

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

	Q4 2012		YTD 2012		Q4 2011		YTD 2011	
	Amount		Amount		Amount		Amount	
Sales	\$ 344,003		\$ 1,353,663		\$ 281,076		\$ 1,088,685	
Highlighted items:								
Purchase accounting impacts of deferred revenue	432		3,412		4,332		4,332	
Sales excluding highlighted items	\$ 344,435		\$ 1,357,075		\$ 285,408		\$ 1,093,017	
	Q4 2012		YTD 2012		Q4 2011		YTD 2011	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income (loss)	\$ 14,795	0.13	\$ 53,459	\$ 0.46	\$ (59,629)	\$ (0.51)	\$ (17,662)	\$ (0.15)
Highlighted items:								
<i>Impacting gross margin:</i>								
Purchase accounting impacts of deferred revenue	432	-	2,899	0.02	3,126	0.03	3,126	0.03
Stock compensation expense	802	0.01	3,169	0.03	521	-	2,040	0.02
<i>Impacting operating expenses:</i>								
Acquisition costs	5,131	0.04	5,870	0.05	2,730	0.02	3,205	0.03
Restructuring	306	-	6,761	0.06	3,391	0.03	4,360	0.04
Amortization of intangible assets	7,729	0.07	30,294	0.26	6,817	0.06	33,649	0.27
Goodwill and intangibles impairment	-	-	-	-	88,633	0.74	88,633	0.72
Loss of sale of product line	-	-	337	-	-	-	-	-
Settlement charge - pension	3,064	0.03	3,064	0.03	-	-	-	-
Stock compensation expense	5,910	0.05	24,737	0.21	4,586	0.04	20,014	0.16
<i>Impacting other (income) / expense:</i>								
Non-cash interest expense	3,181	0.03	12,358	0.11	2,941	0.02	11,545	0.09
Impairment of investment	67	-	533	-	3,000	0.03	3,000	0.02
Loss on retirement of debt	-	-	-	-	-	-	19	-
<i>Impacting income tax expense:</i>								
Adjustments of income tax valuation allowances and other	(475)	-	(4,658)	(0.04)	3,032	0.03	(2,885)	(0.02)
Tax impact related to goodwill and intangibles impairment	-	-	-	-	(25,584)	(0.21)	(25,584)	(0.21)
<i>Tax related to highlighted items above</i>	(8,724)	(0.07)	(29,957)	(0.26)	(8,553)	(0.07)	(23,757)	(0.19)
Total highlighted items	17,423	0.15	55,407	0.48	84,640	0.71	117,365	0.96
Net income excluding highlighted items <sup>(1)</sup>	\$ 32,218	\$ 0.28	\$ 108,866	\$ 0.93	\$ 25,011	\$ 0.21	\$ 99,703	\$ 0.81
Weighted average common shares - basic		114,028		114,161		117,316		120,157
Weighted average common shares - diluted		117,013		116,514		119,609		122,555

See Notes to GAAP and Adjust Non-GAAP Financial Measures

<sup>(1)</sup> Although net income for 2011 is a loss, dilutive shares are used for purposes of this calculation per share as earnings excluding highlighted items is net income.