

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

(in thousands, except per share data)

	Q1 2012		Q2 2012		Q3 2012		YTD 2012	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
	<b>Sales</b>	<b>\$ 302,901</b>		<b>\$ 349,327</b>		<b>\$ 357,432</b>		<b>\$ 1,009,660</b>
Highlighted items:								
Purchase accounting impacts of deferred revenue	1,771	0.02	663	0.01	546	-	2,980	0.03
Sales excluding highlighted items	<u>\$ 304,672</u>		<u>\$ 349,990</u>		<u>\$ 357,978</u>		<u>\$ 1,012,640</u>	
<b>Net income</b>	<b>\$ 5,799</b>	<b>\$ 0.05</b>	<b>\$ 15,001</b>	<b>\$ 0.05</b>	<b>\$ 17,864</b>	<b>\$ 0.05</b>	<b>\$ 38,664</b>	<b>\$ 0.05</b>
Highlighted items:								
<i>Impacting gross margin:</i>								
Purchase accounting impacts of deferred revenue	1,258	0.01	663	0.01	546	-	2,467	0.02
Stock compensation expense	750	0.01	809	0.01	808	0.01	2,367	0.02
<i>Impacting operating expenses:</i>								
Acquisition costs	607	0.01	102	-	30	-	739	0.01
Restructuring	5,203	0.04	1,039	0.01	213	-	6,455	0.06
Amortization of intangible assets	7,379	0.06	7,444	0.06	7,742	0.07	22,565	0.19
Loss of sale of product line	337	-	-	-	-	-	337	0.00
Stock compensation expense	5,899	0.05	7,058	0.06	5,870	0.05	18,827	0.16
<i>Impacting other (income) / expense:</i>								
Non-cash interest expense	2,999	0.03	3,058	0.03	3,120	0.03	9,177	0.08
Impairment of investment	-	-	466	-	-	-	466	-
<i>Impacting income tax expense:</i>								
Adjustments of income tax valuation allowances and other	-	-	-	-	(4,183)	(0.04)	(4,183)	(0.04)
Tax related to highlighted items above	(8,121)	(0.07)	(6,749)	(0.06)	(6,362)	(0.05)	(21,232)	(0.18)
Total highlighted items	16,311	0.14	13,890	0.12	7,784	0.07	37,985	0.33
Net income excluding highlighted items	<u>\$ 22,110</u>	<u>\$ 0.19</u>	<u>\$ 28,891</u>	<u>\$ 0.25</u>	<u>\$ 25,462</u>	<u>\$ 0.22</u>	<u>\$ 76,463</u>	<u>\$ 0.66</u>
Weighted average common shares - diluted		117,597		115,111		116,346		116,346

	Q1 2011		Q2 2011		Q3 2011		YTD 2011	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
	<b>Sales</b>	<b>\$ 267,436</b>		<b>\$ 265,799</b>		<b>\$ 274,374</b>		<b>\$ 807,609</b>
Highlighted items:								
Purchase accounting impacts of deferred revenue	-	-	-	-	-	-	-	-
Sales excluding highlighted items	<u>\$ 267,436</u>		<u>\$ 265,799</u>		<u>\$ 274,374</u>		<u>\$ 807,609</u>	
<b>Net income (loss)</b>	<b>\$ 11,564</b>	<b>\$ 0.09</b>	<b>\$ 16,690</b>	<b>\$ 0.13</b>	<b>\$ 13,713</b>	<b>\$ 0.11</b>	<b>\$ 41,967</b>	<b>\$ 0.34</b>
Highlighted items:								
<i>Impacting gross margin:</i>								
Stock compensation expense	437	-	557	-	525	-	1,519	0.01
<i>Impacting operating expenses:</i>								
Acquisition costs	-	-	-	-	475	-	475	-
Restructuring	-	-	-	-	969	0.01	969	0.01
Amortization of intangible assets	8,944	0.07	8,944	0.07	8,944	0.07	26,832	0.22
Stock compensation expense	4,847	0.04	5,368	0.04	5,213	0.04	15,428	0.12
<i>Impacting other (income) / expense:</i>								
Non-cash interest expense	2,832	0.02	2,889	0.02	2,883	0.02	8,604	0.07
Loss on retirement of debt	-	-	-	-	19	-	19	-
<i>Impacting income tax expense:</i>								
Adjustments of income tax valuation allowances and other	(3,583)	(0.03)	-	-	(2,334)	(0.02)	(5,917)	(0.05)
Tax related to highlighted items above	(5,024)	(0.04)	(4,915)	(0.04)	(5,265)	(0.04)	(15,204)	(0.12)
Total highlighted items	8,453	0.07	12,843	0.10	11,429	0.09	32,725	0.26
Net income excluding highlighted items	<u>\$ 20,017</u>	<u>\$ 0.16</u>	<u>\$ 29,533</u>	<u>\$ 0.24</u>	<u>\$ 25,142</u>	<u>\$ 0.21</u>	<u>\$ 74,692</u>	<u>\$ 0.60</u>
Weighted average common shares - diluted		125,732		123,711		121,297		123,549