each such option hereinafter is referred to as an "Option") that is outstanding immediately prior to the Effective Time, whether or not then vested or exercisable, with respect to which, as of the Effective Time, the Per Share Amount exceeds the exercise price per share, shall, effective as of immediately prior to the Effective Time, be canceled in exchange for a single lump sum cash payment equal to the product of (1) the number of shares of Company Common Stock subject to such Option and (2) the excess of the Per Share Amount over the exercise price per share of such Option (subject to any applicable withholding taxes).

(b) Each Option that is outstanding immediately prior to the Effective Time, whether or not then vested or exercisable, with respect to which, as of the Effective Time, the Per Share Amount does not exceed the exercise price per share shall, effective as of immediately prior to the Effective Time, be canceled and no payments shall be made with respect thereto.

(c) Prior to the Effective Time, the Company shall obtain consents from holders of Options under the 1996 Directors Non-Qualified Stock Option Plan necessary to give effect to the provisions of Sections 4.5(a) and 4.5(b), and shall take the steps set forth in Schedule 4.5(c) to effect the provisions of Sections 4.5(a) and 4.5(b) with respect to options granted pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan.

(d) Immediately prior to the Effective Time, each Share of Company Common Stock previously issued in the form of restricted stock pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan shall fully vest and all restrictions thereon shall be removed.

(e) For purposes of this Agreement, the Company's Amended and Restated 1996 Long-Term Incentive Plan and 1996 Directors Non-Qualified Stock Option Plan are referred to collectively herein as the "Stock Plans."

Section 4.6 Dissenting Stock. Notwithstanding anything in this Agreement to the contrary, but only to the extent required by the DGCL, Shares that are issued and outstanding immediately prior to the Effective Time and are held by holders of Shares who comply with all the provisions of the DGCL concerning the right of holders of Shares to dissent from the Merger and require appraisal of their Shares ("Dissenting Stockholders") shall not be converted into the right to receive the Merger Consideration but shall become the right to receive such consideration as may be determined to be due such Dissenting Stockholder pursuant to the law of the State of Delaware; provided, however, that (i) if any Dissenting Stockholder shall subsequently deliver a written withdrawal of his or her demand for appraisal (with the written approval of the Surviving Corporation, if such withdrawal is not tendered within 60 days after the Effective Time), or (ii) if any Dissenting Stockholder fails to establish and perfect his or her entitlement to appraisal rights as provided by applicable law, or (iii) if within 120 days of the Effective Time neither any Dissenting Stockholder nor the Surviving Corporation has filed a petition demanding a determination of the value of all Shares outstanding at the Effective Time and held by Dissenting Stockholders in accordance with applicable law, then such Dissenting Stockholder or Stockholders, as the case may be, shall forfeit the right to appraisal of such Shares and such Shares shall thereupon be deemed to have been converted into the right to receive, as of the Effective Time, the Merger Consideration, without interest. The Company shall give Parent and Purchaser (A) prompt notice of any written demands for appraisal of Shares, withdrawals of demands for appraisal and any other related instruments received by the Company, and (B) the opportunity to direct all negotiations and proceedings with respect to any such demands for appraisal. The Company will not, except with the prior written consent of Parent, voluntarily make any payment with respect to any demands for appraisal or settle or offer to settle any demand.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Purchaser that:

Section 5.1 Corporate Organization and Qualification. Each of the Company and its Subsidiaries (as defined in Section 10.9) is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation and is qualified and in good standing as a foreign corporation in each jurisdiction where the properties owned, leased or operated, or the business conducted, by it require such qualification, except where failure to so qualify or be in good standing is not reasonably likely to have a Material Adverse Effect (as defined in Section 10.9). Each of the Company and its Subsidiaries has all requisite power and authority (corporate or otherwise) to own its properties and to carry on its business as it is now being conducted. The Company has heretofore made available to Parent complete and correct copies of its and its Subsidiaries' Certificates of Incorporation and By-Laws or other organizational documents as in effect on the date hereof. Schedule 5.1 of the disclosure schedules delivered by the Company simultaneously with the execution and delivery of this Agreement (the "Disclosure Schedules"; reference herein to a Schedule, unless otherwise indicated to the contrary, being a reference to a Schedule of the Disclosure Schedules) contains a correct and complete list of each jurisdiction where the Company and each of its Subsidiaries is organized and qualified to do business. Exhibit 21 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1998 and Schedule 5.1 together include all of the Subsidiaries of the Company. The Company does not directly or indirectly beneficially own any securities or other beneficial ownership interests in any other entity (including through joint ventures or partnership agreements) other than (i) the Subsidiaries of the Company and (ii) as disclosed in Schedule 5.1.

Section 5.2 Capitalization. The authorized capital stock of the Company consists of (i) 100,000,000 shares of Company Common Stock of which, as of August 20, 1999, 14,277,500 Shares were issued and outstanding and (ii) 1,500,000 shares of preferred stock, par value $0.01 per share, none of which is issued or outstanding. Except as set forth on Schedule 5.2, all of the outstanding shares of capital stock of the Company and of each Subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable and all of the Shares which may be exchanged for the Merger Consideration will be, when so exchanged, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. As of August 20, 1999, (i) 1,822,500 shares of Company Common Stock were reserved for issuance pursuant to the Stock Plans, and (ii) 350,000 shares of Series A Preferred Stock, par value $.01 per share, were reserved for issuance in connection with the Rights. Except as set forth on Schedule 5.2, as of the date hereof all outstanding shares of capital stock of the Company's Subsidiaries are owned by the Company or a direct or indirect wholly-owned Subsidiary of the Company, free and clear of all liens, charges, encumbrances, claims, Options and restrictions of any nature (including any restriction on the right to vote, sell or otherwise dispose of such capital stock). Schedule 5.2 sets forth the number of Options and shares of restricted stock outstanding and, in the case of the Options, the exercise price thereof. Except as set forth above and on Schedule 5.2, there are not any outstanding or authorized options, warrants, calls, rights (including preemptive rights), commitments or any other agreements or arrangements of any character which the Company or any of its Subsidiaries is a party to, or may be bound by, requiring it to issue, transfer, sell, purchase, redeem or acquire any shares of capital stock or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of capital stock of the Company or any of its Subsidiaries (or to cause any of the foregoing to

occur). Except as set forth on Schedule 5.2, the Company does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter. Except as set forth above or on Schedule 5.2, (i) no shares of the capital stock or other voting securities of the Company or any of its Subsidiaries are issued, reserved for issuance or outstanding; and (ii) there are no stock appreciation rights, phantom stock units, restricted stock grants, contingent stock grants, or Benefit Plans which grant awards of any of the foregoing, and there are no outstanding contractual rights to which the Company or any of its Subsidiaries is a party the value of which is based on the value of the Shares or which require the issuance of any shares of Company Common Stock. Except as set forth on Schedule 5.2, there are no programs in place, nor any outstanding contractual obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any shares of the capital stock of the Company or any of its Subsidiaries.

Section 5.3 Authority Relative to This Agreement.

(a) The Company has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby (other than, with respect to the Merger, the approval of this Agreement by the shareholders of the Company, including Purchaser, in accordance with the Company's Certificate of Incorporation). This Agreement has been duly and validly executed and delivered by the Company and, assuming this Agreement constitutes the valid and binding agreement of each of Parent and Purchaser, constitutes the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except that the enforcement hereof may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) The Board of Directors of the Company has duly and validly approved and taken all corporate action required to be taken by the Board of Directors for the consummation of the transactions (including the Offer, the acquisition of Shares pursuant to the Offer and the Merger) contemplated herein in accordance with the terms hereof, including but not limited to, all actions required to (i) render the provisions of Section 203 of the DGCL restricting business combinations with "interested stockholders" inapplicable to such transactions and (ii) amend the Rights Agreement to provide that certificates with respect to the Rights will not be distributed and the Rights will not become exercisable as a result of any of the execution of this Agreement, the commencement or consummation of the Offer or the consummation of the Merger.

Section 5.4 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement nor the consummation by the Company of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the respective Certificates of Incorporation or By-Laws of the Company or any of its Subsidiaries; (b) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, except (i) in connection with the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"),

(ii) pursuant to the applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"), (iii) the filing of the Certificate of Merger pursuant to the DGCL and appropriate documents with the relevant authorities of other states in which the Company or any of its Subsidiaries is authorized to do business, or
(iv) where the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, would not be reasonably likely to, in the aggregate, have a Material Adverse Effect or prevent, materially delay or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement; (c) except as set forth in Schedule 5.4(c), result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, modification or acceleration or lien or other charge or encumbrance) under any of the terms, conditions or provisions of any note, license, agreement or other instrument or obligation to which the Company or any of its Subsidiaries or any of their assets may be bound, except for such violations, breaches and defaults (or rights of termination, cancellation, modification or acceleration or lien or other charge or encumbrance) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not be reasonably likely to have a Material Adverse Effect or prevent, materially delay or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement; or (d) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in this Section 5.4 are duly and timely obtained or made and, with respect to the Merger, the approval of this Agreement by the Company's shareholders has been obtained, violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Company or any of its Subsidiaries or to any of their respective assets, except for violations which would not in the aggregate be reasonably likely to have a Material Adverse Effect or prevent, materially delay or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

Section 5.5 SEC Reports; Financial Statements.

(a) The Company has filed all reports, proxy statements, forms and other documents required to be filed by it with the SEC under the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act (collectively, the "Company SEC Reports"). As of their respective dates, the Company SEC Reports filed with the SEC since October 1, 1997 (i) complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Company SEC Report and (ii) did not contain, and any reports and other documents filed after the date hereof will not contain, as of their respective dates, any untrue statement of a material fact required to be stated therein or any omission to state a material fact necessary to make any statement of fact contained therein not misleading.

(b) The Company's consolidated statements of operations and cash flows for the three fiscal years ended September 30, 1998 and the nine months ended June 30, 1999 and the Company's consolidated balance sheets as of September 30, 1998 and June 30, 1999 (including the related notes thereto), all of which have been heretofore furnished to Parent, present fairly the consolidated financial position of the Company and its Subsidiaries and the consolidated results of their operations and cash flows as of, and for the periods ended on, the dates specified, in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered except as specifically referred to in such financial statements (subject, in the case of the unaudited interim financial statements, to normal year-end adjustments).

Section 5.6 Absence of Certain Changes or Events. Except as disclosed in the Company SEC Reports, as set forth on Schedule 5.6 or as contemplated by this Agreement, since September 30, 1998 (i) the business of the Company has been carried on only in the ordinary and usual course; (ii) there has not been any change in the financial condition, properties, business or results of operations of the Company and its Subsidiaries or any development or combination of developments of which the Company has knowledge that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect;
(iii) neither the Company nor any of its Subsidiaries has amended its Certificate of Incorporation or By-laws; (iv) the Company has not split, combined or reclassified the Shares or any capital stock of any of its Subsidiaries; (v) neither the Company nor any of its Subsidiaries has entered into or amended in any material respect any employment or severance agreement with any officer, director or key employee of the Company or any of its Subsidiaries; (vi) except in the ordinary course of business consistent with past practice, neither the Company nor any of its Subsidiaries has increased the compensation or fringe benefits of, or paid any bonuses to, any current director or officer thereof; (vii) neither the Company nor any of its Subsidiaries has declared or set aside or paid any dividend or other distribution payable in cash, stock or property with respect to the Company's capital stock or that of any of its Subsidiaries (other than regular quarterly cash dividends on the Company Common Stock not exceeding $.01 per share or dividends or advances from a wholly-owned Subsidiary of the Company to its parent or the Company); and
(viii) neither the Company nor any of its Subsidiaries has changed its accounting methods, except as required by GAAP or the SEC.

Section 5.7 Litigation and Liabilities. Except as disclosed in the Company SEC Reports or as set forth on Schedule 5.7, there are no (i) civil, criminal or administrative actions, suits, claims, hearings, investigations or proceedings pending or, to the knowledge of management of the Company and its Subsidiaries, threatened against the Company or any of its Subsidiaries; (ii) obligations or liabilities, whether or not accrued, contingent or otherwise and whether or not required to be disclosed in the Company SEC Reports, or any other facts or circumstances of which management of the Company and its Subsidiaries has knowledge that could result in any claims against, or obligations or liabilities of, the Company or any of its Subsidiaries; (iii) judgments, decrees, injunctions or orders of any Governmental Entity or arbitrator outstanding against the Company or any of its Subsidiaries; or (iv) orders, writs, judgments, injunctions, decrees, determinations or awards with respect to the Intellectual Property Rights (as hereinafter defined), except, in the case of all of the foregoing, for those that are not, individually or in the aggregate, reasonably likely to have a Material Adverse Effect or prevent, materially delay or materially impair the ability of the Company to consummate the transactions contemplated by this Agreement.

Section 5.8 Information Supplied. None of the information supplied by the Company in writing for inclusion or incorporation by reference in the Offer Documents or provided by the Company in the Schedule 14D-9 will, at the respective times that the Offer Documents and the Schedule 14D-9 or any amendments or supplements thereto are filed with the SEC and are first published or sent or given to holders of Shares, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Section 5.9 Employee Benefit Plans; Labor Matters.

(a) Schedule 5.9 contains an accurate and complete list of all Benefit Plans maintained or sponsored by the Company, contributed to by the Company, or covering any employees of

the Company, to which the Company is obligated to contribute or with respect to which the Company has any material liability. For purposes of this Agreement, the term "Benefit Plans" shall mean: (i) employee benefit plans as defined in Section 3(3) of ERISA (as defined in Section 10.9), (ii) employment agreements, and (iii) any other plans, policies, programs and arrangements, whether or not subject to ERISA, and whether or not funded, which provide any benefit for current or former employees of the Company. The Company has no obligations to contribute to, and has not suffered or otherwise caused a complete withdrawal or partial withdrawal as defined in Sections 4203 and 4205 of ERISA with respect to, any "multiemployer pension plan," as such term is defined in Section 3(37) of ERISA, or with respect to any employee benefit plan of the type described in Sections 4063 and 4064 of ERISA or in Section 413(c) of the Code (as defined in Section 10.9).

(b) Except as set forth on Schedule 5.9, the Company does not contribute to or have any material liability with respect to any Benefit Plan which provides health, life insurance, accident or other "welfare-type" benefits to current or future retirees or current or future former employees, their spouses or dependents, other than in accordance with Section 4908B of the Code or applicable state continuation coverage law.

(c) Except as set forth on Schedule 5.9, each material Benefit Plan and all related trusts, insurance contracts and funds have been maintained, funded and administered in compliance in all material respects with all reporting and disclosure requirements and applicable laws and regulations, including but not limited to ERISA and the Code. No material actions, suits, claims (other than routine claims for benefits), taxes, penalties or liens with respect or relating to the Benefit Plans are pending or, to the knowledge of the Company, threatened, or have been assessed or incurred.

(d) Except as set forth on Schedule 5.9, each material Benefit Plan that is intended to be qualified under Section 401(a) of the Code, and each trust (if any) forming a part thereof, has received a current favorable determination letter from the United States Internal Revenue Service as to the qualification under the Code of such Benefit Plan and the tax-exempt status of such related trust, and, to the knowledge of the Company, nothing has occurred since the date of such determination that could adversely affect the qualification of such Benefit Plan or the tax-exempt status of such related trust.

(e) Except as disclosed on Schedule 5.9 or included or incorporated by reference as exhibits to the Company SEC Reports, there are no employment, consulting, severance, termination, change in control or indemnification agreements, arrangements or understandings between the Company or any of its Subsidiaries and any (i) current officer or director of the Company or any of its Subsidiaries and (ii) former officer or director of the Company or any of its Subsidiaries which agreement, arrangement or understanding imposes continuing obligations on the Company or any of its Subsidiaries.

Section 5.10 Brokers and Finders. Except for the fees and expenses payable to Morgan Stanley & Co. Incorporated (whose fees and expenses will be paid by the Company in accordance with the Company's agreement with Morgan Stanley & Co. Incorporated), a true and complete copy of which has been furnished to Parent, the Company has not employed any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

Section 5.11 Compliance with Laws; Permits. Except as disclosed in the Company SEC Reports and as set forth on Schedule 5.11, the Company and its Subsidiaries are, and since January 1, 1998 have been, in compliance with all applicable laws, statutes, ordinances, rules, regulations, judgments, orders, injunctions, decrees, arbitration awards, agency requirements, licenses and permits of any Governmental Entity (as defined in Annex A), (including, without limitation, all laws relating to the environment, health and safety), except for violations or possible violations that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect.

Section 5.12 Takeover Statutes. The Board of Directors of the Company has approved the Offer, the Merger and this Agreement and such approval is sufficient to render inapplicable to the Offer, the Merger, this Agreement and the other transactions contemplated by this Agreement, the provisions of Section 203 of the DGCL.

Section 5.13 Rights Plan. The Company has amended the Rights Agreement to provide that Parent shall not be deemed an Acquiring Person (as defined in the Rights Agreement) and that the Rights will not separate from the Shares as a result of entering into this Agreement, commencing or consummating the Offer or consummating the Merger pursuant to the terms of this Agreement. The Company has taken all action necessary to ensure that this Agreement and the transactions contemplated hereby will not trigger any "poison pill" or any other anti- takeover provision adopted by the Company or available to it under applicable law.

Section 5.14 Intellectual Property. To the knowledge of the management of the Company and its Subsidiaries, the Company or its Subsidiaries own, or have the lawful right to use, all intellectual property rights necessary or used in the operations of the Company or its Subsidiaries (the "Intellectual Property Rights"), except for such failures to own or have the lawful right to use as would not, individually or in the aggregate, have a Material Adverse Effect. Except as set forth on Schedule 5.14: (i) to the knowledge of the management of the Company and its Subsidiaries, there are no pending oppositions, cancellations, invalidity proceedings, interferences or re-examination proceedings with respect to the material Intellectual Property Rights or any other proceedings pertaining to or challenging the rights of the Company or any of its Subsidiaries to use any of the material Intellectual Property Rights;
(ii) neither the Company nor its Subsidiaries has received notice during the past twelve (12) months from any other person or entity pertaining to or challenging the right of the Company or any of its Subsidiaries to use any of the material Intellectual Property Rights; and (iii) neither the Company nor any of its Subsidiaries has made any claim or has knowledge of a violation or infringement of its right to or in connection with the material Intellectual Property Rights which, in either case, is still pending.

Section 5.15 Opinion of Financial Advisor. The Company has received the opinion of Morgan Stanley & Co. Incorporated to the effect that, as of the date of this Agreement, the Per Share Amount to be received by the shareholders of the Company is fair to such shareholders from a financial point of view, and a complete and correct signed copy of such opinion has been, or promptly upon receipt thereof will be, delivered to Parent.

Section 5.16 Taxes. The Company has filed or caused to be filed all tax returns that are required to be filed by it and has paid or caused to be paid all taxes that have become due as indicated thereon, except where such tax is being contested in good faith or where the failure to so file or pay would not have a Material Adverse Effect.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

Each of Parent and Purchaser represent and warrant jointly and severally to the Company that:

Section 6.1 Corporate Organization and Qualification. Each of the Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation and is qualified and in good standing as a foreign corporation in each jurisdiction where the properties owned, leased or operated, or the business conducted, by it require such qualification, except where the failure to so qualify or be in such good standing would not prevent, materially delay or materially impair the ability of Parent or Purchaser to consummate the transactions contemplated by this Agreement.

Section 6.2 Authority Relative to This Agreement. Each of the Parent and Purchaser has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement and the consummation by Parent and Purchaser of the transactions contemplated hereby have been duly and validly authorized by the respective Boards of Directors of Parent and Purchaser (and by Parent as the sole shareholder of Purchaser), and no other corporate proceedings on the part of Parent and Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each of Parent and Purchaser and, assuming this Agreement constitutes the valid and binding agreement of the Company, constitutes valid and binding agreements of each of Parent and Purchaser, enforceable against each of them in accordance with its terms, except that the enforcement hereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (b) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

Section 6.3 Consents and Approvals; No Violation. Neither the execution and delivery of this Agreement by Parent or Purchaser nor the consummation by Parent and Purchaser of the transactions contemplated hereby will (a) conflict with or result in any breach of any provision of the Certificate of Incorporation or the By-Laws, respectively, of Parent or Purchaser; (b) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, except (i) in connection with the applicable requirements of the HSR Act, (ii) pursuant to the applicable requirements of the Exchange Act, (iii) the filing of the Certificate of Merger pursuant to the DGCL and appropriate documents with the relevant authorities of other states in which Parent is authorized to do business, or (iv) where the failure to obtain such consent, approval, authorization or permit, or to make such filing or notification, would not in the aggregate prevent, materially delay or materially impair the ability of Parent or Purchaser to consummate the transactions contemplated by this Agreement; (c) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, modification or acceleration or lien or other charge or encumbrance) under any of the terms, conditions or provisions of any note, license, agreement or other instrument or obligation to which Parent or Purchaser may be bound, except for such violations, breaches and defaults (or rights of termination, cancellation, modification or acceleration or lien or other charge or encumbrance) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not prevent, materially delay or materially impair the ability of Parent or Purchaser to consummate the transactions contem-

plated by this Agreement; or (d) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in this Section 6.3 are duly and timely obtained or made, violate any order, writ, injunction, decree, statute, rule or regulation applicable to Parent or any of its Subsidiaries or to any of their respective assets, except for violations which would not in the aggregate prevent, materially delay or materially impair the ability of Parent or Purchaser to consummate the transactions contemplated by this Agreement.

Section 6.4 Brokers and Finders. Except for the fees and expenses payable to Salomon Smith Barney (whose fees and expenses will be paid by Parent or Purchaser in accordance with the Parent's agreement with such firm), Parent and Purchaser have not employed any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

Section 6.5 Financing. Purchaser will have, and Parent will cause Purchaser to have, at the time required, sufficient funds available to purchase all of the Shares outstanding on a fully diluted basis and to pay all fees and expenses related to the transactions contemplated by this Agreement.

ARTICLE VII

ADDITIONAL COVENANTS AND AGREEMENTS

Section 7.1 Conduct of Business of the Company.

(a) The Company agrees that during the period from the date of this Agreement to the Effective Time (unless the other parties shall otherwise agree in writing and except as otherwise contemplated by this Agreement), the Company will, and will cause each of its Subsidiaries to, conduct its operations according to its ordinary and usual course of business consistent with past practice. Without limiting the generality of the foregoing, and except as otherwise permitted in this Agreement or set forth on Schedule 7.1, prior to the Effective Time, neither the Company nor any of its Subsidiaries will, without the prior written consent of Parent:

(i) except for shares to be issued or delivered pursuant to awards outstanding on the date hereof under the Company's Stock Plans, issue, deliver, sell, dispose of, pledge or otherwise encumber, or authorize or propose the issuance, sale, disposition or pledge or other encumbrance of (A) any additional shares of capital stock of any class (including the Shares), or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for any shares of capital stock, or any rights, warrants, options, calls, commitments or any other agreements of any character to purchase or acquire any shares of capital stock or any securities or rights convertible into, exchangeable for, or evidencing the right to subscribe for, any shares of capital stock, or (B) any other securities in respect of, in lieu of, or in substitution for, Shares outstanding on the date hereof;

(ii) redeem, purchase or otherwise acquire, or propose to redeem, purchase or otherwise acquire, any of its outstanding capital stock, including the Shares;

(iii) split, combine, subdivide or reclassify any Shares or declare, set aside for payment or pay any dividend, or make any other actual, constructive or deemed

distribution in respect of any Shares or otherwise make any payments to shareholders in their capacity as such, other than the payment of a regular quarterly cash dividend on the Company Common Stock on or about September 30, 1999 of $.01 per share payable to shareholders of record on September 15, 1999 and except for dividends by a wholly-owned Subsidiary of the Company;

(iv) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its Subsidiaries (other than the Merger);

(v) adopt any amendments to its Certificate of Incorporation or By-Laws or alter through merger, liquidation, reorganization, restructuring or in any other fashion the corporate structure or ownership of any Subsidiary of the Company;

(vi) make any acquisition, by means of merger, consolidation or otherwise, or material disposition (other than acquisition or disposition of inventory, supplies and products in the ordinary course of business, consistent with past practice), of assets or securities, or permit any assets to become subject, other than in the ordinary course of business, to any material lien or encumbrance;

(vii) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or guarantee any such indebtedness or make any loans, advances or capital contributions to, or investments in, any other person, other than to the Company or any wholly-owned Subsidiary of the Company;

(viii) grant any increases in the compensation of any of its directors, officers or key employees; for the avoidance of doubt "compensation" being defined to include all stock options, stock appreciation rights, phantom stock units, restricted stock grants, contingent stock grants or similar benefits;

(ix) grant any increases in the compensation of any of its employees, other than employees who are directors, officers or key employees, except in the ordinary course of business consistent with past practice;

(x) pay or agree to pay or accelerate the payment of any pension, retirement allowance or other employee benefit not required or contemplated by any of the existing benefit, severance, termination, pension or employment plans, agreements or arrangements as in effect on the date hereof to any director or officer of the Company or any of its Subsidiaries, whether past or present;

(xi) enter into any new or amend any existing employment or severance or termination agreement with any such director or officer;

(xii) except as may be required to comply with applicable law, become obligated under any new pension plan, welfare plan, multiemployer plan, employee benefit plan, severance plan, benefit arrangement, or similar plan or arrangement, which was not in existence on the date hereof, or amend any such plan or arrangement in existence on the date hereof if such amendment would have the effect of enhancing any benefits thereunder;

(xiii) settle or compromise any material claims (including any claims in respect of tax liabilities or refunds) or litigation or, except in the ordinary and usual course of business, modify, amend or terminate any of its material contracts or waive, release or assign any material rights or claims;

(xiv) make any change, other than as required by applicable law, regulation or change in generally accepted accounting principles, in accounting policies or procedures applied by the Company (including tax accounting policies and procedures);

(xv) except as otherwise required by applicable law or regulation, make any tax election or permit any insurance policy naming it as a beneficiary or a loss payable payee to be canceled or terminated, except in the ordinary course of business;

(xvi) take any action to amend or alter the Rights Agreement in any manner adverse to Parent's, Purchaser's or the Company's ability to commence or consummate the transactions contemplated by this Agreement pursuant to the terms hereof;

(xvii) incur any capital expenditures, other than in the ordinary course of business and consistent with past practice; or

(xviii) authorize, or enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

Section 7.2 No Solicitation of Transactions. The Company, its affiliates and their respective officers, directors, employees, representatives and agents shall immediately cease any existing discussions or negotiations, if any, with any parties conducted heretofore with respect to any Takeover Proposal (as hereinafter defined). The Company, its Subsidiaries, directors, employees, representatives and agents may furnish information and access, in each case only in response to a request for such information or access to any person made after the date hereof which was not initiated, solicited or knowingly encouraged by the Company or any of its affiliates or any of its or their respective officers, directors, employees, representatives or agents after the date hereof (with respect to confidential information, pursuant to appropriate confidentiality agreements), and may participate in discussions and negotiate with such entity or group concerning any Takeover Proposal, only if such entity or group has submitted a bona fide proposal to the Board of Directors of the Company relating to any such transaction and (a) if the Board of Directors of the Company determines in good faith, after receiving advice from its independent financial advisor, that such entity or group has submitted to the Company a Takeover Proposal which is reasonably likely to be a Superior Proposal (as hereinafter defined), and (b) if the Board of Directors of the Company determines, in its good faith judgment, based on the opinion of outside legal counsel to the Company, that failing to take such action would constitute a breach of such Board's fiduciary obligations under applicable law. The Company shall promptly notify Parent if any proposal or offer, or any inquiry or contact with any person with respect thereto, is made and shall, in any such notice to Parent, indicate in reasonable detail the identity of the offeror and the terms and conditions of any proposal or offer, or any such inquiry or contact. The Company will promptly provide to Parent any non-public information concerning the Company or its Subsidiaries provided to any other person which was not previously provided to Parent. The Company shall keep Parent promptly advised of all developments which could reasonably be expected to culminate in the Board of Directors withdrawing, modifying or amending its recommendation of the Offer, the Merger and other transactions contemplated by this Agreement. Except as set forth in this Section 7.2, neither the Company nor any of its affiliates, nor any of its or their respective officers, directors, employees, representatives or agents, shall, directly or indirectly, knowingly encourage or solicit, participate in or initiate discussions or negotiations with, or provide any information to, any corporation, partnership, person or other entity or group (other than Parent and Purchaser, any affiliate or associate of Parent and Purchaser, or any designees of Parent or Purchaser) concerning any Takeover Proposal; provided, that nothing in this Section 7.2 shall prevent the Company or the Board of Directors of the Company from

taking, and disclosing to the Company's stockholders, a position contemplated by Rules 14d-9 and 14e-2 promulgated under the Exchange Act; provided further, that the Board shall not recommend that the stockholders of the Company tender their Shares in connection with any such tender offer unless the Board of Directors of the Company determines in its good faith judgment based on the opinion of independent outside legal counsel to the Company, that failing to take such action would constitute a breach of the fiduciary duty of the Board of Directors of the Company under applicable law.

As used in this Agreement, "Takeover Proposal" shall mean any tender or exchange offer, proposal for a merger, consolidation or other business combination involving the Company or any Subsidiary of the Company or any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the assets of, the Company or its Subsidiaries other than transactions contemplated by this Agreement.

Section 7.3 Approvals and Consents; Cooperation. Subject to the other provisions of this Agreement, the parties hereto shall use their respective reasonable best efforts, and cooperate with each other, to obtain as promptly as practicable all governmental and third party authorizations, approvals, consents or waivers, including, without limitation, pursuant to the HSR Act, required in order to consummate the transactions contemplated by this Agreement, including, without limitation, the Offer and the Merger.

Section 7.4 Further Assurances. Subject to the other provisions of this Agreement, each of the parties hereto agrees to use its reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including, without limitation, the Offer and the Merger, which efforts shall include, without limitation, Parent, Purchaser and the Company using their respective reasonable best efforts to prevent any preliminary or permanent injunction or other order by a court of competent jurisdiction or governmental entity relating to consummating the transactions contemplated by this Agreement, and, if issued, to appeal any such injunction or order through the appellate court or body for the relevant jurisdiction; provided, however, in no event shall Parent, Purchaser or the Company be obligated to agree or consent to any divestiture of assets, hold-separate agreement or other similar undertakings pursuant to any antitrust or similar laws or regulations for the purposes of consummating or making effective the transactions contemplated by this Agreement. If at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the parties hereto shall take or cause to be taken all such necessary action, including, without limitation, the execution and delivery of such further instruments and documents as may be reasonably requested by the other party for such purposes or otherwise to consummate and make effective the transactions contemplated hereby.

Section 7.5 Access to Information. Upon reasonable notice, the Company shall (and shall cause each of its Subsidiaries to) afford to officers, employees, counsel, accountants and other authorized representatives of Parent ("Representatives"), reasonable access, during normal business hours (to the extent feasible without undue interference with or disruption to the operation of the Company or any of its Subsidiaries) throughout the period prior to the Effective Time, to its properties, books and records and, during such period, shall (and shall cause each of its Subsidiaries to) furnish promptly to such Representatives all information concerning its business, properties and personnel as may reasonably be requested. Parent agrees that it will not, and will cause its Representatives not to, use any information obtained pursuant to this Section 7.5 for any purpose unrelated to the consummation of the transactions contemplated by this Agreement. The Confidentiality Agreement, dated July 9,

1999 (the "Confidentiality Agreement"), by and between the Company and Parent shall apply with respect to information furnished by the Company, its Subsidiaries and the Company's officers, employees, counsel, accountants and other authorized representatives hereunder.

Section 7.6 Publicity. The parties will consult with each other and will mutually agree upon any press releases or public announcements pertaining to the Offer or the Merger and shall not issue any such press releases or make any such public announcements prior to such consultation and agreement, except as may be required by applicable law or by obligations pursuant to any listing agreement with any national securities exchange, in which case the party proposing to issue such press release or make such public announcement shall use its reasonable efforts to consult in good faith with the other party before issuing any such press releases or making any such public announcements.

Section 7.7 Indemnification of Directors and Officers.

(a) The Certificate of Incorporation and By-Laws of the Surviving Corporation shall contain the provisions with respect to indemnification set forth in the Certificate of Incorporation and By-Laws of the Company on the date of this Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of six years after the Effective Time in any manner that would adversely affect the rights thereunder of individuals who at any time prior to the Effective Time were directors, officers, employees or agents of the Company in respect of actions or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement), unless such modification is required by law; provided, that in the event any claim or claims are asserted or made within such six-year period, all rights to indemnification in respect of any such claim or claims shall continue until disposition of any and all such claims.

(b) Parent shall cause to be maintained in effect for the Indemnified Parties (as defined below) for not less than six years the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by the Company and the Company's Subsidiaries with respect to matters occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement); provided, that Parent may substitute therefor policies of substantially the same coverage containing terms and conditions which are no less advantageous to the Company's present or former directors or officers or other employees covered by such insurance policies prior to the Effective Time (the "Indemnified Parties") and provided further that said substitution does not result in any gaps in coverage with respect to matters occurring prior to the Effective Time.

(c) This Section 7.7 is intended to benefit the Indemnified Parties and shall be binding on all successors and assigns of Parent, Purchaser, the Company and the Surviving Corporation.

Section 7.8 Employees.

(a) For a period of one year following the Effective Time, Parent agrees to provide employee benefit plans and programs for the benefit of employees of the Company and its Subsidiaries (other than those employees covered by collective bargaining agreements) that are in the aggregate no less favorable than the employee benefit plans and programs offered to such employees immediately prior to Closing (excluding plans or programs which provide for issuance of Shares or options on Shares). All service credited to each employee by the Company through the Effective Time shall be recognized by Parent for purposes of eligibility

and vesting under any employee benefit plan provided by Parent for the benefit of the employees. Employees covered by collective bargaining agreements shall be provided with such benefits as shall be required under the terms of any applicable collective bargaining agreement.

(b) Parent hereby agrees to cause the Surviving Corporation to honor and perform (without modification unless agreed to in writing by the parties thereto) the written employment agreements, severance agreements and other agreements listed on Schedule 7.8(b), all as in effect on the date of this Agreement.

Section 7.9 Notification of Certain Matters. The Company shall give prompt notice to Parent and Purchaser, and Parent and Purchaser shall give prompt notice to the Company, of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be reasonably likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect and (ii) any failure of the Company, Parent or Purchaser, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder. Each of the Company, Parent and Purchaser shall give prompt notice to the other parties of any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with the transactions contemplated by this Agreement.

Section 7.10 Company Board.

(a) Promptly (but in any event within two business days) upon the purchase by Parent of a majority of the outstanding Shares pursuant to the Offer, either
(a) a majority of the members of the Board of Directors of the Company shall resign and the remaining members of the Board of Directors of the Company shall fill all of the Board positions so vacated with persons designated by Parent or
(b) the size of the Board of Directors of the Company shall be expanded and the vacant seats filled with persons designated by Parent so that Parent's designees shall constitute a majority of the members of the Board of Directors of the Company. In either case, at all times thereafter through the Effective Time a majority of the members of the Board of Directors of the Company shall be persons designated by Parent.

(b) The Company's obligation to appoint designees to the Board of Directors of the Company shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly take all actions required pursuant to such Section and Rule in order to fulfill its obligations under this Section 7.10 and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under
Section 14(f) and Rule 14f-1 to fulfill such obligations. Parent or Purchaser shall supply to the Company and be solely responsible for any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(c) Following the election of designees of Purchaser pursuant to this
Section 7.10, prior to the Effective Time, any amendment of this Agreement or the Certificate of Incorporation or By-laws of the Company, any termination of this Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or Purchaser or waiver of any of the Company's rights hereunder shall require the concurrence of a majority of the directors of the Company then in office who are directors as of the date hereof or persons designated by such directors and who were neither designated by Purchaser nor employees of the Company ("Continuing Directors"). Prior to the Effective

Time, the Company and Purchaser shall use all reasonable efforts to ensure that the Company's Board of Directors at all times includes at least three Continuing Directors.

Section 7.11 Stockholder Approval.

(a) Promptly after the consummation of the Offer, if required by the DGCL in order to consummate the Merger, the Company, acting through its Board of Directors, shall, in accordance with applicable law and the Company's Certificate of Incorporation and By-laws duly call, give notice of and convene a meeting of the holders of Company Common Stock for the purpose of voting upon this Agreement and the Merger and the Company agrees that this Agreement and the Merger shall be submitted at such meeting. The Company shall use its reasonable best efforts to solicit from its stockholders proxies and, subject always to the fiduciary obligations of the Company's directors under applicable law, shall take all other action necessary and advisable, to secure the vote of stockholders required by applicable law to obtain the approval for this Agreement and the Merger. Subject always to the fiduciary obligations of the Company's directors under applicable law, the Company agrees that it will include in the Proxy Statement the recommendation of its Board of Directors that holders of Company Common Stock approve and adopt this Agreement and approve the Merger. Parent and Purchaser will cause all shares of Company Common Stock owned by them and their Subsidiaries to be voted in favor of the approval and adoption of this Agreement and the Merger.

(b) Notwithstanding the foregoing, in the event that Purchaser shall acquire at least 90% of the outstanding Company Common Stock, the Company agrees, at the request of Purchaser, subject to Article VIII, to take all necessary and appropriate action to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's stockholders, in accordance with Section 253 of the DGCL.

Section 7.12 Related Parties. The Company shall cause each contract, agreement or other arrangement between the Company or any of its Subsidiaries and Harbour Group Industries Inc. or any of its Affiliates to be terminated, effective not later than the consummation of the Offer, without penalty to, or payment of other consideration by, the Company or any of its Subsidiaries; provided that the foregoing covenant shall not apply to (a) the Insurance Agreement, dated September 27, 1996, between Harbour Group Ltd. and the Company, (b) the 1996 Directors Non Qualified Stock Option Plan or awards thereunder, (c) the Indemnification Agreement, dated as of March 20, 1997, by and among Harbour Group Investments III, L.P., Uniquip-HGI Associates, L.P. and the Company or (d) the Indemnification Agreement, dated as of March 11, 1998, by and among Harbour Group Investments III, L.P., Uniquip-HGI Associates, L.P., P. Enoch Stiff and the Company.

ARTICLE VIII

CONDITIONS TO CONSUMMATION OF THE MERGER

Section 8.1 Conditions to Each Party's Obligations to Effect the Merger. The respective obligations of each party to effect the Merger are subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Shareholder Approval. To the extent required by applicable law, this Agreement and the Merger shall have been duly approved and adopted by the shareholders of the Company in accordance with applicable law and the Certificate of Incorporation and By-laws

of the Company; provided that Parent and Purchaser shall cause all shares of the Company Common Stock owned by them or their Subsidiaries to be voted in favor of the approval and adoption of this Agreement and the Merger.

(b) Injunction. There shall not be in effect any statute, rule, regulation, executive order, decree, ruling or injunction or other order of a court or governmental or regulatory agency of competent jurisdiction directing that the transactions contemplated herein not be consummated.

(c) Governmental Filings and Consents. All governmental consents, orders and approvals legally required for the consummation of the Merger and the transactions contemplated hereby shall have been obtained and be in effect at the Effective Time, except where the failure to obtain any such consent would not reasonably be expected to have a Material Adverse Effect on Parent and its Subsidiaries, considered as whole (assuming the Merger had taken place), or on Parent's ability to own, control and operate the Company and its Subsidiaries, and the waiting periods under the HSR Act shall have expired or been terminated.

(d) The Offer. Purchaser shall have purchased all Shares tendered pursuant to the Offer.

ARTICLE IX

TERMINATION; AMENDMENT; WAIVER

Section 9.1 Termination by Mutual Consent. This Agreement may be terminated and the Offer and the Merger may be abandoned at any time prior to the Effective Time, by the mutual written consent of Parent and the Company.

Section 9.2 Termination by Either Parent or the Company. This Agreement may be terminated and the Offer and Merger may be abandoned by Parent or the Company if
(i) any governmental or regulatory agency located or having jurisdiction within the United States or any country or economic region in which either the Company or Parent, directly or indirectly, has material assets or operations shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the acceptance for payment of, or payment for, shares of Company Common Stock pursuant to the Offer or the Merger and such order, decree or ruling or other action shall have become final and nonappealable; or (ii) due to an occurrence or circumstance which would result in a failure to satisfy any of the Offer Conditions, Purchaser shall have failed to pay for Shares pursuant to the Offer on or prior to the Outside Date, unless such failure has been caused by or results from the failure of the party seeking to terminate this Agreement to perform in any material respect any of its respective covenants or agreements contained in this Agreement. As used herein, the term "Outside Date" shall mean the later of (A) 90 days following the date hereof, or (B) the date on which either the applicable waiting period under the HSR Act shall have expired or been terminated.

Section 9.3 Termination by the Company. This Agreement may be terminated and the Offer and the Merger may be abandoned at any time prior to the Effective Time, by action of the Board of Directors of the Company:

(a) if (i) the Company, based on the advice of outside legal counsel to the Company that such action is necessary in order for the Board of Directors of the Company to comply

with its fiduciary duties under applicable law, subject to complying with the terms of this Agreement, proposes to enter into a binding written agreement concerning a transaction that constitutes a Superior Proposal and the Company notifies Parent in writing that it intends to enter into such an agreement, attaching the most current version of such agreement to such notice and (ii) Parent does not make, within five business days of receipt of the Company's written notification of its intention to enter into a binding agreement for a Superior Proposal, an offer to enter into an amendment to this Agreement such that the Board of Directors of the Company determines, in good faith after consultation with its financial advisors, that this Agreement as so amended is at least as favorable, from a financial point of view, to the shareholders of the Company as the Superior Proposal. The Company agrees (A) that it will not enter into a binding agreement referred to in clause (i) above until at least the sixth business day after it has provided the notice to Parent required thereby, (B) to notify Parent promptly if its intention to enter into a written agreement referred to in its notification shall change at any time after giving such notification, and (C) that it shall be a condition precedent to the effectiveness of any termination pursuant to this Section 9.3(a) that the fee required to be paid pursuant to Section 9.5(b) shall have been paid in full simultaneously with, or prior to, such termination.

For purposes of this Agreement, the term "Superior Proposal" shall mean a bona fide proposal made by a third party to acquire all of the outstanding Shares of the Company pursuant to a tender offer or a merger, or to purchase all or substantially all of the assets of the Company, on terms which a majority of the members of the Board of Directors of the Company determines in its good faith reasonable judgment (based on the advice of its independent financial and legal advisors) to be more favorable to the Company and its stockholders than the transactions contemplated hereby, after taking into account all relevant factors, including, without limitation, (i) the consideration to be paid to shareholders pursuant thereto, (ii) the time estimated to be required for consummation, and (iii) financial, regulatory and other risks of nonconsummation.

(b) if (i) Purchaser shall have (x) failed to commence the Offer within five business days following the date of the initial public announcement of the Offer, (y) failed to pay for any Shares pursuant to the Offer to the extent required under Section 1.1(a), or (z) terminated the Offer without purchasing Shares pursuant to the Offer, or (ii) there has been a material breach by Parent or Purchaser of any representation, warranty, covenant or agreement contained in this Agreement that is not curable or, if curable, is not cured within 10 calendar days after written notice of such breach is given by the Company to the party committing such breach.

Section 9.4 Termination by Parent. This Agreement may be terminated and the Offer and Merger may be abandoned at any time prior to the Effective Time by action of the Parent if (i) the Board of Directors of the Company shall have withdrawn or adversely modified its approval or recommendation of this Agreement or failed to reconfirm its recommendation of this Agreement within five business days after a written request by Parent to do so, (ii) there has been a breach by the Company of any representation, warranty, covenant or agreement contained in this Agreement that is qualified as to materiality or there has been a material breach of any other representation, warranty, covenant or agreement contained in this Agreement, in any case that is not curable or, if curable, is not cured within 10 calendar days after written notice of such breach is given by Parent to the party committing such breach, or (iii) on a scheduled expiration date all conditions to Purchaser's obligation to accept for payment and pay for Shares pursuant to the Offer shall have been satisfied or waived other than the Minimum Condition and Purchaser terminates the Offer without purchasing Shares

pursuant to the Offer, provided that the satisfaction or waiver of all other conditions shall have been publicly disclosed at least five business days before termination of the Offer, or (iv) Purchaser shall have otherwise terminated the Offer in accordance with the terms of this Agreement, including Annex A, without purchasing shares pursuant to the Offer.

Section 9.5 Effect of Termination and Abandonment.

(a) In the event of termination of this Agreement and the abandonment of the Merger pursuant to this Article IX, this Agreement (other than, with respect to the parties hereto, the obligations pursuant to this Section 9.5 and Sections 10.1 and 10.2) shall become void and of no effect with no liability on the part of any party hereto (or of any of its directors, officers, employees, agents, legal and financial advisors or other representatives).

(b) In the event that (i) this Agreement is terminated by the Company pursuant to Section 9.3(a) or (ii) this Agreement is terminated by Parent pursuant to Section 9.4(i), then the Company shall, simultaneously with or prior to such termination, pay Parent a termination fee of $20,000,000 and pay, in no event later than two business days after the date of such termination, Parent the amount of all documented out-of-pocket expenses of Parent and Purchaser incurred in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby.

(c) In the event that this Agreement is terminated by Parent pursuant to
Section 9.4(ii), then the Company shall promptly pay, but in no event later than two days after the date of such termination, a termination fee of $1,000,000 representing liquidated damages for Parent's internal costs and expenses plus the amount of all documented out-of pocket expenses of Parent and Purchaser incurred in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby.

(d) In the event that (i) this Agreement is terminated by the Company pursuant to Section 9.3(b)(i)(x) or (y) or Section 9.3(b)(ii), then Parent shall promptly, but in no event later than two days after the date of such termination or event, pay the Company a termination fee of $1,000,000 plus the amount of all documented out-of-pocket expenses of the Company incurred in connection with the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby.

Section 9.6 Extension; Waiver. Subject to the applicable provisions of the DGCL and the provisions of this Agreement, including Section 7.10, at any time prior to the Effective Time, each of Parent, Purchaser and the Company may (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document, certificate or writing delivered pursuant hereto or (iii) waive compliance by the other party with any of the agreements or conditions contained herein. Any agreement on the part of either party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of either party hereto to assert any of its rights hereunder shall not constitute a waiver of such rights.

ARTICLE X

MISCELLANEOUS AND GENERAL

Section 10.1 Payment of Expenses. Except as set forth in the reimbursement provisions of Sections 9.5, whether or not the Offer and the Merger shall be consummated, each party

hereto shall pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the consummation of the transactions contemplated hereby.

Section 10.2 Survival of Representations and Warranties; Survival of Confidentiality. The representations and warranties made herein shall not survive beyond the earlier of (i) termination of this Agreement and (ii) the Effective Time, in the case of the representations and warranties of Parent or Purchaser or the purchase of Shares by Purchaser pursuant to the Offer, in the case of the representations and warranties of the Company. This Section 10.2 shall not limit any covenant or agreement of the parties hereto which by its terms contemplates performance after the Effective Time or the purchase of Shares by Purchaser pursuant to the Offer. The Confidentiality Agreement shall survive any termination of this Agreement and the provisions of such Confidentiality Agreement shall apply to all information and material delivered by any party hereunder.

Section 10.3 Modification or Amendment. Subject to the applicable provisions of the DGCL and the provisions of this Agreement, including Section 7.10, at any time prior to the Effective Time, the parties hereto may modify or amend this Agreement by written agreement executed and delivered by duly authorized officers of the respective parties.

Section 10.4 Waiver of Conditions. Subject to the applicable provisions of the DGCL and the provisions of this Agreement, including Section 7.10, the conditions to each of the parties' obligations to consummate the Merger are for the sole benefit of such party and may be waived by such party in whole or in part.

Section 10.5 Governing Law.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(b) Each of the parties hereto (i) consents to submit itself to the personal jurisdiction of any Federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of Delaware.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH PARTY HAS BEEN

INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.5.

Section 10.6 Notices. All notices, requests, consents and other communications hereunder shall be deemed given: (i) when delivered if delivered personally (including by courier); (ii) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested); (iii) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of the time, place, and recipient of delivery; or (iv) upon receipt of a confirmed transmission, if sent by telex, telecopy or facsimile transmission, in each case to the parties at the following addresses or to other such addresses as may be furnished in writing by one party to the others:

(a) if to the Company, to:

OmniQuip International, Inc.
222 East Main Street
Port Washington, Wisconsin 53704
Attention: Chief Executive Officer
(414) 268-8965 (telephone)
(414) 269-3100 (facsimile)

with a copy to:

Dickstein Shapiro Morin & Oshinsky LLP 2101 L Street, N.W.
Washington, DC 20037
Attn: Matthew G. Maloney, Esq.
(202) 785-9700 (telephone)
(202) 887-0689 (facsimile)

(b) if to Parent or Purchaser, to:

Textron Inc.
40 Westminster Street
Providence, Rhode Island 02903
Attention: Executive Vice President & General Counsel
(401) 457-2228 (telephone)
(401) 457-3666 (facsimile)

with a copy to:

Simpson Thacher & Bartlett
425 Lexington Avenue
New York, NY 10017
Attention: Richard A. Garvey, Esq.
(212) 455-2578 (telephone)
(212) 455-2502 (facsimile)

or to such other persons or addresses as may be designated in writing by the party to receive such notice.

Section 10.7 Entire Agreement; Assignment. This Agreement and the Confidentiality Agreement (a) constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, among the parties or any of them with respect to the subject matter hereof, and (b) shall

not be assigned by operation of law or otherwise, except that Purchaser may assign all or any of its rights and obligations hereunder to any direct or indirect wholly owned Subsidiary or Subsidiaries of Parent, provided that no such assignment shall relieve the Purchaser of its obligations hereunder if such assignee does not perform such obligations.

Section 10.8 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and assigns. Nothing in this Agreement, express or implied, other than the right to receive the consideration payable in the Merger pursuant to Article IV hereof is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement; provided, however, that the provisions of Section 7.7 shall inure to the benefit of and be enforceable by the Indemnified Parties and the provisions of Section 7.8(b) shall inure to the benefit of and be enforceable by the officers and directors of the Company.

Section 10.9 Certain Definitions. As used herein:

(a) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Material Adverse Effect" shall mean any adverse change or changes in the financial condition, properties, business or results of operations of the Company or any of its Subsidiaries or Parent or any of its Subsidiaries, as the case may be, which individually or in the aggregate is or are material to the Company and its Subsidiaries, taken as a whole, or Parent and its Subsidiaries, taken as a whole, as the case may be, other than (i) any change or effect arising out of general economic conditions or (ii) any change or effect which the Company or Parent, as the case may be, has disclosed in writing, prior to the date hereof, to Parent or the Company, as the case may be, has occurred or is likely to occur.

(d) "Subsidiary" shall mean, when used with reference to any entity, any entity a majority of the outstanding voting securities of which are owned directly or indirectly by such entity; provided, however, for purposes of this Agreement, Great Southern Rental & Sales, Inc. shall not be deemed a Subsidiary of the Company.

(e) Any act or decision of the "Board of Directors of the Company" shall mean such action or decision by a majority of the disinterested members of the Board of Directors of the Company.

Section 10.10 Specific Performance.

(a) The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached.

(b) It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 10.11 Obligation of Parent. Whenever this Agreement requires Purchaser to take any action, such requirement shall be deemed to include an undertaking on the part of Parent to take such action and or guarantee of the performance thereof.

Section 10.12 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, each of which shall remain in full force and effect.

Section 10.13 Captions. The Article, Section and paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

Section 10.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Any such counterpart may be executed by facsimile signature with only verbal confirmation, and when so executed and delivered shall be deemed an original and such counterpart(s) together shall constitute only one original.

[The Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement and Plan of Merger to be executed by their respective duly authorized officers as of the date first above written.

TEXTRON INC.

By: /s/ WAYNE W. JUCHATZ

Name: Wayne W. Juchatz
Title: Executive Vice President

TELESCOPE ACQUISITION INC.

By: /s/ BHIKHAJI MANECKJI

Name: Bhikhaji Maneckji
Title: Vice President

OMNIQUIP INTERNATIONAL, INC.

By: /s/ P. ENOCH STIFF

Name: P. Enoch Stiff
Title: President and Chief
Executive Officer

Annex A

Certain Conditions of the Offer

Notwithstanding any other provision of the Offer and provided that Purchaser shall not be obligated to accept for payment any Shares until (i) expiration of all applicable waiting periods under the HSR Act and (ii) the Minimum Condition shall have been satisfied, Purchaser shall not be required to accept for payment or pay for, or may delay the acceptance for payment of or payment for, any Shares tendered pursuant to the Offer, and may, subject to the terms of the Agreement, terminate or amend the Offer if on or after August 21, 1999, and at or before the time of payment for any of such Shares, any of the following events shall occur (or become known to Parent) and remain in effect:

(a) there shall have occurred and be continuing as of the then scheduled expiration date of the Offer: (i) any general suspension of, or limitation on prices for, trading in securities on the New York Stock Exchange or the Nasdaq National Market; (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States; (iii) a commencement or escalation of a war, armed hostilities or other international or national calamity directly involving the United States; or (iv) any material limitation (whether or not mandatory) by any governmental or regulatory authority, agency or commission, domestic or foreign ("Governmental Entity"), on the extension of credit by banks or other lending institutions in the United States;

(b) (i) the Company shall have breached or failed to perform in any material respect any of its obligations, covenants or agreements under the Agreement; (ii) any representation or warranty of the Company set forth in the Agreement which is qualified by materiality shall not have been true and correct as of the date of the Agreement and as of the then scheduled expiration date of the Offer as though made on and as of the then scheduled expiration date of the Offer; or (iii) any representation or warranty of the Company set forth in the Agreement which is not qualified by materiality shall not have been true and correct in all material respects as of the date of this Agreement and as of the then scheduled expiration date of the Offer as though made on and as of the then scheduled expiration date of the Offer, except in the case of clauses (ii) and (iii) of this paragraph (b) for representations and warranties which by their terms speak only as of another date, which representations and warranties, if qualified by materiality, shall not have been true and correct as of such date and, if not qualified, shall not have been true and correct in all material respects as of such other date;

(c) any court or Governmental Entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order which is in effect and which: (i) prevents, prohibits or materially restricts consummation of the Offer or the Merger; (ii) prohibits or materially limits the ownership or operation by the Company, Parent or any of their Subsidiaries of all or any material portion of the business or assets of the Company and its Subsidiaries taken as a whole, or as a result of the Offer or the Merger compels the Company, Parent or any of their Subsidiaries to dispose of or hold separate all or any material portion of their respective business or assets; (iii) imposes material limitations on the ability of Parent or any Subsidiary of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer or otherwise on all matters properly presented to the Company's shareholders including, without limitation, the approval and adoption of the Agreement

and the transactions contemplated thereby; or (iv) requires divestiture by Parent or any affiliate of Parent of any Shares;

(d) any change in the financial condition, properties, business or results of operations of the Company and its Subsidiaries after the date of this Agreement that, individually or in the aggregate, has or is reasonably likely to have a Material Adverse Effect;

(e) the Board of Directors of the Company (or a special committee thereof) shall have withdrawn or amended, or modified in a manner adverse to Parent and Purchaser its recommendation of the Offer or the Merger, or shall have endorsed, approved or recommended any Superior Proposal;

(f) any Person, other than Parent, Purchaser or their affiliates or any group of which any of them is a member, acquires beneficial ownership of twenty percent or more of the Shares or rights to acquire twenty percent or more of the Shares; or

(g) the Agreement shall have been terminated by the Company or Parent or Purchaser in accordance with its terms or Parent or Purchaser shall have reached an agreement or understanding in writing with the Company providing for termination or amendment of the Offer or delay in payment for the Shares;

which makes it inadvisable, as determined by Purchaser in good faith, to proceed with the Offer or with such acceptance of payment or payments.

The foregoing conditions (other than the Minimum Condition) are for the sole benefit of Parent and Purchaser and may be asserted by Parent or Purchaser or may be waived by Parent or Purchaser, in whole or in part at any time and from time to time in its sole discretion. The failure of Parent or Purchaser at any time to enforce any of the foregoing rights shall not be deemed a waiver of such right, the waiver of such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances, and each right shall be deemed an ongoing right that may be asserted at any time and from time to time.

P. Enoch Stiff

Curtis Laetz

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement"), dated as of August 20, 1999, is entered into between P. Enoch Stiff, (the "Seller") and Telescope Acquisition Inc., a Delaware corporation (the "Purchaser").

WHEREAS, the Seller owns, beneficially and of record, whether or not subject to restrictions, 562,550 shares of common stock, par value $0.01 per share, together with the associated preferred stock purchase rights (the "Rights"), issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended, by and between Omniquip International, Inc., a Delaware corporation (the "Company") and First Chicago Trust Company of New York as Rights Agent, (the "Shares") of the Company, and options, whether vested or unvested, to purchase 130,000 Shares of the Company at a price equal to or less than $21 per Share pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan; and

WHEREAS, the Purchaser desires to purchase from the Seller, and the Seller desires to sell to the Purchaser, 346,275 Shares owned by the Seller (the "Seller Shares") upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. PURCHASE AND SALE OF SHARES

1.1 Transfer by Seller of Shares. Simultaneously with the execution of this Agreement and subject to the terms and conditions set forth in this Agreement, the Seller is selling, assigning, transferring and delivering to the Purchaser the Seller Shares, free and clear of all options, pledges, mortgages, security interests, liens, restrictions on voting or transfer or other encumbrances of any nature ("Encumbrances"), other than the restrictions imposed by Federal and state securities laws.

1.2 Consideration. Simultaneously with the execution of this Agreement and subject to the terms and conditions set forth in this Agreement, in reliance on the representations, warranties, covenants and agreements of the parties contained herein and in consideration of the sale, assignment, transfer and delivery of the Seller Shares, the Purchaser is paying the consideration set forth in Section 1.3(b) hereof (the "Purchase Price").

1.3 The Closing. The closing (the "Closing") of the transactions contemplated by this Agreement is taking place at the offices of Michael, Best & Friedrich in Milwaukee, Wisconsin, simultaneously with the execution of this Agreement by all the parties hereto.

(a) Deliveries by Seller. At the Closing, the Seller is delivering or causing to be delivered to the Purchaser the following:

(i) certificates evidencing the Seller Shares, which certificates are properly endorsed for transfer or accompanied by duly executed stock powers, in either case executed in blank or in favor of the Purchaser, and otherwise in a form acceptable for transfer on the books of the Company; and

(ii) all other previously undelivered documents required by this Agreement to be delivered by the Seller to the Purchaser at the Closing in connection with the transactions contemplated hereby.

(b) Deliveries by the Purchaser. At or prior to the Closing, the Purchaser is delivering or causing to be delivered to or for the benefit of the Seller the following:

(i) to the Seller, as full an complete consideration for the Seller Shares an aggregate amount equal to $ $7,271,775 (less (A) the Deposit (as defined in Section 1.4) which is being delivered to the Escrow Agent pursuant to Section 1.4 and (B) any amounts paid to Robert W. Baird & Co., Inc. as previously directed by the Seller), by bank check;

(ii) all other previously undelivered documents required by this Agreement to be delivered by the Purchaser to the Seller at the Closing in connection with the transactions contemplated hereby; and

(iii) the Deposit to the Escrow Agent as set forth in Section 1.4.

1.4 Escrow Arrangements.

(a) Concurrently with the execution of this Agreement, (x) (a) the Purchaser, the Parent, the Seller, and LaSalle Bank National Association, a national banking corporation (the "Escrow Agent") are entering into an Escrow Agreement in substantially the form attached hereto as Exhibit 1.4 (the "Escrow Agreement") pursuant to which the Purchaser and the Seller are establishing an interest-bearing escrow account (the "Escrow Account") with Escrow Agent and (b) the Purchaser acting at the direction of the Seller (which is hereby irrevocably given) is depositing Two Million Seventy Seven Thousand Six Hundred Fifty dollars ($2,077,650) from the Purchase Price (the "Deposit") into the Escrow Account, which Deposit shall be held by the Escrow Agent pursuant to the provisions of the Escrow Agreement. The Deposit, together with interest thereon (it being the intent of the parties that as principal is distributed, interest will be distributed proportionately), is referred to herein as the "Escrow Amount". The parties agree that any losses to the principal amount on deposit in the Escrow Account shall be shared equally and that in the event of any such loss all payments hereunder will be reduced accordingly.

1.5 Application of Escrow Amount.

Except as set forth in Section 1.9, the Escrow Amount shall be applied as follows:

(i) if the Cumulative Performance Benchmark is less than the Minimum Cumulative Escrow Performance Benchmark, then the Escrow Amount shall be paid to the Parent; or

(ii) if the Cumulative Performance Benchmark equals or exceeds the Minimum Cumulative Escrow Performance Benchmark, then the Escrow Amount as set forth on Exhibit 1.5 against the level of Cumulative Performance Benchmark which is the closest to the Cumulative Performance Benchmark achieved shall be paid to Seller promptly following the Instruction Date, and any remaining Escrow Amount shall be paid to the Parent; or

(iii) if, Purchaser fails to commence the Offer or for any reason, or Purchaser's Offer is terminated without Shares being purchased pursuant to the Offer for any reason other than a sale of the Company at a price higher than Purchaser's Offer, the Escrow Amount shall be paid to the Parent on demand (with all interest earned thereon).

1.6 Instructions to Escrow Agent. Purchaser and Seller each hereby agrees to instruct the Escrow Agent to apply the amounts in the Escrow Account in accordance with Section 1.5 and each acknowledges and agrees that the Escrow Account shall only be used as provided herein and shall not be used for any other purposes whatsoever.

1.7 Specific Performance. Each of the parties agrees that monetary damages would be inadequate for any breach of Sections 1.5 and 1.9 and that the other party shall be entitled to specific performance in the event of any such breach. The fees and expenses of the Escrow Agent shall be borne by the Purchaser.

1.8 Payment Not Compensation. It is expressly agreed that any payment to the Seller from the Escrow Account shall not be treated as or deemed to constitute "compensation" for any purpose, other than as required by law or generally accepted accounting principles.

1.9 Termination of Employment.

(a) Notwithstanding any of the foregoing to the contrary, in the event the Seller terminates his employment without good reason or is terminated for cause (as defined in an Employment Agreement between the Seller and the Company) at any time prior to December 31, 2002, the Seller shall receive, from the Escrow Account, an amount equal to the lesser of (a) a pro rata portion of the Escrow Amount that the Seller would have been entitled to receive pursuant to Section 1.5 hereof based upon the percentage of the full calendar months in the period from the Effective Date to December 31, 2002 (the "Employment Term") that shall have elapsed through the date of Seller's termination of employment, and (b) the fraction of the Escrow Amount, the numerator of which is the number of full calendar months between the Merger Date and the end of the month immediately prior to the date on which the Seller's employment with the Company is terminated, and the denominator of which is the number of

full calendar months in the period from the Merger Date to December 31, 2002, in either case payable when the payment pursuant to Section 1.5 would have otherwise been payable had the Seller's employment not terminated, in each case plus interest on such sum as earned by the Escrow Account from the date the Seller's employment terminated to the date of payment. The remainder shall be paid to Parent.

(b) If the Seller's employment by the Company terminates for any reason other than a reason described in Section 1.9(a) above, the Escrow Amount shall be paid to the Seller.

1.10 Tax Liability Loans.

(i) If requested by the Seller not earlier than the date upon which any taxes are due, based upon the good faith advice of the Seller's tax advisor, the Purchaser shall provide a loan (the "Loan") to the Seller to enable the Seller to pay any 1999 tax liability that is incurred by the Seller by virtue of the Escrow Amount.

(ii) The Loans will (i) have a scheduled maturity date of 4 years from the date of issuance, (ii) accrue interest at the lowest permissible rate without imputation of income, compounded annually (currently approximately 4.8%), (iii) become payable in full (together with accrued interest) upon the earliest to occur of (A) the scheduled maturity date, (B) 30 days following the Seller's termination of employment for any reason, and (C) upon the occurrence of a default or insolvency or bankruptcy of the Seller and (iv) become payable with respect to the amount of any after-tax proceeds received by the Seller from the Escrow Amount.

1.11 Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cumulative Performance Benchmark" shall mean the cumulative consolidated Performance Benchmark of the Company and its subsidiaries for the period beginning on the Effective Date and ending on December 31, 2002, as reported to the Parent as part of the Company's normal financial reporting and based on the Company's consolidated financial statements for the period from the Effective Date through December 31, 1999, and the years ended December 31, 2000, 2001 and 2002. Such calculation and report shall be final and binding on all parties.

"Determination Date" shall mean the date that the Chief Financial Officer of the Parent finally determines the Cumulative Performance Benchmark, which date shall be no more than five business days after the Company's consolidated financial statements for the year ended December 31, 2002 have been approved by the Parent as part of its normal financial reporting.

"Effective Date" shall mean October 1, 1999.

"Employment Agreement" shall mean an Employment Agreement between the Company and the Seller which may be entered into after the Tender Offer Closing Date.

"Instruction Date" shall mean the date that the Seller and the Chief Financial Officer of the Parent notify the Escrow Agent the amount of the Cumulative Performance Benchmark and whether or not the Cumulative Performance Benchmark exceeded the Minimum Cumulative Escrow Performance Benchmark.

"Merger Date" shall mean the date of the Effective Time of the Merger (as defined in the Merger Agreement).

"Minimum Cumulative Escrow Performance Benchmark" shall mean a Cumulative Performance Benchmark of at least $164,600,000.

"Offer" shall have the meaning assigned to such term in the Merger Agreement.

"Performance Benchmark" shall mean, net sales less finance charges less cost of sales less sales, general and administrative expenses (SG&A) of the Company and its subsidiaries on a consolidated basis. For the avoidance of doubt, Performance Benchmark shall include acquisition goodwill amortization of the Company (including its consolidated subsidiaries) for acquisition goodwill created prior to the Tender Offer Closing Date of $4.152 million; and shall exclude (i) interest expense,
(ii) the Parent's corporate expenses; (iii) the goodwill amortization of the Parent relating to the Merger and related purchase price adjustments; (iv) additional depreciation expense resulting from the write up of assets following the Merger; (iv) expenses relating to the period after the Merger for environmental, health and safety expenses, plant reorganization, product liability insurance savings; (v) savings resulting from the elimination of the obligation of the Company to report its financial results publicly; and (vi) the effect of acquisitions by the Company or its subsidiaries after the Merger Date or of the transfer by the Parent of any business or product line to the Company or its subsidiaries.

"Tender Offer Closing Date" shall mean the date of Purchaser's purchase of Shares pursuant to the Offer.

Should the Employment Agreement contain definitions of the foregoing terms which are different from those set forth above, this Agreement will be deemed to have been amended to contain such different definitions.

1.12 Further Assurances. After the Closing, each party hereto shall from time to time, at the request of the other party and without further cost or expense to such other party, execute and deliver such other instruments of conveyance and transfer and take such other actions as such other party may reasonably request in order to more effectively consummate the

transactions contemplated hereby and to vest in the Purchaser good and valid title to the Seller Shares.

2. REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller hereby represents and warrants to the Purchaser as follows:

2.1 Ownership of Stock. Seller is the record and beneficial owner of the Seller Shares. The Seller Shares are owned free and clear of all Encumbrances, other than the restrictions imposed by Federal and state securities laws. At the Closing, Purchaser is acquiring a title to the Seller Shares free and clear of all Encumbrances, other than the restrictions imposed by Federal and state securities laws and Encumbrances arising as a result of any action taken by the Purchaser or any of its affiliates ("Affiliates") as defined in Rule 12b-2 of the regulations promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

2.2 Authorization, Etc. Seller has full power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby. This Agreement has been duly and validly executed by Seller and, assuming this Agreement constitutes the legal, valid and binding agreement of the other parties hereto, constitutes a legal, valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except that (i) the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.3 No Approvals or Conflicts. The execution, delivery and performance by the Seller of this Agreement and the consummation by the Seller of the transactions contemplated hereby will not (i) violate, conflict with or result in a breach of any provision of, or constitute a default by the Seller (or an event which, with notice or lapse of time or both, would constitute a default) or give rise to any right of termination, cancellation or acceleration under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the properties of the Company or on the Seller's interest in the Seller Shares under, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument to which any of the Seller, or any of Seller's properties may be bound, (iii) violate or result in a breach of any order, injunction, judgment, ruling, law or regulation of any court or governmental authority applicable to the Seller or any of Seller's properties or (iv) require any order, consent, approval or authorization of, or notice to, or declaration, filing, application, qualification or registration with, any governmental or regulatory authority.

3. REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Seller as follows:

3.1 Organization. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.2 Authorization Etc. The Purchaser has full corporate power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby to be carried out by it. The execution and delivery by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby have been duly approved and authorized by all necessary corporate action on the part of the Purchaser, and no other proceedings on the part of the Purchaser are necessary to approve and authorize the execution and delivery by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby. This Agreement has been duly and validly executed by the Purchaser and, assuming this Agreement constitutes the legal, valid and binding agreement of the other parties hereto, constitutes a legal, valid and binding agreement of the Purchaser, enforceable against the Purchaser in accordance with its terms, except that (i) the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

3.3 No Approvals or Conflicts. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby to be consummated by it will not (i) violate, conflict with or result in a breach by the Purchaser of any provision of the Certificate of Incorporation or By-laws of the Purchaser, (ii) violate, conflict with or result in a breach of any provision of, or constitute a default by the Purchaser (or an event which, with notice or lapse of time or both, would constitute a default) or give rise to any right of termination, cancellation or acceleration under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the Purchaser's properties under, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument to which the Purchaser or any of its properties may be bound, (iii) violate or result in a breach of any order, injunction, judgment, ruling, law or regulation of any court or governmental authority applicable to the Purchaser or any of its properties, or (iv) require any order, consent, approval or authorization of, or notice to, or declaration, filing, application, qualification or registration with, any governmental or regulatory authority.

4. MISCELLANEOUS

4.1 Transfer and Conveyance Taxes. The Seller shall be liable for and shall pay all applicable, transfer, recording, stamp and other similar taxes, resulting from the consummation of the transactions contemplated by this Agreement.

4.2 Fees and Expenses. Except as otherwise provided in this Agreement, the Seller shall bear its own expenses and the Purchaser shall bear its own expenses in connection with the preparation and negotiation of this Agreement and the consummation of the transactions

contemplated by this Agreement. The Seller and the Purchaser shall bear the fees and expenses of any broker or finder retained by such party or parties and their respective affiliates in connection with the transactions contemplated herein.

4.3 Governing Law. This Agreement shall be construed under and governed by the laws of the State of Wisconsin.

4.4 Amendment. This Agreement may not be amended, modified or supplemented except upon the execution and delivery of a written agreement executed by the Purchaser and the Seller.

4.5 Survival of Representations and Warranties. The representations and warranties of the parties contained in this Agreement or in any instrument delivered pursuant hereto will survive the Closing and remain in full force and effect.

4.6 No Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the Purchaser, in the case of assignment by the Seller, and the Seller, in the case of any assignment by the Purchaser; provided that the Purchaser may assign its rights and interests under this Agreement to any of its Affiliates.

4.7 Waiver. Any of the terms or conditions of this Agreement which may be lawfully waived may be waived in writing at any time by each party which is entitled to the benefits thereof. Any waiver of any of the provisions of this Agreement by any party hereto shall be binding only if set forth in an instrument in writing signed on behalf of such party. No failure to enforce any provision of this Agreement shall be deemed to or shall constitute a waiver of such provision and no waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

4.8 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (a) personally delivered,
(b) mailed by registered or certified first-class mail, prepaid with return receipt requested, (c) sent by a nationally recognized overnight courier service, to the recipient at the address below indicated or (d) delivered by facsimile which is confirmed in writing by sending a copy of such facsimile to the recipient thereof pursuant to clause (a) or (c) above:

If to the Purchaser:

c/o Textron Inc.
40 Westminster Street
Providence, Rhode Island 02903
Attention: Vice President & General Counsel,
Textron Industrial Products

If to the Seller:

c/o Hill & Barlow
One International Place
Boston, Mass. 92110
Attention: T. Mahoney, Esquire

or to such other address as any party hereto may, from time to time, designate in a written notice given in like manner.

Except as otherwise provided herein, any notice under this Agreement will be deemed to have been given (x) on the date such notice is personally delivered or delivered by facsimile, (y) four days after the date of mailing if sent by certified or registered mail or (z) the next succeeding business day after the date such notice is delivered to the overnight courier service if sent by overnight courier; provided that in each case notices received after 4:00
p.m. (local time of the recipient) shall be deemed to have been duly given on the next business day.

4.9 Complete Agreement. This Agreement and the other documents and writings referred to herein or delivered pursuant hereto contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

4.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

4.11 Publicity. The Seller and the Purchaser will consult with each other and will mutually agree upon any publication or press release of any nature with respect to this Agreement or the transactions contemplated hereby and shall not issue any such publication or press release prior to such consultation and agreement except as may be required by applicable law or by obligations pursuant to any listing agreement with any securities exchange or any securities exchange regulation, in which case the party proposing to issue such publication or press release shall make all reasonable efforts to consult in good faith with the other party or parties before issuing any such publication or press release and shall provide a copy thereof to the other party or parties prior to such issuance.

4.12 Headings. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

4.13 Severability. Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions

hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

4.14 Third Parties. Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or corporation, other than the parties hereto and their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

4.15 CONSENT TO JURISDICTION AND SERVICE OF PROCESS. THE PARTIES HERETO HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE AREA ENCOMPASSED BY MILWAUKEE COUNTY, WISCONSIN AND IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. THE PARTIES HERETO EACH ACCEPT FOR ITSELF AND HIMSELF, AS THE CASE MAY BE, AND IN CONNECTION WITH ITS OR HIS, AS THE CASE MAY BE, RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION AND VENUE OF THE AFORESAID COURTS AND WAIVE ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREE TO BE BOUND BY ANY NON-APPEALABLE JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. THE SELLER DESIGNATES CT CORPORATION SYSTEM AND SUCH OTHER PERSON AS MAY HEREINAFTER BE SELECTED BY THE SELLER WHO IRREVOCABLY AGREES IN WRITING TO SO SERVE AS AGENT FOR THE SELLER TO RECEIVE ALL PROCESS IN ANY SUCH PROCEEDINGS IN ANY SUCH COURT, SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY THE PARTIES HERETO TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF ANY SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO THE PARTIES HERETO, AS PROVIDED HEREIN, EXCEPT THAT UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS.

4.16 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION. THE PARTIES HERETO ALSO WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF ANY OF THE OTHER PARTIES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER

INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE PARTIES HERETO FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS OR HIS, AS THE CASE MAY BE, LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS OR HIS, AS THE CASE MAY BE, JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[THE REMAINDER OF THIS PAGE IS INTENDED TO BE BLANK]

IN WITNESS WHEREOF, the Seller has executed this Agreement, and the Purchaser has caused this Agreement to be executed by its duly authorized officer, in each case as of the day and year first above written.

/s/ P. Enoch Stiff

P. Enoch Stiff

Telescope Acquisition Inc.

By: /s/ Bhikhaji Maneckji

Name: Bhikhaji Maneckji
Title: Vice President

Exhibit 1.4
Intentionally Omitted.

Exhibit 1.5

Intentionally Omitted.

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement"), dated as of August 20, 1999, is entered into between Curtis Laetz and Linda Laetz, (collectively, the "Seller") and Telescope Acquisition Inc., a Delaware corporation (the "Purchaser").

WHEREAS, the Seller owns, beneficially and of record, whether or not subject to restrictions, 84,375 shares of common stock, par value $0.01 per share, together with the associated preferred stock purchase rights (the "Rights"), issued pursuant to the Rights Agreement, dated as of August 21, 1998, as amended, by and between Omniquip International, Inc., a Delaware corporation (the "Company") and First Chicago Trust Company of New York as Rights Agent, (the "Shares") of the Company, and options, whether vested or unvested, to purchase 43,500 Shares of the Company at a price equal to or less than $21 per Share pursuant to the Company's Amended and Restated 1996 Long-Term Incentive Plan; and

WHEREAS, the Purchaser desires to purchase from the Seller, and the Seller desires to sell to the Purchaser, 63,938 Shares owned by the Seller (the "Seller Shares") upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the parties hereto agree as follows:

1. PURCHASE AND SALE OF SHARES

1.1 Transfer by Seller of Shares. Simultaneously with the execution of this Agreement and subject to the terms and conditions set forth in this Agreement, the Seller is selling, assigning, transferring and delivering to the Purchaser the Seller Shares, free and clear of all options, pledges, mortgages, security interests, liens, restrictions on voting or transfer or other encumbrances of any nature ("Encumbrances"), other than the restrictions imposed by Federal and state securities laws.

1.2 Consideration. Simultaneously with the execution of this Agreement and subject to the terms and conditions set forth in this Agreement, in reliance on the representations, warranties, covenants and agreements of the parties contained herein and in consideration of the sale, assignment, transfer and delivery of the Seller Shares, the Purchaser is paying the consideration set forth in Section 1.3(b) hereof (the "Purchase Price").

1.3 The Closing. The closing (the "Closing") of the transactions contemplated by this Agreement is taking place at the offices of Michael, Best & Friedrich in Milwaukee, Wisconsin, simultaneously with the execution of this Agreement by all the parties hereto.

(a) Deliveries by Seller. At the Closing, the Seller is delivering or causing to be delivered to the Purchaser the following:

(i) certificates evidencing the Seller Shares, which certificates are properly endorsed for transfer or accompanied by duly executed stock powers, in either case executed in blank or in favor of the Purchaser, and otherwise in a form acceptable for transfer on the books of the Company; and

(ii) all other previously undelivered documents required by this Agreement to be delivered by the Seller to the Purchaser at the Closing in connection with the transactions contemplated hereby.

(b) Deliveries by the Purchaser. At or prior to the Closing, the Purchaser is delivering or causing to be delivered to or for the benefit of the Seller the following:

(i) to the Seller, as full and complete consideration for the Seller Shares an aggregate amount equal to $1,342,698 (less (A) the Deposit (as defined in Section 1.4) which is being delivered to the Escrow Agent pursuant to Section 1.4 and (B) any amounts paid to Robert W. Baird & Co., Inc. as directed by Seller), by bank check;

(ii) all other previously undelivered documents required by this Agreement to be delivered by the Purchaser to the Seller at the Closing in connection with the transactions contemplated hereby;

(iii) the Deposit to the Escrow Agent as set forth in Section 1.4.

1.4 Escrow Arrangements.

(a) Concurrently with the execution of this Agreement, (x) (a) the Purchaser, the Parent, the Seller, and LaSalle Bank National Association, a national banking corporation (the "Escrow Agent") are entering into an Escrow Agreement in substantially the form attached hereto as Exhibit 1.4 (the "Escrow Agreement") pursuant to which the Purchaser and the Seller are establishing an interest-bearing escrow account (the "Escrow Account") with Escrow Agent and (b) the Purchaser acting at the direction of the Seller (which is hereby irrevocably given) is depositing Three Hundred Eighty-Three Thousand Six Hundred Twenty-Eight dollars ($383,628) from the Purchase Price (the "Deposit") into the Escrow Account, which Deposit shall be held by the Escrow Agent pursuant to the provisions of the Escrow Agreement. The Deposit, together with interest thereon (it being the intent of the parties that as principal is distributed, interest will be distributed proportionately), is referred to herein as the "Escrow Amount". The parties agree that any losses to the principal amount on deposit in the Escrow Account shall be shared equally and that in the event of any such loss all payments hereunder will be reduced accordingly.

1.5 Application of Escrow Amount.

Except as set forth in Section 1.9, the Escrow Amount shall be applied as follows:

if the Cumulative Performance Benchmark is less than the Minimum Cumulative Escrow Performance Benchmark, then the Escrow Amount shall be paid to the Parent; or

(i) if the Cumulative Performance Benchmark equals or exceeds the Minimum Cumulative Escrow Performance Benchmark, then the Escrow Amount as set forth on Exhibit 1.5 against the level of Cumulative Performance Benchmark which is the closest to the Cumulative Performance Benchmark achieved shall be paid to Seller promptly following the Instruction Date, and any remaining Escrow Amount shall be paid to the Parent; or

(ii) if, Purchaser fails to commence the Offer or for any reason, or Purchaser's Offer is terminated without Shares being purchased pursuant to the Offer for any reason other than a sale of the Company at a price higher than Purchaser's Offer, the Escrow Amount shall be paid to the Parent on demand (with all interest earned thereon).

1.6 Instructions to Escrow Agent. Purchaser and Seller each hereby agrees to instruct the Escrow Agent to apply the amounts in the Escrow Account in accordance with Section 1.5 and each acknowledges and agrees that the Escrow Account shall only be used as provided herein and shall not be used for any other purposes whatsoever.

1.7 Specific Performance. Each of the parties agrees that monetary damages would be inadequate for any breach of Sections 1.5 and 1.9 and that the other party shall be entitled to specific performance in the event of any such breach. The fees and expenses of the Escrow Agent shall be borne by the Purchaser.

1.8 Payment Not Compensation. It is expressly agreed that any payment to the Seller from the Escrow Account shall not be treated as or deemed to constitute "compensation" for any purpose, other than as required by law or generally accepted accounting principles.

1.9 Termination of Employment.

(a) Notwithstanding any of the foregoing to the contrary, in the event Curtis Laetz terminates his employment without good reason or is terminated for cause (as defined in an Employment Agreement between Curtis Laetz and the Company) at any time prior to December 31, 2002, the Seller shall receive, from the Escrow Account, an amount equal to the lesser of (a) a pro rata portion of the Escrow Amount that the Seller would have been entitled to receive pursuant to Section 1.5 hereof based upon the percentage of the full calendar months in the period from the Effective Date to December 31, 2002 (the "Employment Term") that shall have elapsed through the date of Seller's termination of employment, and (b) the fraction of the Escrow Amount, the numerator of which is the number of full calendar months between the Merger Date and the end of the month immediately prior to the date on which Curtis Laetz'

employment with the Company is terminated, and the denominator of which is the number of full calendar months in the period from the Merger Date to December 31, 2002, in either case payable when the payment pursuant to Section 1.5 would have otherwise been payable had Curtis Laetz' employment not terminated, in each case plus interest on such sum as earned by the Escrow Account from the date the Curtis Laetz' employment terminated to the date of payment. The remainder shall be paid to Parent.

(b) If Curtis Laetz' employment by the Company terminates for any reason other than a reason described in Section 1.9(a) above, the Escrow Amount shall be paid to the Seller.

1.10 Tax Liability Loans.

(a) If requested by the Seller not earlier than the date upon which any taxes are due, based upon the good faith advice of the Seller's tax advisor, the Purchaser shall provide a loan (the "Loan") to the Seller to enable the Seller to pay any 1999 tax liability that is incurred by the Seller by virtue of the Escrow Amount.

(b) The Loans will (i) have a scheduled maturity date of 4 years from the date of issuance, (ii) accrue interest at the lowest permissible rate without imputation of income, compounded annually (currently approximately 4.8%), (iii) become payable in full (together with accrued interest) upon the earliest to occur of (A) the scheduled maturity date, (B) 30 days following the Seller's termination of employment for any reason, and (C) upon the occurrence of a default or insolvency or bankruptcy of either Seller and (iv) become payable with respect to the amount of any after-tax proceeds received by the Seller from the Escrow Amount.

1.11 Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cumulative Performance Benchmark" shall mean the cumulative consolidated Performance Benchmark of the Company and its subsidiaries for the period beginning on the Effective Date and ending on December 31, 2002, as reported to the Parent as part of the Company's normal financial reporting and based on the Company's consolidated financial statements for the period from the Effective Date through December 31, 1999, and the years ended December 31, 2000, 2001 and 2002. Such calculation and report shall be final and binding on all parties.

"Determination Date" shall mean the date that the Chief Financial Officer of the Parent finally determines the Cumulative Performance Benchmark, which date shall be no more than five business days after the Company's consolidated financial statements for the year ended December 31, 2002 have been approved by the Parent as part of its normal financial reporting.

"Effective Date" shall mean October 1, 1999.

"Employment Agreement" shall mean an Employment Agreement between the Company and Curtis Laetz which may be entered into after the Tender Offer Closing Date.

"Instruction Date" shall mean the date that the Seller and the Chief Financial Officer of the Parent notify the Escrow Agent of the amount of the Cumulative Performance Benchmark and whether or not the Cumulative Performance Benchmark exceeded the Minimum Cumulative Escrow Performance Benchmark.

"Merger Date" shall mean the date of the Effective Time of the Merger (as defined in the Merger Agreement).

"Minimum Cumulative Escrow Performance Benchmark" shall mean a Cumulative Performance Benchmark of at least $164,600,000.

"Offer" shall have the meaning assigned to such term in the Merger Agreement.

"Performance Benchmark" shall mean, net sales less finance charges less cost of sales less sales, general and administrative expenses (SG&A) of the Company and its subsidiaries on a consolidated basis. For the avoidance of doubt, Performance Benchmark shall include acquisition goodwill amortization of the Company (including its consolidated subsidiaries) for acquisition goodwill created prior to the Tender Offer Closing Date of $4.152 million; and shall exclude (i) interest expense, (ii)the Parent's corporate expenses; (iii) the goodwill amortization of the Parent relating to the Merger and related purchase price adjustments; (iv) additional depreciation expense resulting from the write up of assets following the Merger; (iv) expenses relating to the period after the Merger for environmental, health and safety expenses, plant reorganization, product liability insurance savings; (v) savings resulting from the elimination of the obligation of the Company to report its financial results publicly; and
(vi) the effect of acquisitions by the Company or its subsidiaries after the Merger Date or of the transfer by the Parent of any business or product line to the Company or its subsidiaries.

"Tender Offer Closing Date" shall mean the date of Purchaser's purchase of Shares pursuant to the Offer.

Should the Employment Agreement contain definitions of the foregoing terms which are different from those set forth above, this Agreement will be deemed to have been amended to contain such different definitions.

1.12 Further Assurances. After the Closing, each party hereto shall from time to time, at the request of the other party and without further cost or expense to such other party, execute and deliver such other instruments of conveyance and transfer and take such other actions as such other party may reasonably request in order to more effectively consummate the

transactions contemplated hereby and to vest in the Purchaser good and valid title to the Seller Shares.

2. REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller hereby represents and warrants to the Purchaser as follows:

2.1 Ownership of Stock. Seller is the record and beneficial owner of the Seller Shares. The Seller Shares are owned free and clear of all Encumbrances, other than the restrictions imposed by Federal and state securities laws. At the Closing, Purchaser is acquiring a title to the Seller Shares free and clear of all Encumbrances, other than the restrictions imposed by Federal and state securities laws and Encumbrances arising as a result of any action taken by the Purchaser or any of its affiliates ("Affiliates") as defined in Rule 12b-2 of the regulations promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

2.2 Authorization, Etc. Seller has full power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby. This Agreement has been duly and validly executed by Seller and, assuming this Agreement constitutes the legal, valid and binding agreement of the other parties hereto, constitutes a legal, valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except that (i) the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.3 No Approvals or Conflicts. The execution, delivery and performance by the Seller of this Agreement and the consummation by the Seller of the transactions contemplated hereby will not (i) violate, conflict with or result in a breach of any provision of, or constitute a default by the Seller (or an event which, with notice or lapse of time or both, would constitute a default) or give rise to any right of termination, cancellation or acceleration under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the properties of the Company or on the Seller's interest in the Seller Shares under, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument to which any of the Seller, or any of Seller's properties may be bound, (iii) violate or result in a breach of any order, injunction, judgment, ruling, law or regulation of any court or governmental authority applicable to the Seller or any of Seller's properties or (iv) require any order, consent, approval or authorization of, or notice to, or declaration, filing, application, qualification or registration with, any governmental or regulatory authority.

3. REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Seller as follows:

3.1 Organization. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

3.2 Authorization Etc. The Purchaser has full corporate power and authority to execute and deliver this Agreement and to carry out the transactions contemplated hereby to be carried out by it. The execution and delivery by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby have been duly approved and authorized by all necessary corporate action on the part of the Purchaser, and no other proceedings on the part of the Purchaser are necessary to approve and authorize the execution and delivery by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby. This Agreement has been duly and validly executed by the Purchaser and, assuming this Agreement constitutes the legal, valid and binding agreement of the other parties hereto, constitutes a legal, valid and binding agreement of the Purchaser, enforceable against the Purchaser in accordance with its terms, except that (i) the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

3.3 No Approvals or Conflicts. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby to be consummated by it will not (i) violate, conflict with or result in a breach by the Purchaser of any provision of the Certificate of Incorporation or By-laws of the Purchaser, (ii) violate, conflict with or result in a breach of any provision of, or constitute a default by the Purchaser (or an event which, with notice or lapse of time or both, would constitute a default) or give rise to any right of termination, cancellation or acceleration under, or result in the creation of any lien, security interest, charge or encumbrance upon any of the Purchaser's properties under, any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, lease, contract, agreement or other instrument to which the Purchaser or any of its properties may be bound, (iii) violate or result in a breach of any order, injunction, judgment, ruling, law or regulation of any court or governmental authority applicable to the Purchaser or any of its properties, or (iv) require any order, consent, approval or authorization of, or notice to, or declaration, filing, application, qualification or registration with, any governmental or regulatory authority.

4. MISCELLANEOUS

4.1 Transfer and Conveyance Taxes. The Seller shall be liable for and shall pay all applicable, transfer, recording, stamp and other similar taxes, resulting from the consummation of the transactions contemplated by this Agreement.

4.2 Fees and Expenses. Except as otherwise provided in this Agreement, the Seller shall bear its own expenses and the Purchaser shall bear its own expenses in connection

with the preparation and negotiation of this Agreement and the consummation of the transactions contemplated by this Agreement. The Seller and the Purchaser shall bear the fees and expenses of any broker or finder retained by such party or parties and their respective affiliates in connection with the transactions contemplated herein.

4.3 Governing Law. This Agreement shall be construed under and governed by the laws of the State of Wisconsin.

4.4 Amendment. This Agreement may not be amended, modified or supplemented except upon the execution and delivery of a written agreement executed by the Purchaser and the Seller.

4.5 Survival of Representations and Warranties. The representations and warranties of the parties contained in this Agreement or in any instrument delivered pursuant hereto will survive the Closing and remain in full force and effect.

4.6 No Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party hereto without the prior written consent of the Purchaser, in the case of assignment by the Seller, and the Seller, in the case of any assignment by the Purchaser; provided that the Purchaser may assign its rights and interests under this Agreement to any of its Affiliates.

4.7 Waiver. Any of the terms or conditions of this Agreement which may be lawfully waived may be waived in writing at any time by each party which is entitled to the benefits thereof. Any waiver of any of the provisions of this Agreement by any party hereto shall be binding only if set forth in an instrument in writing signed on behalf of such party. No failure to enforce any provision of this Agreement shall be deemed to or shall constitute a waiver of such provision and no waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

4.8 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (a) personally delivered,
(b) mailed by registered or certified first-class mail, prepaid with return receipt requested, (c) sent by a nationally recognized overnight courier service, to the recipient at the address below indicated or (d) delivered by facsimile which is confirmed in writing by sending a copy of such facsimile to the recipient thereof pursuant to clause (a) or (c) above:

If to the Purchaser:

c/o Textron Inc.
40 Westminster Street
Providence, Rhode Island 02903
Attention: Vice President & General Counsel,
Textron Industrial Products

If to the Seller:

c/o Hill & Barlow
One International Place
Boston, Mass 02110
Attention: T. Mahoney, Esquire

or to such other address as any party hereto may, from time to time, designate in a written notice given in like manner.

Except as otherwise provided herein, any notice under this Agreement will be deemed to have been given (x) on the date such notice is personally delivered or delivered by facsimile, (y) four days after the date of mailing if sent by certified or registered mail or (z) the next succeeding business day after the date such notice is delivered to the overnight courier service if sent by overnight courier; provided that in each case notices received after 4:00 p.m. (local time of the recipient) shall be deemed to have been duly given on the next business day.

4.9 Complete Agreement. This Agreement and the other documents and writings referred to herein or delivered pursuant hereto contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

4.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

4.11 Publicity. The Seller and the Purchaser will consult with each other and will mutually agree upon any publication or press release of any nature with respect to this Agreement or the transactions contemplated hereby and shall not issue any such publication or press release prior to such consultation and agreement except as may be required by applicable law or by obligations pursuant to any listing agreement with any securities exchange or any securities exchange regulation, in which case the party proposing to issue such publication or press release shall make all reasonable efforts to consult in good faith with the other party or parties before issuing any such publication or press release and shall provide a copy thereof to the other party or parties prior to such issuance.

4.12 Headings. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

4.13 Severability. Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

4.14 Third Parties. Except as specifically set forth or referred to herein, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or corporation, other than the parties hereto and their permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

4.15 CONSENT TO JURISDICTION AND SERVICE OF PROCESS. THE PARTIES HERETO HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE AREA ENCOMPASSED BY MILWAUKEE COUNTY, WISCONSIN AND IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. THE PARTIES HERETO EACH ACCEPT FOR ITSELF AND HIMSELF, AS THE CASE MAY BE, AND IN CONNECTION WITH ITS OR HIS, AS THE CASE MAY BE, RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION AND VENUE OF THE AFORESAID COURTS AND WAIVE ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREE TO BE BOUND BY ANY NON-APPEALABLE JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. THE SELLER DESIGNATES CT CORPORATION SYSTEM AND SUCH OTHER PERSON AS MAY HEREINAFTER BE SELECTED BY THE SELLER WHO IRREVOCABLY AGREES IN WRITING TO SO SERVE AS AGENT FOR THE SELLER TO RECEIVE ALL PROCESS IN ANY SUCH PROCEEDINGS IN ANY SUCH COURT, SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY THE PARTIES HERETO TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF ANY SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO THE PARTIES HERETO, AS PROVIDED HEREIN, EXCEPT THAT UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS.

4.16 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION. THE PARTIES HERETO ALSO WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF ANY OF THE OTHER PARTIES. THE SCOPE OF

THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE PARTIES HERETO FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS OR HIS, AS THE CASE MAY BE, LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS OR HIS, AS THE CASE MAY BE, JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

4.17 For all purposes pursuant to this Agreement, including the receipt of funds, Curtis Laetz shall act on behalf of himself and Linda Laetz, and Purchaser shall be entitled to rely thereon.

[THE REMAINDER OF THIS PAGE IS INTENDED TO BE BLANK]

IN WITNESS WHEREOF, the Seller has executed this Agreement, and the Purchaser has caused this Agreement to be executed by its duly authorized officer, in each case as of the day and year first above written.

/s/ Curtis J. Laetz
_____
Curtis Laetz

/s/ Linda M. Laetz
_____
Linda Laetz

Telescope Acquisition Inc.

/s/ Bhikhaji Maneckji
By: _____
Name: Bhikhaji M. Maneckji
Title: Vice President

Exhibit 1.4
Intentionally Omitted.

Exhibit 1.5

Intentionally Omitted.