

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

	Q3 2014		Q2 2015		Q3 2015		Sep YTD 2014		Sep YTD 2015	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 1,405,446		\$ 1,260,077		\$ 1,221,416		\$ 4,059,533		\$ 3,696,651	
Highlighted items:										
Acquisition accounting impacts of deferred revenue	780		-		-		\$ 4,475		\$ -	
Sales excluding highlighted items	\$ 1,406,226		\$ 1,260,077		\$ 1,221,416		\$ 4,064,008		\$ 3,696,651	
Net income attributable to ARRIS Group, Inc.	\$ 54,626	\$ 0.37	\$ 16,758	\$ 0.11	\$ 26,257	\$ 0.18	\$ 134,451	\$ 0.91	\$ 62,139	\$ 0.42
Highlighted items:										
Impacting gross margin:										
Stock compensation expense	1,824	0.01	2,214	0.01	2,284	0.02	4,934	0.03	6,289	0.04
Acquisition accounting impacts of deferred revenue	47	-	-	-	-	-	3,048	0.02	-	-
Impacting operating expenses:										
Integration, acquisition, restructuring and other costs	10,226	0.07	12,566	0.08	7,531	0.05	34,246	0.23	20,995	0.14
Amortization of intangible assets	57,100	0.38	56,783	0.38	57,132	0.38	179,836	1.22	171,062	1.15
Stock compensation expense	11,671	0.08	14,079	0.09	14,005	0.09	34,878	0.24	40,267	0.27
Non GAAP items included in Noncontrolling interest	-	-	(799)	(0.01)	(791)	(0.01)	-	-	(1,590)	(0.01)
Impacting other (income) / expense:										
Impairment on investments	4,000	0.03	150	-	-	-	7,000	0.05	150	-
Debt amendment fees	-	-	14,392	0.10	669	-	-	-	15,051	0.10
Credit facility - ticking fees	-	-	-	-	678	-	-	-	678	-
Asset held for sale impairment	-	-	-	-	-	-	2,125	0.01	-	-
Foreign exchange contract (gains) losses related to cash consideration of Pace acquisition	-	-	(6,845)	(0.05)	15,429	0.10	-	-	8,594	0.06
Adjustment to liability related to foreign tax credit benefits	-	-	-	-	(3,669)	(0.02)	-	-	(3,669)	(0.02)
Loss on sale of building	-	-	-	-	-	-	-	-	5,142	0.03
Impacting income tax expense:										
Net tax items	(19,375)	(0.13)	(30,122)	(0.20)	(35,845)	(0.24)	(107,429)	(0.73)	(96,500)	(0.65)
Total highlighted items	65,493	0.44	62,408	0.42	57,423	0.38	158,638	1.07	166,459	1.12
Net income excluding highlighted items	\$ 120,119	\$ 0.81	\$ 79,166	\$ 0.53	\$ 83,680	\$ 0.56	\$ 293,089	\$ 1.98	\$ 228,598	\$ 1.53
Weighted average common shares - basic										
Weighted average common shares - diluted		148,753		149,276		149,422		147,995		149,232