Second Quarter 2015 Earnings Conference Call

July 29, 2015

Safe Harbor

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Forward-Looking Statements

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, the proposed acquisition of Pace, 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 largely 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; completion of the Pace acquisition is subject to satisfaction of a number of conditions outside of ARRIS' control, including receipt of necessary regulatory approvals, and the approval of the shareholders of ARRIS and Pace; failure to realize the expected benefits of the Pace acquisition or recently competed AVN transaction, negative effects relating to the announcement of the transactions or any further announcements relating to the transactions, significant transaction costs and/or unknown liabilities; 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 global 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 strong U.S. dollar; 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; the impact of pending M&A transactions within both the customer and supplier base, including the acquisition of DIRECTV by AT&T, the proposed acquisition of Time Warner by Charter, the proposed acquisition by Frontier Communications of several properties owned by Verizon, and the proposed acquisition of Suddenlink by Altice. 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 year ended March 31, 2015. 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, except as required by law

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Important Additional Information Regarding the Transaction will be Filed With the SEC

In connection with the proposed acquisition of Pace, it is expected that the shares of New ARRIS to be issued by New ARRIS to Pace shareholders under the scheme will be issued in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended, provided by Section 3(a)(10) thereof. In connection with the issuance of New ARRIS shares to ARRIS stockholders pursuant to the merger that forms a part of the transaction, New ARRIS has filed with the SEC a preliminary registration statement on Form S-4 that contains a prospectus of New ARRIS as well as a proxy statement of ARRIS relating to the merger that forms a part of the combination, which we refer to together as the Preliminary Form S-4/Proxy Statement. The Preliminary Form S-4/Proxy Statement is not complete and will be further amended.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PRELIMINARY FORM S-4/PROXY STATEMENT, AND OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION, THE PARTIES TO THE TRANSACTION AND THE RISKS ASSOCIATED WITH THE TRANSACTION. Those documents, if and when filed, as well as ARRIS's and New ARRIS's other public filings with the SEC may be obtained without charge at the SEC's website at www.sec.gov and at ARRIS's website at http://ir.arris.com. Security holders and other interested parties will also be able to obtain, without charge, a copy of the Preliminary Form S-4/Proxy Statement and other relevant documents by directing a request by mail to ARRIS Investor Relations, 3871 Lakefield Drive, Suwanee, GA 30024 or at http://ir.arris.com. Security holders may also read and copy any reports, statements and other information filed with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room.

Participants in the Solicitation

ARRIS, its directors and certain of its executive officers may be considered participants in the solicitation of proxies in connection with the transactions contemplated by the Preliminary Form S-4/ Proxy Statement. Information about the directors and executive officers of ARRIS is set forth in its Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 27, 2015, and its proxy statement for its 2015 annual meeting of shareholders, which was filed with the SEC on April 9, 2015. Other information regarding potential participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the Preliminary S-4/Proxy Statement.

Pace and New ARRIS are each organized under the laws of England and Wales. Some of the officers and directors of Pace and New ARRIS are residents of countries other than the United States. As a result, it may not be possible to sue Pace, New ARRIS or such persons in a non-US court for violations of US securities laws. It may be difficult to compel Pace, New ARRIS and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court or for investors to enforce against them the judgments of US courts.

Second Quarter 2015 Highlights

BOB STANZIONE
Chairman & CEO

Q2 2015 Results

- Revenues of $1.260B down 11.8% year-over-year, up 3.7% sequentially
- Non-GAAP earnings of $0.53* per share, down 24.3% year-over-year and up 20.5% sequentially (GAAP EPS of $0.11*)
- International sales of $367M, represented 29% of Q2 sales
- Book to bill rate of 0.94, Backlog of $651.3M

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

Q2 2015 Highlights

- Announced acquisition of Pace
- Completed Charter joint venture for ActiveVideo
- Amended credit agreement that provides for improved terms and conditions and the Pace acquisition

Second Quarter 2015 Financial Highlights

DAVE POTTS
Chief Financial Officer

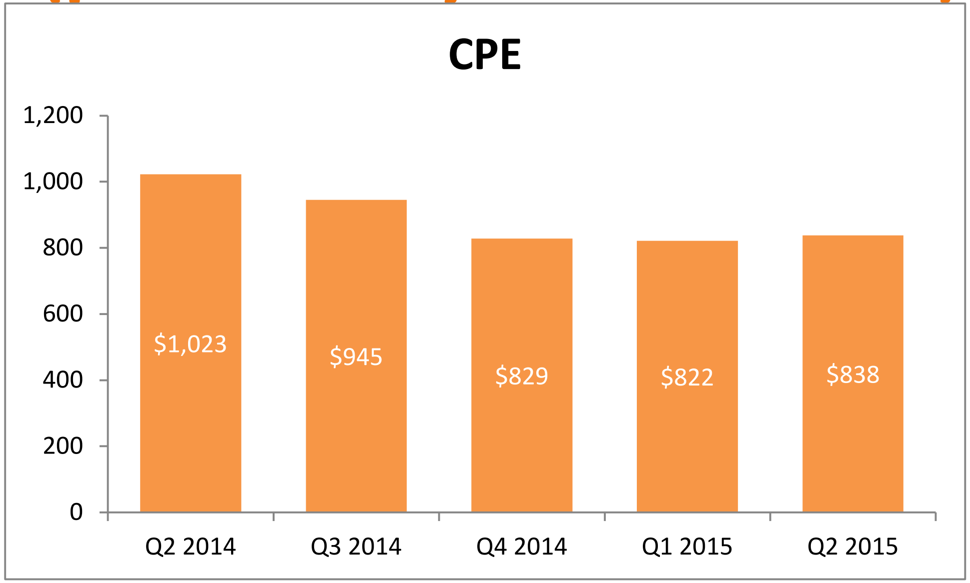
Financial highlights – Q2 and YTD 2015 (preliminary & unaudited)

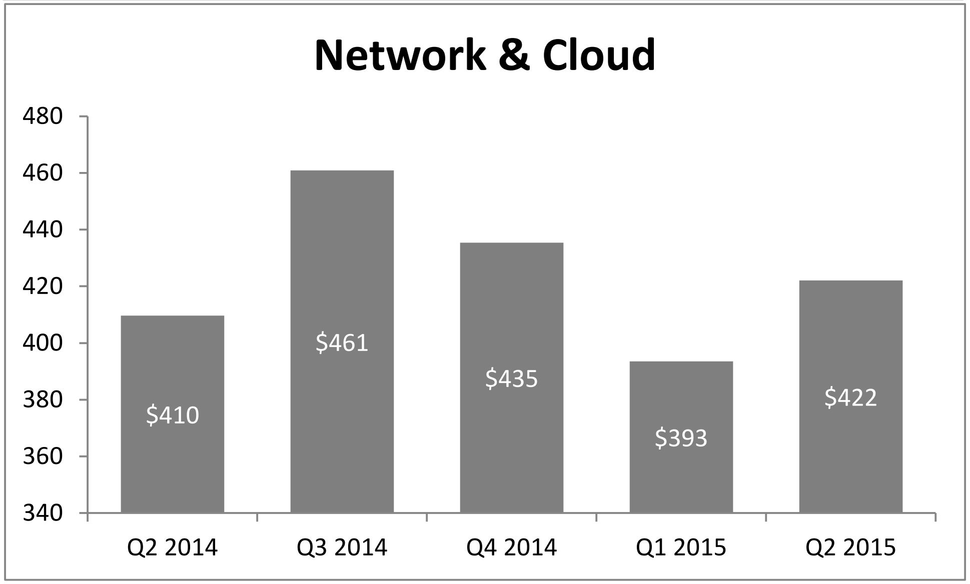
	Q2 2014	Q1 2015	Q2 2015	First Half 2014	First Half 2015
Sales - $M	1,429.1	1,215.2	1,260.1	2,654.1	2,475.2
Gross Margin - $M	419.4	336.6	364.4	766.2	700.9
Gross Margin - %	29.3%	27.7%	28.9%	28.9%	28.3%
Direct Contribution(1)	162.9	103.8	120.9	276.4	224.7
EPS - GAAP	0.26	0.13	0.11	0.54	0.24
Adjusted EPS - Non-GAAP	0.70	0.44	0.53	1.17	0.97
Cash, ST & LT Marketable Securities - $M	551.9	631.6	622.8	551.9	622.8
Cash Provided by Operating (Used In) Activities - $M	220.3	(63.3)	69.2	247.3	5.9
Debt Repayment - $M	168.4	13.8	15.0	182.2	28.8
Share Repurchase - $M	-	25.0	-	-	25.0
Short-term Bank Debt -$M	60.2	80.9	47.9	60.2	47.9
Long-term Bank Debt -$M	1,507.8	1,447.2	1,478.5	1,507.8	1,478.5
Weighted average common shares - basic - M	144.4	145.4	146.3	143.6	145.8
Weighted average common shares - diluted - M	148.1	149.0	149.3	147.6	149.1
Backlog - $M	787.6	725.7	651.3	787.6	651.3
Book-to-Bill	0.85	1.08	0.94	1.09	1.01

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

See GAAP to Non GAAP Reconciliation

Sales $M – Q2 2015 (preliminary & unaudited)





	Q2 2015	% of Sales
Domestic Sales	893	71%
International Sales	367	29%

	Q2 2015	% of Sales
Total of three customers greater than 10%	561	45%

Sales and direct contribution by segment (preliminary & unaudited)

($M)

	Q2 2015			
	Network & Cloud	**CPE**	**Corp/ Other**	**Total**
Net Sales	422.1	838.0	(0.0)	1,260.1
Non GAAP Adjustments	-	-	-	-
Adjusted Net Sales	422.1	838.0	(0.0)	1,260.1
Direct Contribution [1]	117.6	150.3	(147.0)	120.9
Non GAAP Adjustments [2]	-	-	16.3	16.3
Adjusted Direct Contribution	117.6	150.3	(130.7)	137.2

See GAAP to Non GAAP Reconciliation

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

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

Operating expenses – Q2 and YTD 2015 (preliminary & unaudited)

$M

		Qtr 2 2014	Qtr 1 2015	Qtr 2 2015	First Half 2014	First Half 2015
R&D	$M	144.1	132.5	136.3	278.3	268.7
	% of Sales	10.1%	10.9%	10.8%	10.5%	10.9%
SG&A	$M	112.4	100.3	107.2	211.5	207.5
	% of Sales	7.9%	8.3%	8.5%	8.0%	8.4%
Operating Expenses	$M	256.5	232.8	243.5	489.8	476.3
	% of Sales	17.9%	19.2%	19.3%	18.5%	19.2%
Integration, Acquisition, Restructuring & Other Costs	$M	12.5	0.9	12.6	24.0	13.5
	% of Sales	0.9%	0.1%	1.0%	0.9%	0.5%
Amortization of Intangibles	$M	58.7	57.1	56.8	122.7	113.9
	% of Sales	4.1%	4.7%	4.5%	4.6%	4.6%
Total	$M	327.7	290.8	312.8	636.5	603.7
	% of Sales	22.9%	23.9%	24.8%	24.0%	24.4%
Equity Compensation Expense Included		13.4	12.2	14.1	23.2	26.3

Cash & cash flow highlights Q2 2015 (preliminary & unaudited)

	$M
Cash, short term and long term marketable securities	622.8
Key Operating Activities:	
Net Income including adjustments	129.0
Changes in other operating assets and liabilities	(59.8)
	69.2
Key Investing Activities:	
Purchase of property, plant & equipment	(13.4)
Acquisition	(97.9)
Key Financing Activities:	
Payments of debt obligations	(15.0)
Contribution from noncontrolling interest	54.3

Q3 2015 guidance (preliminary & unaudited)

	Q3 2015
Sales - $M	1,210 - 1,260
EPS - GAAP [1]	$0.17 - $0.23
Adjusted EPS - Non-GAAP	$0.52 - $0.58
Non-GAAP Tax Rate	35%
Shares	150 M

(1) See reconciliation of GAAP to Non GAAP

Customer Premises Equipment Review

LARRY ROBINSON
President, Customer Premises Equipment

Q2 2015 Customer Premises Equipment Highlights

- Q2 2015 Results
  - Sequential sales increased 2% as compared to prior quarter results; direct operating profit consistent at 18% of sales
  - Sales & direct operating profit decreased by 18% & 33% respectively as compared to Q2'14 record levels
  - Experienced strong broadband volumes tied to higher speed data service deployments

DCX3600
ARRIS Video Gateway

- Video CPE (Set-Tops / Video Gateways)
  - Telco unit volumes decreased 17% sequentially and 9% as compared to Q2 2014 reflecting continued Operator subscriber growth challenges
  - Cable units volumes were down 7% versus Q1 2015; Shipments decreased year over year from record levels by 17%
  - Successfully qualified the XG1v3 and initiated volume shipments
  - Continued IPTV set top business expansion in EMEA, including launch of new Tier I customer
  - Announced TiVO engagement - DCX3635 Video Gateway & TiVO experience

Q2 2015 Customer Premises Equipment Highlights

- Broadband CPE
  - Broadband device & accessory unit volumes increased 10% sequentially. Unit volumes decreased 10% as compared to Q2 2014
  - Customers continue to migrate to more capable gateway devices; 80% of broadband devices shipped were Wi-Fi enabled
  - Launched next generation TG1682 platform
  - Strong demand for DOCSIS gateways in Latin America
  - Entering initial field trials with high performance G.fast devices
  - Continued expansion of data gateway segment with launch of latest dual band Wi-Fi devices

TG1682
ARRIS Advanced Voice Gateway

Network & Cloud Review

BRUCE McCLELLAND,
President, Network and Cloud

Q2 2015 Network & Cloud Highlights

- Q2 2015 Results
  - Sales and direct operating profit increased by 3% and 12% respectively year-over-year
  - Sales and direct operating profit increased 7% and 25% respectively QoQ
  - Announced a new Systems Integration initiative to deploy Carrier-Class Wi-Fi Systems
  - Completed the formation of a new Joint Venture with Charter Communications and completed the acquisition of ActiveVideo Networks
    - Q2 results include 2 months of operating performance for the JV, with a modest dilutive effect

Q2 2015 Network & Cloud Highlights

- CMTS/CCAP
  - E6000 CCAP sales very consistent QoQ and YoY
    - E6000 Chassis shipments in Q2 reached new record >750
    - E6000 Downstream shipments exceed Q1 levels with stronger mix of licenses
    - Projecting softer 3Q demand as capacity is installed and deployed
  - NBN program underway
  - E6000 CCAP selected by Suddenlink Communications to deliver 1Gbps data services and Next-Gen IP content
  - DOCSIS 3.1 development and interop testing progressing well with initial Field Trials planned for 4Q15
- Access and Transport
  - Strong demand expected to continue in Q3
  - Significant momentum building around FTTP
    - General Availability and initial deployments of innovative Hybrid PON AgileMax

E6000™
ARRIS CCAP

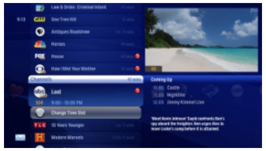
AgileMax™
ARRIS Hybrid PON

Q2 2015 Network & Cloud Highlights

ARRIS

- Video Systems
  - New M3 S420 nDVR Recorder platform now shipping, with twice the storage and recording capacity of the previous model
  - Demonstrated integrated solution of ARRIS IP streaming video products and Akamai Aura CDN for end-to-end multiscreen delivery solution
  - The ME-7000, our new converged video processing platform, won Best Digital Processing Solution from SCTE Europe
- Cloud
  - Commercial launch of the Moxi Whole Home Solution by two new customers
- Global Services
  - Strong pipeline of Professional Services projects resulting in YoY and QoQ growth

M3 S420
ARRIS nDVR Recorder



Moxi
Whole Home Solution

Business Outlook

BOB STANZIONE
Chairman & CEO

ARRIS and Pace:

Combination enhances shareholder value:

- Significantly enhances ARRIS international presence
- Provides large scale entry into satellite segment
- Accretive transaction - $0.45 to $0.55(Non-GAAP) in the first twelve months

Acquisition update:

- Applied for regulatory approval in 6 jurisdictions
  - Received approval in Germany and South Africa
  - Received a second request from the US DOJ on 6/29/2015
- S-4 filed with SEC on 7/2/2015, expecting comments soon
- Anticipating shareholder votes this fall
- Integration planning underway
- Anticipate close Q4, 2015

Business Outlook

- Second Half 2015
  - Solid outlook for US Cable market
  - Telco demand pressures continue
  - Modest international growth in spite of strong US dollar
  - Pace acquisition closes

- 2016 – Promising pipeline for growth
  - Expanding Gigabit services
  - Increasing demand for WiFi solutions
  - DOCSIS 3.1 refresh cycle
  - NBN commercial launch
  - New projects with Liberty Global
  - Increased capital investment following announced industry M&A

Thank you

GAAP to adjusted Non-GAAP EPS guidance reconciliation

	Q3 2015 Guidance
Estimated GAAP EPS	\$ 0.17 -\$ 0.23
Reconciling Items (after tax):	
Amortization of Intangibles	0.25
Stock Compensation Expense	0.07
Acquisition and Other Costs	0.03
Subtotal	0.35
Estimated Adjusted (Non-GAAP) EPS	\$ 0.52 -\$ 0.58

GAAP EPS/adjusted EPS reconciliation Q2 and YTD 2015 (preliminary & unaudited)

ARRIS

(in thousands, except per share data)

	Q2 2014		Q1 2015		Q2 2015		YTD 2014	YTD 2015
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Amount
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

	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
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:										
Impacting gross margin:										
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	-	-
Impacting operating expenses:										
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
Non GAAP items included in Noncontrolling interest		-	-	-	(799)	(0.01)		-	(799)	(0.01)
Impacting other (income) / expense:										
Impairment on Investments	3,000	0.02	-	-	150	-	3,000	0.02	150	-
Impacting other (income) / expense:									-	
Debt amendement fees		-	-	-	14,382	0.10		-	14,382	0.10
Asset held for sale impairment	2,125	0.01	-	-		-	2,125	0.01	-	-
Foreign exchange 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
Impacting income tax expense:										
Net tax items	(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 - basic										
Weighted average common shares - diluted		148,063		148,986		149,276		147,610		149,133

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.

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 incurred expenses in connection with the Active Video Joint Venture, the Motorola Home acquisition, the anticipated Pace acquisition and, 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. 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.

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

Noncontrolling Interest share of Non GAAP Adjustments: In the second quarter of 2015, ARRIS and Charter formed a joint venture that acquired Active Video Networks, Inc.. ARRIS and Charter own 65% and 35%, respectively, of the joint venture. The joint venture is accounted for by ARRIS under the consolidation method. As a result, the consolidated statement of operations includes the revenues, expenses, and gains and losses of the noncontolling interest. The amount of net income (loss) related to the noncontrolling interest are reported and presented separately in the consolidated statement of operations. We have excluded the noncontrolling share of any non GAAP adjusted measures recorded by the joint venture, as we believe it is useful to understand the effect of excluding this item when evaluating our ongoing performance.

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).

Debt Amendment Fees: In the second quarter of 2015, the Company amended its credit agreement. This debt modification allowed us to improve the terms and conditions of the credit agreement, extend the maturities of certain loan facilities, increase the amount of the revolving credit facility, and add a new term A-1 loan facility. It is our intent that the new term A-1 loan facility be funded upon the closing of the Pace Acquisition. If the Pace acquisition does not close, the entire facility is available to ARRIS so long as the first $400 million drawn is used to reduce other debt; the remaining $400 million can be used for general corporate purposes. Certain fees related to the debt modification have already been paid, and other fees related to the new term A-1 loan facility will be paid upon funding. We believe it is useful to understand the effect of this on 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).

Foreign Exchange Contract Gains Related to Cash Consideration of Pace Acquisition: In the second quarter of 2015, the Company announced its intent to acquire Pace plc in exchange for stock and cash. We subsequently entered into foreign exchange forward contracts in order to hedge the foreign currency risk associated with the cash consideration of the Pace Acquisition. These foreign exchange forward contracts were not designated as hedges, and accordingly, all changes in the fair value of these instruments are recognized as a loss (gain) on foreign currency in the Consolidated Statements of Operations. We believe it is useful to understand the effect of this on our other expense (income).

Loss on Sale of Building: In the first quarter of 2015, the Company sold land and a building that qualified for sale-leaseback accounting and was classified as an operating lease. A loss has been recorded on the sale. We have excluded the effect of the loss on sale of property in calculating our non-GAAP financial measures. We believe it is useful to understand the effect of excluding this item when evaluating our ongoing performance.

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.