

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

	Q2 2014		Q1 2015		Q2 2015		YTD 2014		YTD 2015	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 1,429,071		\$ 1,215,158		\$ 1,260,077		\$ 2,654,088		\$ 2,475,235	
Highlighted items:										
Acquisition accounting impacts of deferred revenue	3,489		-		-		\$ 3,695		\$ -	
Sales excluding highlighted items	\$ 1,432,560		\$ 1,215,158		\$ 1,260,077		\$ 2,657,783		\$ 2,475,235	
Net income attributable to ARRIS Group, Inc.	\$ 39,024	\$ 0.26	\$ 19,126	\$ 0.13	\$ 16,758	\$ 0.11	\$ 79,824	\$ 0.54	\$ 35,884	\$ 0.24
Highlighted items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	1,835	0.01	1,791	0.01	2,214	0.01	3,110	0.02	4,005	0.03
Acquisition accounting impacts of deferred revenue	2,802	0.02	-	-	-	-	3,001	0.02	-	-
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	12,518	0.08	898	0.01	12,566	0.08	24,020	0.16	13,464	0.09
Amortization of intangible assets	58,735	0.40	57,147	0.38	56,783	0.38	122,736	0.83	113,930	0.76
Stock compensation expense	13,449	0.09	12,183	0.08	14,079	0.09	23,207	0.16	26,262	0.18
Noncontrolling interest share of non-GAAP adjustments	-	-	-	-	(799)	(0.01)	-	-	(799)	(0.01)
<i>Impacting other (income) / expense:</i>										
Impairment on investments	3,000	0.02	-	-	150	-	3,000	0.02	150	-
<i>Impacting other (income) / expense:</i>										
Debt amendment fees	-	-	-	-	14,382	0.10	-	-	14,382	0.10
Asset held for sale impairment	2,125	0.01	-	-	-	-	2,125	0.01	-	-
FX contract gains related to cash consideration of Pace acquisition	-	-	-	-	(6,845)	(0.05)	-	-	(6,845)	(0.05)
Loss on sale of building	-	-	5,142	0.03	-	-	-	-	5,142	0.03
<i>Net tax items</i>	(29,204)	(0.20)	(30,533)	(0.20)	(30,122)	(0.20)	(88,054)	(0.60)	(60,655)	(0.41)
Total highlighted items	65,260	0.44	46,628	0.31	62,408	0.42	93,145	0.63	109,036	0.73
Net income excluding highlighted items	\$ 104,284	\$ 0.70	\$ 65,754	\$ 0.44	\$ 79,166	\$ 0.53	\$ 172,969	\$ 1.17	\$ 144,920	\$ 0.97
Weighted average common shares - diluted		148,063		148,986		149,276		147,610		149,133