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

	Q3 2013		Q4 2013		Q3 2014		Q4 2014		Year 2013 [1]		Year 2014	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount		Amount	
Sales	$ 1,067,823		$ 1,199,067		$ 1,405,445		$ 1,263,387		$ 3,620,877		$ 5,322,921	
Highlighted items:												
Reduction in revenue related to Comcast investment in ARRIS	-		-		-		-		13,182		-	
Acquisition accounting impacts of deferred revenue	1,556		3,148		780		616		7,121		5,091	
Sales excluding highlighted items	$ 1,069,379		$ 1,202,215		$ 1,406,225		$ 1,264,003		$ 3,641,180		$ 5,328,012	

	Q4 2013		Q4 2013		Q3 2014		Q4 2014		Year 2013 [1]		Year 2014	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income (loss)	$ 17,170	$ 0.12	$ (2,817)	$ (0.02) [2]	$ 54,626	$ 0.37	$ 192,761	$ 1.29	$ (48,760)	(0.37) [2]	$ 327,211	$ 2.21
Highlighted items:												
Impacting gross margin:												
Reduction in revenue related to Comcast investment in ARRIS	-	-	-	-	-	-	-	-	13,182	0.10	-	-
Acquisition accounting impacts related to inventory	-	-	(3,818)	(0.03)	-	-	-	-	53,782	0.40	-	-
Product rationalization	-	-	2,891	0.02	-	-	-	-	16,473	0.12	-	-
Stock compensation expense	1,248	0.01	1,324	0.01	1,824	0.01	1,782	0.01	4,269	0.03	6,716	0.05
Acquisition accounting impacts of deferred revenue	1,006	0.01	3,067	0.02	47	-	400	-	5,545	0.04	3,448	0.02
Impacting operating expenses:												
Integration,acquisition, restructuring and other costs	12,278	0.09	11,921	0.08	10,226	0.07	3,252	0.02	83,047	0.61	37,498	0.25
Amortization of intangible assets	65,053	0.46	65,066	0.45	57,100	0.38	56,685	0.38	193,637	1.43	236,521	1.60
Stock compensation expense	9,481	0.07	9,812	0.07	11,671	0.08	12,206	0.08	31,520	0.23	47,084	0.32
Impacting other (income) / expense:												
Non-cash interest expense	3,374	0.02	-	-	-	-	-	-	9,926	0.07	-	-
Impairment on Investments	-	-	-	-	4,000	0.03	50	-	-	-	7,050	0.05
Credit facility - ticking fees	-	-	-	-	-	-	-	-	865	0.01	-	-
Liability related to foreign tax credit benefits	-	-	-	-	-	-	20,492	0.14	-	-	20,492	0.14
Mark to market FV adjustment related to Comcast investment in ARRIS	-	-	-	-	-	-	-	-	13,189	0.10	-	-
Asset held for sale impairment	-	-	-	-	-	-	7	-	-	-	2,132	0.01
Net tax items	(54,998)	(0.39)	(9,849)	(0.07)	(19,375)	(0.13)	(171,706)	(1.15)	(152,883)	(1.13)	(279,135)	(1.88)
Total highlighted items	37,442	0.27	80,414	0.56	65,493	0.44	(76,832)	(0.52)	272,552	2.02	81,806	0.55
Net income excluding highlighted items	$ 54,612	$ 0.39	$ 77,597	$ 0.54	$ 120,119	$ 0.81	$ 115,929	$ 0.78	$ 223,792	$ 1.66	$ 409,017	$ 2.76
Weighted average common shares - basic		138,478		139,333		144,967		145,281		131,980		144,387
Weighted average common shares - diluted		140,605		143,956		148,753		149,124		135,136		148,280

(1) Excludes Motorola Home results prior to April 17, 2013
(2) Basic shares used for Q4 2013 and YTD 2013 as losses were reported for those periods and the inclusion of dilutive shares would be anti-dilutive

See Notes to GAAP and Adjusted Non-GAAP Financial Measures