



ARRIS Group Inc.

Needham Growth Conference

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Safe Harbor

Statements in this presentation or made in this meeting, including those related to the outlook for 2012 and beyond, the completion of the acquisition of Motorola Home, expected revenues and net income, gross margins, operating expenses, income taxes, acceptance of certain ARRIS products, the general market outlook, and industry trends, are forward-looking statements. These statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Among other things, projected results are based on preliminary estimates, assumptions and projections that management believes to be reasonable at this time, but are beyond management's control; ARRIS is dependent upon customer decisions to purchase the Company's products - these decisions can be deferred and customers also may select competitor products; and because the market in which ARRIS operates is volatile and actions taken and contemplated may not achieve the desired impact. Other factors that could cause results to differ from current expectations include: the uncertain current economic climate and financial markets, and their impact on our customers' plans and access to capital; successful completion of the Motorola Home acquisition process, including receipt of regulatory approvals; ARRIS' ability to successfully integrate Motorola Home's opportunities, technology, personnel, and operations, the impact of rapidly changing technologies; the impact of competition on product development and pricing; the ability of ARRIS to react to changes in general industry and market conditions; rights to intellectual property and the current trend toward increasing patent litigation, market trends and the adoption of industry standards; possible acquisitions and dispositions; and consolidations within the telecommunications industry of both the customer and supplier base. These factors are not intended to be an all-encompassing list of risks and uncertainties that may affect the Company's business. Additional information regarding these and other factors can be found in ARRIS' reports filed with the Securities and Exchange Commission, including its Form 10-Q for the quarter ended September 30, 2012. In providing forward-looking statements, the Company expressly disclaims any obligation to update publicly or otherwise these statements, whether as a result of new information, future events or otherwise.

ARRIS Overview

High tech, leading provider of voice, high-speed data, and video solutions to the global broadband industry

Quick Facts

- \$1.3B Revenue 4 quarters ended 9/30/12
- Market Cap: ~\$1.7 B¹
- \$134M Cash from Operating Activities last 4 quarters
- Headquarters: Suwanee, GA
- ~2,100 Employees

Key Highlights

- Profitable business with solid cash generation
- Significant organic investment and focused M&A
- Technological strength in key product categories
- Strong customer relationships based on close collaborations

Flagship Product Portfolio

Network Infrastructure



C4 CMTS



E6000 Converged Edge Router

Customer Premise Equipment



Voice & Data

Wi-Fi Routers

Triple Play

Note:

1. Based on closing share price on 12/31/2012

ARRIS Company Highlights

- **Strong and Growing Market Share**
 - Organic R&D
 - Disciplined M&A
 - #1 Worldwide market share¹ of voice over IP high speed modems
 - #2 Worldwide market share¹ of cable edge routers (CMTS)

- **Shareholder friendly allocation of capital**
 - Growth oriented M&A
 - Debt buyback
 - Share buyback

(1) Source: Infonetics 3Q'12 Reports

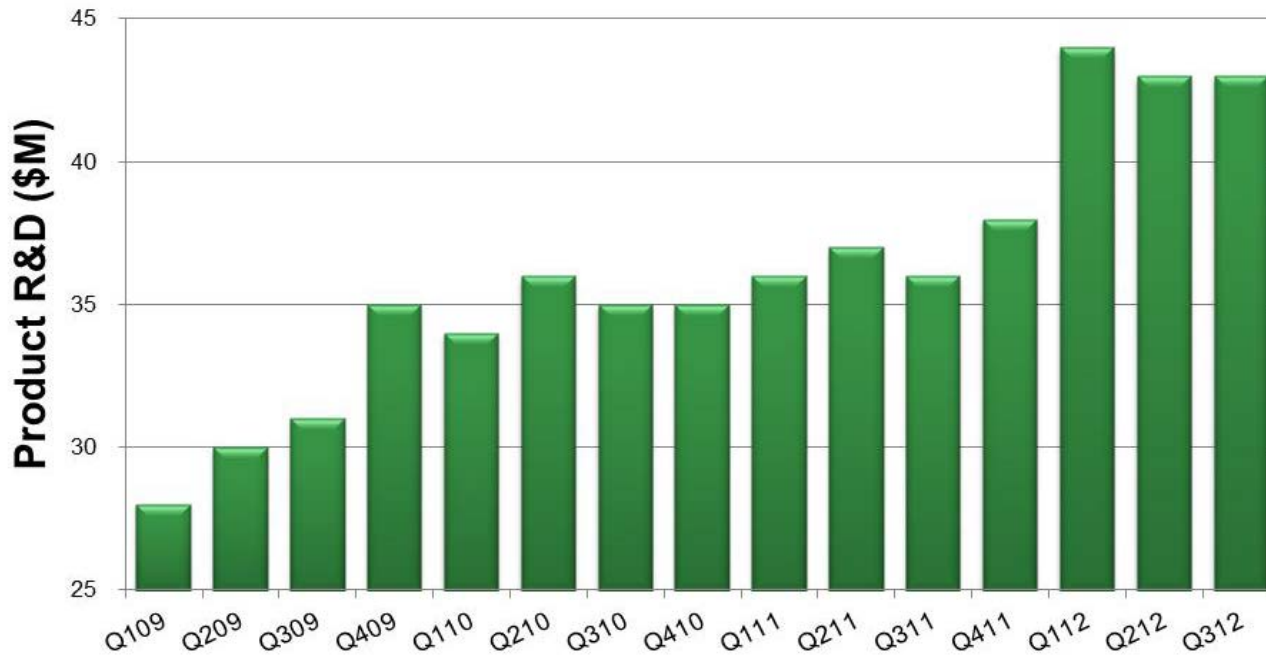
ARRIS Relative Stock Performance

| | 1 Year | 3 Years | 5 Years |
|---------------------------------|--------------|--------------|--------------|
| ARRIS | 38.1% | 30.7% | 49.7% |
| NASDAQ Composite | 13.6% | 38.0% | 11.2% |
| S&P 500 (TR) | 16.0% | 10.9% | 1.6% |
| S&P Midcap Communications Equip | -10.0% | 7.0% | 20.0% |

R&D, M&A, Shareholder Friendly Allocation of Capital has
Rewarded Shareholders

Based on 12/31/12, 12/31/11, 12/31/09, and 12/31/07 closing values

ARRIS Innovation Boosts Revenue Growth...



- Completely revamped and expanded CPE product line
- Entirely refreshed C4 CMTS product line
- Launching E6000 converged edge router
- Released first RDK-based Whole Home Network and Entertainment Gateway

Growing Product Pipeline

ARRIS Strategy

- Grow our current businesses into a more complete portfolio including a strong video product suite. Continue to invest in the evolution toward enabling true network convergence onto an all IP platform
- Continue to expand our product/service portfolio through internal developments, acquisitions and partnerships
- Expand our international business and begin to consider opportunities in markets other than cable
- Continue to invest in and evolve the ARRIS talent pool to implement the above
- Maintain a strong capital structure, mindful of our 2013 debt maturity, share repurchase opportunities and other capital needs including M&A

Combination with Motorola Home is a significant step in executing this strategy

ARRIS to Acquire Motorola Home



~\$4.7B annual revenues (4 quarters ended 9/30/12)

~35% international sales mix

~7,000 employees worldwide

Improved customer diversification

Expanded Intellectual Property portfolio



**Strengthens ARRIS as a Strategic Supplier
to the Broadband Industry**

Motorola Home Overview

Positioned to Be at the Forefront of the IP Transformation in the Home and the Network



Quick Facts

- Headquartered in Horsham, PA, with a global presence including 18 major sites
- ~5,000 employees
- 500+ customers in 70 countries
- ~\$3.4B Revenue 4 quarters ended 9/30/12, ~37% international
- 50+ years of leading the industry evolution

Key Highlights

- Recognized industry leader with record of innovation
- Global, broad and deep customer relationships with major Telcos and MSOs
- Comprehensive product suite for entire video delivery value chain
- Proven technical and product leadership
- Strong cash flow generation and long-term growth opportunities

Flagship Product Portfolio

Converged Experiences



Providing a range of user-oriented multiscreen, home solutions, and integration solutions

Network Infrastructure Solutions



Delivering next-gen broadband solutions

Home Devices



Enabling rich media experiences and IP services

Key Transaction Terms

- Transaction Structure:**
- Acquisition of 100% of the shares of Motorola Home
 - Acquisition of approximately 1,000 patents and license to a wide array of Motorola Mobility patents
 - Provisions to cap potential liability from certain existing IP infringement litigation, including TiVo
- Transaction Consideration:**
- Total consideration to Google of \$2,350 million (cash-free / debt-free, normalized net working capital basis)
 - \$2,050 million Cash consideration: funded with existing cash on hand and new acquisition financing
 - 21.3 million shares
 - \$300 million Equity consideration based on share price of \$14.11 (20 day-trading trailing closing average)
 - New equity issued to be passive investment in common stock, subject to customary standstill provisions
- Source of Financing:**
- \$2,175 million aggregate financing commitment received from Bank of America Merrill Lynch and Royal Bank of Canada
 - ~\$1,000 million 5 year Term Loan A
 - ~\$925 million 7 year Term Loan B
 - ~\$250 million revolving credit facility (unfunded at close)
- Closing Conditions:**
- Customary regulatory approvals
- Expected Closing:**
- By Q2 2013

Financially Compelling Transaction

- Accelerates revenue scale and growth profile
 - Pro forma Revenues of \$4.7 billion for the trailing four quarters ended September 30, 2012
 - Significant R&D scale enhances growth potential

- Meaningful synergy potential
 - Expect ~\$100M - \$125M annual cost synergies
 - Run-rate synergy potential to be achieved within ~12 months

- Significant shareholder value creation
 - Immediately accretive to Non-GAAP EPS⁽¹⁾
 - Post-Integration Non-GAAP EPS >\$2.00
 - Post-Integration Free Cash Flow >\$300M

(1) Non-GAAP EPS exclude stock based compensation, amortization of acquired intangibles, acquisition costs, restructuring

Target Annual Model Post-Integration

Estimated GAAP and Non-GAAP Earnings

(\$ in millions)

| | Pro Forma Combined Full Year Target Range ⁽¹⁾ | | |
|------------------------------------|---|-----|---------------|
| Revenue | \$4,800 | <-> | \$5,100 |
| <i>% Gross Margin</i> | 29% | <-> | 30% |
| Operating Expenses ⁽²⁾ | 930 | <-> | 980 |
| Interest Expense | 75 | | 75 |
| <i>% Tax Rate</i> | 38% | | 38% |
| Shares Outstanding ⁽³⁾ | 145 | <-> | 145 |
| GAAP EPS | \$0.48 | <-> | \$0.63 |
| Non-GAAP EPS ⁽⁴⁾ | \$2.00 | <-> | \$2.15 |
| Capex | \$60 | <-> | \$70 |

Model Yields Significant Non-GAAP EPS Accretion

- (1) Target model assumes integration and synergies complete
- (2) Operating expenses includes stock based compensation and depreciation; does not include amortization of acquired intangibles
- (3) Assumes no share repurchases and normal course equity grants
- (4) Non-GAAP EPS excludes stock based compensation, amortization of acquired intangibles; see reconciliation of Non-GAAP measures

Target Annual Model Post-Integration

Estimated Non-GAAP EBITDA and Free Cash Flow

(\$ in millions)

Estimated Free Cash Flow Pro Forma Combined Full Year Target Range ⁽¹⁾

| | | | |
|--------------------------------|--------------|-----|--------------|
| Non-GAAP EBITDA ⁽²⁾ | \$608 | <-> | \$643 |
| Interest Expense | 75 | <-> | 75 |
| Cash Taxes | 160 | <-> | 170 |
| Capex | 70 | <-> | 60 |
| Free Cash Flow | \$303 | <-> | \$338 |

Strong EBITDA Profile
Significant Ability to Pay Down Debt

(1) Target model assumes integration and synergies complete

(2) Non-GAAP EBITDA excludes stock based compensation; see reconciliation of Non-GAAP measures

Complementary ARRIS/Motorola Solution Set

Opportunity for synergy , growth and market expansion



ARRIS + Motorola Home Customer Diversification

More Diversified Customer Base



at&t



Top 5 customers ~ 50% of Revenue*
Telco customers ~20% Revenue*

* Trailing 4 quarters ended September 30, 2012

ARRIS and Motorola Home, Compelling Combination



Well-established industry players and strong management teams

Profitable track records with proven cash generation;
stronger potential with combination

Stable and growing industry with strong and well-financed customer-base
who are very supportive of the combination

Robust consumer demand driving ongoing need for
customers to invest in our products

Longstanding history of innovation and technology transition leadership

Conservative financial policies; responsible use of debt
and intention to rapidly de-lever

The New ARRIS...

Significant Earnings Accretion

Enhanced Relevance in the Marketplace

Rapid Debt Pay Down

Increased Customer Diversification and Installed Base

Increase Intellectual Property and Video DNA



Thank You



Target Annual Model Post-Integration

GAAP to Non-GAAP EPS Reconciliation

(\$ in millions)

| | GAAP to Non-GAAP EPS Reconciliation | | |
|------------------------------------|-------------------------------------|-----|---------------|
| GAAP Net Income | \$70 | <-> | \$92 |
| Amortization ⁽¹⁾ | 295 | | 295 |
| Stock Based Compensation | 60 | | 60 |
| Tax Effect on Above Items | <u>(135)</u> | | <u>(135)</u> |
| Estimated Non-GAAP Net Income | \$290 | <-> | \$312 |
| Shares Outstanding ⁽²⁾ | 145 | | 145 |
| GAAP EPS | \$0.48 | <-> | \$0.63 |
| Non-GAAP EPS ⁽³⁾ | \$2.00 | <-> | \$2.15 |

(1) Purchase accounting impacts reflect current estimates. Amortization and other items may change

(2) Assumes no share repurchases and normal course equity grants

(3) Non-GAAP EPS excludes stock based compensation, amortization of acquired intangibles