Fourth quarter 2014 earnings conference call

February 18, 2015

Safe harbor

- Statements in this presentation, including those related to the outlook for 2015 and beyond, 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 materially from current expectations include: the uncertain current economic climate and financial markets, and their impact on our customers' plans and access to capital; the impact of rapidly changing technologies; the impact of competition on product development and pricing; the impact of the strengthening U.S. dollar; labor disruptions at the U.S. West Coast port facilities and the related impact on delivery times and costs; 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 M&A transactions within both the customer and supplier base, including the proposed acquisition of Time Warner by Comcast, the proposed acquisition of DIRECTV by AT&T and, the proposed acquisition by Frontier Communications of several properties owned by Verizon. 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, 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.

Fourth quarter 2014 highlights & business outlook

BOB STANZIONE
Chairman & CEO

2014 results & highlights

- Completed Motorola Home integration
- Year-over-year revenue growth of 20%[1]
- Revenue second half 2014 versus second half 2013 up 17.7%
- Non-GAAP earnings second half 2014 versus second half 2013 up 78.5%[2]
- Market leadership
  - Market leading E6000
  - Video Gateway platforms
  - Broadband gateways, including advanced Wi-Fi solutions
- Significantly improved balance sheet
  - Debt Ratio <2
  - Net Debt below $1 Billion
  - Additional NOLs
  - Recent rating agency upgrade

1)See 2013 to 2014 revenue reconciliation
2) See reconciliation of GAAP to Non-GAAP measures

Q4 2014 results & highlights

- Revenues of $1.263B up 5% year-over-year, as expected, down 10% sequentially
- Non-GAAP earnings of $0.78* per share, up 44% year-over-year and down 4% sequentially (GAAP EPS of $1.29*)
- International sales of $364M, represented 29% of Q4 sales
- Book to bill rate of 1.03, Backlog of $631.0M
- Strong cash generation and balance sheet improvement

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

Q4 2014 Customer Premises Equipment highlights

- FY 2014 Results
  - FY’14 Segment sales and direct contribution increased significantly year–over-year reflective of market share gains, new product launches, and cost improvements
- Q4 2014 Results
  - Q4 2014 sales and direct operating profit decreased by 3.5% & 14% respectively year-over-year
  - Q4 2014 sales and direct operating profit decreased by 12% & 20% respectively as compared to Q3 2014, as Telco CPE sales declined sequentially
- Video CPE (Set-Tops / Video Gateways)
  - Set-top unit volumes decreased by 11% year-over-year and as compared to Q3 2014
  - Continued strong momentum towards video gateways – Shipped our 2 millionth device
  - Secured leading position in next generation 4K DVB video gateway program
  - Expanding IP client portfolio to support multiple home networking technologies
  - Solid progress with DCX525 Latin America customer qualifications & deployments

Q4 2014 Customer Premises Equipment highlights

- Broadband CPE
  - Broadband device and accessory unit volumes improved 12% year-over-year. Unit volumes decreased 14% as compared to Q3 2014 record DSL levels
  - 67% of broadband devices shipped were Wi-Fi enabled
  - Introduced latest DOCSIS gateway in retail; launched with Amazon
  - Won key EMEA DOCSIS gateway opportunity
  - Strong demand for advanced DOCSIS gateways continues – Product pipeline focused on 32DS, DOCSIS 3.1 and advanced Wi-Fi solutions
  - Announced new portfolio of FTTH / DSL broadband gateways at Broadband World Forum

DOCSIS 3.0
Advanced Wi-Fi
Gateway

Q4 2014 Network & Cloud highlights

- FY 2014 Results
  - FY'14 Segment sales and direct contribution increased significantly year-over-year as a result of market share gains, new product launches, and cost improvements
  - Continued improvement in both gross margin and operating expenses created valuable leverage on increased sales
  - Led by rapid growth and wide scale deployment of our E6000 CMTS/CCAP platform
  - Multiple other successful new initiatives including Network DVR, WorkAssure Mobile, CorWave3 HFC equipment, Moxi/DreamGallery subscriber growth, and new Video Processing platforms
- Q4 2014 Results
  - Q4 2014 sales and direct operating profit increased by 27% and 64% respectively year-over-year
  - Record high sales for E6000 and Global Services with continued industry momentum in bandwidth expansion and professional services programs
  - Q4 2014 sales and direct operating profit decreased by 5.5% respectively with Video Systems sales down sequentially as strong shipments in Q3 were deployed

Q4 2014 Network & Cloud highlights

- CMTS/CCAP
  - E6000 record level shipments – 24% increase in downstream channels compared to Q3'14
  - Continued growth in domestic customers along with new international deployments in Asia with Taiwan Broadcast Communications (TBC)
  - DOCSIS 3.1 development proceeding very well; interop testing with major modem technology providers underway and showing promising results

- Access and Transport
  - Consistent performance with continued solid demand for Headend Optics and Node sales
  - Strong demand for new DOCSIS 3.1-compatible CORWave3 Optics platform which was released for General Availability in Q4
  - Broad interest in new breakthrough AgileMax RFoG product – lab trials underway with three major service providers

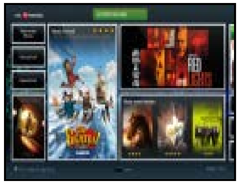
Q4 2014 Network & Cloud highlights

- Video Systems
  - Continued strong sales of CherryPicker video processing platform as operators refresh ad insertion platforms and invest in MPEG4

  - Completed reseller agreement with Akamai, the Content Delivery Network market-leader, to incorporate its “Aura” licensed CDN technology with ARRIS IP Video solutions
    - Complements our VOD market position and our growing business in nDVR
  - Announced three new video processing products that will enable service providers to use next generation HEVC compression for improved compression performance and to enable 4K Ultra HD

Q4 2014 Network & Cloud highlights

- Cloud
  - Continued migration of Service Providers to SaaS-based WorkForce Management
  - Launched Netflix application on Moxi platform as part of Wide Open West's "Ultra TV" service



- Global Services
  - Achieved three quarters of sequential double digit qtr/qtr growth in professional services. Driven by increases in Network Design and Deployment, and new Managed Services customers
  - Provided End-to-End System Integration for a major European Service provider to launch new nDVR service

Business outlook

- Near-term headwinds
  - Industry transactions creating uncertainty
  - Telco customer capex reductions in 2015
  - Strengthening U.S. Dollar putting pressure on international customers
  - U.S. West Coast port issues impacting both delivery and cost

- 2015 drivers
  - Post transaction incremental capex investment
  - Growing expansion of Gigabit services will drive investment
  - Deployment of new, faster, higher value services
  - Over the Top traffic growth continuing
  - Recent international customer wins

Fourth quarter 2014 financial highlights

DAVE POTTS
Chief Financial Officer

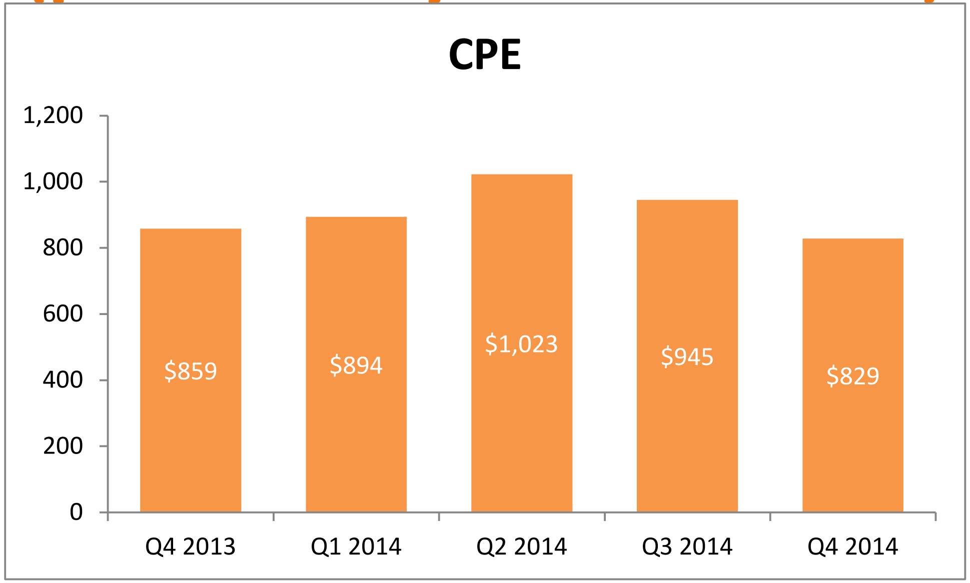
Financial highlights – Q4 2014 (preliminary & unaudited)

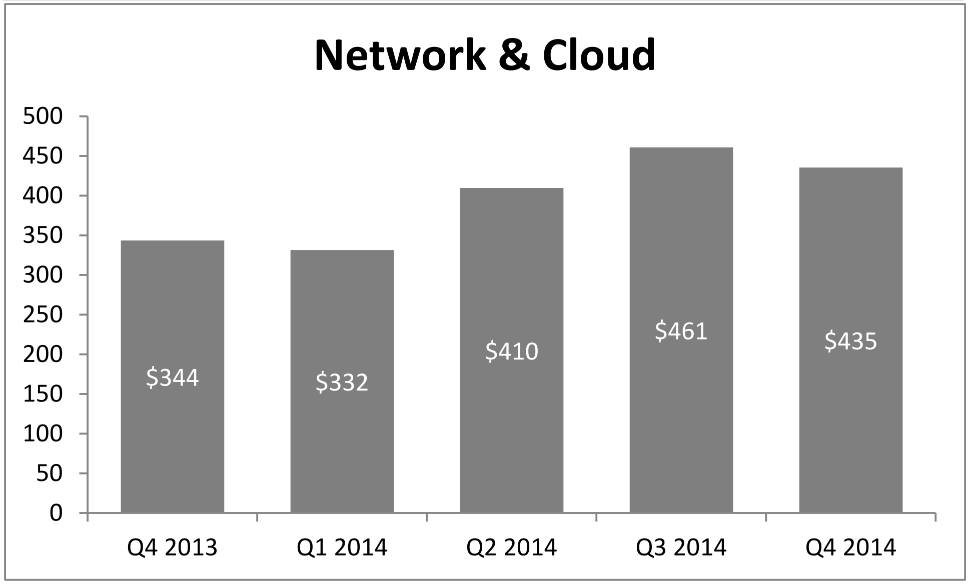
	Q4 2013	Q3 2014	Q4 2014
Sales - $M	1,199.1	1,405.4	1,263.4
Gross Margin - $M	366.4	435.7	380.6
Gross Margin - %	30.6%	31.0%	30.1%
Direct Contribution(1)	126.3	189.4	149.5
EPS - GAAP	(0.02)	0.37	1.29
Adjusted EPS - Non-GAAP	0.54	0.81	0.78
Cash, ST & LT Marketable Securities - $M	513.4	599.1	697.4
Cash Provided by Operating Activities - $M	190.6	81.9	125.5
Debt Repayment - $M	372.8	13.8	13.8
Short-term Debt -$M	53.3	67.1	74.0
Long-term Debt -$M	1,691.0	1,487.6	1,467.4
Weighted average common shares - basic - M	139.3	145.0	145.3
Weighted average common shares - diluted - M	144.0	148.8	149.1
Backlog - $M	538.6	594.1	631.0
Book-to-Bill	1.01	0.86	1.03

(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 – Q4 2014 (preliminary & unaudited)





	Q4 2014	% of Sales
Domestic Sales	899	71%
International Sales	364	29%

	Q4 2014	% of Sales
Total of two customers greater than 10%	422	33%

Sales and direct contribution by segment (preliminary & unaudited)

($M)

	Q4 2014			
	Network & Cloud	**CPE**	**Corp/ Other**	**Total**
Net Sales	435.4	828.5	(0.6)	1,263.4
Non GAAP Adjustments [1]	-	-	0.6	0.6
Adjusted Net Sales	435.4	828.5	0.0	1,264.0
Direct Contribution [2]	126.8	166.5	(143.8)	149.5
Non GAAP Adjustments [3]	-	-	14.4	14.4
Adjusted Direct Contribution	126.8	166.5	(129.4)	163.9

See GAAP to Non GAAP Reconciliation

(1) Revenue impact of "fair valuing" Motorola Home deferred revenue that Motorola Home w ould 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 – Q4 2014 (preliminary & unaudited

$M		As Reported				
		Qtr 4 2013	Qtr 1 2014	Qtr 2 2014	Qtr 3 2014	Qtr 4 2014
R&D	$M	129.5	134.2	144.1	142.8	135.5
	% of Sales	10.8%	11.0%	10.1%	10.2%	10.7%
SG&A	$M	110.6	99.1	112.4	103.5	95.6
	% of Sales	9.2%	8.1%	7.9%	7.4%	7.6%
Operating Expenses	$M	240.0	233.3	256.5	246.3	231.1
	% of Sales	20.0%	19.0%	17.9%	17.5%	18.3%
Integration, Acquisition & Other Costs	$M	12.7	11.9	12.5	7.2	2.5
	% of Sales	1.1%	1.0%	0.9%	0.5%	0.2%
Restructuring costs	$M	(0.7)	(0.4)	(0.0)	3.0	0.7
	% of Sales	-0.1%	0.0%	0.0%	0.2%	0.1%
Amortization of Intangibles	$M	65.1	64.0	58.7	57.1	56.7
	% of Sales	5.4%	5.2%	4.1%	4.1%	4.5%
Total	$M	317.0	308.8	327.7	313.6	291.0
	% of Sales	26.4%	25.2%	22.9%	22.3%	23.0%
Equity Compensation Expense Included		9.8	9.8	13.4	11.7	12.2

Cash & cash flow highlights Q4 2014 (preliminary & unaudited)

	$M
Cash, short term and long term marketable securities	697.4
Key Operating Activities:	
Net Income including adjustments	134.8
Changes in other operating assets and liabilities	(9.3)
	125.5
Key Investing Activities:	
Purchase of property & equipment	(14.8)
Purchases/disposal of investment, net	(64.4)
Key Financing Activities:	
Mandatory payments of debt obligations	(13.8)
Proceeds from issuance of common stock	7.6

Income taxes – Q4 2014 (preliminary & unaudited)

- Recorded full year impact of 2014 R&D tax credit
  - Congress passed bill in Q4 for 2014 only
  - Recorded $18M net benefit (GAAP & non-GAAP), ~ 12 cents per share impact
  - Not approved yet for 2015
- Recorded adjustments to tax benefits from Home acquisition
  - Google confirmed final numbers resulting from their tax returns
  - Analyzed our ability to use benefit
  - Recorded a GAAP net benefit of $127M (not non-GAAP)
  - Projected to utilize NOLs and credits through 2017
- Recorded tax benefit for foreign tax credits passed to us by Google; must be paid back to them as realized
  - ~ $20M (GAAP only)
  - Benefit in tax expense offset by other expense

Q1 2015 guidance (preliminary & unaudited)

	Q1 2015
Sales - $M	1,200- 1,240
EPS - GAAP (1)	$0.08 - $0.13
Adjusted EPS - Non-GAAP	$0.40 - $0.45
Non-GAAP Tax Rate	35%
Shares	150 M

See reconciliation of GAAP to Non GAAP

GAAP to adjusted Non-GAAP EPS guidance reconciliation

	Q1 2015 Guidance
Estimated GAAP EPS	$ 0.08 -$ 0.13
Reconciling Items (after tax):	
Amortization of Intangibles	0.25
Stock Compensation Expense	0.06
Integration Costs and Other	0.01
Subtotal	0.32
Estimated Adjusted (Non-GAAP) EPS	$ 0.40 -$ 0.45

GAAP EPS/adjusted EPS reconciliation Q4 2014 (preliminary & unaudited)

ARRIS

	Q3 2013 Amount	Q3 2013 Per Diluted Share	Q4 2013 Amount	Q4 2013 Per Diluted Share	Q3 2014 Amount	Q3 2014 Per Diluted Share
Sales	$ 1,067,823		$ 1,199,067		$ 1,405,445	
Highlighted items:						
Reduction in revenue related to Comcast investment in ARRIS	-		-		-	
Acquisition accounting impacts of deferred revenue	1,556		3,148		780	
Sales excluding highlighted items	$ 1,069,379		$ 1,202,215		$ 1,406,225	

	Q4 2014 Amount	Q4 2014 Per Diluted Share	Year 2013 [1] Amount	Year 2014 Amount
Sales	$ 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	616		7,121	5,091
Sales excluding highlighted items	$ 1,264,003		$ 3,641,180	$ 5,328,012

	Q4 2013 Amount	Q4 2013 Per Diluted Share	Q4 2013 Amount	Q4 2013 Per Diluted Share	Q3 2014 Amount	Q3 2014 Per Diluted Share
Net income (loss)	$ 17,170	$ 0.12	$ (2,817)	$ (0.02) [2]	$ 54,626	$ 0.37
Highlighted items:						
Impacting gross margin:						
Reduction in revenue related to Comcast investment in ARRIS	-	-	-	-	-	-
Acquisition accounting impacts related to inventory	-	-	(3,818)	(0.03)	-	-
Product rationalization	-	-	2,891	0.02	-	-
Stock compensation expense	1,248	0.01	1,324	0.01	1,824	0.01
Acquisition accounting impacts of deferred revenue	1,006	0.01	3,067	0.02	47	-
Impacting operating expenses:						
Integration,acquisition, restructuring and other costs	12,278	0.09	11,921	0.08	10,226	0.07
Amortization of intangible assets	65,053	0.46	65,066	0.45	57,100	0.38
Stock compensation expense	9,481	0.07	9,812	0.07	11,671	0.08
Impacting other (income) / expense:						
Non-cash interest expense	3,374	0.02	-	-	-	-
Impairment on Investments	-	-	-	-	4,000	0.03
Credit facility - ticking fees	-	-	-	-	-	-
Liability related to foreign tax credit benefits	-	-	-	-	-	-
Mark to market FV adjustment related to Comcast investment in ARRIS	-	-	-	-	-	-
Asset held for sale impairment	-	-	-	-	-	-
Net tax items	(54,998)	(0.39)	(9,849)	(0.07)	(19,375)	(0.13)
Total highlighted items	37,442	0.27	80,414	0.56	65,493	0.44
Net income excluding highlighted items	$ 54,612	$ 0.39	$ 77,597	$ 0.54	$ 120,119	$ 0.81
Weighted average common shares - basic		138,478		139,333		144,967
Weighted average common shares - diluted		140,605		143,956		148,753

	Q4 2014 Amount	Q4 2014 Per Diluted Share	Year 2013 [1] Amount	Year 2013 [1] Per Diluted Share	Year 2014 Amount	Year 2014 Per Diluted Share
Net income (loss)	$ 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	-	-	53,782	0.40	-	-
Product rationalization	-	-	16,473	0.12	-	-
Stock compensation expense	1,782	0.01	4,269	0.03	6,716	0.05
Acquisition accounting impacts of deferred revenue	400	-	5,545	0.04	3,448	0.02
Impacting operating expenses:						
Integration,acquisition, restructuring and other costs	3,252	0.02	83,047	0.61	37,498	0.25
Amortization of intangible assets	56,685	0.38	193,637	1.43	236,521	1.60
Stock compensation expense	12,206	0.08	31,520	0.23	47,084	0.32
Impacting other (income) / expense:						
Non-cash interest expense	-	-	9,926	0.07	-	-
Impairment on Investments	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	(171,706)	(1.15)	(152,883)	(1.13)	(279,135)	(1.88)
Total highlighted items	(76,832)	(0.52)	272,552	2.02	81,806	0.55
Net income excluding highlighted items	$ 115,929	$ 0.78	$ 223,792	$ 1.66	$ 409,017	$ 2.76
Weighted average common shares - basic		145,281		131,980		144,387
Weighted average common shares - diluted		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

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).

Acquisition Accounting Impacts Related to Inventory: 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.

Notes to GAAP/adjusted non-GAAP financial measures (preliminary & unaudited)

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.

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).

Liability Related to Foreign Tax Credit Benefits: In connection with our acquisition of Motorola Home, we have obtained certain foreign tax credit benefits for which we have recorded a liability to Google resulting from certain provisions in the acquisition agreement. The expense related to this liability has been recorded as part of other expense (income). We have excluded the effect of the expense in the calculation of our non-GAAP financial measures. We believe it is useful to understand the effects of this item on our total 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 tax and legal restructuring, state valuation allowances, research and development tax credits and provision to return differences.

2013 to 2014 revenue reconciliation (preliminary & unaudited)

($M)

Q1 2013		Q2 2013		Q3 2013	Q4 2013	Year 2013	Year 2014
(Est combined)		(Est combined)		(Actual)	(Actual)	(Est combined)	(Actual)
$1,105	(1)	$1,066	(2)	$1,068	$1,199	$4,438	$5,323

(1) For additional details, please see the presentation provided in the May 15, 2013 Second Quarter 2013 Update Conference Call

(2) For additional details, please see the presentation provided in the August 7, 2013 Q2 2013 ARRIS Earnings Conference Call

Thank you