

PHAROL, SGPS S.A.  
Form 6-K  
November 12, 2015

**United States**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 6-K**

**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the**

**Securities Exchange Act of 1934**

**For the month of November 2015**

**Commission File Number 1-13758**

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**PHAROL, SGPS S.A.**

(Exact name of registrant as specified in its charter)

**Rua Joshua Benoliel, 1, 2C, Edifício Amoreiras Square**

**1250 -133 Lisboa, Portugal**  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

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Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**Announcement** | Lisbon | 12 November 2015

**OI DISCLOSES THE 2015 THIRD QUARTER RESULTS**

PHAROL, SGPS S.A. hereby informs on the Material fact disclosed by Oi, S.A., on the 2015 third quarter results, as detailed in the company's document attached hereto.

**PHAROL, SGPS S.A.**

Public company  
Share capital Euro 26,895,375  
Registered in the Commercial  
Registry Office of Lisbon  
and Corporation no. 503 215  
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PHAROL is listed on the  
Euronext (PHR). Information  
may be accessed on Bloomberg  
under the symbol PHR PL.

Luis Sousa de Macedo  
Investor Relations Director  
ir@pharol.pt  
Tel.: +351 212 697 698  
Fax: +351 212 697 949

pharol.pt

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QUARTERLY REPORT

**Consolidated Information and Earnings Release (Unaudited)**

This report contains the operating and financial performance of Oi S.A. and its direct and indirect subsidiaries for the third quarter of 2015.

**Oi S.A. | [www.oi.com.br/ri](http://www.oi.com.br/ri)**

*3Q15 RESULTS IN LINE TO DELIVER 2015 GUIDANCE*

- Despite the challenging macroeconomic scenario, Oi has delivered consistent results for another quarter, in line to reach its 2015 guidance of routine EBITDA of R\$ 7.0 to 7.4 billion and operational cash flow (OCF) improvement of R\$ 1.2 to 1.8 billion, both for the Brazilian operations.
- Routine EBITDA of Brazilian operations reached R\$ 1,740 million in the quarter, +10.6% y.o.y., as a result of the continued focus on cost efficiency and profitability of the existing customer base.
- Despite the 9.5% increase in inflation for the last 12 months (versus 8.9% in 2Q15), Oi presented operating costs and expenses in Brazil of R\$ 4,775 million in the quarter, a decrease of 7.5% y.o.y., which represents a real gain of approximately 16%. The routine EBITDA margin of Brazilian operations was 26.7% in 3Q15, an increase of 3.4 p.p. y.o.y.
- In 3Q15, OCF (routine EBITDA minus Capex) of the Brazilian operations was R\$ 790 million, +455% y.o.y., due to the increase of the routine EBITDA and the focus in a more efficient capital allocation. Capex of Brazilian operations was R\$ 950 million (-33.6% y.o.y.), of which 85.6% was directed to the network. The Company has prioritized infrastructure projects and has been able to deliver them very efficiently due to initiatives such as contract renegotiations, network optimization projects and sharing of infrastructure. As a result of these initiatives, Oi has been verifying improvement in customer experience. In the fixed network, for instance, the average speed in broadband increased by 25% in the last twelve months and today 53% of additions are with speeds equal or higher than 10 Mbps. During this same period, IP traffic grew 43% and ADSL congestion rate fell by 17%. In the mobile network, the continuous migration of 2G customers to 3G has driven data traffic growth while Anatel's metrics of data connection and data drop rate continued to improve.
- In Brazil, net customer revenues, which excludes handset sales and revenues from network usage, reached R\$ 6,066 million in the quarter, +0.9% y.o.y., despite the unfavorable macroeconomic scenario.

- Total net revenues in Brazil reached R\$ 6,515 million in the quarter (-3.3% y.o.y.), basically due to the impact of the MTR cut and the outsourcing of the handset operations.
- In the Personal Mobility segment, net customer revenues, which excludes sales of handsets and MTR revenues, reached R\$ 1,780 million, an increase of 8.1% y.o.y. and 1.3% q.o.q., recording the best market performance in both comparisons. Net service revenues, which excludes only handset revenues, totaled R\$ 1,997 million, an increase of 0.9% y.o.y. (2<sup>nd</sup> largest growth of the market) and 2.4% q.o.q. (the highest growth of the market). For both customer and service revenues, Oi was the only operator to consistently maintain a positive trend in the year-on-year growth over the past five quarters.
- The Personal Mobility performance was driven by the increase of 52.8% in data revenues (including VAS), presenting the best performance of the market. The mix of data on service revenues reached 38.3%, an increase of 13 p.p. in the last twelve months, also the best evolution of the market.
- In the Residential segment, ARPU continued to show improvement in all products, reaching R\$ 79.5 in the quarter (+ 8.3% y.o.y.), as a result of the Company's focus on the profitability of its customer base. Net revenues of the segment reached R\$ 2,437 million (-0.6% y.o.y.), reinforcing the positive trend observed in recent quarters, due to the increase in ARPU combined with the growth of gross adds and stable churn rates, reflecting the quality of sales and the return to a more intensive commercial approach.

- In 3Q15, net revenues in the Corporate / SMEs segment decreased by 3.5% y.o.y., mainly affected by the macroeconomic environment in Brazil.
- Cash generated by the Brazilian operations reached R\$ 686 million in the quarter, after several quarters of cash consumption. This result reflects the Company's efforts in the pursuit of operational efficiency.
- Net debt increased to R\$ 37,241 million (+7.5% q.o.q.), mainly impacted by financial results and by the temporary accounting effect of R\$ 1.5 billion related to the mark-to-market of derivatives in the period. In October, approximately R\$ 1 billion of this accounting effect has been reverted.
- As part of the transformation plan, in early November Oi launched *Oi Livre*, which revolutionizes the telecommunications model in the country by eliminating the community effect and expanding significantly data offer to be freely used. With *Oi Livre*, the customer has more data without restrictions of usage and more minutes to call any operator anywhere in the country. Oi therefore makes a strategic move, given the reduction in interconnection tariffs in the country, and follows a global trend adopting a model widely used in markets such as the United States and Europe.

**Summary**

<b>in R\$ million or otherwise stated</b>	<b>3Q15</b>	<b>3Q14</b>	<b>2Q15</b>	<b>YoY</b>	<b>QoQ</b>	<b>9M15</b>	<b>9M14</b>	<b>YoY</b>
<b>Oi S.A. Pro-forma (1)</b>								
Total Net Revenues	6,827	6,968	6,784	-2.0%	0.6%	20,651	21,223	-2.7%
EBITDA	2,178	2,260	1,899	-3.6%	14.7%	6,088	7,166	-15.0%
EBITDA Margin (%)	31.9%	32.4%	28.0%	-0.5 p.p.	3.9 p.p.	29.5%	33.8%	-4.3 p.p.
Routine EBITDA	1,852	1,698	1,947	9.1%	-4.9%	5,810	5,279	10.1%
Routine EBITDA Margin (%)	27.1%	24.4%	28.7%	2.8 p.p.	-1.6 p.p.	28.1%	24.9%	3.3 p.p.
Consolidated Net Earnings (Loss) (2)	-1,021	5	671	n.m.	n.m.	-797	15	n.m.
Net Debt	37,241	47,799	34,644	-22.1%	7.5%	37,241	47,799	-22.1%
Available Cash	16,415	3,805	16,636	331.4%	-1.3%	16,415	3,805	331.4%
CAPEX	984	1,470	1,069	-33.0%	-7.9%	3,078	4,170	-26.2%
<b>BRAZIL</b>								
Revenue Generating Unit - ( 000)	71,838	75,035	72,975	-4.3%	-1.6%	71,838	75,035	-4.3%
Residential	16,524	17,401	16,791	-5.0%	-1.6%	16,524	17,401	-5.0%
Personal Mobility	47,059	48,976	47,756	-3.9%	-1.5%	47,059	48,976	-3.9%
Corporate / SMEs	7,602	8,004	7,778	-5.0%	-2.3%	7,602	8,004	-5.0%
Public Telephones	651	653	651	-0.3%	0.0%	651	653	-0.3%
Total Net Revenues	6,515	6,738	6,555	-3.3%	-0.6%	19,911	20,549	-3.1%
Net Service Revenues(3)	6,463	6,526	6,486	-1.0%	-0.4%	19,588	19,991	-2.0%
Residential	2,437	2,451	2,460	-0.6%	-0.9%	7,387	7,522	-1.8%
Personal Mobility	1,997	1,978	1,950	0.9%	2.4%	6,006	6,053	-0.8%
Customer (4)	1,780	1,646	1,757	8.1%	1.3%	5,336	4,998	6.8%
Corporate / SMEs	1,967	2,030	2,001	-3.1%	-1.7%	5,986	6,193	-3.3%
Net Customer Revenues(4)	6,066	6,009	6,131	0.9%	-1.1%	18,400	18,366	0.2%
Routine EBITDA	1,740	1,573	1,816	10.6%	-4.2%	5,485	4,923	11.4%
Routine EBITDA Margin (%)	26.7%	23.3%	27.7%	3.4 p.p.	-1.0 p.p.	27.5%	24.0%	3.6 p.p.
CAPEX	950	1,431	1,041	-33.6%	-8.7%	2,976	4,018	-25.9%
Routine EBITDA - CAPEX	790	142	775	455.1%	1.9%	2,509	904	177.5%

(1) Pro-forma figures, except net earnings, net debt and available cash.

(2) Consolidated net earnings include the discontinuation of the operations of PT Portugal SGPS, S.A. ( PT Portugal ). Net Earnings from discontinued operations include the positive effect related to the exchange variation on PT Portugal 's book value, which was recorded under shareholders ' equity in 4Q14. With the completion of PT Portugal 's sale in 2Q15, this amount was reclassified to net results from discontinued operations, together with expenses associated with the sale.

(3) Excludes handset revenues.

(4) Excludes handset and network usage revenues.

## Net Revenues:

Table 1 - Breakdown of Net Revenues

R\$ million	3Q15	3Q14	Quarter 2Q15	YoY	QoQ	9M15	9 Months 9M14	YoY	Weight %	
									3Q15	3Q14
<b>Total Net Revenues (Pro-forma)</b>	<b>6,827</b>	<b>6,968</b>	<b>6,784</b>	<b>-2.0%</b>	<b>0.6%</b>	<b>20,651</b>	<b>21,223</b>	<b>-2.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Brazil</b>	<b>6,515</b>	<b>6,738</b>	<b>6,555</b>	<b>-3.3%</b>	<b>-0.6%</b>	<b>19,911</b>	<b>20,549</b>	<b>-3.1%</b>	<b>95.4%</b>	<b>96.7%</b>
<b>Residential</b>	<b>2,437</b>	<b>2,451</b>	<b>2,460</b>	<b>-0.6%</b>	<b>-0.9%</b>	<b>7,387</b>	<b>7,522</b>	<b>-1.8%</b>	<b>35.7%</b>	<b>35.2%</b>
<b>Personal Mobility</b>	<b>2,048</b>	<b>2,180</b>	<b>2,018</b>	<b>-6.1%</b>	<b>1.5%</b>	<b>6,325</b>	<b>6,578</b>	<b>-3.8%</b>	<b>30.0%</b>	<b>31.3%</b>
Service	1,997	1,978	1,950	0.9%	2.4%	6,006	6,053	-0.8%	29.2%	28.4%
Customer	1,780	1,646	1,757	8.1%	1.3%	5,336	4,998	6.8%	26.1%	23.6%
Network Usage	217	332	193	-34.7%	12.7%	670	1,056	-36.6%	3.2%	4.8%
Sales of handsets, SIMcards and others	52	202	68	-74.4%	-23.8%	319	525	-39.2%	0.8%	2.9%
<b>Corporate / SMEs</b>	<b>1,967</b>	<b>2,039</b>	<b>2,001</b>	<b>-3.5%</b>	<b>-1.7%</b>	<b>5,989</b>	<b>6,227</b>	<b>-3.8%</b>	<b>28.8%</b>	<b>29.3%</b>
<b>Other services</b>	<b>63</b>	<b>67</b>	<b>76</b>	<b>-6.4%</b>	<b>-17.5%</b>	<b>209</b>	<b>222</b>	<b>-5.9%</b>	<b>0.9%</b>	<b>1.0%</b>
<b>Others</b>	<b>312</b>	<b>231</b>	<b>229</b>	<b>35.1%</b>	<b>36.3%</b>	<b>740</b>	<b>674</b>	<b>9.7%</b>	<b>4.6%</b>	<b>3.3%</b>
<b>Brazil</b>										
<b>Net Service Revenues</b>	<b>6,463</b>	<b>6,526</b>	<b>6,486</b>	<b>-1.0%</b>	<b>-0.4%</b>	<b>19,588</b>	<b>19,991</b>	<b>-2.0%</b>	<b>94.7%</b>	<b>93.6%</b>
<b>Net Customer Revenues</b>	<b>6,066</b>	<b>6,009</b>	<b>6,131</b>	<b>0.9%</b>	<b>-1.1%</b>	<b>18,400</b>	<b>18,366</b>	<b>0.2%</b>	<b>88.8%</b>	<b>86.2%</b>

Consolidated net revenues, including the international operations, totaled R\$ 6,827 million in 3Q15, -2.0% y.o.y. and +0.6% q.o.q. Net revenues from the Brazilian operations came to R\$ 6,515 million, with an annual decrease of 3.3%, which will be discussed further on, while revenues from other international operations (Africa and East Timor) increased by 35.1% in the same period, mainly due to currency exchange effects.

**BRAZIL**

In 3Q15, total net revenues from the Brazilian operations ( Brazil ) came to R\$ 6,515 million, 3.3% lower than in 3Q14 and 0.6% down from 2Q15. The annual decline was mainly due to the reduction in handset revenues, as a result of the outsourcing of handset operations, and to lower revenues from network usage, following the 33.3% cut in the regulated interconnection tariffs of mobile services (MTR) in February 2015. These effects were partially offset by higher broadband (+7.5%) and pay-TV (+42.7%) revenues in the Residential segment, as well as higher

data revenues (+52.8%) in the Personal Mobility segment.

Total net service revenues, which excludes handset sales, reached R\$ 6,463 million (-1.0% y.o.y.). Total net customer revenues, which excludes network usage and handset sales, grew by 0.9% y.o.y., reaching R\$ 6,066 million in 3Q15.

Additionally, the Company's revenues, especially in the SMEs (B2B) and prepaid (Personal Mobility) segments, were also naturally affected by the unfavourable macroeconomic scenario.

	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Residential</b>								
Net Revenues (R\$ million)	2,437	2,451	2,460	-0.6%	-0.9%	7,387	7,522	-1.8%
Revenue Generating Units (RGU) - ( 000)	16,524	17,401	16,791	-5.0%	-1.6%	16,524	17,401	-5.0%
Fixed Line in Service	10,217	11,128	10,440	-8.2%	-2.1%	10,217	11,128	-8.2%
Fixed Broadband	5,136	5,241	5,167	-2.0%	-0.6%	5,136	5,241	-2.0%
Pay TV	1,171	1,032	1,184	13.4%	-1.1%	1,171	1,032	13.4%
ARPU Residential (R\$)	79.5	73.4	78.5	8.3%	1.2%	78.5	73.7	6.6%

Net revenues from the Residential segment reached R\$ 2,437 million in 3Q15, 0.6% lower than in 3Q14, presenting significant slowdown of annual decline compared to previous quarters (-2.4% in 2Q15 and -4.4% in 3Q14). The increase in broadband and Pay TV revenues, together with the ARPU increase in three residential products, additionally to the improvement of the net add performance associated to stable churn rates, has been offsetting a growing share of fixed voice revenues decline, which occurs due to the reduction in fixed-to-mobile tariffs (VC) and due to the lower wireline base. This performance was due to improved sales quality, a better client mix and high-end offerings, combined with bundle strategy, upgrade of broadband speed and pay TV upselling, which underline the success of the profitability strategy as a part of the operational turnaround plan. Net revenues from the residential segment fell by 0.9% from 2Q15, chiefly due to the lower wireline and broadband customer base.

In 3Q15, RGUs totaled 16,524 thousand, 5.0% down y.o.y., mainly due to the 8.2% decline in fixed lines. In the sequential comparison, RGUs fell by 1.6%. Despite the reduction, net disconnections decelerate on all products from the Residential segment in this quarter.

#### *Residential ARPU*

Residential ARPU continued to grow in the quarter, reaching R\$ 79.5, 8.3% up y.o.y. and 1.2% higher than in 2Q15. The consistent ARPU improvement reflects the Company's focus on selling bundled and high-end offerings, together with cross-selling and upselling initiatives, which increase the profitability of the existing customer base and add more value to new clients. The success of the bundled strategy is also underlined by the increasing percentage of customers with more than one Oi product (63.0% in 3Q15, +2.1 p.p. y.o.y.), resulting in customer loyalty and a control over churn rates.

#### *Wireline*

The Company ended 3Q15 with 10,217 thousand wireline customers in the Residential segment (-8.2% y.o.y. and -2.1% q.o.q.) and 223 thousand net disconnections, the lowest level in 2015. Despite the decline in RGUs, the Company has been increasing the profitability of its customer base. Wireline ARPU moved up by 2.4% y.o.y. and 1.6% over the previous quarter. In addition, in this service, the share of low-end offerings in gross adds has been falling substantially this year, declining by 49.6 p.p. between 3Q14 and 3Q15.

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Oi remains focused on bundled services, offering packages that combine several products offered by the Company. Bundled offerings build customer loyalty, resulting in churn rates lower than those of standalone products. In 3Q15, *Oi Conta Total* (OCT) corresponded to 10.9% of the Residential wireline base (+0.9 p.p. y.o.y.), with a churn rate 9.7% lower than the standalone wireline churn rate. The share of low-end offerings in OCT gross adds fell by 19.3 p.p. y.o.y. *Oi Voz Total* (OVT), on the other hand, corresponded to 14.8% of the

Residential wireline base in 3Q15 (-1.2 p.p. y.o.y.), with a churn rate 19.9% lower than the standalone wireline offering. The average penetration of SIM cards per OVT customer remained flat at 1.6 in the quarter, which represents a 8.4% growth compared to 3Q14.

At the end of 3Q15, began the expansion of sales process of *Oi Total*, the new bundle packages, including exclusive offers with fixed line, broadband, TV and mobile. Three states were fully covered with the new bundle and the results showed growth in gross additions of fixed line, broadband and TV when compared to those localities without this bundle offer. In this context, it is expected the expansion of *Oi Total* for more than half of *Oi*'s residential operation area by the end of 2015. There are 4 combinations of offerings for different customer profiles, while focusing on simplifying the portfolio and with broadband speeds that can reach up to 35 Mbps through VDSL.

### ***Broadband***

*Oi* ended 3Q15 with 5,136 thousand fixed broadband RGUs in the Residential segment, 2.0% down y.o.y. and 0.6% lower than in 2Q15. As in the wireline segment, net disconnections fell between 2Q15 and 3Q15 (- 30,000 in 3Q15 versus -47,000 in 2Q15), as a result of the upturn in gross adds. *Oi*'s broadband penetration in households that have *Oi* services continued to increase, reaching 50.3% in the quarter (+3.2 p.p. y.o.y. and +0.8 p.p. q.o.q.).

It is important to highlight the continuous increase in the average broadband speed, which exceeded 5 Mbps this quarter (5.2 Mbps), 24.7% up on 3Q14 and 6.8% higher than in the previous quarter, due to the successful profitability initiatives. The share of RGUs with speeds equal to or greater than 5 Mbps and 10 Mbps improved by 12.4 p.p. y.o.y. to 58.0% and 8.8 p.p. to 29.6%, respectively. The average speed of gross adds was 7.3 Mbps (+52.0% y.o.y. and +1.7% q.o.q.). Currently, around 75.9% of gross adds have speeds equal to or greater than 5 Mbps and 52.8% have speeds equal to or greater than 10 Mbps.

Continued optimization and selectivity of investments with better allocation in areas with increased demand and competitive equilibrium have resulted in the growth of the broadband average speed experienced by the customer, crucial to enable the Company's strategy of increasing the customer base profitability, improve the mix entry of new users and enhance customer loyalty. The success of this strategy is reflected in the 9.2% y.o.y. increase in fixed broadband ARPU. In 3Q15, broadband also presented a significant improvement in the gross adds mix, with a 16.6 p.p. y.o.y. decline in the share of low-end offerings.

### ***Pay TV***

*Oi*'s pay TV base ended the quarter with 1,171 thousand RGUs, 13.4% up on 3Q14, combined with a substantial 12.7% ARPU growth in the same period. In the sequential comparison, RGUs fell by 1.1%, offset by the 1.5% increase in ARPU, due to the Company's focus on increasing the profitability of the existing customer base.

Pay TV also experienced a reversal in the trend of net disconnections, which reached -13,000 in 3Q15 versus -48,000 in the previous quarter. *Oi* TV penetration in households that have *Oi* products reached 11.5% in 3Q15, 2.2 p.p. higher than in 3Q14 and 0.1 p.p. up on 2Q15. In addition, Pay TV presented a substantial reduction in the share of low-end offerings in the gross add mix (-22.6 p.p. y.o.y.).

Oi continues investing to make Oi TV increasingly more attractive, offering full content, with high definition in all the plans, in addition to a large number of channels, including open channels in high definition in all the

offers, pay-per-view services and digital video recording (DVR). The Company has recently launched Oi Play, a TV Everywhere service, which allows customers to watch content from several programmers at any time, live or on demand, in any device (smartphone, tablet or PC) connected to the internet at no additional cost. Constant product innovation combined with its quality and differentiated satellite capacity enables Oi to remain a strong competitor in the market and move forward with its bundled and profitability strategies (cross selling and upselling), resulting in higher revenues per client and increased customer loyalty. In this context, it can be seen churn rates in households with 3 products (3P) 2.2 p.p. lower than in households which with only 1 product (Oi TV).

	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Personal Mobility</b>								
Net Revenues (R\$ million)	2,048	2,180	2,018	-6.1%	1.5%	6,325	6,578	-3.8%
Service	1,997	1,978	1,950	0.9%	2.4%	6,006	6,053	-0.8%
Customer (1)	1,780	1,646	1,757	8.1%	1.3%	5,336	4,998	6.8%
Network Usage	217	332	193	-34.7%	12.7%	670	1,056	-36.6%
Sales of handsets, sim cards and others	52	202	68	-74.4%	-23.8%	319	525	-39.2%
Revenue Generating Units (RGU) - ( 000)	47,059	48,976	47,756	-3.9%	-1.5%	47,059	48,976	-3.9%
Prepaid Plans	40,296	41,990	40,719	-4.0%	-1.0%	40,296	41,990	-4.0%
Postpaid Plans (2)	6,763	6,986	7,037	-3.2%	-3.9%	6,763	6,986	-3.2%

Note: (1) Excludes handset and network usage revenues.

(2) Includes: high-end postpaid plans, *Oi Controle*, bundled mobile services (*Oi Conta Total* and *Oi Internet Total*) and 3G (mini-modem).

Total net revenues from the Personal Mobility segment reached R\$ 2,048 million in 3Q15, 6.1% down y.o.y., due to the MTR cuts and lower revenues from the sale of handsets, SIM cards and others, as a result of the outsourcing of handset operations. In the sequential comparison, net revenues increased by 1.5% due to higher customer and network usage revenues.

Net service revenues totaled R\$ 1,997 million in the period, an increase of 0.9% y.o.y. and 2.4% q.o.q. It is worth to highlight this positive performance, given the negative impact of the cut in the MTR tariffs and the unfavorable macroeconomic environment.

Customer revenues amounted to R\$ 1,780 million, +8.1% y.o.y., as a result of the 52.8% increase in data revenues, which reached R\$ 764 million in the quarter, representing 42.9% of total customer revenues (+12.5 p.p. y.o.y. and +2.5 p.p. q.o.q.) and 38.3% of total service revenues of the segment (+13.0 p.p. y.o.y. and +1.9 p.p. q.o.q.).

Revenues from network usage fell by 34.7% y.o.y., totaling R\$ 217 million in 3Q15, explained by the regulated MTR cuts implemented in February 2015 and the reduction in off-net traffic. In the sequential comparison, revenues from network usage increased by 12.7% mainly due to seasonal effects.

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The migration from voice to data is accelerating and the Company has experienced continuous growth in this line of revenues, driven by increased penetration of smartphones in the customer base, the investment made to leverage its unique infrastructure of transmission and transportation and the launch of innovative plans offering more data traffic to customers, such as *Oi Livre*.

After ten months of deep study of the telecom consumption habits in Brazil, Oi launched in early November,

the *Oi Livre*, a set of innovative offerings with significant increase in data allowances and flat fee for calls to any operator anywhere in Brazil. This initiative revolutionizes mobile service in the country, disrupting from the model in which consumers acquire SIM cards of different operators and use data to avoid paying high rates for off-net calls. It is a strategic move given the scenario of reduction in interconnection tariffs in the country, and follows a global trend, adopting a model widely used in developed markets such as the USA and Europe. In addition, the increase in data allowances meets the growing demand for access to millions of apps available for smartphones.

On February 24, 2015, interconnection tariffs (MTR) declined by 33.3% to R\$ 0.15517, R\$ 0.15897 and R\$ 0.15485 in Regions I, II and III, respectively. Anatel approved additional cuts, as follows: (i) in 2016: R\$ 0.09317, R\$ 0.10309 and R\$ 0.11218; (ii) in 2017: R\$ 0.04928, R\$ 0.05387 and R\$ 0.06816; (iii) in 2018: R\$ 0.02606, R\$ 0.02815 and R\$ 0.04141; and (iv) in 2019: R\$ 0.01379, R\$ 0.01471 and R\$0.02517 in Regions I, II and III, respectively.

Handset sales totaled R\$ 52 million in 3Q15, 74.4% lower than in 3Q14 and 23.8% down from 2Q15, due to the outsourcing of handset logistics and finances in April this year. This reduction in handset revenues has a positive impact on the EBITDA margin and reduces logistics and warehousing costs.

This new distribution model has the following main objectives: (i) accelerate sales and the migration of the customer base to 3G/4G smartphones; (ii) increase logistics efficiency and improve the supply of handsets to the sale channels; (iii) reduce logistics costs and COGS; and (iv) reduce the working capital employed in the handset operation. Oi remains responsible for the strategic management of the handset chain, the relationship with sales channels and the definition of the handset portfolio, while its partner is responsible for the purchase, distribution and sale of handsets.

Smartphone sales accounted for 86% of total sales in the quarter and 3G/4G handset penetration reached 56% of the total base (+19 p.p. y.o.y.). The Company has been encouraging the migration from 2G to 3G technology, which provides customers with better data usage experience. As a result, Oi has improved its perception of service quality and provided higher data traffic per client in its network.

Oi closed 3Q15 with 47,059 thousand RGUs (-3.9% y.o.y. and -1.5% q.o.q.) in the Personal Mobility segment. Net disconnections totaled 1,917 thousand in the last 12 months, of which 1,694 thousand were prepaid and 223 thousand were postpaid, as a result of the strict customer base disconnection policy focused on cost control and business profitability.

The mobile client base (Personal Mobility + Corporate / SMEs) reached 49,484 thousand RGUs in 3Q15, 47,059 thousand of which in the Personal Mobility segment and 2,424 thousand in the Corporate / SMEs segment. The Company recorded 5.3 million gross adds and 769 thousand net disconnections in 3Q15.

### ***Prepaid***

The prepaid customer base reached 40,296 thousand RGUs in 3Q15, 4.0% down y.o.y. due to the continuation of the customer base disconnection policy. In the sequential comparison, there was a 1.0% decline, with 423 thousand net disconnections.

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Despite the economic slowdown, recharges increased by 1.9% over 3Q14, due to measures such as the end of navigation at slower speeds after consumption of the contracted volume in all Internet packages (including daily packages), the repositioning of offerings and the simplification of the recharge portfolio.

VAS revenues in the prepaid segment increased by 39.3% over 3Q14, due to the offering of services focusing on smartphones with high relevance for customers, in addition to the increase in service sales channels.

Prepaid offerings have a strategic value for the Company, as they have low customer acquisition and maintenance costs, no bad debt and a favorable impact on working capital.

### ***Postpaid***

The postpaid segment closed the quarter with 6,763 thousand RGUs (-3.2% y.o.y. and -3.9% q.o.q.) and a 14.4% share of the total base of Personal Mobility.

Given Oi's focus on cost control and customer base profitability, this quarter it started disconnecting the *Oi Controle* plan, which presented a decrease of 5.7% y.o.y. in its customer base. This plan still presents strategic value for the Company, since it combines advantages that are characteristic of prepaid offerings, such as the absence of bad debt and a favorable impact on working capital, with advantages that are characteristic of postpaid offerings, such as a heavier consumption profile. This quarter, *Oi Controle* customers accounted for 40.8% of the total postpaid base.

### ***2G, 3G and 4G LTE Coverage***

Oi's 2G coverage reached 3,400 municipalities in 3Q15 (93% of the country's urban population). 3G coverage was expanded to 247 new municipalities (+25.1% y.o.y.), totaling 1,230 municipalities, or 79% of the Brazilian urban population.

In order to meet the increasing demand for data usage and seize the opportunities in the mobile data segment, the Company has been improving its quality of coverage and 3G network capacity, encouraging further migration from the 2G to the 3G network, where the quality of the customer experience is significantly better. As a result, the Company has been showing continuous improvement in Anatel's quality indicators.

The Company offers 4G LTE access in 45 municipalities, which represent 36% of the urban population.

### ***Mobile ARPU***

Mobile ARPU treats total mobile service revenues (Personal Mobility + Corporate / SMEs) as if they were generated by a separate mobile company, i.e. including revenues from traffic between Oi's mobile and wireline divisions (intercompany), but excluding revenues from mobile long-distance calls that belong to the STFC license (fixed voice concession).

Mobile ARPU reached R\$ 16.7 in the quarter, -3.9% y.o.y. due to the MTR cuts. In sequential basis, ARPU increased by 2.6% due to the Company's efforts to increase profitability in its customer base. Excluding interconnection revenues, mobile ARPU increased by a substantial 14.2% y.o.y.

The focus on portfolio simplification with a reduced number of less profitable plans and recharge offerings, combining voice and data packages across the entire portfolio, resulted in the increase in ARPU of new customers and the reduction in operating costs thanks to the simplification of sales processes.

It is important to highlight another quarter of healthy ARPU performance. This consistent behavior is the result of the efforts introduced in 2014, designed to improve customer loyalty and profitability, turning them into important drivers of the operational turnaround.

**Corporate / SMEs**

	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Corporate / SMEs</b>								
Net Revenues (R\$ million)	1,967	2,039	2,001	-3.5%	-1.7%	5,989	6,227	-3.8%
Revenue Generating Units (RGU) - ( 000)	7,602	8,004	7,778	-5.0%	-2.3%	7,602	8,004	-5.0%
Fixed	4,584	4,909	4,677	-6.6%	-2.0%	4,584	4,909	-6.6%
Broadband	594	622	604	-4.6%	-1.6%	594	622	-4.6%
Mobile	2,424	2,472	2,497	-1.9%	-2.9%	2,424	2,472	-1.9%

Note: SMEs means small and medium enterprises.

Net revenues in the Corporate / SMEs segment amounted to R\$ 1,967 million in 3Q15 (-3.5% y.o.y. and - 1.7% q.o.q.), due to the cuts in MTR and VC tariffs, the reduction in voice traffic and the negative impact of the economic scenario on companies and governments.

Oi closed 3Q15 with 7,602 thousand RGUs in the Corporate / SMEs segment, -5.0% y.o.y. and -2.3% q.o.q. The data circuit plant and the IT solution sales grew in the period, while the advanced voice base remained stable.

**Corporate**

The Company has reduced its dependence on voice services through the more intensive offering of data, IT and value-added services, such as security solutions and cloud, ICT, datacenter, M2M (Machine-to-Machine) and management services. As a result, the share of non-voice services increased by 4.0p.p. over the same period last year, representing 63.2% of the segment's total net revenues. Excluding non-recurring revenues from 2014 (FIFA contract), VAS and IT revenues in the segment moved up by 17.8% y.o.y., while data revenues grew by 2.4% in the period.

**SMEs**

Despite the economic slowdown, structural measures designed to reduce costs and improve processes have led to higher margins. These measures include: (i) an increased share of low-cost channels in the sales mix; (ii) portfolio simplification in order to improve efficiency and quality in the product chain; (iii) revision of the after-sales structure in order to improve the management of delivery, repair and accounts; (iv) revision of the credit policy in order to reduce bad debt; and (v) end of handset subsidies.

## Operating Costs and Expenses

Table 2 - Breakdown of Operating Costs and Expenses

Item - R\$ million	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Operating Expenses (Pro-forma)</b>								
Personnel	691	703	622	-1.7%	11.1%	1,930	2,129	-9.4%
Interconnection	449	632	451	-28.9%	-0.4%	1,406	2,071	-32.1%
Third-Party Services	1,574	1,567	1,619	0.4%	-2.8%	4,746	4,655	2.0%
Network Maintenance Service	529	488	501	8.5%	5.6%	1,490	1,410	5.6%
Handset Costs/Other (COGS)	20	182	47	-89.1%	-57.5%	216	471	-54.2%
Marketing	136	205	98	-33.7%	38.7%	273	516	-47.1%
Rent and Insurance	928	772	823	20.3%	12.8%	2,637	2,360	11.7%
Provision for Contingencies	186	137	269	35.7%	-31.0%	678	494	37.1%
Provision for Bad Debt	184	143	182	28.3%	1.0%	536	529	1.2%
Taxes and Other Expenses (Revenues)	279	442	226	-37.0%	23.5%	930	1,308	-28.9%
<b>Routine OPEX</b>	<b>4,975</b>	<b>5,270</b>	<b>4,837</b>	<b>-5.6%</b>	<b>2.8%</b>	<b>14,841</b>	<b>15,944</b>	<b>-6.9%</b>

In 3Q15, consolidated routine opex, including the international operations, totaled R\$ 4,975 million, 5.6% down from 3Q14 and 2.8% higher than in 2Q15.

Routine opex in the Brazilian operations stood at R\$ 4,775 million in 3Q15, 7.5% down y.o.y. and virtually in line with 2Q15. Considering the 9.5% of inflation in the period, this result in a real decrease of around 16% in opex. The Company's focus on the operational turnaround through initiatives of efficiency gain and cost-reduction has been presenting solid results in 2015, despite the depreciation of the Brazilian real and the increase in energy tariffs and inflation.

**Personnel**

In 3Q15, personnel costs and expenses in Brazil totaled R\$ 656 million, 2.7% less than in 3Q14, reflecting the measures adopted to increase productivity and efficiency, control of overtime and on-call, downsize and a more restrictive hiring policy.

**Interconnection**

Interconnection costs in Brazil closed 3Q15 at R\$ 431 million, 31.3% down from 3Q14 due to the 33.3% MTR cuts in February this year and the decline in off-net traffic.

*Third-party Services*

In 3Q15, costs and expenses related to third-party services in the Brazilian operations fell by 0.7% y.o.y. and 2.8% from 2Q15, totaling R\$ 1,530 million. This performance was mainly due to the sales channel optimization, with increased use of own channels and lower expenses with consulting services.

*Network Maintenance Services*

Network maintenance service costs and expenses in Brazil totaled R\$ 516 million in 3Q15 (+7.2% y.o.y. and +5.3% q.o.q.), mainly due to contractual adjustments with the network service providers. This expense line is associated with service quality, which is a priority for the Company, despite its focus on cost reduction and

efficiency gains.

***Handset Costs/Other (COGS)***

Handset costs in the Brazilian operations fell substantially y.o.y. (-97.1%) and q.o.q. (-86.2%) to R\$ 5 million in the quarter, due to the outsourcing of sales and inventory management of the handset operations in April 2015.

***Marketing***

Marketing expenses totaled R\$ 128 million in 3Q15, a 35.6% y.o.y. decline, chiefly due to campaigns related to the World Cup last year. In the sequential comparison, the 40.5% increase was due to higher advertising expenses.

***Rent and Insurance***

Rent and insurance expenses in the Brazilian operations increased by 19.5% y.o.y. and 12.4% q.o.q., totaling R\$ 912 million in 3Q15. This increase was due to the dollar appreciation and contractual adjustments, especially those of GlobeNet and the SES-6 satellite, in addition to higher costs with the leasing of the mobile towers sold in 2014.

***Provision for Contingencies***

The Company recorded provisions for contingencies in the Brazilian operations totaling R\$ 186 million in 3Q15, +35.7% y.o.y due to the increase in the number of claims in the Special Civil Court (JEC - *Juizado Especial Cível*) and the growth in their average amount.

***Provision for Bad Debt***

The provision for bad debt totaled R\$ 181 million in 3Q15 (+29.5% y.o.y and +1.6% q.o.q.) due to the macroeconomic scenario in Brazil, which has had a direct impact on delinquency rates in all economic sectors. The provision for bad debt represented 2.8% of net revenues from the Brazilian operations in the period (+0.7 p.p. y.o.y.).

## EBITDA

Table 3 - EBITDA and EBITDA margin

	3Q15	3Q14	1Q15	YoY	QoQ	9M15	9M14	YoY
<b>Oi S. A. Pro-forma</b>								
EBITDA (R\$ million)	2,178	2,260	1,899	-3.6%	14.7%	6,088	7,166	-15.0%
Brazil	2,066	2,134	1,768	-3.2%	16.8%	5,763	6,809	-15.4%
Others	112	125	131	-10.8%	-14.3%	325	357	-8.8%
EBITDA Margin (%)	31.9%	32.4%	28.0%	-0.5p.p.	3.9p.p.	29.5%	33.8%	-4.3p.p.
<b>Non-routine Items</b>	<b>-326</b>	<b>-561</b>	<b>48</b>	<b>-42%</b>	<b>n.m.</b>	<b>-278</b>	<b>-1,887</b>	<b>-85.3%</b>
<b>Reported OPEX</b>	<b>4,649</b>	<b>4,709</b>	<b>4,885</b>	<b>-1.3%</b>	<b>-4.8%</b>	<b>14,563</b>	<b>14,057</b>	<b>3.6%</b>
Routine EBITDA (R\$ million)	1,852	1,698	1,947	9.1%	-4.9%	5,810	5,279	10.1%
Brazil	1,740	1,573	1,816	10.6%	-4.2%	5,485	4,923	11.4%
Others	112	125	131	-10.8%	-14.3%	325	357	-8.8%
Routine EBITDA Margin (%)	27.1%	24.4%	28.7%	2.8p.p.	-1.6p.p.	28.1%	24.9%	3.3p.p.
Brazil	26.7%	23.3%	27.7%	3.4p.p.	-1.0p.p.	27.5%	24.0%	3.6p.p.
Others	35.9%	54.3%	57.0%	-18.5p.p.	-21.1p.p.	43.9%	52.9%	-9.0p.p.

In 3Q15, consolidated routine EBITDA totaled R\$ 1,852 million, 9.1% up on 3Q14 and 4.9% down in the sequential comparison.

Routine EBITDA in the Brazilian operations reached R\$ 1,740 million in 3Q15, 10.6% up on 3Q14, thanks to the strategy of cost discipline and operational efficiency combined with the focus on increasing the profitability of Oi s customer base. In the quarter, the routine EBITDA margin in the Brazilian operations stood at 26.7%, versus 23.3% in 3Q14 (+3.4 p.p.). In the sequential comparison, Brazil s routine EBITDA fell by 4.2% chiefly due to the 0.6% reduction in net revenues and the 0.8% increase in costs in the period.

In the quarter, non-routine opex items totaled R\$ 326 million due to the revision of the statistic methodology for the calculation of provisions related to the Expansion Plan (PEX).

Routine EBITDA of international operations (Africa and East Timor) totaled R\$ 112 million in the period (-10.8% y.o.y. and -14.3% q.o.q.). African and Asian business incurred in operational costs (IT, maintenance, etc.), which are related to services rendered by PT Portugal. Previously to the sale of PT Portugal, these costs were eliminated under the consolidation process and, since June 2015, these costs are accounted for opex in international business.

*Capex***Table 4 - Capex**

R\$ million	3Q15	2Q14	3Q14	YoY	QoQ	9M15	9M14	YoY
<b>Capex - Pro-forma</b>								
Brazil	950	1,431	1,041	-33.6%	-8.7%	2,976	4,018	-25.9%
Others	34	39	27	-12.8%	25.2%	102	152	-32.6%
<b>Total</b>	<b>984</b>	<b>1,470</b>	<b>1,069</b>	<b>-33.0%</b>	<b>-7.9%</b>	<b>3,078</b>	<b>4,170</b>	<b>-26.2%</b>

The Company's consolidated investments totaled R\$ 984 million in 3Q15, 33.0% down from 3Q14 and 7.9% lower than 2Q15. In the same period, Capex in Brazil came to R\$ 950 million, 33.6% lower than 3Q14 and 8.7% down from 2Q15.

In line with the Company's focus on investment efficiency and quality of customer experience, and in addition to the contract gains in the negotiations related to the fixed and broadband network, Oi continued to restructure its transport backbone with the implementation of the 100G OTN and Single Edge projects.

Recently, the Company concluded negotiations based on the Single-RAN strategy, which will allow that, by the end of the contract, approximately 75% of the mobile network sites remain with one single supplier.

These initiatives demonstrate Oi's success in controlling its resources coupled with improvement and increase of capacity of its transmission network, allowing higher speeds and increased volume of data traffic. The evolution in Oi's services quality is demonstrated by the better performance in Anatel's quality metrics in mobility and the reduction in the fixed broadband network congestion.

In Brazil, Oi allocated 85.6% of the total Capex (R\$ 814 million) to investments in the network in 3Q15.

*Operational Cash Flow (EBITDA - Capex)***Table 5 - Operational Cash Flow**

R\$ million	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Oi S. A. - Pro-forma</b>								
Routine EBITDA	1,852	1,698	1,947	9.1%	-4.9%	5,810	5,279	10.1%
Capex	984	1,470	1,069	-33.0%	-7.9%	3,078	4,170	-26.2%
<b>Routine Operational Cash Flow (EBITDA - Capex)</b>	<b>868</b>	<b>229</b>	<b>878</b>	<b>279.5%</b>	<b>-1.2%</b>	<b>2,732</b>	<b>1,109</b>	<b>146.3%</b>

**Table 6 - Operational Cash Flow of Brazilian Operations**

R\$ million	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Oi S. A.</b>								
Routine EBITDA	1,740	1,573	1,816	10.6%	-4.2%	5,485	4,923	11.4%
Capex	950	1,431	1,041	-33.6%	-8.7%	2,976	4,018	-25.9%
<b>Routine Operational Cash Flow (EBITDA - Capex)</b>	<b>790</b>	<b>142</b>	<b>775</b>	<b>455.1%</b>	<b>1.9%</b>	<b>2,509</b>	<b>904</b>	<b>177.5%</b>

Consolidated routine operational cash flow (Routine EBITDA minus Capex) was R\$ 868 million in 3Q15, substantially higher than in 3Q14, when it came to R\$ 229 million, and 1.2% lower than in 2Q15.

In 3Q15, routine EBITDA minus Capex of the Brazilian operations totaled R\$ 790 million, a massive 455.1%

y.o.y. increase due to the solid 10.6% growth in routine EBITDA and the efficient investment allocation, as previously explained. In the sequential comparison, there was a 1.9% improvement.

*Depreciation / Amortization*

In 3Q15, the Company reported depreciation and amortization expenses of R\$ 1,287 million, 11.8% up y.o.y. and 1.1% higher than in 2Q15.

**Table 7 - Depreciation and Amortization**

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R\$ million	3Q15	3Q14	2Q15	YoY	QoQ	9M15	9M14	YoY
<b>Depreciation and Amortization</b>								
<b>Pro-forma</b>								
<b>Total</b>	<b>1,287</b>	<b>1,151</b>	<b>1,272</b>	<b>11.8%</b>	<b>1.1%</b>	<b>3,778</b>	<b>3,408</b>	<b>10.8%</b>

## Financial Results

Table 8 - Financial Results (Oi S.A. Consolidated)

R\$ Million	3Q15	3Q14	2Q15	9M15	9M14
<b>Oi S. A. Consolidated</b>					
Net Interest (on fin. investments and loans and financing)	-1,238	-617	-876	-2,967	-1,860
Net FX result (on fin. investments and loans and financing)	-500	-237	-399	-1,043	-729
Other Financial Income / Expenses	-236	-141	66	-441	-638
<b>Net Financial Income (Expenses)</b>	<b>-1,973</b>	<b>-995</b>	<b>-1,210</b>	<b>-4,452</b>	<b>-3,227</b>

Oi S.A. posted net financial expenses of R\$ 1,973 million in 3Q15, an increase of R\$ 763 million or 63.1% in sequential terms and 98.3% over the same quarter last year. Net interest increased by R\$ 361 million, while the net foreign exchange result moved up by R\$ 101 million and other financial income/expenses climbed by R\$ 302 million in sequential terms.

It is worth noting that the 3Q15 figures reflected a complete quarter of financial re0; min-width:3.75pt; text-align:right; ">

Net Income	\$18.6	\$25.5	\$29.8	\$33.6	\$36.8	\$40.4	Taxes(2)	9.2	13.7	16.0	18.1	19.8	21.7
Interest Expense/(Income)	0.8	(0.1)	(0.2)	(0.3)	(0.3)	(0.4)							
Public Company Costs(3)	4.0	Trolley(4)	(0.0)		Severance(5)	0.0		Legal/Settlements(6)	0.3				
Properties Held for Sale(7)	0.2												
Other Non-Operating Items(8)	(0.0)												
Adjusted EBIT	\$33.1	\$39.1	\$45.6	\$51.4	\$56.3	\$61.7							
Depreciation & Amortization from Intangibles	2.9	3.0	3.2	3.3	3.4	3.5							
Adjusted EBITDA	\$35.9	\$42.1	\$48.8	\$54.7	\$59.7	\$65.2							
Capital Expenditures													

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6.5	4.0	4.0	4.0	4.0	4.0	
Operating Cash Flow						
\$29.4	\$38.1	\$44.8	\$50.7	\$55.7	\$61.2	Other Information
Net Cash Used in Investing Activities(9)						
(3.6)	(4.0)	(4.0)	(4.0)	(4.0)	(4.0)	
Net Cash Used in Financing Activities(10)						
(14.9)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	

(1)  
2017E includes other non-cash operating activities such as amortization of debt issuance cost, deferred income taxes, stock-based compensation, loss (gain) on sale of property, plant, and equipment.

(2)  
2017E effective tax rate of 33.1%. 2018P – 2022P estimated tax rate assumed to be 35.0%.

(3)  
Costs associated with being a public company including stock-based compensation, accounting and legal fees, director expenses, exchange fees and investor relation expenses, etc.

(4)  
Pro forma adjustment to remove the impact of trolley business divested.

(5)  
Severance associated with terminated individuals where management made new hires; also includes search/placement fees for making new hires.

(6)  
Legal expense predominantly associated with litigation as a result of trolley business divestiture; management considers the expense to be one-time in nature.

(7)  
Items related to properties held for sale in Indiana, North Carolina and Rhode Island.

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(8)  
Other miscellaneous non-operating items.

(9)  
2017E includes proceeds from sale of property, plant, and equipment, capital expenditures and purchase of investments. 2018P – 2022P include capital expenditures.

(10)  
2017E includes repayment of long-term debt, quarterly dividend payments, one-time special dividend payment in early 2017 and other immaterial financing related activities. 2018P-2022P include quarterly dividend payments.

(e)  
Opinion of Financial Advisor

The Supreme Board retained Robert W. Baird & Co. Incorporated (“Baird”) in connection with the Merger and to render an opinion as to the fairness, from a financial point of view, to the holders of the Shares (other than the Company or any wholly-owned subsidiary of the Company and Parent, Purchaser or any other wholly-owned subsidiary of Parent and holders of Shares who have demanded appraisal rights in accordance with Section 262 of the DGCL (the “Dissenting Shares”)) of the \$21.00 per Share cash consideration to be received in the Merger by such stockholders.

On August 8, 2017, Baird delivered its oral opinion, which opinion was subsequently confirmed in a written opinion dated as of the same date, as to whether, as of the date of such opinion and based upon and subject to the assumptions, procedures, matters and limitations set forth therein, the \$21.00 per share in cash to be received by the holders of the Shares (other than the Company or any wholly-owned subsidiary of the Company and Parent, Purchaser or any other wholly-owned subsidiary of Parent and holders of Dissenting Shares) was fair, from a financial point of view, to such stockholders.

As a matter of policy, Baird's opinion was approved by a fairness committee, a majority of the members of which were not involved in providing financial advisory services on its behalf to the Company in connection with the Merger.

The full text of Baird's written opinion, dated August 8, 2017 which sets forth the assumptions made, general procedures followed, matters considered and limitations on the scope of review undertaken by Baird in rendering its opinion, is attached as Annex I to this Schedule 14D-9 and is incorporated herein by reference. Baird's opinion is directed only to the fairness, as of the date of the opinion and from a financial point of view, to the holders of the Shares (other than the Company or any wholly-owned subsidiary of the Company and Parent, Purchaser or any other wholly-owned subsidiary of Parent and holders of Dissenting Shares) of the \$21.00 per Share in cash to be received by such stockholders and does not constitute a recommendation to any stockholder as to how such stockholder should vote with respect to the Merger. Baird expresses no opinion about the fairness of the amount or nature of the compensation to any of the Company's officers, directors or employees, or class of such persons, relative to the Merger Consideration (which is the same amount as the Offer Price) to be received by the Company's stockholders. The summary of Baird's opinion set forth below is qualified in its entirety by reference to the full text of such opinion. Company stockholders are urged to read the opinion carefully in its entirety.

In conducting its financial analyses and in arriving at its opinion, Baird has reviewed such information and has taken into account such financial and economic factors, investment banking procedures and considerations as Baird has deemed relevant under the circumstances. In that connection, and subject to the various assumptions, qualifications and limitations set forth herein, Baird has, among other things: (i) reviewed certain internal information, primarily financial in nature, including financial forecasts for fiscal years (ending December) 2017 – 2022 concerning the business and operations of the Company (as previously defined, the "Baird Opinion Projections") furnished to Baird, and prepared, by the Company's management for purposes of its analysis; (ii) reviewed financial statements of the Company for the fiscal years ended December 27, 2014, December 26, 2015 and December 31, 2016 and interim financial statements of the Company for the period ended July 1, 2017, which the Company's management has prepared and identified as being the most current financial statements available; (iii) reviewed certain publicly available information, including, but not limited to, the Company's recent filings with the SEC; (iv) reviewed the Company's Ownership Transaction Incentive Plan document and estimated change of control payment calculation provided by management; (v) reviewed certain other internal strategic information; (vi) reviewed the principal financial terms of the Merger Agreement; (vii) compared the financial position and operating results of the Company with those of certain other publicly traded

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companies Baird deemed relevant; (viii) compared the historical market prices, trading activity and market trading multiples of the Shares with those of certain other publicly traded companies Baird deemed relevant; (ix) compared the Merger Consideration with the reported implied enterprise values of certain other transactions Baird deemed relevant; (x) considered the present values of the forecasted cash flows of the Company reflected in the Baird Opinion Projections; and (xi) reviewed the Company's certificate regarding information, financial statements and projections addressed to Robert W. Baird & Co. Incorporated. In addition, at the Company's direction, for purposes of its opinion, Baird applied net upward adjustments to the Company's earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT) for 2014 – 2017, which adjustments the Company has represented, and Baird has assumed, are reasonable and appropriate. Baird has held discussions with members of the Company's senior management concerning the Company's historical and current financial condition and operating results, as well as the future prospects of the Company. As a part of its engagement, Baird was requested by the Company to, and it did, solicit third party indications of interest in acquiring all or any part of the Company. Baird was not involved in assisting Parent in obtaining any financing of the Merger. Baird has also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant for the preparation of its opinion.

In arriving at its opinion, Baird has assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information that was publicly available or provided to it by or on behalf of the Company. Baird has not independently verified any publicly available information or information supplied to it by the Company. Baird has not been engaged to independently verify, has not assumed any responsibility to verify, assumes no liability for, and expresses no opinion on, any such information, and Baird has assumed and relied upon, without independent verification, that the Company is not aware of any information that might be material to its opinion that has not been provided to it. Baird has assumed and relied upon, without independent verification, the following: (i) all material assets and liabilities (contingent or otherwise, known or unknown) of the Company are as set forth in the Company's most recent financial statements provided to it, and there is no information or facts that would make any of the information reviewed by Baird incomplete or misleading; (ii) the financial statements of the Company provided to Baird present fairly the results of operations, cash flows and financial condition of the Company for the periods, and as of the dates, indicated and were prepared in conformity with U.S. generally accepted accounting principles consistently applied; (iii) the Baird Opinion Projections for the Company were reasonably prepared on bases reflecting the best available estimates and good faith judgments of the Company's senior management as to the future performance of the Company, and Baird has relied, without independent verification, upon such Baird Opinion Projections in the preparation of its opinion, although Baird expresses no opinion with respect to the Baird Opinion Projections or any judgments, estimates, assumptions or basis on which they were based, Baird has assumed, without independent verification, that the Baird Opinion Projections will be realized in the amounts and on the time schedule contemplated; (iv) the net upward adjustments applied to the Company's EBITDA and EBIT for 2014 – 2017 are represented by the Company's senior management to be reasonable and appropriate, and Baird has relied, but without independent verification, on such adjustments to EBITDA and EBIT for purposes of its opinion; (v) in all respects material to its analysis, the Merger will be consummated in accordance with the terms and conditions of the Merger Agreement without any amendment or modification thereto and without waiver by any party of any of the conditions to their respective obligations thereunder; (vi) in all respects material to Baird's analysis, the representations and warranties contained in the Merger Agreement are true and correct and each party will perform all of the covenants and agreements required to be performed by it under the Agreement; (vii) all corporate, governmental, regulatory or other consents and approvals (contractual or otherwise) required to consummate the Merger have been, or will be, obtained without the need for any divestitures or other material changes to the Merger Consideration or other material financial terms or conditions of the Merger or that would otherwise materially affect the Company or Baird's analysis. Baird has relied, without independent verification, as to all legal, regulatory, accounting, insurance and tax matters regarding the Merger on the advice of the Company and its professional advisors, and Baird has assumed that all such advice was correct. In

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conducting its review, Baird has not undertaken or obtained an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise, known or unknown) or solvency of the Company. In each case above, Baird has made the assumptions and taken the actions or inactions described above with the Company's knowledge and consent. Baird's opinion necessarily is based upon economic, monetary and market conditions as they existed and could be evaluated on the date of its opinion and its opinion does not predict or take into account any changes which may occur, or information which may become available, after the date thereof. Baird is under no obligation to update, revise, reaffirm or withdraw this opinion, or otherwise comment on or consider events occurring after the date hereof. Furthermore, Baird expresses no opinion as to the price or trading range at which any of the Company's securities (including the Shares) will trade following the date hereof or as to the effect of the Merger on such price or trading range. Such price and trading range may be affected by a number of factors, including but not limited to: (i) dispositions of the Shares by stockholders within a short period of time after, or other market effects resulting from, the announcement and/or effective date of the Merger; (ii) changes in prevailing interest rates and other factors which generally influence the price of securities; (iii) adverse changes in the current capital markets; (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of the Company or in the Company's industries; (v) any necessary actions by, or restrictions of, federal, state or other governmental agencies or regulatory authorities; and (vi) timely completion of the Merger on terms and conditions that are acceptable to all parties at interest.

This opinion does not address the relative merits or risks of: (i) the Merger, the Merger Agreement or any other agreements or other matters provided for, or contemplated by, the Merger Agreement; (ii) any other transactions that may be, or might have been, available as an alternative to the Merger; or (iii) the Merger compared to any other potential alternative transactions or business strategies considered by the Supreme Board and, accordingly, Baird has relied upon its discussions with the senior management of the Company with respect to the availability and consequences of any alternatives to the Merger. This opinion does not constitute a recommendation to the Board, any security holder or any other person as to how any such person should vote or act with respect to the Merger or whether any stockholder of the Company should tender Shares in any tender offer or make any election with respect to the Merger.

The following is a summary of the material financial analyses performed by Baird in connection with rendering its opinion, which is qualified in its entirety by reference to the full text of such opinion attached as Annex I and to the other disclosures contained in this section. The following summary, however, does not purport to be a complete description of the financial analyses performed by Baird. The order of analyses described does not represent relative importance or weight given to the analyses performed by Baird. Some of the summaries of the financial analyses include information presented in a tabular format. These tables must be read together with the full text of each summary and alone are not a complete description of Baird's financial analyses. Except as otherwise noted, the following quantitative information is based on market and financial data as it existed on or before August 8, 2017 and is not necessarily indicative of current market conditions.

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## Implied Valuation and Transaction Multiples

Based on the cash consideration of \$21.00 per Share of the Shares (the “Merger Consideration”), Baird calculated the implied “equity purchase price” (defined as the Merger Consideration multiplied by the total number of diluted common shares outstanding of the Company, including accelerated vesting of all unvested restricted stock) to be \$364.4 million. In addition, Baird calculated the implied “total purchase price” (defined as the equity purchase price plus the book value of the Company’s total debt, Company’s Ownership Transaction Incentive Plan (“OTIP”) payments and other assumed change of control and discretionary bonus related payments, less cash, cash equivalents, marketable securities and estimated transaction fees and expenses as estimated by Company management as of August 7, 2017) to be \$377.6 million. Baird then calculated the multiples of the total purchase price to the Company’s 2016, latest twelve months (“LTM”) ended July 1, 2017 and projected 2017 net sales; Adjusted EBITDA; and Adjusted EBIT, as provided by the senior management of the Company. These transaction multiples are summarized in the table below.

	Calendar Year 2016	LTM July 1, 2017	Calendar Year 2017P
Net Sales	1.3x	1.3x	1.2x
Adj EBITDA	11.6	14.7	11.3
Adj EBIT	12.8	16.5	12.4

## Selected Publicly Traded Company Analysis

Baird reviewed certain publicly available financial information and stock market information for certain publicly traded companies that Baird deemed relevant. The group of selected publicly traded companies reviewed is listed below.

• Alamo Group Inc.	• Oshkosh Corporation
• Federal Signal Corporation	• REV Group, Inc.
• Miller Industries, Inc.	• Spartan Motors, Inc.
• New Flyer Industries Inc.	• Wabash National Corporation

Baird chose these companies based on a review of publicly traded companies that possessed general business, operating and financial characteristics representative of companies in the industry in which the Company operates. Baird noted that none of the companies reviewed is identical to the Company and that, accordingly, the analysis of such companies necessarily involves complex considerations and judgments concerning differences in the business, operating and financial characteristics of each company and other factors that affect the public market values of such companies.

For each company, Baird calculated the “equity market value” (defined as the market price per share of each company’s common stock multiplied by the total number of diluted common shares outstanding of such company, including net shares issuable upon the exercise of stock options and warrants). In addition, Baird calculated the “total market value” (defined as the equity market value plus the book value of each company’s total debt, preferred stock and minority interests, less cash, cash equivalents and marketable securities). Baird calculated the multiples of each company’s total market value to its LTM (based on publicly announced results for the most recent fiscal quarter as follows: Alamo Group Inc., Oshkosh Corporation, Spartan Motors, Inc. and Wabash National Corporation LTM ended June 30, 2017; Federal Signal Corporation and Miller Industries, Inc. LTM ended March 31, 2017; New Flyer Industries Inc. LTM ended April 2, 2017; REV Group, Inc. LTM ended April 29, 2017.) and projected 2017 Adjusted EBITDA and

Adjusted EBIT. Baird then compared the transaction multiples implied in the Merger with the corresponding trading multiples for the selected companies. Stock market and historical financial information for the selected companies was based on publicly available information as of August 2, 2017, and projected financial information was based on publicly available research reports (consensus estimates obtained from Capital IQ) as of such date. A summary of the implied multiples is provided in the table below.

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	Transaction Multiple Implied by the Merger	Selected Company Multiples			
		Low	Mean	Median	High
Adj EBITDA					
LTM	14.7x	6.0x	11.3x	10.4x	17.9x
CY 2017P	11.3	6.7	10.2	10.1	12.7
Adj EBIT					
LTM	16.5x	7.3x	15.9x	13.4x	30.1x
CY 2017P	12.4	8.5	14.0	13.2	20.4

In addition, Baird calculated the implied per share equity values of the Shares based on the trading multiples of the selected public companies and compared such values to the Merger Consideration of \$21.00 per share. The implied per share equity values, based on the multiples that Baird deemed relevant, are summarized in the table on the following page.

	Implied Supreme Industries, Inc. Equity Value Per Share			
	Low	Mean	Median	High
Adj EBITDA				
LTM	\$ 8.15	\$ 15.98	\$ 14.66	\$ 25.79
CY 2017P	12.19	18.88	18.66	23.65
Adj EBIT				
LTM	\$ 8.89	\$ 20.12	\$ 16.89	\$ 38.87
CY 2017P	14.12	23.74	22.40	34.99

Mean Equity Value per Share     \$ 10.84     \$ 19.68     \$ 18.15     \$ 30.82

Baird compared the implied per share equity values in the table above with the Merger Consideration implied in the Merger in concluding that the Merger Consideration was fair to the Company from a financial point of view.

## Selected Acquisition Analysis

Baird reviewed certain publicly available financial information concerning completed acquisition transactions that Baird deemed relevant. The group of selected acquisition transactions is listed below.

Date Announced	Target	Acquiror
05/08/2017	• Truck Bodies & Equipment International, Inc.	• Federal Signal Corporation
10/03/2016	• Grand Design RV	• Winnebago Industries, Inc.
06/16/2016	• Dejana Truck & Utility Equipment Co., Inc.	• Douglas Dynamics, Inc.

07/01/2016	• Jayco, Inc.	• Thor Industries, Inc.
05/27/2016	• Blue Bird Corporation	• American Securities
08/13/2015	• Manac Inc.	• Caisse de dépôt et placement du Québec
11/24/2014	• Henderson Products, Inc.	• Douglas Dynamics, Inc.
02/24/2014	• Business Units of Specialized Industries, LP	• Alamo Group Inc.

Baird chose these acquisition transactions based on a review of completed acquisition transactions involving target companies that possessed general business, operating and financial characteristics representative of companies in the industry in which the Company operates. Baird noted that none of the acquisition transactions or subject target companies reviewed is identical to the Merger or the Company,

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respectively, and that, accordingly, the analysis of such acquisition transactions necessarily involves complex considerations and judgments concerning differences in the business, operating and financial characteristics of each subject target company and each acquisition transaction and other factors that affect the values implied in such acquisition transactions.

For each transaction, using publicly-available information, Baird calculated the implied “total purchase price” (defined as the equity purchase price plus the book value of each target company’s total debt, preferred stock and minority interests, less cash, cash equivalents and marketable securities). Baird calculated the multiples of each target company’s implied total purchase price to its LTM Adjusted EBITDA and Adjusted EBIT. Baird then compared the transaction multiples implied in the Merger with the corresponding acquisition transaction multiples for the selected acquisition transactions. A summary of the implied multiples is provided in the tables below.

	Transaction Multiple Implied by the Merger	Selected Acquisition Multiples			
		Low	Mean	Median	High
LTM Adj EBITDA	14.7x	6.4x	8.4x	7.9x	12.3x
LTM Adj EBIT	16.5	6.9	10.5	9.3	16.7

In addition, Baird calculated the implied per share equity values of the Shares based on the acquisition transaction multiples of the selected acquisition transactions and compared such values to the Merger Consideration of \$21.00 per share. The implied per share equity values, based on the multiples that Baird deemed relevant, are summarized in the table below.

	Implied Supreme Industries, Inc. Equity Value Per Share			
	Low	Mean	Median	High
LTM Adj EBITDA	\$ 8.74	\$ 11.68	\$ 10.98	\$ 17.49
LTM Adj EBIT	8.36	13.01	11.47	21.29

Mean Equity Value per Share	\$ 8.55	\$ 12.35	\$ 11.22	\$ 19.39
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Baird compared the implied per share equity values in the table above with the Merger Consideration implied in the Merger in concluding that the Merger Consideration was fair to the Company from a financial point of view.

**Discounted Cash Flow Analysis**

Baird performed a discounted cash flow analysis utilizing the projected unlevered free cash flows for the Company (defined as after-tax operating income, plus depreciation and amortization, less capital expenditures and increases in net working capital, as provided by the Company’s senior management) from 2018 to 2022. In such analysis, Baird calculated the present values of the unlevered free cash flows from 2018 to 2022 by discounting such amounts at rates ranging from 10.5% to 12.5%, which are Baird’s estimates, based on its professional judgment, of the Company’s weighted average cost of capital based on the selected publicly traded companies and include a small company size premium of 2.5% as estimated by Duff & Phelps. Baird calculated the present values of the free cash flows beyond 2022 by assuming terminal values based on unlevered free cash flow growth rates selected by Baird using its professional judgment ranging from 2.5% to 4.5% and discounting the resulting terminal values at rates ranging from 10.5% to 12.5%. The summation of the present values of the unlevered free cash flows and the present values of the terminal values produced equity values ranging from \$18.13 to \$28.52 per share with a mean of \$22.47 per share and a median of \$22.04 per share, as compared to the Merger Consideration of \$21.00 per share. Baird compared these implied per share equity values with the Merger Consideration implied in the Merger in concluding that the Merger Consideration was fair to the Company from a financial point of view.

The foregoing summary does not purport to be a complete description of the analyses performed by Baird or its presentations to the Supreme Board. The preparation of financial analyses and an opinion as to fairness from a financial point of view is a complex process and is not necessarily susceptible to partial



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analyses or summary description. Baird believes that its analyses (and the summary set forth above) must be considered as a whole and that selecting portions of such analyses and factors considered by Baird, without considering all of such analyses and factors, could create an incomplete view of the processes and judgments underlying the analyses performed and conclusions reached by Baird and its opinion. Baird did not attempt to assign specific weights to particular analyses. Any estimates contained in Baird's analyses are not necessarily indicative of actual values, which may be significantly more or less favorable than as set forth therein. Estimates of values of companies do not purport to be appraisals or necessarily to reflect the prices at which companies may actually be sold. Because such estimates are inherently subject to uncertainty, Baird does not assume responsibility for their accuracy.

Supplemental Price Activity Information

Although not relied upon in its analyses, Baird reviewed certain historical price and trading activity of the Shares and noted that the high and low closing prices for the Shares were \$21.51 and \$11.06, respectively, over the last twelve months as of August 2, 2017, and \$21.51 and \$5.40, respectively, over the last three years as of August 2, 2017. Baird also calculated the premiums that the per share Merger Consideration represented over the closing market price of the Shares for various time periods ranging from 1-day to 1-year prior to August 2, 2017, for informational purposes only. These premiums, along with the selected acquisition premiums of all U.S. target transactions, that Baird identified, with a transaction value of between \$50 and \$500 million (excluding premiums less than 0% and greater than 100%) that included only cash consideration and closed between January 1, 2015 and August 2, 2017 are summarized in the table below.

As of August 2, 2017

	Supreme Industries, Inc. Stock Price	Premium Implied by the Merger	Selected Acquisition Premiums			
			Low	Mean	Median	High
1-Day Prior	\$ 14.28	47.1%	0.7%	37.1%	33.9%	100.0%
7-Days Prior	\$ 14.81	41.8%	0.5%	37.8%	34.2%	98.0%
30-Days Prior	\$ 16.63	26.3%	3.2%	38.9%	32.8%	93.5%
180-Days Prior	\$ 18.35	14.4%	0.7%	43.9%	41.5%	99.3%
360-Days Prior	\$ 15.88	32.2%	0.5%	46.1%	45.6%	100.0%

(f)

Intent to Tender

As of August 22, 2017, our directors and executive officers, as a group, beneficially owned 3,322,986 Shares (including Restricted Shares), representing approximately 19.4% of the then outstanding Shares. Our directors and executive officers as well as certain family members of them and entities controlled by them have executed entered into Tender and Voting Agreements representing approximately 19.9% of the then outstanding Shares and have agreed to tender their Shares in the Offer subject to the right to terminate the Tender and Voting Agreement if the Merger Agreement is terminated in accordance with its terms or the entry, without the prior written consent of the stockholder, into any amendment or modification of the Merger Agreement that results in a decrease in, or a change in the form of, the Offer Price or the Merger Consideration.

Item 5.Person/Assets Retained, Employed, Compensated or Used.

As part of its investment banking business, Baird is engaged in the evaluation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. Pursuant to an engagement letter dated April 18, 2017, Baird will receive a transaction fee of approximately \$5,000,000 for its services, which is contingent upon the consummation of the Merger. Pursuant to such engagement letter, the Company has also agreed to pay Baird a fee of \$500,000 payable upon delivery of its opinion, regardless of the conclusions

reached in such opinion (such fee to be creditable against the transaction fee described above). In addition, the Company has agreed to reimburse Baird for certain of its expenses and to indemnify Baird against certain liabilities that may arise

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out of its engagement. Baird will not receive any other significant payment of compensation contingent upon the successful completion of the Merger.

Over the past two years, Baird has not provided investment banking or financial services to the Company, other than in connection with the Merger. Neither Baird nor its affiliates has received any payments from Parent over the past two years. Although Baird has no current investment banking engagements with Parent, Baird has provided ad hoc investment banking advisory services and analyses to Parent without compensation in furtherance of its efforts to be engaged on future transactions and other related matters. No material relationship between Baird, on the one hand, and the Company, Parent or any other party or affiliate to the Merger, on the other hand, is mutually understood to be contemplated in which any compensation is intended to be received.

In the ordinary course of business, Baird may from time to time provide investment banking, advisory, brokerage and other services to clients that may be competitors or suppliers to, or customers or security holders of, the Company or Parent or any other party that may be involved in the Merger and their respective affiliates or that may otherwise participate or be involved in the same or a similar business or industry as the Company or Parent. In addition, Baird and certain of its employees and affiliates, as well as investment funds in which they may have financial interests or with which they may co-invest, may from time to time hold or trade the securities of the Company and/or Parent (including the Company's and Parent's common stock) for their own account or the accounts of their customers and, accordingly, may at any time hold long or short positions or effect transactions in such securities. Baird may also serve as a market maker in the publicly traded securities of the Company and/or Parent.

Item 6.

Interest in Securities of the Subject Company.

No transactions with respect to the Shares have been effected by us or, to our knowledge after making reasonable inquiry, by any of our executive officers, directors or affiliates during the 60 days prior to the date of this Schedule 14D-9, except for the following grants to outside directors on July 3, 2017:

- the acquisition by Peter Barrett of 608 shares of Class A Common Stock pursuant to a quarterly award made to the outside directors of the Supreme Board;
- the acquisition by Edward Flynn of 608 shares of Class A Common Stock pursuant to a quarterly award made to the outside directors of the Supreme Board;
- the acquisition by Arthur Gajarsa of 608 shares of Class A Common Stock pursuant to a quarterly award made to the outside directors of the Supreme Board;
- the acquisition by Thomas Hogan of 608 shares of Class A Common Stock pursuant to an award made by the Supreme Board;
- the acquisition by Michael Klofas of 608 shares of Class A Common Stock pursuant to a quarterly award made to the outside directors of the Supreme Board;
- the acquisition by Mark Neilson of 608 shares of Class A Common Stock pursuant to a quarterly award made to the outside directors of the Supreme Board; and
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the acquisition by Wayne Whitener of 608 shares of Class A Common Stock pursuant to a quarterly award made to the outside directors of the Supreme Board.

Item 7.

Purposes of the Transaction and Plans or Proposals.

(i) Except as set forth in this Schedule 14D-9 (including in the exhibits and annexes hereto) or as incorporated in this Schedule 14D-9 by reference, no negotiations are being undertaken or are underway by us in response to the Offer which relate to a tender offer or other acquisition of our securities by Supreme, any subsidiary of Supreme or any other person.

(ii) Except as set forth in this Schedule 14D-9 (including in the exhibits and annexes hereto) or as incorporated in this Schedule 14D-9 by reference, no negotiations are being undertaken or are underway by us in response to the Offer which relate to, or would result in (i) any extraordinary transaction, such as a

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merger, reorganization or liquidation, involving Supreme or any subsidiary of Supreme, (ii) any purchase, sale or transfer of a material amount of assets of Supreme or any subsidiary of Supreme, or (iii) any material change in the present dividend rate or policy, or indebtedness or capitalization of Supreme.

(iii) We have agreed that from the date of the Merger Agreement to the Effective Time or the date, if any, on which the Merger Agreement is terminated, we will not, among other matters, solicit alternative acquisition offers. In addition, we have agreed to certain procedures that we must follow in the event Supreme receives an unsolicited acquisition proposal. The information set forth in Section 13 — “The Merger Agreement; Other Agreements” of the Offer to Purchase under the heading “Covenants of Supreme — No Solicitation” is incorporated herein by reference.

(iv) Except as set forth in this Schedule 14D-9 (including in the exhibits and annexes hereto) or as incorporated in this Schedule 14D-9 by reference, there are no transactions, resolutions of the Supreme Board, agreements in principle or signed contracts in response to the Offer that relate to or would result in one or more of the matters referred to in this Item 7.

Item 8.

Additional Information.

Golden Parachute Compensation

See “Item 3. Past Contacts, Transactions, Negotiations and Agreements — Arrangements between Supreme and its Executive Officers, Directors and Affiliates — Golden Parachute Compensation.”

Conditions of the Offer

The information set forth in Section 14 — “Conditions of the Offer” of the Offer to Purchase is incorporated herein by reference.

Stockholder Approval Not Required

On August 8, 2017, the Supreme Board unanimously (i) determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair and advisable to, and in the best interest of, Supreme and its stockholders, (ii) agreed that the Merger shall be effected under Section 251(h) of the DGCL, (iii) approved the execution, delivery and performance by Supreme of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Offer and the Merger, and (iv) recommended that Supreme’s stockholders tender their Shares to Purchaser pursuant to the Offer.

If Purchaser acquires, pursuant to the Offer, Shares that represent at least one more Share than 50% of the total number of Shares outstanding at the time of the consummation of the Offer, Purchaser will be able to effect the Merger after consummation of the Offer pursuant to Section 251(h) of the DGCL, without a vote by Supreme’s stockholders.

State Takeover Laws

A number of states (including Delaware, where we are incorporated) have adopted takeover laws and regulations which purport, to varying degrees, to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have substantial assets, stockholders, principal executive offices or principal places of business therein.

In general, Section 203 of the DGCL prevents a Delaware corporation from engaging in a “business combination” (defined to include mergers and certain other actions) with an “interested stockholder” (including a person who owns or has the right to acquire 15% or more of a corporation’s outstanding voting stock) for a period of three years following the time such person became an “interested stockholder” unless, among other things, the “business combination” is approved by the board of directors of such corporation before such person became an “interested stockholder.”

In accordance with the provisions of Section 203 of the DGCL, the Supreme Board has approved the Merger Agreement and the transactions contemplated thereby, as described in Item 4 above and, for purposes of Section 203 of the DGCL.

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Notice of Appraisal Rights

No appraisal rights are available in connection with the Offer. However, if the Offer is successful and the Merger is consummated, stockholders of Supreme who have not properly tendered their Shares in the Offer and have neither voted in favor of the Merger nor consented thereto in writing, and who otherwise comply with the applicable procedures under Section 262 of the DGCL, will be entitled to receive appraisal rights for the “fair value” of their Shares in accordance with Section 262 of the DGCL. Stockholders should be aware that the fair value of their Shares could be more than, the same as or less than the consideration to be received pursuant to the Merger and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the Offer and the Merger, is not an opinion as to, and does not otherwise address, fair value under Section 262 of the DGCL. Any stockholder contemplating the exercise of such appraisal rights should review carefully the provisions of Section 262 of the DGCL, particularly the procedural steps required to perfect such rights.

The following is a summary of the procedures to be followed by stockholders that wish to exercise their appraisal rights under Section 262 of the DGCL, the full text of which is attached to this Schedule 14D-9 as Annex II. This summary does not purport to be a complete statement of, and is qualified in its entirety by reference to, Section 262 of the DGCL and to any amendments to such section adopted or otherwise made effective after the date of this Schedule 14D-9. Failure to follow any of the procedures of Section 262 of the DGCL may result in termination or waiver of appraisal rights under Section 262 of the DGCL. Stockholders should assume that Supreme will take no action to perfect any appraisal rights of any stockholder.

Any stockholder who desires to exercise his, her or its appraisal rights should review carefully Section 262 of the DGCL and is urged to consult his, her or its legal advisor before electing or attempting to exercise such rights. Under Section 262 of the DGCL, where a merger is approved under Section 251(h), either a constituent corporation before the effective date of the merger, or the surviving corporation within ten days thereafter, shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of Section 262. This Schedule 14D-9 constitutes the formal notice of appraisal rights under Section 262 of the DGCL. Any holder of Shares who wishes to exercise such appraisal rights or who wishes to preserve his, her or its right to do so should review the following discussion and Annex II carefully because failure to timely and properly comply with the procedures specified will result in the loss of appraisal rights under the DGCL.

If a stockholder elects to exercise appraisal rights under Section 262 of the DGCL, such stockholder must do all of the following:

- prior to the consummation of the Offer, which is the first date on which Parent irrevocably accepts for purchase the Shares tendered pursuant to the Offer, deliver to Supreme at the address indicated below a written demand for appraisal of Shares held, which demand must reasonably inform Supreme of the identity of the stockholder and that the stockholder is demanding appraisal;
- not tender such stockholder’s Shares in the Offer; and
- continuously hold of record the Shares from the date on which the written demand for appraisal is made through the Effective Time.

Written Demand by the Record Holder

All written demands for appraisal should be addressed to Supreme Industries, Inc., Attention: John Dorbin, 2581 E. Kercher Road, Goshen, IN 46528. The demand for appraisal must be executed by or for the stockholder of record, fully and correctly, as such stockholder’s name appears on the stockholder’s certificates (whether in book entry or on physical certificates) evidencing such stockholder’s Shares. If the Shares are owned of record in a fiduciary capacity, such as by a trustee, guardian or custodian, the demand should be made in that capacity, and if the Shares are owned

of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be made by or for all owners of record. An

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authorized agent, including one or more joint owners, may execute the demand for appraisal for a stockholder of record; however, such agent must identify the record owner or owners and expressly disclose in such demand that the agent is acting as agent for the record owner or owners of such Shares.

A record stockholder, such as a broker who holds Shares as a nominee for beneficial owners, some or all of whom desire to demand appraisal, must exercise rights on behalf of such beneficial owners with respect to the Shares held for such beneficial owners. In such case, the written demand for appraisal must set forth the number of shares covered by such demand. Unless a demand for appraisal specifies a number of Shares, such demand will be presumed to cover all Shares held in the name of such record owner.

Filing a Petition for Appraisal.

Within 120 days after the Effective Time, but not thereafter, Supreme, or any holder of Shares who has complied with Section 262 of the DGCL and is entitled to appraisal rights under Section 262 may commence an appraisal proceeding by filing a petition (a “Petition”) in the Delaware Court of Chancery (the “Delaware Court”) demanding a determination of the fair value of the Shares held by all holders who did not tender in the Offer and demanded appraisal. If no such petition is filed within that 120-day period, appraisal rights will be lost for all holders of Shares who had previously demanded appraisal of their Shares. Supreme is under no obligation to and has no present intention to file a petition and holders should not assume that Supreme will file a petition or that it will initiate any negotiations with respect to the fair value of the Shares. Accordingly, it is the obligation of the holders of Shares to initiate all necessary action to perfect their appraisal rights in respect of the Shares within the period prescribed in Section 262 of the DGCL.

Within 120 days after the Effective Time, any holder of Shares who has complied with the requirements for exercise of appraisal rights will be entitled, upon written request, to receive from Supreme a statement setting forth the aggregate number of Shares not tendered into the Offer and with respect to which demands for appraisal have been received and the aggregate number of holders of such Shares. Such statement must be mailed within 10 days after a written request therefor has been received by the surviving corporation or within 10 days after the expiration of the period for delivery of demands for appraisal, whichever is later. Notwithstanding the foregoing requirement that a demand for appraisal must be made by or on behalf of the record owner of the Shares, a person who is the beneficial owner of Shares held either in a voting trust or by a nominee on behalf of such person, and as to which demand has been properly made and not effectively withdrawn, may, in such person’s own name, file a petition for appraisal or request from Supreme the statement described in this paragraph.

Upon the filing of such petition by any such holder of Shares (a “Dissenting Stockholder”), service of a copy thereof must be made upon Supreme, which will then be obligated within 20 days to file with the Delaware Register in Chancery a duly verified list (the “Verified List”) containing the names and addresses of all stockholders who have demanded payment for their Shares and with whom agreements as to the value of their Shares has not been reached.

Upon the filing of a Petition by a Dissenting Stockholder, the Delaware Court may order a hearing and that notice of the time and place fixed for the hearing on the Petition be mailed to Supreme and all the Dissenting Stockholders.

Notice will also be published at least one week before the day of the hearing in a newspaper of general circulation published in the City of Wilmington, Delaware, or in another publication deemed advisable by the Delaware Court.

The costs relating to these notices will be borne by Supreme.

If a hearing on the Petition is held, the Delaware Court is empowered to determine which Dissenting Stockholders have complied with the provisions of Section 262 of the DGCL and are entitled to an appraisal of their Shares. The Delaware Court may require that Dissenting Stockholders submit their Share certificates for notation thereon of the pendency of the appraisal proceedings. The Delaware Court is empowered to dismiss the proceedings as to any Dissenting Stockholder who does not comply with such requirement. Accordingly, Dissenting Stockholders are cautioned to retain their Share certificates pending resolution of the appraisal proceedings.

The Shares will be appraised by the Delaware Court at the fair value thereof as of the Effective Time exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. Unless the Delaware Court

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in its discretion determines otherwise for good cause shown, interest from the Effective Time through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the Effective Time and the date of payment of the judgment. In determining the value, the court is to take into account all relevant factors.

The Delaware Court may also (i) assess costs of the proceeding among the parties as the Delaware Court deems equitable and (ii) order all or a portion of the expenses incurred by any Dissenting Stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorneys' fees and fees and expenses of experts, to be charged pro rata against the value of all shares entitled to appraisal. Determinations by the Delaware Court are subject to appellate review by the Delaware Supreme Court.

Dissenting Stockholders are generally permitted to participate in the appraisal proceedings. No appraisal proceedings in the Delaware Court shall be dismissed as to any Dissenting Stockholder without the approval of the Delaware Court, and this approval may be conditioned upon terms which the Delaware Court deems just.

Stockholders considering whether to seek appraisal should bear in mind that the fair value of their Shares determined under Section 262 of the DGCL could be more than, the same as, or less than the value of consideration to be issued and paid in the Merger as set forth in the Merger Agreement. Also, Supreme may assert in any appraisal proceeding that, for purposes thereof, the "fair value" of the Shares is less than the value of the consideration to be issued and paid in the Merger as set forth in the Merger Agreement.

The process of dissenting and exercising appraisal rights requires strict compliance with technical prerequisites. Stockholders wishing to dissent should consult with their own legal counsel in connection with compliance with Section 262 of the DGCL.

Any stockholder who has duly demanded and perfected appraisal rights in compliance with Section 262 of the DGCL will not, after the Effective Time, be entitled to vote his, her or its Shares for any purpose or be entitled to the payment of dividends or other distributions thereon, except dividends or other distributions payable to holders of record of Shares as of a date prior to the Effective Time.

If any stockholder who demands appraisal of Shares under Section 262 of the DGCL fails to perfect, successfully withdraws or loses such holder's right to appraisal, such stockholder's Shares will be deemed to have been converted at the Effective Time into the right to receive the Offer Price. A stockholder will fail to perfect, or effectively lose, the stockholder's right to appraisal if no petition for appraisal is filed within 120 days after the Effective Time. In addition, as indicated above, a stockholder may withdraw his, her or its demand for appraisal in accordance with Section 262 of the DGCL and accept the Offer Price.

This summary of appraisal rights under the DGCL is not complete and is qualified in its entirety by reference to Section 262 of the DGCL and the Offer.

**STOCKHOLDERS WHO SELL SHARES IN THE OFFER WILL NOT BE ENTITLED TO EXERCISE APPRAISAL RIGHTS WITH RESPECT THERETO BUT, RATHER, WILL RECEIVE THE OFFER PRICE.**

**Legal Proceedings**

There are currently no legal proceedings relating to the Offer or the Merger.

**Antitrust Compliance**

Under the HSR Act, and the related rules and regulations that have been issued by the Federal Trade Commission (the "FTC"), certain transactions may not be consummated until required information and documentary material has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the applicable waiting period requirements have been satisfied. These requirements apply to Purchaser's acquisition of the Shares in the Offer and the Merger.

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Under the HSR Act, the purchase of Shares in the Offer may not be completed until the expiration of a 15 calendar day waiting period which begins when Parent files a Premerger Notification and Report Form under the HSR Act with the FTC and the Antitrust Division, unless such waiting period is earlier terminated by the FTC and the Antitrust Division. Supreme also must file a Premerger Notification and Report Form, which was filed on August 22, 2017. If the end of the 15 calendar day waiting period is set to fall on a federal holiday or weekend day, the waiting period is automatically extended until 11:59 P.M., New York City time, the next business day. A Premerger Notification and Report Form under the HSR Act was filed on August 22, 2017 by Parent with the FTC and the Antitrust Division in connection with the purchase of Shares in the Offer and the Merger. Accordingly, Parent's filing triggered the required waiting period with respect to the Offer, which will expire at 11:59 P.M., New York City time, on September 6, 2017, unless earlier terminated by the FTC and the Antitrust Division, or Parent receives a request for additional information or documentary material prior to that time. With the written consent of Supreme, Parent may elect to withdraw and re-file the Premerger Notification and Report Form, which would result in the initiation of a new 15 calendar day waiting period. If prior to the expiration or termination of the waiting period either the FTC or the Antitrust Division issues a request for additional information or documentary material from Parent, the waiting period with respect to the Offer would be extended until the 10th calendar day following the date of Parent's substantial compliance with that request. After that time, absent Parent's and Supreme's agreement, the acquisition can be blocked only by court order. The FTC or the Antitrust Division may terminate the applicable waiting period at any time before its expiration. Parent and Supreme and certain of their subsidiaries conduct business in several countries outside of the United States. After execution of the Merger Agreement, Parent and Supreme determined that no foreign antitrust filings would be required in connection with the Merger.

Cautionary Note Regarding Forward-Looking Statements

This Schedule 14D-9 may contain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements include, without limitation, statements regarding prospective performance and opportunities and the outlook of our business, performance and opportunities, the anticipated timing of filings and approvals relating to the Offer and the Merger; the expected timing of the completion of the Offer and the Merger; the ability to complete the Offer and the Merger considering the various closing conditions; and any assumptions underlying any of the foregoing. The actual results of the Offer and the Merger could vary materially as a result of a number of factors, including: uncertainties as to the timing of the Offer and the Merger; uncertainties as to how many of our stockholders will tender their Shares in the Offer; the possibility that competing offers will be made; the possibility that various closing conditions for the Offer and the Merger may not be satisfied or waived; the possibility that the Offer and the Merger may not be timely completed, if at all; and that, prior to the completion of the Offer and the Merger, if at all, our business may experience significant disruptions due to Offer and the Merger-related uncertainty. Other factors that may cause actual results to differ materially include those set forth in the reports that we file from time to time with the SEC, including our annual report on Form 10-K for the fiscal year ended December 31, 2016 and quarterly and current reports on Form 10-Q and 8-K, as well as the Tender Offer Statement on Schedule TO and other tender offer documents filed by Purchaser and Parent. All of these materials related to the Offer and the Merger (and all other transaction documents filed with the SEC) will be available at no charge from the SEC through its website at [www.sec.gov](http://www.sec.gov). Investors may also obtain free copies of the documents filed by Supreme with the SEC by contacting Matthew J. Dennis, CFA, Senior Managing Director of Clear Perspective Group, 3637 Medina Road, Medina, OH 44256, 866-364-2586 and [mdennis@cpg-llc.com](mailto:mdennis@cpg-llc.com). You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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Item 9.  
Exhibits.

Exhibit No.	Description
(a)(1)	Offer to Purchase, dated August 22, 2017 (incorporated by reference to Exhibit (a)(1)(A) to the Schedule TO of Wabash National Corporation and Redhawk Acquisition Corporation, filed with the SEC on August 22, 2017 (the “Schedule TO”).
(a)(2)	Form of Letter of Transmittal (incorporated by reference to Exhibit (a)(1)(B) to the Schedule TO).
(a)(3)	Form of Notice of Guaranteed Delivery (incorporated by reference to Exhibit (a)(1)(C) to the Schedule TO).
(a)(4)	Form of Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit (a)(1)(D) to the Schedule TO).
(a)(5)	Form of Letter to Clients for Use by Brokers, Dealers, Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit (a)(1)(E) to the Schedule TO).
(a)(6)	Summary Advertisement published in The New York Times on August 22, 2017 (incorporated by reference to Exhibit (a)(1)(F) to the Schedule TO).
(a)(7)	Press Release issued by Supreme Industries, Inc., dated August 8, 2017 (incorporated by reference to Exhibit 99.1 to Supreme Industries, Inc.’s Schedule 14D-9C (the “Schedule 14D-9C”) filed with the SEC on August 9, 2017).
(a)(8)	Letter to Supreme employees, first sent on August 9, 2017 (incorporated by reference to Exhibit 99.2 to the Schedule 14D-9C).
(a)(9)	Supreme Customer Talking Points, first used on August 9, 2017 (incorporated by reference to Exhibit 99.3 to the Schedule 14D-9C).
(a)(10)	Supreme Supplier Talking Points, first used on August 9, 2017 (incorporated by reference to Exhibit 99.4 to the Schedule 14D-9C).
(a)(11)	Opinion of Robert W. Baird & Co. Incorporated, dated August 8, 2017 (included as Annex I to this Schedule 14D-9).
(e)(1)	Agreement and Plan of Merger, dated August 8, 2017, among Supreme Industries, Inc., Wabash National Corporation and Redhawk Acquisition Corporation (incorporated by reference to Exhibit 2.1 to Supreme Industries, Inc.’s Current Report on Form 8-K filed on August 9, 2017).
(e)(2)	Form of Tender and Voting Agreement, dated as of August 8, 2017, by and among Wabash National Corporation, Redhawk Acquisition Corporation and each of the stockholders named therein (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.’s Current Report on Form 8-K filed on August 9, 2017).
(e)(3)	Confidentiality Agreement, by and between Supreme Industries, Inc. and Wabash National Corporation, dated April 24, 2017 (incorporated by reference to Exhibit (d)(3) to the Schedule TO).
(e)(4)	Form of Supreme Industries, Inc. Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.’s Current Report on Form 8-K filed on October 6, 2008).
(e)(5)	Indemnification Agreement, effective as of May 6, 2013, by and between Supreme Industries, Inc. and Mark D. Weber (incorporated by reference to Exhibit 10.2 to Supreme Industries, Inc.’s Current Report on Form 8-K filed on April 19, 2013).
(e)(6)	Indemnification Agreement, dated December 29, 2011, by and among Supreme Industries, Inc. and Matthew W. Long (incorporated by reference to Exhibit 10.2 to Supreme Industries, Inc.’s Current Report on Form 8-K filed on January 5, 2012).

(e)(7) Amended and Restated Employment Contract by and among Supreme Industries, Inc. and William J. Barrett, dated to be effective January 1, 2005 (incorporated by reference to Exhibit 10.3 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on February 16, 2006).

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Exhibit No.	Description
(e)(8)	Amended and Restated Employment Contract by and among Supreme Industries, Inc. and Herbert M. Gardner, dated to be effective January 1, 2005 (incorporated by reference to Exhibit 10.2 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on February 16, 2006).
(e)(9)	Amendment Number One to Employment Contract, effective June 29, 2012, between Supreme Industries, Inc. and William J. Barrett (incorporated by reference to Exhibit 10.4 to Supreme Industries, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed on August 14, 2012).
(e)(10)	Amendment Number One to Employment Contract, effective June 29, 2012, between Supreme Industries, Inc. and Herbert M. Gardner (incorporated by reference to Exhibit 10.5 to Supreme Industries, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 filed on August 14, 2012).
(e)(11)	Amendment Number Two to Employment Contract, dated as of August 8, 2017, by and between Supreme Industries, Inc. and William J. Barrett (incorporated by reference to Exhibit 10.2 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on August 9, 2017).
(e)(12)	Amendment Number Two to Employment Contract, dated as of August 8, 2017, by and between Supreme Industries, Inc. and Herbert M. Gardner (incorporated by reference to Exhibit 10.3 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on August 9, 2017).
(e)(13)	Amended and Restated Employment Agreement, effective as of May 6, 2016, by and among Supreme Industries, Inc., Supreme Corporation and Mark D. Weber (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on November 15, 2016).
(e)(14)	Amended and Restated Employment Agreement, effective as of May 6, 2016, by and among Supreme Industries, Inc., Supreme Corporation and Matthew W. Long (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on January 9, 2017).
(e)(15)	Supreme Industries, Inc.'s 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on May 29, 2012).
(e)(16)	Supreme Industries, Inc.'s 2016 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on June 1, 2016).
(e)(17)	Amended and Restated Supreme Industries, Inc. Ownership Transaction Incentive Plan, effective May 2, 2016 (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.'s Current Report on Form 8-K filed on May 6, 2016).
(e)(18)	Supreme Industries, Inc. 2017 Cash Bonus Plan (incorporated by reference to Exhibit 10.1 to Supreme Industries, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 1, 2017 filed on May 5, 2017).
(e)(19)	Form of Restricted Stock Award Agreement, 2013 to present for Mark D. Weber; 2017 for Matthew W. Long (incorporated by reference to Exhibit 10.34 to Supreme Industries, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016).
(e)(20)	Form of Restricted Stock Award Agreement, 2012 to present for all grantees other than Mark D. Weber and, beginning in 2017, Matthew W. Long (incorporated by reference to Exhibit 10.35 to Supreme Industries, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2016).

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SIGNATURE

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

SUPREME INDUSTRIES, INC.

By: /s/ Mark D. Weber

Name: Mark D. Weber

Title: President and Chief Executive Officer

Dated: August 22, 2017

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ANNEX I

August 8, 2017

Board of Directors

Supreme Industries, Inc.

2581 E. Kercher Road

Goshen, IN 46528

Board of Directors:

We understand that Supreme Industries, Inc., a Delaware corporation (the “Company”) proposes to enter into an Agreement and Plan of Merger (the “Agreement”) by and among Wabash National Corporation, a Delaware corporation (“Parent”), Redhawk Acquisition Corporation, a Delaware corporation (“Merger Subsidiary”), and the Company. Pursuant to the Agreement, (i) Merger Subsidiary has agreed to commence a tender offer to purchase all of the issued and outstanding shares of (a) Class A common stock, par value \$.10 per share of the Company and (b) Class B common stock, par value \$.10 per share of the Company (collectively with the Class A Shares, the “Shares”), at a price equal to \$21.00 per share; (ii) following the consummation of the offer, Merger Subsidiary will be merged with and into the Company (the “Merger”), with the Company continuing as the surviving corporation in the merger and as a wholly owned subsidiary of Parent, and (iii) each Share of the Company, issued and outstanding immediately prior to the Effective Time (as defined in the Agreement), excluding each Share held immediately prior to the Effective Time by the Company or any wholly-owned Subsidiary of the Company and each issued and outstanding Share owned by Parent, Merger Subsidiary or any other wholly-owned Subsidiary of Parent and Dissenting Shares (as defined by the Agreement), shall be converted into the right to receive \$21.00 in cash (the “Merger Consideration”).

In connection with your consideration of the Merger, the Board of Directors (the “Board”) of the Company (solely in its capacity as such) has requested the opinion of Robert W. Baird & Co. Incorporated (“Baird”) as to the fairness, from a financial point of view, to the Company’s stockholders as a group of the Merger Consideration to be received by such holders in the Merger. We express no opinion about the fairness of any amount or nature of the compensation or consideration payable to any of the Company’s officers, directors or employees, or any class of such persons, or to any particular stockholder or the holders of a particular class or series of securities relative to the Merger Consideration to be received by the Company’s stockholders as a group. You have not asked us to express, and we are not expressing, any opinion with respect to any of the other financial or non-financial terms, conditions, determinations or actions with respect to the Merger.

In conducting our financial analyses and in arriving at our opinion, we have reviewed such information and have taken into account such financial and economic factors, investment banking procedures and considerations as we have deemed relevant under the circumstances. In that connection, and subject to the various assumptions, qualifications and limitations set forth herein, we have, among other things: (i) reviewed certain internal information, primarily financial in nature, including financial forecasts for fiscal years (ending December) 2017 – 2022 concerning the business and operations of the Company (the “Forecasts”) furnished to us, and prepared, by the Company’s management for purposes of our analysis; (ii) reviewed financial statements of the Company for the fiscal years ended December 27, 2014, December 26, 2015 and December 31, 2016 and interim financial statements of the Company for the period ended July 1, 2017, which the Company’s management has prepared and identified as being the most current financial statements available; (iii) reviewed certain publicly available information, including, but not limited to, the Company’s recent filings with the Securities and Exchange Commission; (iv) reviewed the Company’s Ownership Transaction Incentive Plan document and estimated change of control payment calculation provided by management; (v) reviewed certain other internal strategic information, including

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presentations to the Board; (vi) reviewed the principal financial terms of the drafts dated August 3, 2017, August 6, 2017 and August 7, 2017 of the Agreement in the form expected to be presented to the Board as they related to our analysis; (vii) compared the financial position and operating results of the Company with those of certain other publicly traded companies we deemed relevant; (viii) compared the historical market prices, trading activity and market trading multiples of the Company's common stock with those of certain other publicly traded companies we deemed relevant; (ix) compared the proposed Merger Consideration with the reported implied enterprise values of certain other transactions we deemed relevant; (x) considered the present values of the forecasted cash flows of the Company reflected in the Forecasts; and (xi) reviewed the Company's certificate regarding information, financial statements and projections addressed to Robert W. Baird & Co. Incorporated. In addition, at the Company's direction, for purposes of our opinion, we have applied net upward adjustments to the Company's earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT) for 2014 – 2017, which adjustments the Company has represented, and we assume, are reasonable and appropriate. We have held discussions with members of the Company's senior management concerning the Company's historical and current financial condition and operating results, as well as the future prospects of the Company. As a part of our engagement, we were requested by you to, and we did, solicit third party indications of interest in acquiring all or any part of the Company. We were not involved in assisting Parent in obtaining any financing of the Merger. We have also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which we deemed relevant for the preparation of this opinion.

In arriving at our opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information that was publicly available or provided to us by or on behalf of the Company. We have not independently verified any publicly available information or information supplied to us by the Company. We have not been engaged to independently verify, have not assumed any responsibility to verify, assume no liability for, and express no opinion on, any such information, and we have assumed and relied upon, without independent verification, that the Company is not aware of any information that might be material to our opinion that has not been provided to us. We have assumed and relied upon, without independent verification, that: (i) all material assets and liabilities (contingent or otherwise, known or unknown) of the Company are as set forth in the Company's most recent financial statements provided to us, and there is no information or facts that would make any of the information reviewed by us incomplete or misleading; (ii) the financial statements of the Company provided to us present fairly the results of operations, cash flows and financial condition of the Company for the periods, and as of the dates, indicated and were prepared in conformity with U.S. generally accepted accounting principles consistently applied; (iii) the Forecasts for the Company were reasonably prepared on bases reflecting the best available estimates and good faith judgments of the Company's senior management as to the future performance of the Company, and we have relied, without independent verification, upon such Forecasts in the preparation of this opinion, although we express no opinion with respect to the Forecasts or any judgments, estimates, assumptions or basis on which they were based, and we have assumed, without independent verification, that the Forecasts currently contemplated by the Company's management used in our analysis will be realized in the amounts and on the time schedule contemplated; (iv) the net upward adjustments applied to the Company's earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT) for 2014 – 2017 are represented by the Company's senior management to be reasonable and appropriate, and we have relied with your permission, but without independent verification, on such adjustments to EBITDA and EBIT for purposes of our opinion; (v) in all respects material to our analysis, the Merger will be consummated in accordance with the terms and conditions of the Agreement without any amendment or modification thereto and without waiver by any party of any of the conditions to their respective obligations thereunder; (vi) in all respects material to our analysis, the representations and warranties contained in the Agreement are true and correct and that each party will perform all of the covenants and agreements required to be performed by it under the Agreement; (vii) all corporate, governmental, regulatory or other consents and approvals (contractual or otherwise) required to consummate the Merger have been, or will be, obtained without the need for any divestitures or other material changes to the Merger Consideration or other material financial terms or conditions of the Merger or that would otherwise materially affect the Company or our analysis. We have relied upon and assumed, without independent verification, that the final form of any documents referred to above will not differ in any material respect from such draft documents. We have relied, without



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independent verification, as to all legal, regulatory, accounting, insurance and tax matters regarding the Merger on the advice of the Company and its professional advisors, and we have assumed that all such advice was correct. In conducting our review, we have not undertaken or obtained an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise, known or unknown) or solvency of the Company. We have not considered any expenses or potential adjustments to the Merger Consideration relating to the Merger as part of our analysis. In each case above, we have made the assumptions and taken the actions or inactions described above with your knowledge and consent.

Our opinion necessarily is based upon economic, monetary and market conditions as they exist and can be evaluated on the date hereof, and our opinion does not predict or take into account any changes which may occur, or information which may become available, after the date hereof. We are under no obligation to update, revise, reaffirm or withdraw this opinion, or otherwise comment on or consider events occurring after the date hereof. Furthermore, we express no opinion as to the price or trading range at which any of the Company's securities (including the Company's common stock) will trade following the date hereof or as to the effect of the Merger on such price or trading range. Such price and trading range may be affected by a number of factors, including but not limited to (i) dispositions of the common stock of the Company by stockholders within a short period of time after, or other market effects resulting from, the announcement and/or effective date of the Merger; (ii) changes in prevailing interest rates and other factors which generally influence the price of securities; (iii) adverse changes in the current capital markets; (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of the Company or in the Company's industries; (v) any necessary actions by, or restrictions of, federal, state or other governmental agencies or regulatory authorities; and (vi) timely completion of the Merger on terms and conditions that are acceptable to all parties at interest.

Our opinion has been prepared at the request and for the internal and confidential information of the Board, and may not be used for any other purpose or disclosed to any other party without our prior written consent provided, however, that this letter may be reproduced in full in the Proxy Statement to be provided to the Company's stockholders in connection with the Merger. Any description or reference to Baird or this opinion in the Proxy Statement (or any other publicly available document or regulatory filing), however, shall be subject to Baird's prior review and approval. This opinion does not address the relative merits or risks of: (i) the Merger, the Agreement or any other agreements or other matters provided for, or contemplated by, the Agreement; (ii) any other transactions that may be, or might have been, available as an alternative to the Merger; or (iii) the Merger compared to any other potential alternative transactions or business strategies considered by the Board and, accordingly, we have relied upon our discussions with the senior management of the Company with respect to the availability and consequences of any alternatives to the Merger. This opinion does not constitute a recommendation to the Board, any security holder or any other person as to how any such person should vote or act with respect to the Merger or whether any stockholder of the Company should tender shares of the Company's common stock in any tender offer or make any election with respect to the Merger.

We have acted as financial advisor to the Company in connection with the Merger and will receive a fee (a "Transaction Fee") for our services, which is contingent upon the consummation of the Merger. We will also receive a separate fee for rendering this opinion, which fee is not contingent upon the conclusions of our opinion or the consummation of the Merger, but is fully creditable against the contingent Transaction Fee (if paid). In addition, the Company has agreed to reimburse us for certain of our expenses and to indemnify us and certain related parties against certain liabilities that may arise out of our engagement. We will not receive any other significant payment or compensation contingent upon the successful completion of the Merger.

Over the past two years, Baird has not provided investment banking or financial services to the Company, other than in connection with the Merger. Neither Baird nor its affiliates has received any payments from Parent over the past two years. Although Baird has no current investment banking engagements with Parent, Baird has provided ad hoc investment banking advisory services and analyses to Parent without compensation in furtherance of its efforts to be engaged on future transactions and other related matters. No material relationship between Baird, on the one hand, and the Company, Parent or any other party or affiliate to the Merger, on the other hand, is mutually understood to be contemplated in which any compensation is intended to be received.

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In the ordinary course of business, Baird may from time to time provide investment banking, advisory, brokerage and other services to clients that may be competitors or suppliers to, or customers or security holders of, the Company or Parent or any other party that may be involved in the Merger and their respective affiliates or that may otherwise participate or be involved in the same or a similar business or industry as the Company or Parent. In addition, Baird and certain of its employees and affiliates, as well as investment funds in which they may have financial interests or with which they may co-invest, may from time to time hold or trade the securities of the Company and/or Parent (including the Company's and Parent's common stock) for their own account or the accounts of our customers and, accordingly, may at any time hold long or short positions or effect transactions in such securities. Baird may also serve as a market maker in the publicly traded securities of the Company and/or Parent.

Our opinion was approved by our firm's internal fairness committee.

Based upon and subject to the foregoing, including the various assumptions, qualifications and limitations set forth herein, we are of the opinion that, as of the date hereof, the Merger Consideration to be received by the Company's stockholders as a group in the Merger is fair, from a financial point of view, to such holders.

Very truly yours,

/s/ Robert W. Baird & Co. Incorporated

ROBERT W. BAIRD & CO. INCORPORATED

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ANNEX II

SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW RIGHTS OF APPRAISAL

§ 262. Appraisal rights

(a)

Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b)

Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title and, subject to paragraph (b)(3) of this section, § 251(h) of this title), § 252, § 254, § 255, § 256, § 257, § 258, § 263 or § 264 of this title:

(1)

Provided, however, that, except as expressly provided in § 363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either: (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2)

Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a.

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

b.

Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c.

Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or

d.

Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section.

(3)

In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 251(h), § 253 or § 267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

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(4)

In the event of an amendment to a corporation's certificate of incorporation contemplated by § 363(a) of this title, appraisal rights shall be available as contemplated by § 363(b) of this title, and the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word "amendment" substituted for the words "merger or consolidation," and the word "corporation" substituted for the words "constituent corporation" and/or "surviving or resulting corporation."

(c)

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

(d)

Appraisal rights shall be perfected as follows:

(1)

If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with § 255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2)

If the merger or consolidation was approved pursuant to § 228, § 251(h), § 253, or § 267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to § 251(h) of this title, within the later of the consummation of the offer contemplated by § 251(h) of this title and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any

class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after

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such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to § 251(h) of this title, later than the later of the consummation of the offer contemplated by § 251(h) of this title and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e)

Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f)

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

(g)

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

comply with such direction, the Court may dismiss the proceedings as to such stockholder. If immediately before the merger or consolidation the shares of the class or series of stock of the constituent corporation as to which appraisal rights are

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available were listed on a national securities exchange, the Court shall dismiss the proceedings as to all holders of such shares who are otherwise entitled to appraisal rights unless (1) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of the class or series eligible for appraisal, (2) the value of the consideration provided in the merger or consolidation for such total number of shares exceeds \$1 million, or (3) the merger was approved pursuant to § 253 or § 267 of this title.

(h)

After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, and except as provided in this subsection, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. At any time before the entry of judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Court, and (2) interest theretofore accrued, unless paid at that time. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i)

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

(j)

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

(k)

From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of

such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder

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who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(1)

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

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