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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)
AND
SCHEDULE 13D
(under the Securities Exchange Act of 1934)

STIMSONITE CORPORATION
(Name of Subject Company)

AVERY DENNISON CORPORATION

VISION ACQUISITION CORPORATION
(Bidders)

Common Stock, Par Value $0.01 Per Share
(Title of Class of Securities)

860832104
(CUSIP Number of Class of Securities)

ROBERT G. VAN SCHOONENBERG
AVERY DENNISON CORPORATION
150 NORTH ORANGE GROVE BOULEVARD
PASADENA, CALIFORNIA 91103
TELEPHONE: (626) 304-2000

Copy To:

MICHAEL W. STURROCK, ESQ.
LATHAM & WATKINS
633 WEST FIFTH STREET, SUITE 4000
LOS ANGELES, CALIFORNIA 90071
TELEPHONE: (213) 485-1234

CALCULATION OF FILING FEE:

Transaction Valuation*	Amount of Filing Fee**
$136,647,821	$27,330

* For the purpose of calculating the fee only, this amount assumes the purchase of 9,264,259 shares of Common Stock, par value $0.01 per share, of Stimsonite Corporation at $14.75 per share. Such number of shares consists of (i) 8,444,377 shares issued and outstanding as of June 2, 1999 (not including 635,500 shares held in treasury as of such date) and (ii) 819,882 shares reserved for issuance upon the exercise of outstanding options as of such date.

** The amount of the filing fee equals 1/50th of 1% of the 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: Not applicable. Filing Party: Not applicable.
Form or Registration No.: Not applicable. Date Filed: Not applicable.

(Continued on following page(s))

SCHEDULE 14D-1

- ---

(1) Name of reporting persons:

AVERY DENNISON CORPORATION

I.R.S. Identification No. of above person (entities only): 951492269

- ---

(2) Check the appropriate box if a member of a group (see instructions):
(a) [_]
(b) [_]

- ---

(3) SEC use only

- ---

(4) Source of funds (see instructions):

OO

- ---

(5) Check box if disclosure of legal proceedings is required pursuant to Items 2(e) or 2(f)
[_]

- ---

(6) Citizenship or place of organization:

State of Delaware

- ---

(7) Aggregate amount beneficially owned by each reporting person:

1,701,666

- ---

(8) Check box if the aggregate amount in Row (7) excludes certain shares (see instructions):
[_]

- ---

(9) Percent of class represented by amount in Row (7):

20.2%

- ---

(10) Type of reporting person (see instructions):

CO

- ---

SCHEDULE 14D-1

- ---

(1) Name of reporting persons:

VISION ACQUISITION CORPORATION

I.R.S. Identification No. of above person (entities only):

- ---

(2) Check the appropriate box if a member of a group (see instructions):
(a) [_]
(b) [_]

- ---

(3) SEC use only

- ---

(4) Source of funds (see instructions):

AF

- ---

(5) Check box if disclosure of legal proceedings is required pursuant to Items 2(e) or 2(f)
[_]

- ---

(6) Citizenship or place of organization:

State of Delaware

- ---

(7) Aggregate amount beneficially owned by each reporting person:

1,701,666

- ---

(8) Check box if the aggregate amount in Row (7) excludes certain shares (see instructions):
[_]

- ---

(9) Percent of class represented by amount in Row (7):

20.2%

- ---

(10) Type of reporting person (see instructions):

CO

- ---

TENDER OFFER

This Tender Offer Statement on Schedule 14D-1 (the "Schedule 14D-1") relates to a tender offer by VISION ACQUISITION CORPORATION, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of AVERY DENNISON CORPORATION, a Delaware corporation ("Parent"), to purchase any and all outstanding shares of common stock, par value $.01 per share, of STIMSONITE CORPORATION, a Delaware corporation (the "Company"), for a purchase price of $14.75 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 June 10, 1999 (the "Offer to Purchase") and in the related Letter of Transmittal (the "Letter of Transmittal" and together with the Offer to Purchase, the "Offer"), and is intended to satisfy the reporting requirements of Section 14(d) of the Securities Exchange Act of 1934, as amended. Copies of the Offer to Purchase and the related Letter of Transmittal are filed with this Schedule 14D-1 as Exhibits (a)(1), and (a)(2) hereto, respectively. This Schedule 14D-1 also constitutes the statement on Schedule 13D of Purchaser and Parent with respect to certain shares which they may be deemed to beneficially own as a result of the Tender and Stockholder Support Agreement which is described in the Offer to Purchase.

Item 1. Security and Subject Company.

(a) The name of the subject company is Stimsonite Corporation, a Delaware corporation (the "Company"), which has its principal executive and operating offices at 6565 West Howard Street, Niles, Illinois 60714.

(b) The title of the securities which are the subject of the Offer is the Company's common stock, $.01 par value (the "Shares"), and the Offer is for any and all outstanding Shares at a price of $14.75 per Share, net to the seller in cash, without interest thereon. The information set forth in the "INTRODUCTION" to the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 of the Offer to Purchase is incorporated herein by reference.

Item 2. Identity and Background.

(a)-(d) and (g) This Schedule 14D-1 is being filed jointly by Purchaser and Parent. The information set forth in the "INTRODUCTION" to the Offer to Purchase, in Section 9 of the Offer to Purchase and in Annex I to the Offer to Purchase is incorporated herein by reference.

(e)-(f) During the last five (5) years, neither Purchaser nor, to the best knowledge of Purchaser and Parent, any executive officer or director of Purchaser; nor Parent nor, to the best knowledge of Parent, any executive officer or director of Parent, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or, prohibiting or mandating 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)-(b) The information set forth in the "INTRODUCTION" to the Offer to Purchase and in Sections 11, 12 and 13 of the Offer to Purchase is incorporated herein by reference.

Item 4. Source and Amount of Funds or Other Consideration.

(a)-(c) The information set forth in Section 10 of the Offer to Purchase is incorporated herein by reference.

Item 5. Purpose of the Tender Offer and Plans or Proposals of the Bidder.

(a)-(g) The information set forth in the "INTRODUCTION" to the Offer to Purchase and in Sections 7 and 13 of the Offer to Purchase is incorporated herein by reference.

Item 6. Interest in Securities of the Subject Company.

The information set forth in the "INTRODUCTION" to the Offer to Purchase and in Sections 9 and 13 of 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" to the Offer to Purchase and in Sections 9, 11 and 13 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" to the Offer to Purchase and in Sections 11 and 17 of the Offer to Purchase is incorporated herein by reference.

Item 9. Financial Statements of Certain Bidders.

The information set forth in Section 9 of the Offer to Purchase is incorporated herein by reference.

Item 10. Additional Information.

(a) The information set forth in Section 9 of the Offer to Purchase is incorporated herein by reference.

(b)-(c) The information set forth in the Section 16 of the Offer to Purchase is incorporated herein by reference.

(f) The information set forth in the entire Offer to Purchase and the Letter of Transmittal, copies of which are filed with this Schedule 14D-1 as Exhibits (a)(1) and (a)(2), respectively, is incorporated herein by reference.

Item 11. Material to be Filed as Exhibits.

(a)(1) -- Offer to Purchase, dated June 10, 1999.

(a)(2) -- Letter of Transmittal.

(a)(3) -- Notice of Guaranteed Delivery.

(a)(4) -- Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.

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

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

(a)(7) -- Text of Press Release issued jointly by Parent and Purchaser and by the Company, dated June 4, 1999.

(a)(8) -- Summary Advertisement, dated June 10, 1999.

(c)(1) -- Agreement and Plan of Merger by and among Parent, Purchaser and the Company, dated as of June 4, 1999.

(c)(2) -- Tender and Stockholder Support Agreement by and among Parent, Purchaser and certain stockholders of the Company, dated as of June 3, 1999.

(c)(3) -- Joint Filing Agreement by and between Parent and Purchaser, dated as of June 10, 1999.

SIGNATURE

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

Dated: June 10, 1999

VISION ACQUISITION CORPORATION

By: /s/ ROBERT G. VAN SCHOONENBERG

Name: ROBERT G. VAN SCHOONENBERG
Title: President

AVERY DENNISON CORPORATION

By: /s/ ROBERT G. VAN SCHOONENBERG

Name: ROBERT G. VAN SCHOONENBERG
Title: Senior Vice President,
General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number		Description
(a)(1)	--	Offer to Purchase, dated June 10, 1999.
(a)(2)	--	Letter of Transmittal.
(a)(3)	--	Notice of Guaranteed Delivery.
(a)(4)	--	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(5)	--	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(6)	--	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
(a)(7)	--	Text of Press Release issued jointly by Parent and Purchaser and by the Company, dated June 4, 1999.
(a)(8)	--	Summary Advertisement, dated June 10, 1999.
(c)(1)	--	Agreement and Plan of Merger by and among Parent, Purchaser and the Company, dated as of June 4, 1999.
(c)(2)	--	Tender and Stockholder Support Agreement by and among Parent, Purchaser and certain stockholders of the Company, dated as of June 3, 1999.
(c)(3)	--	Joint Filing Agreement by and between Parent and Purchaser, dated as of June 10, 1999.

(a)(1)

Offer to Purchase for Cash

Any and All Outstanding Shares of Common Stock

of

STIMSONITE CORPORATION

at

$14.75 Net Per Share

by

VISION ACQUISITION CORPORATION
a wholly owned subsidiary of

AVERY DENNISON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 8, 1999, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS BEING MADE PURSUANT TO AN AGREEMENT AND PLAN OF MERGER, DATED AS OF JUNE 4, 1999, BY AND AMONG AVERY DENNISON CORPORATION ("PARENT"), VISION ACQUISITION CORPORATION ("PURCHASER") AND STIMSONITE CORPORATION (THE "COMPANY"). THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE HAVING BEEN VALIDLY TENDERED PURSUANT TO THE OFFER, AND NOT PROPERLY WITHDRAWN, THAT NUMBER OF SHARES OF COMMON STOCK OF THE COMPANY REPRESENTING AT LEAST A MAJORITY OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS (THE "MINIMUM CONDITION"), (2) THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIODS UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, AND (3) THE SATISFACTION OF CERTAIN OTHER TERMS AND CONDITIONS. SEE SECTION 15 OF THIS OFFER TO PURCHASE.

THE BOARD OF DIRECTORS OF THE COMPANY HAS APPROVED THE OFFER, THE MERGER, THE MERGER AGREEMENT AND THE STOCKHOLDER TENDER AGREEMENT (EACH AS DEFINED HEREIN), HAS DETERMINED THAT THE MERGER IS ADVISABLE AND THAT THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE COMPANY'S STOCKHOLDERS AND RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

CERTAIN STOCKHOLDERS OF THE COMPANY (THE "SELLING STOCKHOLDERS"), OWNING IN THE AGGREGATE APPROXIMATELY 20% OF THE OUTSTANDING SHARES, HAVE ENTERED INTO AN AGREEMENT WITH PARENT AND PURCHASER, PURSUANT TO WHICH SUCH STOCKHOLDERS HAVE AGREED TO TENDER AND SELL ALL OF THEIR SHARES TO PURCHASER PURSUANT TO THE OFFER.

IMPORTANT

Any stockholder desiring to tender all or a portion of such stockholder's Shares should either (i) complete and sign the Letter of Transmittal or a facsimile thereof in accordance with the instructions in the Letter of Transmittal, have such stockholder's signature thereon guaranteed if required by Instruction 1 to the Letter of Transmittal, and mail or deliver the Letter of Transmittal together with the certificate(s) representing tendered Shares and all other required documents to LaSalle Bank, N.A., the Depositary for the Offer, or tender such Shares pursuant to the procedure for book-entry transfer set forth in Section 3 of this Offer to Purchase or (ii) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. Stockholders having Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person if they desire to tender their Shares. Any stockholder who desires to tender Shares and whose certificates representing such Shares are not immediately available, or who cannot comply with the procedures for book-entry transfer on a timely basis, may tender such Shares pursuant to the guaranteed delivery procedure set forth in Section 3 of this Offer to Purchase.

Questions and requests for assistance may be directed to the Information Agent at the address and telephone number set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be obtained from the Information Agent or from brokers, dealers, commercial banks and trust companies.

TABLE OF CONTENTS

To the Holders of Common Stock of
Stimsonite Corporation:

INTRODUCTION

Vision Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation (the "Company"), at a purchase price of $14.75 per Share (the "Offer Price"), 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, as amended and supplemented from time to time, together constitute the "Offer").

The Board of Directors of the Company (the "Company Board") has approved the Offer, the Merger (as hereinafter defined), the Merger Agreement (as hereinafter defined) and the Stockholder Tender Agreement (as hereinafter defined), has determined that the Merger is advisable and that the Offer and the Merger are fair to and in the best interests of the Company's stockholders and recommends that the Company's stockholders accept the Offer and tender their Shares pursuant to the Offer.

The Offer is conditioned upon, among other things, (i) there having been validly tendered pursuant to the Offer, and not properly withdrawn, that number of Shares representing at least a majority of the outstanding Shares on a fully diluted basis (the "Minimum Condition"), (ii) the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and (iii) the satisfaction of certain other terms and conditions. See Section 15 of this Offer to Purchase.

In order to induce Parent and Purchaser to enter into the Merger Agreement, certain stockholders of the Company (the "Selling Stockholders"), owning in the aggregate approximately 20% of the issued and outstanding Shares, have entered into the Stockholder Tender Agreement, dated as of June 3, 1999 (the "Stockholder Tender Agreement") with Parent and Purchaser pursuant to which the Selling Stockholders have agreed to tender and sell their Shares to Purchaser pursuant to the Offer.

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") has delivered to the Company Board its opinion that, as of the date of such opinion and based upon and subject to the various considerations set forth in that opinion, the consideration to be received by the stockholders of the Company in the Offer and the Merger is fair from a financial point of view to such stockholders. A copy of such opinion is contained in the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Company's Schedule 14D-9") which is being distributed to the Company's stockholders. Stockholders are urged to read the written opinion of Merrill Lynch, dated June 3, 1999, in its entirety and the discussion thereof in the Company's Schedule 14D-9, which sets forth the procedures followed, assumptions and qualifications made, matters considered and limitations of the review undertaken by Merrill Lynch in connection with the opinion.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of June 4, 1999 (the "Merger Agreement"), by and among Parent, Purchaser and the Company. The Merger Agreement provides that, among other things, as soon as practicable after the purchase of Shares pursuant to the Offer and the satisfaction of other conditions set forth in the Merger Agreement and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware (the "DGCL"), Purchaser will be merged with and into the Company (the "Merger"). See Section 13 of this Offer to Purchase.

Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will be a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), by virtue of the Merger and without any action on the part of the Company, Parent or Purchaser, each issued and outstanding Share (other than Shares owned directly or indirectly by the Company,

Parent or Purchaser, any subsidiary of Parent, any wholly owned subsidiary of the Company or Shares with respect to which appraisal rights are properly exercised under Delaware law ("Dissenting Shares")) will be converted into and represent the right to receive $14.75 (or such other price that may be paid for each Share pursuant to the Offer, if amended) in cash, without interest thereon (the "Merger Consideration"). As of the Effective Time, all such converted Shares shall no longer be outstanding and will automatically be canceled and retired and will cease to exist, and each holder of a certificate representing any such Shares will, to the extent such certificate represents such Shares, cease to have any rights with respect thereto, except the right to receive the Merger Consideration in cash in consideration therefor upon surrender of such certificate. Pursuant to the Merger Agreement, the Company will not tender Shares held by the Company in the Offer. All Shares that are owned directly or indirectly by the Company, Parent, Purchaser or any subsidiary of Parent at the Effective Time will be canceled, and no consideration will be delivered in exchange therefor. See Section 5 of this Offer to Purchase for a description of certain tax consequences of the Offer and the Merger and Section 13 of this Offer to Purchase with respect to the Merger.

The Company has advised Parent and Purchaser that, as of June 2, 1999, (i) 8,444,377 Shares were validly issued and outstanding, fully paid and non-assessable; (ii) 819,882 Shares were reserved for issuance upon the exercise of outstanding Options (as hereinafter defined); and (iii) 635,500 Shares were held in treasury. See Section 13 of this Offer to Purchase. As of the date hereof, neither Parent nor Purchaser beneficially own any Shares.

Based on the foregoing and the expected tender of 1,701,666 shares pursuant to the Stockholder Tender Agreement, the Minimum Condition will be satisfied if 2,930,464 shares are validly tendered and not withdrawn prior to the Expiration Date (as defined below). The number of Shares required to be validly tendered and not withdrawn in order to satisfy the Minimum Condition will increase to the extent additional Shares are deemed to be outstanding on a fully diluted basis.

Upon the satisfaction of the Minimum Condition, Purchaser will have the ability to acquire and control a majority of the outstanding Shares and will thus be able to approve the Merger without the vote of any other stockholder. In the event Purchaser acquires 90% or more of the outstanding Shares through the Offer or otherwise, Purchaser and Parent would be able to effect the Merger pursuant to the "short-form" merger provisions of the DGCL, without prior notice to, or any action by, any other stockholder of the Company. See Section 12 of this Offer to Purchase.

Purchaser is not offering to acquire outstanding Options in the Offer. Pursuant to the Merger Agreement, all Options will be canceled in exchange for the payment in cash of the excess, if any, of the Offer Price over the exercise price for such Options.

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

1. Terms of the Offer

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 extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not theretofore withdrawn in accordance with Section 4 of this Offer to Purchase as soon as legally permitted and practicable after the commencement of the Offer. The term "Expiration Date" means 12:00 Midnight, New York City time, on July 8, 1999, unless Purchaser shall have extended the period of time for which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date as of which the Offer, as so extended by Purchaser, shall expire. UNDER NO CIRCUMSTANCES WILL ANY INTEREST BE PAID ON THE OFFER PRICE FOR TENDERED SHARES, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, SATISFACTION OF THE MINIMUM CONDITION. SEE SECTIONS 13 AND 15 OF THIS OFFER TO PURCHASE. THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS, INCLUDING THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIODS UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED. SEE SECTION 16 OF THIS OFFER TO PURCHASE.

Purchaser expressly reserves the right to modify the terms of the Offer and to waive any condition of the Offer, except that, without the prior written consent of the Company, Purchaser will not (and Parent will not cause Purchaser to) (i) waive the Minimum Condition, (ii) reduce the number of Shares subject to the Offer, (iii) reduce the price per Share to be paid pursuant to the Offer, (iv) except as set forth below, extend the Offer, (v) change the form of consideration payable in the Offer, (vi) amend or modify any term or condition of the Offer in any manner adverse to the holders of Shares or (vii) impose additional conditions to the Offer other than such conditions required by applicable law. So long as the Merger Agreement is in effect and the conditions to the Offer have not been satisfied or waived, Purchaser may, without the consent of the Company, extend (or will extend at the request of the Company) the Offer for an aggregate period of not more than 20 business days (for all such extensions) beyond the originally scheduled expiration date of the Offer. Additionally, so long as the Merger Agreement is in effect and the conditions to the Offer have been satisfied or waived, Purchaser may, without the consent of the Company, extend the Offer for an aggregate period of not more than 20 business days (for all such extensions) beyond the originally scheduled expiration date of the Offer if the number of Shares that have been validly tendered and not withdrawn represents less than 90% of the then issued and outstanding Shares. Notwithstanding the foregoing, Purchaser may, without the consent of the Company, extend the Offer for any period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "Commission") or the staff thereof applicable to the Offer.

Subject to the terms of the Merger Agreement and the applicable rules and regulations of the Commission, 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 hereof shall have occurred or shall have been determined by Purchaser to have occurred, (i) to 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 LaSalle Bank, N.A. (the "Depositary") and (ii) to amend the Offer in any other respect by giving oral or written notice of such amendment to the Depositary.

If by 12:00 Midnight, New York City time, on July 8, 1999 (or any other date or time then set as the Expiration Date), any or all conditions to the Offer have not been satisfied or waived, Purchaser reserves the right (but shall not be obligated), subject to the terms and conditions contained in the Merger Agreement and to the applicable rules and regulations of the Commission, to (i) terminate the Offer and not accept for payment any Shares and return all tendered Shares to tendering stockholders, (ii) waive all the unsatisfied conditions and accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not theretofore withdrawn, (iii) extend the Offer and, subject to the right of stockholders to withdraw Shares until the Expiration Date, retain the Shares that have been tendered during the period or periods for which the Offer is extended or (iv) amend the Offer.

There can be no assurance that Purchaser will exercise its right to extend the Offer. Any extension of the period during which the Offer is open, delay in acceptance for payment or payment, termination or amendment of the Offer will be followed, as promptly as practicable, by public announcement thereof, such announcement, in the case of an extension, to be issued not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rules 14d-4(c), 14d-6(d) and 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (which require, among other things, that any material change in the information published, sent or given to stockholders in connection with the Offer be promptly disseminated to stockholders in a manner reasonably designed to inform stockholders of such change). Without limiting the obligation of Purchaser under such rules or the manner in which Purchaser may choose to make any public announcement, Purchaser currently intends to make announcements by

issuing a press release to BusinessWire and making any appropriate filing with the Commission. As used in this Offer to Purchase, "business day" has the meaning set forth in Rule 14d-1 of the Exchange Act.

Subject to the applicable rules and regulations of the Commission and subject to the limitations set forth in the Merger Agreement, Purchaser also expressly reserves the right, at any time and from time to time, in its sole discretion, to delay payment for any Shares regardless of whether such Shares were theretofore accepted for payment or, with the written consent of the Company, to terminate the Offer and not to accept for payment or pay for any Shares not theretofore accepted for payment or paid for, upon the occurrence of any of the conditions set forth in Section 15 of this Offer to Purchase, by giving oral or written notice of such delay or termination to the Depositary. Purchaser's right to delay payment for any Shares or not to pay for any Shares theretofore accepted for payment is subject to the applicable rules and regulations of the Commission, including Rule 14e-1(c) of the Exchange Act, relating to Purchaser's obligation to pay for or return tendered Shares promptly after the termination or withdrawal of the Offer.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, Purchaser will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act or otherwise. The minimum period during which a tender offer must remain open following material changes in the terms of the offer or the information concerning the offer, other than a change in price or a change in percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the terms or information changes. With respect to a change in price or a change in percentage of securities sought, a minimum ten business day period is generally required to allow for adequate time for dissemination to stockholders and investor response.

The Company has provided Purchaser with the Company's list of stockholders and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the Letter of Transmittal will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the list of stockholders 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), Purchaser will accept for payment and will pay for, all Shares validly tendered prior to the Expiration Date and not theretofore withdrawn in accordance with Section 4 of this Offer to Purchase promptly after the later to occur of (a) the Expiration Date and (b) subject to compliance with the applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act, the satisfaction or waiver of the conditions set forth in Section 15 of this Offer to Purchase. Subject to such compliance, Purchaser expressly reserves the right to delay payment for Shares in order to comply in whole or in part with any applicable law. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares or timely confirmation (a "Book-Entry 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 this Offer to Purchase, (ii) a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) with all required signature guarantees or, in the case of a book-entry transfer, an Agent's Message 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 such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Shares that are the subject of the Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against the participant. See Section 3 of this Offer to Purchase.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not withdrawn, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance of such Shares for payment. In all cases, payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from Purchaser and transmitting such payment to tendering stockholders. Upon the deposit of funds with the Depositary for the purpose of making payments to tendering stockholders, Purchaser's obligation to make such payment shall be satisfied, and tendering stockholders must thereafter look solely to the Depositary for payment of amounts owed to them by reason of the acceptance for payment of Shares pursuant to the Offer. If, for any reason whatsoever, acceptance for payment of any Shares tendered pursuant to the Offer is delayed, or Purchaser is unable to accept for payment Shares tendered pursuant to the Offer, then, without prejudice to Purchaser's rights under this Offer to Purchase, the Depositary may nevertheless, on behalf of Purchaser, retain tendered Shares, and, subject to compliance with the applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act, such Shares may not be withdrawn, except to the extent that the tendering stockholders are entitled to withdrawal rights as described in Section 4 of this Offer to Purchase. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID BY PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

If any tendered Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted representing more Shares than are tendered, certificates representing such unpurchased or untendered Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares delivered by book-entry transfer to the Book-Entry Transfer Facility, such Shares will be credited to an account maintained within such Book-Entry Transfer Facility), as promptly as practicable after the expiration, termination or withdrawal of the Offer.

If, prior to the Expiration Date, Purchaser increases the price being paid for Shares accepted for payment pursuant to the Offer, such increased consideration will be paid to all stockholders whose Shares are purchased pursuant to the Offer.

Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer or prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment.

3. Procedure for Tendering Shares

Valid Tenders. For Shares to be validly tendered pursuant to the Offer, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message, and any other required documents, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedure set forth below. In addition, either (i) certificates representing such Shares must be received by the Depositary along with the Letter of Transmittal or such Shares must be tendered pursuant to the procedure for book-entry transfer set forth below, and a Book-Entry Confirmation must be received by the Depositary, in each case prior to the Expiration Date or (ii) the guaranteed delivery procedure set forth below must be complied with. No alternative, conditional or contingent tenders will be accepted. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH SUCH BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

Book-Entry Transfer. The Depositary will make a request to establish an account 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 Book-Entry Transfer Facility's system may make book-entry delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares

into the Depositary's account at the Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for transfer. Although delivery of Shares may be effected through book-entry at the Book-Entry Transfer Facility prior to the Expiration Date, (i) the Letter of Transmittal (or a manually signed facsimile thereof), 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 required documents, must, in any case, be transmitted to and received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date or (ii) the guaranteed delivery procedures described below must be complied with.

Signature Guarantee. Signatures on the Letter of Transmittal must be guaranteed by a member in good standing of the Securities Transfer Agents Medallion Program, or by any other bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing being referred to as an "Eligible Institution" and, collectively, as "Eligible Institutions"), unless the Shares tendered thereby are tendered (i) by a registered holder of Shares who has not completed either the box labeled "Special Delivery Instructions" or the box labeled "Special Payment Instructions" on the Letter of Transmittal or (ii) for the account of any Eligible Institution. If the certificates evidencing Shares are registered in the name of a person or persons other than the signer of the Letter of Transmittal, or if payment is to be made, or delivered to, or certificates for unpurchased Shares are to be issued or returned to, a person other than the registered owner or owners, then the tendered certificates must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 to the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's certificates for Shares are not immediately available or time will not permit all required documents to reach the Depositary prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, such Shares may nevertheless be tendered if all of the following guaranteed delivery procedures are duly complied with:

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

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

(iii) the certificates for all tendered Shares, in proper form for transfer (or a Book-Entry Confirmation), together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), and 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 Nasdaq National Market ("Nasdaq") trading days after the date of execution of such Notice of Guaranteed Delivery. A "trading day" is any day on which Nasdaq is open for business.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, facsimile transmission or mail to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE STOCKHOLDER TENDERING SUCH SHARES. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

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 (i) certificates for such Shares or a Book-Entry Confirmation, (ii) a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with all required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message and (iii) any other documents required by the Letter of Transmittal.

Backup Federal Income Tax Withholding and Substitute Form W-9. Under the "backup withholding" provisions of United States 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 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 may subject the payment of cash to such stockholder pursuant to the Offer 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 exits 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 8 of the Letter of Transmittal.

Determination of Validity. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser, in its sole discretion, and its determination will be final and binding on all parties. Purchaser reserves the absolute right to reject any or all tenders of any Shares that are determined by it not to be in proper form or the acceptance of or payment for which may, in the opinion of Purchaser, be unlawful. Purchaser also reserves the absolute right to waive any of the conditions of the Offer, or any defect or irregularity in the tender of any Shares. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Instructions to the Letter of Transmittal) will be final and binding on all parties. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of Purchaser, Parent, 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.

Appointment. By executing the Letter of Transmittal as set forth above (including through delivery of an Agent's Message), a tendering stockholder irrevocably appoints designees of Purchaser as such stockholder's attorneys-in-fact and proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's right with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser (and any and all other Shares or other securities or rights issued or issuable in respect of such Shares on or after June 9, 1999). All such powers of attorney and proxies shall be considered coupled with an interest in the tendered Shares. This appointment is effective upon the acceptance for payment of the Shares by Purchaser. Upon acceptance for payment, all prior powers of attorney and proxies given by the stockholder with respect to such Shares or other securities or rights will, without further action, be revoked and no subsequent proxies may be given or written consent executed (and, if given or executed, will not be deemed effective). The designees of Purchaser will, with respect to the Shares and other securities or rights, be empowered to exercise all voting and other rights of such stockholder as they in their sole judgment deem proper in respect of any annual or special meeting of the Company's stockholders, any adjournment or postponement thereof, actions by written consent in lieu of such meeting or otherwise. Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser must be able to exercise full voting, consent and other rights with respect to such Shares and the other securities or rights issued or issuable in respect of such Shares, including voting at any meeting of stockholders (whether annual or special or whether or not adjourned) or acting by written consent without a meeting in respect of such Shares.

A tender of Shares pursuant to any one of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty that (i) such stockholder has the full power and authority to tender, sell, assign and transfer the tendered Shares (and any and all other Shares or other securities issued or issuable in respect of such

Shares on or after June 9, 1999), and (ii) when the same are accepted for payment by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims. Purchaser's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering stockholder and Purchaser upon the terms and subject to the conditions of the Offer.

4. Withdrawal Rights

Except as otherwise provided in this section, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment pursuant to the Offer, may also be withdrawn at any time after August 9, 1999. If purchase of or payment for Shares is delayed for any reason or if Purchaser is unable to purchase or pay for Shares for any reason, then, without prejudice to Purchaser's rights under the Offer, tendered Shares may be retained by the Depositary on behalf of Purchaser and may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as set forth in this section, subject to Rule 14e-1(c) under the Exchange Act, which provides that no person who makes a tender offer shall fail to pay the consideration offered or return the securities deposited by or on behalf of security holders promptly after the termination or withdrawal of the Offer.

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 to be withdrawn, the number of Shares to be withdrawn and the name in which the certificates representing such Shares are registered, if different from that of the person who tendered the Shares. If certificates for Shares 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, unless such Shares have been tendered by an Eligible Institution, the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer set forth in Section 3 of this Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by Purchaser, in its sole discretion, and its determination will be final and binding on all parties. None of Purchaser, Parent, 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.

Any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer, but may be retendered at any subsequent time prior to the Expiration Date by following any of the procedures described in Section 3 of this Offer to Purchase.

5. Certain United States Federal Income Tax Consequences

The following is a general discussion of certain United States federal income tax consequences of the receipt of cash by a holder of Shares pursuant to the Offer or the Merger.

U.S. Holders. A "U.S. Holder" means a holder of Shares that is (i) a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any political subdivision thereof or therein, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust and (y) one or more United States fiduciaries have the authority to control all substantial decisions of the trust.

The receipt of cash for Shares pursuant to the Offer or the Merger will be a taxable transaction for United States federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. Generally,

for United States federal income tax purposes, a U.S. Holder will recognize gain or loss equal to the difference between the amount of cash received by the U.S. Holder pursuant to the Offer or the Merger and the aggregate tax basis in the Shares purchased pursuant to the Offer (or canceled pursuant to the Merger). Gain or loss will be calculated separately for each block of Shares purchased pursuant to the Offer (or canceled pursuant to the Merger).

Gain (or loss), will be capital gain (or loss), assuming that such Shares are held as a capital asset. Capital gains of individuals, estates and trusts generally are subject to a maximum United States federal income tax rate of (i) 39.6% if, at the time the Purchaser accepts the Shares for payment (or the Shares are canceled pursuant to the Merger) the U.S. Holder held the Shares for not more than one year and (ii) 20% if the U.S. Holder held such Shares for more than one year at such time. Capital gains of corporations generally are taxed at the United States federal income tax rates applicable to corporate ordinary income. In addition, under present law, the ability to use capital losses to offset ordinary income is limited.

Non-U.S. Holders. A "Non-U.S. Holder" means a holder of Shares that is not a U.S. Holder. Generally, a Non-U.S. Holder will not be required to pay United States federal income tax on any gain recognized upon the receipt of cash for Shares pursuant to the Offer or the Merger unless:

(i) the gain is effectively connected with a trade or business carried on by the Non-U.S. Holder within the United States, or, alternatively, if a tax treaty applies, attributable to a United States permanent establishment maintained by the Non-U.S. Holder, in which case such gain will be subject to tax at the rates in the manner applicable to U.S. Holders, and, if the Non-U.S. Holder is foreign corporation, the branch profits tax may also apply;

(ii) the Shares are disposed of by an individual Non-U.S. Holder, who holds the Shares as a capital asset and is present in the United States for 183 days or more in the taxable year of the disposition, as determined under the Code, and certain other conditions are met, in which case such gain will be subject to a flat 30% tax, which may be offset by United States source capital losses even though the individual is not considered a resident of the United States; or

(iii) (A) the Company is or has been a "U.S. real property holding corporation" within the meaning of Section 897(c)(2) of the Code at any time within the shorter of the five-year period preceding such disposition or such Non-U.S. Holder's holding period and (B) assuming that the Shares are "regularly traded on an established securities market" for United States federal income tax purposes, the Non-U.S. Holder held, directly or indirectly, at any time during the applicable period from clause (A) above, including on the date of disposition, more than 5% of the outstanding common stock. The Company believes it is not and, during the applicable period set forth in the Code, has not been, a U.S. real property holding corporation.

Backup Withholding. See Section 3 concerning the potential application of United States federal backup withholding.

THE FOREGOING DISCUSSION MAY NOT BE APPLICABLE WITH RESPECT TO SHARES RECEIVED PURSUANT TO THE EXERCISE OF EMPLOYEE STOCK OPTIONS OR OTHERWISE AS COMPENSATION OR WITH RESPECT TO HOLDERS OF SHARES WHO ARE SUBJECT TO SPECIAL TAX TREATMENT UNDER THE CODE, SUCH AS LIFE INSURANCE COMPANIES, TAX-EXEMPT ORGANIZATIONS, FINANCIAL INSTITUTIONS, DEALERS IN SECURITIES OR CURRENCIES, PERSONS WHO HOLD SHARES AS A POSITION IN A "STRADDLE" OR AS PART OF A "HEDGING" OR "CONVERSION" TRANSACTION AND PERSONS THAT HAVE A FUNCTIONAL CURRENCY OTHER THAN THE U.S. DOLLAR, AND MAY NOT APPLY TO A HOLDER OF SHARES IN LIGHT OF INDIVIDUAL CIRCUMSTANCES. STOCKHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS OF THE OFFER AND THE MERGER).

6. Price Range of Shares; Dividends

The Shares are quoted on Nasdaq under the symbol "STIM." The following table sets forth, for the quarters indicated, the range of high and low bid prices per Share as reported by Nasdaq.

	High	Low
1999:		
Second Quarter (through June 3, 1999)	$10.56	$7.50
First Quarter	8.88	6.38
1998:		
First Quarter	$ 6.56	$4.88
Second Quarter	8.00	6.25
Third Quarter	8.13	4.56
Fourth Quarter	8.13	4.88
1997:		
First Quarter	$ 6.63	$5.75
Second Quarter	6.50	5.44
Third Quarter	7.44	5.75
Fourth Quarter	6.75	4.50

On June 3, 1999, the last full trading day prior to the date of the public announcement of the execution of the Merger Agreement, the last reported bid price per Share on Nasdaq was $10.50. HOLDERS OF SHARES ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES.

The Company has publicly stated it has not paid, and does not intend to pay, any cash dividends on the Shares. See Section 14 of this Offer to Purchase.

7. Certain Effects of the Transaction

Board of Directors of the Company. Promptly upon Purchaser's acceptance for payment of and payment for Shares tendered pursuant to the Offer in accordance with the Offer, and from time to time thereafter as Shares are acquired by Purchaser or its affiliates, Purchaser intends to take such steps as are necessary to assure that Purchaser's designees constitute a majority or more of the directors on the Company Board. In such circumstance, no prior notice of such action to stockholders of the Company or the consent of any stockholder other than Purchaser is required to take such action.

Effect upon the Shares. The purchase of the Shares by Purchaser pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and will reduce the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Shares held by holders of Shares other than Purchaser. According to the Company, as of June 3, 1999 there were approximately 67 holders of record of the Shares, which excludes beneficial owners of Shares registered in nominee or street name.

Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements of the National Association of Securities Dealers, Inc. (the "NASD") for continued inclusion in Nasdaq, which requires that for each class of shares listed by an issuer, there must be at least 200,000 publicly held shares, held by at least 400 stockholders or 300 stockholders of round lots, with a market value of at least $1,000,000 and the issuer must have net tangible assets of at least $1,000,000, $2,000,000 or $4,000,000, depending on profitability levels during the issuer's four most recent fiscal years. If these standards are not met, the Shares might nevertheless continue to be included in Nasdaq with quotations published in the Nasdaq "additional list" or in one of the "local lists," but if the number of holders of the Shares were to fall below 300, or if the number of publicly held Shares were to fall below 100,000 or there were not at least two registered and active market makers for the Shares, the NASD's rules provide that the Shares would no longer be

"qualified" for Nasdaq reporting and Nasdaq would cease to provide any quotations with respect thereto. Shares held directly or indirectly by directors, officers or beneficial owners of more than 10% of the outstanding Shares are not considered as being publicly held for this purpose.

To the extent the Shares are delisted from Nasdaq, the market for Shares could be adversely affected. If Nasdaq were to delist the Shares, it is possible that the Shares would continue to trade on another exchange or in the over-the-counter market and that price quotations for the Shares would be reported by other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend on the number of holders of 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 of the Shares under the Exchange Act, as described below, and other factors. Purchaser cannot predict whether the reduction in the number of Shares as a result of the consummation of the Offer would have an adverse or beneficial effect on the market price for or marketability of the Shares or whether it would cause future market prices to be greater or less than the Offer Price.

The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application by the Company to the Commission if there are fewer than 300 holders of record of Shares. It is the intention of Purchaser to seek to cause an application for such termination to be made as soon after consummation of the Offer as the requirements for termination of registration of the Shares are met. If such registration were terminated, the Company would no longer legally be required to disclose publicly in proxy materials distributed to stockholders the information which it now must provide under the Exchange Act or to make public disclosure of financial and other information in annual, quarterly and other reports required to be filed with the Commission under the Exchange Act, and the executive officers and directors of the Company and beneficial owners of more than 10% of the Shares would no longer be subject to the "short-swing" insider trading reporting and profit recovery provisions of the Exchange Act. Furthermore, if such registration were terminated, persons holding "restricted securities" of the Company may be deprived of their ability to dispose of such securities under Rule 144 or 144A promulgated under the Securities Act of 1933, as amended.

If registration of the Shares is not terminated and the Shares are not delisted prior to the Merger, then the Shares will cease to be quoted on Nasdaq and the registration of the Shares under the Exchange Act will be terminated following the Merger.

8. Certain Information Concerning the Company

Except as otherwise set forth herein, the information concerning the Company contained in this Offer to Purchase, including financial information, has been furnished by the Company or has been taken from or based upon publicly available documents and records on file with the Commission and other public sources. Although none of Parent or Purchaser has any knowledge that would indicate that statements contained herein based upon such documents are untrue, none of Parent or Purchaser assumes any responsibility for the accuracy or completeness of the information concerning the Company, furnished by the Company or contained in such documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Parent or Purchaser.

According to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998 (the "Company's 10-K"), the Company makes a range of high performance products, which are designed to offer enhanced visual guidance to vehicle operators and pedestrians in a variety of driving conditions. The Company operates in one business segment. The Company's products, which are designed and manufactured to promote highway safety, are sold primarily by a single sales force to similar customers in the highway construction business. These products include highway delineation products (such as raised reflective pavement markers, thermoplastic pavement marking materials and related application equipment, construction work zone markers and roadside and other delineators) and optical film products (such as high performance reflective sheeting used in the construction of highway signs and Protected Legend(TM) pre-printed sign faces, reflective truck markings and precision embossed film, which is used in internally illuminated airport runway signs and a variety of other products that require optical grade film).

Set forth below is certain summary historical consolidated financial data with respect to the Company excerpted or derived in part from financial information contained in the Company's 10-K and the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 4, 1999 (the "Company's 10-Q"). More comprehensive financial information is included in such reports and other documents filed by the Company with the Commission. For the periods covered by such reports, the following summary is qualified in its entirety by reference to such reports and such other documents and all the financial information (including any related notes) contained therein. Such reports and other documents should be available for inspection and copies thereof should be obtainable in the manner set forth below.

STIMSONITE CORPORATION
SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA
(thousands, except per share data)

	Three Months Ended April 4,	Year Ended December 31,	
	1999	1998	1997
	(unaudited)		
Income Statement Data:			
Net Sales	$15,449	$87,362	$81,363
Cost of Goods Sold	11,408	56,052	53,958
Gross Profit	4,041	31,310	27,405
Operating Expenses	5,032	20,957	19,000
Operating Income (Loss)	(991)	10,353	8,405
Interest Expense and Minority Interest	394	1,782	2,302
Income (Loss) Before Income Taxes	(1,385)	8,571	6,103
Income Tax Provision (Benefit)	(596)	3,668	2,474
Net Income (Loss)	(789)	4,903	3,629
Per Share Data (diluted):			
Net Income (Loss)	(0.09)	0.58	0.42

	At April 4,	At December 31,	
	1999	1998	1997
	(unaudited)		
Balance Sheet Data:			
Total Assets	58,765	61,072	55,201
Total Liabilities	29,078	30,595	28,721
Stockholders' Equity	29,687	30,477	26,480

The Company is subject to the informational requirements of the Exchange Act and in accordance therewith files periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. The Company is required to disclose in such proxy statements certain information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interests of such persons in transactions with the Company. Such reports, proxy statements and other information may be inspected at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60601. The Commission also maintains a World Wide Web site on the Internet at http://www.sec.gov that contains reports and other information regarding registrants that file electronically with the Commission.

Projections. Prior to entering into the Merger Agreement, Parent conducted a due diligence review of the Company and in connection with that review received certain non-public information about the Company and its financial performance, including certain projected financial data (the "Projections") for the years ending December 31, 1999 through 2004. The Company does not in the ordinary course publicly disclose projections

and the Projections were not prepared with a view to public disclosure. Moreover, the Projections do not give effect to the Offer or the potential combined operations of Parent and the Company. The information that is set forth below in this Offer to Purchase is for the limited purpose of giving the Company's stockholders access to financial projections prepared by the Company's management that were made available to Parent and Purchaser in connection with the Merger Agreement and the Offer.

STIMSONITE CORPORATION
SELECTED PROJECTED CONSOLIDATED FINANCIAL DATA
(thousands)

	Year Ending December 31,					
	1999	2000	2001	2002	2003	2004
Income Statement Data:						
Net Sales	$96,023	$112,120	$127,505	$143,083	$159,040	$176,813
Gross Profit(1)	37,728	42,260	46,824	51,310	56,876	62,980
Net Income(2)	6,802	8,492	10,954	12,989	15,440	17,142

(1) Excludes depreciation expenses.

(2) Includes depreciation expenses and excludes expenses associated with maintaining public ownership status and, in 1999, $37 in nonrecurring items.

	Year Ending December 31,					
	1999	2000	2001	2002	2003	2004
Balance Sheet Data:						
Total Assets	$61,096	$ 64,707	$ 73,073	$ 87,811	$105,018	$124,246
Total Liabilities	23,820	18,939	16,351	18,100	19,867	21,953
Stockholders' Equity	37,276	45,768	56,722	69,711	85,151	102,293

THE PROJECTIONS WERE NOT PREPARED BY PARENT OR PURCHASER OR WITH A VIEW TO PUBLIC DISCLOSURE OR IN COMPLIANCE WITH THE PUBLISHED GUIDELINES OF THE COMMISSION OR THE GUIDELINES PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS OR FORECASTS. THE COMPANY HAS ADVISED PARENT AND PURCHASER THAT ITS INTERNAL OPERATING PROJECTIONS ARE, IN GENERAL, PREPARED SOLELY FOR INTERNAL USE AND CAPITAL BUDGETING AND OTHER MANAGEMENT DECISIONS AND ARE SUBJECTIVE IN MANY RESPECTS AND THUS SUSCEPTIBLE TO VARIOUS INTERPRETATIONS AND PERIODIC REVISION BASED ON ACTUAL EXPERIENCE AND BUSINESS DEVELOPMENTS. THE PROJECTIONS ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. THERE CAN BE NO ASSURANCE, AND NO REPRESENTATION OR WARRANTY IS MADE, THAT ACTUAL RESULTS WILL NOT VARY MATERIALLY FROM THOSE DESCRIBED ABOVE. NONE OF THE COMPANY, PURCHASER, PARENT OR THE COMPANY'S FINANCIAL ADVISOR INTENDS TO UPDATE, REVISE OR CORRECT THESE PROJECTIONS IF THEY BECOME INACCURATE.

9. Certain Information Concerning Parent and Purchaser

Purchaser. Purchaser is a Delaware corporation and presently a wholly owned subsidiary of Parent. To date, Purchaser has not conducted any business other than that incident to its formation and the commencement of the Offer. The principal executive offices of Purchaser are located at 150 North Orange Grove Boulevard, Pasadena, California 91103.

Parent. Parent develops, manufactures and markets pressure-sensitive adhesives and materials as well as consumer and converted products. Some pressure-sensitive adhesives and materials are "converted" into labels and other products through embossing, printing, stamping and die-cutting, and some are sold in unconverted form as base materials, tapes and reflective sheeting. Parent makes a wide range of products for consumer and industrial markets, including office products, self-adhesive materials, peel-and-stick postage stamps, battery labels, automated retail tag and labeling systems, and specialty tapes and chemicals. International operations also constitute a significant portion of Parent's business. The principal executive offices of Parent are located at 150 North Orange Grove Boulevard, Pasadena, California 91103.

Set forth below is certain selected historical consolidated financial information with respect to Parent excerpted from financial information contained in Parent's Annual Report on Form 10-K for the fiscal year ended January 2, 1999 and Parent's Quarterly Report on Form 10-Q for the quarterly period ended April 3, 1999. More comprehensive financial information is included in such reports and other documents filed by Parent with the Commission, and the following summary is qualified in its entirety by reference to such reports and such other documents and all the financial information (including any related notes) contained therein.

AVERY DENNISON CORPORATION
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA
(in millions, except per share data)

	Three Months Ended April 3,	Year Ended December 31,	
	1999	1998	1997
	(unaudited)		
Income Statement Data:			
Net Sales	$ 933.9	$3,459.9	$3,345.7
Cost of Products Sold	622.0	2,315.4	2,263.0
Gross Profit	311.9	1,144.5	1,082.7
Operating Expenses	273.3	773.2	739.8
Operating Income	38.6	371.3	342.9
Interest Expense	10.4	34.6	31.7
Income Before Taxes	28.2	336.7	311.2
Taxes on Income	9.8	113.4	106.4
Net Income	18.4	223.3	204.8
Per Share Data:			
Net Income Per Common Share, assuming dilution	0.18	2.15	1.93

	At April 3,	At December 31,	
	1999	1998	1997
	(unaudited)		
Balance Sheet Data:			
Total Assets	$2,314.3	$2,142.6	$2,046.5
Total Liabilities	1,555.8	1,309.3	1,209.3
Stockholders' Equity	758.5	833.3	837.2

Parent is subject to the informational requirements of the Exchange Act and in accordance therewith files periodic reports and other information with the Commission relating to its business, financial condition and other matters. Such reports and other information are available for inspection and copying at the offices of the Commission in the same manner as set forth with respect to the Company in Section 8 of this Offer to Purchase.

Except as otherwise set forth in this Offer to Purchase, none of Parent or Purchaser, nor, to the best knowledge of Parent and Purchaser, any of the persons listed in Annex I hereto owns or has any right to acquire any Shares and none of them has effected any transaction in the Shares during the past 60 days.

Except as set forth in this Offer to Purchase, none of Parent or Purchaser, nor, to the best knowledge of Parent and Purchaser, any of the persons listed in Annex I hereto has any contract, arrangement, understanding

or relationship with any other person with respect to any securities of the Company, including, without limitation, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any securities of the Company, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies. Except as set forth in this Offer to Purchase, none of Parent or Purchaser, nor, to the best knowledge of Parent and Purchaser, any of the persons listed in Annex I hereto has had any transactions with the Company, or any of its executive officers, directors or affiliates that would require reporting under the rules of the Commission.

Except as set forth in this Offer to Purchase, there have been no contacts, negotiations or transactions between any of Parent or Purchaser, or their respective subsidiaries, or, to the best knowledge of Parent and Purchaser, any of the persons listed in Annex I hereto, on the one hand, and the Company or its executive officers, directors or affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, election of directors, or a sale or other transfer of a material amount of assets.

10. Source and Amount of Funds

The total amount of funds required by Purchaser to purchase all of the Shares pursuant to the Offer is estimated to be approximately $136.65 million. Fees and expenses related to the Offer and the Merger payable by Purchaser are estimated to be approximately $900,000. Purchaser plans to obtain all funds needed for the Offer and the Merger, through a capital contribution from Parent. The total amount of such capital contribution is presently expected to be approximately $137.55 million.

Parent plans to obtain funds for the capital contribution to Purchaser through issuance of commercial paper and extendible commercial notes (collectively, the "Notes"). Such Notes are expected to be issued on customary terms and bear market rates of interest or bear a market discount and are expected to have maturities of less than 366 days with respect to commercial paper and less than 397 days with respect to extendible commercial notes.

Although no definitive plan or arrangement for repayment of the Notes has been made, Parent anticipates such Notes will be repaid with internally generated funds and from other sources which may include the proceeds of future bank refinancings or the public or private sale of equity or debt, including additional issuances of commercial paper and extendible commercial notes. No decision has been made concerning the method to be used to repay the Notes. Such decision will be made based on Parent's review from time to time of the advisability of particular actions, as well as prevailing interest rates, financial and other economic conditions and such other factors as Parent may deem appropriate.

The Offer is not subject to any financing contingency.

11. Background of the Offer; Past Contacts, Transactions or Negotiations with the Company

From July through September 1998, the Company and Parent had preliminary discussions regarding a possible transaction involving the Company's optical film business. These preliminary discussions never developed into negotiations and were terminated in September 1998 when the parties decided not to pursue such a transaction.

On February 11, 1999, the Company issued a press release announcing that the Company had engaged Merrill Lynch as its financial advisor to explore strategic alternatives as a means for maximizing stockholder value. Shortly thereafter, the Company's President and Chief Executive Officer called two senior managers of Parent inquiring whether Parent would be interested in exploring a possible transaction with the Company. Parent indicated it would be interested in pursuing such a transaction.

On February 19, 1999, Parent and the Company entered into a confidentiality agreement (the "Confidentiality Agreement") with respect to a possible transaction. Shortly thereafter, the Company and representatives of Merrill Lynch supplied Parent with a descriptive memorandum regarding the Company.

On March 8, 1999, representatives of Merrill Lynch provided a letter to various parties (including Parent) who had expressed an interest in exploring a possible transaction with the Company advising them that all preliminary indications of interest with respect to the Company must be submitted in writing to Merrill Lynch by March 22, 1999. On March 22, 1999, Parent informed representatives of Merrill Lynch of its preliminary, non-binding indication of interest concerning the purchase of the Company.

On April 16, 1999, five senior managers of Parent attended a presentation at the Company's offices in Niles, Illinois and toured the Company's facilities in Niles and Mt. Prospect, Illinois.

On April 23, 1999, in connection with its press release indicating first quarter results, the Company indicated that it had authorized Merrill Lynch to provide confidential information to a selected group of potential buyers and that such activities were ongoing. On April 27, 1999, Merrill Lynch, at the direction of the Special Committee of the Company Board, sent invitations to submit a written offer for the acquisition of the Company to the selected interested parties, including Parent. The invitation set May 18, 1999 as the deadline for submitting proposals.

Between April 23, 1999 and May 18, 1999, Parent conducted additional due diligence of the Company, including conducting interviews with members of the Company's management.

On May 18, 1999, Parent submitted a non-binding proposal to Merrill Lynch to acquire all of the outstanding Shares. The proposal provided that Purchaser, an affiliate of Parent, would offer to acquire by tender offer all of the issued and outstanding Shares for cash, followed by a merger in which the remaining stockholders would also receive an amount in cash equal to the cash offered in the tender offer. The proposal also requested that certain stockholders of the Company enter into a tender and support agreement pursuant to which, among other things, they would grant Parent a purchase option with respect to their Shares and otherwise agree to tender their Shares in the Offer and support the Merger. Shortly thereafter, representatives of Merrill Lynch contacted Parent to clarify and discuss certain terms of the proposal, including the proposed purchase price to be paid by Parent. During the following week, representatives of Merrill Lynch, at the direction of the Special Committee of the Company Board, and Parent negotiated the terms of the proposal, resulting in an increase of the proposed purchase price.

Between May 18 and May 26, 1999, Parent continued its due diligence of the Company, including conducting interviews with members of the Company's management.

On May 26, 1999, representatives of Merrill Lynch contacted Parent to confirm certain key terms of the proposal and to encourage Parent to submit its final and best bid. Representatives of Merrill Lynch also informed Parent that the Company Board would be meeting on May 28, 1999. On May 27, 1999, Parent submitted a revised non-binding proposal increasing the proposed purchase price, eliminating its request for a purchase option on the Shares of certain affiliates of the Company and indicating that Parent's bid would expire at 5:00 p.m. on May 28, 1999, unless the Company entered into an agreement giving Parent seven days to negotiate exclusively with the Company.

On May 28, 1999, the Company entered into a letter agreement with Parent giving Parent the exclusive right to negotiate definitive agreements with the Company and finalize its due diligence by June 4, 1999.

Between May 28, 1999 and June 3, 1999, representatives of Parent, the Company and certain of the Company's significant stockholders negotiated definitive agreements relating to Parent's proposal. Additionally, certain senior managers of Parent and representatives of Parent's advisors had discussions with senior managers of the Company relating to follow-up due diligence.

On June 2, 1999, Parent's Board of Directors approved the acquisition by Parent of the Company for a purchase price of $14.75 per Share in cash and the transactions contemplated by the Merger Agreement and the Stockholder Tender Agreement.

On June 3, 1999, the Stockholder Tender Agreement was executed and on June 4, 1999, the Merger Agreement was executed and the Merger was publicly announced.

On June 10, 1999, Parent commenced the Offer.

12. Purpose of the Offer and the Merger; Plans for the Company

Purpose. The Offer is being made pursuant to the Merger Agreement. The purpose of the Offer, the Merger and the Merger Agreement is to enable Parent to acquire control of, and to own the entire equity interest in, the Company. Upon consummation of the Merger, the Company (as the Surviving Corporation) will become a wholly owned subsidiary of Parent.

Under the DGCL and the Company's Certificate of Incorporation, the approval of the Company Board, and the affirmative vote of the holders of a majority of the outstanding Shares are required to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Merger. Section 203 of the DGCL prevents certain "business combinations" with an "interested stockholder" (generally, any person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock) for a period of three years following the time such person became an interested stockholder unless, among other things, prior to the time the interested stockholder became such, the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became such.

The Company Board is comprised of nine members. The Company Board has approved the Offer, the Merger, the Merger Agreement and the Stockholder Tender Agreement and the transactions contemplated thereby for the purposes of Section 203 of the DGCL. Unless the Merger is consummated pursuant to the "short-form" merger provisions under the DGCL described below (in which case no further corporate action by the stockholders of the Company will be required to complete the Merger), the only remaining required corporate action of the Company will be the approval of the Merger by the affirmative vote of the holders of a majority of the Shares. If the Minimum Condition is satisfied, Purchaser will have the ability to approve and adopt the Merger Agreement by virtue of its ownership of a majority of the Shares without the affirmative vote of any other stockholder of the Company.

Plans for the Company After the Offer. Once the Offer is consummated, if permitted by Nasdaq and the Exchange Act, it is the intention of Purchaser and Parent to seek to cause the Company to file applications to withdraw the Shares from listing on Nasdaq and to terminate the registration of the Shares under the Exchange Act. See Section 7 of this Offer to Purchase. In the event that the Shares are no longer included in Nasdaq it is possible that the Shares would continue to trade in the over-the-counter market and that price quotations would be reported by other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend on the number of holders of Shares remaining at such time, the interests in maintaining a market in Shares on the part of securities firms, the possible termination of registration of shares under the Exchange Act, as described below, and other factors. To the extent the Shares are delisted from Nasdaq, the market for Shares could be adversely affected. Further, neither Parent nor Purchaser can predict whether the reduction in the number of Shares as a result of the consummation of the Offer would have an adverse or beneficial effect on the market price for or marketability of the Shares or whether it would cause future market prices to be greater or less than the Offer Price. See Section 7 of this Offer to Purchase.

If, following consummation of the Offer, Purchaser owns 90% or more of the outstanding Shares, Purchaser intends, and Parent intends to cause Purchaser, to consummate the Merger as a "short form" merger pursuant to Section 253 of the DGCL. Under such circumstances, neither the approval of any holder of Shares other than Purchaser, or of the Company Board, would be required. Assuming outstanding Options are, pursuant to the Merger Agreement, converted to cash rather than exercised and tendered, upon the tender of Shares owned by the Selling Stockholders, Purchaser will need to acquire an additional 5,898,274 Shares pursuant to the Offer to reach the 90% ownership level necessary to effect such a "short-form" merger.

Following consummation of the Offer and upon the satisfaction of the Minimum Condition, Purchaser will have, and intends to exercise, the power as a majority stockholder of the Company to take such steps as are necessary to assure that designees of Purchaser or Parent constitute a majority or more of the directors on the

Company Board, including the designation of new directors to the Company Board, and thus to indirectly seek to effect the Merger. Pursuant to the terms of the Merger Agreement, Purchaser shall be entitled (and Purchaser intends to exercise such entitlement), promptly upon the acceptance for payment of, and payment by Purchaser, in accordance with the Offer, for Shares pursuant to the Offer, and from time to time thereafter as Shares are acquired by Purchaser, to designate certain directors to the Company Board. After completion or termination of the Offer, Purchaser reserves the right, but has no current intention, to acquire or sell Shares in open market or negotiated transactions. There can be no assurance that Purchaser will acquire such additional Shares in such circumstances or over what period of time such additional Shares, if any, might be acquired. As a consequence, no assurance can be given as to when Purchaser will cause the Merger to be consummated, and similarly no assurance can be given as to when the Merger Consideration will be paid to stockholders who do not tender their Shares in the Offer.

Pursuant to the Merger, each then outstanding Share (other than Shares owned by any of Parent or Purchaser, Shares held in the treasury of the Company and Shares owned by stockholders who perfect any available appraisal rights under the DGCL) shall be converted into the right to receive an amount in cash equal to the Merger Consideration, without interest thereon. Each share of common stock of Purchaser issued and outstanding at the Effective Time shall be converted into ten shares of the Surviving Corporation. All Shares that are owned directly or indirectly by the Company, Parent, Purchaser or any subsidiary of Parent at the Effective Time shall be canceled, and no consideration shall be delivered in exchange therefor.

Purchaser is not offering to acquire outstanding Options in the Offer. Pursuant to the Merger Agreement, all Options will be canceled in exchange for the payment of the excess, if any, of the Offer Price over the exercise price for such Options, less applicable income and employment taxes required to be withheld.

Following the Merger, the Company will be a wholly owned subsidiary of Parent. Pursuant to the Merger Agreement, the officers of Purchaser immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation. Except as set forth herein, neither Parent nor Purchaser has discussed with the Company's key management personnel, nor reached any agreement with respect to, the terms of such personnels' continued employment. Parent currently intends, however, to discuss appropriate retention agreements with certain of the Company's key management personnel prior to the consummation of the Offer.

Except as otherwise described in this Offer to Purchase, Purchaser has no current plans or proposals which relate to or would result in: (a) an extraordinary corporate transaction, such as a merger, reorganization or liquidation involving the Company; (b) a sale or transfer of a material amount of assets of the Company; (c) any change in the Company Board or management of the Company, including, but not limited to, any plan or proposal to change the number or term of directors, to fill any existing vacancy on the Company Board or any change any material term of the employment contract of any executive officer; (d) any material change in the present dividend rate or policy or indebtedness or capitalization of the Company; (e) any other material change in the Company's corporate structure or business; (f) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (g) the suspension of the Company's obligation to file reports pursuant to Section 15(d) of the Exchange Act.

13. Merger Agreement and Stockholder Tender Agreement

The following is a summary of the material terms of the Merger Agreement, and the Stockholder Tender Agreement. Such summary is not a complete description of these agreements and is qualified in its entirety by reference to the complete texts of the agreements, copies of which are filed as Exhibits (c)(1) and (c)(2), respectively, to the Tender Offer Statement on Schedule 14D-1 filed jointly with the Commission by Parent and Purchaser, and are incorporated by reference herein. Capitalized terms not otherwise defined herein shall have the meanings set forth in the agreements.

The Merger Agreement

The Offer. Pursuant to the terms and conditions of the Merger Agreement, Parent, Purchaser and the Company are required to use their reasonable best efforts to take, or cause to be taken, all action and do, or cause to be done, all other things necessary, proper or appropriate to consummate and make effective the transactions provided for or contemplated by the Merger Agreement. The Offer is subject to the conditions set forth in Section 15 of the Offer to Purchase. The conditions described in Section 15 are for the sole benefit of Parent and Purchaser and may be asserted by Parent or Purchaser regardless of the circumstances giving rise to any such conditions and, except for the Minimum Condition, may be waived by Parent or Purchaser, in whole or in part, at any time and from time to time, in its sole discretion.

In order to induce Purchaser and Parent to enter into the Merger Agreement, Purchaser and Parent entered into a Stockholder Tender Agreement with Edward T. Harvey Jr., Jay R. Taylor, and Terrence D. Daniels and certain affiliates of Messrs. Harvey and Daniels under which each Selling Stockholder is, among other things, agreeing to tender such Selling Stockholder's Shares in the Offer upon the terms and conditions set forth therein.

In the Merger Agreement, the Company has agreed that within five days of the date Purchaser's offer documents are filed with the Commission, it will file with the Commission and mail to its stockholders a Solicitation/Recommendation Statement on Schedule 14D-9 containing the recommendation of the Company Board that the Company's stockholders accept the offer, tender all their Shares to Purchaser and approve the Merger Agreement and the transactions contemplated thereby.

The Merger. The Merger Agreement provides that, if all of the conditions to the Merger have been fulfilled or waived and the Merger Agreement has not been terminated, Purchaser will be merged with and into the Company, and the Company will continue as the surviving corporation in the Merger.

At the Effective Time, each Share issued and outstanding immediately prior thereto (other than Shares owned by the Company or any subsidiary of the Company or by Parent, Purchaser or any subsidiary of Parent, all of which will be canceled, and Shares the holders of which have properly exercised appraisal rights with respect thereto) will, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive a cash payment of $14.75, payable in cash to the holder thereof, without any interest thereon. Each Share of the Purchaser outstanding immediately prior to the Effective Time will automatically be converted at the Effective Time into one validly issued and outstanding share of common stock of the Surviving Corporation.

The Merger Agreement provides that upon the purchase of the Shares pursuant to the consummation of the Offer, Parent is entitled to designate such number of directors, rounded up to the next whole number, as will give Parent representation on the Company's board of directors equal to the product of (i) the number of authorized directors on the Company's board of directors (giving effect to the directors elected pursuant to this provision) and (ii) the percentage that the number of Shares purchased by Purchaser or Parent or any of their affiliates bears to the aggregate number of Shares outstanding (the "Percentage"), and the Company will, upon the request by Parent, promptly increase the size of its board of directors and/or secure the resignations of the number of directors as is necessary to enable Parent's designees to be elected to the Company's board of directors and will cause Parent's designees to be so elected. Notwithstanding the foregoing, the parties to the

Merger Agreement will use their respective reasonable efforts to ensure that at least three of the members of the Company Board will at all times prior to the Effective Time be Continuing Directors (as defined below). Following the election or appointment of Parent's designees pursuant to this provision and prior to the Effective Time, the approval of a majority of the directors of the Company then in office who are not designated by Parent (the "Continuing Directors") will be required to authorize (and such authorization will constitute the authorization of the Company Board and no other action on the part of the Company, including any action by any other director of the Company, shall be required to authorize) any termination of the Merger Agreement by the Company, any amendment of the Merger Agreement requiring action by the Company Board, any extension of time for the performance of any of the obligations or other acts of Parent or Purchaser, and any waiver of compliance with any of the agreements or conditions contained herein for the benefit of the Company.

Stock Options. The Merger Agreement provides that at the Effective Time, each holder of a then- outstanding option to purchase shares of common stock under any plan, program or arrangement of the Company (collectively, the "Stock Options Plans") whether or not then exercisable (individually, an "Option" and collectively, the "Options"), will, in settlement thereof, receive for each share of common stock subject to such Option an amount (subject to any applicable withholding tax) in cash equal to the difference between the Merger Consideration and the per share exercise price of such Option to the extent such difference is a positive number (such amount, the "Option Consideration").

Either prior to or as soon as practicable following the consummation of the Offer, the Company Board (or, if appropriate, any committee of the Company Board administering the Stock Option Plans) is required to adopt such resolutions or take other such actions as are required to cause any Options that are not exercisable as of the date of the Merger Agreement to become exercisable at the Effective Time.

Recommendation. The Company represents and warrants in the Merger Agreement that the Company Board at a meeting duly called and held has duly adopted resolutions (i) approving the Merger Agreement, the Offer and the Merger, determining that the Merger is advisable and that the terms of the Offer and Merger are fair to, and in the best interests of, the Company's stockholders and recommending that the Company's stockholders accept the Offer and tender all of their Shares to Purchaser and approve the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, (ii) taking all action necessary to render Section 203 of the DCGL, inapplicable to the Offer, the Merger, the Merger Agreement, the Tender Agreement and any of the transactions contemplated thereby and (iii) electing, to the extent permitted by law, not to be subject to any "moratorium," "control share acquisition," "business combination," "fair price" or other form of corporate antitakover laws and regulations of any jurisdiction that may purport to be applicable to the Merger Agreement or the Tender Agreement. The Company Board shall not withdrawn, modify or amend its recommendations described above in a manner adverse to Parent or Purchaser (or announce publicly its intention to do so) provided that the disclosure of the receipt of an Acquisition Proposal (as hereinafter defined) and the fact that the Company Board is considering such Acquisition Proposal or reviewing it with its advisors shall not by itself constitute such a withdrawal, modification or amendment, except that the Company Board shall be permitted to withdraw, amend or modify its recommendation (or publicly announce its intention to do so) of the Merger Agreement or the Merger in a manner adverse to Purchaser or approve or recommend or enter into an agreement with respect to a Superior Proposal if the Company has complied with the terms of the Merger Agreement. Any withdrawal, modification or amendment of the recommendation of the Company Board or any committee thereof in any manner adverse to Parent or Purchaser, however, may give rise to certain termination rights on the part of Parent and Purchaser under the Merger Agreement and the right to receive certain termination fees as set forth therein.

Representations and Warranties. In the Merger Agreement, the Company has made customary representations and warranties to Parent and Purchaser, including but not limited to representations and warranties relating to the Company's organization and qualification, authority to enter into the Merger Agreement and consummate the transactions contemplated thereby, compliance with applicable laws, capitalization, subsidiaries, no violation, required consents and approvals, Commission filings (including financial statements), the documents supplied by the Company related to the Offer, the absence of certain material adverse changes or

events since December 31, 1998, taxes, employee benefit plans, absence of brokers licenses and permits, environmental matters, title to assets, labor matters, intellectual property, material agreements, the absence of undisclosed liabilities, litigation, insurance and millennium compliance.

Parent and Purchaser have also made customary representations and warranties to the Company, including but not limited to representations and warranties relating to Purchaser's organization and qualification, authority to enter into the Merger Agreement and consummate the transactions contemplated thereby and documents supplied by Parent and Purchaser related to the Offer, required consents and approvals and the availability of sufficient funds to perform their obligations under the Merger Agreement.

Interim Agreements of Parent, Purchaser and the Company. Pursuant to the Merger Agreement, unless Parent has consented in writing thereto, the Company will, and will cause each of its subsidiaries to, (i) conduct its operations according to its usual, regular and ordinary course of business consistent with past practice; (ii) use its reasonable best efforts to preserve intact its business organizations, maintain in effect existing qualifications, licenses, permits, approvals and other authorizations, keep available the services of its officers and key employees and maintain satisfactory relationships with those persons having business relationships with them; (iii) promptly upon the discovery thereof notify Parent of the existence of any breach of any representation or warranty of the Company contained in the Merger Agreement (or, in the case of any representation or warranty that makes no reference to Material Adverse Effect, any breach of such representation or warranty in any material respect) or the occurrence of any event that would cause any representation or warranty of the Company contained in the Merger Agreement to no longer be true and correct (or, in the case of any representation or warranty that makes no reference to Material Adverse Effect (no longer be true and correct in any material respect); (iv) promptly deliver to Parent true and correct copies of any report, statement or schedule filed with the Commission subsequent to the date of the Merger Agreement; and (v) maintain its books of account and records in its usual, regular and ordinary manner, consistent with past practices. For purposes of the Merger Agreement, "Material Adverse Effect" means (A) materially adversely affect the assets, liabilities, business, results of operations or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole or (B) adversely affect or delay the ability of the Company on the one hand, or Parent and Purchaser on the other, to consummate the transactions contemplated by the Merger Agreement or the Stockholder Tender Agreement.

In addition, from the date of the Merger Agreement to the Effective Time, unless Parent has consented in writing thereto, the Company will not, and will not permit any of its subsidiaries to, (i) amend its certificate of incorporation or bylaws or comparable governing instruments; (ii) issue, sell, pledge or register for issuance or sale any shares of capital stock or other ownership interest in the Company (other than issuances of Shares in respect of any exercise of Options outstanding on the date of the Merger Agreement) or any of the subsidiaries, or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares of capital stock, ownership interest, or convertible or exchangeable securities, or accelerate any right to convert or exchange or acquire any securities of the Company (other than Options) or any of its subsidiaries for any such shares or ownership interest; (iii) effect any stock split or conversion of any of its capital stock or otherwise change its capitalization as it exists on the date of the Merger Agreement, other than as set forth in the Merger Agreement; (iv) directly or indirectly redeem, purchase or otherwise acquire any shares of its capital stock or capital stock of any of its subsidiaries, other than as set forth in the Merger Agreement; (v) sell, lease or otherwise dispose of or encumber any of its assets or property (including capital stock of any of its subsidiaries), mortgage, pledge or impose a lien or other encumbrance on any of its material assets or property (including capital stock of subsidiaries) except in the ordinary course of business; (vi) acquire by merger, purchase or any other manner, any material business or entity or otherwise acquire any assets that are material to the Company and its subsidiaries taken as a whole, except for purchases of inventory, supplies or capital expenditures in the ordinary course of business consistent with past practice; (vii) incur or assume any long-term or short-term debt except for working capital purposes in the ordinary course of business under the Company's existing credit facilities and capital expenditures made in accordance with Company's previously adopted capital budget; (viii) assume, guarantee or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person except

wholly owned subsidiaries of the Company; (ix) make or forgive any loans, advances or capital contributions to, or investments in, any other person; (x) enter into any new employment, severance, consulting or salary continuation agreements with any newly hired employees other than in the ordinary course of business or enter into any of the foregoing with any existing officers, directors or employees or grant any increases in compensation or benefits to employees, except for regularly schedules employee raises, in the ordinary course of business consistent with the Company's past practices or raises that, in the case of executive officers, have been approved by the compensation committee of the Company Board prior to the date hereof in the ordinary course of business consistent with the committee's past practices; (xi) adopt, amend in any material respect (including any increase in the payment under) benefits or terminate any employee benefit plan or arrangement; (xii) make any material changes in the type or amount of insurance coverage or permit any material insurance policy naming the Company or any subsidiary as a beneficiary or a loss payee to be canceled or terminated; (xiii) except as may be required by law or generally acceptable accounting principles, change any material accounting principles or practices used by the Company or its subsidiaries; (xiv) take any action to cause the Shares to cease to be traded on Nasdaq prior to the completion of the Offer or the Merger; (xv) enter into any agreement to which the Company or any of its subsidiaries is a party and (A) is outside of the ordinary course of business of the Company or its subsidiaries, (B) a customer of the Company or one of its subsidiaries is a party and either (1) involves the payment or receipt by the Company or any of it subsidiaries, subsequent to the date of the Merger Agreement, of more than $1,000,000 or (2) is not terminable without penalty by the Company or the subsidiary party thereto on fewer than 365 days' notice or (C) except for customer contracts, either (1) involves the payment or receipt by the Company or any of its subsidiaries, subsequent to the date of the Merger Agreement, of more than $500,000 or (2) is not terminable without penalty by the Company or the subsidiary party thereto on fewer than 180 days' notice, except as required or permitted by clause (vii) or (xvi) and except for agreements relating to the purchase or sale of the Company's products (including, without limitation, supply, purchase and shipping contracts) to be performed within 90 days; (xvi) enter into, terminate, fail to renew, or accelerate any license, distributorship, dealer, sales representative, joint venture, credit or other agreement if such action could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (xvii) fail to operate, maintain, repair or otherwise preserve its material assets and properties consistent with past practice; (xviii) fail to comply with all applicable filing, payment and withholding obligations under all applicable federal, state, local or foreign laws relating to taxes except where such failure to comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (xix) make any tax election, compromise any federal, state, local or foreign income tax liability; (xx) pay, discharge or settle any claims, liabilities or objections (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction of the foregoing in the ordinary course of business consistent with past practice, or, if not in the ordinary course of business, the payment, discharge or satisfaction of the foregoing that, individually and in the aggregate, does not exceed $500,000; or (xxi) agree in writing or otherwise to take any of the foregoing actions.

Other Agreements of Parent, Purchaser and the Company. The Company has agreed in the Merger Agreement that it will not, and will not authorize, permit or cause any of its subsidiaries or any of the officers and directors of it or its subsidiaries to, and shall not authorize, permit or direct its and its subsidiaries' employees, agents and representatives (including any investment banker, attorney or accountant retained by it or any of its subsidiaries) to, directly or indirectly, (i) initiate, solicit, or otherwise encourage any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, tender offer, consolidation or similar transaction involving, or any purchase of, 15% or more of the assets or any equity securities of the Company or any of its subsidiaries (any such proposal or offer, an "Acquisition Proposal") or (ii) initiate or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person or entity relating to an Acquisition Proposal, whether made before or after the date of the Merger Agreement, or otherwise facilitate any effort or attempt to make or implement or consummate an Acquisition Proposal. However, the foregoing does not prevent the Company or the Company Board from (i) complying with Rule 14e-2 promulgated under the Exchange Act with regard to an Acquisition Proposal or (ii): (x) providing information in response to a request therefor by a person or entity who has made an unsolicited bona fide written Acquisition Proposal if the Company Board receives from the person or entity so requesting

such information an executed confidentiality agreement on terms substantially equivalent to those contained in the Confidentiality Agreement; (y) engaging in any negotiations or discussions with any person or entity who has made an unsolicited bona fide written Acquisition Proposal; or (z) recommending such an Acquisition Proposal to the stockholders of the Company, if, and only to the extent that, (i) in each such case referred to in clause (x), (y) or (z) above, the Company Board determines in good faith after consultation with outside legal counsel and Merrill Lynch (the "Financial Advisor") that such action is necessary in order for its members to comply with their fiduciary duties under applicable law (the parties to the Merger Agreement agreed that any action described in clause (x), (y) or (z) above will be permitted to be taken regardless of whether it would be necessary under applicable law, if it is taken only with respect to a Superior Proposal) and (ii) in each case referred to in clause (x), (y) or (z) above, the Company Board determines in good faith (after consultation with outside legal counsel and the Financial Advisor) that, if accepted, such Acquisition Proposal is reasonably likely to be consummated, taking into account all legal, financial and regulatory aspects of the proposal and the person or entity making the proposal, and would provide for a higher per share value to the stockholders of the Company, and is fully financed (or, based on a good faith determination of the Company Board, is readily financeable) (any such Acquisition Proposal meeting the foregoing conditions, a "Superior Proposal"). The Company agreed to immediately cease and cause to be terminated any activities, discussions or negotiations with any parties conducted before the execution of the Merger Agreement with respect to any of the foregoing. The Company agreed to notify Parent immediately if any Acquisition Proposal or inquiries regarding a potential Acquisition Proposal are received by, any information with respect to an Acquisition Proposal or a potential Acquisition Proposal is requested from, or any discussions or negotiations with respect to an Acquisition Proposal or a potential Acquisition Proposal are sought to be initiated or continued with, it or any of its representatives. This notice is required to indicate the name of the person or entity involved and the material terms and conditions of any Acquisition Proposal, and thereafter the Company is obligated to keep Parent informed, on a current basis, of the status and terms of any inquiries or Acquisition Proposals and the status of any negotiations or discussions.

In the Merger Agreement, the parties agree that if necessary, the Company, through the Company Board, will call a meeting of the stockholders for the purpose of voting upon the Merger, will hold such meeting as soon as practicable following the purchase of Shares pursuant to the Offer and, unless the Company Board approves or recommends, or enters into an agreement with respect to, a Superior Proposal, will recommend to its stockholders the approval of the Merger Agreement and the other transactions contemplated thereby, including the Merger. The Company must use reasonable efforts to obtain the necessary approvals by its stockholders for the Merger and take all other actions reasonably requested by Parent to secure the vote of stockholders for approval of the Merger, the Merger Agreement and the other transactions contemplated thereby. At any such meeting, all of the Shares then owned by Parent, Purchaser and by any of Parent's other subsidiaries or affiliates will be voted in favor of the Merger and the Merger Agreement. Notwithstanding the foregoing, in the event that Purchaser, or any other direct or indirect subsidiary of Parent, acquires at least 90% of the outstanding Shares, the Company, Purchaser and Parent will take all necessary and appropriate action to cause the Merger to become effective as soon as practicable, and in any event within five business days after expiration of the Offer, in accordance with Section 253 of the DGCL.

Subject to the last sentence of this paragraph, from and after the Effective Time, Parent has agreed in the Merger Agreement to indemnify and hold harmless, to the fullest extent permitted under the applicable law, each person who is, or has been at any time prior to June 4, 1999 or who becomes prior to the Effective Time, an officer, director or similar person of the Company or any subsidiary against all losses, claims, damages, liabilities, costs or expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement in connection with any claims, actions, suits, proceedings, arbitrations, investigations or audits arising before or after the Effective Time out of or pertaining to acts or omissions, or alleged acts or omissions, by them in their capacities as such, which acts or omissions occurred prior to the Effective Time. The parties agreed that Parent shall have no obligations described in this paragraph, unless and until the Surviving Corporation transfers outside of the ordinary course of business a material portion of its assets, in a single transaction or in a series of transactions, and such transfer materially and adversely affects the legal or financial ability of the Surviving Corporation to satisfy its indemnification obligations under the Merger Agreement.

Parent has also agreed in the Merger Agreement to cause the Surviving Corporation to purchase a six-year pre-paid noncancellable directors and officers insurance policy covering the directors in place at the time of the Merger Agreement and all former directors, officers and similar persons of the Company and its subsidiaries with respect to acts or failures to act prior to the Effective Time, in a single aggregate amount over the six-year period immediately following the date on which the closing of the Merger occurs (the "Closing Date") equal to the policy limit for the Company's directors and officers insurance policy in place as of June 4, 1999 (the "Current Policy"). If such insurance is not obtainable at an annual cost per covered year not in excess of 200% the annual premium paid by the Company for the Current Policy (the "Cap"), then Parent will cause the Surviving Corporation to purchase policies providing at least the same coverage as the Current Policy and containing terms and conditions no less advantageous to the current and former directors, officers and similar persons of the Company and its subsidiaries than the current policy with respect to acts or failures to act prior to the Effective Time; provided, however, that Parent and the Surviving Corporation shall not be required to obtain policies providing such coverage except to the extent that such coverage can be provided at an annual cost of no greater than the Cap; and, if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Cap, Parent or the Surviving Corporation shall only be required to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap.

However, if after the Effective Time, Parent or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties or assets to any person, then, in each such case, proper provisions will be made so that successors and assigns of Parent or the Surviving Corporation, as the case may be, will assume such entity's obligations set forth in the two foregoing paragraphs. The provisions of this paragraph and the two foregoing paragraphs are intended for the benefit of and shall be enforceable by each person who is as of June 4, 1999 or has been at any time prior to such date, or who becomes prior to the Effective Time, an officer, director or similar person of the Company or any of its subsidiaries.

Conditions to the Merger. The respective obligation of each party to effect the Merger are subject to the satisfaction or waiver, where permissible, prior to the Effective Time, of the following conditions:

(i) Purchaser having accepted payment and paid for all Shares validly tendered in the Offer and not withdrawn; provided, however, that neither Parent nor Purchaser may invoke this condition if Purchaser has failed in violation of the terms of the Merger Agreement or the Offer to purchase shares so tendered and not withdrawn;

(ii) The Merger Agreement will have been adopted by the affirmative vote of the holders of the requisite number of shares of capital stock of the Company if such vote is required pursuant to the Company's Certificate of Incorporation, the DGCL or other applicable law; provided, however, that neither Parent nor Purchaser may invoke this condition if either of them or any of their respective affiliates shall have failed to vote the Shares held by it in favor of the Merger Agreement and the Company may not invoke this condition if the Company has failed to fulfill its obligations with respect to obtaining Company stockholder approval;

(iii) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction, or other legal restraint or prohibition, preventing, restraining or restricting the consummation of the Merger being in effect; provided, however, that the party invoking this condition must use its best efforts to have any such order, injunction or restraint vacated; and

(iv) All necessary waiting periods under the HSR Act that are applicable to the Merger shall have expired or been earlier terminated, and all other necessary approvals from any other Governmental Entity (as hereinafter defined) that are applicable to the Merger having been obtained.

Termination. The Merger Agreement provides that it may be terminated and the Merger abandoned at any time prior to the Effective Time, notwithstanding approval by the stockholders of the Company, but prior to the

Effective Time, (i) by mutual written consent of the Company and Parent; (ii) by the Company, if (A) Parent or Purchaser shall have failed to commence the Offer within five business days after the date of the Merger Agreement, (B) Parent or Purchaser shall have failed to comply with its payment obligations under the Merger Agreement with respect to any Shares accepted for payment pursuant to the Offer, or (C) any change to the Offer is made in contravention of the provisions of Article 1 of the Merger Agreement; (iii) by Parent or the Company:

(A) if the Effective Time does not occur on or before December 4, 1999 (provided that this right to terminate the Merger Agreement is not available to any party whose failure to fulfill any obligation under the Merger Agreement was the cause of or resulted in the failure of the Effective Time to occur on or before December 4, 1999);

(B) if, upon a vote at the stockholder meeting, or any adjournment thereof, the adoption of the Merger Agreement by the stockholders of the Company required by the DGCL has not been obtained (provided that this right to terminate the Merger Agreement is not available to Parent, if Parent, Purchaser or any of their affiliates failed to vote the Shares held by them in favor of adoption of the Merger Agreement, and is not available to the Company, if the Company failed to fulfill its obligations under the Merger Agreement relating to stockholder approval and the related proxy statement);

(C) if there is any statute, law, rule or regulation that makes consummation of the Offer or the Merger illegal or prohibited or if any court of competent jurisdiction or other governmental entity has issued an order, judgment, decree or ruling, or taken any other action restraining, enjoining or otherwise prohibiting the Offer or the Merger and such order, judgment, decree, ruling or other action has become final and non-appealable; or

(D) if the Offer terminates or expires on account of the failure of any condition specified in Exhibit A of the Merger Agreement without Purchaser having purchased any Shares pursuant to the Offer (provided that this right to terminate the Merger Agreement is not available to any party whose failure to fulfill any obligation under the Merger Agreement was the cause of or resulted in the failure of those conditions);

(iv) by Parent, prior to the consummation of the Offer, if (A) the Company Board withdraws, amends or modifies, its approval of the Merger Agreement and the transactions contemplated thereby, or its recommendation that the holders of the shares of common stock accept the Offer and tender all of their Shares to Purchaser and approve the Merger Agreement and the transactions contemplated thereby (or, in each case, publicly announces its intention to do so) in a manner adverse to Parent or Purchaser or (B) the Company approves, recommends or enters into an agreement with respect to, or consummates, an Acquisition Proposal; (v) by the Company, prior to the consummation of the Offer, if the Company approves, recommends or enters into an agreement providing for the Company to engage in a Superior Proposal; provided, however, that the right to terminate the Merger Agreement pursuant to this provision is not available if the Company has not provided Parent and Purchaser with at least five business days' prior written notice of its intent to so terminate the Merger Agreement together with a summary of the material terms and conditions of the Superior Proposal; provided, further, however, that no termination is effective pursuant to this provision unless concurrently with the termination, a Break-Up Fee is paid in full by the Company as described and defined below; (vi) by Parent, if any of the conditions set forth in Exhibit A of the Merger Agreement have become forever incapable of fulfillment and have not been waived by all applicable parties; (vii) by Parent, if the Company shall breach any of its representations, warranties or obligations under the Merger Agreement and such breach has not been cured within the Company's "cure period" or waived, but only if such breach, individually or together with all other such breaches, would constitute failure of a condition contained in Exhibit A of the Merger Agreement as of the date of termination; (viii) by the Company, if Parent or Purchaser has materially breached any of its representations, warranties or obligations under the Merger Agreement and that breach has not been cured or waived or Parent or Purchaser have not provided reasonable assurance that breach will be cured prior to the consummation of the Offer, but only if such breach, individually or together with all other such breaches, is reasonably likely to materially and adversely affect Parent's or Purchaser's ability to consummate the Offer or the Merger; or (ix) by Parent, prior to the consummation of the Offer, if the Stockholder Tender Agreement shall not be in full force and effect or any Selling Stockholders shall have breached in any material respect any representation, warranty or covenant

contained in the Stockholder Tender Agreement, as applicable; provided, however, that the party seeking termination pursuant to clause (vi), (vii) or (viii) immediately above is not in material breach of any of its representations, warranties, covenants or agreements contained in the Merger Agreement.

Termination Fee and Expenses. The Company has agreed to pay Parent a Break-Up Fee of $6,000,000 (less any expense amounts paid by the Company pursuant to its expense reimbursement obligations described below) in the event that the Merger Agreement is terminated by Parent pursuant to clause (iv) above or by the Company pursuant to (v) above.

Additionally, pursuant to the Merger Agreement, if all of the following events have occurred:

(i) an Acquisition Proposal is commenced, publicly disclosed, publicly proposed or otherwise communicated to the Company at any time on or after the date of the Merger Agreement and prior to the consummation of the Offer and either Parent or the Company terminates the Merger Agreement pursuant to clause (iii)(A) or (iii)(D) above or Parent terminates the Merger Agreement pursuant to clause (vii) above; and

(ii) thereafter, within 12 months of the date of termination of the Merger Agreement, the Company enters into a definitive agreement with respect to, or consummates, any Acquisition Proposal described in clause (i) immediately above (or any other Acquisition Proposal whether or not described in clause (i) immediately above if the Acquisition Proposal is made by any person or affiliate thereof who made any Acquisition Proposal described in clause (i) immediately above),

then the Company shall pay to Parent an amount equal to the Break-Up Fee concurrently with the execution of the relevant definitive agreement.

The parties also agreed that if the Merger Agreement is terminated by Parent or the Company pursuant to clause (vii) or (viii) above, respectively, the breaching party shall reimburse the other party up to a maximum of $1,500,000 for all expenses incurred by non-breaching party in connection with its negotiation, execution, delivery and performance of the Merger Agreement.

The Stockholder Tender Agreement

Prior to the execution of the Merger Agreement, Purchaser and Parent entered into a Stockholder Tender Agreement with the Selling Stockholders. The Selling Stockholders own an aggregate of 1,701,666 Shares. Pursuant to the Stockholder Tender Agreement, each Selling Stockholder has agreed to tender and sell all Shares owned by it to Purchaser pursuant to and in accordance with the terms of the Offer.

During the term of the Stockholder Tender Agreement, no Selling Stockholder shall (a) sell, transfer, pledge, encumber, assign or otherwise dispose of or enter into any contract, option or other arrangement or understanding with respect to the transfer by such Stockholder of, any of the Shares or offer any interest in any Shares thereof to any person other than pursuant to the terms of the Offer, the Merger or the Stockholder Tender Agreement, (b) enter into any voting arrangement or understanding, whether by proxy, power of attorney, voting agreement, voting trust or otherwise with respect to the Shares, or (c) take any action that would make any representation or warranty of such Stockholder contained in the Stockholder Tender Agreement untrue or incorrect in any material respect or have the effect of preventing or disabling such Stockholder from performing his or its obligations under the Stockholder Tender Agreement.

During the term of the Stockholder Tender Agreement, each Selling Stockholder agrees not to directly or indirectly, (a) initiate, solicit or otherwise encourage any inquiries or the making of any proposal or offer with respect to an Acquisition Proposal or (b) initiate or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person or entity relating to an Acquisition Proposal, whether made before or after the date of the Stockholder Tender Agreement, or otherwise facilitate any effort or attempt to make or implement or consummate an Acquisition Proposal. If a Selling Stockholder receives any Acquisition Proposal, such Selling Stockholder agrees to immediately notify Parent of that inquiry or proposal and the details thereof.

During the term of the Stockholder Tender Agreement, each Selling Stockholder agrees to vote each of his or its Shares at any meeting of the stockholders of the Company, however called, (a) in favor of the Merger and the Merger Agreement and the transactions contemplated thereby, and (b) against any action or agreement (other than the Merger and the other transactions contemplated by the Merger Agreement) that would impede, interfere with, delay, postpone or attempt to discourage the Merger, the Offer or the other transactions contemplated by the Merger Agreement and the Stockholder Tender Agreement, including, but not limited to: (i) any Acquisition Proposal; (ii) any action that is likely to result in a breach in any respect of any representation, warranty, covenant or any other obligation or agreement of the Company under the Merger Agreement or result in any of the conditions of the Offer not being fulfilled; (iii) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or its subsidiaries; (iv) a sale, lease or transfer of a material amount of assets of the Company or one of its subsidiaries, or a reorganization, recapitalization, dissolution, winding up or liquidation of the Company or its subsidiaries; (v) any change in the management or board of directors of the Company, except as otherwise agreed to in writing by Parent; (vi) any material change in the present capitalization or dividend policy of the Company; or (vii) any other material change in the Company's corporate structure, business, certificate of incorporation or by-laws.

The Stockholder Tender Agreement will terminate on the earlier of (a) the date on which the Merger Agreement is terminated in accordance with its terms, and (b) the Effective Time.

Section 203 of the DGCL. Section 203 of the DGCL limits the ability of a Delaware corporation to engage in business combinations with "interested stockholders" (defined as any beneficial owner of 15% or more of the outstanding voting stock of the corporation) unless, among other things, the corporation's board of directors has given its prior approval to either the business combination or the transaction which resulted in the stockholder's becoming an "interested stockholder." On June 3, 1999, the Company Board approved the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger and all the transactions contemplated thereunder, for purposes of Section 203 of the DGCL, and, therefore, Section 203 of the DGCL is inapplicable to the Merger.

Confidentiality Agreement

The Confidentiality Agreement contains customary provisions pursuant to which, among other matters, Parent agreed to keep confidential all information concerning the Company furnished to it by the Company, to use such material solely in connection with evaluating or consummating an acquisition of the Company by Parent, and, except with the prior written consent of the Company, not to disclose the fact that discussions or negotiations have or are taking place concerning a possible transaction involving the Company or the status thereof. Except with the prior written consent of the Company Board, Parent also agreed not to, for two years after the date of the Confidentiality Agreement, (a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or direct or indirect rights to acquire any voting securities of the Company or any subsidiary thereof, or of any successor to or person in control of the Company, or any assets of the Company or any subsidiary or division thereof or of any such successor or controlling person; (b) make, or participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Commission), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company; (c) make any public announcement with respect to, or submit a proposal for, or offer of any extraordinary transaction involving the Company or any of its securities or assets; (d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Exchange Act in connection with any of the foregoing; (e) participate with or assist any other person in doing any of the foregoing; or (f) request the Company or any of its Representatives (as defined in the Confidentiality Agreement), directly or indirectly, to amend or waive any provision of this paragraph. The Confidentiality Agreement (other than the provisions relating to the use and disclosure of confidential information) terminated upon execution of the Merger Agreement.

14. Dividends and Distributions

The Company has not paid and does not intend to pay dividends on the Shares. The Merger Agreement provides that, unless Parent consents in writing, the Company will not, among other things: (a) issue, sell, pledge or register for issuance or sale any shares of capital stock or other ownership interest in the Company (other than issuances of Shares in respect of any exercise of Options outstanding on the date of the Merger Agreement) or any of the subsidiaries, or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares of capital stock, or ownership interest, or convertible or exchangeable securities or accelerate any right to convert or exchange or acquire any securities of the Company (other than Options pursuant to Section 5.2(d) of the Merger Agreement) or any of its subsidiaries for any such shares or ownership interest; (b) effect any stock split or conversion of any of its capital stock or otherwise change its capitalization as it exists on the date hereof, other than as set forth in the Merger Agreement; or (c) directly or indirectly redeem, purchase or otherwise acquire any shares of its capital stock or any of its subsidiaries, other than as set forth in the Merger Agreement.

15. Certain Conditions of the Offer

Notwithstanding any other term of the Merger Agreement, Purchaser is not required to accept for payment or pay for, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) of the Exchange Act, any Shares not previously accepted for payment or paid for and may terminate or amend the Offer as to those Shares unless (i) there has been validly tendered and not withdrawn prior to the expiration of the Offer the number of Shares that represent at least a majority on a fully diluted basis of the outstanding Shares (collectively, the "Minimum Condition") and (ii) any waiting period under the HSR Act and any non-United States laws regulating competition, investment, or exchange controls applicable to the purchase of Shares pursuant to the Offer has expired or terminated. Furthermore, notwithstanding any other term of the Offer or the Merger Agreement, Purchaser is not required to accept for payment or, subject to the preceding conditions, to pay for any Shares not previously accepted for payment or paid for, and may terminate or amend the Offer if at any time on or after the date of the Merger Agreement and prior to the expiration of the Offer, any of the following conditions shall exist or shall occur and remain in effect:

(a) Any United States or state judicial, legislative, executive, administrative or regulatory body or authority or any court, arbitration, board or tribunal ("Governmental Entity") shall have enacted, issued, promulgated, enforced, instituted or entered any statute, rule, regulation, executive order, decree, injunction, action, application or claim or other order that is in effect or pending (a "Claim"), (i) challenging or prohibiting the acquisition by Parent or Purchaser of the Shares pursuant to the Merger Agreement, including the Offer or the Merger, (ii) restraining or prohibiting the making or consummation of the Merger Agreement, including the Offer or the Merger or the performance of any of the other transactions contemplated by the Merger Agreement, (iii) seeking to obtain from Parent or Purchaser any damages that arise out of the transactions contemplated by the Merger Agreement and could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect if such damages were assessed against the Company, (iv) restraining or prohibiting, or limiting in any material respect, the ownership or operation by Parent or Purchaser of any material portion of the business or assets of the Company and its subsidiaries taken as a whole, (v) seeking to compel Parent or Purchaser to dispose of or forfeit material incidents of control of all or any material portion of the business or assets of the Company or any of its subsidiaries, (vi) imposing limitations on the ability of Parent, Purchaser or any other subsidiary of Parent effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote any Shares acquired or owned by Parent or Purchaser on all matters properly presented to the Company's stockholders, or (vii) seeking to require divestiture by Parent or Purchaser of any Shares; or

(b) There shall be any statute, rule, regulation, judgment, order or injunction enacted, promulgated, entered, enforced or deemed applicable to the Offer, the Merger or the Merger Agreement, or any other action shall have been taken by any government, Governmental Entity or court, domestic or foreign, other than the routine application to the Offer or the Merger of waiting periods under the HSR Act or any

non-United States laws regulating competition, antitrust, investment or exchange controls, that has, or has a substantial likelihood of resulting in, any of the consequences referred to in paragraph (a) above; or

(c)(i) The representations and warranties made by the Company in the Merger Agreement shall not be true and correct as of the date of consummation of the Offer as though made on and as of that date (other than representations and warranties made as of a specified date, in which case such representations and warranties shall be true and correct in all material respects on and as of such specified date) except for any breach or breaches that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect or (ii) the Company shall have breached or failed to comply in any material respect with any of its obligations, covenants or agreements under the Merger Agreement (other than those obligations, covenants or agreements under Section 5.2(e) (relating to the Stock Option Plans), with respect to which the Company shall have performed in all respects) and, with respect to any such failure that can be remedied, the failure is not remedied within 20 business days after Parent has furnished the Company with written notice of such failure; or

(d) There shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange, any other national securities exchange or Nasdaq, (ii) the declaration of a banking moratorium or any mandatory suspension of payments in respect of banks in the United States, (iii) the commencement of or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, (iv) any limitation (whether or not mandatory) by any United States governmental authority on the extension of credit by banks or other financial institutions, (v) a change in general financial bank or capital market conditions which materially and adversely affects the ability of financial institutions in the United States to extend credit or syndicate loans, or (vi) in the case of any of the foregoing existing on the date of the Merger Agreement, a material acceleration or worsening thereof; or

(e) The Company Board shall have withdrawn or modified in a manner adverse to Parent or Purchaser (including by amendment of the Company's Schedule 14D-9) its approval of the Merger Agreement and the transactions contemplated thereby, or its recommendation that the holders of the shares of common stock accept the Offer and tender all of their shares of common stock to Purchaser and approve the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, or shall have approved or recommended any Acquisition Proposal or Superior Proposal; or

(f) The Merger Agreement shall have been terminated in accordance with its terms; or

(g) There shall have occurred any events or states of fact that have had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

The foregoing conditions are for the sole benefit of Parent and Purchaser and may be asserted by Parent or Purchaser regardless of the circumstances giving rise to any such conditions and, except for the Minimum Condition, 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 by Parent or Purchaser at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right and the waiver of such right with respect to any other facts or circumstances shall not be deemed a waiver with respect to any other facts or circumstances, and each such right will be deemed an ongoing right which may be asserted at any time and from time to time.

If the Offer is terminated pursuant to the foregoing provisions, all tendered Shares not theretofore accepted for payment shall forthwith be returned by the Depositary to the tendering stockholders.

16. Certain Regulatory and Legal Matters

Except as set forth in this Section 16, based on a review of publicly available filings made by the Company with the Commission and other publicly available information concerning the Company, as well as certain representations made to Purchaser and Parent in the Merger Agreement by the Company, neither Purchaser nor Parent is aware of any license or regulatory permit that appears to be material to the business of the Company

and its subsidiaries, taken as a whole, that might be adversely affected by Purchaser's acquisition of Shares as contemplated herein or of any approval or other action by any governmental entity that would be required for the acquisition or ownership of Shares by Purchaser as contemplated herein. Should any such approval or other action be required, Purchaser and Parent currently contemplate that such approval or other action will be sought, except as described below under "State Takeover Laws". Except as specified in this Section 16, Purchaser has no current intention to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such matter, subject, however, to Purchaser's right to decline to purchase Shares if any of the conditions specified in Section 15 of this Offer to Purchase shall have occurred. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions, or that adverse consequences might not result to the Company's business or that certain parts of the Company's business might not have to be disposed of if any such approvals were not obtained or other action taken. If certain types of adverse action are taken with respect to the matters discussed below, Purchaser could decline to accept for payment or pay for any Shares tendered. See Section 15 of this Offer to Purchase for certain conditions of the Offer.

State Takeover Laws. The Company is incorporated under the laws of the State of Delaware and operations are conducted throughout the United States. A number of states throughout the United States have enacted takeover statutes that purport, in varying degrees, to be applicable to attempts to acquire securities of corporations that are incorporated or have assets, stockholders, executive offices or principal places of business in such states. In Edgar v. MITE Corp., the Supreme Court of the United States held that the Illinois Business Takeover Act, which involved state securities laws that made the takeover of certain corporations more difficult, imposed a substantial burden on interstate commerce and therefore was unconstitutional. In CTS Corp. v. Dynamics Corp. of America, however, the Supreme Court of the United States held that a state may, as a matter of corporate law and, in particular, those laws concerning corporate governance, constitutionally disqualify a potential acquirer from voting on the affairs of a target corporation without prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions. Subsequently, a number of Federal courts ruled that various state takeover statutes were unconstitutional insofar as they apply to corporations incorporated outside the state of enactment.

The Company is subject to the provisions of Section 203 of the DGCL with respect to restrictions upon business combinations involving the Company and, therefore, is subject to such provisions. In general, Section 203 of the DGCL prevents an "interested stockholder" (e.g., a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock) from engaging in a "business combination" (defined to include mergers and certain other transactions) with a Delaware corporation for a period of three years following the time such person became an interested stockholder unless, among other things, the corporation's board of directors approves such business combination or the transaction in which the interested stockholder becomes such prior to the time the interested stockholder becomes such. The Company Board has approved the Offer, the Merger, the Merger Agreement and the Stockholder Tender Agreement for the purposes of Section 203 of the DGCL. Except as described above with respect to Section 203 of the DGCL, Parent and Purchaser have not attempted to comply with any other state takeover laws in connection with the Offer and believe none of such laws to be applicable to the Offer. Should any person seek to apply any state takeover law, Parent and Purchaser reserve the right to take such action as then appears desirable, which may include challenging the validity or applicability of any such statute allegedly applicable to the Offer in appropriate court proceedings. Nothing in this Offer to Purchase nor any action taken in connection herewith is intended as a waiver of that right. In the event it is asserted that one or more state takeover law is applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer, Parent and Purchaser might be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, Purchaser might be unable to accept for payment or pay for any Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer and the Merger. In such case, Purchaser may not be obligated to accept for payment or pay for any Shares tendered. See Section 15 of this Offer to Purchase.

Antitrust. Under the provisions of the HSR Act applicable to the Offer, the acquisition of Shares under the Offer may be consummated only following the expiration or early termination of the applicable waiting period under the HSR Act.

Under the provisions of the HSR Act applicable to the purchase of Shares pursuant to the Offer, such purchase may not be made until the expiration of a 15-calendar day waiting period following the required filing of a Notification Report Form under the HSR Act by Parent, which Parent submitted on June 9, 1999. Accordingly, the waiting period under the HSR Act will expire at 11:59 P.M., New York City time, on June 24, 1999 unless early termination of the waiting period is granted by the Federal Trade Commission ("FTC") and the Department of Justice, Antitrust Division (the "Antitrust Division") or Parent receives a request for additional information or documentary material prior thereto. If either the FTC or the Antitrust Division issues a request for additional information or documentary material from Parent prior to the expiration of the 15-day waiting period, the waiting period will be extended and will expire at 11:59 P.M., New York City time, on the tenth calendar day after the date of substantial compliance by Parent with such request unless terminated earlier by the FTC and the Antitrust Division. If such a request is issued, the purchase of and payment for Shares pursuant to the Offer will be deferred until the additional waiting period expires or is terminated. Only one extension of such waiting period pursuant to a request for additional information or documentary material is authorized by the rules promulgated under the HSR Act. Thereafter, the waiting period can be extended only by court order or by consent of Parent. Although the Company is required to file certain information and documentary material with the Antitrust Division and the FTC in connection with the Offer, neither the Company's failure to make such filings nor a request to the Company from the Antitrust Division or the FTC for additional information or documentary material will extend the waiting period.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as the proposed acquisition of the Company pursuant to the Offer. At any time before or after Purchaser's acquisition of Shares pursuant to the Offer, the Antitrust Division or the FTC could take such action under the antitrust laws as either deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or the consummation of the Merger or seeking the divestiture of Shares acquired by Purchaser or the divestiture of substantial assets of the Company or its subsidiaries or Parent or their subsidiaries. Private parties and states Attorneys General may also bring legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the Offer on antitrust grounds will not be made, or, if such a challenge is made, of the result thereof.

If the Antitrust Division, the FTC, a state or a private party raises antitrust concerns in connection with a proposed transaction, Parent and Purchaser may engage in negotiations with the relevant governmental agency or party concerning possible means of addressing these issues and may delay consummation of the Offer or the Merger while such discussions are ongoing. Parent and the Company have agreed to use their respective best efforts to resolve any antitrust issues.

Appraisal Rights. Holders of the Shares do not have appraisal rights as a result of the Offer. However, if the Merger is consummated, holders of Shares whose Shares were not accepted for payment and paid for by Purchaser in the Offer will have certain rights pursuant to the provisions of Section 262 of the DGCL to dissent and demand appraisal of their Shares. Under Section 262 of the DGCL, dissenting stockholders who 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, together with a fair rate of interest, if any. Any such judicial determination of the fair value of the Shares could be based upon factors other than, or in addition to, the price per share to be paid in the Merger or the market value of the Shares. The value so determined could be more or less than the price per share to be paid in the Merger. See Annex II to this Offer to Purchase for Section 262 of the DGCL.

Legal Proceedings. Parent and Purchaser are not aware of any pending or overtly threatened legal proceedings which would affect the Offer or the Merger. If any such matters were to arise, Purchaser could decline to accept for payment or pay for any Shares tendered in the Offer. See Section 15 of this Offer to Purchase.

17. Fees and Expenses

Parent and Purchaser have retained D.F. King & Co., Inc., as Information Agent (the "Information Agent"), and LaSalle Bank, N.A., as Depositary, in connection with the Offer. The Information Agent and the Depositary will receive reasonable and customary compensation for their services hereunder and reimbursement for their reasonable out-of-pocket expenses. The Information Agent and the Depositary will also be indemnified by Purchaser against certain liabilities in connection with the Offer.

Neither Purchaser nor Parent, nor any officer, director, stockholder, agent or other representative of Purchaser or Parent, will pay any fees or commissions to any broker, dealer or other person (other than the Information Agent) for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies and other nominees will, upon request, be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding materials to their customers.

18. Miscellaneous

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 Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, 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 Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF PURCHASER OTHER THAN AS CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL, AND, IF ANY SUCH INFORMATION OR REPRESENTATION IS GIVEN OR MADE, IT SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY PURCHASER.

Purchaser and Parent have jointly filed a Tender Offer Statement on Schedule 14D-1 with the Commission, pursuant to Rule 14d-1 of the Exchange Act, together with exhibits furnishing certain information with respect to the Offer. Such Schedule 14D-1 and any amendments thereto, including all exhibits, may be examined and copies may be obtained at the same places and in the same manner as set forth with respect to the Company in Section 8 of this Offer to Purchase (except that they may not be available at the regional offices of the Commission).

Dated: June 10, 1999 VISION ACQUISITION CORPORATION

ANNEX I

CERTAIN INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF PARENT AND PURCHASER

1. DIRECTORS AND EXECUTIVE OFFICERS OF PARENT. The names, present principal occupation or employment, and material occupations, positions, offices, or employment during the last five years of each director and executive officer of Parent are set forth below. Unless otherwise noted, the officers and directors have held the positions indicated below with Parent for the last five years or have served Parent in various administrative or executive capacities for at least that long. The business address of each person listed below is 150 North Orange Grove Boulevard, Pasadena, California 91103, and each person is a citizen of the United States.

Name and Address	Title	Present Principal Occupation or Employment and Material Occupation, Positions, of or Employment Held During the Last Five Years
John C. Argue.....	Director	During the past five years, Mr. Argue has been Of Counsel and formerly Senior Partner of the law firm of Argue Pearson Harbison & Myers. Mr. Argue is chairman of The Rio Hondo Memorial Foundation. Mr. Argue is also a director of Apex Mortgage Capital, Inc., Nationwide Health Properties, Inc., and TCW/Convertible Securities Fund, Inc., a registered investment company. He is a trustee of the TCW/DW and TCW Galileo families of funds and the TCW/DW Term Trust 2000, TCW/DW Term Trust 2002 and TCW/DW Term Trust 2003. Mr. Argue is an advisory director (Chairman of advisory directors) of LAACO Ltd. He has been a director of Parent since January 1988.
Joan T. Bok.....	Director	Since April 1998, Mrs. Bok has been Chairman Emeritus of the Board of NEES Companies, a public utility holding company and supplier of electricity. From February 1984 through April 1998, Mrs. Bok was Chairman of the Board of NEES Companies, and from July 1988 to February 1989, she served as Chairman, President and Chief Executive Officer. She is also a director of John Hancock Mutual Life Insurance Company and Solutia, Inc. Mrs. Bok has been a director of Parent since October 1990. She served as a director of Dennison Manufacturing Company from 1984 to October 1990.
Charles D. Miller.....	Director and Chairman	Mr. Miller has served as Chairman of Parent since May 1998. From November 1983 through April 1998, Mr. Miller was Chairman and Chief Executive Officer of Parent. Prior to 1983, he served as President and Chief Executive Officer. He is Chairman of Nationwide Health Properties, Inc., and also is a director of Edison International and Pacific Life Insurance Company. He has been a director of Parent since January 1975.

Name and Address	Title	Present Principal Occupation or Employment and Material Occupation, Positions, of or Employment Held During the Last Five Years
Peter W. Mullin.....	Director	During the past five years, Mr. Mullin has been Chairman and Chief Executive Officer of Mullin Consulting, Inc., formerly known as Management Compensation Group, Los Angeles, Inc., an executive compensation, benefit planning, and corporate insurance consulting firm, and related entities. He is also a director of Golden State Vintners, Inc. and Mrs. Fields Original Cookies, Inc. He has been a director of Parent since January 1988.
Philip M. Neal.....	Director, President and Chief Executive Officer	Since May 1998, Mr. Neal has served as President and Chief Executive Officer of Parent. From December 1990 through April 1998, Mr. Neal was President and Chief Operating Officer of Parent. Prior to December 1990, he served as Executive Vice President, Group Vice President, and Senior Vice President, Finance, respectively. He has been a director of Parent since December 1990.
Sidney R. Petersen.....	Director	During the past five years, Mr. Petersen has been a private investor. In 1984, he retired as Chairman and Chief Executive Officer of Getty Oil Company, a position which he had held since 1980. He is also a director of NICOR, Inc., Seagull Energy Corporation, Sypris Solutions, Inc., and UnionBanCal Corp. He has been a director of Parent since December 1981.
John B. Slaughter.....	Director	Since August 1988, Dr. Slaughter has served as President of Occidental College. Dr. Slaughter is also a director of Atlantic Richfield Company, International Business Machines Corporation, Northrop Grumman Corporation, and Solutia, Inc. He has been a director of Parent since December 1988.
Robert M. Calderoni.....	Senior Vice President, Finance and Chief Financial Officer	Mr. Calderoni has served as Senior Vice President, Finance and Chief Financial Officer of Parent since 1997. From 1996 through 1997, he served as Senior Vice President, Finance of Apple Computer, Inc. From 1994 through 1996, he served as Vice President, Finance of IBM, Storage Systems Division.
Kim A. Caldwell.....	Executive Vice President, Global Technology and New Business Development	Mr. Caldwell has served as Executive Vice President, Global Technology and New Business Development of Parent since 1997. From 1990 through 1997, he served as Senior Group Vice President, World Materials--Americas and Asia.
Diane B. Dixon.....	Vice President, Worldwide Communications and Advertising	Ms. Dixon has served as Vice President, Worldwide Communications and Advertising of Parent since 1997. From 1985 through 1997, she served as Vice President, Corporate Communications.

Name and Address	Title	Present Principal Occupation or Employment and Material Occupation, Positions, of or Employment Held During the Last Five Years
Geoffrey T. Martin.....	Senior Group Vice President, Worldwide Converting, Graphic Systems and Specialty Tapes	Mr. Martin has served as Senior Group Vice President, Worldwide Converting, Graphic Systems and Specialty Tapes of Parent since 1997. From 1994 through 1997, he served as Senior Vice President, Worldwide Converting and Materials--Europe.
Thomas E. Miller.....	Vice President and Controller	Mr. Miller has served as Vice President and Controller of Parent since 1994. From 1993 through 1994, he served as Vice President and Assistant Controller of Parent.
Dean A. Scarborough.....	Group Vice President, Fasson Roll--North America and Europe	Mr. Scarborough has served as Group Vice President, Fasson Roll--North America and Europe of Parent since 1997. From 1995 through 1997, he served as Vice President and General Manager, Fasson Roll Division--U.S. of Parent. From 1993 through 1995, Mr. Scarborough served as Vice President and General Manager, Fasson Roll Division--Europe.
Wayne H. Smith.....	Vice President and Treasurer	Mr. Smith has served as Vice President and Treasurer of Parent since June 1979.
Stephanie A. Streeter.....	Group Vice President, Worldwide Office Products	Ms. Streeter has served as Group Vice President, Worldwide Office Products of Parent since 1996. From 1993 through 1996, she served as Vice President and General Manager, Avery Dennison Brands.
Robert G. van Schoonenberg.....	Senior Vice President, General Counsel and Secretary	Mr. van Schoonenberg has served as Senior Vice President, General Counsel and Secretary of Parent since 1996. From 1981 through 1996, Mr. van Schoonenberg served as Vice President, General Counsel and Secretary of Parent.

2. DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER. Unless otherwise indicated, each person identified below has been employed by Parent for the last five years and all information concerning the current business address, present principal occupation or employment and five-year employment history for each person is the same as the information given above. In addition to holding the offices indicated, each person identified below is also a director of Purchaser. All persons listed below are citizens of the United States.

Name and Address	Title	Present Principal Occupation or Employment and Material Occupation, Positions, of or Employment Held During the Last Five Years
Richard P. Randall.....	Vice President and Secretary	Mr. Randall has served as Vice President, Associate General Counsel and Assistant Secretary of Parent since April 1998. From March 1994 through March 1998, he served as Assistant General Counsel and Assistant Secretary. From September 1993 through February 1994, he was on a temporary assignment with the Material Group Europe Division of Parent. Mr. Randall has served as Vice President and Secretary of Purchaser since June 1999.
Wayne H. Smith.....	Vice President and Treasurer	Mr. Smith has served as Vice President and Treasurer of Purchaser since June 1999. In addition, Mr. Smith has held the positions set forth above.
Alan P. Tsuma.....	Vice President	Mr. Tsuma has served as Vice President, Business Development of Parent since December 1995. From January 1986 through November 1995, he served as the Director, Business Development. Mr. Tsuma has served as Vice President of Purchaser since June 1999.
Robert G. van Schoonenberg.....	President	Mr. van Schoonenberg has served as President of Purchaser since June 1999. In addition, Mr. van Schoonenberg has held the positions set forth above.

Set forth below is Section 262 of the General Corporation Law of the State of Delaware regarding appraisal rights, which rights will only be available in connection with the Merger.

SECTION 262 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

(S) 262 Appraisal Rights--(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to (S)228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the Stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to (S) 251 (other than a merger effected pursuant to (S) 251(g)), (S)252, (S)254, (S)257, (S)258, (S)263 or (S)264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the Stockholders of the surviving corporation as provided in subsection (f) of (S) 251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to (S)(S) 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under (S)253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsections (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to Section 228 or Section 253 of this title, each constituent corporation, either before the effective date of the merger or consolidation or within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section, provided that, if the notice is given on or after the effective date of the merger or consolidation, such notice shall be given by the surviving or resulting corporation to all such holders of any class or series of stock of a constituent corporation that are entitled to appraisal rights. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be

not more than 10 days prior to the date the notice is given; provided that, if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that he is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded such stockholder's appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal and certificates for Shares and any other required documents should be sent or delivered by each stockholder of the Company or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of the addresses set forth below:

The Depositary for the Offer is:

LASALLE BANK, N.A.

Facsimile Transmission:
(312) 904-2236

Confirm by Telephone:
(312) 904-2450

By Hand:	By Overnight Courier:	By Mail:
LaSalle Bank, N.A. Attn: Corporate Trust Operations 135 S. LaSalle Street, Suite 1811 Chicago, Illinois 60603-3498	LaSalle Bank, N.A. Attn: Corporate Trust Operations 135 S. LaSalle Street, Suite 1811 Chicago, Illinois 60603-3498	LaSalle Bank, N.A. Attn: Corporate Trust Operations 135 S. LaSalle Street, Suite 1811 Chicago, Illinois 60603-3498

Any questions or requests for assistance or additional copies of the Offer to Purchase and the related Letter of Transmittal, and other tender offer materials, may be directed to the Information Agent at its telephone number and location listed below. Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.
77 Water Street, 20th Floor
New York, New York 10005

Banks and Brokers Call Collect: (212) 425-1685
All Others Call Toll Free: (800) 848-2998

LETTER OF TRANSMITTAL
To Tender Shares of Common Stock

of

Stimsonite Corporation

Pursuant to the Offer to Purchase
dated June 10, 1999

of

Vision Acquisition Corporation
a wholly owned subsidiary of

Avery Dennison Corporation

THIS OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 8, 1999, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

LaSalle Bank, N.A.

Facsimile Transmission:

(312) 904-2236

Confirm by Telephone:

(312) 904-2450

By Hand:	By Overnight Courier:	By Mail:
LaSalle Bank, N.A. Attn: Corporate Trust Operations 135 S. LaSalle Street, Suite 1811 Chicago, Illinois 60603-3498	LaSalle Bank, N.A. Attn: Corporate Trust Operations 135 S. LaSalle Street, Suite 1811 Chicago, Illinois 60603-3498	LaSalle Bank, N.A. Attn: Corporate Trust Operations 135 S. LaSalle Street, Suite 1811 Chicago, Illinois 60603-3498

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST SIGN THIS LETTER OF TRANSMITTAL WHERE INDICATED BELOW AND COMPLETE THE SUBSTITUTE FORM W-9 PROVIDED BELOW.

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 of Stimsonite Corporation (the "Company") if certificates representing Shares (as defined below) ("Share Certificates") are to be forwarded herewith or, unless an Agent's Message (as defined in the Offer to Purchase (as defined below)) is utilized, if delivery of Shares is to be made by book-entry transfer to the account of LaSalle Bank, N.A. (the "Depositary") at The Depository Trust Company ("DTC") (hereinafter referred to as the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase.

Stockholders whose Share Certificates are not immediately available or who cannot deliver their Share Certificates and all other documents required hereby to the Depositary prior to the Expiration Date (as defined in the Offer to Purchase), or who cannot comply with the book-entry transfer procedures on a timely basis, may nevertheless tender their Shares pursuant 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 in accordance with such Book-Entry Transfer Facility's procedures does not constitute delivery to the Depositary.

[_]CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution _____

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 Holder(s) _____

Window Ticket No. (if any) _____

Date of Execution of Notice of Guaranteed Delivery _____

Name of Institution which Guaranteed Delivery _____

Name(s) and Address(es) of Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on Share Certificate(s))	Share Certificate(s) and Share(s) Tendered (Attach additional list if necessary)		
	Share Certificate Number(s)*	Total Number of Shares Evidenced by Share Certificate(s)*	Number of Shares Tendered**
	Total Shares		

* Need not be completed by shareholders delivering Shares by book-entry transfer.

** Unless otherwise indicated, it will be assumed that all Shares evidenced by each Share Certificate delivered to the Depositary are being tendered hereby. See Instruction 4.

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

Ladies and Gentlemen:

The undersigned hereby tenders to Vision Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation ("Parent"), the above-described shares of common stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation (the "Company"), pursuant to Purchaser's offer to purchase any and all outstanding Shares at a purchase price of $14.75 per Share (the "Offer Price"), 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 June 10, 1999 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended and supplemented from time to time, constitute the "Offer").

Subject to, and effective upon, acceptance for payment of the Shares tendered herewith, the undersigned hereby sells, assigns and transfers to or upon the order of Purchaser all right, title and interest in and to all the Shares that are being tendered hereby and any and all other Shares or other securities issued or issuable in respect thereof on or after June 3, 1999 (a "Distribution") and appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and any Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (a) deliver Share Certificates (and any Distributions), or transfer ownership of such Shares (and any Distributions) on the account books maintained by the Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (b) present such Shares (and any Distributions) 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 any Distributions), all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby irrevocably appoints designees of Purchaser as the attorneys and proxies of the undersigned, each with full power of substitution, to exercise all voting and other rights of the undersigned in such manner as each such attorney and proxy or his substitute shall in his sole judgment deem proper, with respect to all of the Shares tendered hereby which have been accepted for payment by Purchaser prior to the time of any vote or other action (and any Distributions), at any meeting of stockholders of the Company (whether annual or special and whether or not an adjourned meeting) or otherwise. This power of attorney and proxy are irrevocable, are coupled with an interest in the Shares tendered hereby, and are granted in consideration of, and effective upon, the acceptance for payment of such Shares by Purchaser in accordance with the terms of the Offer. Such acceptance for payment shall revoke any other proxy or written consent granted by the undersigned at any time with respect to such Shares (and any Distributions), and no subsequent proxies will be given or written consents executed by the undersigned (and if given or executed, will not be deemed effective).

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any Distributions) and that when the same are accepted for payment by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby (and any Distributions). All authority herein conferred or agreed to be conferred 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. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that the tender of Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute an agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer. The undersigned acknowledges that no interest will be paid on the Offer Price for tendered Shares regardless of any extension of the Offer or any delay in making such payment.

Unless otherwise indicated in the box entitled "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and return any Share Certificates evidencing any Shares not tendered or not purchased, in the

name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility). Similarly, unless otherwise indicated in the box entitled "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and return any Share Certificates evidencing any Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price of any Shares purchased and return any Share Certificates evidencing any Shares not tendered or not purchased in the name(s) of, and mail said check and Share Certificates to, the person(s) so indicated. The undersigned acknowledges that Purchaser has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Purchaser does not accept for payment any of the Shares so tendered.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned, or if Shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by credit to an account at the Book-Entry Transfer Facility other than that designated above.

Issue:[_] Check and/or

[_] Share Certificate(s) to:

Name _____
(Please Print)

Address _____

_____
(Zip Code)

_____
(Taxpayer Identification or Social Security Number)

[_] Credit Shares delivered by book-entry transfer and not purchased to the account set forth below:

Account Number _____

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates evidencing Shares not tendered or not purchased are to be mailed to someone other than the undersigned, or to the undersigned at an address other than that shown under the undersigned's signature.

Mail:[_] Check and/or

[_] Share Certificate(s) to:

Name _____
(Please Print)

Address _____

_____
(Zip Code)

_____
(Taxpayer Identification or Social Security Number)

IMPORTANT

STOCKHOLDERS: SIGN HERE
(PLEASE COMPLETE AND SIGN SUBSTITUTE FORM W-9 IN THIS LETTER OF TRANSMITTAL)

- SIGN HERE: _____ -

_____

Signature(s) of Holder(s)

Dated: _____

(Must be signed by the registered holder(s) exactly as such holder(s) name(s) appear(s) on the Share Certificate(s) or on a security position listing or by a person(s) authorized to become the registered holder(s) of such Share Certificate(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person 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 No.: _____

Taxpayer Identification or Social Security No.: _____

GUARANTEE OF SIGNATURE(S)
(See Instructions 1 and 5)

- Authorized Signature: _____ -

Name: _____

(Please Type or Print)

Title: _____

Name of Firm: _____

Address: _____

(Include Zip Code)

Area code and Telephone No.: _____

Dated: _____

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. Except as otherwise provided below, signatures on all Letters of Transmittal must be guaranteed by a firm that 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 or by any other bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing constituting an "Eligible Institution"), unless the Shares tendered thereby are tendered (i) by a registered holder of Shares who has not completed either the box labeled "Special Payment Instructions" or the box labeled "Special Delivery Instructions" on this Letter of Transmittal or (ii) for the account of an Eligible Institution. See Instruction 5. If Share Certificates are registered in the name of a person or persons other than the signer of this Letter of Transmittal, or if payment is to be made or delivered to, or certificates evidencing unpurchased Shares are to be issued or returned to, a person other than the registered owner or owners, then the tendered Share Certificates must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the Share Certificates, with the signatures on the Share Certificates or stock powers guaranteed by an Eligible Institution as provided herein. See Instruction 5.

2. Delivery of Letter of Transmittal and Share Certificates. This Letter of Transmittal is to be used if Share Certificates are to be forwarded herewith or, unless an Agent's Message is utilized, if the delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth in Section 3 of the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) and any other documents required by this Letter of Transmittal, or an Agent's Message in the case of a book-entry transfer, must be received by the Depositary at one of its addresses set forth on the front page of this Letter of Transmittal by the Expiration Date (as defined in the Offer to Purchase). Stockholders who cannot deliver their Share Certificates and all other required documents to the Depositary by the Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution; (b) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser, must be received by the Depositary prior to the Expiration Date; and (c) Share Certificates for all tendered Shares, in proper form for tender, or a confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), 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, all as provided in Section 3 of the Offer to Purchase.

The method of delivery of this Letter of Transmittal, Share 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 delivery will be deemed made only when actually received by the Depositary. 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. By execution of this Letter of Transmittal (or a manually signed facsimile thereof), all tendering stockholders waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein is inadequate, the Share Certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. Partial Tenders. If fewer than all of the Shares represented by any Share Certificate delivered to the Depositary are to be tendered, fill in the number of Shares which are to be tendered in the box entitled "Number

of Shares Tendered." In such case, a new Share Certificate for the remainder of the Shares represented by the old Share Certificate will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions," as promptly as practicable following the expiration or termination of the Offer. All Shares represented by Share 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 tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration, enlargement or any other change whatsoever.

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

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

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of Share Certificate(s) or separate stock powers are required, unless payment of the purchase price is to be made, or Share Certificate(s) evidencing Shares not tendered or not purchased are to be returned, in the name of any person other than the registered holder(s). Signatures on any such Share Certificate(s) 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 Shares tendered hereby, the Share Certificate(s) evidencing the Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signature(s) on any such Share Certificate(s) or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Share Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing and proper evidence satisfactory to Purchaser of the authority of such person to so act must be submitted.

6. Stock Transfer Taxes. Purchaser will pay any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Share Certificates evidencing Shares not tendered or not purchased are to be returned in the name of, any person other than the registered holder(s) of such Shares, then the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) 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 exemption therefrom, is submitted. Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificate(s) listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If the check for the purchase price of any Shares purchased is to be issued, or any Share Certificate(s) evidencing Shares not tendered or not purchased are to be returned, in the name of a person other than the person(s) signing this Letter of Transmittal or if the check or any Share Certificate(s) evidencing Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal at an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. Shareholders tendering Shares by book-entry transfer may request that Shares not purchased be credited to such account at the Book-Entry Transfer Facility as such stockholder may designate in the box entitled "Special Payment Instructions." If no such instructions are given, any such Shares not purchased will be returned by crediting the account at the Book-Entry Transfer Facility.

8. Substitute Form W-9. In order to avoid backup withholding of Federal income tax on payments of cash pursuant to the Offer, a stockholder tendering Shares in the Offer must, unless an exemption applies, provide the Depositary with such stockholder's correct taxpayer identification number (i.e., social security number or employer identification number) ("TIN") on Substitute Form W-9 below in this Letter of Transmittal, certifying under penalties of perjury that the TIN provided on Substitute Form W-9 is correct (or that the stockholder is awaiting a TIN) and that (i) the stockholder is exempt from backup withholding, (ii) the stockholder has not been notified by the Internal Revenue Service (the "IRS") that such stockholder is subject to backup withholding as a result of the failure to report all interest or dividends, or (iii) the IRS has notified the stockholder that such stockholder is no longer subject to backup withholding. If a stockholder does not provide such stockholder's correct TIN or fails to provide the certifications described above, the IRS may impose a $50 penalty on such stockholder and payment of cash to such stockholder pursuant to the Offer may be subject to backup withholding of 31%.

Backup withholding is not an additional income tax. Rather, the amount of the backup withholding may be credited against the Federal income tax liability of the person subject to the backup withholding, provided that the required information is given to the IRS. If backup withholding results in an overpayment of tax, a refund may be obtained by the stockholder upon filing an income tax return.

The stockholder is required to give the Depositary the TIN of the record holder of the Shares. If the holder of Shares is an individual, the correct TIN is his or her social security number. In other cases, the correct TIN may be the employer identification number of the record holder of the Shares tendered hereby. If the Shares are held 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.

The box in Part III of 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 III 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 III is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the Depositary will withhold 31% on all payments made prior to the time a properly certified TIN is provided to the Depositary. However, such amounts will be refunded to such stockholder if a TIN is provided to the Depositary within 60 days.

Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. To prevent possible erroneous backup withholding, an exempt payee should write "Exempt" in Part II of Substitute W-9 and sign and date the form. Noncorporate foreign stockholders must 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 the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for more instructions.

9. Questions and Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the Information Agent at the address and telephone number set forth on the back cover of the Offer to Purchase. Additional copies of the Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be obtained from the Information Agent or from brokers, dealers, commercial banks and trust companies.

This Letter of Transmittal or a manually signed facsimile copy hereof (together with Share Certificates or confirmation of book-entry transfer and all other required documents) or a Notice of Guaranteed Delivery must be received by the Depositary on or prior to the Expiration Date (as defined in the Offer to Purchase).

PAYER'S NAME: LASALLE BANK, N.A.

SUBSTITUTE Form W-9 Department of the Treasury Internal Revenue Service	Part I--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	Social security number(s) or Employer identification number(s)
Payer's Request for Taxpayer Identification Number (TIN)	Part II--Certification--Under penalty 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 ("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) in Part II above if you have been notified by the IRS that you are subject to backup withholding because of under-reporting interest or dividends on your tax returns. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out such item (2).	Part III Awaiting TIN[_]

Signature _____ Date

NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 WILL 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 INFORMATION.

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

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalty of perjury that a taxpayer identification number has not been issued to me, and either (a) 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 (b) I intend to mail or deliver an application in the near future. I understand that, if I do not provide a taxpayer identification number to the Depositary, 31% of all reportable payments made to me will be withheld, but will be refunded if I provide a certified taxpayer identification number within 60 days.

Signature _____ Date

The Information Agent for the Offer is:
D.F. King & Co., Inc.
77 Water Street, 20th Floor
New York, New York 10005
Banks and Brokers Collect: (212) 425-1685
All Others Call Toll Free: (800) 848-2998

(a)(3)

Notice of Guaranteed Delivery

for

Tender of Shares of Common Stock

of

Stimsonite Corporation

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if certificates evidencing shares of common stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation (the "Company"), are not immediately available, or if the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Depositary on or prior to the Expiration Date (as defined in the Offer to Purchase, dated June 10, 1999 (the "Offer to Purchase")). Such form may be delivered by hand or facsimile transmission or mail to the Depositary. See Section 3 of the Offer to Purchase.

The Depositary for the Offer is:

LaSalle Bank, N.A.

Facsimile Transmission:
(312) 904-2236

Confirm by Telephone:
(312) 904-2450

By Hand:	By Overnight Courier:	By Mail:
LaSalle Bank, N.A.	LaSalle Bank, N.A.	LaSalle Bank, N.A.
Attn: Corporate Trust Operations	Attn: Corporate Trust Operations	Attn: Corporate Trust Operations
135 S. LaSalle Street, Suite 1811	135 S. LaSalle Street, Suite 1811	135 S. LaSalle Street, Suite 1811
Chicago, Illinois 60603-3498	Chicago, Illinois 60603-3498	Chicago, Illinois 60603-3498

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY 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.

Ladies and Gentlemen:

The undersigned hereby tenders to Vision Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase and the related Letter of Transmittal (which, as amended and supplemented from time to time, together constitute the "Offer"), receipt of which is hereby acknowledged, the number of Shares specified below pursuant to the guaranteed delivery procedures described in Section 3 of the Offer to Purchase.

Signature(s): _____

_____

Name(s) of Record Holder(s): _____
(Please Type or Print)

The Depository Trust Company Certificate Nos. (if available): _____

_____

Address: _____
(Zip Code)

Area Code and Tel. No.: _____

If Shares will be delivered by book-entry transfer, provide the following information:
Account Number: _____

[_]The Depository Trust Company

Date: _____

GUARANTEE
(Not To Be Used For Signature Guarantee)

The undersigned, 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 or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing constituting an "Eligible Institution"), guarantees the delivery to the Depositary of the Shares tendered hereby, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) and any other required documents, or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry transfer of Shares, all within three Nasdaq National Market trading days of the date hereof.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal and certificates representing Shares to the Depositary within the time period set forth herein. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm: _____

_____
(Authorized Signature)

Address: _____
(Zip Code)

Area Code and Tel. No.: _____

Name: _____
(Please Print)

Title: _____

Date: _____

NOTE: DO NOT SEND SHARE CERTIFICATES WITH THIS FORM. CERTIFICATES FOR SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Offer to Purchase for Cash
Any and All Outstanding Shares of Common Stock

of

STIMSONITE CORPORATION

at

$14.75 Net Per Share

by

VISION ACQUISITION CORPORATION
a wholly owned subsidiary of

AVERY DENNISON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 8, 1999, UNLESS THE OFFER IS EXTENDED.

June 10, 1999

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

Vision Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation ("Parent"), is offering to purchase any and all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation (the "Company"), at a purchase price of $14.75 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 June 10, 1999 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, as amended and supplemented from time to time, together constitute the "Offer") enclosed herewith. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Offer to Purchase.

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

Enclosed herewith for your information and forwarding to your clients are copies of the following documents:

1. The Offer to Purchase, dated June 10, 1999.

2. The Letter of Transmittal to tender Shares for your use and for the information of your clients, along with Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9. Facsimile copies of the Letter of Transmittal (with manual signatures) may be used to tender Shares.

3. A letter to stockholders of the Company from Robert E. Stutz, President and Chief Executive Officer, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company and mailed to the stockholders of the Company, each recommending that the Company's stockholders accept the Offer and tender their Shares.

4. The Notice of Guaranteed Delivery to be used to tender Shares pursuant to the Offer if none of the procedures for tendering Shares set forth in the Offer to Purchase can be completed on a timely basis.

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. A return envelope addressed to LaSalle Bank, N.A., as Depositary (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 JULY 8, 1999, UNLESS THE OFFER IS EXTENDED.

Please note the following:

1. The tender price is $14.75 per Share, net to the seller in cash, without interest thereon.

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

3. The Offer is conditioned upon, among other things, (i) there having been validly tendered, and not properly withdrawn, that number of Shares representing at least a majority of all outstanding Shares on a fully diluted basis, (ii) the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (iii) the satisfaction of certain other terms and conditions set forth in the Offer to Purchase.

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

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), Purchaser will accept for payment and pay for all Shares which are validly tendered and not properly withdrawn on or prior to the Expiration Date (as defined in the Offer to Purchase). In order to take advantage of the Offer, (i) a duly executed and properly completed Letter of Transmittal (or a manually signed facsimile thereof) and any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other required documents should be sent to the Depositary and (ii) certificates representing the tendered Shares (the "Share Certificates") or a timely Book-Entry Confirmation should be delivered to the Depositary in accordance with the instructions set forth in the Offer to Purchase and the Letter of Transmittal.

Holders of Shares whose Share Certificates are not immediately available or who cannot deliver their Share Certificates and all other required documents to the Depositary or complete the procedures for book-entry transfer prior to the Expiration Date must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

None of Purchaser, Parent nor any officer, director, stockholder, agent or other representative of Purchaser will pay any fees or commissions to any broker, dealer or other person (other than the Depositary and the Information Agent (as defined below) as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. 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 to the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to D.F. King & Co., Inc. (the "Information Agent"), 77 Water Street, 20th Floor, New York, New York 10005, telephone number (800) 848-2998, facsimile number (212) 809-8839.

Requests for copies of the enclosed materials may be directed to the Information Agent at the above address and telephone number.

Very truly yours,

Vision Acquisition Corporation

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF PARENT, PURCHASER, THE DEPOSITARY, THE INFORMATION AGENT OR ANY AFFILIATE OF ANY OF THE FOREGOING, 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.

(a)(5)

Offer to Purchase for Cash Any and All Outstanding Shares of Common Stock

Stimsonite Corporation

at

$14.75 Net Per Share

by

Vision Acquisition Corporation
a wholly owned subsidiary of

of

Avery Dennison Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 8, 1999, UNLESS THE OFFER IS EXTENDED.

June 10, 1999

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated June 10, 1999 (the "Offer to Purchase"), and the related Letter of Transmittal (which, as amended or supplemented from time to time, together constitute the "Offer") relating to an offer by Vision Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation ("Parent"), to purchase any and all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation (the "Company"), at a purchase price of $14.75 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer.

This material is being forwarded to you as the beneficial owner of Shares carried by us in your account but not registered in your name.

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.

Accordingly, we request instructions as to whether you wish to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer to Purchase.

Please note the following:

1. The tender price is $14.75 per Share, net to the seller in cash, without interest thereon.

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

3. The Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on July 8, 1999, unless the Offer is extended.

4. The Offer is conditioned upon (i) there having been validly tendered, and not properly withdrawn, pursuant to the Offer that number of Shares representing at least a majority of all outstanding Shares on a fully diluted basis, (ii) the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (iii) the satisfaction of certain other terms and conditions set forth in the Offer to Purchase.

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

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing, detaching and returning to us the instruction form contained in this letter. An envelope to return your instruction to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise indicated in such instruction form. Please forward your instructions to us as soon as possible to allow us ample time to tender your shares on your behalf prior to the expiration of the Offer.

The Offer is made solely pursuant to the Offer to Purchase and the related Letter of Transmittal and any supplements or amendments thereto. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities laws of such jurisdiction.

Instructions with Respect to the
Offer to Purchase for Cash
Any and All Outstanding Shares of Common Stock

of

Stimsonite Corporation

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated June 10, 1999 (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer") in connection with the offer by Vision Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation to purchase any and all outstanding shares of Common Stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation.

This will instruct you to tender to Purchaser 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.

Number of Shares of Common Stock to be Tendered:

_____ Shares*

Dated: _____, 1999

SIGN HERE

Signature(s)

Print Name(s)

Print Address(es)

Area Code and Telephone Number(s)

Tax Identification or Social Security Number(s)

- -------

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

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

Guidelines for Determining the Proper Identification Number to Give the Payer.-- Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer 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.

For this type of account:	Give the SOCIAL SECURITY number of--
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals(1)
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person(1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)
7. 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)
8. Sole proprietorship account	The owner(4)

For this type of account:	Give the EMPLOYER IDENTIFICATION number of--
9. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(5)
10. Corporate account	The corporation
11. Religious, charitable,	The organization

	or educational organization account	
12.	Partnership account held in the name of the business	The partnership
13.	Association, club, or other tax-exempt organization	The organization
14.	A broker or registered nominee	The broker or nominee
15.	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.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
(4) Show the name of the owner.
(5) List first and circle the name of the legal trust, estate, or pension trust.

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 do not have a taxpayer identification number or you do not know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

Payees Exempt From Backup Withholding

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under section 501(a), or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency, or instrumentality thereof.
- A registered dealer in securities or commodities registered in the U.S. or a possession of the U.S.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- An exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1).
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business 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.
- Payments made to a nominee.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments other than interest dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A.

Privacy Act Notice.--Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Beginning January 1, 1984, 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 a payer. Certain penalties may also apply.

Penalties

(1) Penalty for 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) Failure to Report Certain Dividend and Interest Payments.--If you fail to include any portion of an includible payment for interest, dividends, or patronage dividends in gross income, such failure will be treated as being due to negligence and will be subject to a penalty of 5% on any portion of an underpayment attributable to that failure unless there is clear and convincing evidence to the contrary.

(3) Civil Penalty for False Information With Respect to Withholding.--If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(4) Criminal Penalty for Falsifying Information.--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.

Avery Dennison to Acquire Stimsonite Corporation

PR Newswire, Friday, June 04, 1999 at 08:47

Company to Expand Its Reflective Materials Operation;
Acquisition Provides Proprietary Technology to Broaden Product Range For Vast and Growing Worldwide Highway Safety Industry

PASADENA, Calif., and NILES, Ill., June 4, PRNewswire -- Avery Dennison Corporation (NYSE:AVY; PSE) and Stimsonite Corporation (NASDAQ:STIM) jointly announced today that they have signed a definitive merger agreement under which Avery Dennison will offer to acquire all of the outstanding shares of Stimsonite for $14.75 per share in cash, or a total of approximately $137 million. Avery Dennison plans to commence a cash tender offer for all outstanding shares of Stimsonite's common stock.

The acquisition will be accounted for as a purchase and is expected to be funded with debt. The transaction is expected to be slightly additive to Avery Dennison earnings in 1999. Certain directors and affiliates of Stimsonite, who together own approximately 20 percent of the outstanding Stimsonite shares, have agreed to tender their shares in the Avery Dennison offer.

"Stimsonite's business is an excellent strategic fit for Avery Dennison and provides us with significant growth opportunities," said Philip M. Neal, president and chief executive officer of Avery Dennison. "Stimsonite's proprietary microreplication technology platform will be an excellent addition to Avery Dennison's market-leading technological capabilities in pressure-sensitive adhesives, enabling us to create and develop a variety of innovative new products and applications."

"Stimsonite's strong brand name and reputation for high performance, innovative reflective products for the $1.5 billion worldwide highway safety industry will significantly strengthen our existing reflective films business, and will provide us with a greatly expanded product line and distribution network. In addition, Stimsonite's microreplication technology has extensive applications beyond the highway safety industry including home entertainment, computers, architectural lighting, medical products and textiles," Neal said.

Robert Stutz, president and chief executive officer of Stimsonite stated, "The combination of Avery Dennison and Stimsonite is a natural. Our respective technologies and market strengths are very complementary. We are looking forward to working together in realizing the full potential of these synergies."

The tender offer is conditioned on the valid tender of a majority of Stimsonite's outstanding shares, expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, and other customary closing conditions. Assuming that at least 90 percent of the Stimsonite shares are tendered in the offer, Avery Dennison and Stimsonite expect to complete the transaction before the end of July, 1999. Merrill Lynch & Co. acted as financial advisor to Stimsonite Corporation in connection with the transaction.

Stimsonite Corporation, based in Niles, Ill., is a leading worldwide manufacturer and marketer of reflective safety products for the transportation industry and a pioneer in microreplication technology for a diverse range of industries. Stimsonite products include raised

reflective pavement markers, work zone markers, highway delineators and state-of-the-art high performance optical films for use in the construction of highway signs. In 1998, the company generated sales of $87.4 million, net income of $4.9 million, and cash flow from operations of $6.3 million.

Avery Dennison develops, manufactures and markets innovative self-adhesive solutions for consumer products and label systems. Based in Pasadena, Calif., the Company had 1998 sales of $3.5 billion and makes a wide range of products for consumer and industrial markets, including Avery-brand office products, Fasson-brand self-adhesive materials, peel-and-stick postage stamps, battery labels, automated retail tag and labeling systems, and specialty tapes and chemicals.

Forward-Looking Statements

Certain information presented in this news release may constitute "forward-looking" statements. These statements are subject to certain risks and uncertainties. Actual results and trends may differ materially from historical or expected results depending on a variety of factors, including but not limited to availability of raw materials, foreign exchange rates, worldwide and local economic conditions, fluctuations in consumer demand affecting sales to, and production and inventory levels at, customer companies and other matters referred to in the Company's SEC filings.

SOURCE Stimsonite Corporation
06/04/99
NOTE TO EDITORS: For more information visit the Stimsonite Corporation Web site at www.stimsonite.com
CONTACT: Thomas C. Ratchford, Vice President, Finance, of Stimsonite Corporation, 847-588-7207

EXHIBIT (a)(8)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase dated June 10, 1999 and the related Letter of Transmittal, and any amendments or supplements thereto, and is being made to all holders of Shares. 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 Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, 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 Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
Any and All Outstanding Shares of Common Stock

of

STIMSONITE CORPORATION

at

$14.75 Net Per Share in Cash

by

VISION ACQUISITION CORPORATION

a wholly owned subsidiary of

AVERY DENNISON CORPORATION

Vision Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Avery Dennison Corporation, a Delaware corporation ("Parent"), is offering to purchase any and all outstanding shares of common stock, par value $.01 per share (the "Shares"), of Stimsonite Corporation, a Delaware corporation (the "Company"), at a price of $14.75 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 June 10, 1999 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, as amended and supplemented from time to time, together constitute the "Offer"). Following the Offer, Purchaser intends to effect the merger described below. All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Offer to Purchase.

- ---

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JULY 8, 1999, UNLESS THE OFFER IS EXTENDED.

- ---

The Offer is conditioned upon, among other things, (i) there having been validly tendered pursuant to the Offer, and not properly withdrawn, that number of Shares representing at least a majority of the outstanding Shares on a fully diluted basis (the "Minimum Condition"), (ii) the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (iii) the satisfaction of certain other conditions set forth in the Offer to Purchase.

The Board of Directors of the Company has approved the Offer, the Merger, the Merger Agreement and the Stockholder Tender Agreement, has determined that the Merger is advisable and that the Offer and the Merger are fair to and in the best interests of the

Company's stockholders and recommends that the Company's stockholders accept the Offer and tender their Shares pursuant to the Offer.

Certain stockholders of the Company (the "Selling Stockholders"), owning in the aggregate approximately 20% of the issued and outstanding Shares, have entered into an agreement with Parent and Purchaser pursuant to which the Selling Stockholders agree to tender and sell their Shares to Purchaser pursuant to the Offer.

The Offer is being made pursuant to a Merger Agreement, dated as of June 4, 1999 (the "Merger Agreement"), by and among Parent, Purchaser and the Company. The Merger Agreement provides, among other things, that as soon as practicable after the purchase of the Shares pursuant to the Offer and the satisfaction or waiver of the conditions set forth in the Merger Agreement and in accordance with relevant provisions of the General Corporation Law of the State of Delaware, Purchaser will be merged with and into the Company (the "Merger"). Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will be a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each issued and outstanding Share (other than Shares owned by the Company as treasury stock, Shares owned by Parent or Purchaser or any subsidiary of Parent, or Shares with respect to which appraisal rights are properly exercised under Delaware law) will be canceled and converted automatically into the right to receive $14.75 in cash, or any other price that may be paid per Share in the Offer, if amended, without interest thereon (the "Offer Price").

For purposes of the Offer, Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn if and when Purchaser gives oral or written notice to LaSalle Bank, N. A. (the "Depositary") of 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 all tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering stockholders of such Shares. Under no circumstances will interest be paid on the purchase price for the Shares, regardless of any delay in making such payment. 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) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (ii) the Letter of Transmittal (or a manually signed 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 under 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 that are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

Subject to the terms and conditions of the Merger Agreement and the applicable rules of the Securities and Exchange Commission, 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 Purchaser to have occurred, (i) to 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) to amend the Offer in any other respect by giving oral or written notice of such amendment to the Depositary. Any such extension will be followed as promptly as practicable by public announcement thereof, such announcement to be made not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the Offer. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer and to the rights of a tendering stockholder to withdraw such stockholder's Shares. Under no circumstances will any interest be paid on the purchase price for tendered Shares, regardless of any extension of the Offer or any delay in acceptance for payment and payment for tendered Shares.

Tenders of Shares made pursuant to the Offer are irrevocable except that such Shares may be withdrawn at any time prior to 12:00 Midnight, New York City time, on July 8, 1999 (or the latest time and date at which the Offer, if extended by Purchaser, shall expire) and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after August 9, 1999. For the withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at its address set forth on the back cover page of the Offer to Purchase. Any such 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 of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures 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 and must otherwise comply with the Book-Entry Transfer Facility's procedures. All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and binding. None of Purchaser, the Company, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any tender or notice of withdrawal or incur any liability for failure to give any such notification.

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 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 will be mailed to record holders of Shares whose names appear on the Company's stockholder list and will be 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 before any decision is made with respect to the Offer.

Questions and requests for assistance or for copies of the Offer to Purchase and the related Letter of Transmittal, and other Offer materials, may be directed to the Information Agent as set forth below, and copies will be furnished promptly at Purchaser's expense. No fees or commissions will be paid to brokers, dealers or other persons for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

D.F. King & Co., Inc.
77 Water Street, 20th Floor
New York, New York 10005
Banks and Brokers Call Collect: (212) 425-1685
All Others Call Toll Free: (800) 848-2998

June 10, 1999

(c)(1)

CONFIDENTIAL

AGREEMENT AND PLAN OF MERGER

among

AVERY DENNISON CORPORATION

VISION ACQUISITION CORPORATION

and

STIMSONITE CORPORATION

Dated as of June 4, 1999

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of June 4, 1999, is made and entered into among Avery Dennison Corporation, a Delaware corporation ("Purchaser"), Vision Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Purchaser ("Merger Sub"), and Stimsonite Corporation, a Delaware corporation (the "Company").

RECITALS

WHEREAS, the boards of directors of Purchaser, Merger Sub and the Company each have determined that it would be advisable and is in the best interests of their respective companies and stockholders for Purchaser to acquire the Company on the terms and subject to the conditions set forth herein; and

WHEREAS, to effectuate the acquisition, Purchaser and the Company each desire that Purchaser cause Merger Sub to commence a cash tender offer to purchase all, and in any event not less than a majority on a fully diluted basis, of the outstanding shares of common stock, par value $0.01 per share (the "Common Stock"), of the Company on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, concurrently with the execution hereof and in order to induce Merger Sub and Purchaser to enter into this Agreement, Merger Sub and Purchaser are entering into a Tender and Stockholder Support Agreement (the "Tender Agreement") with Edward T. Harvey Jr., Jay R. Taylor, and Terrence D. Daniels and certain affiliates of Messrs. Harvey and Daniels (each a "Significant Stockholder") under which each Significant Stockholder is, among other things, agreeing to tender all of such Significant Stockholder's shares of Common Stock in the Offer upon the terms and conditions set forth therein; and

WHEREAS, the board of directors of the Company (the "Board of Directors" or the "Board") has approved the tender offer and recommends (subject to the limitations contained herein) that the Company's stockholders accept the tender offer and tender their shares of Common Stock pursuant thereto; and

WHEREAS, the parties hereto desire to make certain representations, warranties, covenants and agreements in connection herewith;

NOW, THEREFORE, in consideration of the foregoing, and of the representations, warranties, covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE 1.

THE OFFER

1.1. The Offer.

(a) Subject to the provisions of this Agreement and this Agreement not having been terminated in accordance with Article 10 hereof, as promptly as practicable but in any event within five business days after the date hereof, Merger Sub shall commence, within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations promulgated thereunder, an offer to purchase (the "Offer") all, and in any event not less than a majority on a fully diluted basis, of the outstanding shares of Common Stock at a price of $14.75 per share of Common Stock, net to the seller in cash, without interest (such price or any higher price paid pursuant to the Offer, the "Offer Consideration"). Notwithstanding the foregoing, if between the date of this Agreement and the closing of the Offer the outstanding shares of Common Stock shall have been changed into a different number of shares or a different class by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, the Offer Consideration shall be correspondingly adjusted on a per-share basis to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares. The obligation of Purchaser and Merger Sub to commence the Offer and accept for payment, and pay for, any shares of Common Stock tendered pursuant to the Offer shall be subject to the conditions set forth in Exhibit A hereto and to the terms and conditions of this Agreement. Subject to the provisions of this Agreement, the Offer shall expire 20 business days after the date of its commencement, unless this Agreement is terminated in accordance with Article 10, in which case the Offer (whether or not previously extended in accordance with the terms hereof) shall expire on such date of termination.

(b) Merger Sub expressly reserves the right to modify the terms of the Offer and to waive any condition of the Offer, except that, without the prior written consent of the Company, Merger Sub shall not (and Purchaser shall cause Merger Sub not to) (i) waive the Minimum Condition (as defined in Exhibit A), (ii) reduce the number of shares of Common Stock subject to the Offer, (iii) reduce the price per share of Common Stock to be paid pursuant to the Offer, (iv) except as set forth below, extend the Offer, (v) change the form of consideration payable in the Offer, (vi) amend or modify any term or condition of the Offer (including the conditions set forth on Exhibit A) in any manner adverse to the holders of Common Stock or (vii) impose additional conditions to the Offer other than such conditions required by applicable law. So long as this Agreement is in effect and the conditions to the Offer have not been satisfied or waived, Merger Sub may, without the consent of the Company, extend (or shall extend at the request of the Company) the Offer for an aggregate period of not more than 20 business days (for all such extensions) beyond the originally scheduled expiration date of the Offer. So long as this Agreement is in effect and the conditions to the Offer have been satisfied or waived, Merger Sub may, without the consent of the Company, extend the Offer for an aggregate period of not more than 20 business days (for all such extensions) beyond the originally scheduled expiration date of the Offer, if the number of shares of Common Stock that have been validly tendered and not withdrawn represent less than 90% of the issued and outstanding shares of the Common Stock.

Notwithstanding the foregoing, Merger Sub may, without the consent of the Company, extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or the staff thereof applicable to the Offer. It is agreed that the conditions set forth in Exhibit A are for the sole benefit of Merger Sub and Purchaser and may be asserted by Merger Sub or Purchaser, or may be waived in whole or in part by Merger Sub or Purchaser, in their sole discretion. The failure by Merger Sub or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time. Subject to the terms and conditions of the Offer and this Agreement, Merger Sub shall accept for payment and pay for, in accordance with the terms of the Offer, all shares of Common Stock validly tendered and not withdrawn pursuant to the Offer as soon as practicable after the expiration of the Offer.

(c) Purchaser shall provide or cause to be provided to Merger Sub on a timely basis the funds necessary to purchase any shares of Common Stock that Merger Sub becomes obligated to purchase pursuant to the Offer and shall be liable on a direct and primary basis for the performance by Merger Sub or the Surviving Corporation (as defined in Section 2.1), as the case may be, of its obligations under this Agreement with respect to the payment of the Offer Consideration, the Option Consideration (as defined in Section 5.2(d)) and the Merger Consideration (as defined in Section 5.2(b)).

1.2. Actions by Purchaser and Merger Sub. As soon as reasonably practicable following execution of this Agreement, but in no event later than five business days from the date hereof, Purchaser and Merger Sub shall file with the Securities and Exchange Commission (the "SEC") a Tender Offer Statement on Schedule 14D-1 with respect to the Offer, which shall contain an offer to purchase and a related letter of transmittal and any other ancillary documents pursuant to which the Offer shall be made (such Schedule 14D-1 and the documents therein pursuant to which the Offer will be made, together with any supplements or amendments thereto, the "Offer Document"). The Company and its counsel shall be given a reasonable opportunity to review and comment upon the Offer Documents prior to the filing thereof with the SEC. The Offer Documents shall comply as to form in all material respects with the requirements of the Exchange Act, and, on the date filed with the SEC and on the date first published, sent or given to the Company's stockholders, the Offer Documents shall not 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 the light of the circumstances under which they were made, not misleading, except that no representation is made by Purchaser or Merger Sub with respect to information supplied in writing by the Company for inclusion in the Offer Documents. Each of Purchaser, Merger Sub and the Company agrees promptly to correct any information provided by it for use in the Offer Documents if and to the extent such information shall have become false or misleading in any material respect, and each of Purchaser, Merger Sub and the Company 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 of Common Stock, in each case as and to the extent required by applicable federal securities laws. Purchaser and Merger Sub agree to provide the Company and its counsel with any comments Purchaser, Merger Sub or their counsel may receive from the SEC or its staff with respect to the Offer Documents promptly after receipt of such comments.

1.3. Actions by the Company.

(a) The Company hereby approves of and consents to the Offer and represents and warrants that the Board of Directors at a meeting duly called and held has duly adopted resolutions (i) approving this Agreement, the Offer and the Merger (as defined in Section 2.1), determining that the Merger is advisable and that the terms of the Offer and Merger are fair to, and in the best interests of, the Company's stockholders and recommending that the Company's stockholders accept the Offer and tender all of their shares of Common Stock to Merger Sub and approve this Agreement and the transactions contemplated hereby, including the Offer and the Merger, (ii) taking all action necessary to render Section 203 of the Delaware General Corporation Law, as amended (the "DGCL"), inapplicable to the Offer, the Merger, this Agreement, the Tender Agreement and any of the transactions contemplated hereby and thereby and (iii) electing, to the extent permitted by law, not to be subject to any "moratorium," "control share acquisition," "business combination," "fair price" or other form of corporate antitakeover laws and regulations of any jurisdiction that may purport to be applicable to this Agreement or the Tender Agreement. The Company further represents and warrants that the Board of Directors has received the written opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Financial Advisor") that the proposed consideration to be received by the holders of shares of Common Stock pursuant to the Offer and the Merger is fair to such holders from a financial point of view (the "Fairness Opinion"). Subject to the last sentence of this Section 1.3(a), the Company hereby consents to the inclusion in the Offer Documents of the recommendation of the Board of Directors described in the first sentence of this Section 1.3(a). The Company hereby represents and warrants that it has been authorized by the Financial Advisor to permit the inclusion of the Fairness Opinion and references thereto, subject to prior review and consent by the Financial Advisor (such consent not to be unreasonably withheld) in the Offer Documents, the Schedule 14D-9 (as defined in Section 1.3(b)) and the Proxy Statement (as defined in Section 8.2(b)). The Company has been advised by each of its directors and executive officers that each such person intends to tender all shares of Common Stock owned by such person pursuant to the Offer, except to the extent of any restrictions created by Section 16(b) of the Exchange Act. The Board of Directors shall not withdraw, modify or amend its recommendations described above in a manner adverse to Purchaser (or announce publicly its intention to do so) provided that the disclosure of the receipt of an Acquisition Proposal (as defined in Section 8.11) and the fact that the Board of Directors is considering such Acquisition Proposal or reviewing it with its advisors shall not by itself constitute such a withdrawal, modification or amendment, except that the Board shall be permitted to withdraw, amend or modify its recommendation (or publicly announce its intention to do so) of this Agreement or the Merger in a manner adverse to Purchaser or approve or recommend or enter into an agreement with respect to a Superior Proposal (as defined in Section 8.11) if the Company has complied with the terms of Section 8.11 and Section 10.1(d).

(b) The Company shall use its reasonable best efforts to file with the SEC, concurrently with the filing of the Offer Documents with the SEC, and in any event the Company shall file within five days thereafter, a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Offer (such Schedule 14D-9, as amended from time to time, the "Schedule 14D-9") containing the recommendations described in the first sentence of Section

1.3(a) (subject to the last sentence of Section 1.3(a) and shall mail the
Schedule 14D-9 to the stockholders of the Company. To the extent practicable, the Company shall cooperate with Purchaser in mailing or otherwise disseminating the Schedule 14D-9 with the appropriate Offer Documents to the Company's stockholders. Purchaser and its counsel shall be given a reasonable opportunity to review and comment upon the Schedule 14D-9 prior to the filing thereof with the SEC. The Schedule 14D-9 shall comply as to form in all material respects with the requirements of the Exchange Act and, on the date filed with the SEC and on the date first published, sent or given to the Company's stockholders, shall not 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 the light of the circumstances under which they were made, not misleading, except that no representation is made by the Company with respect to information supplied by Purchaser or Merger Sub for inclusion in the Schedule 14D-9. Each of the Company, Purchaser and Merger Sub agrees promptly to correct any information provided by it for use in the Schedule 14D-9 if and to the extent such information 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 to be disseminated to the holders of shares of Common Stock, in each case as and to the extent required by applicable federal securities laws. The Company agrees to provide Purchaser and Merger Sub and their counsel in writing with any comments the Company or its counsel may receive from the SEC or its staff with respect to the Schedule 14D-9 promptly after the receipt of such comments.

(c) In connection with the Offer, the Company shall cause its transfer agent to furnish promptly to Merger Sub mailing labels containing the names and addresses of the record holders of Common Stock as of a recent date and of those persons becoming record holders subsequent to such date, and to furnish copies of other information in the Company's possession or control regarding the beneficial owners of Common Stock, and shall furnish to Merger Sub such information and assistance (including updated lists of stockholders, security position listings and computer files) as Merger Sub may reasonably request in communicating the Offer to the Company's stockholders. Subject to the requirements of law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer and the Merger, Purchaser and Merger Sub and each of their affiliates and associates shall hold in confidence the information contained in any of such labels, lists and files, shall use such information only in connection with the Offer and the Merger, and, if this Agreement is terminated, shall promptly deliver to the Company all copies of such information then in their possession or under their control.

(d) Subject to the terms and conditions of this Agreement, if there shall occur a change in law or in a binding judicial interpretation of existing law that would, in the absence of action by the Company or the Board, prevent Merger Sub, were it to acquire a specified percentage of the shares of Common Stock then outstanding, from adopting this Agreement by its affirmative vote as the holder of a majority of shares of Common Stock and without the affirmative vote of any other stockholder, the Company will use its best efforts to promptly take or cause such action to be taken.

1.4. Directors.

(a) Upon the purchase of shares of Common Stock pursuant to the consummation of the Offer, Purchaser shall be entitled to designate such number of directors, rounded up to the next whole number, as will give Purchaser representation on the Board of Directors equal to the product of (i) the number of authorized directors on the Board of Directors (giving effect to the directors elected pursuant to this Section 1.4) and (ii) the percentage that the number of shares of Common Stock purchased by Merger Sub or Purchaser or any affiliate thereof bears to the aggregate number of shares of Common Stock outstanding (the "Percentage"), and the Company shall, upon the election and request by Purchaser, promptly increase the size of the Board of Directors and/or secure the resignations of such number of directors as is necessary to enable Purchaser's designees to be elected to the Board of Directors and shall cause Purchaser's designees to be so elected. At the request of Purchaser, the Company will cause such individuals designated by Purchaser to constitute the same Percentage of (i) each committee of the Board, (ii) the board of directors of each Subsidiary (as defined in Section 11.8) of the Company and (iii) the committees of each such board of directors. The Company's obligations to seek to appoint designees to the Board of Directors shall be subject to Section 14(f) of the Exchange Act. The Company shall promptly take all appropriate action necessary to effect any such election and shall, subject to the next succeeding sentence, include in the Schedule 14D-9 the information required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. Purchaser will supply to the Company in writing and be solely responsible for any information with respect to itself and its nominees, directors and affiliates required by Section 14(f) and Rule 14f-1. Notwithstanding the foregoing, the parties hereto shall use their respective reasonable efforts to ensure that at least three of the members of the Board of Directors shall at all times prior to the Effective Time be Continuing Directors (as defined in Section 1.4(b)).

(b) Following the election or appointment of Purchaser's designees pursuant to this Section 1.4 and prior to the Effective Time (as defined in Section 2.3), the approval of a majority of the directors of the Company then in office who are not designated by Purchaser (the "Continuing Directors") shall be required to authorize (and such authorization shall constitute the authorization of the Board of Directors and no other action on the part of the Company, including any action by any other director of the Company, shall be required to authorize) any termination of this Agreement by the Company, any amendment of this Agreement requiring action by the Board of Directors, any extension of time for the performance of any of the obligations or other acts of Purchaser or Merger Sub, and any waiver of compliance with any of the agreements or conditions contained herein for the benefit of the Company.

ARTICLE 2.

THE MERGER

2.1. Merger. Subject to the terms and conditions of this Agreement, at the Effective Time, Merger Sub shall be merged with and into the Company in accordance with this Agreement and the applicable provisions of the DGCL, and the separate corporate existence of

Merger Sub shall thereupon cease (the "Merger"). The Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation").

2.2. The Closing. Subject to the terms and conditions of this Agreement, the closing of the Merger (the "Closing") shall take place at the offices of Jones, Day, Reavis & Pogue, 77 West Wacker, Chicago, Illinois 60601, at 10:00 a.m., local time, as soon as practicable following the satisfaction (or waiver if permissible) of the conditions set forth in Article 9. The date on which the Closing occurs is hereinafter referred to as the "Closing Date."

2.3. Effective Time. If all the conditions to the Merger set forth in Article 9 shall have been fulfilled or waived in accordance herewith and this Agreement shall not have been terminated as provided in Article 10, the parties hereto shall cause a certificate of merger meeting the requirements of Section 251 of the DGCL and any other appropriate documents to be properly executed and filed in accordance with such Section 251 on the Closing Date (or on such other date as Purchaser and the Company may agree). The Merger shall become effective at the time of filing of the certificate of merger with the Secretary of State of the State of Delaware in accordance with the DGCL or at such later time that the parties hereto shall have agreed upon and designated in such filing as the effective time of the Merger (the "Effective Time").

2.4. Effects of the Merger. The Merger shall have the effects set forth in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all property of the Company and Merger Sub shall vest in the Surviving Corporation, and all liabilities and obligations of the Company and Merger Sub shall become liabilities and obligations of the Surviving Corporation.

ARTICLE 3.

CERTIFICATE OF INCORPORATION AND BYLAWS OF THE SURVIVING CORPORATION

3.1. Certificate of Incorporation. The certificate of incorporation of the Company in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Corporation, until duly amended in accordance with applicable law and the terms thereof.

3.2. Bylaws. The bylaws of Merger Sub in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation, until duly amended in accordance with applicable law, the terms thereof and the Surviving Corporation's certificate of incorporation.

ARTICLE 4.

DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION

4.1. Directors. The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation as of the Effective Time and until their

successors are duly appointed or elected in accordance with applicable law and the Surviving Corporation's certificate of incorporation and bylaws.

4.2. Officers. The officers of Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation as of the Effective Time and until their successors are duly appointed or elected in accordance with applicable law and the Surviving Corporation's certificate of incorporation and bylaws.

ARTICLE 5.

EFFECT OF THE MERGER ON SECURITIES
OF MERGER SUB AND THE COMPANY

5.1. Merger Sub Stock. At the Effective Time, each share of common stock, par value $0.01 per share, of Merger Sub outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

5.2. Company Securities.

(a) Each share of Common Stock issued and outstanding immediately prior to the Effective Time that is owned by the Company or any Subsidiary of the Company or by Purchaser, Merger Sub or any other Subsidiary of Purchaser (other than shares held in trust accounts, managed accounts, custodial accounts and the like that are beneficially owned by third parties) shall automatically be canceled and retired and shall cease to exist, and no cash or other consideration shall be delivered or deliverable in exchange therefor.

(b) Each share of Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Common Stock to be canceled and retired in accordance with Section 5.2(a) and any Dissenting Common Stock (as defined in Section 5.2(c)) shall be converted into the right to receive the Offer Consideration, payable in cash to the holder thereof, without any interest thereon (the "Merger Consideration"), in accordance with Section 5.3. Notwithstanding the foregoing, if between the date of this Agreement and the Effective Time the outstanding shares of Common Stock shall have been changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, the Merger Consideration shall be correspondingly adjusted on a per-share basis to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

(c) Notwithstanding any provision of this Agreement to the contrary, if required by the DGCL but only to the extent required thereby, shares of Common Stock that are issued and outstanding immediately prior to the Effective Time and that are held by holders of such shares of Common Stock who have properly exercised appraisal rights with respect thereto in accordance with Section 262 of the DGCL (the "Dissenting Common Stock") will not be exchangeable for the right to receive the Merger Consideration, and holders of such shares of Dissenting Common Stock will be entitled to receive payment of the appraised value of such

shares of Common Stock in accordance with the provisions of such Section 262 unless and until such holders fail to perfect or effectively withdraw or lose their rights to appraisal and payment under the DGCL. If, after the Effective Time, any such holder fails to perfect or effectively withdraws or loses such right, such shares of Common Stock will thereupon be treated as if they had been converted into and become exchangeable for, at the Effective Time, the right to receive the Merger Consideration, without any interest thereon. The Company will promptly give Purchaser notice of any demands received by the Company for appraisals of shares of Common Stock. The Company shall not, except with the prior written consent of Purchaser, make any payment with respect to any demands for appraisal or settle any such demands.

(d) Subject to Section 5.3, at the Effective Time, each holder of a then-outstanding option to purchase shares of Common Stock under any plan, program or arrangement of the Company (collectively, the "Stock Option Plans") (true and correct copies of which have been provided to Purchaser by the Company), whether or not then exercisable (individually, an "Option" and collectively, the "Options"), shall, in settlement thereof, receive for each share of Common Stock subject to such Option an amount (subject to any applicable withholding tax) in cash equal to the difference between the Merger Consideration and the per share exercise price of such Option to the extent such difference is a positive number (such amount being hereinafter referred to as the "Option Consideration"). Payment for Options shall be made by the Company, subject to the terms and conditions of this Agreement, as soon as practicable after consummation of the Offer. Upon receipt of the Option Consideration therefor, each Option shall be deemed canceled. The surrender of an Option to the Company in exchange for the Option Consideration shall be deemed a release of any and all rights the holder had or may have had in respect of such Option.

Either prior to or as soon as practicable following the consummation of the Offer, the Board of Directors (or, if appropriate, any committee of the Board of Directors administering the Stock Option Plans) shall adopt such resolutions or take other such actions as are required to cause any Options that are not exercisable as of the date hereof to become exercisable at the Effective Time. All amounts payable pursuant to this Section 5.2(d) shall be subject to any required withholding of taxes and shall be paid without interest:

(e) The Surviving Corporation's obligation to make the cash payment described in Section 5.2(d): (i) shall be subject to obtaining from optionees any necessary consents to the cancellation of the applicable Options, and agreements from such optionees releasing any and all rights such optionees may have in respect of the applicable Options; and (ii) shall not require any action that violates any of the Stock Option Plans. Except as otherwise may be agreed to by the parties, the Company shall take all necessary action prior to the consummation of the Offer to assure that (x) the Stock Option Plans shall terminate as of the Effective Time and the provisions in any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of the Company or any Subsidiary thereof shall be canceled as of the Effective Time and (y) at and after the Effective Time no participant in the Stock Option Plans or other plans, programs or arrangements shall have any right thereunder to acquire any equity securities of the Company, the Surviving Corporation or any Subsidiary thereof and that all such plans will be terminated.

5.3. Exchange of Certificates Representing Shares of Common Stock.

(a) Prior to the Effective Time, Purchaser shall appoint a commercial bank or trust company having net capital of not less than $200 million, which shall be reasonably satisfactory to the Company, to act as paying agent hereunder (the "Paying Agent") for payment of the Merger Consideration upon surrender of a certificate or certificates (each, a "Certificate") representing such shares of Common Stock. Prior to or concurrently with the Effective Time, Purchaser shall cause Merger Sub or the Surviving Corporation, as the case may be, to provide the Paying Agent with cash in amounts necessary to pay for all the shares of Common Stock pursuant to Section 5.2(b). Such amounts shall hereinafter be referred to as the "Exchange Fund."

(b) Promptly after the Effective Time, Purchaser shall cause the Paying Agent to mail to each holder of record of shares of Common Stock (i) a letter of transmittal that shall specify that delivery shall be effected, and risk of loss and title to such Certificates shall pass, only upon delivery of the Certificates to the Paying Agent and which letter shall be in such form and have such other provisions as Purchaser may reasonably specify and (ii) instructions for effecting the surrender of such Certificates in exchange for the Merger Consideration. Upon surrender of a Certificate to the Paying Agent together with such letter of transmittal, duly executed and completed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Paying Agent, the holder of such Certificate shall promptly receive in exchange therefor the amount of cash into which shares of Common Stock theretofore represented by such Certificate shall have been converted pursuant to Section 5.2, and the shares represented by the Certificate so surrendered shall forthwith be canceled. No interest will be paid or will accrue on the cash payable upon surrender of any Certificate. In the event of a transfer of ownership of Common Stock that is not registered in the transfer records of the Company, payment may be made with respect to such Common Stock to such a transferee if the Certificate representing such shares of Common Stock is presented to the Paying Agent, accompanied by all documents reasonably required to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid.

(c) As of the Effective Time, all shares of Common Stock (other than shares of Common Stock to be canceled and retired in accordance with Section 5.2(a) and any shares of Dissenting Common Stock) issued and outstanding immediately prior to the Effective Time shall cease to be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of any such shares shall cease to have any rights with respect thereto or arising therefrom (including, without limitation, the right to vote), except the right to receive the Merger Consideration, without interest, upon surrender of the Certificate representing such shares in accordance with Section 5.3(b), and until so surrendered, the Certificate representing such shares shall represent for all purposes only the right to receive the Merger Consideration, without interest. The Merger Consideration paid upon the surrender for exchange of Certificates in accordance with the terms of this Section 5.3 shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares of Common Stock theretofore represented by such Certificates.

(d) At or after the Effective Time, there shall be no transfers on the stock transfer books of the Company of the shares of Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation, they shall be canceled and exchanged as provided in this Article 5.

(e) The Paying Agent shall invest the Exchange Fund, as directed by Purchaser, in (i) direct obligations of the United States of America, (ii) obligations for which the full faith and credit of the United States of America is pledged to provide for the payment of principal and interest, (iii) commercial paper rated the highest quality by either Moody's Investors Services, Inc. or Standard & Poor's Corporation or (iv) certificates of deposit, bank repurchase agreements or bankers' acceptances of commercial banks with capital exceeding $500 million. Any net earnings with respect to the Exchange Fund shall be the property of and paid over to Purchaser as and when requested by Purchaser; provided, however, that any such investment or any such payment of
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earnings may not delay the receipt by holders of Certificates of any Merger Consideration.

(f) Any portion of the Exchange Fund (including the proceeds of any interest and other income received by the Paying Agent in respect of all such funds) that remains unclaimed by the former stockholders of the Company one year after the Effective Time shall be delivered to the Surviving Corporation. Any former stockholders of the Company who have not theretofore complied with this Article 5 shall thereafter look only to the Surviving Corporation for payment of
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any Merger Consideration that may be payable in respect of each share of Common Stock such stockholder holds as determined pursuant to this Agreement, without any interest thereon.

(g) None of Purchaser, the Company, the Surviving Corporation, the Paying Agent or any other person shall be liable to any former holder of shares of Common Stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(h) If any Certificate is 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 the Surviving Corporation, the posting by such person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration payable in respect thereof pursuant to this Agreement.

(i) Except as otherwise provided herein or in the letter of transmittal referred to in Section 5.3(b), Purchaser shall pay all charges and expenses (but
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excluding income and withholding taxes), including those of the Paying Agent, in connection with the exchange of the Merger Consideration for Certificates.

(j) Purchaser shall be entitled to deduct and withhold, or cause to be deducted or withheld, from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Common Stock or Options such amounts as are required to be deducted and withheld

with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of applicable state, local or foreign tax law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to such holders in respect of which such deduction and withholding was made.

5.4. Merger Without Meeting of Stockholders.

Notwithstanding the foregoing, if Merger Sub, or any other direct or indirect subsidiary of Purchaser, shall acquire at least 90 percent of the outstanding shares of Common Stock, the parties hereto shall take all necessary and appropriate action to cause the Merger to become effective as soon as practicable, and in any event within five business days, after the expiration of the Offer without a meeting of stockholders of the Company, in accordance with Section 253 of the DGCL.

ARTICLE 6.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the corresponding sections of the disclosure letter, dated the date hereof, delivered by the Company to Purchaser (the "Disclosure Letter"), the Company hereby represents and warrants to Purchaser and Merger Sub as follows:

6.1. Existence; Good Standing; Corporate Authority. Each of the Company and its Subsidiaries is (a) duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and (b) is duly licensed or qualified to do business as a foreign corporation and is in good standing under the laws of any other state of the United States or the laws of any foreign jurisdiction, if applicable, in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, except where the failure to be so qualified or to be in good standing could not reasonably be expected to (i) materially adversely affect the assets, liabilities, business, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole or (ii) adversely affect or delay the ability of the Company on the one hand, or Merger Sub and Purchaser on the other, to consummate the transactions contemplated by this Agreement or the Tender Agreement (either of the foregoing clauses (i) or (ii) being a "Material Adverse Effect"). Each of the Company and its Subsidiaries has all requisite corporate power and authority to own, operate and lease its properties and carry on its business as now conducted except where the failure to have such power and authority could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company has heretofore made available to Purchaser true and correct copies of the certificate of incorporation and bylaws or other governing instruments of the Company and each of its Subsidiaries (as defined in Section 11.8) as currently in effect.

6.2. Authorization, Validity and Effect of Agreements. The Company has the requisite corporate power and authority to execute and deliver this Agreement and all agreements and documents contemplated hereby or executed in connection herewith to which it is a party (the "Ancillary Documents") and subject, if required with respect to the consummation of the Merger,

to the approval of holders of the Common Stock, to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly and validly authorized by the Board of Directors, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement and the Ancillary Documents or to consummate the transactions contemplated hereby and thereby (other than the adoption of this Agreement by the holders of the Common Stock if required by applicable law). This Agreement has been, and any Ancillary Document at the time of execution will have been, duly and validly executed and delivered by the Company, and (assuming this Agreement and such Ancillary Documents each constitute a valid and binding obligation of Purchaser and Merger Sub) constitutes and will constitute the valid and binding obligations of the Company, enforceable in accordance with their respective terms. The Company has taken all actions necessary to render the restrictions of Section 203 of the DGCL to be inapplicable to the transactions contemplated by this Agreement and the Tender Agreement, including without limitation the Offer and the Merger.

6.3. Compliance with Laws. Neither the Company nor any of its Subsidiaries is or has been in violation of any foreign, federal, state or local law, statute, ordinance, rule, regulation, order, judgment, ruling or decree of any foreign, federal, state or local judicial, legislative, executive, administrative or regulatory body or authority or any court, arbitration, board or tribunal ("Governmental Entity") applicable to the Company or any of its Subsidiaries or any of their respective properties or assets, except for violations that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.4. Capitalization. The authorized capital stock of the Company consists of 15,000,000 shares of Common Stock. As of June 2, 1999, 8,444,377 shares of Common Stock were issued and outstanding, (b) Options to purchase an aggregate of 819,882 shares of Common Stock were outstanding, (c) 635,500 shares of Common Stock held by the Company in its treasury and (d) no shares of capital stock of the Company were held by the Company's Subsidiaries. The Company has no outstanding bonds, debentures, notes or other obligations entitling the holders thereof to vote (or that are convertible into or exercisable for securities having the right to vote) with the stockholders of the Company on any matter. Since June 2, 1999, the Company (i) has not issued any shares of Common Stock other than upon the exercise of Options, (ii) has granted no Options to purchase shares of Common Stock under the Stock Option Plans and (iii) has not split, combined, converted or reclassified any of its shares of capital stock. All issued and outstanding shares of Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. Except as set forth in this Section 6.4, there are no other shares of capital stock or voting securities of the Company, and no existing options, warrants, calls, subscriptions, convertible securities, or other rights, agreements or commitments that obligate the Company or any of its Subsidiaries to issue, transfer or sell any shares of capital stock of, or equity interests in, the Company or any of its Subsidiaries. There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of the Company and there are no performance awards outstanding under the Stock Option Plans or any other outstanding stock-related awards. There are no voting trusts or other agreements or understandings to which the Company or any of

its Subsidiaries or, to the knowledge of the Company, any of the Company's directors or executive officers is a party with respect to the voting of capital stock of the Company or any of its Subsidiaries.

6.5. Subsidiaries. (a) The Company owns directly, or indirectly through a Subsidiary, all the outstanding shares of capital stock (or other ownership interests having by their terms ordinary voting power to elect directors or others performing similar functions with respect to such Subsidiary) of each of the Company's Subsidiaries, and (b) each of the outstanding shares of capital stock (or other ownership interests having by their terms ordinary voting power to elect directors or others performing similar functions with respect to such Subsidiary) of each of the Company's Subsidiaries is duly authorized, validly issued, fully paid and nonassessable and is owned directly or indirectly by the Company free and clear of all liens, pledges, security interests, claims or other encumbrances ("Encumbrances").

6.6. No Violation. Neither the execution and delivery by the Company of this Agreement or any of the Ancillary Documents nor the consummation by the Company of the transactions contemplated hereby or thereby will: (a) violate, conflict with or result in a breach of any provisions of the certificate of incorporation or bylaws of the Company; (b) violate, conflict with, result in a breach of any provision of, constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under, result in the termination or in a right of termination of, accelerate the performance required by or benefit obtainable under, result in the triggering of any payment, penalty or other obligations pursuant to, result in the creation of any Encumbrance upon any of the properties owned or used by the Company or its Subsidiaries under, or result in there being declared void, voidable, or without further binding effect, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract or other obligation (financial or otherwise) (each, a "Contract" and, collectively, "Contracts") to which the Company or any of its Subsidiaries is a party, or by which the Company or any of its Subsidiaries or any of their respective properties is bound, except for any such breach, default or right with respect to which requisite waivers or consents have been obtained, or any of the foregoing matters that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (c) require any consent, approval or authorization of, license, permit or waiver by, or declaration, filing or registration (collectively, "Consents") with, any Governmental Entity, including any such Consent under the laws of any foreign jurisdiction, other than (i) the filings provided for in Section 2.3 and the filings required under the Exchange Act and the Securities Act of 1933, as amended (the "Securities Act") and (ii) the filing required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and any other applicable law governing antitrust or competition matters, and any Consents required or permitted to be obtained pursuant to the laws of any foreign jurisdiction relating to antitrust matters or competition ("Foreign Antitrust Laws") (collectively, "Other Antitrust Filings and Consents", together with the other filings described in clauses (i) and (ii) above, "Regulatory Filings" except for those Consents the failure of which to obtain or make could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (d) violate any laws applicable to the Company or any of its Subsidiaries, except for violations that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or (e) subject the Company or (by reason of the

Company's participation therein) the Offer or the Merger to any "moratorium," "control share acquisition," "business combination," "fair price" or other form of corporate antitakeover laws and regulations.

6.7. Company Reports; Offer Documents.

(a) The Company has previously made available to Purchaser and Merger Sub true and complete copies of (i) its Annual Report on Form 10-K for each of the fiscal years ended December 31, 1996, 1997 and 1998, filed by the Company with the SEC, (ii) proxy statements relating to all of the Company's meetings of stockholders held or scheduled to be held since December 31, 1996 and (iii) each other registration statement, proxy or information statement, Quarterly Report on Form 10-Q or Current Report on Form 8-K filed since December 31, 1996 by the Company with the SEC (such items referenced in (i) through (iii), the "Company Reports"). Since December 31, 1996, the Company has complied in all material respects with its SEC filing obligations under the Exchange Act and the Securities Act. Since December 31, 1996, except as disclosed in a subsequent Company Report, there has not occurred an event or circumstance that, but for the passage of time, would be required to be disclosed in a Company Report. Except as set forth in or amended by a subsequent Company Report, the financial statements and related schedules and notes thereto of the Company contained in the Company Reports (or incorporated therein by reference) were prepared in accordance with generally accepted accounting principles (except in the case of interim unaudited financial statements) applied on a consistent basis except as noted therein, and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended, subject in the case of interim unaudited financial statements to normal year-end audit adjustments, and, except as set forth in or amended by a subsequent Company Report, such financial statements complied as to form as of their respective dates in all material respects with applicable rules and regulations of the SEC. Each Company Report was prepared in accordance with the requirements of the Securities Act or the Exchange Act, as applicable, and did not, as of the date of effectiveness in the case of a registration statement, the date of mailing in the case of a proxy statement and the date of filing in the case of other Company Reports, except as set forth in or amended by a subsequent Company Report, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) None of the Schedule 14D-9, any information statement filed by the Company in connection with the Offer pursuant to Rule 14f-1 under the Exchange Act (the "Information Statement"), any schedule required to be filed by the Company with the SEC or any amendment or supplement thereto, at the respective times such documents are filed with the SEC and first published, sent or given to the Company's stockholders, will contain any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading except that no representation is made by the Company with respect to information supplied by Purchaser or Merger Sub for inclusion in the Schedule 14D-9 or Information Statement or any amendment or supplement to such information supplied by

Purchaser or Merger Sub. None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Offer Documents will, at the date of filing with the SEC, 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 the light of the circumstances under which they were made, not misleading. If, at any time prior to the Effective Time, the Company shall obtain knowledge of any facts with respect to itself, any of its officers or directors or any of its Subsidiaries that would require the supplement or amendment to any of the foregoing documents in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or to comply with applicable laws, such amendment or supplement shall be promptly filed with the SEC and, as required by law, disseminated to the stockholders of the Company, and in the event Purchaser shall advise the Company as to its obtaining knowledge of any facts that would make it necessary to supplement or amend any of the foregoing documents, the Company shall promptly amend or supplement such document, and such amendment or supplement shall be promptly filed with the SEC, and as required by law disseminated to the stockholders of the Company.

6.8. Absence of Certain Changes. During the period from December 31, 1998, to and including the date of this Agreement, the Company and its Subsidiaries have conducted their business in the ordinary course of such business consistent with past practices, and there have not been (a) any events or states of fact that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (b) any declaration, setting aside or payment of any dividend or other distribution with respect to its capital stock; (c) any repurchase, redemption or any other acquisition by the Company or its Subsidiaries of any outstanding shares of capital stock or other securities of, or other ownership interests in, the Company or its Subsidiaries; (d) any material change in accounting principles, practices or methods; (e) any entry into any employment agreement with, or any increase in the rate or terms (including, without limitation, any acceleration of the right to receive payment) of compensation payable or to become payable by the Company or any of its Subsidiaries to, their respective directors, officers or employees, except for regularly scheduled employee raises in the ordinary course of business consistent with the Company's past practices or raises that, in the case of executive officers, have been approved by the compensation committee of the Board of Directors prior to the date hereof in the ordinary course of business consistent with the committee's past practices; (f) any increase in the rate or terms (including, without limitation, any acceleration of the right to receive payment) of any bonus, insurance, pension or other employee benefit plan or arrangement covering any such directors, officers or employees, except, in the case of employees, increases occurring in the ordinary course of business consistent with the Company's past practices; (g) any revaluation by the Company or any of its Subsidiaries of any material amount of their assets, taken as a whole, including, without limitation, write-downs of inventory or write-offs of accounts receivable other than in the ordinary course of business consistent with past practices; (h) any material adverse change in the business relationship with any material customer, distributor or supplier of the Company or its Subsidiaries; and (i) any action of the type described in Sections 8.1(a) or 8.1(b) that had such action been taken after the date of this Agreement would be in violation of any such Section.

6.9. Taxes. The Company and each of its Subsidiaries have timely filed and
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will have timely filed on or prior to the Effective Time all Tax Returns (as hereinafter defined) required to be filed by any of them. All such Tax Returns are true, correct and complete. All Taxes (as hereinafter defined) of the Company and its Subsidiaries that are shown as due on such Tax Returns, or are otherwise due and payable, or are claimed or asserted by any taxing authority to be due, have been paid or will have been paid on or before the Effective Time, or adequate reserves (in conformity with generally accepted accounting principles applied on a consistent basis and consistent with such entity's past custom and practice) have been established therefor or will be established therefor on or before the Effective Time, except for those Taxes being contested in good faith and for which adequate reserves have been established in the financial statements included in the Company Reports in accordance with generally accepted accounting principles applied on a consistent basis and consistent with such entity's past custom and practice. No deficiencies for Taxes of the Company or any of its Subsidiaries have been claimed, proposed or assessed by any taxing or other governmental authority that are not being contested in good faith by the Company or a Subsidiary and for which adequate reserves have not been established in the financial statements included in the Company Reports in accordance with generally accepted accounting principles applied on a consistent basis and consistent with past practice. There are no pending or, to the best of the Company's and its Subsidiaries' knowledge, threatened audits, investigations or claims for or relating to any liability in respect of Taxes of the Company or its Subsidiaries, and there are no on-going negotiations with any taxing or other governmental authority with respect to Taxes of the Company or its Subsidiaries. No extension of a statute of limitations relating to Taxes is in effect with respect to the Company or any of its Subsidiaries. The Company and each Subsidiary have withheld and paid over to the relevant taxing authority all Taxes required to have been withheld and paid in connection with payments to employees, independent contractors, creditors, stockholders or other third parties. The Company and its Subsidiaries are not parties to or bound by any tax sharing, tax indemnity or tax allocation agreement or other similar arrangement with any other person or entity. There are no liens for Taxes (other than for Taxes not yet delinquent) upon the assets of the Company or any of its Subsidiaries. The Company and its Subsidiaries have never been members of an affiliated group of corporations within the meaning of Section 1504 of the Code, with the exception of the common group for which the Company is the common parent, nor has the Company or any of its Subsidiaries, or any predecessor or affiliate of any of them, become liable (whether by contract, as transferee or successor, by law or otherwise) for the Taxes of any other person or entity under Treasury Regulation Section 1.1502-6 or any similar provision of state, local or foreign law. The Company and its Subsidiaries have not been "United States real property holding corporations" within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. For purposes of this Agreement, (i) "Tax"

(and, with correlative meaning, "Taxes") means any federal, state, local or
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foreign income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, premium, withholding, alternative or added minimum, ad valorem, transfer or excise tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty or other additions to Tax, imposed by any Governmental Entity and (ii) "Tax Return" means any return, report or similar
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statement required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

6.10. Employee Benefit Plans.

(a) Copies of all material employee benefit plans (including without limitation all "employee benefit plans" as defined in Section 3(3) of ERISA) which cover or have covered employees, former employees or directors of the Company or any of its ERISA Affiliates (as hereinafter defined) or any person treated by the Company or an ERISA Affiliate as an independent contractor for tax purposes ("Independent Contractor") and all other plans, policies, arrangements and agreements providing material compensation, severance or other benefits to any current or former employee, director or Independent Contractor of the Company or any of its Subsidiaries (the "Company Benefit Plans") are listed on Schedule 6.10 attached hereto, and copies of all such Company Benefit Plans and all Benefit Plan Related Documents (as hereinafter defined) have previously been provided to Purchaser. To the extent applicable, the Company Benefit Plans comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Code and any other applicable law. None of any Company Benefit Plan, or any officer, employee, former employee or director of the Company, any Subsidiary or any ERISA Affiliate, or the Company or any of its Subsidiaries or ERISA Affiliates has incurred any liability or penalty under Section 4975 of the Code or Section 502(i) of ERISA or has engaged in any transaction that is reasonably likely to result in any such liability or penalty.

(b) Neither the Company nor any ERISA Affiliate has ever (i) maintained any Company Benefit Plan which has been subject to Title IV of ERISA, (ii) been required to contribute to, or otherwise incurred any liability in connection with, any "multiemployer plan" as defined in Section 4001(a)(3) or Section 3(37) of ERISA, (iii) except to the extent reflected in the financial statements (and the notes thereto) attached to the Company's Annual Report filed on Form 10-K for the fiscal year ended December 31, 1998, provided heath care or any other non-pension benefits to any employees after their employment is terminated (other than as required by Part 6 of Subtitle B of Title I of ERISA), or (iv) maintained any Company Benefit Plan or other contract that individually or collectively provides for the payment by the Company or any of its Subsidiaries of any amount that is or could be an "excess parachute payment" pursuant to Section 280G of the Code or that is not or would not be deductible under Section 162(a)(1) of the Code or Section 404 of the Code.

(c) Neither the execution and delivery of this Agreement by the Company nor the consummation of the transactions contemplated hereby or any related transactions will result in the acceleration or creation of any rights of any person to benefits under any Company Benefit Plan (including, without limitation, the acceleration of the vesting or exercisability of any stock options, the acceleration of the vesting of any restricted stock, the acceleration of the accrual or vesting of any benefits under any pension plan or the acceleration or creation of any rights under any severance, parachute or change in control agreement).

(d) There is no action, order, writ, injunction, judgment or decree outstanding or claim (other than routine claims for benefits), suit, litigation, proceeding, arbitral action, governmental audit or investigation relating to or seeking benefits under any Company Benefit Plan that is pending, threatened or anticipated against the Company, any ERISA Affiliate or any

Company Benefit Plan. Neither the Company nor any ERISA Affiliate has any announced plan or legally binding commitment to create any additional employee benefit plans or agreements of the Company or any ERISA Affiliate or to amend or modify any existing Company Benefit Plan.

(e) No event has occurred in connection with which the Company, any ERISA Affiliate or any Company Benefit Plan, directly or indirectly, could be subject to any material liability (i) under any statute, regulation or governmental order relating to any Company Benefit Plan or (ii) pursuant to any obligation of the Company or any ERISA Affiliate to indemnify any person against liability incurred under any such statute, regulation or order as they relate to the Company Benefit Plans.

(f) For purposes of this Agreement, "ERISA Affiliate" means any business or entity that is a member of the same "controlled group of corporations" under "common control" or an "affiliated service group" with an entity within the meanings of Sections 414(b), (c) or (m) of the Code, or required to be aggregated with the entity under Section 414(o) of the Code, or is under "common control" with the entity, within the meaning of Section 4001(a)(14) of ERISA, or any regulations promulgated or proposed under any of the foregoing Sections. For purposes of this Agreement, "Benefit Plan Related Documents" means (i) each Company Benefit Plan (and, if applicable, related trust agreements) which covers or has covered current or former employees, directors or Independent Contractors of the Company or any ERISA Affiliate and all amendments thereto, all material written interpretations or descriptions thereof which have been distributed to employees of the Company or its ERISA Affiliates and all annuity contracts or other funding instruments with respect to a Company Benefit Plan, (ii) the most recent determination or opinion letter issued by the Internal Revenue Service as to qualification under Section 401(a) of the Code, or analogous ruling, if any, required under foreign law for each applicable Company Benefit Plan, and (iii) for the three most recent plan years, Annual Reports on Form 5500 Series (or analogous periodic report, if any, required under foreign law) required to be filed with any governmental agency for each applicable Company Benefit Plan.

6.11. Brokers. The Company has not entered into any contract, arrangement or understanding with any person or firm that may result in the obligation of Purchaser or Merger Sub or the Company to pay any finder's fees, brokerage or agent's commissions or other like payments in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby, except that the Company has retained the Financial Advisor, the arrangements with which have been disclosed in writing to Purchaser prior to the date hereof.

6.12. Licenses and Permits. The Company and its Subsidiaries have all necessary licenses, permits, certificates, approvals and authorizations (collectively, "Permits") required to lawfully conduct their respective businesses as presently conducted, except for those Permits the lack of which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and no Permit is subject to any outstanding order, decree, judgment or stipulation that would be likely to affect such Permit, where the effect of the foregoing could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.13. Environmental Compliance and Disclosure. Except for any matters that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (a) the Company and each of its Subsidiaries has been and are now in compliance with all Environmental Laws in effect on the date hereof; (b) the Company and each of its Subsidiaries have obtained, and are in full compliance with, all material Permits required by applicable laws for the use, storage, treatment, transportation, release, emission and disposal of raw materials, byproducts, wastes and other substances used or produced by or otherwise relating to the operations of any of them; (c) there is not now and has not been any Hazardous Substance used, generated, treated, stored, transported, disposed of, released, handled or otherwise existing on, under, about, or emanating from, or to, any property owned, leased or operated by the Company or any of its Subsidiaries which could impose liability or responsibility on the Company or any of its Subsidiaries; (d) neither the Company nor any of its Subsidiaries has received any written notice from any governmental agency or third party of alleged actual or potential responsibility for, or any inquiry or investigation regarding, any release or threatened release of Hazardous Substances or alleged violation of, or non-compliance with, any Environmental Law, nor are the Company and its Subsidiaries aware of any information which might form the basis of any such notice; and (e) to the knowledge of the Company, there is no site to which the Company or any of its Subsidiaries have transported or arranged for the transport of Hazardous Substances that is the subject of any environmental action. As used in this Agreement, the term "Environmental Laws" means foreign, federal, state or local laws, statutes, ordinances, regulations, rules, judgments, court orders, permits and licenses that are applicable to the Company and in effect on the date of this Agreement and (i) regulate or relate to the protection or clean up of the environment; the use, treatment, storage, transportation, handling, disposal or release of Hazardous Substances, the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources; or the health and safety of persons or property, including without limitation protection of the health and safety of employees; or (ii) impose liability or responsibility with respect to any of the foregoing. As used in this Agreement, the term "Hazardous Substances" means any pollutant, chemical, substance and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical, or chemical compound, or hazardous substance, material or waste, whether solid, liquid or gas, that is subject to regulation, control or remediation under any Environmental Laws.

6.14. Title to Assets.

(a) Except as set forth in the Company's audited balance sheet (including any related notes thereto) for the fiscal year ended December 31, 1998 included in the Company's Annual Report on Form 10-K for the fiscal year then ended (the "1998 Balance Sheet"), the Company and each of its Subsidiaries have good and marketable title to all of their real and personal properties and assets reflected on the 1998 Balance Sheet or acquired after December 31, 1998 (other than assets disposed of since December 31, 1998 in the ordinary course of business consistent with past practice), in each case free and clear of all title defects and Encumbrances, except for (i) Encumbrances that secure indebtedness that is properly reflected in the 1998 Balance Sheet; (ii) liens for Taxes accrued but not yet payable; (iii) liens arising as a matter of law in the ordinary course of business with respect to obligations incurred after December 31, 1998, provided that the obligations secured by such liens are not delinquent; and (iv) such title

defects or Encumbrances, if any, as individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Company and each of its Subsidiaries either own, or have valid leasehold interests in, all properties and assets used by them in the conduct of their business except where the absence of such ownership or leasehold interest could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries owns any real property.

(b) Neither the Company nor any of its Subsidiaries has any legal obligation, absolute or contingent, to any person to sell or otherwise dispose (except in the ordinary course of business consistent with past practice) of any of its assets with an individual value of $140,000 or an aggregate value in excess of $1,400,000.

6.15. Labor and Employment Matters. Neither the Company nor any of its Subsidiaries is a party to, or bound by, any collective bargaining agreement or other Contract or understanding with a labor union or labor organization. Except for such matters that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there is no (a) unfair labor practice, labor dispute (other than routine individual grievances) or labor arbitration proceeding pending or, to the knowledge of the Company, threatened against the Company or its Subsidiaries relating to their business, (b) to the knowledge of the Company, activity or proceeding by a labor union or representative thereof to organize any employees of the Company or any of its Subsidiaries or (c) lockout, strike, slowdown, work stoppage or, to the knowledge of the Company, threat thereof by or with respect to such employees.

6.16. Intellectual Property.

(a) The Company Disclosure Letter sets forth a true and complete list and description of (i) all United States and foreign patents, patent applications, trademarks, trademark registrations and applications, trade names, service marks, copyrights and applications therefor and trade secrets owned by the Company and its Subsidiaries (the "Intellectual Property Rights") and (ii) all United States and foreign patents, patents applications, trademarks, trademark registrations and applications, trade names, service marks, copyrights and applications therefor and trade secrets licensed to the Company or any of its Subsidiaries (the "Licensed Rights").

(b) Except to the extent that the inaccuracy of any of the following (or the circumstances giving rise to such inaccuracy) could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(i) (A) the Intellectual Property Rights are free and clear of any Encumbrances, are not subject to any license (royalty bearing or royalty free) and are not subject to any other arrangement requiring any payment to any person nor the obligation to grant rights to any person in exchange; (B) the Licensed Rights are free and clear of any Encumbrances, royalties or other obligations; and (C) the Intellectual Property Rights and the Licensed Rights are all those material rights necessary to the conduct of the business of each of the Company and its Subsidiaries as presently conducted.

(ii) To the knowledge of the Company, the validity of the Intellectual Property Rights and title thereto, and the validity of the Licensed Rights, (A) have not been questioned in any prior litigation; (B) are not being questioned in any pending litigation; and (C) are not the subject or subjects of any threatened or proposed litigation and is not involved in any interference, reissue, challenge, reexamination, invalidation, opposition proceeding or cancellation.

(iii) The business of the Company and its Subsidiaries, as presently conducted, does not conflict with and has not been alleged to conflict with any patents, trademarks, trade names, service marks, copyrights or other intellectual property rights of others.

(iv) The consummation of the transactions contemplated hereby will not result in the loss or impairment of any of the Intellectual Property Rights or any of the Licensed Rights.

The Company does not know of any use by others of any of the Intellectual Property Rights or the Licensed Rights material to the business of the Company and its Subsidiaries as presently conducted.

(c) Each of the Company and its Subsidiaries owns, or possesses valid license rights to, all computer software programs that are material to the conduct of the business of the Company and its Subsidiaries, except to the extent that the failure thereof, could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There are no infringement suits, actions or proceedings pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary with respect to any software owned or licensed by the Company or any Subsidiary.

6.17. Material Agreements. Except as listed in the Exhibit Index to
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Company's Annual Report on Form 10-K for the fiscal year ending December 31, 1998 (the "1998 10-K") or any subsequently filed Company Report and except for
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agreements made for the purpose of completing the transactions contemplated by this Agreement, neither the Company nor any of its Subsidiaries is a party to, or bound by, any Material Agreement of any kind to be performed in whole or in part after the Effective Time. The term "Material Agreement" shall mean any agreement to which the Company or any of its Subsidiaries is a party and (i) is outside of the ordinary course of business of the Company or its Subsidiaries, (ii) a customer of the Company or one of its Subsidiaries is a party and either (1) involves the payment or receipt by the Company or any of its Subsidiaries, subsequent to the date of this Agreement, of more than $1,000,000 or (2) is not terminable without penalty by the Company or the Subsidiary party

thereto on fewer than 365 days' notice or (iii) except for customer contracts, either (A) involves the payment or receipt by the Company or any of its Subsidiaries, subsequent to the date of this Agreement, of more than $500,000 or (B) is not terminable without penalty by the Company or the Subsidiary party thereto on fewer than 180 days' notice. Except for any such breaches or defaults that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, neither the Company nor any of its Subsidiaries is in breach or default under, and there are no facts which with notice or the passage of time would cause the Company to be in breach or default under, or give rise to any right of termination, amendment, cancellation or acceleration of other parties under, whether as a result of the consummation of the transactions contemplated hereby or otherwise, any Material Agreement.

6.18. No Undisclosed Liabilities. Except as disclosed in the Company Reports filed and publicly available prior to the date of this Agreement and except for liabilities and obligations incurred in the ordinary course of business consistent with past practice since December 31, 1998, the Company and its Subsidiaries do not have any indebtedness, obligations or liabilities of any kind (whether accrued, absolute, contingent or otherwise) (a) required by GAAP to be reflected on a consolidated balance sheet of the Company and its consolidated Subsidiaries or in the notes, exhibits or schedules thereto or (b) which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.19. Litigation. Except as described in the 1998 10-K, there is no action, suit or proceeding, claim, arbitration or investigation pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as disclosed in the 1998 10-K, there is no judgment, order, injunction or decree of any Governmental Entity outstanding against the Company or any of its Subsidiaries that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.20. Insurance. The Company and its Subsidiaries have insurance coverage with insurance companies or associations in such amounts, on such terms and covering such risks, including fire and other risks insured against by extended coverage, as is reasonably prudent, and each has public liability insurance, insurance against claims for personal injury or death or property damage occurring in connection with any activities of the Company or any of its Subsidiaries or any properties owned, occupied or controlled by the Company or any of its Subsidiaries, in such amount as is reasonably prudent.

6.21. Millennium Compliance. To the knowledge of the Company after due inquiry, all computer software used by the Company and/or any of its Subsidiaries is capable (or will be capable by October 1, 1999) of operating consistently after December 31, 1999 to accurately process data (including calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, including leap year calculations, and is otherwise currently "Year 2000 compliant," except where the failure to operate consistently or be "Year 2000 compliant" could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has adopted and implemented a plan to investigate and correct

any and all "Year 2000 problems" associated with the operation of the Company's and its Subsidiaries' businesses and has provided to Purchaser a complete and correct copy of such plan.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES OF PURCHASER AND MERGER SUB

Except as set forth in the corresponding sections of the disclosure letter, dated the date hereof, delivered by Purchaser and Merger Sub to the Company (the "Purchaser Disclosure Letter"), Purchaser and Merger Sub hereby represent and warrant to the Company as follows:

7.1. Existence; Good Standing; Corporate Authority. Each of Purchaser and Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to own, operate and lease its properties and carry on its business as now conducted, except where the failure to have such power and authority would not materially adversely affect the ability of Purchaser or Merger Sub to consummate the transactions contemplated by this Agreement.

7.2. Authorization, Validity and Effect of Agreements. Each of Purchaser and Merger Sub has the requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Documents and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Documents and the consummation by Purchaser and Merger Sub of the transactions contemplated hereby and thereby have been duly and validly authorized by the respective boards of directors of Purchaser and Merger Sub and by Purchaser as the sole stockholder of Merger Sub and no other corporate proceedings on the part of Purchaser or Merger Sub are necessary to authorize this Agreement and the Ancillary Documents or to consummate the transactions contemplated hereby and thereby. This Agreement has been, and any Ancillary Documents at the time of execution will have been, duly and validly executed and delivered by Purchaser and Merger Sub, and (assuming this Agreement and such Ancillary Documents each constitutes a valid and binding obligation of the Company) constitutes and will constitute the valid and binding obligations of each of Purchaser and Merger Sub, enforceable in accordance with their respective terms.

7.3. Offer Documents. None of the Offer Documents, any schedule required to be filed by Purchaser or Merger Sub with the SEC or any amendment or supplement thereto will contain, at the respective times such documents are filed with the SEC or first published, sent or given to the Company's stockholders, any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, except that no representation is made by Purchaser or Merger Sub with respect to information supplied by the Company for inclusion in the Offer Documents, any schedule required to be filed with the SEC or any amendment or supplement. None of the information supplied by Purchaser or Merger Sub for inclusion or incorporation by reference in the Schedule 14D-9 will, at the date of filing with the SEC, 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 the light

of the circumstances under which they were made, not misleading. If at any time prior to the Effective Time either Purchaser or Merger Sub shall obtain knowledge of any facts with respect to itself, any of its officers or directors or any of its Subsidiaries that would require the supplement or amendment to any of the foregoing documents in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or to comply with applicable laws, such amendment or supplement shall be promptly filed with the SEC and, as required by law, disseminated to the stockholders of the Company, and in the event the Company shall advise Purchaser or Merger Sub as to its obtaining knowledge of any facts that would make it necessary to supplement or amend any of the foregoing documents, Purchaser or Merger Sub shall promptly amend or supplement such document, and such amendment or supplement shall be promptly filed with the SEC, and as required by law disseminated to the stockholders of the Company.

7.4. No Violation. Neither the execution and delivery of this Agreement or any of the Ancillary Documents by Purchaser and Merger Sub nor the consummation by them of the transactions contemplated hereby or thereby will (a) violate, conflict with or result in any breach of any provision of the respective certificates of incorporation or bylaws of Purchaser or Merger Sub; (b) violate, conflict with, result in a breach of any provision of, constitute a default (or an event that, with notice or lapse of time or both, would constitute a default) under, result in the termination or in a right of termination of, accelerate the performance required by or benefit obtainable under, result in the triggering of any payment or other obligations pursuant to, result in the creation of any Encumbrance upon any of the properties of Purchaser or Merger Sub under, or result in there being declared void, voidable or without further binding effect, any Contract to which Purchaser or Merger Sub is a party, or by which Purchaser or Merger Sub or any of their respective properties is bound, except for any such breach, default or right with respect to which requisite waivers or consents have been, or prior to the Effective Time will be, obtained or any of the foregoing matters that would not have a material adverse effect on the ability of Purchaser or Merger Sub to consummate the transactions contemplated hereby; (c) other than the Regulatory Filings, require any Consent of any Governmental Entity, the lack of which would have a material adverse effect on the ability of Purchaser or Merger Sub to consummate the transactions contemplated hereby; or (d) violate any laws applicable to Purchaser or the Merger Sub or any of their respective assets, except for violations that would not have a material adverse effect on the ability of Purchaser or Merger Sub to consummate the transactions contemplated hereby.

7.5. Financing. Purchaser and Merger Sub collectively have cash on hand or credit facilities with financially responsible third parties, or a combination thereof, in an aggregate amount sufficient to enable Purchaser and Merger Sub to timely perform their obligations hereunder, including to (a) pay in full (i) the aggregate Merger Consideration and the aggregate Option Consideration and (ii) all fees and expenses payable by Purchaser and Merger Sub in connection with this Agreement and the transactions contemplated hereby and (b) satisfy and discharge such of the Company's existing indebtedness as, pursuant to its terms, will become due and payable prior to its stated maturity as a result of the consummation of the transactions contemplated hereby. The source and any commitments related thereto are set forth on the Purchaser Disclosure Letter. At the consummation of the Offer and at the Effective Time,

Purchaser will have, and will cause Merger Sub to have, funds available to it sufficient to consummate the Offer and the Merger on the terms contemplated hereby.

7.6. Purchaser-Owned Shares of Common Stock. As of the date of this Agreement, Purchaser, Merger Sub and their respective Subsidiaries own, in the aggregate, no shares of Common Stock.

7.7. Interim Operations of Merger Sub. Merger Sub was formed solely for the purpose of engaging in the transactions contemplated hereby, has engaged in no other business activities and has conducted its operations only as contemplated hereby.

ARTICLE 8.

COVENANTS

8.1. Interim Operations.

(a) From and after the date of this Agreement to the Effective Time, unless Purchaser has consented in writing thereto, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its operations according to its usual, regular and ordinary course of business consistent with past practice; (ii) use its reasonable best efforts to preserve intact their business organizations, maintain in effect all existing material qualifications, licenses, permits, approvals and other authorizations referred to in Sections 6.1 and 6.12, keep available the services of their officers and key employees and maintain satisfactory relationships with those persons having business relationships with them; (iii) promptly upon the discovery thereof notify Purchaser of the existence of any breach of any representation or warranty contained herein (or, in the case of any representation or warranty that makes no reference to Material Adverse Effect, any breach of such representation or warranty in any material respect) or the occurrence of any event that would cause any representation or warranty contained herein no longer to be true and correct (or, in the case of any representation or warranty that makes no reference to Material Adverse Effect, to no longer be true and correct in any material respect); (iv) promptly deliver to Purchaser true and correct copies of any report, statement or schedule filed with the SEC subsequent to the date of this Agreement; and (v) maintain its books of account and records in its usual, regular and ordinary manner, consistent with its past practices.

(b) From and after the date of this Agreement to the Effective Time, unless Purchaser has consented in writing thereto, the Company shall not, and shall not permit any of its Subsidiaries to, (i) amend its certificate of incorporation or bylaws or comparable governing instruments; (ii) issue, sell, pledge or register for issuance or sale any shares of capital stock or other ownership interest in the Company (other than issuances of Common Stock in respect of any exercise of Options outstanding on the date hereof) or any of the Subsidiaries, or any securities convertible into or exchangeable for any such shares or ownership interest, or any rights, warrants or options to acquire or with respect to any such shares of capital stock, or ownership interest, or convertible or exchangeable securities or accelerate any right to convert or exchange or acquire any securities of the Company (other than Options pursuant to Section 5.2(d)) or any of its Subsidiaries for any such shares or ownership interest; (iii) effect

any stock split or conversion of any of its capital stock or otherwise change its capitalization as it exists on the date hereof, other than as set forth in this Agreement; (iv) directly or indirectly redeem, purchase or otherwise acquire any shares of its capital stock or capital stock of any of its Subsidiaries, other than as set forth in this Agreement; (v) sell, lease or otherwise dispose of any of its assets or property (including capital stock of any of its Subsidiaries), mortgage, pledge or impose a lien or other encumbrance on any of its material assets or property (including capital stock of any of its Subsidiaries), except in the ordinary course of business; (vi) acquire by merger, purchase or any other manner, any material business or entity or otherwise acquire any assets that are material to the Company and its Subsidiaries taken as a whole, except for purchases of inventory, supplies or capital expenditures in the ordinary course of business consistent with past practice; (vii) incur or assume any long-term or short-term debt, except for working capital purposes in the ordinary course of business under the Company's existing credit facilities and capital expenditures made in accordance with the Company's previously adopted capital budget, copies of which have been provided to Purchaser; (viii) assume, guarantee or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person except wholly owned Subsidiaries of the Company; (ix) make or forgive any loans, advances or capital contributions to, or investments in, any other person; (x) enter into any new employment, severance, consulting or salary continuation agreements with any newly hired employees other than in the ordinary course of business or enter into any of the foregoing with any existing officers, directors or employees or grant any increases in compensation or benefits to any officers, directors or employees except for regularly scheduled employee raises in the ordinary course of business consistent with the Company's past practices or raises that, in the case of executive officers, have been approved by the compensation committee of the Board of Directors prior to the date hereof in the ordinary course of business consistent with the committee's past practices; (xi) adopt or amend in any material respect (including any increase in the payment to or benefits under) or terminate any employee benefit plan or arrangement; (xii) make any material changes in the type or amount of their insurance coverage or permit any material insurance policy naming the Company or any Subsidiary as a beneficiary or a loss payee to be canceled or terminated; (xiii) except as may be required by law or generally accepted accounting principles, change any material accounting principles or practices used by the Company or its Subsidiaries; (xiv) take any action to cause the Common Stock to cease to be traded on the Nasdaq National Market prior to the completion of the Offer or the Merger; (xv) enter into a Material Agreement, except as required or permitted by subsection (vii) or (xvi) of this Section 8.1(b) and except for agreements relating to the purchase or sale of the Company's products (including, without limitation, supply, purchase and shipping contracts) to be performed within 90 days; (xvi) enter into, terminate, fail to renew, or accelerate any license, distributorship, dealer, sales representative, joint venture, credit or other agreement if such action could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (xvii) fail to operate, maintain, repair or otherwise preserve its material assets and properties consistent with past practice; (xviii) fail to comply with all applicable filing, payment and withholding obligations under all applicable federal, state, local or foreign laws relating to Taxes except where such failure to comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; (xix) make any tax election or settle or compromise any federal, state, local or foreign income tax liability; (xx) pay, discharge, settle or satisfy any claims, liabilities or objections (absolute, accrued, asserted or unasserted,

contingent or otherwise), other than the payment, discharge or satisfaction of the foregoing in the ordinary course of business consistent with past practice, or, if not in the ordinary course of business, the payment, discharge or satisfaction of the foregoing that, individually and in the aggregate, does not exceed $500,000; or (xxi) agree in writing or otherwise to take any of the foregoing actions.

8.2. Company Stockholder Approval; Proxy Statement.

(a) If approval or action in respect of the Merger by the stockholders of the Company is required by applicable law, the Company, through its Board of Directors, shall (i) call a meeting of its stockholders (the "Stockholder Meeting") for the purpose of voting upon the Merger, (ii) hold the Stockholder Meeting as soon as practicable following the purchase of shares of Common Stock pursuant to the Offer and (iii) unless the Board of Directors approves, recommends or enters into an agreement with respect to a Superior Proposal in accordance with Section 8.11(b), recommend to its stockholders the approval of this Agreement and the transactions contemplated hereby, including the Merger. The record date for the Stockholder Meeting shall be a date subsequent to the date Purchaser or Merger Sub becomes a record holder of Common Stock purchased pursuant to the Offer.

(b) If required by applicable law, the Company will, as soon as practicable following the expiration of the Offer, prepare and file a preliminary Proxy Statement (such proxy statement, and any amendments or supplements thereto, the "Proxy Statement") or, if applicable, an Information Statement with the SEC with respect to the Stockholder Meeting and will use reasonable efforts to respond to any comments of the SEC or its staff and to cause the Proxy Statement to be cleared by the SEC. The Proxy Statement shall include the recommendation of the Board of Directors that the stockholders of the Company vote in favor of approving the agreement of merger (in accordance with Section 251 of the DGCL) contained in this Agreement and the determination of the Board of Directors that this Agreement and the transactions contemplated hereby, including the Offer and the Merger, are fair to, and in the best interests of, the stockholders of the Company. The Company will notify Purchaser of the receipt of any comments from the SEC or its staff and of any request by the SEC or its staff for amendments or supplements to the Proxy Statement or for additional information and will supply Purchaser with copies of all correspondence between the Company or any of its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to the Proxy Statement or the Merger. The Company shall give Purchaser and its counsel the opportunity to review the Proxy Statement prior to its being filed with the SEC and shall give Purchaser and its counsel the opportunity to review all amendments and supplements to the Proxy Statement and all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC. Each of the Company and Purchaser agrees to use its best efforts, after consultation with the other parties hereto, to respond promptly to all such comments of and requests by the SEC. As promptly as practicable after the Proxy Statement has been cleared by the SEC, the Company shall mail the Proxy Statement to the stockholders of the Company. If at any time prior to the approval of this Agreement by the Company's stockholders there shall occur any event that is required to be set forth in an amendment or supplement to the Proxy Statement under applicable law, the Company will prepare and mail to its stockholders such an amendment or supplement.

(c) The Company represents and warrants that any required Proxy Statement will comply as to form in all material respects with the Exchange Act and, at the respective times filed with the SEC and distributed to stockholders of the Company, will not 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 the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no
representation or warranty as to any information included in the Proxy Statement that was provided by Purchaser or Merger Sub. Purchaser represents and warrants that none of the information supplied by Purchaser or Merger Sub for inclusion in the Proxy Statement will, at the respective times filed with the SEC and distributed to stockholders of the Company, 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 the light of the circumstances under which they were made, not misleading.

(d) Subject to clause (iii) of Section 8.2(a), the Company shall use its reasonable efforts to obtain the necessary approvals by its stockholders of the Merger, this Agreement and the transactions contemplated hereby.

(e) Purchaser agrees to cause all shares of Common Stock purchased by Merger Sub pursuant to the Offer and all other shares of Common Stock owned by Purchaser, Merger Sub or any other subsidiary or affiliate of Purchaser to be voted in favor of the approval of the Merger.

8.3. Filings; Other Action.

Subject to the terms and conditions herein provided, the Company, Purchaser and Merger Sub shall: (a) as promptly as practicable but in no event later than 10 business days after the date hereof, make their respective filings and thereafter make any other required submissions under the HSR Act with respect to the Offer and, if applicable, the Merger, and request early termination of the waiting period under the HSR Act; (b) cooperate and consult with one another in, (i) determining which Regulatory Filings are required or, in the case of Other Antitrust Filings and Consents, permitted to be made prior to the Effective Time with, and which Consents are required or, in the case of Other Antitrust Filings and Consents, permitted to be obtained prior to the Effective Time from Governmental Entities or other third parties in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and determining which Consents are required to transfer to the Surviving Corporation any Permits or registrations held on behalf of the Company or any of its Subsidiaries by or in the name of distributors, brokers or sales agents; (ii) promptly preparing all Regulatory Filings and all other filings, submissions and presentations required or prudent to obtain all Consents, including by providing to the other parties drafts of such material reasonably in advance of the anticipated filing or submission dates; (iii) promptly making all such Regulatory Filings and promptly seeking all such Consents; (iv) defending against any lawsuit or proceeding, whether judicial or administrative, challenging this Agreement or the consummation of any of the transactions contemplated hereby; and (c) use their reasonable best efforts to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or appropriate to consummate and make effective the transactions contemplated by this

Agreement (including without limitation those actions described in the foregoing (ii) through (iv)). Each of Purchaser and the Company shall use its best efforts to contest any proceeding seeking a preliminary injunction or other legal impediment to, and to resolve any objections as may be asserted by any Governmental Entity with respect to, the Offer or the Merger under the HSR Act or Foreign Antitrust Laws. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purpose of this Agreement, the proper officers and directors of Purchaser and the Surviving Corporation shall take all such necessary action.

8.4. Publicity. The initial press release relating to this Agreement shall be a joint press release and thereafter the Company and Purchaser shall consult with each other before issuing any press release or otherwise making public statements with respect to the transactions contemplated hereby and in making any filings with any Governmental Entity or with The Nasdaq Stock Market with respect thereto.

8.5. Further Action. Each party hereto shall, subject to the fulfillment at or before the Effective Time of each of the conditions of performance set forth herein or the waiver thereof, perform such further acts and execute such documents as may be reasonably required to effect the Merger, including the execution of any deeds, bills of sale, assignments, assurances and all such other acts and things necessary, desirable or proper to carry out the purposes of this Agreement. In addition to the foregoing, the Company and its Subsidiaries shall deliver to Purchaser a certificate in form and substance reasonably satisfactory to Purchaser, duly executed and acknowledged, certifying facts that would exempt the transactions contemplated hereby from withholding pursuant to the provisions of the Foreign Investment in Real Property Tax Act.

8.6. Insurance; Indemnity.

(a) Purchaser will cause the Surviving Corporation to purchase a six year pre-paid noncancellable directors and officers insurance policy covering the current and all former directors, officers and similar persons of the Company and its Subsidiaries, with respect to acts or failures to act prior to the Effective Time, in a single aggregate amount over the six-year period immediately following the Closing Date equal to the policy limit for the Company's current directors and officers insurance policy as of the date hereof (the "Current Policy"). If such insurance is obtainable at an annual cost per covered year not in excess of 200% of the annual premium paid by the Company for the Current Policy (the "Cap"), then Purchaser will cause the Surviving Corporation to purchase policies providing (or Purchaser will modify its existing policies to provide for) at least the same coverage as the Current Policy and containing terms and conditions no less advantageous to the current and former directors, officers and similar persons of the Company and its Subsidiaries than the Current Policy with respect to acts or failures to act prior to the Effective Time; provided, however, that Purchaser and the Surviving Corporation shall not be required to obtain policies providing such coverage except to the extent that such coverage can be provided at an annual cost of no greater than the Cap; and, if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Cap, Purchaser or the Surviving Corporation shall only be required to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap.

(b) Purchaser shall cause the Surviving Corporation to keep in effect in its bylaws provisions for a period of not less than six years from the Effective Time (or, in the case of matters occurring prior to the Effective Time that have not been resolved prior to the sixth anniversary of the Effective Time, until such matters are finally resolved) that provide for exculpation of director and officer liability and indemnification (and advancement of expenses related thereto) of the past and present officers and directors of the Company and its Subsidiaries to the fullest extent permitted by the DGCL, which provisions shall not be amended except as required by applicable law or except to make changes permitted by law that would enhance the rights of past or present officers and directors to indemnification or advancement of expenses.

(c) Subject to Section 8.6(f), from and after the Effective Time, Purchaser
shall indemnify and hold harmless, to the fullest extent permitted under applicable law, each person who is, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer, director or similar person of the Company or any Subsidiary, against all losses, claims, damages, liabilities, costs or expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement (collectively, "Losses") in
connection with any claims, actions, suits, proceedings, arbitrations, investigations or audits (collectively, "Litigation") arising before or after
the Effective Time out of or pertaining to acts or omissions, or alleged acts or omissions, by them in their capacities as such, which acts or omissions occurred prior to the Effective Time. Without limiting the foregoing, Purchaser shall periodically advance expenses as incurred with respect to the foregoing to the fullest extent permitted under applicable law provided that the person to whom the expenses are advanced provides an undertaking to repay such advance if it is ultimately determined that such person is not entitled to indemnification.

(d) If, after the Effective Time, Purchaser or the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties or assets to any person, then, in each such case, proper provisions shall be made so that successors and assigns of Purchaser or the Surviving Corporation, as the case may be, shall assume such entity's obligations set forth in this Section 8.6. The provisions of this Section 8.6
are intended for the benefit of and shall be enforceable by each person who is now or has been at any time prior to the date of this Agreement, or who becomes prior to the Effective Time, an officer, director or similar person of the Company or any of its Subsidiaries.

(e) If any Litigation described in Section 8.6(c) (each, an "Action")
arises or occurs, the Surviving Corporation shall control the defense of such Action with counsel selected by the Surviving Corporation, which counsel shall be reasonably acceptable to the party seeking indemnification pursuant to Section 8.6(c) (each, an "Indemnified Party"), provided that the Indemnified
Party shall be permitted to participate in the defense of such Action through counsel selected by the Indemnified Party, at the Indemnified Party's expense. Notwithstanding the foregoing, if there is any actual or potential conflict between the Surviving Corporation and any Indemnified Party or there are additional defenses available to any Indemnified Party, such Indemnified Party shall be permitted to participate in the defense of such Action with counsel selected by the Indemnified Party, at the Surviving Corporation's expense; provided, however,

that the Surviving Corporation shall not be obligated to pay the fees and expenses of more than one counsel for any Indemnified Party in any single Action. The Surviving Corporation shall not be liable for any settlement effected without its written consent, which consent shall not unreasonably be withheld.

(f) Purchaser shall have no obligations under Section 8.6(c), unless and until the Surviving Corporation transfers outside of the ordinary course of business a material portion of its assets, in a single transaction or in a series of transactions, and such transfer materially and adversely affects the legal or financial ability of the Surviving Corporation to satisfy its indemnification obligations under this Section 8.6.

8.7. Restructuring of Merger. Upon the mutual agreement of Purchaser and the Company, the Merger shall be restructured in the form of a forward subsidiary merger of the Company with and into Merger Sub, with Merger Sub being the surviving corporation, or as a merger of the Company with and into Purchaser, with Purchaser being the surviving corporation. In such event, this Agreement shall be deemed appropriately modified to reflect such form of merger.

8.8. Employee Benefit Plans.

(a) From and after the Effective Time, the Surviving Corporation and its respective Subsidiaries will honor, in accordance with their terms, all existing employment, change in control and severance agreements between the Company or any of its Subsidiaries and any current or former officer, director, consultant or employee of the Company or any of its Subsidiaries ("Covered Employees") to the extent in effect on, and disclosed to Purchaser prior to, the date hereof and all benefits or other amounts earned or accrued to the extent vested or that become vested in the ordinary course through the Effective Time under all employee benefit plans of the Company and any of its Subsidiaries, in each case to the extent in effect on the date hereof.

(b) To the extent that Covered Employees are included in any benefit plan of Purchaser or its subsidiaries, Purchaser agrees that the Covered Employees shall receive credit under such plan for service prior to the Effective Time with the Company and its Subsidiaries to the same extent such service was counted under similar Company Benefit Plans for purposes of eligibility, vesting, eligibility for retirement (but not for benefit accrual).

8.9. Acceleration of Outstanding Indebtedness. In the event any of the Company's or any of its Subsidiaries' obligation for borrowed money outstanding as of the date of this Agreement is accelerated or the Company or such Subsidiary is otherwise required to repay or prepay any such obligation, in each case, after the consummation of the Offer as a result of (a) the consummation of any transaction contemplated hereby or (b) Purchaser's acquisition of shares of Common Stock pursuant to this Agreement or otherwise, Purchaser agrees, within two business days after notice thereof, to loan to the Company at no cost to the Company an amount equal to the amount that the Company or any such Subsidiary is required to so repay or prepay (including any related prepayment premiums or penalties). The term of such loan shall be equal

to the term of such accelerated obligation (prior to its acceleration) and the Company and Purchaser shall enter into any agreement reasonably necessary to evidence such agreement.

8.10. Access to Information. The Company shall, and shall cause each of its Subsidiaries to, afford to Purchaser and to the officers, employees, accountants, counsel, financial advisors and other representatives of Purchaser, reasonable access during normal business hours during the period prior to the Effective Time to all their respective properties, books, contracts, commitments, personnel and records and, during such period, the Company shall, and shall cause its respective Subsidiaries to, furnish promptly to the other party (a) a copy of each report, schedule, registration statement and other document filed by it during such period pursuant to the requirements of federal or state securities laws and (b) all other information concerning its business, properties and personnel as such other party may reasonably request. Except as required by applicable laws, each of the parties hereto will hold, and will cause its respective officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any nonpublic information in confidence to the extent required by, and in accordance with, the provisions of that certain Confidentiality Agreement dated as of February 19, 1999 between Purchaser and the Company (the "Confidentiality Agreement").

8.11. No Solicitation.

(a) The Company shall not, and shall not authorize, permit or cause any of its Subsidiaries or any of the officers and directors of it or its Subsidiaries to, and shall not authorize, permit or direct its and its Subsidiaries' employees, agents and representatives (including the Financial Advisor or any investment banker, attorney or accountant retained by it or any of its Subsidiaries) to, directly or indirectly, (i) initiate, solicit, or otherwise encourage any inquiries or the making of any proposal or offer with respect to a merger, reorganization, share exchange, tender offer, consolidation or similar transaction involving, or any purchase of, 15% or more of the assets or any equity securities of the Company or any of its Subsidiaries (any such proposal or offer being hereinafter referred to as, an "Acquisition Proposal") or (ii)
---
initiate or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person or entity relating to an Acquisition Proposal, whether made before or after the date of this Agreement, or otherwise facilitate any effort or attempt to make or implement or consummate an Acquisition Proposal.

(b) Notwithstanding clause (a) above, nothing contained in this Agreement shall prevent the Company or its Board of Directors from (i) complying with Rule 14e-2 promulgated under the Exchange Act with regard to an Acquisition Proposal or (ii): (x) providing information in response to a request therefor by a person or entity who has made an unsolicited bona fide written Acquisition Proposal if the Board of Directors receives from the person or entity so requesting such information an executed confidentiality agreement on terms substantially equivalent to those contained in the Confidentiality Agreement; (y) engaging in any negotiations or discussions with any person or entity who has made an unsolicited bona fide written Acquisition Proposal; or (z) recommending such an Acquisition Proposal to the stockholders of the Company, if, and only to the extent that, (i) in each such case referred to in clause (x), (y) or (z) above, the Board of Directors of the Company determines in good faith after consultation

with outside legal counsel and the Financial Advisor that such action is necessary in order for its members to comply with their fiduciary duties under applicable law (the parties hereto acknowledge and agree that, so long as Section 8.11(a) has been complied with in all respects, any such action described in clauses (x), (y) or (z) above shall be permitted to be taken regardless of whether it would be necessary under applicable law, if it is taken only with respect to a Superior Proposal) and (ii) in each case referred to in clause (x), (y) or (z) above, the Board of Directors of the Company determines in good faith (after consultation with outside legal counsel and the Financial Advisor) that, if accepted, such Acquisition Proposal is reasonably likely to be consummated, taking into account all legal, financial and regulatory aspects of the proposal and the person or entity making the proposal, and would provide for a higher per share value to the stockholders of the Company, and is fully financed (or, based on a good faith determination of the Board of Directors of the Company, is readily financeable) (any such Acquisition Proposal meeting the foregoing conditions being referred to herein as a "Superior Proposal"). The Company shall immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. The Company agrees that it will take the necessary steps to promptly inform the individuals or entities referred to in the first sentence of Section 8.11(a) of the obligations undertaken in this paragraph and in the Confidentiality Agreement. The Company also shall promptly request each person or entity that has heretofore executed a confidentiality agreement in connection with its consideration of an Acquisition Proposal to return all confidential information heretofore furnished to such person or entity by or on behalf of it or any of its Subsidiaries.

(c) The Company shall notify Purchaser immediately if any Acquisition Proposal or inquiries regarding a potential Acquisition Proposal are received by, any information with respect to an Acquisition Proposal or a potential Acquisition Proposal is requested from, or any discussions or negotiations with respect to an Acquisition Proposal or a potential Acquisition Proposal are sought to be initiated or continued with, it or any of its representatives indicating, in connection with such notice, the name of the person or entity involved and the material terms and conditions of any such Acquisition Proposal, and thereafter shall keep Purchaser informed, on a current basis, of the status and terms of any such inquiries or Acquisition Proposals and the status of any such negotiations or discussions.

ARTICLE 9.

CONDITIONS

9.1. Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger shall be subject to the satisfaction or waiver, where permissible, prior to the Effective Time, of the following conditions:

(a) Merger Sub shall have accepted for payment and paid for all shares of Common Stock validly tendered in the Offer and not withdrawn; provided, however, that neither Purchaser nor Merger Sub may invoke this condition if Merger Sub shall have failed in violation of the terms of this Agreement or the Offer to purchase shares so tendered and not withdrawn.

(b) This Agreement shall have been adopted by the affirmative vote of the holders of the requisite number of shares of capital stock of the Company if such vote is required pursuant to Company's certificate of incorporation, the DGCL or other applicable law; provided, however, that neither Purchaser nor Merger Sub may invoke this condition if either of them or any of their respective affiliates shall have failed to vote the shares of Common Stock held by it in favor of this Agreement and the Company may not invoke this condition if the Company shall have failed to fulfill its obligations under Section 8.2.

(c) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing, restraining or restricting the consummation of the Merger shall be in effect; provided, however, that the party invoking this condition shall use its best efforts to have any such order, injunction or restraint vacated.

(d) All necessary waiting periods under the HSR Act that are applicable to the Merger shall have expired or been earlier terminated, and all other necessary approvals from any other Governmental Entity that are applicable to the Merger shall have been obtained.

ARTICLE 10.

TERMINATION; AMENDMENT; WAIVER

10.1. Termination. This Agreement may be terminated and the Merger contemplated hereby may be abandoned at any time notwithstanding approval thereof by the stockholders of the Company, but prior to the Effective Time:

(a) by mutual written consent of the Company and Purchaser; or

(b) by the Company, if (i) Purchaser or Merger Sub shall have failed to commence the Offer within five business days after the date of this Agreement, (ii) Purchaser or Merger Sub shall have failed to comply with its payment obligations under this Agreement with respect to any shares of Common Stock accepted for payment pursuant to the Offer, or (iii) any change to the offer is made in contravention of the provisions of Article 1; or

(c) by Purchaser or the Company:

(i) if the Effective Time shall not have occurred on or before the date which is six months from the date of this Agreement (provided that the right to terminate this Agreement pursuant to this clause (i) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Effective Time to occur on or before such date);

(ii) if, upon a vote at the Stockholder Meeting, or any adjournment thereof, the adoption of this Agreement by the stockholders of the Company required by the DGCL shall not have been obtained (provided that the right to terminate this Agreement pursuant to this clause (ii) shall not be available to Purchaser if Purchaser, Merger Sub or any of

their affiliates shall have failed to vote the shares of Common Stock held by them in favor of adoption of this Agreement, and shall not be available to the Company, if the Company shall have failed to fulfill its obligations under Section 8.2);

(iii) if there shall be any statute, law, rule or regulation that makes consummation of the Offer or the Merger illegal or prohibited or if any court of competent jurisdiction or other Governmental Entity shall have issued an order, judgment, decree or ruling, or taken any other action restraining, enjoining or otherwise prohibiting the Offer or the Merger and such order, judgment, decree, ruling or other action shall have become final and non-appealable; or

(iv) if the Offer terminates or expires on account of the failure of any condition specified in Exhibit A without Merger Sub having purchased any shares of Common Stock thereunder (provided that the right to terminate this Agreement pursuant to this clause (iv) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of any such condition); or

(d) by Purchaser, prior to the consummation of the Offer, if (i) the Board of Directors of the Company withdraws, amends or modifies, its approval of this Agreement and the transactions contemplated hereby, or its recommendation that the holders of the shares of Common Stock accept the Offer and tender all of their shares of Common Stock to Merger Sub and approve this Agreement and the transactions contemplated hereby (or, in each case, publicly announces its intention to do so) in a manner adverse to Purchaser or Merger Sub or (ii) the Company approves, recommends or enters into an agreement with respect to, or consummates, an Acquisition Proposal; or

(e) by the Company, prior to the consummation of the Offer, if the Company approves, recommends or enters into an agreement providing for the Company to engage in a Superior Proposal; provided, however, that the right to terminate this Agreement pursuant to this Section 10.1(e) shall not be available if the Company has not provided Purchaser and Merger Sub with at least five business days' prior written notice of its intent to so terminate this Agreement together with a summary of the material terms and conditions of the Superior Proposal; provided, further, however, that no termination shall be effective pursuant to this Section 10.1(e) unless concurrently with such termination, a Break-Up Fee is paid in full by the Company in accordance with Section 10.2; or

(f) by Purchaser, if any of the conditions set forth in Exhibit A shall have become forever incapable of fulfillment and shall not have been waived by all applicable parties; or

(g) by Purchaser, if the Company shall breach any of its representations, warranties or obligations hereunder and such breach shall not have been cured or waived or the Company shall not have provided reasonable assurance that such breach will be cured at least two business days prior to the consummation of the Offer and such breach shall not have been cured by such time, but only if such breach, individually or together with all other such breaches, would constitute failure of a condition contained in Exhibit A as of the date of such termination; or

(h) by the Company, if Purchaser or Merger Sub shall materially breach any of its representations, warranties or obligations hereunder and such breach shall not have been cured or waived or Purchaser or Merger Sub shall not have provided reasonable assurance that such breach will be cured prior to the consummation of the Offer, but only if such breach, individually or together with all other such breaches, is reasonably likely to materially and adversely affect Purchaser's or Merger Sub's ability to consummate the Offer or the Merger; or

(i) by Purchaser, prior to the consummation of the Offer, if the Tender Agreement shall not be in full force and effect or any Significant Stockholders shall have breached in any material respect any representation, warranty or covenant contained in the Tender Agreement; provided, however, that the party seeking termination pursuant to clause (f), (g) or (h) hereof is not in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement.

10.2. Effect of Termination

(a) If this Agreement is terminated and the Merger is abandoned pursuant to Section 10.1, this Agreement, except for the provisions of Sections 1.3(c), 8.4, and Article 11, shall terminate, without any liability (except as set forth below) on the part of any party or its affiliates, directors, officers or stockholders. Nothing herein shall relieve any party from liability for any intentional breach of this Agreement.

(b) The Company shall pay Purchaser a Break-Up Fee in the event that this Agreement is terminated by Purchaser pursuant to Section 10.1(d) or by the Company pursuant to Section 10.1(e).

(c) If all of the following events have occurred:

(i) an Acquisition Proposal is commenced, publicly disclosed, publicly proposed or otherwise communicated to the Company at any time on or after the date of this Agreement and prior to the consummation of the Offer and either Purchaser or the Company terminates this Agreement pursuant to Section 10.1(c)(i) or Section 10.1(c)(iv) or Purchaser terminates this Agreement pursuant to Section 10.1(g); and

(ii) thereafter, within 12 months of the date of termination of this Agreement, the Company enters into a definitive agreement with respect to, or consummates, any Acquisition Proposal described in clause (i) above (or any other Acquisition Proposal whether or not described in clause (i) above if such Acquisition Proposal is made by any Person (or Affiliate thereof) who made any Acquisition Proposal described in clause (i) above),

then, the Company shall pay to Purchaser an amount equal to the Break-Up Fee concurrently with the execution of the relevant definitive agreement.

(d) If this Agreement is terminated by Purchaser pursuant to Section 10.1(g), the Company shall reimburse Purchaser up to a maximum of $1,500,000 for all expenses incurred by Purchaser in connection with the negotiation, execution, delivery and performance of this Agreement by Purchaser and Merger Sub.

(e) If this Agreement is terminated by the Company pursuant to Section 10.1(h), Purchaser shall reimburse the Company up to a maximum of $1,500,000 for all expenses incurred by the Company in connection with the negotiation, execution, delivery and performance of this Agreement by the Company.

(f) The "Break-Up Fee" shall be $6,000,000, provided that, such amount will be reduced by any amounts paid by the Company to Purchaser pursuant to Section 10.2(d) above. In the event that the Break-Up Fee shall be payable under this Agreement, the Company shall pay the Break-Up Fee to Purchaser by wire transfer of immediately available funds to an account designated by Purchaser on the next business day following the termination of this Agreement (or, in the case of a termination pursuant to Section 10.1(e), prior to the effectiveness of such termination).

10.3. Amendment. To the extent permitted by applicable law, this Agreement may be amended by action taken by or on behalf of the Boards of Directors of the Company and Purchaser at any time before or after adoption of this Agreement by the stockholders of the Company but, after any such stockholder approval, no amendment shall be made that decreases the Merger Consideration or that adversely affects the rights of the Company's stockholders hereunder without the approval of such stockholders. This Agreement may not be amended except by an instrument in writing signed on behalf of all of the parties.

10.4. Extension; Waiver. At any time prior to the Effective Time, the parties hereto, by action taken by or on behalf of the boards of directors of the Company (subject to Section 1.4) and Purchaser, may (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies in the representations and warranties contained herein by any other applicable party or in any document, certificate or writing delivered pursuant hereto by any other applicable party or (c) waive compliance with any of the agreements or conditions contained herein, except after adoption of this Agreement by the stockholders of the Company, for any waiver that has the effect of decreasing the Merger Consideration or that adversely affects the rights of the Company's stockholders hereunder without approval of such stockholders. Any agreement on the part of any party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE 11.

GENERAL PROVISIONS

11.1. Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time.

11.2. Notices. Any notice required to be given hereunder shall be sufficient if in writing, and sent by facsimile transmission (with a confirmatory copy sent by overnight courier), by courier service (with proof of service), hand delivery or certified or registered mail (return receipt requested and first-class postage prepaid), addressed as follows:

If to Purchaser or Merger Sub:	If to the Company:
Avery Dennison Corporation	Stimsonite Corporation
150 North Orange Grove Blvd.	6565 West Howard Street
Pasadena, California 91103	Niles, Illinois 60714
Facsimile: (626) 304-2071	Facsimile: (847) 647-0269
Attention: Robert G. van Schoonenberg	Attention: Robert E. Stutz
With a copy to:	With a copy to:
Latham & Watkins	Jones, Day, Reavis & Pogue
633 West Fifth Street, Suite 4000	77 West Wacker Drive
Los Angeles, California 90071	Chicago, Illinois 60601
Facsimile: (213) 891-8763	Facsimile: (312) 782-8585
Attention: Michael W. Sturrock	Attention: Timothy J. Melton

or to such other address as any party shall specify by written notice so given, and such notice shall be deemed to have been delivered as of the date so telecommunicated, personally delivered or mailed.

11.3. Assignment; Binding Effect. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties; provided, however, that either Purchaser or Merger Sub (or both) may assign its rights hereunder (including, without limitation, the right to make the Offer or to purchase shares of Common Stock in the Offer) to a wholly owned Subsidiary of Purchaser or Merger Sub but nothing shall relieve the assignor from its obligations hereunder. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding anything contained in this Agreement to the contrary, except for the provisions of Sections 8.6 and 8.8, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective heirs, successors, executors, administrators and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

11.4. Entire Agreement. This Agreement, the first three paragraphs of the Confidentiality Agreement which are hereby adopted and made a part hereof, the Disclosure Letter, the Purchaser Disclosure Letter, the Exhibit hereto, the Ancillary Documents and any other documents delivered by the parties in connection herewith constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect thereto (it being understood that, except for the first three paragraphs, all of the remaining provisions of the Confidentiality Agreement will terminate upon execution of this Agreement).

11.5. Fees and Expenses. Whether or not the Offer or Merger is consummated, all costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such expenses.

11.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its rules of conflict of laws. Each of the Company, Purchaser and Merger Sub hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal and state courts located in Cook County, Illinois or to the jurisdiction of the federal and state courts located in Los Angeles County, California for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts), waives any objection to the laying of venue of any such litigation in such courts and agrees not to plead or claim in any such court that such litigation brought therein has been brought in an inconvenient forum.

11.7. Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

11.8. Interpretation. In this Agreement, unless the context otherwise requires, words describing the singular number shall include the plural and vice versa, and words denoting any gender shall include all genders and words denoting natural persons shall include corporations and partnerships and vice versa. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." As used in this Agreement, (a) the words "Subsidiary," "affiliate" and "associate" shall have the meanings ascribed thereto in Rule 12b-2 under the Exchange Act, (b) "business day" means any day other than Saturday, Sunday or any other day on which banks in the City of New York are required or permitted to close and (c) "knowledge" means the actual knowledge of any executive officer of the Company or Purchaser, as the case may be.

11.9. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

11.10. Enforcement of Agreement. 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 its specific terms or was otherwise breached. It is accordingly agreed that the parties 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 federal or state court located in Cook County, Illinois or Los Angeles County, California, this being in addition to any other remedy to which they are entitled at law or in equity. The prevailing party in any judicial action

shall be entitled to receive from the other party reimbursement for the prevailing party's reasonable attorneys' fees and disbursements, and court costs.

11.11. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all, of the parties hereto.

11.12. Obligation of Purchaser. Whenever this Agreement requires Merger Sub to take any action, such requirement shall be deemed to include an undertaking on the part of Purchaser to cause Merger Sub to take such action.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement and caused me same to be duly delivered on their behalf on the day and year first written above.

PURCHASER:

AVERY DENNISON CORPORATION

By: /s/ Robert G. van Schoonenberg

Name: Robert G. van Schoonenberg
Title: Senior Vice President, General Counsel and Secretary

MERGER SUB:

VISION ACQUISITION CORPORATION

By: /s/ Robert G. van Schoonenberg

Name: Robert G. van Schoonenberg
Title: President

COMPANY:

STIMSONITE CORPORATION

By: /s/ Robert E. Stutz

Name: Robert E. Stutz
Title: President and Chief
Executive Officer

EXHIBIT A

CONDITIONS OF THE OFFER

Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Agreement and Plan of Merger, dated as of June 4, 1999 (the "Merger Agreement"), among Purchaser, Merger Sub and Stimsonite Corporation, a Delaware corporation.

Notwithstanding any other term of the Merger Agreement, Merger Sub shall not be required to accept for payment or pay for, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) of the Exchange Act, any shares of Common Stock not theretofore accepted for payment or paid for and may terminate or amend the Offer as to such shares of Common Stock unless (i) there shall have been validly tendered and not withdrawn prior to the expiration of the Offer that number of shares of Common Stock which would represent at least a majority on a fully diluted basis of the outstanding shares of Common Stock on a fully diluted basis (collectively, the "Minimum Condition") and (ii) any waiting period under the HSR Act and any non-United States laws regulating competition, antitrust, investment or exchange controls applicable to the purchase of shares of Common Stock pursuant to the Offer shall have expired or been terminated. Furthermore, notwithstanding any other term of the Offer or the Merger Agreement, Merger Sub shall not be required to accept for payment or, subject as aforesaid, to pay for any shares of Common Stock not theretofore accepted for payment or paid for, and may terminate or amend the Offer if at any time on or after the date of the Merger Agreement and prior to the expiration of the Offer, any of the following conditions exist or shall occur and remain in effect:

(a) any United States or state Governmental Entity shall have enacted, issued, promulgated, enforced, instituted or entered any statute, rule, regulation, executive order, decree, injunction, action, application or claim or other order that is in effect or pending (a "Claim"), (i) challenging or prohibiting the acquisition by Purchaser or Merger Sub of the shares of Common Stock pursuant to the Merger Agreement, including the Offer or the Merger, (ii) restraining or prohibiting the making or consummation of the Merger Agreement, including the Offer or the Merger or the performance of any of the other transactions contemplated by the Merger Agreement, (iii) seeking to obtain from Purchaser or Merger Sub any damages that arise out of the transactions contemplated by this Agreement and could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect if such damages were assessed against the Company, (iv) restraining or prohibiting, or limiting in any material respect, the ownership or operation by Purchaser or Merger Sub of any material portion of the business or assets of the Company and its Subsidiaries taken as a whole, (v) seeking to compel Purchaser or Merger Sub to dispose of or forfeit material incidents of control of all or any material portion of the business or assets of the Company or any of its Subsidiaries, (vi) imposing limitations on the ability of Purchaser, Merger Sub or any other Subsidiary of Purchaser effectively to exercise full rights of ownership of the shares

of Common Stock, including, without limitation, the right to vote any shares of Common Stock acquired or owned by Purchaser or Merger Sub on all matters properly presented to the Company's stockholders, or (vii) seeking to require divestiture by Merger Sub or Purchaser of any shares of Common Stock; or

(b) there shall be any statute, rule, regulation, judgment, order or injunction enacted, promulgated, entered, enforced or deemed applicable to the Offer, the Merger or the Merger Agreement, or any other action shall have been taken by any government, Governmental Entity or court, domestic or foreign, other than the routine application to the Offer or the Merger of waiting periods under the HSR Act or any non-United States laws regulating competition, antitrust, investment or exchange controls, that has, or has a substantial likelihood of resulting in, any of the consequences referred to in paragraph (a) above; or

(c)(i) the representations and warranties made by the Company in the Merger Agreement shall not be true and correct as of the date of consummation of the Offer as though made on and as of that date (other than representations and warranties made as of a specified date, in which case such representations and warranties shall be true and correct in all material respects on and as of such specified date) except for any breach or breaches that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect or (ii) the Company shall have breached or failed to comply in any material respect with any of its obligations, covenants or agreements under the Merger Agreement (other than those obligations, covenants or agreements under Section 5.2(e), with
respect to which the Company shall have performed in all respects) and, with respect to any such failure that can be remedied, the failure is not remedied within 20 business days after Purchaser has furnished the Company with written notice of such failure; or

(d) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on the New York Stock Exchange, any other national securities exchange or the Nasdaq National Market, (ii) the declaration of a banking moratorium or any mandatory suspension of payments in respect of banks in the United States, (iii) the commencement of or escalation of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, (iv) any limitation (whether or not mandatory) by any United States governmental authority on the extension of credit by banks or other financial institutions, (v) a change in general financial bank or capital market conditions which materially and adversely affects the ability of financial institutions in the United States to extend credit or syndicate loans, or (vi) in the case of any of the foregoing existing on the date of the Agreement, a material acceleration or worsening thereof; or

(e) the Company's Board of Directors shall have withdrawn or modified in a manner adverse to Purchaser or Merger Sub (including by amendment of the Schedule 14D-9) its approval of the Merger Agreement and the transactions contemplated thereby,

or its recommendation that the holders of the shares of Common Stock accept the Offer and tender all of their shares of Common Stock to Merger Sub and approve the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, or shall have approved or recommended any Acquisition Proposal or Superior Proposal; or

(f) the Merger Agreement shall have been terminated in accordance with its terms; or

(g) there shall have occurred any events or states of fact that have had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

The foregoing conditions are for the sole benefit of Purchaser and Merger Sub and may be asserted by Purchaser and Merger Sub regardless of the circumstances (including any action or inaction by Purchaser) giving rise to any such condition and, except for the Minimum Condition, may be waived by Purchaser or Merger Sub, in whole or in part, at any time and from time to time, in the sole discretion of Purchaser. The failure by Purchaser or Merger Sub at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, the waiver of such right with respect to any particular facts or circumstances shall not be deemed a waiver with respect to any other facts or circumstances, and each such right will be deemed an ongoing right which may be asserted at any time and from time to time.

Should the Offer be terminated pursuant to the foregoing provisions, all tendered shares of Common Stock not theretofore accepted for payment shall forthwith be returned by the Paying Agent to the tendering stockholders.

TENDER AND STOCKHOLDER SUPPORT AGREEMENT

TENDER AND STOCKHOLDER SUPPORT AGREEMENT, dated as of June 3, 1999 (the "Agreement"), by and among Avery Dennison Corporation, a Delaware corporation ("Purchaser"), Vision Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Purchaser ("Merger Sub"), and the parties listed on Annex A hereto (each, a "Stockholder" and, collectively, the "Stockholders").

RECITALS

WHEREAS, Purchaser, Merger Sub and Stimsonite Corporation, a Delaware corporation (the "Company"), propose to enter into an Agreement and Plan of Merger, dated as of June 4, 1999 (as the same may be amended or supplemented from time to time, the "Merger Agreement"), which provides, among other things, that Merger Sub will make a cash tender offer (the "Offer") for all of the outstanding capital stock of the Company and, after expiration of the Offer, will merge with and into the Company (the "Merger"), in each case upon the terms and subject to the conditions in the Merger Agreement (with all capitalized terms used but not defined herein having the meanings set forth in the Merger Agreement);

WHEREAS, each Stockholder owns the number of shares of common stock, par value $0.01 per share, of the Company (the "Common Stock") set forth opposite his or its name on Annex A hereto (such shares of Common Stock, together with any other shares of capital stock of the Company acquired (whether beneficially or of record) by such Stockholder after the date hereof and during the term of this Agreement, including any shares acquired by means of purchase, dividend or distribution, or issued upon the exercise of any warrants or options, and the conversion of any convertible securities or otherwise being collectively referred to herein as, the "Subject Shares");

WHEREAS, as a condition to the willingness of Purchaser and Merger Sub to enter into the Merger Agreement and make the Offer, Purchaser has required that each Stockholder agree and, in order to induce Purchaser and Merger Sub to enter into the Merger Agreement, each Stockholder has agreed, to enter into this Agreement.

NOW, THEREFORE, to induce Purchaser and Merger Sub to enter into, and in consideration of their entering into, the Merger Agreement, and in consideration of the premises and the representations, warranties and agreements contained herein, the parties agree as follows:

1. Representations and Warranties of Each Stockholder. Each Stockholder hereby, severally and not jointly, represents and warrants to Purchaser and Merger Sub as of the date hereof in respect of himself or itself as follows:

(a) Organization. To the extent applicable, such Stockholder is a corporation, partnership or limited liability company, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) Authority. Such Stockholder has the legal capacity and all requisite power and authority to execute and deliver this Agreement and to perform his or its obligations and consummate the transactions contemplated hereby. To the extent applicable, the execution, delivery and performance by such Stockholder of this Agreement and the consummation by him or it of the transactions contemplated hereby have been duly and validly authorized by such Stockholder (or its Board of Directors or similar governing body, as applicable) and no other action or proceedings on the part of such Stockholder are necessary to authorize the execution and delivery by him or it of this Agreement and the consummation by him or it of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Stockholder, and constitutes a valid and binding obligation of the Stockholder enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) The Subject Shares. Except as set forth on Annex A hereto, the Stockholder is the record and beneficial owner of, and has good and marketable title to, the Subject Shares set forth opposite his or its name on Annex A hereto, free and clear of any and all Encumbrances. The Stockholder does not own, of record or beneficially, any shares of capital stock of the Company (or rights to acquire any such shares) other than the Subject Shares set forth opposite his or its name on Annex A hereto. Except as set forth on Annex A hereto, the Stockholder has the sole right to vote, sole power of disposition, sole power to issue instructions with respect to the matters set forth in Sections 3, 4 and 5 hereof, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of such Stockholder's Subject Shares, with no material limitations, qualification or restrictions on such rights, subject to applicable federal securities laws and the terms of this Agreement. The Subject Shares are duly authorized, validly issued, fully paid, non-assessable and free of preemptive rights.

(d) No Conflicts. Except for (i) the filings provided for in Section 2.3 of the Merger Agreement and the filings required under the Exchange Act and the Securities Act, (ii) the filings required under the HSR Act, and any other applicable law governing antitrust or competition matters, and any Consents required or permitted to be obtained pursuant to the laws of any Foreign Antitrust Laws, (iii) the applicable requirements of state securities, takeover or Blue Sky laws, and (iv) such notifications, filings, authorizing actions, orders and approvals as may be required under other laws, (A) no material filing with, and no material permit, authorization, consent or approval of, any state, federal or foreign public body or authority is necessary for the execution of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby, (B) the execution and delivery of this Agreement by such Stockholder do not, and the consummation by him or it of the transactions contemplated hereby and compliance with the terms hereof will not, conflict with, or result in any violation of, or breach or default (with or without notice or lapse of time or

both) under (1) any provisions of the organizational documents of such Stockholder, (2) any provision of any material trust, loan or credit agreement, note, bond, mortgage, indenture, guarantee, lease, license, contract or other agreement to which he or it is a party or by which he or it is bound, or (3) any material franchise, judgment, order, writ, injunction, notice, decree, statute, law, ordinance, rule or regulation applicable to the Stockholder or his or its property or assets, and (C) the execution and delivery of this Agreement by the Stockholder do not, and the consummation by him or it of the transactions contemplated hereby will not, violate any material laws applicable to such Stockholder.

2. Representations and Warranties of Purchaser and Merger Sub. Each of Purchaser and Merger Sub hereby, jointly and severally, represents and warrants to each Stockholder as of the date hereof as follows:

(a) Organization. Each of Purchaser and Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware.

(b) Authority. Each of Purchaser and Merger Sub has the requisite corporate power and authority to execute and deliver this Agreement and to perform its respective obligations and consummate the transactions contemplated hereby. The execution, delivery and performance by Purchaser and Merger Sub of this Agreement and the consummation by them of the transactions contemplated hereby, have been duly and validly authorized by the Board of Directors of Purchaser and Merger Sub and no other corporate or other action or proceedings on the part of Purchaser and Merger Sub are necessary to authorize the execution and delivery by them of this Agreement and the consummation by them of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Purchaser and Merger Sub, and constitutes a valid and binding obligation of Purchaser and Merger Sub enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) No Conflicts. Except for (i) the filings provided for in Section 2.3 of the Merger Agreement and the filings required under the Exchange Act and the Securities Act, (ii) the filings required under the HSR Act, and any other applicable law governing antitrust or competition matters, and any Consents required or permitted to be obtained pursuant to the laws of any Foreign Antitrust Laws, (iii) the applicable requirements of state securities, takeover or Blue Sky laws, and (iv) such notifications, filings, authorizing actions, orders and approvals as may be required under other laws, (A) no material filing with, and no material permit, authorization, consent or approval of, any state, federal or foreign public body or authority is necessary for the execution of this Agreement by Purchaser and Merger Sub and the consummation by Purchaser and Merger Sub of the transactions contemplated hereby, (B) the execution and delivery of this Agreement by Purchaser and Merger Sub do not, and the consummation by them of

the transactions contemplated hereby and compliance with the terms hereof will not, conflict with, or result in any violation of, or breach or default (with or without notice or lapse of time or both) under (1) the certificate of incorporation or bylaws of Purchaser or Merger Sub, (2) any provision of any trust, loan or credit agreement, note, bond, mortgage, indenture, guarantee, lease, license, contract or other agreement to which Purchaser or Merger Sub is a party or by which it is bound, or (3) any franchise, judgment, order, writ, injunction, notice, decree, statute, law, ordinance, rule or regulation applicable to Purchaser or Merger Sub or their respective properties or assets, and (C) the execution and delivery of this Agreement by Purchaser and Merger Sub do not, and the consummation by them of the transactions contemplated hereby will not, violate any laws applicable to Purchaser or Merger Sub, except in the case of clauses (B)(2), (B)(3) and (C) above, for any such conflicts, violations, breaches or defaults that would not have a material adverse effect on the ability of Purchaser or Merger Sub to consummate the transactions contemplated hereby.

3. Tender of Subject Shares.

(a) Purchaser and Merger Sub jointly and severally agree subject to the conditions of the Offer set forth in Exhibit A to the Merger Agreement and the other terms and conditions of the Merger Agreement, that (i) Merger Sub will commence the Offer within five Business Days after Purchaser and the Company issue a public announcement of the execution of the Merger Agreement and (ii) Merger Sub will accept for payment, purchase and pay for, in accordance with the terms of the Offer and the Merger Agreement, all shares of Common Stock tendered pursuant to the Offer.

(b) Each Stockholder agrees (i) to tender the Subject Shares into the Offer promptly, and in any event no later than the fifth Business Day following the commencement of the Offer, or, if any Stockholder has not received the Offer Documents by such time, within two Business Days following receipt of such documents but in any event prior to the date of expiration of such Offer, in each case, free and clear of any Encumbrances except those arising from this Agreement and (ii) not to withdraw any Subject Shares so tendered. If any Stockholder acquires Subject Shares after the date hereof, such Stockholder shall tender (or cause the record holder to tender) such Subject Shares on or before such fifth Business Day or, if later, on or before the second Business Day after such acquisition. Each Stockholder acknowledges and agrees that Purchaser's and Merger Sub's obligation to accept for payment and pay for the Subject Shares in the Offer is subject to the terms and conditions of the Offer.

(c) Subject to Section 3(a)(ii), each Stockholder will receive the same Offer Consideration received by other stockholders of the Company in the Offer with respect to Subject Shares tendered by him or it in the Offer. In the event that, notwithstanding the provisions of the first sentence of Section 3(b), any Subject Shares are for any reason withdrawn from the Offer, such Subject Shares will remain subject to the terms of this Agreement.

(d) Each Stockholder hereby agrees to permit Purchaser to publish and disclose in the Offer Documents and, if approval of the stockholders of the Company is required under applicable law, the Proxy Statement (including all documents and schedules filed with the SEC), his or its identity and ownership of Common Stock and the nature of such Stockholder's commitments, arrangements and understandings under this Agreement.

4. Agreement to Vote. Each Stockholder, severally and not jointly, agrees that:

(a) At any meeting of stockholders of the Company called to vote upon the Merger Agreement and the transactions contemplated thereby, however called, or at any adjournment thereof or in connection with any written consent of the holders of Common Stock or in any other circumstances upon which a vote, consent or other approval with respect to the Merger Agreement and the transactions contemplated thereby is sought, the Stockholder shall be present (in person or by proxy) and shall vote (or cause to be voted) all Subject Shares then held of record or beneficially owned by such Stockholder in favor of the Merger and the Merger Agreement and the transactions contemplated thereby.

(b) At any meeting of stockholders of the Company, however called, or at any adjournment thereof or in connection with any written consent of the holders of Common Stock or in any other circumstances upon which a vote, consent or other approval is sought, the Stockholder shall vote (or cause to be voted) all Subject Shares then held of record or beneficially owned by such Stockholder against any action or agreement (other than the Merger Agreement or the transactions contemplated thereby) that would impede, interfere with, delay, postpone or attempt to discourage the Merger, the Offer or the other transactions contemplated by this Agreement and the Merger Agreement, including, but not limited to: (i) any Acquisition Proposal; (ii) any action that is likely to result in a breach in any respect of any representation, warranty, covenant or any other obligation or agreement of the Company under the Merger Agreement or result in any of the conditions set forth in Exhibit A to the Merger Agreement not being fulfilled; (iii) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company and its Subsidiaries; (iv) a sale, lease or transfer of a material amount of assets of the Company and its Subsidiaries or a reorganization, recapitalization, dissolution, winding up or liquidation of the Company and its Subsidiaries; (v) any change in the management or board of directors of the Company, except as otherwise agreed to in writing by Purchaser; (vi) any material change in the present capitalization or dividend policy of the Company; or (vii) any other material change in the Company's corporate structure, business, certificate of incorporation or by-laws.

(c) Each of the Stockholders hereby irrevocably grants to, and appoints Robert G. van Schoonenberg and Alan P. Tsuma, or either of them, in their respective capacities as officers or directors of Purchaser, and any individual who shall

hereafter succeed to any such office or directorship of Purchaser, and each of them individually, such Stockholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Stockholder, to vote the Subject Shares in favor of the Merger, the Merger Agreement and the transactions contemplated thereby, against any Acquisition Proposal and as otherwise contemplated by this Section 4. Each of the Stockholders represents that any proxies heretofore given in respect of the Subject Shares are not irrevocable, and that any such proxies are hereby revoked.

(d) Each of the Stockholders understands and acknowledges that Purchaser and Merger Sub are entering into the Merger Agreement in reliance upon each of the Stockholders' execution and delivery of this Agreement. Each of the Stockholders hereby affirms that the irrevocable proxy set forth in this Section 4 is given in connection with the execution of the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of the Stockholders under this Agreement. Each of the Stockholders hereby further affirms that the irrevocable proxy is coupled with an interest. Such irrevocable proxy is executed and intended to be irrevocable in accordance with the provisions of Section 212(e) of the Delaware General Corporation Law.

5. Restriction on Transfer. Each Stockholder agrees not (a) to sell, transfer, pledge, encumber, assign or otherwise dispose of (collectively, "Transfer"), or enter into any contract, option or other arrangement or understanding with respect to the Transfer by such Stockholder of, any of the Subject Shares or offer any interest in any thereof to any Person other than pursuant to the terms of the Offer, the Merger or this Agreement, (b) to enter into any voting arrangement or understanding, whether by proxy, power of attorney, voting agreement, voting trust or otherwise with respect to the Subject Shares, or (c) take any action that would make any representation or warranty of such Stockholder contained herein untrue or incorrect in any material respect or have the effect of preventing or disabling such Stockholder from performing its obligations under this Agreement.

6. No Solicitation of Acquisition Proposals. Each Stockholder shall not, and shall not authorize, permit or cause any of its employees, agents and representatives (including the Financial Advisor or any investment banker, attorney or accountant retained by the Company or any of its Subsidiaries) to, directly or indirectly, (i) initiate, solicit, or otherwise encourage any inquiries or the making of any proposal or offer with respect to an Acquisition Proposal or (ii) initiate or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person or entity relating to an Acquisition Proposal, whether made before or after the date of this Agreement, or otherwise facilitate any effort or attempt to make or implement or consummate an Acquisition Proposal. Each Stockholder shall immediately communicate to Purchaser, to the same extent as is required by the Company pursuant to Section 8.11(c) of the Merger Agreement, the terms, and other information concerning, any proposal, discussion, negotiation or inquiry and the identity of the party making such proposal or inquiry which such Stockholder may receive in respect of any such Acquisition Proposal. Any action taken or omitted to be taken by the Company or any member of the Board of Directors of the Company, including any action taken by the Stockholder in such

Stockholder's capacity as a director or officer of the Company, in accordance with Section 8.11(b) of the Merger Agreement shall be deemed not to violate this Section 6.

7. Further Assurances. Upon the terms and subject to the conditions hereof, each of the parties hereto shall use its reasonable best efforts to take, or cause to be taken, all appropriate 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. Without limiting the foregoing, each party hereto will, from time to time and without further consideration, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments and shall take all such other action as any other party may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement, including (a) vesting good title to the Subject Shares in Merger Sub and (b) using its reasonable best efforts to make promptly all regulatory filings and applications, including, without limitation, under the HSR Act, and to obtain all licenses, permits, consents, approvals, authorizations, qualification and orders of governmental authorities and parties to contracts as are necessary for the consummation of the transactions contemplated by this Agreement. Without in any way limiting the foregoing, the relevant Stockholder shall, as soon as practicable but in no event later than the date on which such Stockholder is obligated to tender his or its Subject Shares pursuant to Section 3(b), obtain the release of the Encumbrances set forth on Annex A hereto.

8. Termination. Except for Section 10 (and Sections 7 and 11 through 15 to the extent they relate thereto), which shall terminate in accordance with the terms set forth therein, this Agreement, and all obligations, agreements and waivers hereunder, will terminate and be of no further force and effect on the earlier of: (a) the date the Merger Agreement is terminated in accordance with its terms; and (b) the Effective Time; provided, however, that nothing herein shall relieve any party from liability for any breach hereof.

9. Waiver of Appraisal and Dissenter's Rights. Each Stockholder waives and agrees not to exercise any rights of appraisal or rights to dissent from the Merger that such Stockholder may have with respect to such Stockholder's Subject Shares.

10. Stockholder Capacity. No person executing this Agreement who is or becomes during the term hereof a director or officer of the Company makes any agreement or understanding herein in his capacity as such director or officer. Each Stockholder signs solely in its capacity as the record holder and beneficial owner of such Stockholder's Subject Shares and nothing herein shall limit or affect any actions taken by any Stockholder in his capacity as an officer or director of the Company to the extent specifically permitted by the Merger Agreement. This Section shall survive termination of this Agreement.

11. Purchaser Guarantee. Purchaser hereby guarantees the due performance of any and all obligations and liabilities of Merger Sub under or arising out of this Agreement and the transactions contemplated hereby.

12. Enforcement. The parties 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. It is accordingly agreed that the parties shall be entitled to the remedy of specific performance of such provisions and to an injunction or injunctions and/or such other equitable relief as may be necessary to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any federal or state court located in Cook County, Illinois or Los Angeles County, California, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit such party to the personal jurisdiction of any federal or state court located in Cook County, Illinois or Los Angeles County, California in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (b) agrees that such party will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that such party will not bring any action relating to this Agreement or the transactions contemplated hereby in any court other than a federal or state court sitting in Cook County, Illinois or Los Angeles County, California and (d) waives any right to trial by jury with respect to any claim or proceeding related to or arising out of this Agreement or any of the transactions contemplated hereby.

13. Stop Transfer Order; Legend. In furtherance of this Agreement, concurrently herewith, each Stockholder shall, and hereby does authorize the Company's counsel to, notify the Company's transfer agent that there is a stop transfer order with respect to all of the Subject Shares (and that this Agreement places limits on the voting and transfer of such shares). If requested by Purchaser, each Stockholder agrees as promptly as is reasonably practicable to apply a legend to all certificates representing the Subject Shares referring to any and all rights granted to Purchaser by this Agreement; provided that, no such legend shall restrict the transfer of the Subject Shares if such transfer is made pursuant to the Offer.

14. Adjustments to Prevent Dilution, Etc. In the event of a stock dividend or distribution, or any change in the Company's Common Stock by reason of any stock dividend, split-up, reclassification, recapitalization, combination, exchange of shares or the like, the term "Subject Shares" shall be deemed to refer to and include the Subject Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Subject Shares may be changed or exchanged. In such event, the amount to be paid per share by Purchaser shall be proportionately adjusted.

15. General Provisions.

(a) Amendments. This Agreement may not be modified, altered, supplemented or amended except by an instrument in writing signed by each of the parties hereto.

(b) Notice. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or sent by overnight courier (providing proof of delivery) to Purchaser or Merger Sub in accordance with Section 11.2 of the Merger Agreement and to the Stockholders at their respective addresses set forth in

Annex A hereto (or to such other address as any party may have furnished to the other parties in writing in accordance herewith).

(c) Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section to this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(d) Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more of the counterparts have been signed by each of the parties and delivered to the other party, it being understood that each party need not sign the same counterpart.

(e) Entire Agreement; No Third-Party Beneficiaries. This Agreement (including, without limitation, the documents and instruments referred to herein), (i) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and (ii) is not intended to confer upon any person or entity other than the parties hereto any rights or remedies hereunder.

(f) Binding Agreement. This Agreement and the obligations hereunder shall attach to the Subject Shares and shall be binding upon the parties and any person or entity to which legal or beneficial ownership of the Subject Shares shall pass, whether by operation of law or otherwise, including, without limitation, any Stockholder's administrators or successors. Notwithstanding any transfer of Subject Shares, the transferor shall remain liable for the performance of all obligations of the transferor under this Agreement.

(g) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without reference to the conflict of laws principles thereof.

(h) Costs and Expenses. All costs and expenses incurred in connection with this Agreement and the consummation of the transactions contemplated hereby shall be paid by the party incurring such expenses.

(i) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of Stockholder or Merger Sub and Purchaser, as the case may be, provided that Merger Sub or Purchaser may assign, in its respective sole discretion, its rights and obligations hereunder to any direct or indirect subsidiary of Purchaser.

(j) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this

Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(k) Multiple Stockholders. All representations, warranties, covenants and agreements of the Stockholders in this Agreement are several and not joint, and solely relate to matters involving the subject Stockholder and not the other Stockholders.

[Signature Pages Follow]

IN WITNESS WHEREOF, Purchaser, Merger Sub and each Stockholder have caused this Agreement to be signed by their respective officer thereunto duly authorized as of the date first written above.

PURCHASER:

AVERY DENNISON CORPORATION

By: /s/ Robert G. van Schoonenberg
_____
Name: Robert G. van Schoonenberg
Title: Senior Vice President, General Counsel and Secretary

MERGER SUB:

VISION ACQUISITION CORPORATION

By: /s/ Robert G. van Schoonenberg
_____
Name: Robert G. van Schoonenberg
Title: President

STOCKHOLDERS:

EDWARD T. HARVEY, JR.

By: /s/ Edward T. Harvey, Jr.

Name: Edward T. Harvey, Jr.

JAY R. TAYLOR

By: /s/ Jay R. Taylor

Name: Jay R. Taylor

TERRENCE D. DANIELS

By: /s/ Terrence D. Daniels

Name: Terrence D. Daniels

QUAD-C PARTNERS II, L.P.

By: QUAD-C XI, L.C.
Its General Partner

By: /s/ Edward T. Harvey, Jr.

Name: Edward T. Harvey, Jr.
Title: Vice President

QUAD-C PARTNERS III, L.P.

By: QUAD-C II, L.C.
Its General Partner

By: /s/ Edward T. Harvey, Jr.

Name: Edward T. Harvey, Jr.
Title: Vice President

ANNEX A

Stockholder	Shares Held
Terrence D. Daniels	680,229/1/
Edward T. Harvey, Jr.	328,304/2/
Jay R. Taylor	227,400/3/
Quad-C Partners II, L.P.	24,733/4/
Quad-C Partners III, L.P.	441,000/5/

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/1/ 1,855 of these shares are held in a cash account by Terrence D. Daniels and Catherine J. Rotolo TTEE Quad-C, Inc. 401(k) Plan U/A DTD 06/05/90 FBO Terrence D. Daniels (Account #RI-7261-9371), a self-directed IRA account (Schwab One Trust Account) at Schwab Institutional; 644,418 of these shares are held by Terrence D. Daniels in a safekeeping account at Morgan Guaranty Trust Company; 31,000 of these shares are held in the Terrence D. Daniels IRA/Rollover Account #70116 at Morgan Guaranty Trust Company; and 20,456 of these shares are held in safekeeping accounts at Morgan Guaranty Trust Company by Terrence D. Daniels A/C/F Christopher C. Daniels UGMA. Mr. Daniels intends to gift approximately $500,000 worth (based on the then current market price) of these shares to the University of Virginia prior to the consummation of the Offer, subject to UVA's prior written (a) acknowledgment that such shares are subject to this Agreement and (b) agreement to be bound by the obligations of Mr. Daniels under this Agreement. Does not include 17,500 shares held by Mr. Daniels that are subject to a currently exercisable option held by Catherine J. Rotolo, who has indicated that she intends to exercise the option prior to the consummation of the Offer and tender the option shares into the Offer. Mr. Daniels also holds currently outstanding options to purchase 14,494 shares.

/2/ 145,677 of these shares are held in a cash account, and 161,127 of these shares are held in a margin account (no margin debt currently outstanding), at BancBoston Robertson Stephens (Account #34378921); 18,000 of these shares are held in a cash account at Fidelity Investments (Account #138-066427), a self-directed rollover IRA account with Fidelity Management Trust Co. as custodian; and 3,500 of these shares are held in a cash account by Terrence D. Daniels and Catherine J. Rotolo TTEE Quad-C, Inc. 401(k) Plan U/A DTD 06/05/90 FBO Edward T. Harvey (Account #RI-7261-9374), a self-directed IRA account (Schwab One Trust Account) at Schwab Institutional. Mr. Harvey also holds currently outstanding options to purchase 14,494 shares.

/3/ 100,500 of these shares have been pledged to Merrill Lynch to secure certain indebtedness. Mr. Taylor also holds currently outstanding options to purchase 1,800 shares.

/4/ Quad-C XI, L.C., the general partner of Quad-C Partners II, L.P., has voting and investment power with respect to these shares. Terrence D. Daniels is the Manager and President, and Edward T. Harvey, Jr. is a member and Vice President, of Quad-C XI, L.C.

/5/ Quad-C II, L.C., the general partner of Quad-C Partners III, L.P., has voting and investment power with respect to these shares. Terrence D. Daniels is the Manager and President, and Edward T. Harvey, Jr. is a member and Vice President, of Quad-C II, L.C.

Exhibit (c)(3)

JOINT FILING AGREEMENT

Avery Dennison Corporation and Vision Acquisition Corporation agree that the statements on Schedule 13D to which this agreement is attached as an exhibit, and all further amendments thereto, and all filings under Schedule 14D-1 to which this agreement is attached as an exhibit, and all amendments thereto, shall be filed on behalf of each of them. This agreement is intended to satisfy the requirements of Rule 13d-1(f)(1)(iii) under the Securities Act of 1934, as amended. In evidence thereof, the undersigned being duly authorized, have executed this Joint Filing Agreement this 10th day of June, 1999.

Dated: June 10, 1999

AVERY DENNISON CORPORATION

By: /s/ Robert G. van Schoonenberg
Name: Robert G. van Schoonenberg
Title: Senior Vice President, General Counsel and Secretary

VISION ACQUISITION CORPORATION

By: /s/ Robert G. van Schoonenberg
Name: Robert G. van Schoonenberg
Title: President