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REPORT OF THE STATUTORY AUDITORS

with financial statements for year ended September 30, 2000 of

ANDREW AG, BACHENBÜLACH



**Report of the statutory auditors
to the general meeting of**

ANDREW AG, BACHENBÜLACH

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, statement of income and notes) of Andrew AG for the year ended September 30, 2000. The audit work was completed on October 17, 2000.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of retained earnings comply with Swiss law and the company's articles of incorporation, with the exception of the following:

The accompanying financial statements include advances to affiliate of CHF 14'825'796 which represent loans granted to a venture company domiciled in Russia and are due for repayment in a future year. The ultimate collection of these loans cannot presently be determined with certainty as it will depend on the further developments of the venture company's operating results and the economy of the country and its currency. No provisions have been made in the accompanying financial statements to account for this uncertainty.

We recommend that, despite of the exception referred to above, the financial statements submitted to you be approved, as a collection of the advances does not appear to be impossible.

Zurich, April 5, 2001

Ernst & Young Ltd



W. Holdener
Certified accountant



R. Schär
Certified accountant
(in charge of the audit)

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of available earnings

ANDREW AG, BACHENBÜLACH**BALANCE SHEET AS OF SEPTEMBER 30, 2000**

	<u>September 30, 2000</u> CHF	<u>September 30, 1999</u> CHF
ASSETS		
Current Assets		
Cash and short-term investments	36'521'899	19'245'225
Securities	11'719'488	13'049'002
Accounts receivable		
Trade	57'203'210	46'837'765
Less allowance for doubtful accounts	(1'835'287)	(1'640'377)
Parent company	0	3'873'403
Affiliated companies	30'836'264	37'419'392
Other	1'891'727	2'075'824
	<u>88'095'914</u>	<u>88'566'007</u>
Inventories	38'566'403	24'336'111
Prepaid expenses	2'252'135	1'984'763
Total Current Assets	<u>177'155'839</u>	<u>147'181'108</u>
Fixed Assets		
Land and land improvements	2'033'061	1'987'876
Buildings	7'934'804	6'598'702
Equipment	59'415'086	51'445'159
	<u>69'382'951</u>	<u>60'031'737</u>
Less allowances for depreciation	<u>(52'248'512)</u>	<u>(46'912'659)</u>
	17'134'439	13'119'078
Investment	72'032'934	67'776'771
Advances to affiliate	14'825'796	14'825'796
Total Fixed Assets	<u>103'993'169</u>	<u>95'721'645</u>
TOTAL ASSETS	<u>281'149'008</u>	<u>242'902'753</u>



ANDREW AG, BACHENBÜLACH

BALANCE SHEET AS OF SEPTEMBER 30, 2000 (Continued)

	September 30, 2000 <u>CHF</u>	September 30, 1999 <u>CHF</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Current liabilities		
Accounts payable		
Trade	15'537'803	10'936'905
Parent company	3'509'153	0
Affiliated companies	6'239'047	7'985'068
Other	<u>129'863</u>	<u>366'648</u>
	25'415'866	19'288'621
Accrued taxes	5'360'366	11'194'822
Accrued liabilities	<u>4'616'227</u>	<u>3'316'344</u>
Total current liabilities	<u>35'392'459</u>	<u>33'799'787</u>
Non-current liabilities		
Lease obligations	<u>26'405</u>	<u>141'240</u>
Total non-current liabilities	<u>26'405</u>	<u>141'240</u>
Total Liabilities	<u>35'418'864</u>	<u>33'941'027</u>
Stockholders' Equity		
Share capital	17'200'000	17'200'000
Legal reserve	8'600'000	8'600'000
Retained earnings		
Balance brought forward	167'161'726	131'678'250
Net income for the year	<u>52'768'418</u>	<u>51'483'476</u>
	219'930'144	183'161'726
Total Stockholders' Equity	<u>245'730'144</u>	<u>208'961'726</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>281'149'008</u>	<u>242'902'753</u>

ANDREW AG, BACHENBÜLACH

STATEMENT OF INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2000

	<u>1999/2000</u>	<u>1998/99</u>
	CHF	CHF
OPERATING INCOME		
Net sales	302'783'970	243'873'339
Cost of sales	<u>235'872'888</u>	<u>176'473'782</u>
Gross Profit	<u>66'911'082</u>	<u>67'399'557</u>
Operating Expenses		
Engineering expenses	1'064'168	823'669
Sales and business development	5'933'649	5'817'436
Administrative expenses	6'456'020	6'770'639
Research and development	<u>1'731'918</u>	<u>1'294'351</u>
Total Operating Expenses	<u>15'185'755</u>	<u>14'706'095</u>
NET OPERATING INCOME	51'725'327	52'693'462
OTHER INCOME / (EXPENSE)		
Interest expense	(12'677)	(39'644)
Interest income	2'199'235	3'376'802
Dividend income	6'351'223	0
Gain on exchange and translation	2'474'511	8'466'471
Miscellaneous	<u>(47'351)</u>	<u>(384'354)</u>
NET OTHER INCOME	<u>10'964'941</u>	<u>11'419'275</u>
INCOME BEFORE TAXES	62'690'268	64'112'737
Income and capital taxes	<u>9'921'850</u>	<u>12'629'261</u>
NET INCOME FOR THE YEAR	<u><u>52'768'418</u></u>	<u><u>51'483'476</u></u>

ANDREW AG, BACHENBÜLACH

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2000

Basis of Financial Statements

The financial statements of Andrew AG incorporate the accounts of Andrew AG Bachenbülach, Switzerland, and the accounts of Andrew Ltd., Scotland, a branch of Andrew AG.

Both companies maintain their official accounting records and prepare their financial statements in their local currencies for domestic purposes (Swiss francs and pound sterling, respectively). The combined financial statements, prepared in Swiss francs for Swiss reporting purposes, include the accounts of Andrew AG, Bachenbülach, and its branch, Andrew Ltd., Lochgelly. They are prepared in accordance with accounting practices in Switzerland.

All significant balances and transactions between Andrew AG and its branch, Andrew Ltd. Lochgelly, have been eliminated on combination.

Foreign Currency Translation

The financial statements of Andrew Ltd. are prepared in local currency (pound sterling). In the combination, assets and liabilities were translated into Swiss francs at the approximate exchange rates in effect at the balance sheet date and the statement of income at the average exchange rate for the year.

Any translation gains or losses are included in the statement of income.

Contingent Liabilities

	September 30, 2000 CHF	September 30, 1999 CHF
Bank and other guarantees on behalf of and / or in favour of affiliated company	<u>0</u>	<u>2'523'984</u>

ANDREW AG, BACHENBÜLACH

NOTES AS OF SEPTEMBER 30, 2000 (Continued)

	September 30, 2000 CHF	September 30, 1999 CHF
Details to Statement of Income		
<u>Cost of sales</u> include the following:		
Materials and goods purchased	194'378'589	129'079'903
Direct labour	10'811'371	7'224'433
Manufacturing expenses	36'886'451	26'523'691
Material control expenses	6'562'538	5'945'570
Quality assurance expenses	1'432'533	1'111'311
Change in inventories	(14'198'594)	6'588'874
Total	<u>235'872'888</u>	<u>176'473'782</u>
<u>Personnel cost</u> are included in cost of sales and operating expenses at	<u>39'106'972</u>	<u>28'552'025</u>
<u>Depreciation</u> of fixed assets	<u>6'170'173</u>	<u>5'403'128</u>
<u>Gain on fixed asset disposals</u> are included in other income at	<u>141'179</u>	<u>37'210</u>
Investment		
Andrew Cayman Islands Ltd.		
Activity: Holding Company		
Common stock and additional paid-in capital:		
USD 52'345'836 (1999 - USD 49'665'305)		
100 % owned at cost of	<u>72'032'934</u>	<u>67'776'771</u>
Insurance Value		
Insurance value of fixed assets including buildings under operating leases	<u>97'992'207</u>	<u>74'203'164</u>

ANDREW AG, BACHENBÜLACH

APPROPRIATION OF RETAINED EARNINGS AS OF SEPTEMBER 30, 2000
(Proposal of the Board of Directors)

	<u>September 30,</u> <u>2000</u> CHF	<u>September 30,</u> <u>1999</u> CHF
Retained earnings brought forward	167'161'726	136'178'250
Dividend distribution resolved at extraordinary shareholders' meeting held on September 27, 1999	<u>0</u>	<u>(4'500'000)</u>
	167'161'726	131'678'250
Net income for the year	<u>52'768'418</u>	<u>51'483'476</u>
Retained earnings available	219'930'144	183'161'726
Dividend distribution resolved at extraordinary shareholders' meeting held on December 6, 1999	<u>0</u>	<u>(16'000'000)</u>
Retained earnings to be carried forward	<u>219'930'144</u>	<u>167'161'726</u>

