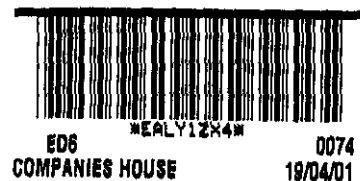


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REPORT OF THE STATUTORY AUDITORS

with
financial statements
Year ended September 30, 1999
of

ANDREW AG, BACHENBÜLACH



ATAG ERNST & YOUNG

■ **Audit**

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P.O. Box 5272
CH-8022 Zurich
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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, 1999. The audit work was completed on October 18, 1999.

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 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 available earnings comply with the law and the company's articles of incorporation, with the exception of the following:

The accompanying financial statements include CHF 14'825'796 which represent loans granted to an affiliated company domiciled in Russia and 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 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.

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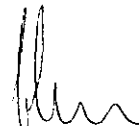
We further confirm that the extraordinary dividend distribution of CHF 4'500'000, as resolved at the extraordinary shareholders' meeting held on September 27, 1999, and the extraordinary dividend distribution of CHF 16'000'000, as resolved at the extraordinary shareholders' meeting held on December 6, 1999, comply with the law and the company's articles of incorporation.

Zurich, April 17, 2000

ATAG Ernst & Young AG



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

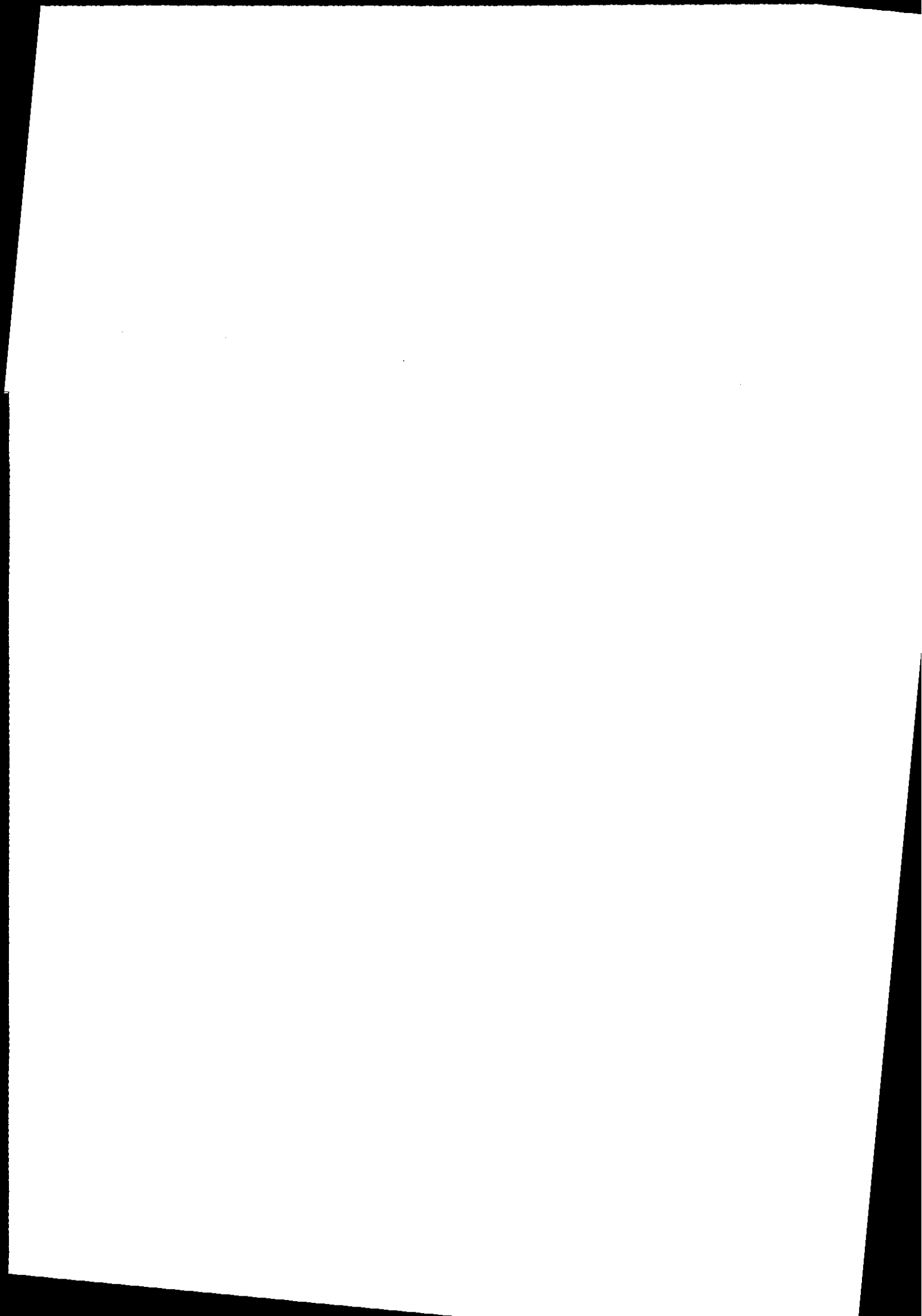
ANDREW AG, BACHENBÜLACH
BALANCE SHEET AS OF SEPTEMBER 30, 1999

	September 30, 1999	September 30, 1998
	CHF	CHF
ASSETS		
Current Assets		
Cash and short-term investments	19'245'225	43'913'536
Securities	13'049'002	7'034'430
Accounts receivable		
Trade	46'837'765	38'523'187
Less allowance for doubtful accounts	(1'640'377)	(1'446'656)
Parent company	3'873'403	696'739
Affiliated companies	37'419'392	25'060'281
Other	2'075'824	2'052'345
	88'566'007	64'885'896
Inventories	24'336'111	29'507'744
Prepaid expenses	1'984'763	2'452'422
Total Current Assets	<u>147'181'108</u>	<u>147'794'028</u>
Fixed Assets		
Land and land improvements	1'987'876	1'828'489
Buildings	6'598'702	6'099'624
Equipment	51'445'159	45'381'487
	60'031'737	53'309'600
Less allowances for depreciation	(46'912'659)	(38'859'433)
	13'119'078	14'450'167
Investment	67'776'771	47'889'973
Advances to affiliates	14'825'796	13'793'000
Total Fixed Assets	<u>95'721'645</u>	<u>76'133'140</u>
TOTAL ASSETS	<u><u>242'902'753</u></u>	<u><u>223'927'168</u></u>

ANDREW AG, BACHENBÜLACH

STATEMENT OF INCOME FOR THE YEAR ENDED SEPTEMBER 30, 1999

	<u>1998/99</u>	<u>1997/98</u>
	CHF	CHF
OPERATING INCOME		
Net sales	243'873'339	211'679'819
Cost of sales	<u>176'473'782</u>	<u>146'881'798</u>
Gross Profit	<u>67'399'557</u>	<u>64'798'021</u>
Operating Expenses		
Engineering expenses	823'669	1'379'929
Sales and business development	5'817'436	6'371'127
Administrative expenses	6'770'639	5'735'287
Research and development	<u>1'294'351</u>	<u>928'158</u>
Total Operating Expenses	<u>14'706'095</u>	<u>14'414'501</u>
NET OPERATING INCOME	<u>52'693'462</u>	<u>50'383'520</u>
OTHER INCOME/(EXPENSE)		
Interest expense	(39'644)	(34'428)
Interest income	3'376'802	3'508'137
Gain/(loss) on exchange and translation	8'466'471	(3'154'385)
Miscellaneous	<u>(384'354)</u>	<u>20'779</u>
NET OTHER INCOME	<u>11'419'275</u>	<u>340'103</u>
INCOME BEFORE TAXES	<u>64'112'737</u>	<u>50'723'623</u>
Income taxes	<u>12'629'261</u>	<u>12'945'190</u>
NET INCOME FOR THE YEAR	<u><u>51'483'476</u></u>	<u><u>37'778'433</u></u>



ANDREW AG, BACHENBÜLACH

BALANCE SHEET AS OF SEPTEMBER 30, 1999 (Continued)

	September 30, 1999 <u>CHF</u>	September 30, 1998 <u>CHF</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Current liabilities		
Accounts payable		
Trade	10'936'905	10'492'117
Parent company	0	471'094
Affiliated companies	7'985'068	627'069
Other	<u>366'648</u>	<u>1'000'386</u>
	19'288'621	12'590'666
Advance payment and deferred revenue	0	198'537
Accrued taxes	11'194'822	13'390'951
Accrued liabilities	<u>3'316'344</u>	<u>3'317'658</u>
Total current liabilities	<u>33'799'787</u>	<u>29'497'812</u>
Non-current liabilities		
Deferred taxes	0	355'558
Lease obligations	<u>141'240</u>	<u>95'548</u>
Total non-current liabilities	<u>141'240</u>	<u>451'106</u>
Total Liabilities	<u>33'941'027</u>	<u>29'948'918</u>
Stockholders' Equity		
Share capital	17'200'000	17'200'000
Legal reserve	8'600'000	7'100'000
Retained earnings		
Balance brought forward	131'678'250	131'899'817
Net income for the year	<u>51'483'476</u>	<u>37'778'433</u>
	183'161'726	169'678'250
Total Stockholders' Equity	<u>208'961'726</u>	<u>193'978'250</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>242'902'753</u></u>	<u><u>223'927'168</u></u>

ANDREW AG, BACHENBÜLACH

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 1999

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 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, 1999 CHF	September 30, 1998 CHF
Bank and other guarantees on behalf of and / or in favour of affiliated company	<u>2'523'984</u>	<u>2'500'000</u>

ANDREW AG, BACHENBÜLACH

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 1999 (Continued)

	September 30, 1999 CHF	September 30, 1998 CHF
DETAILS TO STATEMENT OF INCOME		
<u>Cost of sales</u> include the following:		
Materials and goods purchased	129'079'903	114'980'433
Direct labour	7'224'433	6'540'698
Manufacturing expenses	26'523'691	25'497'562
Material control expenses	5'945'570	5'805'872
Quality assurance expenses	1'111'311	1'028'754
Technical services expenses	0	5'879
Change in inventories	6'588'874	(6'977'400)
Total	<u>176'473'782</u>	<u>146'881'798</u>
<u>Personnel cost</u> are included in cost of sales and operating expenses at	<u>28'552'025</u>	<u>26'937'158</u>
<u>Depreciation</u> of fixed assets	<u>5'403'128</u>	<u>5'343'094</u>
<u>Gain on fixed asset disposals</u> are included in other income at	<u>37'210</u>	<u>19'814</u>
INVESTMENT		
Andrew Cayman Islands Ltd.		
Activity: Holding Company		
Common stock and additional paid-in capital:		
USD 49'665'305 (1998 - USD 36'665'305)		
100 % owned at cost of	<u>67'776'771</u>	<u>47'889'973</u>
INSURANCE VALUE		
Insurance value of fixed assets including buildings under operating leases	<u>74'203'164</u>	<u>69'467'367</u>

ANDREW AG, BACHENBÜLACH

APPROPRIATION OF RETAINED EARNINGS AS OF SEPTEMBER 30, 1999

(Proposal of the Board of Directors)

	September 30, 1999 CHF	September 30, 1998 CHF
Retained earnings brought forward	136'178'250	131'899'817
Dividend distribution resolved at extraordinary shareholders' meeting held on September 27, 1999	(4'500'000)	
	131'678'250	131'899'817
Net income for the year	51'483'476	37'778'433
Retained earnings available	183'161'726	169'678'250
Dividend distribution resolved at extraordinary shareholders' meeting held on December 6, 1999	(16'000'000)	
Distribution resolved at extraordinary shareholders' meeting held on November 19, 1998:		
Payment of dividend		(7'000'000)
Allocation to legal reserve		(614'000)
Distribution resolved at extraordinary shareholders' meeting held on December 7, 1998:		
Payment of dividend		(25'000'000)
Allocation to legal reserve		(886'000)
Retained earnings to be carried forward	167'161'726	136'178'250