

ARRIS GROUP, INC.
PRELIMINARY SUPPLEMENTAL SALES & NET INCOME RECONCILIATION
(in thousands, except per share data) (unaudited)

(in thousands, except per share data)

	Q2 2012		YTD 2012	
	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 349,327		\$ 652,228	
Highlighted items:				
Purchase accounting impacts of deferred revenue	663	0.01	1,921	0.02
Sales excluding highlighted items	\$ 349,990		\$ 654,149	

	Q2 2012		Q2 2011		YTD 2012		YTD 2011	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income	\$ 15,001	\$ 0.13	\$ 16,690	\$ 0.13	\$ 20,800	\$ 0.18	\$ 28,254	\$ 0.23
Highlighted items:								
<i>Impacting gross margin:</i>								
Purchase accounting impacts of deferred revenue	663	0.01	-	-	1,921	0.02	-	-
Stock compensation expense	809	0.01	557	-	1,559	0.01	994	0.01
<i>Impacting operating expenses:</i>								
Acquisition costs	102	-	-	-	709	0.01	-	-
Restructuring	1,039	-	-	-	6,242	0.05	-	-
Amortization of intangible assets	7,444	0.06	8,944	0.07	14,823	0.13	17,888	0.14
Loss of sale of product line	-	-	-	-	337	-	-	-
Stock compensation expense	7,058	0.06	5,368	0.04	12,957	0.11	10,215	0.08
<i>Impacting other (income) / expense:</i>								
Non-cash interest expense	3,058	0.03	2,889	0.02	6,057	0.05	5,721	0.05
Impairment of investment	466	-	-	-	466	-	-	-
<i>Impacting income tax expense:</i>								
Adjustments of income tax valuation allowances and other	-	-	-	-	-	-	(3,583)	(0.03)
<i>Tax related to highlighted items above</i>	(6,749)	(0.06)	(4,915)	(0.04)	(14,870)	(0.13)	(9,939)	(0.08)
Total highlighted items	13,890	0.12	12,843	0.10	30,201	0.26	21,296	0.17
Net income excluding highlighted items	\$ 28,891	\$ 0.25	\$ 29,533	\$ 0.24	\$ 51,001	\$ 0.44	\$ 49,550	\$ 0.40
Weighted average common shares - diluted	115,111		123,711		116,352		124,720	

See the Notes to GAAP / Adjusted Non-GAAP Financial Measures