

**ARRIS GROUP, INC.**  
**PRELIMINARY SUPPLEMENTAL SALES & NET INCOME RECONCILIATION**

(in thousands, except per share data)

	Q1 2013		Q2 2013		YTD 2013	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 353,650		\$ 1,000,362		\$ 1,354,012	
Highlighted items:						
Reduction in revenue related to Comcast investment in ARRIS	13,182		-		13,182	
Purchase accounting impacts of deferred revenue	-		2,417		2,417	
Sales excluding highlighted items	\$ 366,832		\$ 1,002,779		\$ 1,369,611	
Net income (loss)	\$ (14,650)	\$ (0.13)	\$ (50,277)	\$ (0.37)	\$ (64,927)	\$ (0.52)
Highlighted items:						
<i>Impacting gross margin:</i>						
Reduction in revenue related to Comcast investment in ARRIS	13,182	0.11	-	-	13,182	0.10
Acquisition accounting impacts related to Motorola Home fair value of inventory	-	-	57,600	0.42	57,600	0.45
Product rationalization	-	-	13,582	0.10	13,582	0.11
Stock compensation expense	831	0.01	866	0.01	1,697	0.01
Acquisition accounting impacts related to Motorola Home deferred revenue	-	-	1,472	0.01	1,472	0.01
<i>Impacting operating expenses:</i>						
Acquisition costs and other	7,190	0.06	19,392	0.14	26,582	0.21
Restructuring	9	-	32,257	0.24	32,266	0.25
Amortization of intangible assets	7,603	0.06	58,130	0.43	65,733	0.51
Stock compensation expense	5,913	0.05	6,314	0.05	12,227	0.10
<i>Impacting other (income) / expense:</i>						
Non-cash interest expense	3,244	0.03	3,308	0.02	6,552	0.05
Credit facility - ticking Fees	388	-	477	-	865	0.01
Mark to market FV adjustment related to Comcast investment in ARRIS	19,348	0.16	(6,159)	(0.05)	13,189	0.10
<i>Impacting income tax expense:</i>						
Adjustments of income tax valuation allowances and other	(7,516)	(0.06)	-	-	(7,516)	(0.06)
Tax related to highlighted items above	(5,735)	(0.05)	(74,784)	(0.55)	(80,520)	(0.63)
Total highlighted items	44,457	0.37	112,455	0.82	156,911	1.23
Net income excluding highlighted items	\$ 29,807	\$ 0.25	\$ 62,178	\$ 0.46	\$ 91,984	\$ 0.72
Weighted average common shares - basic		115,150		134,626		124,940
Weighted average common shares - diluted		119,022		136,626		127,731

(in thousands, except per share data)

	Q1 2012		Q2 2012		YTD 2012	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 302,901		\$ 349,327		\$ 652,228	
Highlighted items:						
Purchase accounting impacts of deferred revenue	1,258	0.01	663	-	1,921	
Sales excluding highlighted items	\$ 304,159		\$ 349,990		\$ 654,149	
Net income	\$ 5,799	\$ 0.05	\$ 15,001	\$ 0.13	\$ 20,800	\$ 0.18
Highlighted items:						
<i>Impacting gross margin:</i>						
Acquisition accounting impacts related to Motorola Home deferred revenue	1,258	0.01	663	-	1,921	0.02
Stock compensation expense	750	0.01	809	0.01	1,559	0.01
<i>Impacting operating expenses:</i>						
Acquisition costs and other	944	0.01	102	-	1,046	0.01
Restructuring	5,203	0.04	1,039	0.01	6,242	0.05
Amortization of intangible assets	7,379	0.06	7,444	0.05	14,823	0.12
Stock compensation expense	5,899	0.05	7,058	0.05	12,957	0.10
<i>Impacting other (income) / expense:</i>						
Non-cash interest expense	2,999	0.03	3,058	0.02	6,057	0.05
Impairment of investment	-	-	466	-	466	-
Tax related to highlighted items above	(8,121)	(0.07)	(6,749)	(0.05)	(14,870)	(0.12)
Total highlighted items	16,311	0.14	13,890	0.12	30,201	0.26
Net income excluding highlighted items	\$ 22,110	\$ 0.19	\$ 28,891	\$ 0.25	\$ 51,001	\$ 0.44
Weighted average common shares - diluted		117,597		115,111		116,514