

Offering Memorandum
dated February 28, 2003

Last day of acceptance
April 4, 2003, 15.00 hours CET
(subject to extension)

Offering Memorandum

regarding the public firm offer by

Welch Allyn International Holdings, Inc.

WelchAllyn®

(a company incorporated and existing under the laws of the state of Delaware, with its statutory seat at Wilmington, Delaware, United States of America. Welch Allyn International Holdings, Inc. is a 100% subsidiary of Welch Allyn, Inc.)

for all issued and outstanding ordinary shares in the share capital of

Cardio Control N.V.



(a public company with limited liability incorporated and existing under the laws of the Netherlands, with its statutory seat at Amsterdam, the Netherlands)

The information in this Offering Memorandum relates to the public cash offer by Welch Allyn International Holdings, Inc. ("Welch Allyn") for all outstanding ordinary shares in the share capital of Cardio Control N.V. ("Cardio Control"), each share having a nominal value of EUR 0.02. The capitalised terms used in this Offering Memorandum have the meanings set out in Chapter 2 ('Definitions').

The Offer Price for each Cardio Control Ordinary Share tendered under the Offer amounts to EUR 6.00 and will be paid in cash. The Offer Price is inclusive of any dividends to be paid or declared by Cardio Control in respect of the financial year 2002. If the Offer is honoured, no dividend will be made available in respect of the financial year 2002. Accordingly, if the Offer is honoured, the Cardio Control Shareholders will not receive any dividend payable for the financial year 2002. For more information on the Offer reference is made to Chapter 4 ('The Offer'). The Offer is subject to certain conditions and restrictions, see Chapter 1 ('Important information and Restrictions') and Chapter 4 ('The Offer').

The Cardio Control Supervisory Board and the Cardio Control Management Board each fully recommend Cardio Control Shareholders to accept the Offer, see Chapter 5 ('Recommendation to Cardio Control Shareholders').

The Acceptance Period will start on March 1, 2003 and, unless extended, will end on April 4, 2003 at 15.00 hours CET. If the Acceptance Period is extended, Welch Allyn will make an announcement to that effect, no later than on the third Trading Day after the end of the Acceptance Period, with due observance of the provisions of article 90 sub-section 5 of the Decree on the Supervision of the Securities Trade 1995 ("DSSD", *Besluit toezicht effectenverkeer 1995*). Welch Allyn will announce as soon as possible after the end of the Acceptance Period, but no later than on the fifth Trading Day thereafter, whether or not it honours the Offer (*het bod al dan niet gestand doet*). Such announcements will in any event be published in the Euronext Amsterdam's Daily Official List and in one or more Dutch national newspapers, see Chapter 4, paragraph 4.2 ('Invitation to Cardio Control Shareholders') and paragraph 4.3 ('Terms and conditions of the Offer').

If the Offer is honoured (*gestand gedaan*), payment of the Offer Price to the Cardio Control Shareholders who have tendered and delivered their Cardio Control Ordinary Shares will take place on the Settlement Date, see Chapter 4 ('The Offer').

On March 25, 2003, 13.30 hours CET, an extraordinary meeting of Cardio Control Shareholders will be convened at the offices of Cardio Control in Delft, at Mercuriusweg 1 (2624 BC), at which, *inter alia*, the Offer will be discussed and explained, see Chapter 10 ('EGM').

A summary of this Offering Memorandum in the Dutch language is included in Chapter 12 ('Dutch summary (*Nederlandse samenvatting*)').

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CHAPTER 1 IMPORTANT INFORMATION AND RESTRICTIONS

Cardio Control Shareholders are advised to read this Offering Memorandum carefully and to seek independent advice where necessary, so as to be able to make a balanced judgement of the Offer and all that is discussed and described in this Offering Memorandum.

1.1 Important information

The information included in Chapter 4, paragraph 4.2 ('Invitation to Cardio Control Shareholders'), paragraph 4.3 ('Terms and conditions of the Offer'), paragraph 4.4 ('Background to and motivation for the Offer'), paragraph 4.5 ('Substantiation of the Offer Price'), paragraph 4.6 ('Financing of the Offer'), paragraph 4.7 ('Consequences of the Offer') and paragraph 4.8 ('Other statements required pursuant to the DSSA') in so far as referring to statements made by Welch Allyn, and Chapter 9 ('Information on Welch Allyn') of this Offering Memorandum has been provided by Welch Allyn. The information included in Chapter 4, paragraph 4.8 ('Other statements required pursuant to the DSSA') in so far as referring to statements made by Cardio Control, Chapter 5 ('Recommendation to Cardio Control Shareholders') and Chapter 7 ('Information on Cardio Control') has been provided by Cardio Control. The fairness opinion in Chapter 6 has been provided by F. van Lanschot Bankiers N.V. The Auditors' statement included in Chapter 8 has been issued by Ernst & Young Accountants. Welch Allyn and Cardio Control have jointly provided the information included in the other chapters and pages of this Offering Memorandum.

Welch Allyn and Cardio Control are responsible for the accuracy of the information they have provided in this Offering Memorandum, each with respect to such information as it has provided, and together with respect to the information provided jointly. Welch Allyn and Cardio Control confirm, each with respect to such information as it has provided, that on the date of publication of this Offering Memorandum, the information provided by each of them is, to the best of their knowledge, true and accurate and that there are no other facts, the omission of which would make any statement in this Offering Memorandum misleading in any material respect.

The information included in this Offering Memorandum reflects the position at the date of this document and under no circumstances should the issue and distribution of this Offering Memorandum after the date of its publication be interpreted as implying that the information included herein will continue to be correct and complete at any later date. The foregoing does not affect the obligation of both Welch Allyn and Cardio Control to make a public announcement pursuant to the DSSD, if applicable.

With the exception of Welch Allyn and Cardio Control, no person is entitled or authorised to provide any information or make any representations in connection with the Offer which have not been included in this Offering Memorandum. If any such information or representation is provided or made by parties other than Welch Allyn or Cardio Control, such information or representation should not be relied upon as having been provided by or on behalf of either Welch Allyn and/or Cardio Control.

This Offering Memorandum includes forward-looking statements that involve risks and uncertainty. Although Welch Allyn and Cardio Control each believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such projections will be fulfilled, and no representations are made as to the accuracy and completeness of such statements. Any forward-looking statement must be considered together with the fact that actual events or results may vary materially from such predictions due to, among other things, political, economic or legal changes in the markets and environments in which Welch Allyn and Cardio Control conduct their respective businesses, and competitive developments or risks inherent to each of Welch Allyn's and Cardio Control's businesses.

Figures referred to in this Offering Memorandum may be rounded up or down and should therefore not be regarded as definitive.

This Offering Memorandum and the Offer are governed by Dutch law. This Offering Memorandum is published in the English language. A summary of the Offering Memorandum in the Dutch language is included in Chapter 12 ('Dutch

summary (*Nederlandse samenvatting*)'). In the event of any inconsistency between the English and Dutch languages in this Offering Memorandum, the English language shall prevail.

Dexia Bank has been appointed as exchange and paying agent in the context of the Offer.

A copy of the Offering Memorandum is available free of charge at the offices of:

Cardio Control N.V.

Mercuriusweg 1
2624 BC Delft
The Netherlands

Telephone +31 (0) 15 – 750 5000
Telefax +31 (0) 15 – 750 5050
E-mail: info@cardiocontrol.com

Kempen & Co

Beethovenstraat 300
1077 WZ Amsterdam
P.O. Box 75666
1070 AR Amsterdam
The Netherlands

Telephone: +31 (0) 20 – 348 8500
Telefax: +31 (0) 20 – 348 8594
E-mail: documents@kempen.nl

Copies of the Articles, the annual reports in relation to the financial years ended on December 31, 1999, December 31, 2000 and December 31, 2001 respectively and the third quarter 2002 figures, all of which documents are incorporated by reference in this Offering Memorandum, are available free of charge at the above-mentioned offices of Cardio Control and Kempen & Co.

The audited year-end 2002 figures will be announced by Cardio Control ultimately on March 17, 2003 and will be made available free of charge at the offices of Cardio Control and Kempen & Co.

1.2 Restrictions

General

The Offer, the distribution of this Offering Memorandum, any related materials and the making of the Offer may in certain jurisdictions other than the Netherlands, including, but not limited to, the United Kingdom, the United States, Canada, Australia and Japan be restricted by law. This Offering Memorandum does not constitute an offer in countries in which such offer would be illegal. Therefore, persons into whose possession this Offering Memorandum or any related materials come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither Welch Allyn, nor Cardio Control accepts or assumes any responsibility or liability for any violation by any person of any such restrictions.

United Kingdom

The Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom may require this Offering Memorandum to be approved by an authorised person unless an exemption is available under the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 (the "Order"). This Offering Memorandum has not been approved by an authorised person for the purposes of the FSMA in reliance on the exemptions set out in the Order. This Offering Memorandum is directed only at persons falling within such exemptions and must not be issued or passed to any other person in the United Kingdom. No Cardio Control Shareholder in the United Kingdom who does not fall

within these exemptions should respond to or act on this Offering Memorandum. Tender and delivery of Cardio Control Ordinary Shares constitutes a warranty that the person tendering the Cardio Control Ordinary Shares, if in the United Kingdom, falls within one of the exemptions set out in the Order. Cardio Control Shareholders who have any doubt as to whether or not they qualify under such exemptions should consult their own professional advisors.

United States of America, Canada, Australia and Japan

The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia or Japan or to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended), or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of the United States, Canada, Australia or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offering Memorandum and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from the United States, Canada, Australia or Japan or, in their capacities as such, to custodians, nominees or trustees holding Cardio Control Ordinary Shares for United States, Canadian, Australian or Japanese persons. Persons receiving this Offering Memorandum and/or such other documents must not distribute or send them in, into or from the United States, Canada, Australia or Japan, or use such mails or any such means, instrumentality or facilities for any purpose directly or indirectly in connection with the Offer and so doing will invalidate any purported acceptance of the Offer. Welch Allyn will not accept any tender by any such use, means, instrumentality or facility or from within the United States, Canada, Australia or Japan.

Tender and delivery of Cardio Control Ordinary Shares constitutes a representation and warranty that the person tendering the shares (i) has not received or sent copies of this Offering Memorandum or any related documents in, into or from the United States, Canada, Australia or Japan; (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of, the United States, Canada, Australia or Japan; (iii) in respect of the Cardio Control Ordinary Shares to which the Offer relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within the United States, Canada, Australia or Japan; and (iv) is accepting the Offer from outside the United States, Canada, Australia or Japan. Welch Allyn reserves the right to refuse to accept any purported acceptance that, in its sole discretion, does not comply with the foregoing restrictions, and any such purported acceptance will be null, void and without effect.

As used herein, the 'United States' means the United States of America, its territories and possessions, any States of the United States of America and the District of Columbia.

CHAPTER 2 DEFINITIONS

The capitalised terms used in this Offering Memorandum have the following meanings:

Acceptance Period	The period during which Cardio Control Shareholders can tender their Cardio Control Ordinary Shares to Welch Allyn under the terms of the Offer, beginning on March 1, 2003 and ending on April 4, 2003 at 15.00 hours CET, unless extended by Welch Allyn in accordance with article 9o sub-section 5 of the DSSD, in which case the Acceptance Period will end on such later date;
Admitted Institutions	The institutions admitted to Euronext;
Articles	The articles of association of Cardio Control as in force from time to time;
Cardio Control	Cardio Control N.V., a public company with limited liability incorporated and existing under the laws of the Netherlands, having its statutory seat at Amsterdam, the Netherlands and its registered office at Mercuriusweg 1, 2624 BC Delft, the Netherlands;
Cardio Control Management Board	The management board of Cardio Control;
Cardio Control Ordinary Shares	The ordinary shares in the share capital of Cardio Control with a nominal value of EUR 0.02 each, which shares are quoted on Euronext;
Cardio Control Shareholders	The holders of Cardio Control Ordinary Shares;
Cardio Control Supervisory Board	The supervisory board of Cardio Control;
CET	Central European Time;
Closing Date	The last day of the Acceptance Period, being April 4, 2003, unless such period is extended by Welch Allyn in accordance with article 9o sub-section 5 of the DSSD;
Commencement Date	The first day of the Acceptance Period, being March 1, 2003;
Dexia Bank	Dexia Bank Nederland N.V., a public company incorporated and existing under the laws of the Netherlands;
DSSA	The Act on the Supervision of the Securities Trade 1995 (<i>Wet toezicht effectenverkeer 1995</i>);
DSSD	The Decree on the Supervision of the Securities Trade 1995 (<i>Besluit toezicht effectenverkeer 1995</i>);
EGM	The extraordinary general meeting of Cardio Control Shareholders to be held on March 25, 2003, at which, <i>inter alia</i> , the Offer will be discussed in accordance with article 9q of the DSSD;
EUR	Euro, the current lawful currency of the Economic and Monetary Union;

Euronext	Euronext Amsterdam N.V. or the Euro.NM Segment of Euronext Amsterdam N.V. or the Official Segment of the stock market of Euronext Amsterdam N.V., as the context requires;
FMA	The Netherlands Authority for the Financial Markets (<i>de Autoriteit Financiële Markten</i>);
Kempen & Co	Kempen & Co Merchant Bank, a trademark of Dexia Bank;
Offer	The public firm offer made by Welch Allyn for all Cardio Control Ordinary Shares as described in this Offering Memorandum;
Offering Memorandum	This offer document describing the Offer;
Offer Price	The cash amount of EUR 6.00 offered by Welch Allyn for each Cardio Control Ordinary Share tendered and delivered for acceptance under the terms of the Offer;
Options	The outstanding rights to subscribe for the issue or delivery by Cardio Control of any of its shares, as referred to in Chapter 4, paragraph 4.7.8 ('Options') and Chapter 7, paragraph 7.4 ('Option schemes');
Priority Shares	The 20 priority shares in the share capital of Cardio Control with a nominal value of EUR 0.02 each, as referred to in Chapter 4, paragraph 4.7.7 ('Priority Shares') and Chapter 7, paragraph 7.3.1 ('Share capital');
Settlement Date	The date on which the Offer Price is payable to the Cardio Control Shareholders who have tendered and delivered their Cardio Control Ordinary Shares to Welch Allyn under the terms of the Offer, being the date on or before the fifth Trading Day after the date upon which the announcement is made that the Offer is honoured;
Third Party Offer	Any oral or written third party offer for the Cardio Control Ordinary Shares, the Options or the Priority Shares, or any part thereof, and/or for any material assets of Cardio Control;
Trading Day	A trading day on Euronext;
Welch Allyn	Welch Allyn International Holdings, Inc., a company incorporated and existing under the laws of the state of Delaware, with its statutory seat at Wilmington, Delaware, the United States of America. Welch Allyn is a 100% subsidiary of Welch Allyn, Inc., a privately held company incorporated and existing under the laws of the state of New York, with its statutory seat at Skaneateles Falls, New York, the United States of America.

The singular form of these definitions includes the plural form and vice versa.

CHAPTER 3 SUMMARY

This chapter contains a summary of the main characteristics of the Offer. It is expressly pointed out that this summary is not exhaustive and does not contain all information which is of importance to the reader. Reading this summary should not be considered a substitute for reading this Offering Memorandum in its entirety.

The Offer

On January 20, 2003 Cardio Control and Welch Allyn, Inc. jointly announced Welch Allyn's intention to make a public cash offer on all Cardio Control Ordinary Shares, see Chapter 11 ('Press releases'). The announced Offer Price is EUR 6.00 in cash for each tendered and delivered Cardio Control Ordinary Share. The Offer Price is inclusive of any dividends to be paid or declared by Cardio Control in respect of the financial year 2002. If the Offer is honoured, no dividend will be made available in respect of the financial year 2002. Accordingly, if the Offer is honoured, the Cardio Control Shareholders will not receive any dividend payable for the financial year 2002.

The Offer is conditional, *inter alia*, upon such number of Cardio Control Ordinary Shares having been tendered for acceptance, that these shares together with the Cardio Control Ordinary Shares possibly held by Welch Allyn before the end of the Acceptance Period, represent at least 95% of all Cardio Control Ordinary Shares issued and outstanding at the end of the Acceptance Period. Reference is made to Chapter 4, paragraph 4.3 ('Terms and conditions of the Offer').

The Offer Price represents:

- a 38% premium over the closing price of EUR 4.35 per Cardio Control Ordinary Share on November 8, 2002, the last Trading Day prior to the first public disclosure by Cardio Control that exploratory discussions were taking place with a third party about a possible strategic alliance;
- an 18% premium over the closing price of EUR 5.10 on January 17, 2003, the last Trading Day prior to the announcement on January 20, 2003, regarding Welch Allyn's intention to make an offer; and
- a premium of 43% over the average closing price of EUR 4.19 over the 12 months prior to January 17, 2003.

See also Chapter 4, paragraph 4.5 ('Substantiation of the Offer Price').

Welch Allyn is a 100% subsidiary of Welch Allyn, Inc., a privately held company incorporated and existing under the laws of the state of New York, with its statutory seat at Skaneateles Falls, New York, the United States of America. Welch Allyn, Inc. and Cardio Control have agreed that Welch Allyn, Inc. may be held jointly and severally liable for all obligations which Welch Allyn may incur in respect of the making of the Offer. The aforesaid agreement as to the joint and several liability of Welch Allyn, Inc., can also be called upon by a Cardio Control Shareholder who tenders his Cardio Control Ordinary Shares under the Offer, as this agreement qualifies as an irrevocable third-party clause (within the meaning of article 6:253 of the Dutch Civil Code). Reference is made to Chapter 9 ('Information on Welch Allyn').

Motivation for the Offer

Cardio Control must expand the line of products which it produces and sells, and accelerate the growth of its business to secure its long term continuity in a market that is rapidly consolidating. Cardio Control will gain access to the resources necessary to accomplish this growth by becoming part of the Welch Allyn group of companies.

Welch Allyn believes that growth of its cardiopulmonary business is strategically important to meet the requirements of its customers, primarily consisting of frontline healthcare providers. Its goal is to offer a complete family of cardiopulmonary products. The acquisition of Cardio Control furthers Welch Allyn's interest in advancing its worldwide cardiopulmonary and information management market presence. It also allows Welch Allyn to obtain core competencies and technologies to enhance the capture and management of patient clinical data in highly cost effective ways.

See also Chapter 4, paragraph 4.4 ('Background to and motivation for the Offer').

De-listing

After the Offer having been declared unconditional, Welch Allyn and Cardio Control shall use their best efforts to have the Cardio Control Ordinary Shares de-listed, as soon as permitted by Euronext. Cardio Control Shareholders who choose not to tender their Cardio Control Ordinary Shares, risk holding shares in a thinly traded, illiquid stock. See also Chapter 4, paragraph 4.7.6 ('De-listing and buy-out procedure').

Recommendation

The Cardio Control Management Board and the Cardio Control Supervisory Board each fully recommend that the Cardio Control Shareholders accept the Offer. See Chapter 5 ('Recommendation to Cardio Control Shareholders').

Commitment to tender by Mr. van Luijk

Mr. D.G. van Luijk, the resigning Chairman of the Cardio Control Management Board, has unconditionally and irrevocably agreed to tender, under the terms of the Offer, all 1,408,829 Cardio Control Ordinary Shares (with a total nominal value of EUR 28,176.60) held by him, directly and/or indirectly, representing 46% of the outstanding share capital of Cardio Control on the date of this Offering Memorandum.

Tax consequences

The honouring (*gestanddoening*) of the Offer may have tax consequences for the Cardio Control Shareholders. See Chapter 4, paragraph 4.7.1 ('Tax consequences for the Cardio Control Shareholders accepting the Offer').

Acceptance Period

Cardio Control Shareholders may tender their Cardio Control Ordinary Shares from March 1, 2003 until April 4, 2003, 15.00 hours CET, subject to any extension of the Acceptance Period. If the Acceptance Period is extended, Welch Allyn will make an announcement to that effect, no later than on the third Trading Day after the end of the Acceptance Period, with due observance of the provisions of article 9o sub-section 5 of the DSSD. Welch Allyn will announce as soon as possible after the end of the Acceptance Period, but no later than on the fifth Trading Day thereafter, whether or not it honours the Offer (*het bod al dan niet gestand doet*).

Delivery of Cardio Control Ordinary Shares

Cardio Control Shareholders who have tendered their Cardio Control Ordinary Shares must deliver their Cardio Control Ordinary Shares within three Trading Days after the date of the announcement of the honouring of the Offer. Welch Allyn shall pay the Offer Price on the Settlement Date. See also Chapter 4, paragraph 4.2 ('Invitation to Cardio Control Shareholders').

Announcements

Any announcement in relation to the Offer will be made in the Euronext Amsterdam's Daily Official List and in one or more Dutch national newspapers.

Extraordinary General Meeting of Cardio Control Shareholders

The EGM will be held in Delft at the offices of Cardio Control, at Mercuriusweg 1, on March 25, 2003, 13.30 hours CET. At this meeting, *inter alia*, the Offer will be discussed, as required by article 9q of the DSSD. The notification of this EGM will take place in the usual way and in accordance with the Articles. Reference is made to Chapter 10 ('EGM').

Timetable

- | | |
|--------------------------------|--|
| – February 28, 2003 | – Announcement that the Offering Memorandum is available and that the Acceptance Period will start on March 1, 2003; |
| – March 1, 2003 | – Commencement Date; |
| – Ultimately on March 17, 2003 | – Announcement that the audited year-end 2002 figures will be made available; |

- March 25, 2003 (13.30 hours CET)
- April 4, 2003 (15.00 hours CET)
- Ultimately on April 11, 2003 (unless the Acceptance Period is extended, in which event this date will be no later than the fifth Trading Day after the date on which the extended Acceptance Period ends)
- Ultimately on April 18, 2003 (unless the Acceptance Period is extended, in which event this date will be no later than five Trading Days after the date on which the Offer is honoured)
- EGM;
- End of the Acceptance Period (unless the Acceptance Period is extended);
- Announcement whether or not the Offer will be honoured;
- Settlement Date.

CHAPTER 4 THE OFFER

4.1 Introduction

On January 20, 2003, Welch Allyn, Inc. and Cardio Control jointly announced a proposed recommended offer by Welch Allyn for all issued and outstanding Cardio Control Ordinary Shares, subject to the satisfaction of certain conditions. On February 19, 2003, Welch Allyn, Inc. and Cardio Control announced their intention to start the tender period for the entire issued and outstanding share capital of Cardio Control at the end of February, 2003. Since then, full agreement has been reached on the Offer.

4.2 Invitation to Cardio Control Shareholders

With due reference to all statements, terms, conditions and restrictions included in this Offering Memorandum, Cardio Control Shareholders are hereby invited to tender their Cardio Control Ordinary Shares to Welch Allyn under the Offer for acceptance in the manner and subject to the terms and conditions set out below.

- (a) Welch Allyn makes a public firm offer for all issued and outstanding Cardio Control Ordinary Shares. For each Cardio Control Ordinary Share tendered for acceptance under the terms and conditions of the Offer as set out in this Offering Memorandum, Welch Allyn offers EUR 6.00, to be paid in cash. The Offer Price is inclusive of any dividends to be paid or declared by Cardio Control in respect of the financial year 2002. If the Offer is honoured, no dividend will be made available in respect of the financial year 2002. Accordingly, if the Offer is honoured, the Cardio Control Shareholders will not receive any dividend payable for the financial year 2002.
- (b) Cardio Control Shareholders are requested to make their acceptance of the Offer known by 15.00 hours CET, on the Closing Date at the latest, through the Admitted Institutions, to Dexia Bank (Corporate Actions & Paying Agency, Department), at Beethovenstraat 300 in (1077 WZ) Amsterdam, the Netherlands, fax number +31 (0) 20 – 348 7579. Notwithstanding other statements in the DSSD, a tender of Cardio Control Ordinary Shares will be deemed irrevocable.

Admitted Institutions may tender their Cardio Control Ordinary Shares only through written acceptance to Dexia Bank. By this acceptance the Admitted Institutions declare that they have the tendered Cardio Control Ordinary Shares in their custody and that they are obliged, upon the Offer being honoured, to deliver these Cardio Control Ordinary Shares to Welch Allyn within three Trading Days after the date on which the announcement is made that the Offer is honoured.

- (c) The Offer shall be honoured subject to fulfilment of the terms and conditions as outlined in Chapter 4, paragraph 4.3 ('Terms and conditions of the Offer') of this Offering Memorandum.
- (d) If the initial Acceptance Period is extended so that the obligation to announce whether or not the Offer will be honoured is postponed, an announcement to that effect shall be made, no later than on the third Trading Day after the end of the initial Acceptance Period, with due observance of the provisions of article 9o sub-section 5 of the DSSD. Welch Allyn will announce as soon as possible after the end of the Acceptance Period (as extended, if relevant), but no later than on the fifth Trading Day thereafter, whether or not it honours the Offer.
- (e) On the Settlement Date, payment of the Offer Price shall be made to the Cardio Control Shareholders who have delivered their Cardio Control Ordinary Shares to Welch Allyn in accordance with the terms and conditions set out in this Offering Memorandum. After delivery of and payment for their Cardio Control Ordinary Shares, revocation, dissolution or annulment of shareholders' acceptances or deliveries is not permitted.
- (f) On behalf of Welch Allyn, Dexia Bank will pay the Admitted Institutions a commission amounting to EUR 0.03 per Cardio Control Ordinary Share tendered under the Offer with a maximum of EUR 1,000 per depot for the settlement of Cardio Control Ordinary Shares in exchange for cash.

- (g) Subject to the conditions set out in paragraph 4.3 below, Welch Allyn reserves the right to accept any tender, even if it has not been effectuated entirely in such manner as set out in this paragraph 4.2.

4.3 Terms and conditions of the Offer

Notwithstanding any other provisions of this Offering Memorandum, Welch Allyn will accept all Cardio Control Ordinary Shares tendered to Welch Allyn under the terms of the Offer and will honour the Offer if the following conditions have been satisfied on the Closing Date:

- (a) such number of Cardio Control Ordinary Shares are tendered as, together with the shares in Cardio Control (directly or indirectly) held by Welch Allyn for its own account at the Closing Date, represent at least 95% of the issued and outstanding Cardio Control Ordinary Shares at the Closing Date;
- (b) prior to the end of the Acceptance Period, no public announcement has been made indicating for the first time that a third party (i) is preparing or has made a Third Party Offer, or (ii) has obtained the right to, or has agreed to buy, or to take up shares to be issued by Cardio Control;
- (c) prior to the end of the Acceptance Period, no events, facts or circumstances have occurred which at the date hereof (i) were not known from the materials and other information furnished by Cardio Control to Welch Allyn and/or (ii) could not reasonably have been known to Welch Allyn as a result of its research of information filed as a matter of public record and/or filed pursuant to the Euronext regulations, and which are of such material nature that, in all reasonableness, it cannot be expected that Welch Allyn honours the Offer;
- (d) prior to the end of the Acceptance Period, no notification has been received from the FMA stating that the Offer has been made in violation of Chapter IIA of the DSSA, in which case, pursuant to section 32a of the DSSD, the securities institutions (*effecteninstellingen*, as defined in the DSSA) would not be allowed to give their cooperation to the execution and settlement of the Offer;
- (e) prior to the end of the Acceptance Period:
 - (i) with the exception of the competition approvals and clearances provided for in (ii) below, all material approvals, licences, exemptions and permissions of domestic and international authorities and/or third parties required in connection with the Offer and its intended change of control have been obtained and remain in full force and effect;
 - (ii) all mandatory pre-completion competition approvals of domestic international and supra national authorities and/or third parties reasonably required in connection with the Offer and its intended change of control have been obtained; and
 - (iii) in relation to the matters referred to in (i) and (ii) above, all waiting periods pursuant to applicable legislation have expired during which domestic or international and supra national authorities and/or third parties may oppose the Offer or its intended change of control or can take or announce steps, which could impede the Offer and its intended change of control or in any other way result in a material adverse effect for Cardio Control or Welch Allyn in connection with the Offer;
- (f) between September 30, 2002 (being the last date of the period to which the reviewed nine months 2002 figures relate) and the end of the Acceptance Period, and other than the 4,000 Options mentioned in Chapter 7, paragraph 7.4.2 ('Number of Options outstanding'), Cardio Control will not have committed itself in any way to issue to third parties any shares in Cardio Control or any securities convertible into, or rights or options to subscribe for or acquire any such shares or convertible securities, nor has Cardio Control committed itself in any way to issue notes or to pay any dividend or any other distribution, nor shall Cardio Control have paid any dividend or other distribution or issued any notes; and
- (g) Stichting Prioriteitsaandelen Cardio Control N.V. shall have issued a written statement to Welch Allyn that, on the sole condition precedent that the Offer is honoured, it will irrevocably and unconditionally transfer the Priority Shares to Welch Allyn, in full legal and beneficial ownership and free from any encumbrances and together with all rights attached thereto, ultimately on the Settlement Date and free of charge.

Except for the condition set out in paragraph 4.3 (d), only Welch Allyn may waive any or all of the conditions set out in this paragraph 4.3, in which case such condition or conditions shall be deemed satisfied.

4.4 Background to and motivation for the Offer

4.4.1 Background to the Offer

The Cardio Control Management Board and the management of Welch Allyn, Inc. have discussed and investigated the possibility of an acquisition, by way of Welch Allyn making a public firm offer for all Cardio Control Ordinary Shares and have come to the conclusion that such an acquisition would provide significant benefits to their respective businesses. On January 20, 2003 Cardio Control and Welch Allyn, Inc. jointly announced Welch Allyn's intention to make a public cash offer on all Cardio Control Ordinary Shares. After the completion of the confirmatory due diligence by Welch Allyn, a second announcement was made on February 19, 2003 that the Offer was expected to be made before the end of February 2003. Since then, an agreement has been reached on the Offer.

4.4.2 Transaction rationale

The underlying transaction shall enable Welch Allyn and Cardio Control to fully benefit from the economies of scale in regards of their businesses. The underlying transaction will result in optimised capacity utilisation, improved services for clients, and synergies generated by application of the companies' combined technology and know how. The underlying transaction furthers Welch Allyn's interest in advancing its worldwide cardiopulmonary and information management market presence. It also allows Welch Allyn to obtain core competencies and technologies to enhance the capture and management of patient clinical data in highly cost effective ways. By becoming part of the Welch Allyn group of companies, Cardio Control will participate in a cardiopulmonary business with sufficient resources to develop, produce, and sell new and improved products and Cardio Control will be able to effectively compete in a rapidly consolidating and competitive market.

Welch Allyn believes that growth of its cardiopulmonary business is strategically important to meeting the requirements of its customers, i.e. frontline healthcare providers. Welch Allyn's goal is to offer a complete family of cardiopulmonary products consisting of traditional resting electrocardiographs (ECGs), stress test ECGs, Holter 'mobile' ECGs, PC-based ECGs, spirometers, and related data management systems. Cardio Control's PC-based ECG diagnostic workstation and stress test ECGs complement the other products presently sold by Welch Allyn and will enable Welch Allyn to offer its customers the complete family of cardiopulmonary products described above. A complete line of electrocardiographs will allow Welch Allyn to meet any customer's requirement and will help to minimize Welch Allyn's dependence on market adoption of new technologies such as PC based products. With this strategy, Welch Allyn can offer products of leading edge technology for those customers that are 'early adopters', as well as other products that satisfy more traditional requirements. Welch Allyn will invest in the expansion of the Cardio Control workstation by enabling connectivity with other devices made by Welch Allyn, including its vital signs monitors, and by expanding relationships with vendors of electronic medical records.

Cardio Control wishes to join the Welch Allyn group in order to provide an additional growth platform within the Welch Allyn group in the Netherlands and Europe. Being part of the Welch Allyn group, Cardio Control will benefit from an even stronger financial base to accelerate its development in the Netherlands and Europe through both organic and external growth. Cardio Control's current smaller capitalization combined with the current economic developments and the subsequent risk-averse investing market, does not permit such growth development.

4.4.3 Strategic rationale

Welch Allyn expects that acquisition of Cardio Control would provide access to the following elements that will enable growth of its cardiopulmonary business:

(i) Personnel with knowledge and expertise in cardiopulmonary technology, particularly in the domain of electrocardiography and its related software. In particular Cardio Control's engineering team possesses domain expertise in ECG algorithms, signal processing, product/customer user interfaces, stress testing technology, and

information integration with hospital and physician information systems that will be a critical building block for Welch Allyn's cardiopulmonary business. Welch Allyn's plans for product development will provide the Cardio Control engineering team with stable and rich work projects. The team's knowledge and experience in the European clinical market also will facilitate Welch Allyn's future plans.

(ii) A line of robust/competitive PC-based ECG products (and services associated with their support and maintenance), which are complementary to the ECG products currently sold by Welch Allyn. The Cardio Control products add an established family of PC based ECG and stress products to the Welch Allyn product portfolio and provide technology building blocks for other products. For example, the ECG algorithm will be used in other products, such as a patient monitor in the hospital emergency department. In addition, the current workstation will be the foundation for our future strategy of connecting medical devices to an information management platform.

(iii) Cardio Control's name and reputation and existing European sales channel complements, and can be integrated with Welch Allyn's existing European channel. The integrated sales channel will market and sell Welch Allyn's entire line of cardiopulmonary and related products. The existing Cardio Control sales team provides valuable experience with these products and knowledge of prospective customers.

4.5 Substantiation of the Offer Price

The Offer Price has been determined by careful analysis, considering the interests of the Cardio Control Shareholders and all other stakeholders involved, such as:

- discounted cash flow analysis with underlying assumptions based on publicly available information on Cardio Control's past performance, including the financial performance over the first three quarters of 2002, and expectations expressed by the Cardio Control Management Board (such as annual reports and press releases); and
- the bid premiums paid 100% in cash in public take-overs on Euronext as of January 1, 2001.

The Offer Price represents:

- a 38% premium over the closing price of EUR 4.35 per Cardio Control Ordinary Share on November 8, 2002, the last Trading Day prior to the first public disclosure by Cardio Control that exploratory discussions were taking place with a third party about a possible strategic alliance;
- an 18% premium over the closing price of EUR 5.10 on January 17, 2003, the last Trading Day prior to the announcement on January 20, 2003, regarding Welch Allyn's intention to make an offer; and
- a premium of 43% over the average closing price of EUR 4.19 over the 12 months prior to January 17, 2003.

The Cardio Control Ordinary Share price development during the twelve months prior to February 26, 2003, is depicted below.

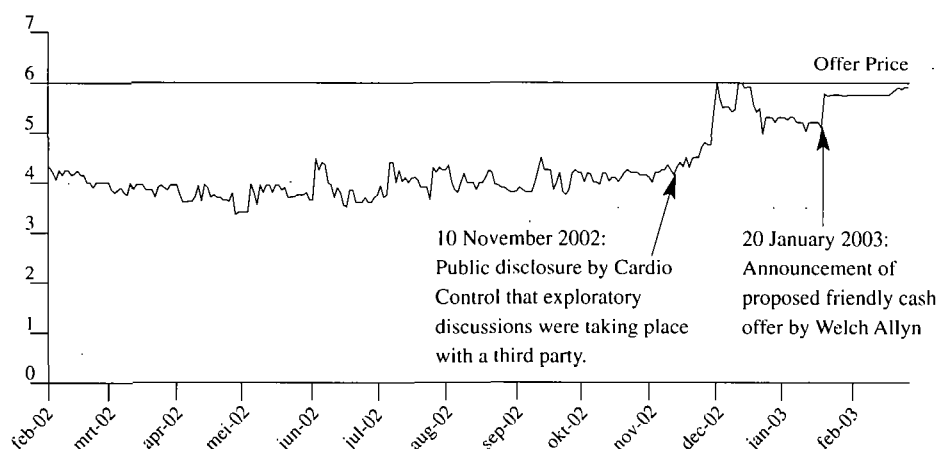


Figure: Cardio Control Ordinary Share price development (in EUR) from February 1, 2002 up to and until February 26, 2003.

Source: Datastream

Furthermore, F. van Lanschot Bankiers N.V. has provided an opinion on the fairness of the Offer, see Chapter 6 ('Fairness opinion').

4.6 Financing of the Offer

Welch Allyn, Inc. will make the funds for the acquisition available to Welch Allyn via an inter-company loan or a contribution of equity capital, or a combination thereof. Welch Allyn, Inc. will obtain these funds from available cash and/or from a credit agreement with Bank One, National Association. Welch Allyn, Inc. is authorised to borrow under this credit agreement for this acquisition of Cardio Control and therefore no financing contingency is involved.

4.7 Consequences of the Offer

4.7.1 Tax consequences for the Cardio Control Shareholders accepting the Offer

A number of possible Dutch tax consequences for Dutch resident Cardio Control Shareholders who accept the Offer are outlined below. This paragraph 4.7.1 is based on Dutch legislation as currently in force and on case law with regard to this Dutch legislation.

It is emphasised that not all possible tax consequences arising from the Offer are dealt with in this Offering Memorandum. This Offering Memorandum contains no tax advice and Cardio Control Shareholders, particularly Cardio Control Shareholders who are resident outside the Netherlands, are advised to consult their own tax advisor regarding the specific tax consequences the Offer may have for them.

References in this paragraph 4.7.1 to 'a private Cardio Control Shareholder resident in the Netherlands' should be read as including a private Cardio Control Shareholder who is deemed to be a resident of the Netherlands or who has opted for taxation as a resident in the Netherlands.

4.7.1.1 Dutch private Cardio Control Shareholders; investors

A private Cardio Control Shareholder resident in the Netherlands who: (i) does not earn 'benefits from miscellaneous activities' in connection with the Cardio Control Ordinary Shares tendered by him under the Offer; (ii) does not attribute, and is not required to attribute the Cardio Control Ordinary Shares to the assets of an enterprise that is, in whole or in part, carried on for his account; (iii) does not attribute and is not required to attribute the Cardio Control Ordinary Shares to the assets of an enterprise to which he – other than as entrepreneur or shareholder – is co-entitled; and (iv) does not possess a 'substantial interest' in Cardio Control, will not be subject to Dutch personal income tax (*inkomstenbelasting*) in connection with the Offer being declared unconditional and/or in connection with the settlement of the Offer as such.

4.7.1.2 Dutch private Cardio Control Shareholders; entrepreneurs/co-owners

A private Cardio Control Shareholder who is resident in the Netherlands and who attributes or is required to attribute the Cardio Control Ordinary Shares tendered by him under the Offer to the assets of an enterprise that is, in whole or in part, carried on for his account, or who attributes or is required to attribute those Cardio Control Ordinary Shares to the assets of an enterprise to which he – other than as entrepreneur or shareholder – is co-entitled, realises for Dutch personal income tax purposes a taxable profit from a business activity. The taxable profit per tendered Cardio Control Ordinary Share resulting from the Offer is (at maximum) the difference between the Offer Price and its fiscal book value applicable under section 3.2 of the Income Tax Act 2001. Such a private Cardio Control Shareholder is therefore subject to Dutch personal income tax in respect of such taxable profits from a business activity in connection with the Offer being declared unconditional and/or with the settlement of the Offer as such.

4.7.1.3 Dutch private Cardio Control Shareholders; substantial interest holders

A private Cardio Control Shareholder who is resident in the Netherlands and whose Cardio Control Ordinary Shares tendered under the Offer belong to a substantial interest, realises for Dutch personal income tax purposes taxable

income from a substantial interest. The taxable income per tendered Cardio Control Ordinary Share resulting from the Offer is (at maximum) the difference between the Offer Price and its acquisition price applicable under section 4.6.2 of the Income Tax Act 2001. Such a private Cardio Control Shareholder is therefore subject to Dutch personal income tax in respect of such taxable income from a substantial interest in connection with the Offer being declared unconditional and/or with the settlement of the Offer as such.

4.7.1.4 Dutch Cardio Control Shareholders; legal entities subject to corporate income tax, not being fiscal investment institutions

Entities resident in the Netherlands that are subject to the levy of corporate income tax, not being fiscal investment institutions within the meaning of section 28 of the Corporate Tax Act 1969, and foreign entities that allocate their Cardio Control Ordinary Shares to the assets of a Dutch enterprise that is, in whole or in part, carried on for their own account, realise in connection with the Cardio Control Ordinary Shares tendered under the Offer a taxable profit for Dutch corporate income tax purposes. The taxable profit per tendered Cardio Control Ordinary Share resulting from the Offer is (at maximum) the difference between the Offer Price and its fiscal book value. Such Cardio Control Shareholders are therefore, in connection with the Offer being declared unconditional and/or with the settlement of the Offer as such, subject to Dutch corporate income tax in respect of such taxable profits.

4.7.2 Future legal structure

If the acquisition of Cardio Control by Welch Allyn is consummated, Welch Allyn intends to maintain Cardio Control as a separate corporate entity within the group of Welch Allyn affiliated companies, and to continue its principal place of business in the Netherlands. Cardio Control's operations would be integrated within the Welch Allyn group of companies, and corporate services for the Cardio Control business would be provided through resources of the Welch Allyn group whenever efficiencies practically can be achieved.

The Articles will, where necessary, be amended to be in accordance with articles customarily used for Welch Allyn, Inc.'s subsidiary businesses and may hence include at least the following issues: (a) transformation of Cardio Control into a private company with limited liability; (b) termination of Priority Shares; and (c) elimination of the Supervisory Board of Cardio Control.

4.7.3 Outlook and strategy

Welch Allyn expects to obtain short term benefits from the acquisition of Cardio Control as a result of the expansion of the Welch Allyn family of cardiopulmonary products, and the integration of the Cardio Control European distribution channel into the existing Welch Allyn distribution channel. Benefits for the longer term will result from utilizing Cardio Control's intellectual property and its personnel in product development efforts to further expand and enhance Welch Allyn's family of cardiopulmonary products.

4.7.4 Social

In 2002 Cardio Control employed an average number of 45 employees (2001: 43). Integration of the Cardio Control business operations into the Welch Allyn group may result in a restructuring of Cardio Control's human resources organization, to the extent that some employee positions may become redundant as a result of consolidation of Cardio Control's administrative and sales operations with those of the Welch Allyn group.

The conditions of employment for Cardio Control employees are believed to be enhanced by the acquisition. Levels of base compensation will be maintained, or increased where deemed appropriate by Welch Allyn management. Benefits and incentive compensation will be comparable to the benefits and incentives provided to employees of other Welch Allyn affiliates in the European Union, which are believed to be equivalent to or better than the analogous benefits presently provided to Cardio Control employees. Further, Cardio Control employees will have enhanced opportunities for career growth and job satisfaction as a result of becoming part of the Welch Allyn group, in particular due to participation in Welch Allyn's ambitious plans for development of new cardiopulmonary products (as well as other products based on relevant cardiopulmonary technology) and the associated plans for marketing and sale of the

new products. Finally, Welch Allyn offers a collegial corporate culture that will contribute to a rewarding employment experience for Cardio Control employees.

4.7.5 Composition of the Cardio Control Management and Supervisory Board

The Cardio Control Management Board currently consists of Mr. D.G. van Luijk (CEO) and Mr. F.W.E. Kroon.

Upon the Offer being honoured, the current management relationship between Mr. Van Luijk and Cardio Control will be terminated. Subsequently, Welch Allyn will enter into a new fixed term (6 months) management agreement with Mr. Van Luijk, i.e. his wholly owned management company, for the services to be rendered by Mr. Van Luijk, upon such terms and conditions as agreed upon between Welch Allyn and Mr. Van Luijk. These terms and conditions include monthly fees amounting to EUR 16,500, which fees are payable during the term of the management agreement. Upon the Offer being honoured, Mr. Van Luijk will resign as member of the Cardio Control Management Board, at the date on which the Offer will be honoured. He will however remain fully available during the term of the previously described management agreement in order to facilitate a smooth transition of Cardio Control's operations into the Welch Allyn group, including introduction of personnel of the Welch Allyn group to Cardio Control customers, dealers and other business associates.

After the Offer is honoured, Mr. Kroon will remain a member of the Cardio Control Management Board. Additionally, Welch Allyn will appoint three (3) new members of the Cardio Control Management Board, resulting in the Cardio Control Management Board consisting of four (4) members, which are: Ms. Bonnie Labosky (group vice president for Welch Allyn, Inc.), Mr. Jack Rudnick (vice president and corporate counsel for Welch Allyn, Inc.), Mr. Kevin Cahill (executive vice president and chief financial officer for Welch Allyn, Inc.) and Mr. Frits Kroon.

After the Offer is honoured, Mr. Donald Abbey (general manager for the Welch Allyn group, with respect to the cardiopulmonary business) will assume the responsibilities of general manager of the business operations of Cardio Control, and Ms. Bonnie Labosky will have primary executive management responsibility for Cardio Control within the Welch Allyn group.

The Cardio Control Supervisory Board currently consists of Mr. E. van 't Hooft, Mr. J.K. van Soest and Mr. H.J.J. Wellens. Upon the Offer being honoured, all three Cardio Control Supervisory Board members will resign at the date on which the Offer will be honoured and will not receive any compensation for loss of office.

Welch Allyn intends to adopt a single board management structure for Cardio Control, to the effect that the Cardio Control Supervisory Board will be eliminated. See Chapter 4, paragraph 4.7.2 ('Future legal structure').

4.7.6 De-listing and buy-out procedure

After the Offer having been declared unconditional, Welch Allyn and Cardio Control shall use their best efforts to have the Cardio Control Ordinary Shares de-listed, as soon as permitted by Euronext. Welch Allyn and Cardio Control shall further endeavour to either buy-out the minority shareholders who will not have tendered their Cardio Control Ordinary Shares under the Offer by way of the statutory buy-out procedure (article 2:92a of the Dutch Civil Code), or alternatively co-operate to initiate either a legal merger or any other procedures and/or proceedings required to effectuate that such minority shareholders will cease to hold shares in Cardio Control.

Cardio Control Shareholders who choose not to tender their Cardio Control Ordinary Shares, risk holding shares in a thinly traded, illiquid stock.

4.7.7 Priority Shares

One of the conditions to which the honouring of the Offer is subject, is that the Stichting Prioriteitsaandelen Cardio Control N.V. will have issued a written statement to Welch Allyn that, on the sole condition precedent that the Offer is honoured, it will irrevocably and unconditionally transfer the Priority Shares to Welch Allyn, in full legal and beneficial ownership and free from any encumbrances and together with all rights attached thereto, ultimately on the Settlement

Date and free of charge. As a result hereof, Welch Allyn will be the sole and legal owner of all Priority Shares. Reference is made to paragraph 4.3 (g).

Upon having assumed the Priority Shares, Welch Allyn intends to terminate the Priority Shares.

4.7.8 Options

Cardio Control and the owners, holders or any other persons entitled to the Options will agree that the owners, holders or any other persons entitled to the Options will tender their Options for redemption and cancellation, provided that such agreement to tender is subject to the condition precedent that the Offer is honoured. Reference is made to paragraph 7.4 ('Option schemes'). Cardio Control will use an amount not exceeding EUR 250,000 from its own cash reserves to effect such redemption and cancellation.

4.8 Other statements required pursuant to the DSSA

In addition to the other statements set out in this Offering Memorandum, the management board of Welch Allyn makes the representations set out in this paragraph 4.8 under (a), (b), (c), (d), (g), (h), (i), and (j), the Cardio Control Management Board and the Cardio Control Supervisory Board hereby make the representations set out in this paragraph 4.8 under (a), (c), (e), (f), (g), (h), (i) and (j), as follows:

- (a) There have been consultations between the respective management boards of Welch Allyn and Cardio Control with respect to the Offer, which have resulted in an agreement.
- (b) With due observance of, and without prejudice to the restrictions referred to in Chapter I ('Important information and Restrictions'), the Offer applies to all outstanding Cardio Control Ordinary Shares and applies equally to all Cardio Control Shareholders.
- (c) Apart from their regular compensation, no financial compensation will be made to the resigning members of the Cardio Control Supervisory Board. Mr. Van Luijk, the retiring Chairman of the Cardio Control Management Board, will receive no financial compensation as such, apart from the management fees pursuant to the management agreement as described in paragraph 4.7.5 ('Composition of the Cardio Control Management and Supervisory Board').
- (d) On the date of this Offering Memorandum, Welch Allyn and/or Welch Allyn, Inc., do not hold any Cardio Control Ordinary Shares, directly or indirectly.
- (e) On the date of this Offering Memorandum, Cardio Control does not hold any share interests in Welch Allyn and or Welch Allyn, Inc., directly or indirectly.
- (f) Mr. D.G. van Luijk, the resigning Chairman of the Cardio Control Management Board, has unconditionally and irrevocably agreed to tender under the terms of the Offer, all 1,408,829 Cardio Control Ordinary Shares (with a total nominal value of EUR 28,176.60) held by him, directly and/or indirectly, representing 46% of the outstanding share capital of Cardio Control on the date of this Offering Memorandum.

Also, Mr. F.W.E. Kroon (member of the Cardio Control Management Board) and Mr. J.K. van Soest (member of the Cardio Control Supervisory Board) have irrevocably agreed to tender the 255 and 1,000 Cardio Control Ordinary Shares (with a total nominal value of EUR 5.10 and EUR 20, respectively) held by them respectively, directly and/or indirectly, under the terms of the Offer, representing in aggregate 0.04% of the outstanding share capital of Cardio Control on the date of this Offering Memorandum.

- (g) Save as referred to in section (f), no other Cardio Control Shareholders have irrevocably committed themselves to accept the Offer.

- (h) No transactions have taken place with individuals and/or legal persons within the meaning of article 9i sub-section s. and/or t. and/or u. of the DSSD.
- (i) The information set out in article 9p of the DSSD has been or will be provided to the FMA.
- (j) The FMA and Euronext have been informed about the Offer. There are no trade unions involved at the level of Cardio Control and Cardio Control does not have a works council.

4.9 Break up fee

In the event that a Third Party Offer has been approved or recommended by the Cardio Control Management Board and/or the Cardio Control Supervisory Board, and/or in the event that such Third Party Offer will subsequently be honoured, the following applies:

In consideration of Welch Allyn having incurred substantial costs (including but not limited to internal costs – which internal costs are agreed between Welch Allyn and Cardio Control to be fixed at EUR 285,000 – advisory fees and other out of pocket expenses, but excluding loss of profits and opportunity costs), and made substantial efforts in relation to the Offer and having through the Offer enhanced the possibility of a third party making a Third Party Offer, Cardio Control shall, immediately upon the service of a written and documented request to it, pay to Welch Allyn a fee which is equal to the costs made by Welch Allyn in relation to the Offer, which fee shall not exceed an amount of (i) EUR 475,000 in the event that a Third Party Offer has been approved or recommended by the Cardio Control Management Board and/or the Cardio Control Supervisory Board, and (ii) an additional amount of EUR 235,000 in the event that such Third Party Offer will subsequently be honoured.

CHAPTER 5 RECOMMENDATION TO CARDIO CONTROL SHAREHOLDERS

Dear Cardio Control Shareholder,

We, the Cardio Control Management Board and the Cardio Control Supervisory Board, on the basis of the considerations set out in this Offering Memorandum, conclude that a joining of forces between Welch Allyn and Cardio Control is in the best interest of Cardio Control, the Cardio Control Shareholders and all other parties involved. Also taking into account the fairness opinion of F. van Lanschot Bankiers N.V. as expressed in Chapter 6 ('Fairness opinion') of this Offering Memorandum, we believe the Offer is fair (*redelijk en evenwichtig*) and we therefore fully recommend the acceptance of the Offer.

February 28, 2003

Cardio Control Management Board

Mr. D.G. van Luijk (Chairman)

Mr. F.W.E. Kroon

Cardio Control Supervisory Board

Mr. E. van 't Hooft (Chairman)

Mr. J.K. van Soest

Mr. H.J.J. Wellens

CHAPTER 6 FAIRNESS OPINION



PERSONAL AND CONFIDENTIAL

To the Supervisory Board
and Management Board of
Cardio Control N.V.
Mercuriusweg 1
2624 BC Delft
The Netherlands

Department
Corporate Finance & Capital Markets

's-Hertogenbosch
February 28th, 2003

Dear Sirs,

You have requested F. van Lanschot Bankiers N.V. (hereafter 'Van Lanschot') to provide you with an opinion as to the fairness, from a financial point of view, regarding the intended public offer (the 'Offer') of Welch Allyn International Holdings, Inc. ('Welch Allyn') for all issued and outstanding shares of Cardio Control N.V. ('Cardio Control') with a nominal value of EUR 0.02 each (the 'Shares'). We have not been acting as an advisor in the negotiations between Cardio Control and Welch Allyn concerning the conditions of the Offer.

We understand that under the terms of the Offer, holders of Shares will receive an amount of EUR 6.00 ('Offer Price') in cash for each Share.

In determining our opinion, we have reviewed and considered:

- (i) The terms and conditions of the Offer as set out in the offer document;
- (ii) Certain public information of Cardio Control, such as:
 - Annual reports;
 - Press releases;
- (iii) Reviewed financial figures of Cardio Control over the period of January 1st, 2002 up to September 30th, 2002;
- (iv) Unaudited estimates for sales and operating result of Cardio Control over the period of January 1st, 2002 up to December 31st, 2002;
- (v) Internal financial reports and forecasts of revenues and operating result for Cardio Control;
- (vi) Discussions we have conducted with the Management Board of Cardio Control regarding past and current business operations, forecasts and future operations, as well as the strategy, the structure of shareholdings and the future financial condition of the company;
- (vii) Discussions we have conducted with the Management Board of Cardio Control with regard to expected financial and strategic synergy as a result of the Offer;
- (viii) Minutes of the Supervisory Board meetings for the years 2001, 2002 and 2003 to date;
- (ix) Certain publicly available information on the valuation of companies engaged in business comparable to that of Cardio Control;
- (x) Current and historic market prices of the quoted Share;
- (xi) Publicly available terms of comparable transactions involving listed companies which are comparable to Cardio Control;
- (xii) Other financial analyses and studies as deemed relevant by us.

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F. van Lanschot Bankiers N.V.
's-Hertogenbosch the Netherlands
Trade Register 's-Hertogenbosch
nr 16038212



We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or was provided to us by Cardio Control or otherwise reviewed by us for the purposes of this opinion. We have not assumed and do not assume any responsibility or liability therefor. In addition, we did not make an independent appraisal of the assets and liabilities of Cardio Control. We have assumed and received confirmation from Cardio Control, represented by its management, that to the best of its knowledge no information has been withheld from us that could have a material effect on this opinion. We have discussed the forecasts for Cardio Control with the Management Board and we have assumed these forecasts reflect the best currently available estimates and judgements of the Management Board of Cardio Control with regard to the future financial performance of the company.

This fairness opinion does not take into consideration the financial figures over the period of October 1st, 2002 up to December 31st, 2002 of Cardio Control. After publication of the audited financial figures 2002 of Cardio Control, Van Lanschot shall issue an opinion in which this additional information is included.

This opinion does not include legal, fiscal and accounting related aspects of the Offer.

This opinion is based on the economic, regulatory, market and other conditions in effect on, and the information made available to us, as of the date hereof. We do not express any opinion regarding the likely trading range of the Cardio Control shares following the announcement of the Offer or the consummation thereof.

In rendering our opinion, we have assumed that the Offer will be consummated on the terms laid down in the offer document, without waiver of any material terms or conditions.

This letter and the opinion are provided solely for the benefit of the Supervisory Board and Management Board of Cardio Control in connection with and for the purpose of their consideration of the Offer. It is not provided on behalf of, and shall not confer rights or remedies upon and does not constitute a recommendation by Van Lanschot to any holder of securities of Cardio Control or any other person other than the Supervisory Board and Management Board of Cardio Control. This letter may not be reproduced, disseminated or quoted at any time or in any manner without our prior written consent, save that it may be reproduced in full for information purposes only in the offer document to be made available to holders of the Shares.

It should be understood that subsequent developments might affect this opinion, with regard to which we are under no obligation to update, revise or reaffirm.

Based upon and subject to the foregoing, it is our opinion that as of the date hereof the Offer is fair from a financial point of view to holders of Shares.

Yours faithfully,

F. van Lanschot Bankiers N.V.

CHAPTER 7 INFORMATION ON CARDIO CONTROL

7.1 Profile

Cardio Control is a Dutch publicly traded company founded in 1982 to develop affordable diagnostic systems for medical usage. As the pioneers of PC based ECG recorders, Cardio Control has distributed products in over 55 countries around the world through its network of distributors and subsidiaries in France, Germany, Norway, Sweden and the U.S.A.

Cardio Control designs, develops and sells medical diagnostic systems for heart and lung functions. The company introduced unique software for recording and analysing combined medical and patient data, for both centralized and remote usage. Customers are medical professionals and medical centers with an increasing market share in large clinics and hospitals. The most important product is Cardio Control's independently developed Stress-test ECG system for diagnosis of the heart function.

7.2 General information

7.2.1 Registered Office and Trade Register

Cardio Control N.V.
Mercuriusweg 1
2624 BC Delft
The Netherlands

Telephone +31 (0) 15 – 750 5000
Telefax +31 (0) 15 – 750 5050
E-mail: info@cardiocontrol.com
Web : www.cardiocontrol.com

Cardio Control is registered in the register of companies of the Haaglanden Chamber of Commerce under file number 2713 2265.

7.2.2 Personnel and Organisation

Cardio Control has a management board and a supervisory board. The average number of Cardio Control employees in 2002 totalled up to 45 (2001: 43).

7.2.3 Cardio Control Management Board

The Cardio Control Management Board currently consists of two (2) members. The members are:

Mr. drs. D.G. van Luijk - Chief Executive Officer (CEO)

Mr. Van Luijk (44) is the Chairman of the Cardio Control Management Board and a major shareholder since 1994. He was the only statutory director of Cardio Control from February 1987 until April 1999. Under his leadership Cardio Control expanded from 1 employee with less than EUR 150,000 in sales (in 1986) into 45 employees with over EUR 10 million in sales (in 2002). From 1985 up to 1987, Mr. Van Luijk worked as a journalist (Het Financieele Dagblad, Amsterdam). He has a bachelor's degree in Social and Political Science (1981) and a Master of Business Administration degree (1984), both awarded by Erasmus University in Rotterdam.

Mr. ir. F.W.E. Kroon - Technical Officer

Mr. Kroon (37) is a statutory director since April 1999, specializing in Research & Development and technical management. Mr. Kroon graduated from the Technical University in Delft (1990), specializing in Electrical Engineering

and Computer Science. His career has been entirely devoted to Cardio Control, where he started as a software engineer in 1990 and was promoted several times until he became the second statutory director in 1999.

Aside the abovementioned two members of the Cardio Control Management Board, no other persons exercise decisive influence regarding Cardio Control.

7.2.4 Cardio Control Supervisory Board

The Cardio Control Supervisory Board currently consists of three (3) members. The members of the Cardio Control Supervisory Board are:

Mr. ing. E. van 't Hooft - Chairman

In 1998, Mr. Van 't Hooft (57) became a member of the Cardio Control Supervisory Board. Mr. Van 't Hooft is a founder and former CEO and chairman of the management board of Nucletron B.V., incorporated in 1978 and specializing in brachytherapy equipment. This company merged with Delft Instruments N.V. in 1994. Mr. Van 't Hooft has been a member of the board of directors of Delft Instruments from 1994 until 1999.

Mr. ir. J.K. van Soest

Mr. Van Soest (62) became a supervisory director of Cardio Control in 2001. Mr. Van Soest graduated from the Technical University in Delft in 1967 as a mechanical engineer. He started his career in 1967 with Philips Medical Systems where he had various positions as designer, manager Research & Development, manufacturing and marketing and vice-president of the PMS businessunit X-ray. Mr. Van Soest has been a chief technology officer of Philips Medical Systems from 1995 up to and until 2000.

Mr. prof. dr. H.J.J. Wellens

Mr. Wellens (67) became a supervisory director of Cardio Control in 1998. Mr. Wellens has been a professor in cardiology with the Maastricht University from 1978 until 2001, during which period he was also a director of the Interuniversity Cardiology Institute of the Netherlands (ICIN), and a Honorary Fellow of the American Heart Association and European Cardiology Society.

7.3 Equity

7.3.1 Share capital

The Cardio Control authorised share capital is divided into 6 million Cardio Control Ordinary Shares; 5,999,980 preferential shares; and 20 Priority Shares, each with a nominal value of EUR 0.02.

The called and paid in capital amounts to 3,050,000 shares; 3,049,980 Cardio Control Ordinary Shares (listed on Euronext, Euro.NM Amsterdam, code NL0000344059) and 20 Priority Shares.

Key figures (in EUR)	30-09-2002	2001	2000	1999	1998
Average number of outstanding shares	3,050,000	3,050,000	3,050,000	3,050,000	3,050,000
(Loss) / earnings per share	(0.01)	(0.11)	(0.90)	0.13	0.33
Net asset value per share	1.54	1.72	1.84	2.72	2.62
Share price (period end)	4.19	4.35	4.50	5.45	8.53

The Priority Shares are held by Stichting Prioriteitsaandelen Cardio Control. The natural persons which are ultimately responsible for the voting rights allocated to the Priority Shares are Mr. D.G. van Luijk, Mr. E. van 't Hooft and Mr. O.G. van Laar. The 20 Priority Shares will, on the sole condition precedent that the Offer is honoured, be transferred

to Welch Allyn, ultimately on the Settlement Date and free of charge. Reference is made to paragraph 4.7.7 ('Priority Shares'). Upon having assumed the Priority Shares, Welch Allyn intends to terminate the Priority Shares.

7.3.2 Share price information and share price developments

The figure below gives an overview of the Cardio Control Ordinary Shares' highest and lowest closing price (in EUR) for the period January 1, 2002 through February 26, 2003.

	High	Low		High	Low
January 2002	4.25	3.80	January 2003	5.77	5.02
February 2002	4.30	3.90	February 2003 (up	5.90	5.75
March 2002	4.00	3.70	to February 26)		
April 2002	3.96	3.35			Closing
May 2002	3.98	3.40	17 February 2003		5.75
June 2002	4.48	3.51	18 February 2003		5.75
July 2002	4.40	3.65	19 February 2003		5.80
August 2002	4.34	3.80	20 February 2003		5.85
September 2002	4.50	3.75	21 February 2003		5.90
October 2002	4.25	3.96	24 February 2003		5.86
November 2002	5.35	4.00	25 February 2003		5.90
December 2002	6.00	4.96	26 February 2003		5.90

Source: Bloomberg

7.3.3 Dividends

Consistent with Cardio Control's policy, no dividend was paid to the Cardio Control Shareholders over the last years.

7.4 Option schemes

7.4.1 Share options schemes

In June 1997 for the first time, Cardio Control adopted a share option scheme. New versions of this share option scheme have been adopted ever since. Under these schemes, no more than 2% of Cardio Control Ordinary Shares will be made available to participants. If the share capital is increased or decreased as a result of a share split or a share-for-share merger for which the company receives no compensation, the Options under the share options scheme(s) will be adjusted accordingly.

If the granted Options expire or can no longer be exercised for whatever reason, the unsold Cardio Control Ordinary Shares will be made available for future Options to be granted. The term of each Option shall not exceed a period of five years from the date on which it is granted and each Option can be exercised after three years.

7.4.2 Number of Options outstanding

The 35,146 Options granted in 1997 would have expired on December 31, 2002, due to the lapse of the five years term. A number of 6,318 of these Options have however, been exercised in the first half of December 2002 in exchange for Cardio Control Ordinary Shares; these Cardio Control Ordinary Shares have been delivered (*geleverd*) to the relevant holders of the Options. The remaining number of 28,828 Options granted in 1997 (including the 16,848 Options held by Mr. Kroon), have been exercised in the second half of December 2002 in exchange for Cardio Control Ordinary Shares; these Cardio Control Ordinary Shares have not yet been delivered (*geleverd*) to the relevant holders of the Options.

On the date hereof the total number of outstanding Options held by all Cardio Control employees, including the members of the Cardio Control Management Board, totals up to 84,330 Options. Of this total number of outstanding

Options, 8,430 Options have been granted in 1998, 16,780 Options have been granted in 2000, 41,120 Options have been granted in 2001, 14,000 Options have been granted in 2002 and 4,000 Options have been granted in January 2003, all with a five years term of expiration.

Out of the total number of 84,330 Options outstanding on the date of this Offering Memorandum, the members of the Cardio Control Management Board hold 42,558 Options. Mr. Van Luijk holds 40,000 Options, 10,000 of which have an exercise price of EUR 4.99 and the remaining 30,000 have an exercise price of EUR 2.46. Mr. Kroon holds 2,558 Options, 1,000 of which have an exercise price of EUR 4.99 and the remaining 1,558 have an exercise price of EUR 7.44.

The members of the Cardio Control Supervisory Board hold no Options.

After the Offer has been honoured, no Options will be granted to the (new) members of the Cardio Control Management Board or Cardio Control Supervisory Board.

7.4.3 Redemption and cancellation of Options

As already reflected in Chapter 4, paragraph 4.7.8 ('Options'), Cardio Control and the owners, holders or any other persons entitled to the Options will agree that the owners, holders or any other persons entitled to the Options will tender their Options for redemption and cancellation, provided that such agreement to tender is made subject to the condition precedent that the Offer is honoured. Cardio Control will use an amount not exceeding EUR 250,000 from its own cash reserves to effect such redemption and cancellation.

7.5 Disclosure of Major Shareholdings in Listed Companies Act

Under the Disclosure of Major Shareholdings in Listed Companies Act (*Wet melding zeggenschap in ter beurze genoteerde vennootschappen 1996*) the following notifications of interests in the subscribed share capital of Cardio Control have been received by Cardio Control.

Notification date	Cardio Control Shareholder	Interest in shares
01-09-2002	D.G. van Luijk	1,408,829
01-09-2002	J.K. van Soest	1,000
01-09-2002	F.W.E. Kroon	255

On the date hereof, the members of the Cardio Control Management Board hold 1,409,084 Cardio Control Ordinary Shares. Mr. Van Luijk holds, directly and/or indirectly, 1,408,829 Cardio Control Ordinary Shares, representing an interest of 46%. Mr. Kroon holds 255 Cardio Control Ordinary Shares.

At the date hereof, Mr. Van Soest, member of the Cardio Control Supervisory Board, holds 1,000 Cardio Control Ordinary Shares (2001: 1,000). Mr. Van 't Hooft and Mr. Wellens do not hold any Cardio Control Ordinary Shares.

7.6 Key figures Cardio Control

(× EUR 1,000)	30-09-2002	31-12-2001	31-12-2000	31-12-1999
Results				
Operating income	6,169	6,752	5,524	4,937
Operating profit	(110)	(423)	(2,871)	356
Net group profit	(23)	(339)	(2,731)	379
Operating profit as a % of turnover	(1.8)%	(6)%	(52)%	7%
Net group profit as a % of turnover	(0.4)%	(5)%	(49)%	8%
Balance Sheet figures				
Balance sheet total	6,923	7,444	8,304	10,761
Group equity	4,703	5,235	5,602	8,305
Equity / balance sheet total	67.9%	70%	67%	77%
Figures per share (in EUR)				
(Loss) / earnings	(0.01)	(0.11)	(0.90)	0.13

Dutch guilders have been translated into EUR at the fixed conversion rate.

The audited year-end 2002 figures will be announced by Cardio Control ultimately on March 17, 2003 and will be made available free of charge at the offices of Cardio Control and Kempen & Co.

7.7 Activities and market developments

7.7.1 Market developments 2001

After the disappointing financial year 2000, the financial year 2001 showed an improvement of the results. A record turnover from product sales resulted in a 22% increase in turnover to EUR 6.7 million (2000: EUR 5.5 million). The net loss on ordinary activities improved by EUR 2.4 million to EUR 0.3 million (compared with a loss of EUR 2.7 million in 2000), bringing the loss per share to EUR 0.11 (2000: loss of EUR 0.90).

In 2001, Cardio Control made investments in the product range and the organization. The product range was expanded by a module for ambulatory blood pressure and a mini holter. The sales organization and the financial and logistical functions were substantially reorganized and maintenance work was carried out on the computerized systems. A provision for reorganization was made for this purpose in 2000. Cardio Control was able to fully finance this reorganization from its own resources; additional external financing was not necessary.

Gross profit improved further from 58% in 2000 to 65% in 2001, whereas solvency rose to 70%.

Geographical breakdown

In 2001, more than a third of Cardio Control's turnover was generated in the euro-zone, with the Netherlands, France and Germany representing the most important countries. North America accounted for approximately 30% of the turnover, whereas the branches in Sweden and Norway together contributed some 20% of the total turnover. The remainder of the turnover was generated from special projects and in other countries, ranging from Chili to China.

New developments and activities

In 2001, markets in Europe and North America showed a rise in the replacement of diagnostic systems based on hardware by systems based on software, a product area Cardio Control is specialized in. With the new products that Cardio Control added to its range in 2001 (i.e. the blood pressure module and the mini holter), Cardio Control entered into new, related markets that are considerably larger than the niche market it operated in before.

Finally, at the start of 2001 and aiming on markets in various European countries, Cardio Control started offering the MedGraphics product line (lung functioning research) in combination with the Stress test ECG (ergospirometry, etc).

The MedGraphics division forms part of the Angeion Corporation (listed at the NASDAQ Stock Market: ANGN), located in Minnesota, the United States of America. At the end of 2000 and the start of 2001, Cardio Control started building up a strategic interest (less than 10%) in the capital of Angeion Corporation. MedGraphics is also the retailer for Cardio Control in the United States of America.

Risk profile

The risks for a company such as Cardio Control are linked to its limited Research & Development capacity and the allocation of that capacity, the influence of management on the implementation of the company's growth strategy, the seasonal influence which has a particular impact in the final months of the year, the dependence of the success of the company on a small group of people, a limited organizational structure, uncertainties concerning competition and exchange rate fluctuations. Negative cash flows have been generated for several years. These cash flows, which were incurred mainly on investments, were met by Cardio Control's own cash resources.

7.7.2 Market developments 2002 (until September 30, 2002)

Two major milestones were accomplished in the first nine months of 2002: first, in June, a record purchase order was obtained from a multinational drug company, and second, in September, an exclusive distribution contract was signed which added 24-hour Holter ECG to the Cardio Control Medical Diagnostic Workstation in over 50 countries.

The first milestone significantly increased the presence of Cardio Control's Stress-test ECG systems in the hospital environment of more than 20 countries, adding some 200 hospitals to Cardio Control's customer list. The second milestone completes the Cardio Control Medical Diagnostic Workstation and will generate a lot of interest and immediate sales increases in many countries.

Consolidation in the market

During 2002 several companies that were either distribution partners or competitors of Cardio Control have merged with or been taken over by third parties. This leaves just a small group of companies controlling the global markets for medical diagnostic systems. It makes competition very difficult for a small independent niche player like Cardio Control. Finding strong distribution partners was part of Cardio Control's strategy since its IPO in 1998, but realising this target has become increasingly difficult due to the limited choice of partners.

Product development

The Recollect mini-Holter technology that was acquired in 2001, was redesigned and integrated as a module for the Cardio Control Workstation. The first model of a new generation of ECG-recorders was introduced during Medica (the largest medical trade show) in November. This ECG-recorder, the Cardio Perfect PRO, will be the basis for both portable instruments and Stress-test environments. A lot of time was devoted to improving and expanding the modules of the Workstation, including connectivity with other medical and EMR-software.

Geographical developments

The United States of America became the largest single country as a purchaser of Cardio Control products in 2002. Approximately 20% of all sales were made in the United States of America. Secondly, a strong increase in sales was registered in France. This increase mainly related to the hospital market.

Markets in Scandinavian countries and the Netherlands also showed reasonable growth and profitable results. Germany however, has been showing a disappointing development so far. The EC-countries determine approximately 50% of all Cardio Control product sales, consisting mainly of ECG-systems in primary care environments.

7.8 Financial results

7.8.1 Financial results financial year 2001

The financial year 2001 showed a strong improvement of the results. Record turnover from product sales resulted in a 22% increase in turnover to EUR 6.7 million (2000: EUR 5.5 million). The net loss on ordinary activities improved by EUR 2.4 million to EUR 0.3 million (compared with a loss of EUR 2.7 million in 2000), bringing the loss per share to EUR 0.11 (2000: loss of EUR 0.90).

Gross profit improved further from 58% in 2000 to 65% in 2001, whereas solvency remained excellent and rose to 70%.

Cash and cash equivalents at the disposal of the company amounted to EUR 1.8 million compared with EUR 3 million in 2000. This decrease in cash disposal was mainly attributable to the investments and costs related to building up activities on the United States of America market, which now account for 20% of total turnover generated. Furthermore, technology totalling EUR 227,000 (including Recollect) was acquired and amortised in 2001. Capital and reserves decreased by 7% to EUR 5.2 million partly due to the goodwill charged to the reserves.

7.8.2 Financial results third quarter 2002

The first nine months of 2002 resulted in a net loss of EUR 22,733 compared to a net loss of EUR 339,251 in the complete financial year 2001. Operating income accumulated in the first nine months of 2002 to an amount of EUR 6,169,427, compared to EUR 6,751,809 in the complete financial year 2001.

The results in the first nine months were influenced significantly by the deliveries of ECG Stress systems for the purchase order related to an international drug study, that was announced in June 2002. This purchase order is reflected in a temporary higher level of our stocks, a higher than usual level of our debtors and a lower than usual level of our cash at bank in hand.

Group equity declined to an amount of EUR 532,275, mainly due to re-purchase (*inkoop*) of 102,620 Cardio Control Ordinary Shares. The depreciation of the participation in Angeion Corporation is reflected in the decrease of the financial fixed assets of Cardio Control.

7.8.3 Outlook 2002

A profitable fourth quarter 2002 is expected, that will generally compensate for the loss in the first nine months 2002. Based on the most recent information, an operating income of over EUR 10 million is expected for the financial year 2002, expectantly resulting in a record profit in the history of Cardio Control.

7.8.4 Litigation

Cardio Control is not party to nor threatened with any disputes or civil, fiscal, administrative, penal or disciplinary proceedings (including arbitration and binding advice proceedings) involving an amount that could cause a contingent liability and could exercise a material influence upon the financial results of Cardio Control. To the best knowledge of Cardio Control, there are no circumstances which could give rise to any such disputes and/or proceedings.

7.8.5 Consolidated balance sheet after appropriation of profit

	30-09-2002	31-12-2001	31-12-2000	31-12-1999
Assets				
FIXED ASSETS				
Intangible fixed assets	199,885	194,001	0	1,183,814
Tangible fixed assets	1,293,100	1,292,793	1,621,704	573,238
Financial fixed assets	56,972	207,999	117,720	0
	<u>1,549,957</u>	<u>1,694,793</u>	<u>1,739,424</u>	<u>1,757,052</u>
CURRENT ASSETS				
Stocks	1,510,310	1,045,801	708,308	602,244
Debtors, prepayments and accrued income	4,135,898	2,862,391	2,914,942	3,885,599
Cash at bank and in hand	(273,022)	1,841,022	2,941,795	4,516,519
	<u>5,373,186</u>	<u>5,749,214</u>	<u>6,565,045</u>	<u>9,004,362</u>
Total assets	<u>6,923,144</u>	<u>7,444,007</u>	<u>8,304,469</u>	<u>10,761,414</u>
Liabilities				
GROUP EQUITY				
Capital and reserves	4,703,045	5,235,320	5,601,608	8,304,998
Provisions	183,193	287,478	629,106	455,242
Long-term liabilities	0	0	204,201	0
Current liabilities, accruals and deferred income	2,036,906	1,921,209	1,869,554	2,001,174
Total liabilities	<u>6,923,144</u>	<u>7,444,007</u>	<u>8,304,469</u>	<u>10,761,414</u>

7.8.6 Consolidated profit and loss account

	30-09-2002	31-12-2001	31-12-2000	31-12-1999
Net turnover	6,169,427	6,751,809	4,525,724	4,936,966
Other operating income	0	0	998,316	0
Total operating income	6,169,427	6,751,809	5,524,040	4,936,966
Raw materials and consumables	2,388,840	2,336,983	1,900,449	1,648,365
Other external costs	0	0	1,724,365	0
Staff costs	1,785,415	2,093,972	1,775,795	1,327,294
Depreciation fixed assets	451,696	528,517	649,023	142,279
Other operating expenses	1,653,314	2,215,088	2,345,658	1,462,942
Total operating expenses	6,279,265	7,174,560	8,395,290	4,580,880
Operating profit/(loss)	(109,838)	(422,751)	(2,871,250)	356,086
Interest income and similar income	4,980	61,365	110,697	168,933
Interest expense and similar charges	(86,975)	(132,065)	(28,412)	(51,684)
Price differences on shares	(110,270)	(63,136)	(44,609)	0
Result on ordinary activities before taxation	(302,103)	(556,587)	(2,833,574)	473,335
Corporate income tax	279,370	217,336	350,257	(93,594)
Net result on ordinary activities	(22,733)	(339,251)	(2,483,317)	379,741
Extraordinary expense (provision for reorganisation)	0	0	(300,000)	0
Tax on extraordinary expense	0	0	52,500	0
Extra ordinary expenses after taxation	0	0	(247,500)	0
Minority interest in group	0	0	0	(293)
Net Result	(22,733)	(339,251)	(2,730,817)	379,448
(Loss) / earnings per share	(0.01)	(0.11)	(0.90)	0.13
Fully diluted (loss) / earnings per share	(0.01)	(0.11)	(0.90)	0.13

7.8.7 Consolidated cash flow statement

	30-09-2002	31-12-2001	31-12-2000	31-12-1999
Operating activities				
Operating loss	(109,838)	(422,751)	(2,871,250)	356,086
Adjustment for depreciation	406,605	546,365	649,023	142,279
Movements in working capital:				
Trade debtors	(1,206,333)	(42,339)	1,218,894	(1,111,976)
Stocks	(830,451)	(337,492)	(106,064)	(79,364)
Trade creditors	744,708	179,945	180,997	36,886
Prepayments and accrued income and accruals and deferred income	(325,261)	(208,473)	580,844	84,441
	(1,617,337)	(284,746)	(347,556)	(571,648)
Interest received	281,343	61,365	110,697	168,933
Interest paid	(195,386)	(124,785)	(28,412)	(21,173)
Profit tax received / (paid)	0	143,309	(26,981)	65,939
Cash flow used in operating activities	(1,234,613)	(204,857)	(292,252)	(357,949)
Investments				
Intangible fixed assets	(5,884)	(194,001)	(224,859)	(302,910)
Tangible fixed assets	(406,912)	(219,612)	(307,265)	(346,591)
Acquisition of Normedis Health Care	0	0	(561,727)	(622,542)
Acquisition 'Recollect Business'	0	(120,333)	0	0
Acquisition of shares in Angeion	0	(157,769)	(162,329)	0
Cash flow used in investing activities	(412,796)	(691,715)	(1,256,180)	(1,272,043)
Financing activities				
Re-purchase of own shares	(466,635)	0	0	0
Movement in long-term liabilities	0	(204,201)	(26,292)	481
Cash flow used in financing activities	(466,635)	(204,201)	(26,292)	481
Movements in cash and cash equivalents	(2,114,044)	(1,100,773)	(1,574,724)	(1,629,511)
Cash and cash equivalents period-end	(273,022)	1,841,022	2,941,795	4,516,519
Cash and cash equivalents period-start	1,841,022	2,941,795	4,516,519	6,146,030
Movements in cash and cash equivalents	(2,114,044)	(1,100,773)	(1,574,724)	(1,629,511)

7.9 Historic review

(× EUR 1,000)

	30-9-2002	2001	2000	1999
Revenues and results				
Operating result	(110)	(557)	(2,833)	356
Net result	(23)	(339)	(2,731)	379
Cash flow	(2,114)	(1,101)	(1,575)	(1,629)
Capital and assets (y/e)				
Group capital	4,703	5,235	5,602	8,305
Share holders equity	1.54	1.72	1.84	2.72
Tangible fixed assets	1,293	1,293	1,622	573
Working capital	3,336	3,828	4,695	7,003
Ratios				
Operating result before amortisation of goodwill as % of net revenues	(1.8)%	(6.3)%	(63.4)%	7.2%
Current ratio	2.6	3	3.5	4.5
Quick ratio	1.9	2.5	3.1	4.2
Solvency	67.9%	70.3%	67.5%	77.2%
Other				
Average number of employees	45	43	47	42

CHAPTER 8 AUDITORS' STATEMENT

Auditors' report

In our opinion the consolidated balance sheets, the consolidated profit and loss accounts and the consolidated cash flow statements of Cardio Control N.V., Amsterdam, for the financial years 2001, 2000 and 1999, as included in this Offering Memorandum in paragraph 7.8.5, 7.8.6 and 7.8.7 ('Consolidated balance sheet after appropriation of profit', 'Consolidated profit and loss account' and 'Consolidated cash flow statement', respectively) and in paragraph 7.9 ('Historic review'), are in accordance, in all material respects, with the annual accounts for the respective years from which they have been derived. We issued an unqualified auditors' report on these annual accounts on May 22, 2002, March 23, 2001 and March 8, 2000, respectively.

For a better understanding of Cardio Control N.V.'s financial position and results and of the scope of our audit, the balance sheets, profit and loss accounts and cash flow statements should be read in conjunction with the annual accounts from which they have been derived and our auditors' reports thereon.

Utrecht, February 18, 2003
Ernst & Young Accountants

Review report

Introduction

We have reviewed the financial information of Cardio Control N.V., Amsterdam, of September 30, 2002 consisting of the consolidated balance sheet, the consolidated profit and loss account, and the consolidated cash flow statement as included in this Offering Memorandum in paragraph 7.8.2, 7.8.5, 7.8.6 and 7.8.7 ('Financial results third quarter 2002', 'Consolidated balance sheet after appropriation of profit', 'Consolidated profit and loss account' and 'Consolidated cash flow statement', respectively) and in paragraph 7.9 ('Historic review'). These nine months figures are the responsibility of the company's management. Our responsibility is to issue an opinion on these nine months figures based on our review.

Scope

We conducted our review in accordance with standards for review engagements generally accepted in the Netherlands. These standards require that we plan and perform the review to obtain moderate assurance about whether the nine months figures are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the nine months figures do not comply with the accounting principles as applied in the audited financial statements 2001 of Cardio Control N.V.

Utrecht, February 18, 2003
Ernst & Young Accountants

CHAPTER 9 INFORMATION ON WELCH ALLYN

9.1 Profile of Welch Allyn

Welch Allyn is a 100% subsidiary of Welch Allyn, Inc., a privately held company incorporated and existing under the laws of the state of New York, with its statutory seat at Skaneateles Falls, New York, the United States of America. Welch Allyn, Inc. and Cardio Control have agreed that Welch Allyn, Inc. may be held jointly and severally liable for all obligations which Welch Allyn may incur in respect of the making of the Offer. The aforesaid agreement as to the joint and several liability of Welch Allyn, Inc., can also be called upon by a Cardio Control Shareholder who tenders his Cardio Control Ordinary Shares under the Offer, as this agreement qualifies as an irrevocable third-party clause (within the meaning of article 6:253 of the Dutch Civil Code).

Welch Allyn is incorporated under the laws of the state of Delaware, United States of America. Its registered office is the Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and its business offices are located at the corporate headquarters of Welch Allyn, Inc. at 4341 State Street Road, Skaneateles Falls, New York 13153, United States of America.

Welch Allyn, Inc. uses Welch Allyn for the sole purpose of owning the shares of stock in, and coordinating the management of, other operating subsidiary companies in the Welch Allyn group.

Welch Allyn, Inc. operates its business in many countries and geographical regions outside of the United States of America through separate companies organized under the laws of the country in which the Welch Allyn business is located and operates. Welch Allyn, Inc. owns and manages these foreign operating subsidiaries indirectly through Welch Allyn. Welch Allyn therefore does not directly conduct any business activity itself, but rather functions as the administrative means through which Welch Allyn, Inc. owns and controls the foreign operating subsidiaries comprising the Welch Allyn group. Presently, Welch Allyn owns and controls nine operating subsidiaries that sell or produce Welch Allyn products in the following countries: Canada, United Kingdom, Australia, Italy, Japan, Ireland, Germany, Hong Kong, and France.

9.2 Executive directors of Welch Allyn

The board of directors of Welch Allyn consists of three (3) members. The members are:

Mr. Peter H. Soderberg

Mr. Soderberg was appointed president and CEO of Welch Allyn, Inc. in 2000. He previously held the positions of chief operating officer and corporate vice president of business development of the Welch Allyn, Inc.'s medical products division. With more than 25 years of experience in the healthcare industry, Mr. Soderberg has a breadth of experience leading international operations, as well as market development and acquisition activities. He also serves on a variety of corporate and charitable boards in the United States of America, including Hillenbrand Industries and the Syracuse Symphony Orchestra.

Mr. Kevin Cahill

Mr. Cahill was recently appointed executive vice president and chief financial officer for Welch Allyn, Inc. Since joining the Welch Allyn group in 1989, Mr. Cahill has held positions of increasing responsibility in business and financial disciplines. In his new role, he is leading the development and implementation of information technology initiatives and global financial strategies in support of Welch Allyn, Inc.'s short and long-term business objectives.

Mr. Jack Rudnick

Mr. Rudnick currently serves as vice president and general counsel for Welch Allyn, Inc. He is responsible for all legal affairs of the company and its subsidiaries, including providing counsel and guidance for acquisitions, intellectual

property management, government affairs litigation, corporate compliance and business relations. Mr. Rudnick also serves as corporate secretary for Welch Allyn, Inc.

Aside the abovementioned three members of the Welch Allyn board of directors, no other persons exercise decisive influence regarding Welch Allyn.

CHAPTER 10 EGM

The EGM will be held on Tuesday March 25, 2003 at 13.30 hours CET, at the offices of Cardio Control in Delft, at Mercuriusweg 1 (2624 BC), the Netherlands.

The agenda for the EGM will include the following matters:

- discussion of the Offer in accordance with section 9q of the DSSD;
- upon the Offer being honoured, discharge of the Cardio Control Management Board and the Cardio Control Supervisory Board;
- resignations of Mr. Van Luijk as member of the Cardio Control Management Board and of Mr. Van 't Hooft, Mr. Van Soest and Mr. Wellens as members of the Cardio Control Supervisory Board, subject to the Offer being honoured;
- appointment of Ms. Labosky, Mr. Rudnick and Mr. Cahill as new members of the Cardio Control Management Board, subject to the Offer being honoured.

The EGM will be convened in accordance with the Articles.

CHAPTER 11 PRESS RELEASES

11.1 Monday January 20, 2003

“Welch Allyn Intends to Make Cash Offer to Acquire Cardio Control, Leading European Maker of PC-Based Cardio Pulmonary Diagnostic Equipment

*Dutch company is considered to be the technology pioneer and global market leader
in the fast growing PC-based ECG market segment*

Skaneateles Falls, NY, USA & Delft, The Netherlands – January 20, 2003 – Welch Allyn Inc., a privately held company, and Cardio Control NV, a publicly traded Dutch company (Euronext Amsterdam—Cardio Control), jointly announced today that their governing boards have approved a proposed friendly cash offer by Welch Allyn to acquire all outstanding shares of Cardio Control stock for € 6.00 per share.

The offer price represents a 38% premium over the closing price of € 4.35 on November 8th, 2002, the last trading day prior to the first public disclosure by Cardio Control that exploratory discussions were taking place with a third party about a possible strategic alliance, and a 18% premium over the closing price of € 5.10 on January 17, 2003, the last trading day prior to the date of this announcement. The Supervisory Board and the Management Board of Cardio Control envisage to fully support the intended offer and will recommend that shareholders accept the Offer when made. Based on the number of outstanding Cardio Control shares and options on shares, the expected offer reflects a value of more than € 18 million. Cardio Control expects 2002 revenues to total just over € 10 million.

“In recent years, we have been able to serve our front-line clinical customers more completely by successfully expanding into new product areas such as diagnostic cardiology,” said Bonnie Labosky, group vice president of Welch Allyn, Inc. *“This transaction furthers Welch Allyn’s interest in advancing its worldwide cardiopulmonary and information management market presence. It also allows Welch Allyn to obtain core competencies and technologies to enhance the capture and management of patient clinical data in highly cost effective ways.”*

“Cardio Control becoming a part of Welch Allyn will accelerate the growth of our business. This offer is the best guarantee for long-term survival in a rapidly consolidating market” explained Dick G. van Luijk, Cardio Control’s managing director.

The proposed offer will be made, subject to certain conditions, including the satisfactory completion of due diligence, and the condition that a sufficient number of Cardio Control shares will be tendered under the Offer to result in Welch Allyn owning at least 95% of the issued share capital of Cardio Control at closing. If the Offer is completed it is the intention of Welch Allyn to take the necessary steps to have the Cardio Control shares delisted from Euronext Amsterdam.

The offer memorandum, containing the terms and conditions of the proposed offer is expected to be made available in February 2003. The Authority Financial Markets (Authority FM) and Euronext Amsterdam have been informed.

About Welch Allyn: Welch Allyn, Inc. was founded in 1915 and is today a leading manufacturer of innovative medical diagnostic equipment, patient monitoring systems, and miniature precision lamps. Headquartered in Skaneateles Falls, New York, USA, Welch Allyn employs more than 2,300 people and has numerous manufacturing, sales, and distribution facilities located throughout the world. Additional information on Welch Allyn and its products may be found at <http://www.welchallyn.com>.

About Cardio Control: Cardio Control designs, develops, markets and sells medical diagnostic systems for heart and lung functions. Over the past several years, the company introduced new unique software for recording and analyzing combined medical and patient data for both centralized and remote use with built-in features for telemedicine and connectivity with electronic medical record software. Highly valued is Cardio Control’s Medical Diagnostic Workstation – with unique patient and medical data management, including the following (modular) products: 12-lead ECG, Stress-test ECG, Holter ECG, Mini-holter ECG, Spirometry and Ambulatory Blood Pressure. For additional information about Cardio Control and its products, check website at: <http://www.cardiocontrol.com>.

11.2 Monday January 20, 2003

"Dick G. van Luijk, Chief Executive Officer of Cardio Control N.V., has agreed to tender all his shares in Cardio Control N.V. (representing 46% of the outstanding share capital), under the terms and conditions of the intended offer by Welch Allyn.

The total number of outstanding shares Cardio Control NV amounts to 3.049.980 since the IPO in 1998."

11.3 Wednesday February 19, 2003

"Start of tender period for Cardio Control N.V. shares expected at the end of February 2003

19 February 2003: Further to the public announcement that was released on 20 January 2003 jointly by Welch Allyn, Inc. ("Welch Allyn") and Cardio Control N.V. ("Cardio Control") regarding the intention of Welch Allyn to make a friendly cash offer of EUR 6.00 per share Cardio Control (the "Offer"), Welch Allyn and Cardio Control can confirm that the due diligence review has been completed. The auditor of Cardio Control is currently concluding its review on the September 30, 2002 figures of Cardio Control, which will be included in the offering memorandum containing the terms and conditions of the proposed Offer.

It is expected that the offering memorandum will be published at the end of February 2003, at which time the tender period is intended to start.

When made, the Offer will be honoured subject to certain conditions, including the condition that a sufficient number of Cardio Control shares will be tendered under the Offer such that those shares together with any shares which may be held by Welch Allyn for its own account at the closing of the Offer, represent at least 95% of the issued share capital of Cardio Control at closing.

The Supervisory Board and the Management Board of Cardio Control intend to fully support the proposed Offer and will recommend that shareholders accept the Offer when made. The Supervisory Board and the Management Board of Cardio Control have requested a fairness opinion for the Offer.

About Welch Allyn: Welch Allyn, Inc. was founded in 1915 and is today a leading manufacturer of innovative medical diagnostic equipment, patient monitoring systems, and miniature precision lamps. Headquartered in Skaneateles Falls, New York, USA, Welch Allyn employs more than 2,300 people and has numerous manufacturing, sales, and distribution facilities located throughout the world. Additional information on Welch Allyn and its products may be found at <http://www.welchallyn.com>.

About Cardio Control: Cardio Control designs, develops, markets and sells medical diagnostic systems for heart and lung functions. Over the past several years, the company introduced new unique software for recording and analyzing combined medical and patient data for both centralized and remote use with built-in features for telemedicine and connectivity with electronic medical record software. Highly valued is Cardio Control's Medical Diagnostic Workstation—with unique patient and medical data management, including the following (modular) products: 12-lead ECG, Stress-test ECG, Holter ECG, Mini-holter ECG, Spirometry and Ambulatory Blood Pressure. For additional information about Cardio Control and its products, check website at: <http://www.cardiocontrol.com>.

This announcement is a public announcement as referred to in article 9g under 1a of the Decree on the Supervision of the Securities Trade 1995 (Besluit toezicht effectenverkeer 1995)."

CHAPTER 12 DUTCH SUMMARY (*NEDERLANDSE SAMENVATTING*)

12.1 Inleiding

In dit hoofdstuk wordt een samenvatting gegeven van de belangrijkste kenmerken van het Bod. Er wordt uitdrukkelijk op gewezen dat deze samenvatting niet volledig is en niet alle informatie bevat die voor de Aandeelhouders Cardio Control van belang is, teneinde zich een afgewogen oordeel te kunnen vormen over het Bod. Het lezen van deze samenvatting mag derhalve niet worden beschouwd als een alternatief voor het lezen van het volledige Biedingsbericht.

De Aandeelhouders Cardio Control wordt geadviseerd het gehele Biedingsbericht zorgvuldig te bestuderen en zonodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over het Bod en al hetgeen in dit Biedingsbericht en de Nederlandse samenvatting daarvan wordt besproken en beschreven.

12.2 Definities

De in dit Biedingsbericht gehanteerde termen hebben de volgende betekenis:

Aandeelhouders Cardio Control	De houders van Gewone Aandelen Cardio Control;
Aanmeldingstermijn	De periode waarin Aandeelhouders Cardio Control hun Gewone Aandelen Cardio Control kunnen aanbieden aan Welch Allyn onder de voorwaarden van het Bod. Deze periode begint op zaterdag 1 maart 2003 en eindigt op vrijdag 4 april 2003 om 15.00 uur CET, behoudens verlenging door Welch Allyn tot een latere datum in overeenstemming met artikel 9o lid 5 van het Besluit toezicht effectenverkeer 1995, in welk geval de Aanmeldingstermijn op deze latere datum zal verstrijken;
Betaaldag	De datum van betaling van de Biedprijs aan de Aandeelhouders Cardio Control die hun Gewone Aandelen Cardio Control aan Welch Allyn hebben aangeboden en geleverd onder de voorwaarden van het Bod, zijnde uiterlijk de vijfde Beursdag na de datum waarop Welch Allyn het Bod gestand doet;
Beursdag	Een handelsdag op Euronext;
Biedingsbericht	Dit biedingsbericht waarin het Bod wordt beschreven;
Biedprijs	Het bedrag van EUR 6,00 in contanten geboden door Welch Allyn aan alle Aandeelhouders Cardio Control voor elk Gewoon Aandeel Cardio Control dat is aangemeld en geleverd onder de voorwaarden van het Bod;
Bod	Het aanbevolen bod in contanten dat door Welch Allyn is uitgebracht op alle geplaatste en uitstaande Gewone Aandelen Cardio Control zoals beschreven in dit Biedingsbericht;
Cardio Control	De naamloze vennootschap Cardio Control N.V., statutair gevestigd te Amsterdam, kantoorhoudende te (2624 BC) Delft aan de Mercuriusweg 1;
CET	Central European Time (Centraal Europese Tijd);
Bestuur Cardio Control	Het bestuur van Cardio Control;
Dexia Bank	Dexia Nederland N.V.;
EUR	Euro, het huidige wettige betaalmiddel van de Economische en Monetaire Unie;

Euronext	Euronext Amsterdam N.V., of het Euro.NM segment van Euronext Amsterdam N.V. of het segment van de Officiële Markt van Euronext Amsterdam N.V., afhankelijk van de context;
Gewone Aandelen Cardio Control	De gewone aandelen met een nominale waarde van EUR 0,02 per aandeel in het aandelenkapitaal van Cardio Control;
Opties	De uitstaande rechten op uitgifte of levering door Cardio Control van aandelen in haar kapitaal;
Prioriteitsaandelen	De 20 prioriteitsaandelen met een nominale waarde van EUR 0,02 per aandeel in het aandelenkapitaal van Cardio Control;
Raad van Commissarissen	De raad van commissarissen van Cardio Control;
Sluitingsdatum	De datum waarop de Aanmeldingstermijn eindigt, zijnde vrijdag 4 april 2003, behoudens verlenging door Welch Allyn, in overeenstemming met artikel 9o lid 5 van het Besluit toezicht effectenverkeer 1995;
Statuten	De statuten van Cardio Control zoals die op enig moment luiden;
Toegelaten Instellingen	De instellingen die tot Euronext zijn toegelaten;
Welch Allyn	Welch Allyn International Holdings, Inc., opgericht naar het recht van de staat Delaware in de Verenigde Staten van Amerika, aldaar statutair gevestigd in Wilmington. Welch Allyn is een 100% dochteronderneming van Welch Allyn, Inc. Welch Allyn, Inc. is een een private onderneming opgericht naar het recht van de staat New York in de Verenigde Staten van Amerika, aldaar statutair gevestigd in Skaneateles Falls.

In het enkelvoud uitgedrukte definities omvatten tevens de meervoudsvorm en vice versa.

12.3 Het Bod

12.3.1 Inleiding

Op 20 januari 2003 hebben Welch Allyn, Inc. en Cardio Control gezamenlijk een voorgenomen aanbevolen bod in contanten aangekondigd van Welch Allyn op alle geplaatste en uitstaande Gewone Aandelen Cardio Control, waarbij het Bod is onderworpen aan bepaalde voorwaarden. Op 19 februari 2003 hebben Welch Allyn, Inc. en Cardio Control hun voornemen aangekondigd om de aanmeldingstermijn voor alle geplaatste en uitstaande Gewone Aandelen Cardio Control eind februari 2003 te laten aanvangen. Sindsdien is volledige overeenstemming bereikt over het Bod.

Welch Allyn is een 100% dochteronderneming van Welch Allyn, Inc. Welch Allyn, Inc. is een private onderneming opgericht naar het recht van de staat New York in de Verenigde Staten van Amerika, aldaar statutair gevestigd in Skaneateles Falls. Welch Allyn, Inc. en Cardio Control zijn overeengekomen dat Welch Allyn, Inc. hoofdelijk aansprakelijk kan worden gehouden voor alle verplichtingen die voor Welch Allyn mochten voortvloeien uit het doen van het Bod. Deze overeengekomen hoofdelijke aansprakelijkheid van Welch Allyn, Inc. kan ook worden ingeroepen door een Aandeelhouder Cardio Control die zijn Gewone Aandelen Cardio Control heeft aangemeld onder het Bod, omdat deze overeengekomen aansprakelijkheid kwalificeert als een derdenbeding in de zin van artikel 6:253 van het Burgerlijk Wetboek.

12.3.2 Uitnodiging aan de Aandeelhouders Cardio Control

Onder verwijzing naar de mededelingen, voorwaarden en beperkingen zoals vermeld in dit Biedingsbericht, worden Aandeelhouders Cardio Control hierbij uitgenodigd hun Gewone Aandelen Cardio Control aan Welch Allyn aan te bieden op de wijze en onder de voorwaarden zoals hierna beschreven:

- (a) Welch Allyn doet een openbaar vast bod in contanten op alle geplaatste en uitstaande Gewone Aandelen Cardio Control. Voor elk Gewoon Aandeel Cardio Control dat onder de voorwaarden van het Bod zoals uiteengezet in dit Biedingsbericht wordt aangeboden, biedt Welch Allyn EUR 6,00 in contanten. De Biedprijs is inclusief betaalbaar te stellen dividend voor het financiële boekjaar 2002. In het geval het Bod gestand wordt gedaan, wordt geen dividend betaalbaar gesteld voor het financiële boekjaar 2002. Dat betekent dat in het geval Welch Allyn het Bod gestand doet, de Aandeelhouders Cardio Control geen recht zullen hebben op uitbetaling van dividend over het financiële boekjaar 2002.
- (b) Aandeelhouders Cardio Control wordt verzocht om uiterlijk op de Sluitingsdatum, om 15.00 uur CET, via hun eigen bank of effectenmakelaar (Toegelaten Instellingen), aan Dexia Bank (afdeling Corporate Actions & Paying Agency), Beethovenstraat 300 in (1077 WZ) Amsterdam, fax nummer +31 (0)20-3487579, kenbaar te maken dat zij het Bod accepteren. Niettegenstaande de bepalingen in het Besluit toezicht effectenverkeer 1995, zal een aanmelding van Gewone Aandelen Cardio Control onherroepelijk zijn.

Toegelaten Instellingen kunnen uitsluitend door middel van schriftelijke acceptatie Gewone Aandelen Cardio Control aanmelden bij Dexia Bank. Via deze acceptatie verklaren de Toegelaten Instellingen de aangemelde Gewone Aandelen Cardio Control in bewaring te hebben en verplichten zij zich tot levering van deze Gewone Aandelen Cardio Control aan Welch Allyn, binnen drie Beursdagen nadat de aankondiging is gedaan dat het Bod gestand zal worden gedaan.

- (c) Het Bod wordt gestand gedaan onder de voorwaarden vermeld in paragraaf 4.3 van dit Biedingsbericht ('Voorwaarden van het Bod'), waarvan een vertaling is opgenomen in paragraaf 12.3.3, hierna.
- (d) Indien de initiële Aanmeldingstermijn wordt verlengd, met als gevolg dat de verplichting om bekend te maken of het Bod al dan niet gestand wordt gedaan wordt uitgesteld, zal hiervan een mededeling worden gedaan uiterlijk op de derde Beursdag na het verstrijken van de initiële Aanmeldingstermijn, met inachtneming van de bepalingen van artikel 9o lid 5 van het Besluit toezicht effectenverkeer 1995. Welch Allyn zal zo spoedig mogelijk na sluiting van de Aanmeldingstermijn (indien van toepassing: na verlenging), doch uiterlijk op de vijfde Beursdag daarna, bekendmaken of het Bod al dan niet gestand wordt gedaan.
- (e) Op de Betaaldag zal worden overgegaan tot betaling van de Biedprijs aan de Aandeelhouders Cardio Control die hun Gewone Aandelen Cardio Control aan Welch Allyn hebben aangemeld en geleverd conform de in dit Biedingsbericht vermelde voorwaarden. Nadat de levering en betaling van de Gewone Aandelen Cardio Control heeft plaatsgevonden, is het niet toegestaan de aanmeldingen of leveringen van Aandeelhouders Cardio Control te ontbinden of te vernietigen.
- (f) Dexia Bank betaalt namens Welch Allyn aan de Toegelaten Instellingen een provisie van EUR 0,03 per Gewoon Aandeel Cardio Control dat in het kader van het Bod is aangemeld, met een maximum van EUR 1.000 per depot, voor de afwikkeling van de aanmelding en levering van Gewone Aandelen Cardio Control in ruil voor contanten.
- (g) Onder de in paragraaf 4.3. (waarvan een vertaling hierna in paragraaf 12.3.3 is opgenomen) vermelde voorwaarden behoudt Welch Allyn zich het recht voor aanmeldingen te accepteren, zelfs indien deze niet geheel in overeenstemming met de bepalingen van paragraaf 4.2 (waarvan een vertaling in deze paragraaf 12.3.2 is opgenomen) tot stand zijn gekomen.

12.3.3 Voorwaarden van het Bod

Niettegenstaande enige ander voorwaarde in dit Biedingsbericht, zal Welch Allyn alle aan Welch Allyn onder de voorwaarden van het Bod aangeboden Gewone Aandelen Cardio Control accepteren en het Bod gestand doen indien op de Sluitingsdatum aan de volgende voorwaarden is voldaan:

- (a) het aantal aangemelde Gewone Aandelen Cardio Control vertegenwoordigt, tezamen met de Gewone Aandelen Cardio Control die op de Sluitingsdatum (direct of indirect) door Welch Allyn voor eigen rekening worden gehouden, ten minste 95% van de geplaatste Gewone Aandelen Cardio Control op de Sluitingsdatum;
- (b) er is voorafgaand aan het einde van de Aanmeldingstermijn geen openbare mededeling gedaan waaruit voor het eerst blijkt dat een derde: (i) een openbaar bod aan het voorbereiden is of een zodanig bod heeft gedaan op de Gewone Aandelen Cardio Control; dan wel (ii) het recht heeft verkregen of overeen is gekomen om door Cardio Control uit te geven aandelen te kopen of te nemen;
- (c) er zijn voorafgaand aan het einde van de Aanmeldingstermijn geen gebeurtenissen, feiten of omstandigheden naar voren gekomen of voorgevallen die Welch Allyn op de datum van dit Biedingsbericht (i) niet bekend waren uit hoofde van de door Cardio Control aan Welch Allyn verstrekte informatie en overig materiaal, dan wel (ii) die Welch Allyn redelijkerwijs niet bekend konden zijn als gevolg van raadpleging van beschikbare openbare informatie en/of krachtens Euronext-voorschriften, en die van zodanig wezenlijke aard zijn dat in alle redelijkheid niet van Welch Allyn verwacht kan worden dat zij het Bod gestand doet;
- (d) de Autoriteit Financiële Markten heeft voorafgaand aan het einde van de Aanmeldingstermijn in verband met het Bod geen mededeling gedaan dat het Bod in strijd is met Hoofdstuk IIA van de Wet toezicht effectenverkeer 1995, in welk geval de effecteninstellingen conform artikel 32a van het Besluit toezicht effectenverkeer 1995 niet zouden mogen meewerken aan de afwikkeling van het Bod;
- (e) voorafgaand aan het einde van de Aanmeldingstermijn:
 - (i) zijn, met uitzondering van de vereiste goedkeuringen en verklaringen van de mededingingsautoriteiten waarin in onderdeel (ii) hierna is voorzien, alle van belang zijnde goedkeuringen, vergunningen, ontheffingen en toestemmingen van nationale en internationale autoriteiten en/of derden verkregen die vereist zijn in verband met het Bod en de voorgenomen zeggenschapswijziging van Cardio Control, en deze blijven volledig van kracht;
 - (ii) zijn alle vereiste goedkeuringen van de nationale en internationale mededingingsautoriteiten en/of derden verkregen die redelijkerwijs vereist zijn in verband met het Bod en de voorgenomen zeggenschapswijziging van Cardio Control; en
 - (iii) zijn, met een verwijzing naar de onderdelen (i) en (ii) hiervoor, alle wachttijden ingevolge de relevante wetgeving, gedurende welke nationale of internationale autoriteiten en/of derden zich tegen het Bod of de voorgenomen zeggenschapswijziging van Cardio Control kunnen verzetten, dan wel stappen zouden kunnen ondernemen of aankondigen die het Bod en/of de voorgenomen zeggenschapswijziging zouden kunnen belemmeren, of die op enige andere wijze zouden kunnen leiden tot belangrijke negatieve gevolgen voor Cardio Control of Welch Allyn in verband met het Bod, verstreken zonder dat enige zodanige autoriteit of partij zulke stappen heeft genomen of aangekondigd;
- (f) tussen 30 september 2002 (zijnde de laatste dag van de periode waarop de gecontroleerde cijfers over de eerste negen maanden van het boekjaar 2002 betrekking hebben) en het einde van de Aanmeldingstermijn en behoudens de 4.000 Opties uitgegeven in januari 2003, waarvoor wordt verwezen naar paragraaf 7.4.2 ('Aantal uitstaande Opties'), heeft Cardio Control zich niet verplicht om op enigerlei wijze aandelen in Cardio Control uit te geven, noch in aandelen Cardio Control converteerbare effecten, rechten of opties ter inschrijving op of verkrijging van dergelijke aandelen of converteerbare effecten, en Cardio Control heeft zich voor het einde van de Aanmeldingstermijn, niet verplicht, noch zal Cardio Control zich verplichten, om op enigerlei wijze schuldbewijzen uit te geven, dividenden of andere uitkeringen te betalen; en

(g) de Stichting Prioriteitsaandelen Cardio Control N.V. heeft een schriftelijke verklaring verstrekt aan Welch Allyn dat zij, onder de enkele voorwaarde dat het Bod gestand wordt gedaan, onherroepelijk en onvoorwaardelijk de juridische en economische eigendom van de Prioriteitsaandelen zal overdragen aan Welch Allyn, volledig en onbezwaard en met alle aan de Prioriteitsaandelen verbonden rechten, uiterlijk op de Betaaldag en om niet.

Welch Allyn behoudt zich het recht voor afstand te doen van alle of een deel van de bovengenoemde voorwaarden van het Bod, met uitzondering van de voorwaarde opgenomen onder (d), en desalniettemin het Bod gestand te doen.

12.3.4 Motivering van de Biedprijs

De Biedprijs in contanten van EUR 6,00 per Gewoon Aandeel Cardio Control vertegenwoordigt:

- een premie van 38% op de slotkoers van EUR 4,35 per Gewoon Aandeel Cardio Control op 8 November 2002, zijnde de laatste Beursdag voorafgaand aan de eerste publieke aankondiging door Cardio Control, dat informatieve gesprekken werden gevoerd met een derde partij over een mogelijke strategische alliantie;
- een premie van 18% over de slotkoers van EUR 5,10 per Gewoon Aandeel Cardio Control op 17 Januari 2003, zijnde de laatste Beursdag voorafgaand aan de eerste publieke aankondiging met betrekking tot het Bod;
- een premie van 43% op de gemiddelde slotkoers van EUR 4,19 per Gewoon Aandeel Cardio Control gedurende de 12 maanden voorafgaande aan 17 Januari 2003.

12.3.5 Aanbeveling

De Raad van Commissarissen en het Bestuur Cardio Control bevelen de Aandeelhouders Cardio Control aan het Bod te aanvaarden.

12.3.6 Beëindiging beursnotering

Indien het Bod gestand wordt gedaan, ligt het in de bedoeling van Welch Allyn en Cardio Control om de beursnotering van de Gewone Aandelen Cardio Control aan Euronext te beëindigen, zodra Euronext dat toestaat. Aandeelhouders Cardio Control die verkiesen om hun Gewone Aandelen Cardio Control niet aan te bieden onder het Bod, lopen het risico aandelen te houden die weinig worden verhandeld en niet-liquide zijn.

12.3.7 Verplichting de heer Van Luijk om aan te melden

De heer Van Luijk, aftredend lid van het Bestuur Cardio Control, heeft zich onherroepelijk en onvoorwaardelijk verbonden om onder het Bod aan te melden alle 1,408,829 Gewone Aandelen Cardio Control (met een nominale waarde van totaal EUR 28,176.60) die door hem direct en/of indirect worden gehouden, overeenkomend met een belang van 46% van het uitstaande geplaatste aandelenkapitaal van Cardio Control op de datum van dit Biedingsbericht.

12.3.8 Aanmeldingstermijn en de levering van Gewone Aandelen Cardio Control

De Aandeelhouders Cardio Control kunnen hun Gewone Aandelen Cardio Control onder het Bod aanmelden vanaf zaterdag 1 maart 2003 tot en met vrijdag 4 april 2003 om 15.00 uur CET, behoudens eventuele verlenging van de Aanmeldingstermijn. Indien de Aanmeldingstermijn wordt verlengd, zal Welch Allyn dit uiterlijk op de derde Beursdag na het verstrijken van de Aanmeldingstermijn aankondigen, met inachtneming van de bepalingen van artikel 90 lid 5 van het Besluit toezicht effectenverkeer 1995. Welch Allyn zal zo spoedig mogelijk na afloop van de Aanmeldingstermijn, maar niet later dan de vijfde Beursdag daarna, bekendmaken of het Bod al dan niet gestand wordt gedaan.

Welch Allyn zal op de Betaaldag de Biedprijs betalen aan die Aandeelhouders Cardio Control die hun Gewone Aandelen Cardio Control hebben aangeboden en geleverd aan Welch Allyn in overeenstemming met de voorwaarden van het Bod.

12.4 Belangrijke informatie

12.4.1 Buitengewone algemene vergadering van Aandeelhouders Cardio Control

De Buitengewone algemene vergadering van Aandeelhouders Cardio Control zal worden gehouden op dinsdag 25 maart 2003 om 13.30 uur CET ten kantore van Cardio Control, Mercuriusweg 1, Delft, Nederland. Tijdens deze vergadering wordt, conform artikel 9q van het Besluit toezicht effectenverkeer 1995, onder meer het Bod besproken en toegelicht. Aandeelhouders Cardio Control zullen daarnaast, onder meer onder de voorwaarde dat het Bod gestand wordt gedaan, worden verzocht te besluiten tot de benoeming van de nieuwe leden van het Bestuur Cardio Control. Kennisgeving van deze Buitengewone algemene vergadering van Aandeelhouders Cardio Control zal op de gebruikelijke wijze en in overeenstemming met de Statuten plaatsvinden, zie hoofdstuk 10 ('EGM', de Buitengewone algemene vergadering van Aandeelhouders Cardio Control).

12.4.2 Tijdschema

- | | |
|--|---|
| 28 februari 2003 | – Publicatie van de verkrijgbaarstellings-advertentie waarin de beschikbaarheid van dit Biedingsbericht en de aanvang van de Aanmeldingstermijn op 1 maart 2003 wordt aangekondigd; |
| 1 maart 2003 | – Aanvang van de Aanmeldingstermijn; |
| Uiterlijk op 17 maart 2003 | – Publicatie dat de gecontroleerde jaarcijfers 2002 van Cardio Control beschikbaar zijn; |
| 25 Maart 2003 (om 13.30 uur CET) | – Buitengewone algemene vergadering van Aandeelhouders Cardio Control; |
| 4 april 2003 (om 15.00 uur CET) | – Sluiting van de Aanmeldingstermijn (tenzij de Aanmeldingstermijn wordt verlengd); |
| Uiterlijk op 11 april 2003
(tenzij de Aanmeldingstermijn wordt verlengd, in welk geval deze datum zal zijn uiterlijk op de vijfde Beursdag na sluiting van de verlengde Aanmeldingstermijn) | – Aankondiging of het Bod al dan niet gestand wordt gedaan (Datum van Gestanddoening); |
| Uiterlijk op 18 april 2003
(tenzij de Aanmeldingstermijn wordt verlengd, in welk geval deze datum zal zijn uiterlijk op de vijfde Beursdag na de datum waarop het Bod gestand wordt gedaan) | – Betaaldag. |

12.4.3 Overige belangrijke informatie

De informatie opgenomen in paragraaf 4.2 ('Uitnodiging aan Aandeelhouders Cardio Control'), paragraaf 4.3 ('Voorwaarden van het Bod'), paragraaf 4.4 ('Achtergrond en motivering van het Bod'), paragraaf 4.5 ('Motivering van de Biedprijs'), paragraaf 4.6 ('Financiering van het Bod'), paragraaf 4.7 ('Gevolgen van het Bod'), paragraaf 4.8 ('Andere op grond van de Wet toezicht effectenverkeer 1995 vereiste verklaringen') voor zover het verklaringen betreft door Welch Allyn gegeven, en hoofdstuk 9 ('Informatie over Welch Allyn') van dit Biedingsbericht is uitsluitend afkomstig van Welch Allyn. De informatie opgenomen in paragraaf 4.8 ('Andere op grond van het Besluit toezicht effectenverkeer 1995 vereiste verklaringen') voor zover het verklaringen betreft door Cardio Control gegeven, hoofdstuk 5 ('Aanbeveling aan Aandeelhouders Cardio Control') en hoofdstuk 7 ('Informatie over Cardio Control') is

uitsluitend verstrekt door Cardio Control. De fairness opinie in hoofdstuk 6 is afkomstig van F. van Lanschot Bankiers N.V. De in hoofdstuk 8 opgenomen accountantsverklaring is verstrekt door Ernst & Young Accountants. De gegevens die in de overige hoofdstukken en op de overige pagina's van dit Biedingsbericht zijn opgenomen, zijn afkomstig van de Welch Allyn en Cardio Control gezamenlijk.

Welch Allyn en Cardio Control zijn verantwoordelijk voor de juistheid van de door hen in dit Biedingsbericht verstrekte informatie, elk voor de van hen afkomstige gegevens, alsmede gezamenlijk voor de door hen gezamenlijk aangeleverde gegevens. Welch Allyn en Cardio Control verklaren, elk voor wat betreft de van hen afkomstige gegevens, dat naar hun beste weten, deze gegevens per de publicatiedatum van dit Biedingsbericht waarheidsgetrouw en juist zijn en dat er geen feiten zijn weggelaten waardoor de beweringen in dit Biedingsbericht in enig materieel opzicht misleidend zouden worden.

De in dit Biedingsbericht opgenomen informatie weerspiegelt de stand van zaken per de datum van dit document. De uitgifte en verspreiding van dit Biedingsbericht na de publicatiedatum betekent niet dat de daarin opgenomen gegevens na deze datum juist en volledig zullen blijven. Dat laat onverlet de verplichting van zowel Welch Allyn als Cardio Control om, voor zover van toepassing, een openbare mededeling te doen op grond van het Besluit toezicht effectenverkeer 1995.

Met uitzondering van Welch Allyn en Cardio Control is geen (rechts)persoon gerechtigd of gemachtigd informatie te verstrekken of verklaringen af te leggen in verband met het Bod, die niet in dit Biedingsbericht is respectievelijk zijn opgenomen. Indien zodanige informatie is verstrekt of zodanige verklaringen zijn afgelegd door andere partijen dan Welch Allyn of Cardio Control, dient hierop niet te worden vertrouwd als waren deze verstrekt of afgelegd door of namens Welch Allyn of Cardio Control.

Dit Biedingsbericht bevat mededelingen over de toekomst, die mogelijke risico's en onzekerheden met zich brengen. Ofschoon zowel Welch Allyn als Cardio Control van mening zijn dat de in zulke mededelingen over de toekomst tot uitdrukking komende verwachtingen gebaseerd zijn op redelijke veronderstellingen, kan geen zekerheid worden gegeven dat zulke verwachtingen zullen uitkomen, en worden er geen uitspraken gedaan over de juistheid en volledigheid van zulke mededelingen. Bij iedere uitspraak over de toekomst moet in beschouwing worden genomen dat feitelijke gebeurtenissen of resultaten wezenlijk kunnen afwijken van zulke voorspellingen als gevolg van, onder andere, politieke, economische en/of juridische veranderingen in de markten en omgevingen waarin Welch Allyn en Cardio Control actief zijn, alsmede concurrentie-ontwikkelingen en risico's die inherent zijn aan de ondernemingen van zowel Welch Allyn als Cardio Control.

De getallen in dit Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als absoluut te worden beschouwd.

Op dit Biedingsbericht en het Bod is Nederlands recht van toepassing. Dit Biedingsbericht verschijnt in de Engelse taal. Mocht er sprake zijn van enige inconsistentie tussen de Nederlandse en de Engelse tekst van dit Biedingsbericht, dan is de Engelse versie bindend.

Dexia Bank is in het kader van dit Bod aangesteld als betaal- en wisselkantoor.

Een exemplaar van dit Biedingsbericht is kosteloos beschikbaar ten kantore van:

Cardio Control N.V.

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E-mail: info@cardiocontrol.com

Kempen & Co

Beethovenstraat 300
1077 WZ Amsterdam
Postbus 75666
1070 AR Amsterdam

Telefoon: +31 (0) 20 – 348 8500

Fax: +31 (0) 20 – 348 8594

E-mail: documents@kempen.nl

Exemplaren van de Statuten en de jaarrekeningen van Cardio Control over de boekjaren eindigend op 31 december 1999, 2000 en 2001 en de derdekwartalcijfers 2002, die door middel van verwijzing zijn opgenomen in dit Biedingsbericht en hiervan een integraal onderdeel uitmaken, zijn alsdan kosteloos verkrijgbaar ten kantore van Cardio Control en Kempen & Co.

De gecontroleerde jaarcijfers 2002 zullen door Cardio Control op uiterlijk 17 maart 2003 worden bekendgemaakt en zullen kosteloos verkrijgbaar worden gesteld ten kantore van Cardio Control en Kempen & Co.

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