

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

(in thousands, except per share data)

	Q1 2011		Q4 2011		Q1 2012	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 267,436		\$ 281,076		\$ 302,901	
Highlighted items:						
Purchase accounting impacts of deferred revenue	-	-	4,332	0.04	1,258	0.01
Sales excluding highlighted items	\$ 267,436		\$ 285,408		\$ 304,159	

	Q1 2011		Q4 2011		Q1 2012	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income (loss)	\$ 11,564	\$ 0.09	\$ (59,629)	\$ (0.51)	\$ 5,799	\$ 0.05
Highlighted items:						
<i>Impacting gross margin:</i>						
Purchase accounting impacts of deferred revenue	-	-	3,126	0.03	1,258	0.01
Stock compensation expense	437	-	521	-	750	0.01
<i>Impacting operating expenses:</i>						
Acquisition costs	-	-	2,730	0.02	607	0.01
Restructuring	-	-	3,391	0.03	5,203	0.04
Amortization of intangible assets	8,944	0.07	6,817	0.06	7,379	0.06
Goodwill and intangibles impairment	-	-	88,633	0.74	-	-
Loss of sale of product line	-	-	-	-	337	-
Stock compensation expense	4,847	0.04	4,586	0.04	5,899	0.05
<i>Impacting other (income) / expense:</i>						
Non-cash interest expense	2,832	0.02	2,941	0.02	2,999	0.03
Impairment of investment	-	-	3,000	0.03	-	-
<i>Impacting income tax expense:</i>						
Adjustments of income tax valuation allowances and other	(3,583)	(0.03)	3,032	0.03	-	-
Tax impact related to goodwill and intangibles impairment	-	-	(25,584)	(0.21)	-	-
<i>Tax related to highlighted items above</i>	(5,024)	(0.04)	(8,553)	(0.07)	(8,121)	(0.07)
Total highlighted items	8,453	0.07	84,640	0.71	16,311	0.14
Net income excluding highlighted items	\$ 20,017	\$ 0.16	\$ 25,011	\$ 0.21	\$ 22,110	\$ 0.19
Weighted average common shares - basic				117,316 ⁽¹⁾		
Weighted average common shares - diluted		125,732		119,609 ⁽²⁾		117,597

(1) Basic shares used for Q4 2011 as losses were reported for those periods and the inclusion of dilutive shares would be antidilutive

(2) Non-GAAP net income for Q4 2011 is positive and , therefore, the diluted shares used in this calculation include the effect of options