

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-01-26** | Period of Report: **1993-12-31**
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FILER

TIDEWATER INC

CIK: **98222** | IRS No.: **720487776** | State of Incorporation: **DE** | Fiscal Year End: **0331**
Type: **10-Q** | Act: **34** | File No.: **001-06311** | Film No.: **94502778**
SIC: **4400** Water transportation

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 - For the Quarterly Period Ended December 31, 1993.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 - For the Transition Period From
_____ to _____

Commission file number 1-6311

TIDEWATER INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

72-0487776
(I.R.S. Employer
Identification Number)

1440 Canal Street, Suite 2100, New Orleans, Louisiana 70112
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (504) 568-1010

NOT APPLICABLE

Former name, former address and former fiscal year, if changed since
last report.

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or of such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

YES X NO

52,972,678 shares of Tidewater Inc. common stock \$.10 par value per share were
outstanding on January 26, 1994. Registrant has no other class of common stock
outstanding.

-1-

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TIDEWATER INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(Thousands of dollars)

<TABLE>

<CAPTION>

	December 31, 1993	March 31, 1993
	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash, including temporary cash investments	\$ 79,981	108,969
Trade and other receivables	148,150	149,010

Inventories	35,363	34,376
Other current assets	4,820	4,817
	-----	-----
Total current assets	268,314	297,172
	-----	-----
Investments in and advances to unconsolidated companies	21,346	24,424
Properties and equipment	1,293,872	1,287,565
Less accumulated depreciation	830,653	802,744
	-----	-----
Net properties and equipment	463,219	484,821
Other assets	43,936	32,331
	-----	-----
	\$ 796,815	838,748
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	2,441	8,755
Accounts payable and accrued expenses	63,101	77,223
Income taxes	12,881	9,795
	-----	-----
Total current liabilities	78,423	95,773
	-----	-----
Deferred income taxes	48,567	44,045
Long-term debt	39,301	95,722
Accrued property and liability losses	29,702	20,594
Other liabilities and deferred credits	37,074	34,940
Stockholders' equity:		
Common stock of \$.10 par value; issued 53,571,703 shares at December and 53,495,491 shares at March	5,357	5,350
Additional paid-in capital	342,306	341,550
Retained earnings	238,589	222,730
	-----	-----
	586,252	569,630
Less:		
Cumulative foreign currency translation adjustment	11,361	11,112
Treasury stock, 614,037 common shares at December and 611,661 common shares at March	11,143	10,844
	-----	-----
Total stockholders' equity	563,748	547,674
Commitments and other matters (Note 4)		
	-----	-----
	\$ 796,815	838,748
	=====	=====

</TABLE>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

-2-

3

TIDEWATER INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Thousands of dollars, except share and per share data)

<TABLE>

<CAPTION>

	Quarter Ended December 31,		Nine Months Ended December 31,	
	1993	1992	1993	1992
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues:				
Marine operations	\$ 118,971	107,149	354,946	309,454
Compression operations	14,002	17,363	41,353	45,962
	-----	-----	-----	-----
	132,973	124,512	396,299	355,416
	-----	-----	-----	-----
Costs and expenses:				

Marine operations	69,313	66,986	216,028	185,980
Compression operations	7,095	10,626	22,523	26,746
Depreciation	20,889	20,191	62,579	59,727
General and administrative	15,956	14,293	46,319	42,641
	-----	-----	-----	-----
	113,253	112,096	347,449	315,094
	-----	-----	-----	-----
	19,720	12,416	48,850	40,322
Other income (expenses):				
Foreign exchange gain (loss)	(362)	(780)	(627)	(1,327)
Gain on sales of assets	1,578	361	4,295	2,971
Equity in net earnings of unconsolidated companies	736	850	1,889	1,966
Minority interests	(707)	(589)	(1,977)	(1,497)
Interest and miscellaneous income	1,982	1,484	5,284	4,416
Other expense	(953)	---	(1,253)	---
Interest expense	(1,476)	(2,930)	(6,736)	(9,531)
	-----	-----	-----	-----
	798	(1,604)	875	(3,002)
	-----	-----	-----	-----
Earnings from continuing operations before income taxes	20,518	10,812	49,725	37,320
Income taxes:				
On current earnings	6,976	3,495	16,906	11,966
Effect of 1993 tax law change	---	---	1,921	---
	-----	-----	-----	-----
Earnings from continuing operations	13,542	7,317	30,898	25,354
	-----	-----	-----	-----
Income from discontinued Container Shipping segment (net of income taxes)	---	463	---	1,286
Extraordinary loss on early extinguishment of debt (net of income taxes)	---	---	(4,450)	---
Cumulative effect of accounting change (net of income taxes)	---	---	---	(6,640)
	-----	-----	-----	-----
Net earnings	\$ 13,542	7,780	26,448	20,000
	=====	=====	=====	=====
Primary and fully-diluted earnings per common share:				
Continuing operations	\$.25	.14	.58	.48
Income from discontinued Container Shipping segment (net of incometaxes)	---	.01	---	.03
Extraordinary loss on early extinguishment of debt (net of income taxes)	---	---	(.08)	---
Cumulative effect of accounting change (net of income taxes)	---	---	---	(.13)
	-----	-----	-----	-----
Net earnings	\$.25	.15	.50	.38
	=====	=====	=====	=====
Weighted average common shares and equivalents	53,313,262	53,258,328	53,321,900	53,024,503
	=====	=====	=====	=====
Cash dividends declared per share	\$.10	.075	.20	.225
	=====	=====	=====	=====

</TABLE>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

-3-

4

TIDEWATER INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Thousands of dollars)

<TABLE>
<CAPTION>

	Quarter Ended		Nine Months Ended	
	December 31,		December 31,	
	1993	1992	1993	1992
	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>
Net cash provided by operating activities	\$ 39,636	23,421	95,060	68,836
Cash flows from investing activities:				
Proceeds from sales of assets	3,112	567	10,366	6,057
Additions to properties and equipment	(17,897)	(12,042)	(44,831)	(31,722)
Investments in unconsolidated companies, net of dividends received	357	(245)	(1,457)	1,981
Investment from minority interests, net of dividends paid	(336)	---	(1,876)	---
Net cash used in investing activities	(14,764)	(11,720)	(37,798)	(23,684)
Cash flows from financing activities:				
Principal payments on long-term debt	(10,268)	(5,242)	(64,362)	(44,544)
Prepayment penalty paid on early extinguishment of debt	---	---	(6,473)	---
Cash dividends paid	(5,295)	(3,956)	(15,878)	(7,894)
Other	(95)	156	463	506
Net cash used in financing activities	(15,658)	(9,042)	(86,250)	(51,932)
Net increase (decrease) in cash, including temporary cash investments	9,214	2,659	(28,988)	(6,780)
Cash, including temporary cash investments at beginning of period	70,767	103,941	108,969	113,380
Cash, including temporary cash investments at end of period	\$ 79,981	106,600	79,981	106,600
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	\$ 2,505	3,865	7,984	10,138
Income taxes	\$ 2,332	2,326	11,020	7,675

</TABLE>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

-4-

5

TIDEWATER INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Interim Financial Statements

The consolidated financial information for the interim periods presented herein has not been audited by independent accountants, but in the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the condensed consolidated balance sheets and the condensed consolidated statements of earnings and cash flows at the dates and for the periods indicated have been made. Results of operations for interim periods are not necessarily indicative of results of operations for the respective full years.

(2) Earnings per Share Data

Primary and fully diluted earnings per share data are computed on the weighted average number of shares and dilutive equivalent shares of common stock (stock options, restricted stock grants and shares issuable on conversion of the convertible subordinated debentures) outstanding during each period using the treasury stock method.

(3) Other Expense

During the third quarter of fiscal 1994 several employees of the Compression segment elected early retirement as part of a reorganization of Compression management. A charge of approximately \$953,000 (\$629,000 net of income taxes, or \$.01 per common share), was recognized in the third quarter for severance costs associated with the reorganization and is shown as Other Expense in the Condensed Consolidated Statements of Earnings.

(4) Commitments and Other Matters

An employment and consulting agreement exists with the company's chairman of the board, president and chief executive officer whereby he will continue as an employee until September 1994, and thereafter for a period of three years will serve as a consultant to the company. The terms of the agreement provide, among other things, for an annual salary/consulting fee. Compensation continuation agreements exist with all other officers of Tidewater Inc., whereby each receives compensation and benefits in the event that his or her employment is terminated following certain events

-5-

6 relating to a change in control of the company. The maximum compensation amount that could be paid under the compensation continuation agreements, based on present salary levels, is approximately \$6.2 million. The amount that could be paid for certain benefits is not presently determinable.

(5) Income Taxes

Income tax expense for interim periods is based on estimates of the effective tax rate for the entire fiscal year. The effective tax rate on current earnings for the quarter and nine-month period ended December 31, 1993, was 34%. The effective tax rate for the quarter and nine-month period ended December 31, 1992 was 32%.

(6) Segment Information

The following table provides a comparison of revenues and operating profits for the company's business segments. Compression operating profit for the quarter ended December 31, 1993 includes the \$953,000 of reorganization cost described previously.

<TABLE>
<CAPTION>

	(thousands of dollars)			
	Quarter Ended December 31,		Nine Months Ended December 31,	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Revenues:				
Marine	\$118,971	107,149	354,946	309,454
Compression	14,002	17,363	41,353	45,962
	-----	-----	-----	-----
	\$132,973	124,512	396,299	355,416
	=====	=====	=====	=====
Operating profit:				
Marine	\$ 21,886	13,687	55,938	44,167
Compression	\$ 1,951	2,895	5,449	8,026
	=====	=====	=====	=====

</TABLE>

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
of Tidewater Inc.

We have reviewed the condensed consolidated balance sheet of Tidewater Inc. and subsidiaries as of December 31, 1993 and the related condensed consolidated statements of earnings and cash flows for the three-month and nine-month periods ended December 31, 1993 and 1992. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Tidewater Inc. as of March 31, 1993, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated May 5, 1993 we expressed an unqualified opinion on those consolidated financial statements. In our opinion the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 1993 is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG PEAT MARWICK

New Orleans, Louisiana
January 18, 1994

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis provides information which management considers helpful for a more complete understanding of financial position and results of operations. It should be read in conjunction with the condensed consolidated financial statements and the related disclosures.

Domestic demand for offshore marine services remained strong during the third quarter of fiscal 1994 because favorable U.S. natural gas prices encouraged continued natural gas exploration and production activity in the U.S. Gulf of Mexico. Consequently, earnings from continuing operations for the quarter

ended December 31, 1993 rose above the fiscal 1993 third quarter and fiscal 1994 second quarter amounts. If U.S. natural gas prices remain at or climb above the current level, they should be able to sustain or improve domestic demand for offshore marine services which, in turn, should favorably impact future operating results. Demand for offshore marine services in foreign markets appears stable, although recent declines in the price of oil and the future outlook for oil prices may adversely impact demand and, in turn, future operating results. Third quarter and nine-month fiscal 1994 earnings from continuing operations include a \$629,000 after-tax charge, or \$.01 per common share, for severance costs associated with the reorganization of Compression management.

LIQUIDITY AND CAPITAL RESOURCES

The following table compares selected financial ratios at December 31 and March 31 and highlights the company's financial condition.

<TABLE>
<CAPTION>

	December		March
	-----	-----	-----
	1993	1992	1993
	----	----	----
<S>	<C>	<C>	<C>
Cash to long-term debt	204%	109%	114%
Long-term debt to total capitalization (long-term debt plus stockholders' equity)	7%	15%	15%
Stockholders' equity to total assets	71%	68%	65%

</TABLE>

Operating activities for the quarter and nine-month period ended December 31, 1993 generated net cash in excess of the amounts produced for the corresponding periods of fiscal 1993. Operating activities for the current quarter also generated net cash in excess of the fiscal 1994 second quarter amount. The dominant factor which determines the amount of net cash provided by operating activities is the level of Marine operating margins (revenues less operating expenses, excluding depreciation). Higher fiscal 1994 third quarter Marine operating margins compared with the preceding quarter and the same quarter of fiscal 1993 are principally due to higher day rates and utilization for the domestic-based vessel fleet. On a year-to-date basis Marine operating margins were above the level for the corresponding period of fiscal 1993 which is also primarily due to higher day rates and utilization for the domestic-based vessel fleet. For the remainder of fiscal 1994 anticipated utilization and day/rental

- 8 -

9

rates for the Marine vessel fleet and Compression rental equipment should continue to produce cash in excess of the amount needed to satisfy current obligations.

Investing activities for the quarter and nine-month period ended December 31, 1993 consumed a larger amount of net cash than the amounts used for the corresponding periods of fiscal 1993. The following table compares additions to properties and equipment for the company's business segments for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993:

<TABLE>
<CAPTION>

	(thousands of dollars)				Quarter
	Quarter Ended		Nine Months Ended		Ended
	December 31,		December 31,		Sept. 30,
	-----	-----	-----	-----	-----
	1993	1992	1993	1992	1993
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Business segment:					
Marine	\$14,618	10,229	25,562	27,362	2,084

Compression	3,210	1,396	18,969	3,279	12,681
General corporate and other	69	417	300	1,081	106
	-----	-----	-----	-----	-----
	\$17,897	12,042	44,831	31,722	14,871
	=====	=====	=====	=====	=====

</TABLE>

Marine additions for the current quarter include the purchase of two vessels for approximately \$9.4 million. For the corresponding quarter of fiscal 1993 approximately \$4.0 million was used for the purchase of several vessels. The remainder of Marine additions for both quarters consists of additions and/or modifications to the existing vessel fleet. Compression additions for the quarter ended December 31, 1993 include approximately \$1.6 million for additional rental equipment. The remainder of Compression additions for the current quarter and for the quarter ended December 31, 1992 were for additions and/or modifications to the existing rental fleet. For the past several years expansion of the Marine vessel fleet and Compression rental fleet has come primarily from existing excess industry supplies. During the third quarter of fiscal 1994 construction of new gas compressors began in order to take advantage of upcoming opportunities. However, major new construction of Compression rental equipment or Marine vessels will not begin until the underlying economic circumstances generate an attainable return on investment considered appropriate by management.

Proceeds from asset sales for the quarter and nine-month period ended December 31, 1993 were primarily the result of the disposal of Marine equipment whereas proceeds from asset sales for the quarter and nine-month period ended December 31, 1992 were principally from the sale of Compression rental equipment.

Fiscal 1994 financing activities for the quarter and nine-month period ended December 31, 1993 used a larger amount of net cash than the amount expended during the corresponding periods of fiscal 1993. Fiscal 1994 and 1993 nine-month periods include approximately \$60.1 million and \$35.0 million, respectively, of long-term debt retired prior to maturity. For the quarter and nine-month period ended December 31, 1993 principal payments include

- 9 -

10

approximately \$9.0 million for termination of capitalized lease obligations on five marine service vessels. For the quarter and nine-month period ended December 31, 1992 principal payments include approximately \$2.9 million for the redemption, at par value plus accrued interest, of the 7-3/4% convertible subordinated debentures due 2005.

Several employees of the Compression segment elected early retirement from the company in connection with a reorganization of Compression management in the third quarter of fiscal 1994. A \$629,000 after-tax charge, or \$.01 per common share, is included in fiscal 1994 third quarter earnings from continuing operations for severance costs associated with the management reorganization. The reorganization was done to reduce future overhead costs and to align segment management more closely with market conditions.

RESULTS OF OPERATIONS

Fiscal 1994 year-to-date consolidated revenues and earnings from continuing operations grew 11.5% and 21.9%, respectively, beyond the corresponding fiscal 1993 year-to-date amounts. Third quarter consolidated revenues and earnings from continuing operations for fiscal 1994 rose 6.8% and 85.1%, respectively, above the corresponding amounts for the third quarter of fiscal 1993. The growth for both periods is primarily attributable to higher Marine revenues and operating profits resulting from the considerable improvement in day rates and utilization for the domestic-based vessel fleet. Other expense for the current quarter includes approximately \$953,000 of severance cost resulting from the early retirement of several Compression employees. Fiscal 1994 year-to-date Other expense also includes the reclassification from general and administrative expense of approximately \$300,000 of severance costs related to the retirement of one Marine employee in the second quarter. The severance costs have been included in Compression and Marine operating profits. Fiscal 1994 year-to-date net earnings include approximately \$1.9 million of additional

income tax expense resulting from the revaluation of deferred tax assets and liabilities at the higher statutory income tax rates contained in the August 1993 Omnibus Budget Reconciliation Act. Fiscal 1994 year-to-date net earnings also include a \$4.4 million extraordinary charge for prepayment penalties resulting from the early extinguishment of \$51.1 million of long-term debt. Business segment and geographic distribution of revenues and operating profit (loss) for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993 are:

- 10 -

11

<TABLE>
<CAPTION>

	(thousands of dollars)				
	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
	1993 ----	1992 ----	1993 ----	1992 ----	1993 ----
<S>	<C>	<C>	<C>	<C>	<C>
Revenues:					
Marine:					
United States	\$ 52,879	35,732	146,314	96,214	49,895
Foreign	66,092	71,417	208,632	213,240	69,855
	-----	-----	-----	-----	-----
	118,971	107,149	354,946	309,454	119,750
Compression - United States	14,002	17,363	41,353	45,962	14,419
	-----	-----	-----	-----	-----
	\$132,973	124,512	396,299	355,416	134,169
	=====	=====	=====	=====	=====
Operating profit (loss):					
Marine:					
United States	13,558	314	28,779	(302)	8,464
Foreign	8,328	13,373	27,159	44,469	10,254
	-----	-----	-----	-----	-----
	21,886	13,687	55,938	44,167	18,718
	-----	-----	-----	-----	-----
Compression	1,951	2,895	5,449	8,026	2,366
Equity in net earnings of unconsolidated companies	736	850	1,889	1,966	478
Other income (expense)	141	(981)	1,474	(170)	518
General corporate expenses	(2,720)	(2,709)	(8,289)	(7,138)	(2,835)
Interest expense	(1,476)	(2,930)	(6,736)	(9,531)	(2,483)
	-----	-----	-----	-----	-----
Earnings from continuing operations before income taxes	20,518	10,812	49,725	37,320	16,762
Income taxes:					
On current earnings	(6,976)	(3,495)	(16,906)	(11,966)	(5,699)
Effect of 1993 tax law changes	---	---	(1,921)	---	(1,921)
	-----	-----	-----	-----	-----
Earnings from continuing operations	\$ 13,542	7,317	30,898	25,354	9,142
	=====	=====	=====	=====	=====

</TABLE>

- 11 -

General and administrative expenses for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993 consist of the following:

<TABLE>
<CAPTION>

	(thousands of dollars)				Quarter
	Quarter Ended		Nine Months Ended		Ended
	December 31,		December 31,		Sept. 30,
	1993	1992	1993	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
Personnel costs	\$ 9,403	9,047	27,988	26,520	9,222
Office and property	2,434	2,502	7,165	7,246	2,494
Sales and marketing	1,069	1,064	3,099	3,162	1,027
Professional services	1,188	890	3,398	2,648	887
Taxes other than income taxes	633	458	1,777	1,355	593
Other	1,229	332	2,892	1,710	1,107
	-----	-----	-----	-----	-----
	\$15,956	14,293	46,319	42,641	15,330
	=====	=====	=====	=====	=====

</TABLE>

Personnel costs for the quarter and nine-month period ended December 31, 1993 include approximately \$104,000 to settle former Zapata Gulf employee union claims in Nigeria. In addition, fiscal 1994 nine-month personnel costs include approximately \$540,000 of severance payments to former Zapata Gulf employees in Nigeria. The remainder of the increase from the December 31, 1992 year-to-date period is primarily due to higher incentive plan expenses. Fiscal 1994 third quarter professional services include approximately \$250,000 of costs associated with a secondary stock offering in the third quarter. On a year-to-date basis professional services include approximately \$587,000 of costs associated with two secondary stock offerings.

MARINE SEGMENT

The Marine segment provides a diverse range of services and equipment primarily to the offshore oil and gas industry. Because operating costs and depreciation do not change proportionally with changes in revenues, the amount of operating profit for the Marine segment is primarily determined by utilization and day rates for the fleet.

Marine segment revenues for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993 consist of the following:

- 12 -

<TABLE>
<CAPTION>

	(thousands of dollars)				Quarter
	Quarter Ended		Nine Months Ended		Ended
	December 31,		December 31,		Sept. 30,
	1993	1992	1993	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
Owned or chartered vessels:					
Domestic	\$ 49,246	34,960	134,294	96,099	44,642
Foreign	66,020	71,401	208,560	213,043	69,855
	-----	-----	-----	-----	-----
	115,266	106,361	342,854	309,142	114,497
Brokered vessels	2,909	2,578	8,109	5,914	2,772
Shipyards sales	796	989	3,983	2,517	2,481
Intercompany					
eliminations (A)	---	(2,779)	---	(8,119)	---

-----	-----	-----	-----	-----
\$118,971	107,149	354,946	309,454	119,750
=====	=====	=====	=====	=====

</TABLE>

(A) Revenues earned from the charter of equipment to the discontinued Container Shipping segment.

Marine fleet utilization is affected primarily by market conditions. It is also influenced to a lesser degree by drydockings resulting from safety and inspection requirements. Marine vessels must undergo periodic inspections to remain properly classified and certified. These inspections, whenever possible, are done during seasonally slow periods to minimize the impact on vessel operations and are only done if the vessel is considered to have continuing economic viability. The following table compares day-based Marine fleet utilization percentages for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993:

<TABLE>
<CAPTION>

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
	----- 1993	----- 1992	----- 1993	----- 1992	----- 1993
<S>	<C>	<C>	<C>	<C>	<C>
Utilization:					
Domestic fleet	85.1%	83.0%	84.5%	78.4%	84.8%
Foreign fleet	75.3%	85.4%	76.7%	83.3%	76.0%
Total fleet	79.0%	84.5%	79.5%	81.5%	79.2%
	=====	=====	=====	=====	=====

</TABLE>

The domestic fleet is comprised of vessels operating in U.S. waters while the foreign fleet is comprised of vessels operating outside U.S. waters.

Improved utilization of the domestic-based vessel fleet in the current quarter and nine-month period compared with the corresponding fiscal 1993 periods, respectively, and for the current quarter compared with the preceding quarter reflects the increase in demand for offshore marine services resulting from higher natural gas exploration and drilling activity in the U.S. Gulf of Mexico. Declining foreign fleet utilization for the three-month and nine-month periods ended December 31, 1993 compared with the corresponding periods of fiscal 1993, respectively, results primarily from softening demand for offshore marine services in certain foreign markets, principally the West African market.

- 13 -

14

Marine vessel day rates are primarily determined by the demand created through the level of offshore exploration, development and production spending by energy exploration and production companies. Suitability of equipment, the degree of service provided and the overall supply of marine service vessels also influence vessel day rates. The following table provides a comparison of average vessel day rates for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993:

<TABLE>
<CAPTION>

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
	----- 1993	----- 1992	----- 1993	----- 1992	----- 1993
<S>	<C>	<C>	<C>	<C>	<C>
Average vessel day rates:					
Domestic fleet	\$3,016	2,367	2,874	2,380	2,839

Foreign fleet	2,768	2,665	2,808	2,721	2,839
Total fleet	2,868	2,559	2,834	2,605	2,839
	=====	=====	=====	=====	=====

</TABLE>

The domestic fleet is comprised of vessels operating in U.S. waters while the foreign fleet is comprised of vessels operating outside U.S. waters.

Considerable improvements in average vessel day rates for the domestic-based vessel fleet for the current quarter over the preceding quarter and for the current quarter and nine-month period over the corresponding periods of fiscal 1993 is reflective of the favorable shift in the supply/demand relationship brought about by the increase in natural gas offshore exploration and drilling activity in the U.S. Gulf of Mexico. Increases in average vessel day rates for the foreign-based vessel fleet for the current quarter and nine-month period above levels generated for the corresponding periods of fiscal 1993, respectively, are principally due to the mix of different vessel types working in foreign locations and greater demand for offshore marine services in certain foreign operating areas. Lower average day rates for the foreign-based vessel fleet in the current quarter below the fiscal 1994 second quarter level is primarily due to an unfavorable shift in the mix of vessels working in certain foreign locations.

The following table compares the average number of vessels by class and geographic distribution during the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993 and the actual December 31, 1993 vessel count:

- 14 -

15

<TABLE>
<CAPTION>

	Actual vessel count at Dec. 31,	Average Number of Vessels During				
		Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
		1993	1992	1993	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Class:						
Towing Supply/Supply	312	313	305	314	308	314
Crew/Utility	99	100	96	98	90	99
Offshore Tugs	98	98	86	98	86	98
Other	98	98	103	98	102	98
	---	---	---	---	---	---
Total	607	609	590	608	586	609
	===	===	===	===	===	===
Geographic:						
Domestic	210	208	193	201	187	201
Foreign	341	345	341	352	342	352
	---	---	---	---	---	---
Owned or chartered vessels included in marine revenues	551	553	534	553	529	553
Vessels withdrawn from active service	13	13	13	12	14	13
Joint venture owned vessels	43	43	43	43	43	43
	---	---	---	---	---	---
Total	607	609	590	608	586	609
	===	===	===	===	===	===

</TABLE>

Changes in fleet size and utilization are the principal factors which cause

fluctuations in the amount of crew costs. Higher crew costs for the three-month and nine-month periods ended December 31, 1993 compared with the respective fiscal 1993 periods are principally due to a larger average fleet size and the higher activity level of the domestic-based vessel fleet which generally has higher crewing costs than the foreign-based vessel fleet. Fluctuations in the level of repair and maintenance expense are primarily due to an increase in the average age and size of the company's marine fleet and normal inflationary effects. Currently, the average age of the company's vessel fleet is approximately 15 years. Scheduling of vessel drydockings, though primarily dictated by regulatory agencies, affects the amount of repair and maintenance expense in any period and is also done to minimize any impact on vessel revenues. Higher fiscal 1994 third quarter and nine-month insurance costs compared with the same periods of fiscal 1993 are in part the result of a much tougher insurance market which is unwilling to provide past levels of coverage at the same rates enjoyed in prior periods. The following table compares major components of Marine operating costs, the percentage change in Marine operating costs of owned or chartered vessels compared to the same period of the prior fiscal year, and provides a comparison of Marine operating costs of owned or chartered vessels as a percentage of Marine revenues of owned or chartered vessels for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993:

- 15 -

16
<TABLE>
<CAPTION>

	(thousands of dollars)				Quarter
	Quarter Ended December 31,		Nine Months Ended December 31,		Ended Sept. 30,
	1993	1992	1993	1992	1993
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Crew costs	\$33,294	31,561	101,491	90,034	34,213
Repair and maintenance	16,144	16,945	52,530	48,445	17,510
Vessel insurance	6,413	6,053	18,921	16,305	6,362
Fuel, lube, and supplies	5,236	5,206	16,441	15,200	5,463
Charter fees, mobilization/ demobilization	2,085	2,781	5,988	6,289	2,045
Other	2,881	4,164	9,358	10,577	3,379
	-----	-----	-----	-----	-----
Total operating costs of owned or chartered vessels	66,053	66,710	204,729	186,850	68,972
Brokered vessels costs	2,633	1,845	7,471	4,865	2,610
Shipyards costs	627	816	3,828	1,973	2,496
Intercompany eliminations (A)	---	(2,385)	---	(7,708)	---
	-----	-----	-----	-----	-----
	\$69,313	66,986	216,028	185,980	74,078
	=====	=====	=====	=====	=====
For owned or chartered vessels:					
Overall increase (decrease) in operating costs	(1.0%)	14.2%	9.6%	8.5%	13.1%
	-----	-----	-----	-----	-----
Operating costs as a percentage of related revenues	57.3%	62.7%	59.7%	60.4%	60.2%
	=====	=====	=====	=====	=====

</TABLE>

(A) Costs incurred from the charter of equipment to the discontinued Container Shipping segment.

Gains on asset sales contributed approximately \$3.0 million and \$1.6 million to Marine operating profits for the year-to-date periods ended December 31, 1993 and 1992, respectively. For the current quarter gains on asset sales were approximately \$1.0 million. Gains on asset sales for the third quarter of

fiscal 1993 were negligible. Operating margins from brokered vessel and shipyard activities generally contribute nominally to Marine operating profits.

COMPRESSION SEGMENT

The Compression segment provides natural gas and air compression services and equipment for a variety of applications primarily in the oil and gas industry and also designs, fabricates and installs engineered compressor systems. Compression segment operating profit is significantly affected by the mix of sales and rental revenues. Gross margins on sales are generally less than operating margins for rental revenues.

The following table compares Compression revenues on a dollar and percentage basis for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993:

- 16 -

17
<TABLE>
<CAPTION>

(thousands of dollars)

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
	1993	1992	1993	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
Rentals:					
Gas compressors	\$ 8,067	6,657	22,719	19,825	7,668
Air compressors	1,186	1,281	3,166	3,841	1,114
	-----	-----	-----	-----	-----
Total rental revenues	9,253	7,938	25,885	23,666	8,782
Equipment and parts sales	4,125	8,952	13,922	20,871	5,126
Repair and service	624	473	1,546	1,425	511
	-----	-----	-----	-----	-----
	\$14,002	17,363	41,353	45,962	14,419
	=====	=====	=====	=====	=====
As a percentage of total Compression revenues:					
Rental revenues	66%	46%	63%	52%	61%
Equipment and parts sales	30%	52%	34%	45%	36%
Repair and service	4%	2%	3%	3%	3%
	-----	-----	-----	-----	-----
	100%	100%	100%	100%	100%
	=====	=====	=====	=====	=====

</TABLE>

Gas compressor utilization is affected primarily by the number and age of producing oil and gas wells which, in turn, is affected by the price level of oil and natural gas. Gas compressor rentals are generally for a longer term than are air compressor rentals. Air compressor utilization is heavily dependent upon short-term customer needs. Suitability, availability and rental rates for equipment are the major factors which affect utilization of both gas and air compression equipment. The following table compares utilization, average rental rates and average fleet size for gas and air compressors for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1993:

<TABLE>
<CAPTION>

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
	1993	1992	1993	1992	1993
<S>	<C>	<C>	<C>	<C>	<C>
Gas Compressors:					

(Horsepower based statistics)					
Utilization	89.8%	77.8%	84.9%	76.7%	85.5%
Average rental rate	\$ 16.53	16.84	16.63	16.79	16.58
Average fleet size	181,159	169,419	178,766	171,052	180,307
	=====	=====	=====	=====	=====
Air Compressors: (Cubic feet per minute based statistics)					
Utilization	36.0%	41.3%	35.1%	39.5%	39.6%
Average rental rate	\$.23	.21	.21	.22	.20
Average fleet size	158,550	161,500	155,117	159,833	155,350
	=====	=====	=====	=====	=====

</TABLE>

The significant increase in gas compressor utilization for the quarter and nine-month period of fiscal 1994 above the corresponding levels experienced for

- 17 -

18

the quarter and nine-month period of fiscal 1993, and increased utilization in the current quarter compared with the preceding quarter is due to higher demand for natural gas compression services as a result of the continued favorable level of U.S. natural gas prices. In addition to the benefits provided to gas compression rental revenues from higher utilization, gas compressor rental revenues in the current quarter and nine-month period have also grown as a result of a larger compression fleet. Air compression utilization for the three-month and nine-month periods of fiscal 1994 was below the prior three-month and nine-month levels, and current quarter utilization was below the preceding quarter due to weakened demand for air compression services. The air compression market during fiscal 1994 has generally suffered from stagnant demand and any improvement is not anticipated in the foreseeable future.

Average rental rates for gas compressors were fairly consistent for all periods presented and reflects demand for gas compression services given the recent history of U.S. natural gas prices. Air compressor rental rates have not significantly changed over the past 12 months which generally reflects the stagnant market for air compression services.

Revenues from equipment and parts sales for fiscal 1994 have not contributed as much as in the prior year or quarter primarily due to reduced sales of engineered products.

Gains on asset sales for the current quarter and nine-month period have contributed \$.6 million and \$1.4 million, respectively, to segment operating profits. Gains on asset sales for the three-month and nine-month periods ended December 31, 1992 contributed \$.4 million and \$1.3 million, respectively.

Compression segment operating costs consist of the following for the quarters and nine-month periods ended December 31 and September 30, 1993:

<TABLE>

<CAPTION>

	(thousands of dollars)				
	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept. 30,
	1993	1992	1993	1992	1993
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
Field operating expenses:					
Wages and benefits	\$1,527	1,419	4,639	4,173	1,572
Repairs and maintenance	1,475	1,343	4,415	4,359	1,523
Other	781	683	2,171	2,048	706
	-----	-----	-----	-----	-----
	3,783	3,445	11,225	10,580	3,801
Costs of sales	3,312	7,181	11,298	16,166	4,293

	----- \$7,095 =====	----- 10,626 =====	----- 22,523 =====	----- 26,746 =====	----- 8,094 =====
Field operating costs as a percentage of rental and repair and service revenue	38.3% =====	41.0% =====	40.9% =====	42.2% =====	40.9% =====
Costs of sales as a percentage of related revenues	80.3% =====	80.2% =====	81.2% =====	77.5% =====	83.7% =====

</TABLE>

- 18 -

19

Field operating expenses relate to gas and air compressor rental operations. Field operating expenses are generally consistent on a period-to-period basis and usually vary in the short-term as a result of fluctuations in the level of repairs and maintenance of compression equipment. Long-term growth in field operating expenses will occur primarily as a result of increased fleet size and general inflationary factors. Cost of sales consist primarily of wages and benefits and material costs associated with the design, fabrication and installation of packaged compressor systems. Increased costs of sales as a percentage of related revenues during the current quarter and nine-month period compared to the same periods a year ago are due to reduced demand for equipment and parts sales which resulted from more competitive pricing.

INFLATION AND CURRENCY FLUCTUATIONS

Because of its significant foreign operations, the company is exposed to currency fluctuations and exchange risks. To minimize the financial impact of these items the company attempts to contract a majority of its services in United States dollars.

Day-to-day operating costs are generally affected by inflation. However, because the energy services industry requires specialized goods and services, general economic inflationary trends may not affect the company's operating costs. The major impact on operating costs is the level of offshore exploration and development spending by energy exploration and production companies. As this spending increases, prices of goods and services used by the oil and gas industry and the energy services industry will increase. Future improvements in vessel day rates and compressor rental rates may buffer the company from the inflationary effects on operating costs.

ENVIRONMENTAL MATTERS

During the ordinary course of business the company's operations are subject to a wide variety of environmental laws and regulations. The company attempts to comply with these laws and regulations in order to avoid costly accidents and related environmental damage. The company is currently involved in litigation with the Environmental Protection Agency concerning the disposal of oil field waste from drilling sites it previously operated. Given the company's small participation in the wells, management believes that the ultimate resolution of this litigation will not have a material adverse affect on the company's financial position.

- 19 -

20

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

- A. At page 22 of this report is the index for those exhibits required to be filed as a part of this report.
- B. The company's report on Form 8-K dated December 28, 1993 reported that Ward W. Woods, Jr. resigned from the company's Board of Directors effective December 28, 1993.
- C. The company's report on Form 8-K dated December 2, 1993 reported that William M. Wiseman, Senior Vice President, Donald S. White, Vice President, and Robert Ashton, Vice President took early retirement from the company effective around January 31, 1994.
- D. The company's report on Form 8-K dated November 9, 1993 reported that R. C. Lassiter resigned from the company's Board of Directors effective November 9, 1993.

- 20 -

21

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TIDEWATER INC.

(Registrant)

Date: January 26, 1994

/s/ KEN C.TAMBLYN

Ken C. Tamblyn
Executive Vice President and
Chief Financial Officer

Date: January 26, 1994

/s/ VICTOR I.KOOCK

Victor I. Koock
Senior Vice President, Secretary,
and Co-General Counsel

- 21 -

22

EXHIBIT INDEX

The index below describes each exhibit filed as a part of this report.

Exhibit

Number

- - - - -

- 4 - Restated Rights Agreement dated December 17, 1993
between Tidewater Inc. and The First National Bank of Boston.
- 10 - First Amendment to \$60,000,000 Amended and Restated
Revolving Credit and Term Loan Agreement dated
September 14, 1993.
- 11 - Statement - Computation of Per Share Earnings.

- 22 -

23

TIDEWATER INC.

EXHIBITS FOR THE

QUARTERLY REPORT ON FORM 10-Q

QUARTER ENDED DECEMBER 31, 1993

24

EXHIBIT INDEX

The index below describes each exhibit filed as a part of this report.

Exhibit

Number

- - - - -

- 4 - Restated Rights Agreement dated December 17, 1993
between Tidewater Inc. and The First National Bank of Boston.
- 10 - First Amendment to \$60,000,000 Amended and Restated
Revolving Credit and Term Loan Agreement dated
September 14, 1993.
- 11 - Statement - Computation of Per Share Earnings.

TIDEWATER INC.

and

THE FIRST NATIONAL BANK OF BOSTON
Rights Agent

RESTATED RIGHTS AGREEMENT

Dated as of
December 17, 1993

THIS IS A RESTATEMENT OF A RIGHTS AGREEMENT ORIGINALLY DATED AS OF APRIL 24, 1990 BETWEEN TIDEWATER INC. AND MANUFACTURERS HANOVER TRUST COMPANY, AS RIGHTS AGENT, TOGETHER WITH ALL AMENDMENTS ADOPTED AFTER APRIL 24, 1990 AND PRIOR TO THE DATE OF THIS RESTATEMENT. CERTAIN OF THE AMENDMENTS TO THE RIGHTS AGREEMENT ADOPTED BY THE BOARD OF DIRECTORS ARE INTERPRETATIONS OF PROVISIONS OF THE RIGHTS AGREEMENT OR SPECIFIC EXCEPTIONS OR EXCLUSIONS TO CERTAIN PROVISIONS OF THE RIGHTS AGREEMENT. REFERENCE IS MADE TO SECTION 34 OF THIS RESTATED RIGHTS AGREEMENT, WHERE SUCH PROVISIONS HAVE BEEN SET FORTH. TO THE EXTENT THAT TERMS USED IN THE AMENDMENTS INCORPORATED INTO THIS RESTATED RIGHTS AGREEMENT WERE DEFINED IN THE RECITALS TO SUCH AMENDMENTS, CONFORMING CHANGES HAVE BEEN MADE SOLELY FOR THE PURPOSE OF CONSISTENTLY DEFINING SUCH TERMS IN THIS RESTATEMENT. IN ADDITION, CERTAIN CONFORMING CHANGES TO THE EXHIBITS HAVE BEEN MADE TO CONFORM TO THE TERMS OF THE RESTATED RIGHTS AGREEMENT.

RESTATED RIGHTS AGREEMENT

THIS RESTATED RIGHTS AGREEMENT, dated as of December 17, 1993 (the "Agreement"), between Tidewater Inc., a Delaware corporation (the "Company"), and The First National Bank of Boston, a national bank (the "Rights Agent").

W I T N E S S E T H

WHEREAS, on April 24, 1990 (the "Rights Dividend Declaration Date"), the Board of Directors of the Company authorized and declared a dividend distribution of one Right for each share of common stock, par value \$.50 per share, of the Company (the "Common Stock") outstanding at the close of business on May 7, 1990 (the "Record Date"), such Rights being issued upon the terms and subject to the conditions of a Rights Agreement dated as of April 24, 1990 (the "Original Rights Agreement"), between the Company and Manufacturers Hanover Trust Company, a New York banking corporation and the predecessor-in-interest to the Rights Agent; and

WHEREAS, on the Rights Dividend Declaration Date the Board of Directors of the Company authorized the issuance of one Right (as such number may hereinafter be adjusted pursuant to the provisions of Section 11(p) hereof) for each share of Common Stock of the Company issued between the Record Date (whether originally issued or delivered from the Company's treasury) and the Distribution Date, each Right initially representing the right to purchase one two-hundredth of a share of Series A Participating Preferred Stock of the Company having the rights, powers and preferences set forth in the form of Certificate of Designation, Preferences and Rights attached hereto as Exhibit A, upon the terms and subject to the conditions hereinafter set forth (the "Rights"); and

WHEREAS, the Original Rights Agreement has been amended by the following amendments: (i) First Amendment to Rights Agreement dated as of June 19, 1991; (ii) Second Amendment to Rights Agreement dated as of January 7, 1992; (iii) Third Amendment to Rights Agreement dated January 15, 1992; (iv) Fourth Amendment to Rights Agreement dated September 24, 1992; (v) Fifth Amendment to Rights Agreement dated February 11, 1993 and (vi) Sixth Amendment to Rights Agreement dated May 13, 1993; and

WHEREAS, the Board of Directors desires to restate the Original Rights Agreement to incorporate cumulatively the provisions of the six amendments;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 16% or more of the

3
shares of Common Stock then outstanding, but shall not include the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan.

(b) "Affiliate" and "Associate" shall have the respective meanings

ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended and in effect on the date of this Agreement (the "Exchange Act").

(c) A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "beneficially own," any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," (A) securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange, or (B) securities issuable upon exercise of Rights at any time prior to the occurrence of a Triggering Event, or (C) securities issuable upon exercise of Rights from and after the occurrence of a Triggering Event which Rights were acquired by such Person or any of such Person's Affiliates or Associates prior to the Distribution Date or pursuant to Section 3(a) or Section 22 hereof (the "Original Rights") or pursuant to Section 11(i) hereof in connection with an adjustment made with respect to any Original Rights;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," any security under this subparagraph (ii) as a result of an agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding: (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to subparagraph (ii) of this

4

paragraph (c) or disposing of any voting securities of the Company; provided, however, that nothing in this paragraph (c) shall cause a person engaged in business as an underwriter of securities to be the "Beneficial Owner" of, or to "beneficially own," any securities acquired through such person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

(d) "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(e) "Close of business" on any given date shall mean 5:00 P.M., New York City time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., New York City time, on the next succeeding Business Day.

(f) "Common Stock" shall mean the common stock, par value \$.10 per share, of the Company, except that "Common Stock" when used with reference to any Person other than the Company shall mean the capital stock of such Person with the greatest voting power, or the equity securities or other equity interest having power to control or direct the management, of such Person.

(g) "Person" shall mean any individual, firm, corporation, partnership or other entity.

(h) "Preferred Stock" shall mean shares of Series A Participating Preferred Stock, without par value, of the Company, and, to the extent that there are not a sufficient number of shares of Series A Participating Preferred Stock authorized to permit the full exercise of the Rights, any other series of Preferred Stock of the Company designated for such purpose contained terms substantially similar to the terms of the Series A Participating Preferred Stock.

(i) "Section 11(a)(ii) Event" shall mean any event described in Section 11(a)(ii) hereof.

(j) "Section 13 Event" shall mean any event described in clauses (x), (y) or (z) of Section 13(a) hereof.

(k) "Stock Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) under the Exchange Act) by

the Company or an Acquiring Person that an Acquiring Person has become such.

(l) "Subsidiary" shall mean, with reference to any Person, any corporation of which an amount of voting securities sufficient to elect at least a majority of the directors of such corporation is beneficially owned, directly or indirectly, by such Person, or otherwise controlled by such Person.

(m) "Triggering Event" shall mean any section 11(a)(ii) Event or any Section 13 Event.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and

4

5

the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such Co-Rights Agents as it may deem necessary or desirable.

Section 3. Issue of Rights Certificates.

(a) Until the earlier of (i) the close of business on the tenth day after the Stock Acquisition Date (or, if the tenth day after the Stock Acquisition Date occurs before the Record Date, the close of business on the Record Date), or (ii) the close of business on the tenth business day (or such later date as the Board shall determine) after the date that a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act, if upon consummation thereof, such Person would be the Beneficial Owner of 16% or more of the shares of Common Stock then outstanding (the earlier of (i) and (ii) being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced (subject to the provisions of paragraph (b) of this Section 3) by the certificates for the Common Stock registered in the names of the holders of the Common Stock (which certificates for Common Stock shall be deemed also to be certificates for Rights) and not by separate certificates, and (y) the Rights will be transferable only in connection with the transfer of the underlying shares of Common Stock (including a transfer to the Company). As soon as practicable after the Distribution Date, the Rights Agent will send by first-class, insured, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Distribution Date, at the address of such holder shown on the records of the Company, one or more rights certificates, in substantially the form of Exhibit B hereto (the "Rights Certificates"),

evidencing one Right for each share of Common Stock so held, subject to adjustment as provided herein. In the event that an adjustment in the number of Rights per share of Common Stock has been made pursuant to Section 11(p) hereof, at the time of distribution of the Right Certificates, the Company shall make the necessary and appropriate rounding adjustments (in accordance with Section 14(a) hereof) so that Rights Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. As of and after the Distribution Date, the Rights will be evidenced solely by such Rights Certificates.

(b) As promptly as practicable following the Record Date, the Company will send a copy of a Summary of Rights, in substantially the form attached hereto as Exhibit C (the "Summary of Rights"), by first-class, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Record Date, at the address of such holder shown on the records of the Company. With respect to certificates for the Common Stock outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates for the Common Stock and the registered holders of the Common Stock shall also be the registered holders of the associated Rights. Until the earlier of the Distribution Date or the Expiration Date (as such item is defined in Section 7 hereof), the transfer of any certificates representing shares of Common Stock in respect of which Rights have been issued shall also constitute the transfer of the Rights associated with such shares of Common Stock.

(c) Rights shall be issued in respect of all shares of Common Stock which are issued (whether originally issued or from the Company's treasury) after the Record Date but prior to

5

6

the earlier of the Distribution Date or the Expiration Date. Certificates representing such shares of Common Stock shall also be deemed to be certificates for Rights, and shall bear the following legend:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in the Rights Agreement between Tidewater Inc. (the "Company") and Manufacturers Hanover Trust Company (the "Rights Agent") dated as of April 24, 1990 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. The Company will mail to the holder of this certificate a copy of the Rights Agreement, as in effect on the date of mailing, without charge promptly after

receipt of a written request therefor. Under certain circumstances set forth in the Rights Agreement, Rights issued to, or held by, any Person who is, was or becomes an Acquiring Person or any Affiliate or Associates thereof (as such terms are defined in the Rights Agreement), whether currently held by or on behalf of such Person or by any subsequent holder, may become null and void.

With respect to such certificates containing the foregoing legend, until the earlier of (i) the Distribution Date or (ii) the Expiration Date, the Rights associated with the Common Stock represented by such certificates shall be evidenced by such certificates alone and registered holders of Common Stock shall also be the registered holders of the associated Rights, and the transfer of any of such certificates shall also constitute the transfer of the Rights associated with the Common Stock represented by such certificates.

Section 4. Form of Rights Certificates.

(a) The Rights Certificates (and the forms of election to purchase and of assignment to be printed on the reverse thereof) shall each be substantially in the form set forth in Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Section 11 and Section 22 hereof, the Rights Certificates, whenever distributed, shall be dated as of the Record Date and on their face shall entitle the holders thereof to purchase such number of one two-hundredths of a share of Preferred Stock as shall be set forth therein at the price set forth therein (such exercise price per one two-hundredth of a share, the "Purchase Price"), but the amount and type of securities purchasable upon the exercise of each Right and the Purchase Price thereof shall be subject to adjustment as provided herein.

(b) Any Rights Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights beneficially owned by: (i) an Acquiring Person or any Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or

Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of

equity interests in such Acquiring Person or to any Person with whom such Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the company has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect avoidance of Section 7(e) hereof, and any Rights Certificate issued pursuant to Section 6 or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

The Rights represented by this Rights Certificate are or were beneficially owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement). Accordingly, this Rights Certificate and the Rights represented hereby may become null and void in the circumstances specified in Section 7(e) of such Agreement.

Section 5. Countersignature and Registration.

(a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, President or any Senior Vice President, either manually or by facsimile signature, and shall have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Rights Certificates shall be countersigned, either manually or by facsimile, by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Rights Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Rights Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Rights Certificates had not ceased to be such officer of the Company; and any Rights Certificates may be signed on behalf of the Company by any person who, at the actual date of the execution of such Rights Certificate, shall be a proper officer of the Company to sign such Rights Certificate, although at the date of the execution of this Rights Agreement any such person was not such an officer.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal office or offices designated as the appropriate place for surrender of Rights Certificates upon exercise or transfer, books for registration and transfer of the Rights Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Rights Certificates, the number of Rights evidenced on its face by each of the Rights Certificates and the date of each of the Rights Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Rights Certificates; Mutilated, Destroyed, Lost or Stolen Rights Certificates.

(a) Subject to the provisions of Section 4(b), Section 7(e) and Section 14 hereof, at any time after the close of business on the Distribution Date, and at or prior to the close of business on the Expiration Date, any Rights Certificate or Certificates may be transferred, split up, combined or exchanged for another Rights Certificate or Certificates, entitling the registered holder to purchase a like number of one two-hundredths of a share of Preferred Stock (or, following a Triggering Event, Common Stock, other securities, cash or other assets, as the case may be) as the Rights Certificate or Certificates surrendered then entitled such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Rights Certificate or Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Rights Certificate or Certificates to be transferred, split up, combined or exchanged at the principal office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Rights Certificate until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Rights Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request. Thereupon the Rights Agent shall, subject to Section 4(b), Section 7(e) and Section 14 hereof, countersign and deliver to the Person entitled thereto a Rights Certificate or Rights Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Rights Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Rights Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Rights Certificate if mutilated, the Company will execute and deliver a new Rights Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered owner in lieu of the Rights Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.

(a) Subject to Section 7(e) hereof, the registered holder of any Rights Certificate may exercise the Rights evidenced thereby (except as

otherwise provided herein including, without limitation, the restrictions on exercisability set forth in Section 9(c), Section 11(a)(iii) and Section 23(a) hereof) in whole or in part at any time after the Distribution Date upon surrender of the Rights Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the principal office or offices of the Rights Agent designated for such purpose, together with payment of the aggregate Purchase Price with respect to the total number of one two-hundredths of a share (or other securities, cash or other assets, as the case may be) as to which such surrendered Rights are then exercisable, at or prior to the earlier of (i) the close of business on May 1, 2000 (the "Final Expiration Date"), or (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the earlier of (i) and (ii) being herein referred to as the "Expiration Date").

8

9

(b) The Purchase Price for each one two-hundredth of a share of Preferred Stock pursuant to the exercise of a Right shall initially be \$50.00, and shall be subject to adjustment from time to time as provided in Sections 11 and 13(a) hereof and shall be payable in accordance with paragraph (c) below.

(c) Upon receipt of a Rights Certificate representing exercisable Rights, with the form of election to purchase and the certificate duly executed, accompanied by payment, with respect to each Right so exercised, of the Purchase Price per one two-hundredth of a share of Preferred Stock (or other shares, securities, cash (payable by check only) or other assets, as the case may be) to be purchased as set forth below and an amount equal to any applicable transfer tax, the Rights Agent shall, subject to Section 20(k) hereof, thereupon promptly (i) (A) requisition from any transfer agent of the shares of Preferred Stock (or make available, if the Rights Agent is the transfer agent for such shares) certificates for the total number of one two-hundredths of a share of Preferred Stock to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests, or (B) if the Company shall have elected to deposit the total number of shares of Preferred Stock issuable upon exercise of the Rights hereunder with a depositary agent, requisition from the depositary agent depositary receipts representing such number of one two-hundredths of a share of Preferred Stock as are to be purchased (in which case certificates for the shares of Preferred Stock represented by such receipts shall be deposited by the transfer agent with the depositary agent) and the Company will direct the depositary agent to comply with such request, (ii) requisition from the Company the amount of cash, if any, to be paid in lieu of fractional shares in accordance with Section 14 hereof, (iii) after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, and (iv) after receipt thereof, deliver such cash,

if any, to or upon the order of the registered holder of such Rights Certificate. The payment of the Purchase Price (as such amount may be reduced pursuant to Section 11(a) (iii) hereof) shall be made in cash or by certified bank check or bank draft payable to the order of the Company. In the event that the Company is obligated to issue other securities (including Common Stock) of the Company, pay cash and/or distribute other property pursuant to Section 9(a) or Section 11(a) hereof, the Company will make all arrangements necessary so that such other securities, cash and/or other property are available for distribution by the Rights Agent, if and when appropriate. The Company reserves the right to require prior to the occurrence of a Triggering Event that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Preferred Stock would be issued.

(d) In case the registered holder of any Rights Certificate shall exercise less than all the Rights evidenced thereby, a new Rights Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to, or upon the order of, the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, subject to the provisions of Section 14 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a) (ii) Event, any Rights beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or

Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the Company has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall use all reasonable efforts to insure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but shall have no liability to any holder of Rights Certificates or other Person as a result of its failure to make any determinations with respect to an Acquiring Person or its Affiliates,

Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Rights Certificate surrendered for such exercise, and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

Section 8. Cancellation and Destruction of Rights Certificates. All Rights Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Rights Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Rights Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Rights Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Rights Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation and Availability of Capital Stock.

(a) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued shares of Preferred Stock (and, following the occurrence of a Triggering Event or as required by the last sentence of this Section 9(a), out of its authorized and unissued shares of Common Stock and/or other securities or out of its authorized and issued shares held in its treasury), the number of shares of Preferred Stock (and, following the occurrence of a Triggering Event or as required by the last sentence of this Section 9(a), Common Stock and/or other securities) that, as provided in this Agreement including Section 11(a)(iii) hereof, will be sufficient to permit the exercise in full of all outstanding Rights. In the event that the issuance of shares of Preferred Stock by the Company upon the exercise of a Right would not be permitted under the Exchange Act, the rules and regulations thereunder or

rules of any national securities exchange on which any securities of the Company are listed, the Company shall make adequate provision to substitute for

such shares of Preferred Stock: (1) Common Stock or other equity securities of the Company, (2) debt securities of the Company, (3) other assets, or (4) any combination of the foregoing, having an aggregate value equal to the shares of such Preferred Stock to be issued, where such aggregate value has been determined by the Board based upon the advice of a nationally recognized investment banking firm selected by the Board.

(b) So long as the shares of Preferred Stock (and, following the occurrence of a Triggering Event or as required by the last sentence of Section 9(a) hereunder, Common Stock and/or other securities) issuable and deliverable upon the exercise of the Rights may be listed on any national securities exchange, the Company shall use its best efforts to cause, from and after such time as the Rights become exercisable, all shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(c) The Company shall use its best efforts to (i) file, as soon as practicable following the earliest date after the first occurrence of a Section 11(a)(ii) Event on which the consideration to be delivered by the Company upon exercise of the Rights has been determined in accordance with Section 11(a)(iii) hereof, a registration statement under the Securities Act of 1933 (the "Act"), with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing, and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities, and (B) the date of the expiration of the Rights. The Company will also take such action as may be appropriate under, or to ensure compliance with, the securities or "blue sky" laws of the various states in connection with the exercisability of the Rights. The Company may temporarily suspend, for a period of time not to exceed ninety (90) days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. In addition, if the Company shall determine that a registration statement is required following the Distribution Date, the Company may temporarily suspend the exercisability of the Rights until such time as a registration statement has been declared effective. Notwithstanding any provision of this Agreement to the contrary, the Rights shall not be exercisable in any jurisdiction if the requisite qualification in such jurisdiction shall not have been obtained, the exercise thereof shall not be permitted under applicable law or a registration statement shall not have been declared effective.

(d) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all one two-hundredths of a share of Preferred Stock (and, following the occurrence of a Triggering Event or as required by the last sentence of Section 9(a) hereunder, Common Stock and/or other securities) delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the

Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable.

11

12

(e) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of the Rights Certificates and of any certificates for a number of one two-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) upon the exercise of Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Rights Certificates to a Person other than, or the issuance or delivery of a number of one two-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) in respect of a name other than that of, the registered holder of the Rights Certificates evidencing Rights surrendered for exercise or to issue or deliver any certificates for a number of one two-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) in a name other than that of the registered holder upon the exercise of any Rights until such tax shall have been paid (any such tax being payable by the holder of such Rights Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax is due.

Section 10. Preferred Stock Record Date. Each person in whose name any certificate for a number of one two-hundredths of a share of Preferred Stock (or Common Stock and/or other securities, as the case may be) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of such fractional shares of Preferred Stock (or Common Stock and/or other securities, as the case may be) represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and all applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the Preferred Stock (or Common Stock and/or other securities, as the case may be) transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares (fractional or otherwise) on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Stock (or Common Stock and/or other securities, as the case may be) transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Rights Certificate shall not be entitled to any rights of a stockholder of the Company with respect to shares for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights. The Purchase Price, the number and kind of shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Stock payable in shares of Preferred Stock, (B) subdivide the outstanding Preferred Stock, (C) combine the outstanding Preferred Stock into a smaller number of shares, or (D) issue any shares of its capital stock in a reclassification of the Preferred Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a) and Section 7(e) hereof,

12

13

the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of Preferred Stock or capital stock, as the case may be, issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the Purchase Price then in effect, the aggregate number and kind of shares of Preferred Stock or capital stock, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Stock transfer books of the Company were open, he would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. If an event occurs which would require an adjustment under both this Section 11(a) (i) and Section 11(a) (ii) hereof, the adjustment provided for in this Section 11(a) (i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a) (ii) hereof.

(ii) In the event any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan), alone or together with its Affiliates and Associates, shall, at any time after the Rights Dividend Declaration Date, become the Beneficial Owner of 16% or more of the shares of Common Stock then outstanding, unless the event causing the 16% threshold to be crossed is a transaction set forth in Section 13(a) hereof, or is an acquisition of shares of Common Stock pursuant to a

tender offer or an exchange offer for all outstanding shares of Common Stock at a price and on terms determined by the Board of Directors, after receiving advice from one or more investment banking firms, to be (a) at a price which is fair to stockholders (taking into account all factors which such members of the Board deem relevant including, without limitation, prices which could reasonably be achieved if the Company or its assets were sold on an orderly basis designed to realize maximum value) and (b) otherwise in the best interests of the Company and its stockholders, then, promptly following the date of the occurrence of an event described in Section 11(a)(ii) hereof, proper provision shall be made so that each holder of a Right (except as provided below and in Section 7(e) hereof) shall thereafter have the right to receive, upon exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, in lieu of a number of one two-hundredths of a share of Preferred Stock, such number of shares of Common Stock of the Company as shall equal the result obtained by (x) multiplying the then current Purchase Price by the then number of one two-hundredths of a share of Preferred Stock for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event, and (y) dividing that product (which, following such first occurrence, shall thereafter be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by 50% of the Current Market Price (determined pursuant to Section 11(d) hereof) per share of Common Stock on the date of such first occurrence (such number of shares, the "Adjustment Shares").

(iii) In the event that the number of shares of Common Stock which are authorized by the Company's certificate of incorporation but not outstanding or reserved for issuance for purposes other than upon exercise of the Rights are not sufficient to permit the exercise in full of the Rights in accordance with the foregoing subparagraph

(ii) of this Section 11(a), the Company shall (A) determine the excess of (1) the value of the Adjustment Shares issuable upon the exercise of a Right (the "Current Value") over (2) the Purchase Price (such excess, the "Spread") and (B) with respect to each Right (subject to Section 7(e) hereof), make adequate provision to substitute for the Adjustment Shares, upon the exercise of a Right and payment of the applicable Purchase Price, (1) cash, (2) a reduction in the Purchase Price, (3) Common Stock or other equity securities of the Company (including, without limitation, shares, or units of shares, of preferred stock, such as the Preferred Stock, which the Board has deemed to have essentially the same value or economic rights as shares

of Common Stock (such shares of preferred stock being referred to as "Common Stock Equivalents")), (4) debt securities of the Company, (5) other assets, or (6) any combination of the foregoing, having an aggregate value equal to the Current Value (less the amount of any reduction in the Purchase Price), where such aggregate value has been determined by the Board based upon the advice of a nationally recognized investment banking firm selected by the Board; provided, however, that if the Company shall not have made adequate provision to deliver value pursuant to clause (B) above within thirty (30) days following the later of (x) the first occurrence of a Section 11(a)(ii) Event and (y) the date on which the Company's right of redemption pursuant to Section 23(a) expires (the later of (x) and (y) being referred to herein as the "Section 11(a)(ii) Trigger Date"), then the Company shall be obligated to deliver, upon the surrender for exercise of a Right and without requiring payment of the Purchase Price, shares of Common Stock (to the extent available) and then, if necessary, cash, which shares and/or cash have an aggregate value equal to the Spread. If the Board determines in good faith that it is likely that sufficient additional shares of Common Stock could be authorized for issuance upon exercise in full of the Rights, the thirty (30) day period set forth above may be extended to the extent necessary, but not more than ninety (90) days after the Section 11(a)(ii) Trigger Date, in order that the Company may seek shareholder approval for the authorization of such additional shares (such thirty (30) day period, as it may be extended, is herein called the "Substitution Period"). To the extent that action is to be taken pursuant to the first and/or second sentences of this Section 11(a)(iii), the Company (1) shall provide, subject to Section 7(e) hereof, that such action shall apply uniformly to all outstanding Rights, and (2) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek such shareholder approval for such authorization of additional shares and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. For purposes of this section 11(a)(iii), the value of each Adjustment Share shall be the Current Market Price per share of the Common Stock on the Section 11(a)(ii) Trigger Date and the per share or per unit value of any Common Stock Equivalent shall be deemed to equal the Current Market Price per share of the Common Stock on such date.

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Stock entitling them to subscribe for or purchase (for a period expiring within forty-five (45) calendar days after such record date) Preferred Stock (or shares having the same rights, privileges and preferences as the shares of Preferred Stock ("equivalent

preferred stock")) or securities convertible into Preferred Stock or equivalent preferred stock at a price per share of Preferred Stock or per share of equivalent preferred stock (or having a conversion price per share, if a security convertible into Preferred Stock or equivalent preferred stock) less than the Current Market Price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of shares of Preferred Stock which the aggregate offering price of the total number of shares of Preferred Stock and/or equivalent preferred stock so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Current Market Price, and the denominator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of additional shares of Preferred Stock and/or equivalent preferred stock to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid by delivery of consideration part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Shares of Preferred Stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for a distribution to all holders of Preferred Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, cash (other than a regular quarterly cash dividend out of the earnings or retained earnings of the Company), assets (other than a dividend payable in Preferred Stock, but including any dividend payable in stock other than Preferred Stock) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the Current Market Price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination

shall be described in a statement filed with the Rights Agent) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a share of Preferred Stock and the denominator of which shall be such Current Market Price (as determined pursuant to Section 11(d) hereof) per share of Preferred Stock. Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Purchase Price shall be adjusted to be the Purchase Price which would have been in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, other than computations made pursuant to Section 11(a)(iii) hereof, the Current Market Price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the thirty (30) consecutive Trading Days immediately prior to such date, and for

15

16

purposes of computations made pursuant to Section 11(a)(iii) hereof, the Current Market Price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the ten (10) consecutive Trading Days immediately following such date; provided, however, that in the event that the Current Market Price per share of the Common Stock is determined during a period following the announcement by the issuer of such Common Stock of (A) a dividend or distribution on such Common Stock payable in shares of such Common Stock or securities convertible into shares of such Common Stock (other than the Rights), or (B) any subdivision, combination or reclassification of such Common Stock, and the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification shall not have occurred prior to the commencement of the requisite thirty (30) Trading Day or ten (10) Trading Day period, as set forth above, then, and in each such case, the Current Market Price shall be properly adjusted to take into account ex-dividend trading. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the shares of Common Stock are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation

System or such other system then in use, or, if on any such date the shares of Common Stock are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board. If on any such date no market maker is making a market in the Common Stock, the fair value of such shares on such date as determined in good faith by the Board shall be used. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading is open for the transaction of business or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, a Business Day. If the Common Stock is not publicly held or not so listed or traded, Current Market Price per share shall mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(ii) For the purpose of any computation hereunder, the Current Market Price per share of Preferred Stock shall be determined in the same manner as set forth above for the Common Stock in clause (i) of this Section 11(d) (other than the last sentence thereof). If the Current Market Price per share of Preferred Stock cannot be determined in the manner provided above or if the Preferred Stock is not publicly held or listed or traded in a manner described in clause (i) of this Section 11(d), the Current Market Price per share of Preferred Stock shall be conclusively deemed to be an amount equal to 200 (as such number may be appropriately adjusted for such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock occurring after the date of this Agreement) multiplied by the Current Market Price per share of the Common Stock. If neither the Common Stock nor the Preferred Stock is publicly held or so listed

16

17

or traded, Current Market Price per share of the Preferred Stock shall mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes. For all purposes of this Agreement, the Current Market Price of a Unit shall be equal to the Current Market Price of one share of Preferred Stock divided by 200.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e)

are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest ten-thousandth of a share of Common Stock or other share or one-millionth of a share of Preferred Stock, as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction which mandates such adjustment, or (ii) the Expiration Date.

(f) If as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock other than Preferred Stock, thereafter the number of such other shares so receivable upon exercise of any Right and the Purchase Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Stock contained in Sections 11(a), (b), (c), (e), (g), (h), (i), (j), (k) and (m), and the provisions of Sections 7, 9, 10, 13 and 14 hereof with respect to the Preferred Stock shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of one two-hundredths of a share of Preferred Stock purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one two-hundredths of a share of Preferred Stock (calculated to the nearest one-millionth) obtained by (i) multiplying (x) the number of one two-hundredths of a share covered by a Right immediately prior to this adjustment, by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price, and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of one two-hundredths of a share of Preferred Stock purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of one two-hundredths of a share of Preferred Stock for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the

18

number of Rights shall become that number of Rights (calculated to the nearest one-ten-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at least ten (10) days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Purchase Price) and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of one two-hundredths of a share of Preferred Stock issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Purchase Price per one two-hundredths of a share and the number of one two-hundredths of a share which were expressed in the initial Rights Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the then stated value, if any, of the number of one two-hundredths of a share of Preferred Stock issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable such number of one two-hundredths of a share of Preferred Stock at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of one two-hundredths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the number of one two-hundredths of a share of Preferred Stock

and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or securities upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments

18

19

expressly required by this Section 11, as and to the extent that in their good faith judgment the Board of Directors of the Company shall determine to be advisable in order that any (i) consolidation or subdivision of the Preferred Stock, (ii) issuance wholly for cash of any shares of Preferred Stock at less than the Current Market Price, (iii) issuance wholly for cash of shares of Preferred Stock or securities which by their terms are convertible into or exchangeable for shares of Preferred Stock, (iv) stock dividends or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to holders of its Preferred Stock shall not be taxable to such stockholders.

(n) The Company covenants and agrees that it shall not, at any time after the Distribution Date, (i) consolidate with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), (ii) merge with or into any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or (iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction, or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof), if (x) at the time of or immediately after such consolidation, merger or sale there are any rights, warrants or other instruments or securities outstanding or agreements in effect which would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger or sale, the shareholders of the Person who constitutes, or would constitute, the "Principal Party" for purposes of Section 13(a) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates.

(o) The Company covenants and agrees that, after the Distribution Date, it will not, except as permitted by Section 23 or Section 26 hereof, take

(or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) Anything in this Agreement to the contrary notwithstanding, in the event that the Company shall at any time after the Rights Dividend Declaration Date and prior to the Distribution Date (i) declare a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, the number of Rights associated with each share of Common Stock then outstanding, or issued or delivered thereafter but prior to the Distribution Date, shall be proportionately adjusted so that the number of Rights thereafter associated with each share of Common Stock following any such event shall equal the result obtained by multiplying the number of Rights associated with each share of Common Stock immediately prior to such event by a fraction the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of shares of Common Stock outstanding immediately following the occurrence of such event.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Section 11 and Section 13 hereof, the Company shall (a)

19

20

promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent, and with each transfer agent for the Preferred Stock and the Common Stock, a copy of such certificate, and (c) mail a brief summary thereof to each holder of a Rights Certificate (or, if prior to the Distribution Date, to each holder of a certificate representing shares of Common Stock) in accordance with Section 25 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.

(a) In the event that, following the Stock Acquisition Date, directly or indirectly, (x) the Company shall consolidate with, or merge with and into, any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), and the Company shall not be the continuing or surviving corporation of such consolidation or merger, (y) any Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof) shall consolidate with, or merge with or

into, the Company, and the Company shall be the continuing or surviving corporation of such consolidation or merger and, in connection with such consolidation or merger, all or part of the outstanding shares of Common Stock shall be changed into or exchanged for stock or other securities of any other Person or cash or any other property, or (z) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any Person or Persons (other than the Company or any Subsidiary of the Company in one or more transactions each of which complies with Section 11(o) hereof), then, and in each such case (except as may be contemplated by Section 13(d) hereof), proper provision shall be made so that: (i) each holder of a Right, except as provided in Section 7(e) hereof, shall thereafter have the right to receive, upon the exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, such number of validly authorized and issued, fully paid, nonassessable and freely tradeable shares of Common Stock of the Principal Party (as such item is hereinafter defined), not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall be equal to the result obtained by (1) multiplying the then current Purchase Price by the number of one two-hundredths of a share of Preferred Stock for which a Right is exercisable immediately prior to the first occurrence of a Section 13 Event (or, if a Section 11(a)(ii) Event has occurred prior to the first occurrence of a Section 13 Event, multiplying the number of such one two-hundredths of a share for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event by the Purchase Price in effect immediately prior to such first occurrence), and dividing that product (which, following the first occurrence of a Section 13 Event, shall be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by (2) 50% of the Current Market Price (determined pursuant to Section 11(d)(i) hereof) per share of the Common Stock of such Principal Party on the date of consummation of such Section 13 Event; (ii) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13 Event; (iv) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of shares of its

Common Stock) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its shares of Common

Stock thereafter deliverable upon the exercise of the Rights; and (v) the provisions of Section 11(a)(ii) hereof shall be of no effect following the first occurrence of any Section 13 Event.

(b) "Principal Party" shall mean

(i) in the case of any transaction described in clause (x) or (y) of the first sentence of Section 13(a), the Person that is the issuer of any securities into which shares of Common Stock of the Company are converted in such merger or consolidation, and if no securities are so issued, the Person that is the other party to such merger or consolidation; and

(ii) in the case of any transaction described in clause (z) of the first sentence of Section 13(a), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions; provided, however, that in any such case, (1) if the Common Stock of such Person is not at such time and has not been continuously over the preceding twelve (12) month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person the Common Stock of which is and has been so registered, "Principal Party" shall refer to such other Person; and (2) in case such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Stocks of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such Persons is the issuer of the Common Stock having the greatest aggregate market value.

(c) The Company shall not consummate any such consolidation, merger, sale or transfer unless the Principal Party shall have a sufficient number of authorized shares of its Common Stock which have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in paragraphs (a) and (b) of this Section 13 and further providing that, as soon as practicable after the date of any consolidation, merger or sale of assets mentioned in paragraph (a) of this Section 13, the Principal Party will (i) prepare and file a registration statement under the Act, with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, and will use its best efforts to cause such registration statement to (A) become effective as soon as practicable after such filing and (B) remain effective (with a prospectus at all times meeting the requirements of the Act) until the Expiration Date; and (ii) will deliver to holders of the Rights historical financial statements for the Principal Party and each of its Affiliates which comply in all respects with the requirements for registration on Form 10 under the Exchange Act. The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers. In the event that a Section 13 Event shall occur at any time after the occurrence of a Section 11(a)(ii) Event, the Rights which have not theretofore been exercised

shall thereafter become exercisable in the manner described in Section 13(a).

21

22

(d) Notwithstanding anything in this Agreement to the contrary, Section 13 shall not be applicable to a transaction described in subparagraphs (x) and (y) of Section 13(a) if (i) such transaction is consummated with a Person or Persons who acquired shares of Common Stock pursuant to a tender offer or exchange offer for all outstanding shares of Common Stock which complies with the provisions of Section 11(a)(ii) hereof (or a wholly owned subsidiary of any such Person or Persons), (ii) the price per share of Common Stock offered in such transaction is not less than the price per share of Common Stock paid to all holders of shares of Common Stock whose shares were purchased pursuant to such tender offer or exchange offer and (iii) the form of consideration being offered to the remaining holders of shares of Common Stock pursuant to such transaction is the same as the form of consideration paid pursuant to such tender offer or exchange offer. Upon consummation of any such transaction contemplated by this Section 13(d), all Rights hereunder shall expire.

Section 14. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractions of Rights, except prior to the Distribution Date as provided in Section 11(p) hereof, or to distribute Rights Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price of the Rights for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading, or if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional

market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company shall not be required to issue fractions of shares of Preferred Stock (other than fractions which are integral multiples of one two-hundredth of a share of Preferred Stock) upon exercise of the Rights or to distribute certificates which evidence fractional shares of Preferred Stock (other than fractions which are integral multiples of one two-hundredth of a share of Preferred Stock). In lieu of fractional shares of Preferred Stock that are not integral multiples of one two-hundredth of a share of Preferred Stock, the Company may pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one two-hundredth of a share of Preferred Stock. For purposes of this Section 14(b), the current market value of one

22

23

two-hundredth of a share of Preferred Stock shall be one two-hundredth of the closing price of a share of Preferred Stock (as determined pursuant to Section 11(d)(ii) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of a Triggering Event, the Company shall not be required to issue fractions of shares of Common Stock upon exercise of the Rights or to distribute certificates which evidence fractional shares of Common Stock. In lieu of fractional shares of Common Stock, the Company may pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one (1) share of Common Stock. For purposes of this Section 14(c), the current market value of one share of Common Stock shall be the closing price of one share of Common Stock (as determined pursuant to Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise.

(d) The holder of a Right by the acceptance of the Rights expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right, except as permitted by this Section 14.

Section 15. Rights of Action. All rights of action in respect of this Agreement are vested in the respective registered holders of the Rights Certificates (and, prior to the Distribution Date, the registered holders of the Common Stock); and any registered holder of any Rights Certificate (or, prior to the Distribution Date, of the Common Stock), without the consent of

the Rights Agent or of the holder of any other Rights Certificate (or, prior to the Distribution Date, of the Common Stock), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and shall be entitled to specific performance of the obligations hereunder and injunctive relief against actual or threatened violations of the obligations hereunder of any Person subject to this Agreement.

Section 16. Agreement of Rights Holders. Every holder of a Right by accepting the same consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of Common Stock;

(b) after the Distribution Date, the Rights Certificates are transferable only on the registry books of the Rights Agent if surrendered at the principal office or offices of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates fully executed;

(c) subject to Section 6(a) and Section 7(f) hereof, the Company and the Rights Agent may deem and treat the person in whose name a Rights Certificate (or, prior to the

Distribution Date, the associated Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Rights Certificates or the associated Common Stock certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent, subject to the last sentence of Section 7(e) hereof, shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or

commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, the Company must use its best efforts to have any such order, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. Rights Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the number of one two-hundredths of a share of Preferred Stock or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 24 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Rights Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

(a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and disbursements and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability in the premises.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Rights Certificate or certificate for Common Stock or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper

necessary, verified or acknowledged, by the proper Person or Persons.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Rights Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person and the determination of Current Market Price) be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the

Treasurer, the Secretary or any Assistant Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Rights Certificates or be required to verify the same (except as to its countersignature on such Rights Certificates), but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Rights Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be responsible for any adjustment required under the provisions of Section 11 or Section 13 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Rights Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock or Preferred Stock to be issued pursuant to this Agreement or any Rights Certificate or as to whether any shares of Common Stock or Preferred Stock will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the Chief Executive Officer, the President, any Senior

Vice President or the Secretary of the Company, and to apply to such officers for advice or instructions suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

26

27

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct; provided, however, reasonable care was exercised in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has either not been completed or indicates an affirmative response to clause 1 and/or 2 thereof, the Rights Agent shall not take any further action with respect to such requested exercise of transfer without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Company, and to each transfer agent of the Common Stock and Preferred Stock, by registered or certified mail and to the holders of the Rights Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock and Preferred Stock, by registered or certified mail, and to the

holders of the Rights Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Rights Certificate (who shall, with such notice, submit his Rights Certificate for inspection by the Company), then any registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of the State of New York (or of any other state of the United States so long as such corporation is authorized to do business as a banking institution in the State of New York), in good standing, having a principal office in the State of New York, which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$100,000,000. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock and the Preferred Stock, and mail a notice thereof in writing to the registered holders of the Rights Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Rights Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Rights Certificates made in accordance with the provisions of this Agreement. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Date and prior to the redemption or expiration of

the Rights, the Company (a) shall, with respect to shares of Common Stock so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, granted or awarded as of the Distribution Date, or upon the exercise, conversion or exchange of securities hereinafter issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Rights Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Rights Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Rights Certificate would be issued, and (ii) no such Rights Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption and Termination.

(a) The Board of Directors of the Company may, at its option, at any time prior to the earlier of (i) the close of business on the tenth day following the Stock Acquisition Date (or, if the Stock Acquisition Date shall have occurred prior to the Record Date, the close of business on the tenth day following the Record Date), or (ii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$.01 per Right, as such amount may be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"); provided, however, that if, following the occurrence of a Stock Acquisition Date and following the expiration of the right of redemption hereunder but prior to any Triggering Event, (i) a Person who is an Acquiring Person shall have transferred or otherwise disposed of a number of shares of Common Stock in one transaction or series of transactions, not directly or indirectly involving the Company or any of its Subsidiaries, which did not result in the occurrence of a Triggering Event such that such Person is thereafter a Beneficial Owner of 10% or less of the outstanding shares of Common Stock, and (ii) there are no other Persons, immediately following the occurrence of the event described in clause (i), who are Acquiring Persons, then the right of redemption shall be reinstated and thereafter be subject to the provisions of this Section 23. Notwithstanding anything contained in this Agreement to the contrary, the Rights shall not be exercisable after the first occurrence of a Section 11(a)(ii) Event until such time as the Company's right of redemption hereunder has expired. The Company may, at its option, pay the Redemption Price in cash, shares of Common Stock (based on the Current Market Price, as defined in Section 11(d)(i) hereof, of the Common Stock at the time of redemption) or any other form of consideration deemed appropriate by the Board of Directors.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights, evidence of which shall have been filed with the Rights Agent and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price for each Right so held. Promptly after the action of the Board of Directors ordering the redemption of the Rights, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice to all such holders at each holder's last address as it appears upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the Transfer Agent for the Common Stock. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.

Section 24. Notice of Certain Events.

(a) In case the Company shall propose, at any time after the Distribution Date, (i) to pay any dividend payable in stock of any class to the holders of Preferred Stock or to make any other distribution to the holders of Preferred Stock (other than a regular quarterly cash dividend out of earnings or retained earnings of the Company), or (ii) to offer to the holders of Preferred Stock rights or warrants to subscribe for or to purchase any additional shares of Preferred Stock or shares of stock of any class or any other securities, rights or options, or (iii) to effect any reclassification of its Preferred Stock (other than a reclassification involving only the subdivision of outstanding shares of Preferred Stock), or (iv) to effect any consolidation or merger into or with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one transaction or a series of related transactions, of more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions, each of which complies with Section 11(o) hereof), or (v) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 25 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the shares of Preferred Stock, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least twenty (20) days prior to the record date for determining holders of the shares of Preferred Stock for purposes of such

action, and in the case of any such

29

30

other action, at least twenty (20) days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the shares of Preferred Stock, whichever shall be the earlier.

(b) In case any of the events set forth in Section 11(a)(ii) hereof shall occur, then, in any such case, (i) the Company shall as soon as practicable thereafter give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 25 hereof, a notice of the occurrence of such event, which shall specify the event and the consequences of the event to holders of Rights under Section 11(a)(ii) hereof, and (ii) all references in the preceding paragraph to Preferred Stock shall be deemed thereafter to refer to Common Stock and/or, if appropriate, other securities.

Section 25. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Rights Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Tidewater, Inc.
1440 Canal Street
New Orleans, Louisiana 70112
Attention: Corporate Secretary

Subject to the provisions of Section 21, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Rights Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

The First National Bank of Boston
150 Royall Street
Canton, Massachusetts 02021
Attention: Corporate Trust

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Rights Certificate (or, if prior to the Distribution Date, to the holder of certificates representing shares of Common Stock) shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 26. Supplements and Amendments. Prior to the Distribution Date and subject to the penultimate sentence of this Section 26, the Company and the Rights Agent shall, if the Company so directs, supplement or amend any provision of this Agreement without the approval of any holders of certificates representing shares of Common Stock. From and after the Distribution Date and subject to the penultimate sentence of this Section 26, the Company

30

31

and the Rights Agent shall, if the Company so directs, supplement or amend this Agreement without the approval of any holders of Rights Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, (iii) to shorten or lengthen any time period hereunder or (iv) to change or supplement the provisions hereunder in any manner which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Rights Certificates (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person); provided, this Agreement may not be supplemented or amended to lengthen, pursuant to clause (iii) of this sentence, (A) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable, or (B) any other time period unless such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights. Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 26, the Rights Agent shall execute such supplement or amendment. Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment shall be made which changes the Redemption Price, the Final Expiration Date, the Purchase Price or the number of one two-hundredths of a share of Preferred Stock for which a Right is exercisable provided, however, that prior to the Distribution Date the Company may amend the terms and conditions of the Preferred Stock or change the series or class of preferred stock which shall constitute the Preferred Stock. Prior to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Stock.

Section 27. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 28. Determinations and Actions by the Board of Directors, etc. For all purposes of this Agreement, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding shares of Common Stock of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules

and Regulations under the Exchange Act. The Board of Directors of the Company shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board or to the Company, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement, and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination to redeem or not redeem the Rights or to amend the Agreement). All such actions, calculations, interpretations and determinations (including, for

31

32

purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject the Board to any liability to the holders of the Rights.

Section 29. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; provided, however, that notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid, void or unenforceable and the Board of Directors of the Company determines in its good faith judgment that severing the invalid language from this Agreement would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 hereof shall be reinstated and shall not expire until the close of business on the tenth day following the date of such determination by the Board of Directors.

Section 31. Governing Law. This Agreement, each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and

construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 34. Certain Amendments adopted by Board of Directors. The Board of Directors has adopted the following provisions through amendments effected on the dates indicated below, all of which form a part of this Rights Agreement:

32

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(a) Notwithstanding any provision of the Rights Agreement to the contrary, none of Zapata Gulf Marine Corporation ("Zapata Gulf"), BC Partners, L.P., Corporate Partners, L.P., Corporate Offshore Partners, L.P., The State Board of Administration of Florida and Zapata Corporation (the "Stockholders"), or any of their respective stockholders, partners or affiliates (collectively, Zapata Gulf, the Stockholders and their respective stockholders, partners or affiliates being referred to herein as the "Zapata Gulf Entities") shall be deemed to be an Acquiring Person and neither a Triggering Event nor a Distribution Date shall be deemed to have occurred solely by virtue of (i) the announcement or the execution of the Agreement and Plan of Merger dated as of June 19, 1991 (the "Merger Agreement") by and among the Company and Tidewater Expansion, Inc., on the one hand and Zapata Gulf and the Stockholders on the other hand, (ii) the announcement of any of the transactions contemplated by the Merger Agreement (including, without limitation, any Zapata Gulf Entity's right to acquire shares of Common Stock pursuant to the merger of Tidewater Expansion, Inc. with and into Zapata Gulf (the "Merger")), (iii) the fact that any officer, director or affiliate of any Zapata Gulf Entity is an officer, director or affiliate of another Zapata Gulf Entity or (iv) the existence of any agreement, arrangement or understanding between or among any of the Zapata Gulf Entities relating to shares of Zapata Gulf common stock, \$1.00 par value per share, existing on the date hereof or at any time through and including the Effective Time of the Merger (as defined in the Merger Agreement). (This provision was effective as of June 19, 1991.)

(b) Discussions between or among the Stockholders (as defined in Section 34(a)), Bessemer Capital Partners, L.P. ("Bessemer"), or any of their

respective stockholders, partners, affiliates, directors, officers, employees or representatives relating to the Company or their respective investments in the Company shall not, in and of themselves, be deemed to (a) make any Stockholder the Beneficial Owner of any Common Stock owned by any other Stockholder, or (b) constitute an agreement, arrangement or understanding among any two or more Stockholders of the type referred to in paragraphs (ii) or (iii) of Section 1(c) of the Rights Agreement. (This provision was effective as of January 8, 1992).

(c) In determining the number of shares of which Corporate Partners, L.P. ("Corporate Partners") or Corporate Offshore Partners, L.P. ("Corporate Offshore") is the Beneficial Owner, neither Corporate Partners nor Corporate Offshore will be deemed to be a Beneficial Owner of shares of Common Stock (i) owned by The State Board of Administration of Florida ("SBAF"), or (ii) solely because of the activities of Lazard Freres & Co. ("Lazard") or Lazard Freres Asset Management ("LFAM") with respect to such shares in the conduct in the ordinary course of their underwriting, brokerage, trading or asset management businesses, including the holding of such shares as principal or agent; as long as such shares of Common Stock are not owned, controlled, managed or voted by or at the direction of Corporate Partners or Corporate Offshore.

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34

In addition, neither Lazard nor LFAM will be deemed to be a Beneficial Owner of shares of Common Stock beneficially owned by Corporate Partners, Corporate Offshore or SBAF solely because Lazard or LFAM, acting in the ordinary course of their underwriting, brokerage, trading or asset management business (whether in their capacity as principal or agent), shall hold shares of Common Stock. (This provision was effective as of January 8, 1992).

(d) None of the Stockholders (as defined in Section 34(a)) shall be deemed to be an Acquiring Person and neither a Section 11(a)(ii) Event, a Triggering Event nor a Distribution Date shall be deemed to have occurred solely by virtue of (i) the exercise of their rights pursuant to the Stockholder Agreements between the Company and each of the Stockholders, or (ii) any increase in the percentage of the outstanding Common Stock beneficially owned by any Stockholder resulting from any decrease in the number of outstanding shares of Common Stock, or (iii) the existence of, or actions by any Stockholder under, the voting agreement dated as of May 31, 1991 by Corporate Partners (as defined in Section 34(c)), Corporate Offshore (as defined in Section 34(c)), SBAF (as defined in Section 34(c)), and B.C. Partners, L.P., as grantors, as in effect on the date of the execution of the Merger Agreement (as defined in Section 34(a)) and the revocable proxy granted pursuant thereto. (This provision was effective as of January 8, 1992).

(e) In determining the number of shares of Common Stock of which Bessemer (as defined in Section 34(b)) is the Beneficial Owner, Bessemer will not be deemed to be a Beneficial Owner of any shares of Common Stock solely because of the activities of The Bessemer Group, Incorporated and its subsidiaries ("The Bessemer Group") with respect to such shares in the conduct in the ordinary course of its brokerage, trading or asset management businesses, including the holding of such shares as principal or agent, as long as such shares of Common Stock are not owned, controlled, managed or voted by or at the direction of Bessemer. In addition, The Bessemer Group will not be deemed to be a Beneficial Owner of shares of Common Stock beneficially owned by Bessemer solely because The Bessemer Group, acting in the ordinary course of its brokerage, trading or asset management business (whether in its capacity as principal or agent) shall hold shares of Common Stock. (This provision was effective as of January 15, 1992).

(f) Each of Corporate Partners (as defined in Section 34(c)) and Corporate Offshore (as defined in Section 34(c)), shall, with respect to the shares held by Lazard (as defined in Section 34(c)) and LFAM (as defined in Section 34(c)) and Bessemer (as defined in Section 34(b)) shall, with respect to the shares held by The Bessemer Group (as defined in Section 34(e)), provide such evidence as is reasonably requested by the Company from time to time, in form and substance reasonably satisfactory to the Company, to demonstrate that the shares of Common Stock held by Lazard, LFAM and The Bessemer Group, as applicable, are held solely in the ordinary course of its brokerage, trading or asset management businesses, and that such shares are not owned, controlled, managed

or voted by or at the direction of Corporate Partners, Corporate Offshore or Bessemer, as applicable. (This provision was effective as of January 15, 1992).

(g) Manufacturers Hanover Trust Company (the "Collateral Agent") will not be deemed to be a Beneficial Owner of any shares of Common Stock of which Zapata Corporation is the Beneficial Owner and neither a Section 11(a)(ii) Event, a Triggering Event nor a Distribution Date shall be deemed to have occurred solely by virtue of (i) the pledge of such shares to the Collateral Agent to secure Zapata Corporation's obligations under that certain Restated Master Restructuring Agreement dated as of December 19, 1990 (as amended, supplemented or modified from time to time, the "Master Restructuring Agreement") by and between, among other parties, Zapata Corporation and the Collateral Agent or (ii) the foreclosure or the taking of possession of such shares by the Collateral Agent pursuant to the terms of such Master Restructuring Agreement or any collateral instrument pursuant to which such shares have been pledged. (This provision was effective as of January 15,

1992).

(h) Malcolm I. Glazer ("Glazer") shall not be deemed to be an Acquiring Person under the Rights Agreement, nor shall a Section 11(a)(ii) Event, a Triggering Event or a Distribution Date be deemed to have occurred, solely by virtue of Glazer's acquisition and Beneficial Ownership of the 51,976,923 shares of Zapata Corporation common stock, \$.25 par value per share, disclosed in the Schedule 13D filed by Glazer as of September 24, 1992; provided, however, that the Company reserves the right to make a public announcement that Glazer has become an Acquiring Person or that a Trigger Event has occurred if (i) Zapata breaches any of its covenants set forth in that certain Standstill Agreement dated as of November 11, 1992 (the "Standstill Agreement") by and between the Company and Zapata Corporation, or (ii) Glazer, or any of his Affiliates or Associates, take any actions, directly or indirectly, that are described in Section 5.2 of the Standstill Agreement. (This provision was effective as of December 17, 1992).

35

36

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

TIDEWATER INC.

By: /s/VICTOR I. KOOCK

Victor I. Koock,
Senior Vice President and
Co-General Counsel

THE FIRST NATIONAL BANK
OF BOSTON

By: /s/ JEANNE ROSS

Name: Jeanne Ross
Title: Administrative Manager

FIRST AMENDMENT
TO AMENDED AND RESTATED
REVOLVING CREDIT AND TERM LOAN AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT, dated as of November 22, 1993 (this "Amendment"), by and among Tidewater Inc., a Delaware corporation (the "Company"), the Domestic Subsidiaries (as hereinafter defined) of the Company named on Exhibit "A" attached hereto and made a part hereof, which Domestic Subsidiaries constitute all of the Domestic Subsidiaries of the Company (herein together with the Company called the "Companies"), and First National Bank of Commerce, a national banking association, as agent (the "Agent"), and First National Bank of Commerce, AmSouth Bank N.A., The First National Bank of Boston and Whitney National Bank (the "Lenders").

RECITALS

A. The Companies and the Lenders have executed an Amended and Restated Revolving Credit and Term Loan Agreement, dated September 14, 1993 (the "Credit Agreement") providing for loans and extensions of credit of up to the aggregate principal sum of \$60,000,000.

B. The Companies have requested that the Credit Agreement be amended to exempt funds in rabbi trusts (established pursuant to its supplemental executive retirement plan and early retirement incentive programs) from the investment limitations imposed on the Companies pursuant to the Credit Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and undertakings herein contained, the Companies and Lenders hereby agree as follows:

1. Section 6.10(c) (Liens, Debt and Other Restrictions - Permitted Investments) is hereby amended to add the following as an additional paragraph at the end thereof:

The foregoing restrictions on investments by the Companies shall not apply to funds maintained in rabbi trusts established by the Companies for supplemental executive retirement plans and early retirement incentive programs.

2. The Company certifies and acknowledges to the Lenders as of the date of this Amendment, as follows: (i) all of the representatives and warranties contained in Section 5 of the Credit

2

Agreement are true and correct as of the date hereof; (ii) the Companies are in compliance with all the covenants, terms and conditions of the Credit Agreement; and (iii) no Default or Event of Default has occurred or is continuing.

3. Except as otherwise specifically amended hereby, all of the covenants, terms and conditions of the Credit Agreement shall remain in full force and effect.

4. All capitalized terms contained herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

5. This Amendment may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained in any one counterpart hereof; each counterpart shall be deemed an original, but all of such counterparts together shall constitute one and the same instrument.

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

TIDEWATER INC.

By: /s/ KEN C. TAMBLYN

Name: Ken C. Tamblyn
Title: Executive Vice President
and Chief Financial Officer

EASTERN BOAT OPERATORS INC.
GULF FLEET SUPPLY VESSELS, INC.
HILLIARD OIL & GAS, INC.
HILLIARD PROPERTIES, INC.
J & H INVESTMENT PROPERTIES, INC.
JACKSON MARINE CORPORATION
JAVA BOAT CORPORATION
MARINE LEASING COMPANY
OFFSHORE EQUIPMENT COMPANY
QUALITY SHIPYARDS, INC.
S.O.P., INC.

SCHOPCO, INC.
SEAFARER BOAT CORPORATION
TIDE OIL, INC.
TIDEWATER ASIA/CHINA, INC.
TIDEWATER ASSETS, INC.

- 2 -

3

TIDEWATER BARGES, INC.
TIDEWATER COMPRESSION SERVICE, INC.
TIDEWATER CONTRACTORS, INC.
TIDEWATER ENTERPRISES, INC.
TIDEWATER FLEETS, INC.
TIDEWATER GRAND ISLE, INC.
TIDEWATER MARINE, INC.
TIDEWATER MARINE ATLANTIC, INC.
TIDEWATER MARINE PACIFIC, INC.
TIDEWATER MARINE SERVICE, INC.
TIDEWATER MARINE TOWING, INC.
TIDEWATER MARINE WESTERN, INC.
TIDEWATER MEDITERRANEAN, INC.
TIDEWATER NAVIGATORS, INC.
TIDEWATER NW JAVA, INC.
TIDEWATER PACIFIC, INC.
TIDEWATER REALTY, INC.
TIDEWATER RESOURCES, INC.
TIDEWATER SE SUMATRA, INC.
TIDEWATER SERVICES, INC.
TIDEWATER TRADERS, INC.
TIDEWATER VENICE, INC.
TIDEWATER VENTURES, INC.
TIDEWATER VESSELS, INC.
TMS ACQUISITION CORPORATION
TT BOAT CORPORATION
TWENTY GRAND MARINE SERVICE, INC.
TWENTY GRAND OFFSHORE, INC.
ZAPATA GULF MARINE CORPORATION
ZAPATA GULF MARINE OPERATORS, INC.
ZAPATA GULF PACIFIC, INC.
ZAPATA MARINE (U.S.) INC.

By: /s/ KEN C. TAMBLYN

Name: Ken C. Tamblyn
Title: Authorized Officer

FIRST NATIONAL BANK OF COMMERCE,
as Agent and Lender

By:/s/ J. CHARLES FREEL, JR.

Name: J. Charles Freel, Jr.
Title: Vice President

- 3 -

4

AMSOUTH BANK N.A., as Lender

By:/s/ ANDREW W. BRASWELL

Name: Andrew W. Braswell
Title: Commercial Loan Officer

THE FIRST NATIONAL BANK OF BOSTON,
as Lender

By:/s/ DANIEL O'CONNOR

Name: Daniel O'Connor
Title: Director

WHITNEY NATIONAL BANK
as Lender

By:/s/ DONALD J. ZORNMAN

Name: Donald J. Zornman
Title: Vice President

5

EXHIBIT A

LIST OF DOMESTIC SUBSIDIARIES

<TABLE>

<CAPTION>

Name	State of Incorporation
- - - - -	-----
<S>	<C>
Eastern Boat Operators, Inc.	Louisiana
Gulf Fleet Supply Vessels, Inc.	Louisiana
Hilliard Oil & Gas, Inc.	Nevada
Hilliard Properties, Inc.	Louisiana
J & H Investment Properties, Inc.	Louisiana
Jackson Marine Corporation	Delaware
Java Boat Corporation	Louisiana
Marine Leasing Company	Missouri
Offshore Equipment Company	Delaware
Quality Shipyards, Inc.	Louisiana
S.O.P., Inc.	Louisiana
Schopco, Inc.	Louisiana
Seafarer Boat Corporation	Louisiana
Tide Oil, Inc.	Texas
Tidewater Asia/China, Inc.	Louisiana
Tidewater Assets, Inc.	Louisiana
Tidewater Barges, Inc.	Louisiana
Tidewater Compression Service, Inc.	Texas
Tidewater Contractors, Inc.	Louisiana
Tidewater Enterprises, Inc.	Louisiana
Tidewater Fleets, Inc.	Louisiana
Tidewater Grand Isle, Inc.	Louisiana
Tidewater Marine, Inc.	Louisiana
Tidewater Marine Atlantic, Inc.	Delaware
Tidewater Marine Pacific, Inc.	California
Tidewater Marine Service, Inc.	Louisiana
Tidewater Marine Towing, Inc.	Louisiana
Tidewater Marine Western, Inc.	Texas
Tidewater Mediterranean, Inc.	Louisiana
Tidewater Navigators, Inc.	Louisiana
Tidewater NW Java, Inc.	Louisiana
Tidewater Pacific, Inc.	Missouri
Tidewater Realty, Inc.	Louisiana

Tidewater Resources, Inc.	Louisiana
Tidewater SE Sumatra, Inc.	Louisiana
Tidewater Services, Inc.	Louisiana
Tidewater Traders, Inc.	Louisiana
Tidewater Venice, Inc.	Louisiana
Tidewater Ventures, Inc.	Louisiana
Tidewater Vessels, Inc.	Louisiana
TMS Acquisition Corporation	Louisiana
TT Boat Corporation	Louisiana
Twenty Grand Marine Service, Inc.	Louisiana

- 5 -

6	
<TABLE>	
<S>	<C>
Twenty Grand Offshore, Inc.	Louisiana
Zapata Gulf Marine Corporation	Delaware
Zapata Gulf Marine Operators, Inc.	Delaware
Zapata Gulf Pacific, Inc.	Delaware
Zapata Marine (U.S.) Inc.	Delaware

- 6 -

TIDEWATER INC.
 COMPUTATION OF EARNINGS AND SHARES USED IN ARRIVING
 AT PRIMARY AND FULLY DILUTED EARNINGS PER SHARE FOR THE
 QUARTER AND NINE-MONTH PERIODS ENDED DECEMBER 31, 1993

	Quarter Ended Dec. 31, 1993	Nine Months Ended Dec. 31, 1993
	-----	-----
<S>	<C>	<C>
Earnings from continuing operations	\$ 13,542,000	30,898,000
Extraordinary item	---	(4,450,000)
	-----	-----
Net earnings	\$ 13,542,000	26,448,000
	=====	=====
Computation of weighted average number of shares outstanding:		
Issued: 53,571,703 shares		
Weighted average shares outstanding	52,951,826	52,929,979
Add: Incremental shares applicable to stock options	361,436	391,921
	-----	-----
Weighted average shares & equivalents	53,313,262	53,321,900
	=====	=====
Primary and fully diluted earnings per share:		
Continuing operations	\$.25	.58
Extraordinary item	---	(.08)
	-----	-----
Net earnings	\$.25	.50
	=====	=====
The above earnings per share (EPS) calculations are submitted in accordance with APB Opinion No. 15. An EPS calculation in accordance with Regulation S-K item 601(b)(11) is not shown above because it produces an anti-dilutive result. The following information is disclosed for purposes of calculating the anti-dilutive EPS:		
For primary and fully diluted EPS:		
Shares attributable to assumed conversion of 7.0% convertible subordinated debentures	1,885,400	1,885,400
	=====	=====
Interest expense applicable to convertible subordinated debentures, net of income taxes	\$ 639,000	1,918,000
	=====	=====

</TABLE>