Fourth Quarter – Full year 2015 Earnings Conference Call

February 17, 2016

Safe Harbor

Forward-Looking Statements

Statements in this presentation, including those related to expected revenues and net income, gross margins, operating expenses, income taxes, the general outlook for 2016 and beyond, the impacts of the Pace integration, acceptance of certain ARRIS products, the impact of proposed regulatory changes 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 may fail to realize the expected benefits of the Pace acquisition and may incur significant transaction costs and/or unknown liabilities; the strengthening U.S. Dollar may adversely impact our international customer's ability or willingness to purchase products and the pricing of our products; regulatory changes, including changes in tax laws, could negatively affect our business and/or results from operations; 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 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 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 proposed acquisition of Time Warner by Charter, the proposed acquisition by Frontier Communications of several properties owned by Verizon, and the proposed acquisition of Cablevision 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 the Quarterly Report on Form 10-Q for the period ended September 30, 2015 filed by ARRIS Group, Inc. (as predecessor to ARRIS International) and the Form S-4 (file no. 333-205442) filed by ARRIS. 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.

Q4 2015 Earnings Call Agenda

Introduction – Bob Stanzione

Financial Highlights – David Potts

Customer Premises Equipment Review – Larry Robinson

Network & Cloud Review – Bruce McClelland

Pace Update & Business Outlook – Bob Stanzione

Fourth Quarter 2015 Highlights

BOB STANZIONE
Chairman & CEO

Q4 2015 Results

- Revenues of $1.102B down 12.8% year-over-year, down 9.8% sequentially
- Non-GAAP earnings of $0.62* per share, down from the prior year of $0.78 and up from $0.56 in the prior quarter (GAAP EPS of $0.20*)
- International sales of $357M, represented 32.4% of Q4 sales
- Book to bill rate of 1.14, Backlog of $715.8M
- Cash from operating activities of $127.4M

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

Fourth Quarter 2015 Financial Highlights

DAVE POTTS
Chief Financial Officer

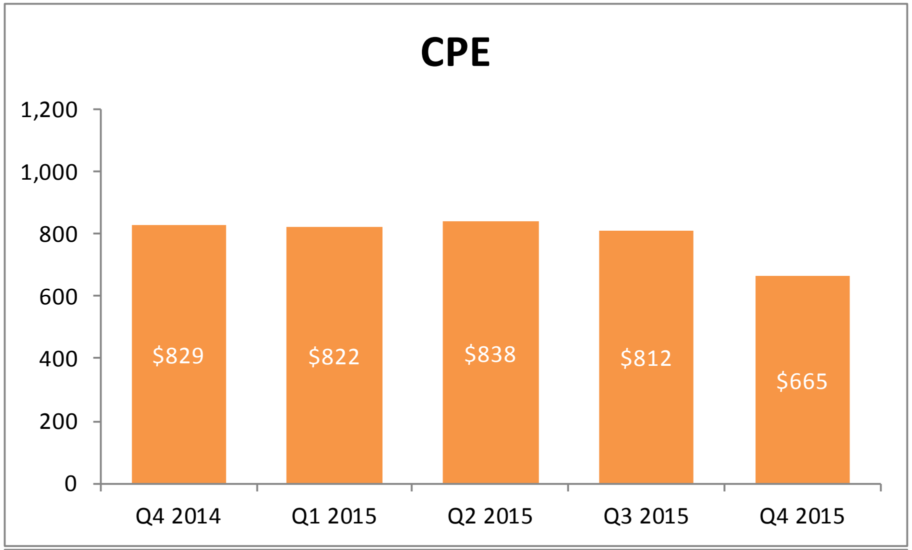
Financial highlights – Q4 and full year 2015 (preliminary & unaudited)

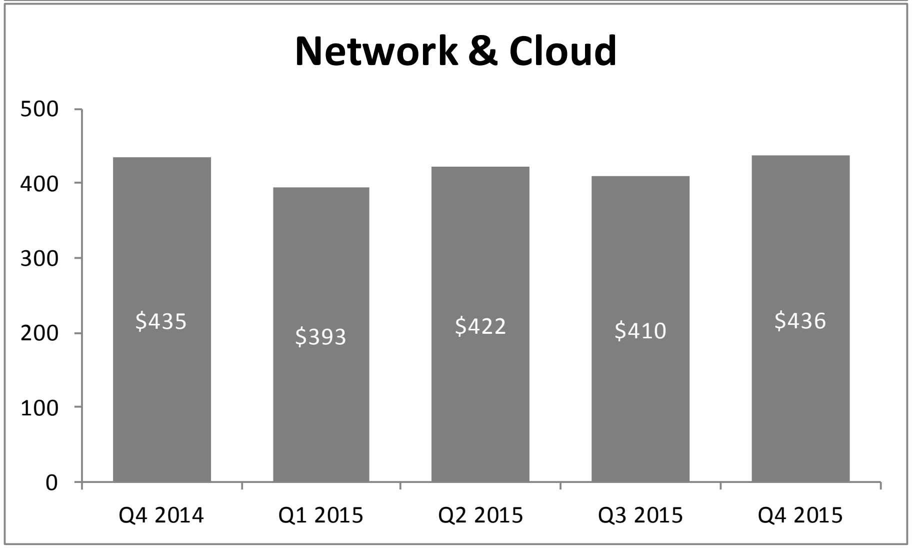
	Q4 2014	Q3 2015	Q4 2015	Dec YTD 2014	Dec YTD 2015
Sales - $M	1,263.4	1,221.4	1,101.7	5,322.9	4,798.3
Gross Margin - $M	380.6	359.3	358.7	1,582.5	1,418.9
Gross Margin - %	30.1%	29.4%	32.6%	29.7%	29.6%
Direct Contribution(1)	149.5	125.4	117.6	615.4	467.7
EPS - GAAP	1.29	0.18	0.20	2.21	0.62
Adjusted EPS - Non-GAAP	0.78	0.56	0.62	2.76	2.16
Cash, ST & LT Marketable Securities - $M	697.4	781.1	879.1	697.4	879.1
Cash Provided by Operating Activities - $M	130.0	215.9	127.4	459.3	351.9
Debt Repayment - $M	13.8	12.4	12.4	209.7	53.5
Share Repurchase - $M	-	-	-	-	25.0
Short-term Bank Debt -$M	67.0	42.8	42.9	67.0	42.9
Long-term Bank Debt -$M	1,449.0	1,448.3	1,438.2	1,449.0	1,438.2
Weighted average common shares - basic - M	145.3	146.8	147.1	144.4	146.4
Weighted average common shares - diluted - M	149.1	149.4	149.8	148.3	149.4
Backlog - $M	631.0	559.0	715.8	631.0	715.8
Book-to-Bill	1.03	0.92	1.14	1.02	1.02

(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 – Q4 2015 (preliminary & unaudited)





	Q4 2015	% of Sales
Domestic Sales	745	68%
International Sales	357	32%

	Q4 2015	% of Sales
Total of two customers greater than 10%	379	34%

Sales and direct contribution by segment (preliminary & unaudited)

($M)

	Q4 2015			
	Network & Cloud	**CPE**	**Corp/ Other**	**Total**
Net Sales	436.4	665.2	0.1	1,101.7
Non GAAP Adjustments	-	-	-	-
Adjusted Net Sales	436.4	665.2	0.1	1,101.7
Direct Contribution (1)	154.2	105.7	(142.2)	117.6
Non GAAP Adjustments (2)	-	-	17.7	17.7
Adjusted Direct Contribution	154.2	105.7	(124.6)	135.2

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 – Q4 and full year 2015 (preliminary & unaudited)

$M		Qtr 4 2014	Qtr 3 2015	Qtr 4 2015	Dec YTD 2014	Dec YTD 2015
R&D	$M	135.5	132.2	133.2	556.6	534.2
	% of Sales	10.7%	10.8%	12.1%	10.5%	11.1%
SG&A	$M	95.6	101.7	107.9	410.6	417.1
	% of Sales	7.6%	8.3%	9.8%	7.7%	8.7%
Operating Expenses	$M	231.1	233.9	241.1	967.1	951.3
	% of Sales	18.3%	19.1%	21.8%	18.2%	19.8%
Integration, Acquisition, Restructuring & Other Costs	$M	3.3	7.5	8.3	37.5	29.3
	% of Sales	0.3%	0.6%	0.8%	0.7%	0.6%
Amortization of Intangibles	$M	56.7	57.1	56.4	236.5	227.4
	% of Sales	4.5%	4.7%	5.1%	4.4%	4.7%
Total	$M	291.0	298.6	305.8	1,241.2	1,208.0
	% of Sales	23.0%	24.4%	27.7%	23.3%	25.2%
Equity Compensation Expense Included		12.2	14.0	15.4	47.1	55.7

Effective tax rate (preliminary & unaudited)

- R&D Tax Credit was passed during Q4-2015 and made permanent
- $20.4M benefit recorded in Q4, ~ $0.14 per share
- Full year 2015 non-GAAP rate of ~ 32%, GAAP rate of 23%

Cash & cash flow highlights Q4 2015 (preliminary & unaudited)

	$M
Cash, short term and long term marketable securities	879.1
Key Operating Activities:	
Net income including adjustments	109.9
Changes in other operating assets and liabilities	17.5
	127.4
Key Investing Activities:	
Purchase of property, plant & equipment	(12.2)
Key Financing Activities:	
Payments of debt obligations	(12.4)

Q1 2016 guidance (preliminary & unaudited)

	Q1 2016
Sales - $M	1,560 - 1,610
EPS - GAAP (1) (2)	$ 0.01 - $ 0.06
Adjusted EPS - Non-GAAP (2)	$ 0.37 - $ 0.42
Non-GAAP Tax Rate	25%
Shares	200 M

(1) See reconciliation of GAAP to Non GAAP

(2) Excludes impacts related to purchase accounting and restructuring

Customer Premises Equipment Review

LARRY ROBINSON
President, Customer Premises Equipment

Customer Premises Equipment Highlights

FY 2015 Results
- Segment sales & direct contribution down year-over-year primarily due to telco customer market challenges
- Solid Cable CPE performance driven by continued DOCSIS portfolio strength

Q4 2015 Results
- Sales decreased 18% as compared to Q3 2015 and 20% versus Q4 2014

Key Features
- EuroDOCSIS3.0; 24x8 channel bonding
- Integrated voice
- Dual band concurrent Wi-Fi radios
- IPv6, Business Services & Wi-Fi Hotspot support

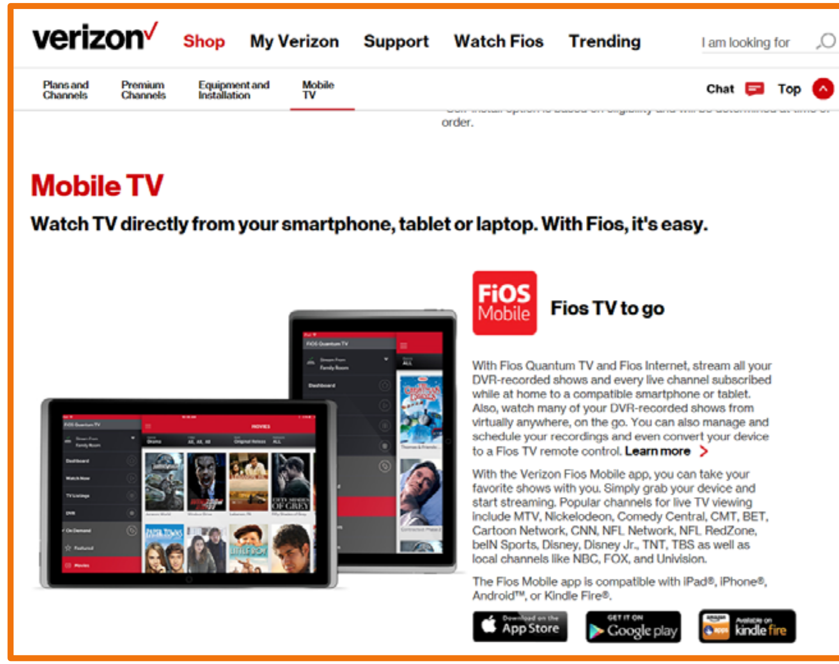
TG2492
ARRIS Advanced DOCSIS Gateway

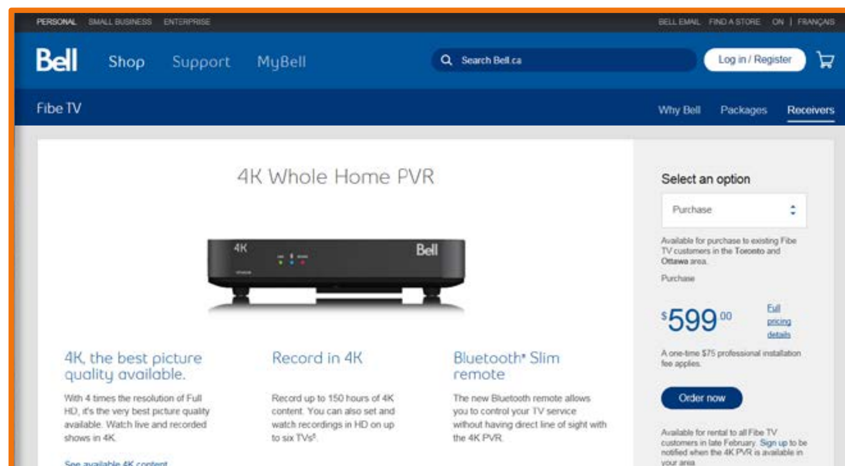
Broadband CPE
- Broadband device & accessory unit volumes (DOCSIS & DSL) declined 16% sequentially and 14% as compared to Q4 2014
- Secured Wireless Bridge product opportunity with Tier 1 NA Service Provider
- Announced Liberty Global's plans to deploy the ARRIS Touchstone TG2492 Gateway
- Launched new Gigabit broadband devices for retail channel
- Continued industry momentum around ARRIS DOCSIS 3.1 CPE solutions portfolio

Customer Premises Equipment Highlights

Video CPE (Set-Tops / Video Gateways)

- Video CPE unit volumes decreased 13% sequentially & as compared to Q4 2014
- Launched Verizon VMS mobility features
- Shipped initial IPTV set tops to support Bell Canada 4k launch
- Commercially transitioned multiple operators to the latest video gateway & IP client set-top platforms
- Initiated new DVB set-top platform deployments with CNS in Taiwan
- Continued investments in next gen 4K video gateway & IP client platforms





Network & Cloud Review

BRUCE McCLELLAND,
President, Network and Cloud

Network & Cloud Highlights

Q4 2015 Results:

- Strongest quarter of the year
  - Sales up 7% and DOI up 27% QoQ
  - Sales flat and DOI up 22% YoY
- Record level E6000 shipments with growing mix of software capacity licenses
- Strong performance from Professional Services business

Full Year 2015 Results:

- Sales up 1.5% YoY with Direct Operating Income up 13%
- Strong growth from Professional Services and Access Technologies business, and higher mix of E6000 software licenses
- Minor dilution resulting from consolidation of ActiveVideo Joint Venture financial results

Network & Cloud Highlights

ARRIS

CMTS/CCAP:

- New record levels achieved in shipments of chassis, downstream channels, and software licenses
- Growing industry demand for Gigabit speeds as initial **DOCSIS3.1** field trials get underway
- Convergence of video on to CCAP platforms beginning
- Telstra, Australia's largest telecommunications provider, selected the ARRIS E6000 CCAP for higher-speed broadband services

E6000™
ARRIS CCAP

Access and Transport:

- Solid Q4 sales but down from peak levels in summer months
- 20%+ year-over-year growth as operators expand capacity and re-fresh aging plant
- Integration of ARRIS and Pace portfolios underway with a laser focus on increasing capacity and shrinking lead times

OM6000™
1.2GHz Optical Node

Network & Cloud Highlights

ARRIS

Video Systems:

- New ME-7000 Video Processing platform achieving early marketplace success with sales in all regions
- Continue solid Network DVR sales as service providers ramp-up plans to bring the DVR experience to multi-screen devices.

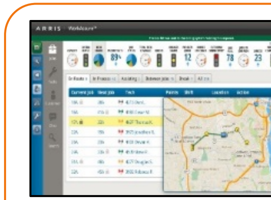
Cloud:

- Launched first production customer using new cloud-based WorkAssure Online offering with a leading North America Service Provider

Global Services:

- Professional Services business reached new record level with success across a broad range of customer projects
- Good progress launching Service Provider Wi-Fi initiative, with deployments planned with Suddenlink throughout 17-state area

ARRIS M3 Media Server™



WorkAssure™ *Online*

Business Outlook

BOB STANZIONE
Chairman & CEO

ARRIS + Pace

- Closed January 4, 2016
- Enhanced Product Portfolio
- Expanded International Presence
- Significant Satellite Market Position

- Integration Underway
  - Tax planning on track
  - Customer facing organizations complete
  - Product overlap review in process
  - Corporate functions in process
  - Substantial completion first half, 2016
  - Cost of sales synergies throughout 2016

Investor Day March 16, 2016 in New York City

Business Outlook

Q1 2016

- Near-term challenges
- Demand outpacing supply within Network & Cloud
- Customer restructuring distractions
- Continued currency exchange pressures

2016

- Launch of DOCSIS 3.1
- Improving North America Telco spend
- Continued market share gains
- Synergy benefits from integration
- New $300 million share repurchase program

Anticipate improving results as the year progresses

Thank you

GAAP to adjusted Non-GAAP EPS guidance reconciliation

	Q1 2016 Guidance
Estimated GAAP EPS	$ 0.01 - $ 0.06
Reconciling items (after tax):	
Amortization of intangibles, excluding Pace	0.21
Stock compensation expense	0.05
Restructuring	TBD
Acq accounting impacts related to Pace def revenue and cost	TBD
Acq accounting impacts related to Pace fair value of inventory	TBD
Acquisition and integration costs	0.10
Subtotal	0.36
Estimated adjusted (non-GAAP) EPS	$ 0.37 - $ 0.42

Note: Excludes impacts related to purchase accounting and restructuring related to the Pace acquisition

GAAP EPS/adjusted EPS reconciliation Q4 and full year 2015 (preliminary & unaudited)

(in thousands, except per share data)	Q4 2014 Amount	Q4 2014 Per Diluted Share	Q3 2015 Amount	Q3 2015 Per Diluted Share	Q4 2015 Amount	Q4 2015 Per Diluted Share	Dec YTD 2014 Amount	Dec YTD 2015 Amount
Sales	$ 1,263,387		$ 1,221,416		$ 1,101,681		$ 5,322,920	$ 4,798,332
Highlighted items:								
Acquisition accounting impacts of deferred revenue	616						$ 5,091	$ -
Sales excluding highlighted items	$ 1,264,003		$ 1,221,416		$ 1,101,681		$ 5,328,011	$ 4,798,332

	Q4 2014 Amount	Q4 2014 Per Diluted Share	Q3 2015 Amount	Q3 2015 Per Diluted Share	Q4 2015 Amount	Q4 2015 Per Diluted Share	Dec YTD 2014 Amount	Dec YTD 2014 Per Diluted Share	Dec YTD 2015 Amount	Dec YTD 2015 Per Diluted Share
Net income attributable to ARRIS Group, Inc.	$ 192,761	$ 1.29	$ 26,257	$ 0.18	$ 30,041	$ 0.20	$ 327,211	$ 2.21	$ 92,181	$ 0.62
Highlighted items:										
Impacting gross margin:										
Stock compensation expense	1,782	0.01	2,284	0.02	2,219	0.01	6,716	0.05	8,508	0.06
Acquisition accounting impacts of deferred revenue	400	-	-	-	-	-	3,448	0.02	-	-
Impacting operating expenses:										
Integration, acquisition, restructuring and other costs	3,252	0.02	7,531	0.05	8,281	0.06	37,498	0.25	29,277	0.20
Amortization of intangible assets	56,685	0.38	57,132	0.38	56,377	0.38	236,521	1.60	227,439	1.52
Stock compensation expense	12,206	0.08	14,005	0.09	15,443	0.10	47,084	0.32	55,710	0.37
Noncontrolling interest share of Non-GAAP adjustments	-	-	(791)	(0.01)	(1,357)	(0.01)	-	-	(2,947)	(0.02)
Impacting other (income) / expense:										
Impairment on Investments	50	-	-	-	(159)	-	7,050	0.05	(9)	-
Debt amendement fees	-	-	669	-	291	-	-	-	15,342	0.10
Credit facility - ticking fees	-	-	678	-	1,022	0.01	-	-	1,700	0.01
Asset held for sale impairment	7	-	-	-	-	-	2,132	0.01	-	-
Foreign exchange contract (gains) losses related to cash consideration of Pace acquisition	-	-	15,429	0.10	13,699	0.09	-	-	22,283	0.15
Liability/adjustment related to foreign tax credit benefits	20,482	0.14	(3,669)	(0.02)	-	-	20,492	0.14	(3,669)	(0.02)
Loss on sale of building	-	-	-	-	-	-	-	-	5,142	0.03
Impacting income tax expense:										
Net tax items	(171,706)	(1.15)	(35,845)	(0.24)	(32,363)	(0.22)	(279,135)	(1.88)	(128,863)	(0.86)
Total highlighted items	(76,842)	(0.52)	57,423	0.38	63,453	0.42	81,806	0.55	229,913	1.54
Net income excluding highlighted items	$ 115,919	$ 0.78	$ 83,680	$ 0.56	$ 93,494	$ 0.62	$ 409,017	$ 2.76	$ 322,094	$ 2.16
Weighted average common shares - diluted		149,124		149,422		149,842		148,280		149,359

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 acquisition 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 and other costs consist of employee severance, abandoned facilities, product line disposition 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.

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 include the revenues, expenses, and gains and losses of the noncontrolling 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 other-than-temporary impairments 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).

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

Debt Amendment Fees: In 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).

Credit Facility - Ticking Fees: In connection with our acquisition of Pace plc, 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 / Adjustment 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 and subsequent adjustments 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).

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) Losses 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.