

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

	Q1 2012		Q4 2012		Q1 2013	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 302,901		\$ 344,003		\$ 353,650	
Highlighted items:						
Acquisition accounting impacts of BigBand deferred revenue	1,771		432		-	
Reduction in revenue related to Comcast's investment in ARRIS	-		-		13,182	
Sales excluding highlighted items	\$ 304,672		\$ 344,435		\$ 366,832	
Net income (loss)	\$ 5,799	\$ 0.05	\$ 14,795	\$ 0.13	\$ (14,650)	\$ (0.13)
Highlighted items:						
<i>Impacting gross margin:</i>						
Acquisition accounting impacts of BigBand deferred revenue	1,258	0.01	432	0.00	-	-
Reduction in gross margin related to Comcast's investment in ARRIS	-	-	-	-	13,182	0.11
Stock compensation expense	750	0.01	802	0.01	831	0.01
<i>Impacting operating expenses:</i>						
Acquisition costs	607	0.01	5,131	0.04	7,190	0.06
Restructuring	5,203	0.04	306	0.00	9	0.00
Amortization of intangible assets	7,379	0.06	7,729	0.07	7,603	0.06
Loss of sale of product line	337	0.00	-	-	-	-
Settlement charge - pension	-	-	3,064	0.03	-	-
Stock compensation expense	5,899	0.05	5,910	0.05	5,913	0.05
<i>Impacting other (income) / expense:</i>						
Non-cash interest expense	2,999	0.03	3,181	0.03	3,244	0.03
Impairment of investment	-	-	67	0.00	-	-
Credit facility - ticking fees	-	-	-	-	388	0.00
Mark-to-market FV adjustment related to Comcast's investment in ARRIS	-	-	-	-	19,348	0.16
<i>Impacting income tax expense:</i>						
Adjustments of income tax valuation allowances and other	-	-	(475)	(0.00)	(7,516)	(0.06)
Tax related to highlighted items above	(8,121)	(0.07)	(8,724)	(0.07)	(5,735)	(0.05)
Total highlighted items	16,311	0.14	17,423	0.15	44,457	0.37
Net income excluding highlighted items	\$ 22,110	\$ 0.19	\$ 32,218	\$ 0.28	\$ 29,807	\$ 0.25
Weighted average common shares - Basic		115,075		114,028		115,150
Weighted average common shares - Diluted <sup>(1)</sup>		117,597		117,013		119,022

(1) Basic shares used for Q1 2013 as losses were reported for those periods and the inclusion of dilutive shares would be anti-dilutive

See Notes to GAAP and Adjust Non-GAAP Financial Measures