ARRIS

CONVERGENCE ENABLED

Fourth Quarter & Full Year 2012 ARRIS Earnings Conference Call

February 6, 2013

Safe Harbor

Statements in this presentation or made in this meeting, including those related to the outlook for 2013 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
CONVERGENCE ENABLED

Fourth Quarter 2012 Highlights & Business Outlook

Bob Stanzione
CEO & Chairman

2012 Highlights

- Full year results
  - Revenues up 24% to $1.354 billion
  - non-GAAP EPS up 15% to $0.93*
- Share buyback $52 million
- R&D investment has produced a strong pipeline of new products
  - Launch of E6000 Cable Edge Router
  - Expanded Video Gateway portfolio
  - Over 8.4 million CPE devices shipped, on strength of new DOCSIS 3.0 WiFi enabled devices
- Motorola Home acquisition

*** See reconciliation of GAAP to Non-GAAP measures.**

Q4 2012 Results & Highlights

- Revenue $344.0M
  - Up 22% vs. Q4 2011
- Gross Margin 35.8%
- Non-GAAP EPS $0.28*
- 74% Domestic, 26% International
- Strong bookings and backlog

*** See reconciliation of GAAP to Non-GAAP measures.**

Q4 2012 Results

- **Broadband Communications Systems (BCS)**
  - Revenue down 3.8% vs. Q3 2012, up 28.7% vs. Q4 2011
  - Gross Margin of 36.1% with increased CMTS mix and improved CPE margins
  - Increased CMTS shipments over Q3 2012
    - 105,246 C4™ downstreams
  - CPE shipments of 2.266 million units in the quarter
    - Unit volume down 14% from Q3 2012 record levels
    - >87% of CPE units were DOCSIS 3.0
    - Wireless Gateway shipments remain strong
  - Video Gateway
    - Increased Moxi® Gateway deployments
    - Milestone reached in Comcast RDK program
  - E6000 ramp

Q4 2012 Results

- **Access, Transport and Supplies (ATS)**
  - Q4 Revenue down sequentially and up year over year
  - Gross margin improvement driven by product mix
  - Pruning low margin SKU's
  - Outlook continues to improve
- **Media and Communications Systems (MCS)**
  - Revenues declined in legacy VOD business
  - Continued expansion of Assurance customer footprint
  - Implemented advertising solutions in key North American MSO's

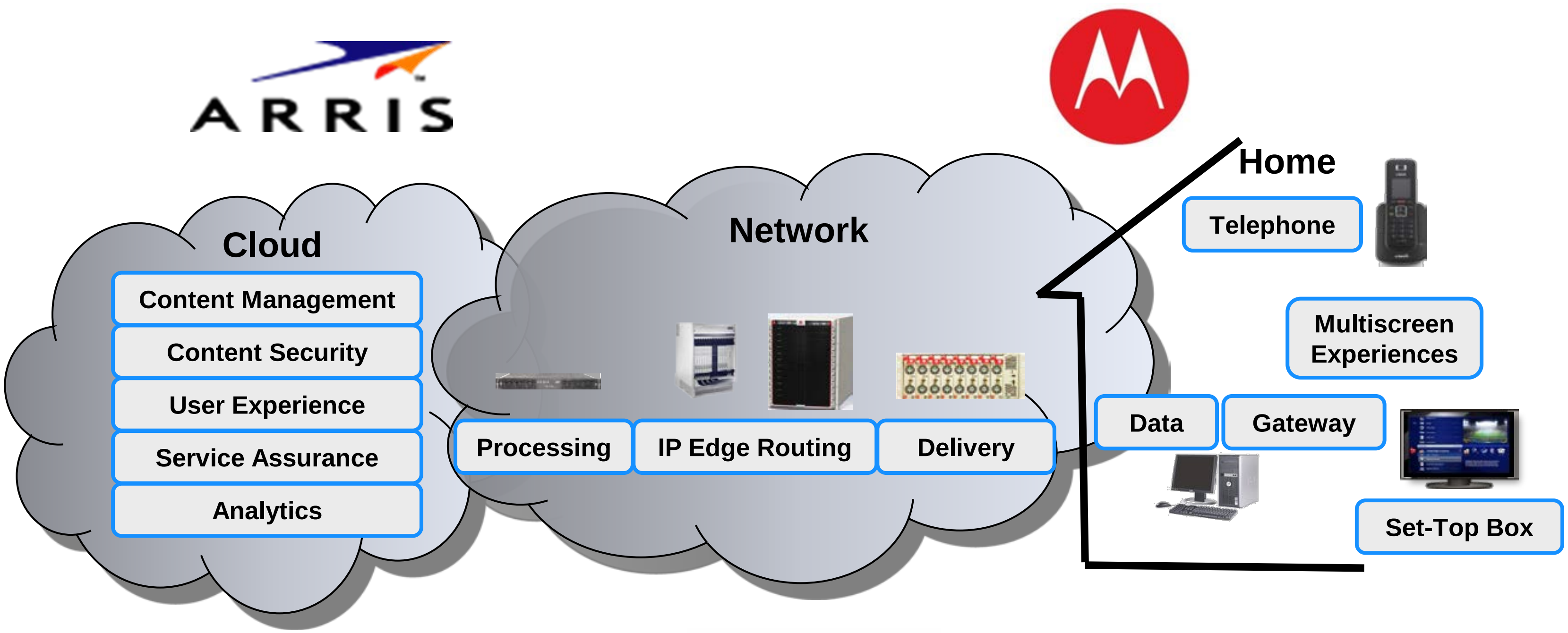
Q1 2013 Guidance

- Center of non-GAAP Guidance* …
  - 19% year over year revenue growth
  - 26% year over year EPS growth
- Mix vs. Q4 2012 reflects higher CPE mix
- Entering quarter with good backlog and healthy order flow
  - Good Start toward achieving our 10% revenue growth target

***See reconciliation of GAAP to Non-GAAP measures.**
Excludes the impact of the planned Comcast investment

Motorola Home Acquisition Update

- Financing commitments near completion
- Integration planning underway
- Regulatory filings complete, under review
- Anticipate closing ~ Q2



ARRIS and Motorola Home

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

More diversified customer mix

~35% international sales mix

~7,000 employees worldwide

Expanded Intellectual Property portfolio

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

Will accelerate innovation to meet customers' rapidly changing technological requirements

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

Fourth Quarter & Full Year 2012 Financial Highlights

David Potts

Chief Financial Officer

Financial Highlights – Q4 and Full Year 2012 YTD
(Preliminary & Unaudited)

	Qtr 4 2011	Qtr 3 2012	Qtr 4 2012	Year 2011	Year 2012	H/(L)
Sales - $M (1) (2)	281.1	357.4	344.0	1,088.7	1,353.7	265.0
Gross Margin - $M	106.5	112.0	123.2	410.5	462.6	52.1
Gross Margin - %	37.9%	31.3%	35.8%	37.7%	34.2%	(3.5) pts
EPS - GAAP (3)	(0.51)	0.15	0.13	(0.15)	0.46	0.61
Adjusted EPS - Non-GAAP (1) (4)	0.21	0.22	0.28	0.81	0.93	0.12
Cash, Short-term & Long-term Marketable Securities - $M	561.1	571.2	584.0	561.1	584.0	22.9
Cash Provided by Operating Activities - $M	60.9	6.7	11.8	113.2	84.4	(28.8)
Shares Repurchases - $M	34.4	10.4	0.0	109.1	51.9	(57.2)
Debt Retirement (face value) - $M	0.0	0.0	0.0	5.0	0.0	(5.0)
Weighted average common shares - basic - M	117.3	113.7	114.0	120.2	114.2	(6.0)
Weighted average common shares - diluted - M	119.6	116.3	117.0	122.6	116.5	(6.1)
Backlog - $M	148.5	185.8	222.6	148.5	223.2	74.7
Book-to-Bill	0.98	0.82	1.11	1.01	1.05	0.04

(1) See reconciliation of GAAP to Non-GAAP measures.

(2) Excludes $4.3M in Q4 2011, $1.8M in Q1 2012, $0.7M in Q2 2012, $0.5M in Q3 2012. $0.4M in Q4 2012 of Non-GAAP BBND Sales

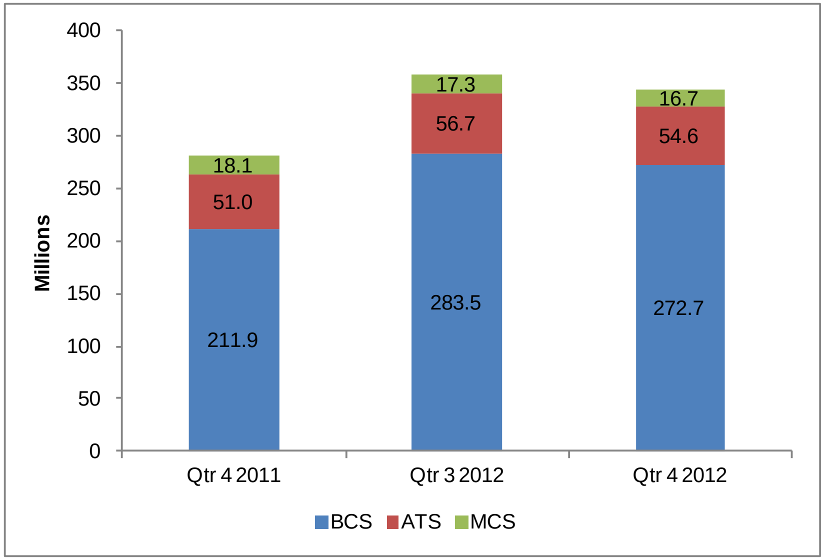
(3) Basic shares used for 2011 as losses were reported for those periods and the inclusion of dilutive shares would be antidilutive

(4) 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.

Sales – Q4 2012

(Preliminary & Unaudited)

Sales by Segment



Domestic / International Sales ($M)

		Qtr 4 2011	Qtr 3 2012	Qtr 4 2012
Domestic	- $M	195.1	278.7	256.1
	- %	69.4%	78.0%	74.4%
International	- $M	85.9	78.7	87.9
	- %	30.6%	22.0%	25.6%

Significant Customers ($M)

	Qtr 4 2011	Qtr 3 2012	Qtr 4 2012
Time Warner Cable and Affiliates	63.6	69.0	51.8
Comcast and Affiliates	66.5	117.7	126.1

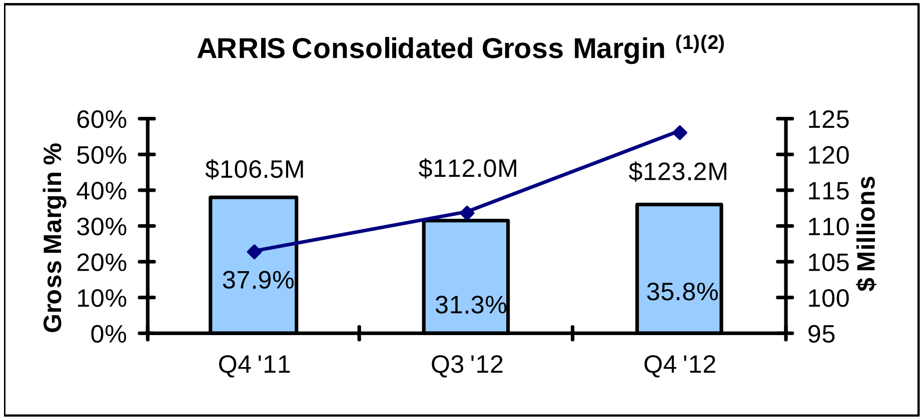
Non GAAP BigBand Sales and Gross Margin Adjustments (1) & (2)

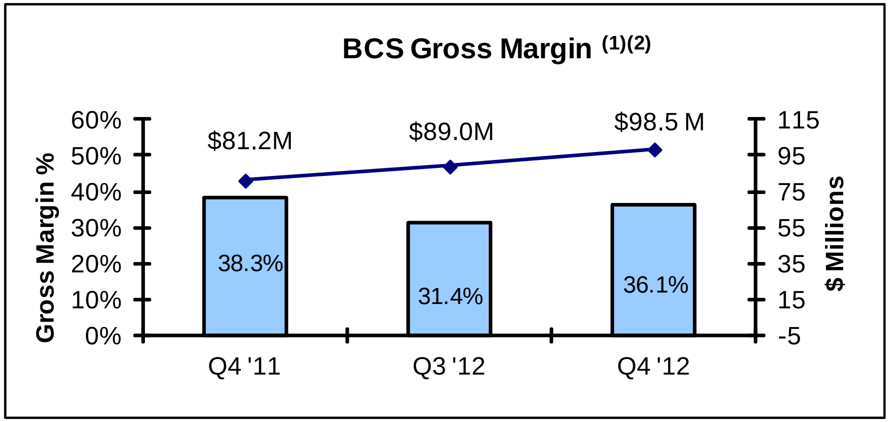
		Qtr 4 2011	Qtr 3 2012	Qtr 4 2012
Sales	- $M	4.3	0.5	0.4
Gross Margin	- $M	3.1	0.5	0.4

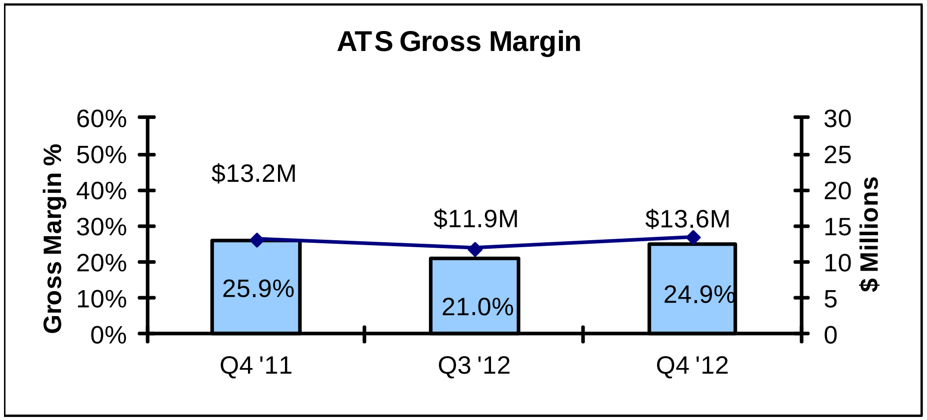
(1) Revenue and gross margin impact of "fair valuing" BigBand deferred revenue that BigBand would have recorded but ARRIS cannot as a result of purchase accounting
(2) See reconciliation of GAAP to Non-GAAP measures

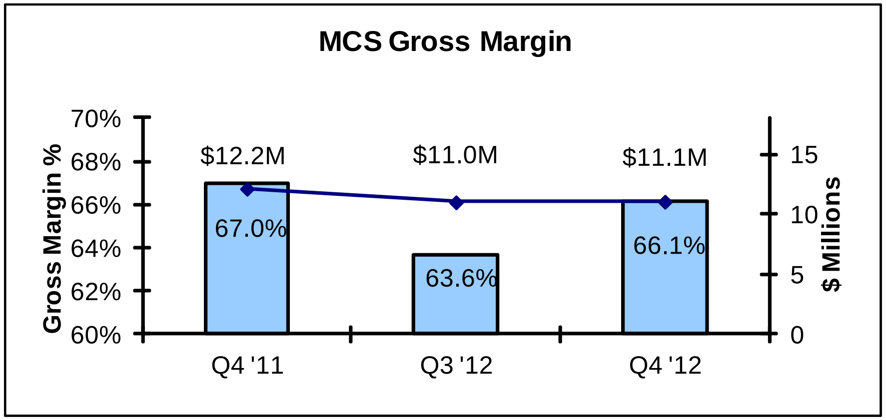
Gross Margin – Q4 2012

(Preliminary & Unaudited)









(1) Excludes gross margin impact of "fair valuing" BigBand deferred revenue at close that BigBand would have recorded but ARRIS cannot as a result of purchase accounting

(2) See reconciliation of GAAP to Non-GAAP measures

Operating Expenses – Q4 and Full Year (Preliminary & Unaudited)

		Qtr 4 2011	Qtr 3 2012	Qtr 4 2012
R&D	$M	37.8	43.0	40.7
	% of Sales	13.4%	12.5%	11.8%
SG&A	$M	40.8	37.9	43.8
	% of Sales	14.5%	11.0%	12.7%
Operating Expenses	$M	78.6	80.9	84.5 (1)
	% of Sales	28.0%	23.5%	24.6%
Restructuring	$M	3.4	0.2	0.3
	% of Sales	1.2%	0.1%	0.1%
Acquisition Costs & Other	$M	2.7	-	5.1
	% of Sales	1.0%	0.0%	1.5%
Impairment of goodwill & intangible assets	$M	88.6	-	-
	% of Sales	31.5%	0.0%	0.0%
Amortization of Intangibles	$M	6.8	7.7	7.7
	% of Sales	2.4%	2.3%	2.2%
Total	$M	180.2	88.8	97.7
	% of Sales	64.1%	25.8%	28.4%

		Year 2011	Year 2012	H(L)
R&D	$M	146.5	170.7	24.2
	% of Sales	13.5%	12.6%	(0.9) pts
SG&A	$M	148.8	161.3	12.6
	% of Sales	13.7%	11.9%	(1.7) pts
Operating Expenses	$M	295.3	332.0 (1)	36.8
	% of Sales	27.1%	24.5%	(2.6) pts
Restructuring	$M	4.4	6.8	2.4
	% of Sales	0.4%	0.5%	0.1 pts
Acquisition Costs & Other	$M	3.2	6.2	3.0
	% of Sales	0.3%	0.5%	0.2 pts
Impairment of goodwill & intangible assets	$M	88.6	-	(88.6)
	% of Sales	8.1%	0.0%	(8.1) pts
Amortization of Intangibles	$M	33.6	30.3	(3.3)
	% of Sales	3.1%	2.2%	(0.9) pts
Total	$M	425.1	375.3	(49.8)
	% of Sales	39.0%	27.7%	(11.3) pts

(1) Includes $3.1M of costs associated with early pension payouts

Balance Sheet & Cash Flow Highlights – Q4 2012

(Preliminary & Unaudited)

	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
Cash & short-term investments - $M	518.8	514.3	539.6	548.4	530.1
Long-term marketable securities - $M	42.3	52.9	36.7	22.8	53.9
Total - $M	561.1	567.2	576.3	571.2	584.0
Cash provided by operating activities - $M	60.9	35.3	30.6	6.7	11.8
Cash used for BigBand acquisition - $M	162.4	-	-	-	-
BigBand Cash / marketable securities acquired - $M	109.3	-	-	-	-
Net cash used for BigBand acquisition - $M	53.1	-	-	-	-
Cash used for share repurchases - $M	34.4	26.3	15.2	10.4	0.0
Accounts receivable, net - $M	152.4	183.4	179.4	171.1	188.6
DSOs	52	51	47	45	48
Inventory, net - $M	115.9	105.1	102.4	137.5	133.8
Turns	6.1	7.0	8.9	8.2	6.5
2013 convertible debt at face value- $M	232.1	232.1	232.1	232.1	232.1
2013 convertible debt at book value- $M	209.8	212.8	215.8	218.9	222.1

Q1 2013 Guidance

- **Adjusted (Non-GAAP) Revenue $350M - $370M(1) (2)**
- **GAAP Revenue $337M - $357M**
- **Adjusted (Non-GAAP) EPS $0.22 - $0.26(1)(2)(3)**
- **GAAP EPS $0.02- $0.06(3)**
- **~ 32.0% tax rate assumed**
- **118.0M diluted shares assumed**

(1) See reconciliation of GAAP to Non-GAAP measures

(2) Excludes the impact of the $13M implied fair value of benefit received by Comcast as a result of their planned investment in ARRIS

(3) Our guidance does not take into account any mark-to-market fair value adjustments related to the planned Comcast investment

GAAP to Adjusted Non-GAAP Sales and EPS Guidance Reconciliation

	Q1 2013 Sales Guidance - $M
Estimated GAAP Sales	$ 337 - $ 357
Implied fair value of Benefit Received to Comcast of Planned Investment in ARRIS	13
Estimated Adjusted (Non-GAAP) Sales	$ 350 -$ 370

	Q1 2013 EPS Guidance (1)
Estimated GAAP EPS	$ 0.02 -$ 0.06
Reconciling Items (after tax):	
Amortization of Intangibles	0.04
Stock Compensation Expense	0.04
Non-Cash Interest - Convertible Debt	0.02
Implied fair value of Benefit Received to Comcast of Planned Investment in ARRIS	0.07
Acquisition Costs	0.03
Subtotal	0.20
Estimated Adjusted (Non-GAAP) EPS	$ 0.22 -$ 0.26

(1) Excludes any mark-to-market fair value adjustments related to the Comcast planned investment

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

GAAP EPS/Adjusted EPS Reconciliation Q4 2012

(Preliminary & Unaudited)

(in thousands, except per share data)	Q4 2011	Q3 2012	Q4 2012	YTD 2011	YTD 2012
	Amount	Amount	Amount	Amount	Amount
Sales	$ 281,076	$ 357,432	$ 344,003	$ 1,088,685	$ 1,353,663
Highlighted items:					
Purchase accounting impacts of deferred revenue	4,332	546	432	4,332	3,412
Sales excluding highlighted items	$ 285,408	$ 357,978	$ 344,435	$ 1,093,017	$ 1,357,075

	Q4 2011		Q3 2012		Q4 2012		YTD 2011		YTD 2012	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income	$ (59,629)	$ (0.51)	$ 17,864	$ 0.15	$ 14,795	0.13	$ (17,662)	$ (0.15)	$ 53,459	$ 0.46
Highlighted items:										
Impacting gross margin:										
Purchase accounting impacts of deferred revenue	3,126	0.03	546	-	432	-	3,126	0.03	2,899	0.02
Stock compensation expense	521	-	808	0.01	802	0.01	2,040	0.02	3,169	0.03
Impacting operating expenses:										
Acquisition costs	2,730	0.02	30	-	5,131	0.04	3,205	0.03	5,870	0.05
Restructuring	3,391	0.03	213	-	306	-	4,360	0.04	6,761	0.06
Amortization of intangible assets	6,817	0.06	7,742	0.07	7,729	0.07	33,649	0.27	30,294	0.26
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	4,586	0.04	5,870	0.05	5,910	0.05	20,014	0.16	24,737	0.21
Impacting other (income) / expense:										
Non-cash interest expense	2,941	0.02	3,120	0.03	3,181	0.03	11,545	0.09	12,358	0.11
Impairment of investment	3,000	0.03	-	-	67	-	3,000	0.02	533	-
Loss on retirement of debt	-	-	-	-	-	-	19	-	-	-
Impacting income tax expense:										
Adjustments of income tax valuation allowances and other	3,032	0.03	(4,183)	(0.04)	(475)	-	(2,885)	(0.02)	(4,658)	(0.04)
Tax impact related to goodwill and intangibles impairment	(25,584)	(0.21)	-	-	-	-	(25,584)	(0.21)	-	-
Tax related to highlighted items above	(8,553)	(0.07)	(6,362)	(0.05)	(8,724)	(0.07)	(23,757)	(0.19)	(29,957)	(0.26)
Total highlighted items	84,640	0.71	7,784	0.07	17,423	0.15	117,365	0.96	55,407	0.48
Net income excluding highlighted items	$ 25,011	$ 0.21	$ 25,648	$ 0.22	$ 32,218	$ 0.28	$ 99,703	$ 0.81	$ 108,866	$ 0.93
Weighted average common shares - Basic		117,316		113,709		114,028		120,157		114,161
Weighted average common shares - diluted (1)		119,609		116,346		117,013		122,555		116,514

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

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

Notes to GAAP/Adjusted Non-GAAP Financial Measures

(Preliminary & Unaudited)

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP" or referred to herein as "reported"). However, management believes that certain non-GAAP financial measures provide management and other users with additional meaningful financial information that should be considered when assessing our ongoing performance. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the factors management uses in planning for and forecasting future periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, the Company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects:

Purchase Accounting Impacts Related to Deferred Revenue: In connection with our acquisition of BigBand, business combination rules require us to account for the fair values of arrangements for which acceptance has not been obtained, and post contract support in our purchase accounting. The non-GAAP adjustment to our sales and cost of sales is intended to include the full amounts of such revenues. We believe the adjustment to these revenues is useful as a measure of the ongoing performance of our business. We have historically experienced high renewal rates related to our support agreements and our objective is to increase the renewal rates on acquired post contract support agreements; however, we cannot be certain that our customers will renew our contracts.

Implied Fair Value of Benefit Received by Comcast of Planned Investment in ARRIS: In connection with our pending acquisition of Motorola Home, Comcast was given an opportunity to invest in ARRIS. The accounting guidance requires that we record the implied fair value of benefit received by Comcast as a reduction in revenue. Until the closing of the deal, changes in the value of the planned investment will be marked to market and flow through other expense (income). We have excluded the effect of the implied fair value in calculating our non-GAAP financial measures. We believe it is useful to understand the effects of these items on our total revenues and other expense (income).

Stock-Based Compensation Expense: We have excluded the effect of stock-based compensation expenses in calculating our non-GAAP operating expenses and net income measures. Although stock-based compensation is a key incentive offered to our employees, we continue to evaluate our business performance excluding stock-based compensation expenses. We record non-cash compensation expense related to grants of options and restricted stock. Depending upon the size, timing and the terms of the grants, the non-cash compensation expense may vary significantly but will recur in future periods.

Acquisition Costs: We have excluded the effect of acquisition related and other expenses and the effect of restructuring expenses in calculating our non-GAAP operating expenses and net income measures. We incurred significant expenses in connection with our recent acquisition of BigBand, which we generally would not have otherwise incurred in the periods presented as part of our continuing operations. Acquisition related expenses consist of transaction costs, costs for transitional employees, other acquired employee related costs, and integration related outside services. We believe it is useful to understand the effects of these items on our total operating expenses.

Restructuring Costs: We have excluded the effect of restructuring charges in calculating our non-GAAP operating expenses and net income measures. Restructuring expenses consist of employee severance, abandoned facilities, and other exit costs. We believe it is useful to understand the effects of these items on our total operating expenses.

Loss on Sale of Product Line: We have excluded the effect of a loss on the sale of a product line in calculating our non-GAAP operating expenses and net income measures. We believe it is useful to understand the effects of these items on our total operating expenses.

Amortization of Intangible Assets: We have excluded the effect of amortization of intangible assets in calculating our non-GAAP operating expenses and net income measures. Amortization of intangible assets is non-cash, and is inconsistent in amount and frequency and is significantly affected by the timing and size of our acquisitions. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

Impairment of Goodwill and Intangibles: We have excluded the effect of the estimated impairment of goodwill and intangible assets in calculating our non-GAAP operating expenses and net income (loss) measures. Although an impairment does not directly impact the Company's current cash position, such expense represents the declining value of the technology and other intangibles assets that were acquired. We exclude these impairments when significant and they are not reflective of ongoing business and operating results.

Settlement Charge - Pension: In an effort to reduce volatility and administrative expense in connection with the Company's pension plan, we have offered certain participants an opportunity to voluntarily elect an early payout of their pension benefits. We exclude this charge in Non-GAAP measures, as this is a one-time charge that is not considered by management in their review of financial results.

Notes to GAAP/Adjusted Non-GAAP Financial Measures (con't)

(Preliminary & Unaudited)

Non-Cash Interest on Convertible Debt: We have excluded the effect of non-cash interest in calculating our non-GAAP operating expenses and net income measures. We record the accretion of the debt discount related to the equity component non-cash interest expense. We believe it is useful to understand the component of interest expense that will not be paid out in cash.

Impairment of Investment: We have excluded the effect of an other-than-temporary impairment of a cost method investment in calculating our non-GAAP financial measures. We believe it is useful to understand the effect of this non-cash item in our other expense (income).

Loss (Gain) on Retirement of Debt: We have excluded the effect of the loss (gain) on retirement of debt in calculating our non-GAAP financial measures. We believe it is useful for investors to understand the effect of this non-cash item in our other expense (income).

Income Tax Expense (Benefit): We have excluded the tax effect of the non-GAAP items mentioned above. Additionally, we have excluded the effects of certain tax adjustments related to state valuation allowances, research and development tax credits and provision to return differences.