

ARRIS GROUP, INC.**Preliminary EBITDA - GAAP to Adjusted Non-GAAP Reconciliation**

(in thousands)

	Q1 2011	Q4 2011	Q1 2012
Earnings (loss) before tax	11,325	(78,341)	8,686
Depreciation	5,855	6,589	7,195
Amortization of intangibles	8,944	6,817	7,379
Goodwill & intangible impairment	-	88,633	-
Interest expense	4,225	4,258	4,350
Interest income	(778)	(715)	(755)
GAAP EBITDA	29,571	27,241	26,855
GAAP EBITDA - % of Sales	11.1%	9.7%	8.9%
Highlighted items:			
Purchase accounting impact of def revenue	-	3,126	1,258
Stock compensation expense	5,284	5,108	6,649
Acquisition costs	-	2,730	607
Restructuring	-	3,391	5,203
Impairment on investments	-	3,000	-
Loss of sale of product line	-	-	337
Total highlighted items	5,284	17,355	14,054
Adjusted Non-GAAP EBITDA	34,855	44,596	40,909
Adjusted Non GAAP EBITDA - % of Adjusted Non GAAP Sales	13.0%	15.6%	13.4%

See the Notes to GAAP to Adjusted Non-GAAP Financial Measures