SECOND QUARTER 2014 EARNINGS CONFERENCE CALL

July 31, 2014

SAFE HARBOR

- Statements in this presentation, including those related to the outlook for 2014 and beyond, the continuing integration 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; ARRIS ability to complete the integration of Motorola Home, 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 both the customer and supplier base, including the proposed acquisition of Time Warner by Comcast and the proposed acquisition of DIRECTV by AT&T. 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 March 31, 2014. 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.

SECOND QUARTER 2014 HIGHLIGHTS & BUSINESS OUTLOOK

BOB STANZIONE
CEO & CHAIRMAN

Q2 2014 RESULTS & HIGHLIGHTS

- Strength across all product segments
- Revenues of $1.429B up 17% sequentially
- Non-GAAP earnings of $0.70* per share up 49% sequentially (GAAP EPS of $0.26*)
- Book to bill rate of .85
- Backlog of $788M
- Optional debt payment of $150M
- Strong cash flow, improved DSO, and inventory turns

IMPROVING FINANCIAL METRICS

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

Q2 2014 CUSTOMER PREMISES EQUIPMENT HIGHLIGHTS

- Segment sales up ~14% as compared to Q1 2014; Direct contribution dollars up ~17% versus Q1 2014
  - Continued industry momentum for advanced CPE solutions
  - Sales driven by telco video CPE and broadband device shipments

- Video CPE (Set-tops / Video Gateways)
  - Set top unit volumes increased ~8% from Q1 2014 excluding Digital Terminal Adapters (DTA)
  - Announced availability of new high-definition set-top targeting Latin American service providers
  - Expanded European set-top portfolio further enabling the industry's shift to video digitization
  - Played an important role in FIOS Quantum TV service launch with the ARRIS Verizon Media Server (VMS) gateway and IP clients
  - Commenced volume shipments of a new, multi-tuner gateway platform

Q2 2014 CUSTOMER PREMISES EQUIPMENT HIGHLIGHTS

- Broadband CPE
  - Broadband device and accessory unit volumes up ~11% from Q1 2014; Record levels of DOCSIS & DSL unit sales
  - Announced new EuroDOCSIS 3.0 wireless data and EMTA gateways products offering superior wireless performance
  - Continue to experience strong demand for advanced DOCSIS platforms
    - ~65% of units were Wi-Fi enabled gateway devices in Q2 2014
    - Product portfolio refresh incorporating 802.11ac Wi-Fi underway
  - DSL gateway demand further accelerated during Q2 2014

Q2 2014 NETWORK & CLOUD HIGHLIGHTS

- Segment sales up ~23% as compared to Q1 2014; Direct contribution dollars up ~60% versus Q1 2014
  - Increased sales and margin across all major product lines compared to Q1
  - Strong E6000 CCAP momentum and sales as global cable operators invested in converged data and video platform
  - Strong Video Solution sales

- CMTS
  - Record port shipments – 80% increase compared to Q1'14
    - Broad based demand from all regions as operators expanded broadband capacity and refreshed infrastructure with converged platform
    - New footprint being established for future high margin sales

Q2 2014 NETWORK & CLOUD HIGHLIGHTS

- Access and Transport
  - Business up from Q1 with increased Headend Optics and Nodes sales
  - First DOCSIS 3.1 transmission product released

- Video Systems
  - Expanding Network DVR deployments in North America; strong interest internationally
  - Seawell integration completed
  - Programmers in CALA accelerate MPEG4 satellite network upgrades

- Cloud
  - SaaS-based WorkForce Management solution deployed with major North American Service Provider
  - Pro-active outage management tool selected by major International Service Provider
  - Launched Sling-powered TV Everywhere solution as part of ARRIS Whole Home Solution
  - Launched ARRIS Market including Over-The-Top video streaming service provided by Wurl

- Global Services
  - Increased end-to-end systems integration activity supporting Multi-Screen IP Video and nDVR solutions
  - Increased demand for HFC, Fiber, and Wi-Fi design and deployment services

Q3 2014 OUTLOOK AND BEYOND

- Q3 2014 Guidance
  - Favorable product mix
  - Continued network investment
  - Improving International position
- Beyond Q3
  - Industry consolidation late 2014/early 2015
  - Robust spending post industry consolidation
  - Growing demand for Gigabit service
  - Network expansion investments
  - Improving in home experiences
  - Investing aggressively in new technology

SECOND QUARTER 2014 FINANCIAL HIGHLIGHTS

DAVE POTTS

CHIEF FINANCIAL OFFICER

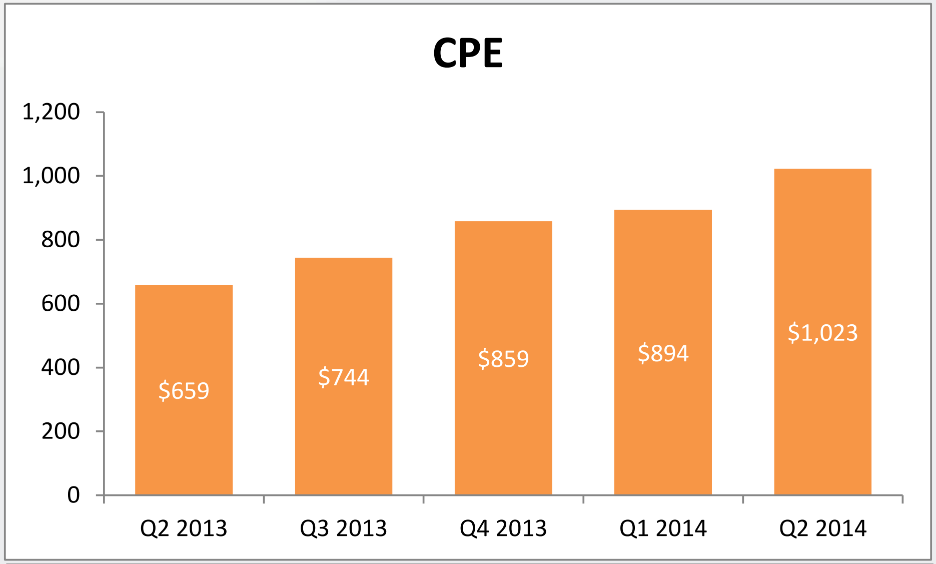
FINANCIAL HIGHLIGHTS – Q2 2014 (PRELIMINARY & UNAUDITED)

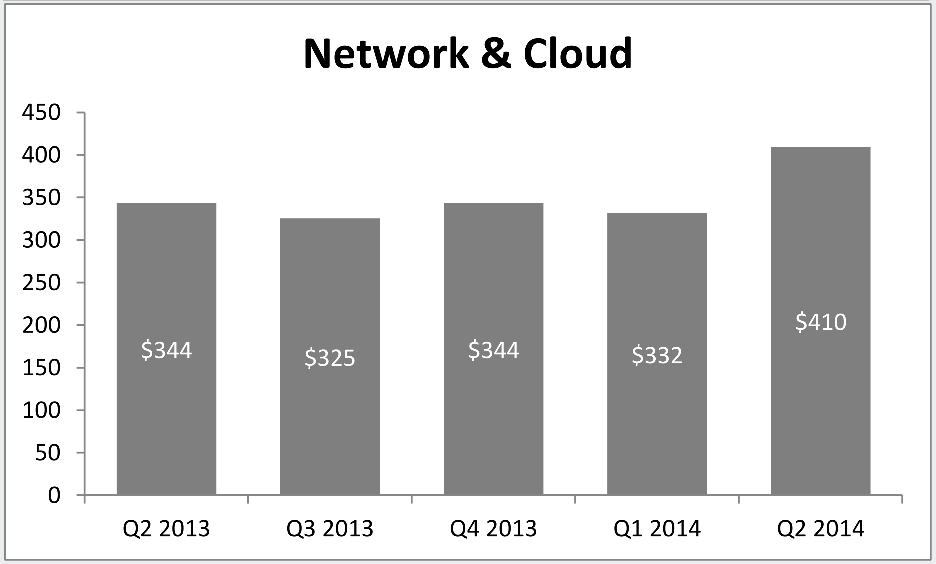
	Q2 2013	Q1 2014	Q2 2014
Sales - $M	1,000.4	1,225.0	1,429.1
Gross Margin - $M	231.0	346.8	419.4
Gross Margin - %	23.1%	28.3%	29.3%
Direct Contribution(1)	19.5	113.5	162.9
EPS - GAAP	(0.36)	0.28	0.26
Adjusted EPS - Non-GAAP	0.45	0.47	0.70
Cash, ST & LT Marketable Securities - $M	764.1	521.5	551.9
Cash Provided by Operating Activities - $M	294.0	34.8	220.3
Debt Repayment - $M	15.8	13.8	168.4
Short-term Debt -$M	290.0	53.3	60.2
Long-term Debt -$M	1,838.0	1,677.7	1,507.8
Weighted average common shares - basic - M	134.6	142.9	144.4
Weighted average common shares - diluted - M	136.6	147.2	148.1
Backlog - $M	534.9	996.1	787.6
Book-to-Bill	0.95	1.37	0.85

(1) Defined as gross margin less direct operating expenses, excluding amortization of intangible assets, restructuring charges, acquisition, integration and other

See GAAP to Non GAAP Reconciliation

SALES $M – Q2 2014 (PRELIMINARY & UNAUDITED)





	Q2 2014	% of Sales
Domestic Sales	1,118	78%
International Sales	311	22%

	Q2 2014	% of Sales
Total of four customers greater than 10%	832	58%

SALES AND DIRECT CONTRIBUTION BY SEGMENT (PRELIMINARY & UNAUDITED)

($M)

	Q2 2014			
	Network & Cloud	**CPE**	**Corp/ Other**	**Total**
Net Sales	409.7	1,022.9	(3.5)	1,429.1
Non GAAP Adjustments (1)	-	-	3.5	3.5
Adjusted Net Sales	409.7	1,022.9	(0.0)	1,432.6
Direct Contribution (2)	104.6	224.8	(166.4)	162.9
Non GAAP Adjustments (3)	-	-	18.1	18.1
Adjusted Direct Contribution	104.6	224.8	(148.3)	181.0

See GAAP to Non GAAP Reconciliation

(1) Revenue impact of "fair valuing" Motorola Home deferred revenue that Motorola Home would have recorded but ARRIS cannot as a result of acquisition accounting.

(2) Defined as gross margin less direct operating expenses, excluding amortization of intangible assets, restructuring charges, acquisition, integration and other costs.

(3) Stock compensation expense and adjustments related to the acquisition accounting impacts.

OPERATING EXPENSES – Q2 2014 (PRELIMINARY & UNAUDITED)

ARRIS

$M		As Reported			
		Qtr 2 2013	Qtr 4 2013	Qtr 1 2014	Qtr 2 2014
R&D	$M	123.6	129.5	134.2	144.1
	% of Sales	12.4%	10.8%	11.0%	10.1%
SG&A	$M	87.9	110.6	99.1	112.4
	% of Sales	8.8%	9.2%	8.1%	7.9%
Operating Expenses	$M	211.5	240.0	233.3	256.5
	% of Sales	21.1%	20.0%	19.0%	17.9%
Integration, Acquisition, Restructuring & Other Costs	$M	51.6	11.9	11.5	12.5
	% of Sales	5.2%	1.0%	0.9%	0.9%
Amortization of Intangibles	$M	55.9	65.1	64.0	58.7
	% of Sales	5.6%	5.4%	5.2%	4.1%
Total	$M	319.0	317.0	308.8	327.7
	% of Sales	31.9%	26.4%	25.2%	22.9%
Equity Compensation Expense Included		6.3	9.8	9.8	13.4

CASH & CASH FLOW HIGHLIGHTS Q2 2014 (PRELIMINARY & UNAUDITED)

	$M
Cash, cash equivalents and short term investments	551.9
Cash flow items:	
Operating Activities:	
Net Income including adjustments	138.3
Changes in operating assets and liabilities	82.0
	220.3
Key Investing Activities:	
Purchase of property & equipment	(13.4)
Purchases/disposal of investment, net	11.6
Key Financing Activities:	
Optional and mandatory payments of debt obligations	(168.4)
Repurchase of shares to satisfy employee tax withholdings	(16.2)

Q3 2014 GUIDANCE (PRELIMINARY & UNAUDITED)

	Q3 2014
Sales - $M	1,370 - 1,410
EPS - GAAP	0.35 - 0.40
Adjusted EPS - Non-GAAP	0.69 - 0.74
Tax Rate	35%
Shares	149 M

See reconciliation of GAAP to Non GAAP

GAAP TO ADJUSTED NON-GAAP EPS GUIDANCE RECONCILIATION

	Q3 2014 Guidance
Estimated GAAP EPS	$ 0.35 -$ 0.40
Reconciling Items (after tax):	
Amortization of Intangibles	0.25
Stock Compensation Expense	0.06
Integration Costs	0.03
Subtotal	0.34
Estimated Adjusted (Non-GAAP) EPS	$ 0.69 -$ 0.74

GAAP EPS(1)/ADJUSTED EPS RECONCILIATION Q2 2014 (PRELIMINARY & UNAUDITED)

(in thousands, except per share data)	Q2 2013	Q1 2014	Q2 2014	June YTD 2013	June YTD 2014
	Amount	Amount	Amount	Amount	Amount
Sales	$ 1,000,362	$ 1,225,017	$ 1,429,071	$ 1,354,012	$ 2,654,088
Highlighted items:					
Acquisition accounting impacts - Motorola Home def revenue	2,417	206	3,489	2,417	3,695
Reduction in revenue related to Comcast investment in ARRIS	-	-	-	13,182	-
Sales excluding highlighted items	$ 1,002,779	$ 1,225,223	$ 1,432,560	$ 1,369,611	$ 2,657,783

	Q2 2013 [2]		Q1 2014		Q2 2014		June YTD 2013 [2]		June YTD 2014	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income (loss)	$ (48,463)	$ (0.36) [1]	$ 40,800	$ 0.28	$ 39,024	$ 0.26	$ (63,113)	$ (0.51) [1]	$ 79,824	$ 0.54
Highlighted items:										
Impacting gross margin:										
Acquistion accounting impacts related to inventory	57,600	0.42	-	-	-	-	57,600	0.45	-	-
Product rationalization	13,582	0.10	-	-	-	-	13,582	0.11	-	-
Acquisition accounting impacts related deferred revenue	1,472	0.01	199	0.00	2,802	0.02	1,472	0.01	3,001	0.02
Fair value impacts related to Comcast investment in ARRIS	-	-	-	-	-	-	13,182	0.10	-	-
Stock compensation expense	866	0.01	1,275	0.01	1,835	0.01	1,697	0.01	3,110	0.02
Impacting operating expenses:										
Restructuring, acquisition, integration and other costs	51,649	0.38	11,502	0.08	12,518	0.08	58,848	0.46	24,020	0.16
Amortization of intangible assets	55,915	0.41	64,001	0.43	58,735	0.40	63,518	0.50	122,736	0.83
Stock compensation expense	6,314	0.05	9,758	0.07	13,449	0.09	12,227	0.10	23,207	0.16
Impacting other (income) / expense:								-		-
Non-cash interest expense	3,308	0.02	-	-	-	-	6,552	0.05	-	-
Credit facility - ticking fees	477	0.00	-	-	-	-	865	0.01	-	-
Mark-to-market FV adj. related to Comcast investment in ARRIS	(6,159)	(0.05)	-	-	-	-	13,189	0.10	-	-
Impairment on investments	-	-	-	-	3,000	0.02	-	-	3,000	0.02
Asset held for sale impairment	-	-	-	-	2,125	0.01	-	-	2,125	0.01
Impacting income tax expense:										
Net tax items	(74,784)	(0.55)	(58,850)	(0.40)	(29,204)	(0.20)	(88,035)	(0.69)	(88,054)	(0.60)
Total highlighted items	110,240	0.81	27,885	0.19	65,260	0.44	154,697	1.21	93,145	0.63
Net income excluding highlighted items	$ 61,777	$ 0.45	$ 68,685	$ 0.47	$ 104,285	$ 0.70	$ 91,584	$ 0.72	$ 172,970	$ 1.17
Weighted average common shares - basic		134,626		142,854		144,415		124,940		143,637
Weighted average common shares - diluted		136,626		147,152		148,063		127,876		147,610

(1) Basic shares used as losses were reported for those periods and the inclusion of dilutive shares would be anti-dilutive
(2) In connection with the acquisition of Motorola Home, the consolidated financial statements for prior periods have been recast to include retrospective acquisition accounting adjustments

See Notes to GAAP and Adjust Non-GAAP Financial Measures

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:

Acquisition Accounting Impacts Related to Deferred Revenue: In connection with our acquisitions of Motorola Home, 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.

Reduction in Revenue Related to Comcast Investment in ARRIS: In connection with our 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 investment were marked to market and flowed 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).

Inventory Valuation: In connection with our acquisition of Motorola Home, business combinations rules require the inventory be recorded at fair value on the opening balance sheet. This is different from historical cost. Essentially we were required to write the inventory up to end customer price less a reasonable margin as a distributor. In addition, we have conformed other cost basis inventory valuation policies during the period. We have excluded the resulting adjustments in inventory and cost of goods sold.

Product Rationalization: In conjunction with the integration of Motorola Home, we have identified certain product lines which overlap. In the second and fourth quarters of 2013, we made the decision to eliminate certain products. As a result, we recorded expenses related to the elimination of inventory and certain vendor liabilities. We believe it is useful to understand the effects of this item on our total cost of goods sold.

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.

Integration, Acquisition, Restructuring and Other Costs: We have excluded the effect of acquisition, integration, and other expenses and the effect of restructuring expenses in calculating our non-GAAP operating expenses and net income measures. We will incur significant expenses in connection with our recent acquisition of Motorola Home, which we generally would not otherwise incur in the periods presented as part of our continuing operations. Acquisition and integration expenses consist of transaction costs, costs for transitional employees, other acquired employee related costs, and integration related outside services. Restructuring expenses consist of employee severance, abandoned facilities, and other exit costs. Additionally, 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.

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.

NOTES TO GAAP/ADJUSTED NON-GAAP FINANCIAL MEASURES (PRELIMINARY & UNAUDITED)

Credit Facility - Ticking Fees: In connection with our acquisition of Motorola Home, the cash portion of the consideration was funded through debt financing commitments. A ticking fee is a fee paid to our banks to compensate for the time lag between the commitment allocation on a loan and the actual funding. We have excluded the effect of the ticking fee 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).

Mark To Market Fair Value Adjustment Related To Comcast Investment in ARRIS: In connection with our acquisition of Motorola Home, Comcast was given an opportunity to invest in ARRIS. The accounting guidance requires we mark to market the changes in the value of the investment 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 other expense (income).

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).

Asset Held for Sale Impairment: In the second quarter of 2014, we entered into a contract to facilitate the sale of a building at less than its carrying value. The asset has been reclassified as held for sale and was measured at the lower of its carrying amount or fair value less cost to sell. We have recorded an initial impairment charge to reduce the assets carrying amount to its fair value less costs to sell in the period the held for sale criteria were met. We have excluded the effect of the asset held for sale impairment 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).

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.

THANK YOU