
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 8, 2018

COMMSCOPE HOLDING COMPANY, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36146
(Commission
File Number)

27-4332098
(IRS Employer
Identification No.)

1100 CommScope Place, SE
Hickory, North Carolina 28602
(Address of principal executive offices)

Registrant's telephone number, including area code: (828) 324-2200

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 8, 2018, CommScope Holding Company, Inc. (the "Company") issued a press release relating to its financial results for the third quarter of 2018. A copy of the press release, which is incorporated by reference herein, is attached hereto as Exhibit 99.1. Following the publication of the press release, the Company will host an earnings call during which its financial results for the third quarter of 2018 will be discussed.

The information contained in this Item 2.02 of this Current Report on Form 8-K, including exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), except as expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On November 8, 2018, the Company and ARRIS, a public limited company organized under the laws of England and Wales ("ARRIS"), issued a joint press release announcing that they had entered into a bid conduct agreement (the "Bid Conduct Agreement"), pursuant to which CommScope has agreed to acquire all of the issued and to be issued ordinary shares, £0.01 nominal value per share (the "Ordinary Shares"), of ARRIS (the "Transaction") for \$31.75 per Ordinary Share.

In addition, the Company will be holding a conference call and simultaneous presentation to investors at 8:30 a.m. EST on November 8, 2018 to discuss the Transaction. The press release is attached hereto as Exhibit 99.2 and the investor presentation is attached hereto as Exhibit 99.3, and each is incorporated herein by reference. Additional information about the Transaction will also be included in a subsequently filed Form 8-K.

The information contained in this Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.2 and 99.3, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	CommScope Holding Company, Inc. press release, dated November 8, 2018.
99.2	Joint press release issued by CommScope Holding Company, Inc. and ARRIS, dated November 8, 2018.
99.3	Investor Presentation dated November 8, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 8, 2018

COMMSCOPE HOLDING COMPANY, INC.

By: /s/ Alexander W. Pease

Name: Alexander W. Pease

Title: Executive Vice President and Chief Financial Officer

News Release

CommScope Reported Third Quarter 2018 Results

- Third Quarter 2018 Performance
 - Sales of \$1.15 billion, up 2 percent year over year
 - GAAP operating income of \$132 million
 - Non-GAAP adjusted operating income (excluding special items) of \$219 million
 - GAAP net income of \$0.33 per diluted share
 - Non-GAAP adjusted net income (excluding special items) of \$0.59 per diluted share, up 7 percent year over year.
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HICKORY, NC, November 8, 2018 — CommScope Holding Company, Inc. (NASDAQ: COMM), a global leader in infrastructure solutions for communications networks, today reported results for the quarter ended September 30, 2018.

The Company reported sales of \$1.15 billion for the third quarter, compared with \$1.13 billion during the same period in the prior year. During the third quarter of 2018, CommScope generated net income of \$64 million, or \$0.33 per diluted share, an increase from the prior year period's net income of \$51 million, or \$0.26 per diluted share. Non-GAAP adjusted net income for the third quarter of 2018 was \$115 million, or \$0.59 per diluted share, versus \$107 million, or \$0.55 per diluted share, in the third quarter of 2017. A reconciliation of reported GAAP results to non-GAAP results is attached.

In a separate press release today, CommScope announced an agreement to acquire ARRIS International plc (NASDAQ: ARRS) in an all-cash transaction, broadening its global position in end-to-end communications infrastructure solutions. The transaction is expected to close in the first half of 2019.

"During the quarter, we took action to ensure CommScope successfully navigates a dynamic and challenging market environment," said President and Chief Executive Officer Eddie Edwards. "While we expect headwinds to continue as certain North American service providers spend more conservatively over the near term, we are confident that with ARRIS we will be better positioned for the advent of 5G and fixed wireless access."

"Through our acquisition of ARRIS, we expect to drive profitable growth in new markets, increase revenue diversity and shape the future of wired and wireless communications. The combined company's industry-leading technologies, scope and strong customer relationships should put us in a position to capitalize on future growth opportunities and drive significant value creation for our shareholders."

Third Quarter 2018 Overview

Sales increased 2 percent year over year as growth in the North America and the Europe, Middle East and Africa (EMEA) regions more than offset lower sales in the Asia-Pacific region. Double-digit Outdoor Network Solutions growth, was partially offset by a decline in Indoor Copper. Foreign exchange rate changes unfavorably impacted net sales by approximately 2 percent.

GAAP operating income in the third quarter of 2018 increased 5 percent year over year to \$132 million. Non-GAAP adjusted operating income, which excludes amortization of purchased intangibles, restructuring costs and other special items, decreased 1 percent year over year to \$219 million, or 19 percent of net sales. Both GAAP and non-GAAP operating income were favorably impacted by higher North American sales volumes and cost reduction initiatives. The favorable impacts were partially offset by lower selling prices and the impact of unfavorable input costs and foreign exchange rate changes. GAAP operating income also benefited from lower integration costs, which are excluded from non-GAAP adjusted operating income.

Third Quarter 2018 Segment Overview

Third quarter Connectivity Solutions segment sales increased 3 percent year over year to \$732 million driven primarily by strength in North America as well as the EMEA region, partially offset by a decline in the Asia-Pacific region. Foreign exchange rate changes negatively impacted net sales by approximately 2 percent.

Connectivity Solutions GAAP operating income increased 35 percent year over year to \$95 million driven by lower integration and restructuring costs. Non-GAAP adjusted operating income increased 6 percent year over year to \$147 million, or 20 percent of segment net sales. Both GAAP and non-GAAP adjusted operating income benefited from stronger sales volumes and cost savings initiatives, partially offset by lower selling prices, higher input costs and the impact of unfavorable foreign exchange rate changes.

Third quarter Mobility Solutions segment sales were essentially flat year over year at \$419 million with strength in North America and to a lesser extent the EMEA region being offset by a decline in the Asia-Pacific region. Foreign exchange rate changes negatively impacted net sales by approximately 1 percent.

Mobility Solutions GAAP operating income declined 32 percent year over year to \$37 million, and non-GAAP adjusted operating income decreased 14 percent year over year to \$72 million, or 17 percent of segment net sales. Both GAAP and non-GAAP adjusted operating income benefited from higher sales volumes and geographic mix. These benefits were more than offset by lower selling prices.

Outlook

"We are actively taking steps to align our cost structure with current market dynamics, which we expect to continue into the fourth quarter and next year," said Executive Vice President and Chief Financial Officer, Alex Pease. "Excluding the impact of the ARRIS acquisition, we expect modest growth in 2019 and relatively stable year-over-year results, reflecting the impact of adverse spending patterns at large North American operators. Looking ahead, we expect that the ARRIS transaction will enable CommScope to achieve significant EPS accretion, execute on additional cost savings opportunities and unlock high-growth segments to deliver strong shareholder returns over the longer term."

CommScope management issued fourth quarter 2018 guidance and updated its guidance range for the full year 2018.

Fourth Quarter 2018 Guidance:

- Revenue of \$1.015 billion – \$1.065 billion
- Operating income of \$60 million – \$83 million
- Non-GAAP adjusted operating income of \$145 million – \$170 million
- Non-GAAP adjusted effective tax rate of approximately 29 percent – 30 percent
- Loss per share of \$(0.12) – \$(0.14), based on 192 million weighted average basic shares
- Non-GAAP adjusted earnings per diluted share of \$0.34 – \$0.39, based on 195 million weighted average diluted shares

Full Year 2018 Guidance:

- Revenue of \$4.525 billion – \$4.575 billion
- Operating income of \$461 million – \$484 million
- Non-GAAP adjusted operating income of \$804 million – \$829 million
- Non-GAAP adjusted effective tax rate of 29 percent – 30 percent
- Earnings per diluted share of \$0.70 – \$0.72, based on 195 million weighted average diluted shares
- Non-GAAP adjusted earnings per diluted share of \$2.09 – \$2.14
- Cash flow from operations > \$480 million

A reconciliation of GAAP to non-GAAP outlook is attached.

Conference Call, Webcast and Investor Presentation

CommScope will be hosting a joint conference call with ARRIS today at 8:30 a.m. ET to discuss third quarter 2018 results and the transaction. The conference call will also be webcast.

To participate in the conference call, dial +1 844-397-6169 (US and Canada only) or +1 478-219-0508. The conference identification number is 4825208. Please plan to dial in 15 minutes before the start of the call to facilitate a timely connection. The live, listen-only audio of the call and corresponding presentation will be available through a link on [CommScope's Investor Relations page](#). A webcast replay will be archived on [CommScope's website](#) for a limited period of time following the conference call.

END

About CommScope

CommScope (NASDAQ: COMM) helps design, build and manage wired and wireless networks around the world. As a communications infrastructure leader, we shape the always-on networks of tomorrow. For more than 40 years, our global team of more than 20,000 employees, innovators and technologists have empowered customers in all regions of the world to anticipate what's next and push the boundaries of what's possible. Discover more at <http://www.commscope.com/>

Follow us on [Twitter](#) and [LinkedIn](#) and like us on [Facebook](#).

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Non-GAAP Financial Measures

CommScope management believes that presenting certain non-GAAP financial measures enhances an investor's understanding of our financial performance. CommScope management further believes that these financial measures are useful in assessing CommScope's operating performance from period to period by excluding certain items that we believe are not representative of our core business. CommScope management also uses certain of these financial measures for business planning purposes and in measuring CommScope's performance relative to that of its competitors. CommScope management believes these financial measures are commonly used by investors to evaluate CommScope's performance and that of its competitors. However, CommScope's use of the terms non-GAAP adjusted operating income, non-GAAP adjusted EBITDA, non-GAAP adjusted net income and non-GAAP adjusted earnings per share may vary from that of others in its industry. These financial measures should not be considered as alternatives to operating income (loss), net income (loss) or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance, operating cash flows or liquidity.

Forward Looking Statements

This press release includes forward-looking statements that reflect our current views with respect to future events and financial performance, including our proposed acquisition of ARRIS. These statements may discuss goals, intentions or expectations as to future plans, trends, events, results of operations or financial condition or otherwise, in each case, based on current beliefs of management, as well as assumptions made by, and information currently available to, such management. These forward-looking statements are generally identified by their use of such terms and phrases as “intend,” “goal,” “estimate,” “expect,” “project,” “projections,” “plans,” “potential,” “anticipate,” “should,” “could,” “designed to,” “foreseeable future,” “believe,” “think,” “scheduled,” “outlook,” “target,” “guidance” and similar expressions, although not all forward-looking statements contain such terms. This list of indicative terms and phrases is not intended to be all-inclusive.

These forward-looking statements are subject to various risks and uncertainties, many of which are outside our control, including, without limitation, our dependence on customers’ capital spending on data and communication systems; concentration of sales among a limited number of customers and channel partners; changes in technology; industry competition and the ability to retain customers through product innovation, introduction and marketing; risks associated with our sales through channel partners; changes to the regulatory environment in which our customers operate; product quality or performance issues and associated warranty claims; our ability to maintain effective management information systems and to implement major systems initiatives successfully; cyber-security incidents, including data security breaches, ransomware or computer viruses; the risk our global manufacturing operations suffer production or shipping delays, causing difficulty in meeting customer demands; the risk that internal production capacity or that of contract manufacturers may be insufficient to meet customer demand or quality standards; changes in cost and availability of key raw materials, components and commodities and the potential effect on customer pricing; risks associated with our dependence on a limited number of key suppliers for certain raw material and components; the risk that contract manufacturers we rely on encounter production, quality, financial or other difficulties; our ability to integrate and fully realize anticipated benefits from prior or future acquisitions or equity investments; potential difficulties in realigning global manufacturing capacity and capabilities among our global manufacturing facilities or those of our contract manufacturers that may affect our ability to meet customer demands for products; possible future restructuring actions; substantial indebtedness and maintaining compliance with debt covenants; our ability to incur additional indebtedness; our ability to generate cash to service our indebtedness; possible future impairment charges for fixed or intangible assets, including goodwill; income tax rate variability and ability to recover amounts recorded as deferred tax assets; our ability to attract and retain qualified key employees; labor unrest; obligations under our defined benefit employee benefit plans may require plan contributions in excess of current estimates; significant international operations exposing us to economic, political and other risks, including the impact of variability in foreign exchange rates; our ability to comply with governmental anti-corruption laws and regulations and export and import controls worldwide; our ability to compete in international markets due to export and import controls to which we may be subject; the impact of the U.K. invoking Article 50 of the Lisbon Treaty to leave the European Union; changes in the laws and policies in the United States affecting trade, including recently enacted tariffs on imports from China, as well as the risk and uncertainty related to other potential tariffs or a potential global trade war that may impact our products; costs of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign environmental laws; the impact of litigation and similar regulatory proceedings that we are involved in or

may become involved in, including the costs of such litigation; risks associated with stockholder activism, which could cause us to incur significant expense, hinder execution of our business strategy and impact the trading value of our securities; and other factors beyond our control. These risks and uncertainties may be magnified by our acquisition of ARRIS, and such statements are also subject to the risks and uncertainties related to ARRIS's business.

Such forward-looking statements are subject to additional risks and uncertainties related to our proposed acquisition of ARRIS, many of which are outside of our and/or ARRIS's control, including, without limitation: failure to obtain applicable regulatory approvals in a timely manner, on acceptable terms or at all, or to satisfy the other closing conditions to the proposed acquisition; the risk that we will be required to pay a reverse break fee under the related acquisition agreement; the risk that we will not successfully integrate ARRIS or that we will not realize estimated cost savings, synergies, growth or other anticipated benefits, or that such benefits may take longer to realize than expected; risks relating to unanticipated costs of integration; the potential impact of announcement or consummation of the proposed acquisition on relationships with third parties, including customers, employees and competitors; failure to manage potential conflicts of interest between or among customers; integration of information technology systems; conditions in the credit markets that could impact the costs associated with financing the acquisition; the possibility that competing offers will be made; and other factors beyond our and/or ARRIS's control. These and other factors are discussed in greater detail in our 2017 Annual Report and in Part II, Item 1A, Risk Factors, of our quarterly report on Form 10-Q for the quarter ended September 30, 2018. Although the information contained in this press release represents our best judgment as of the date hereof based on information currently available and reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date made. We are not undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this press release, except as otherwise may be required by law.

CommScope Holding Company, Inc.
Condensed Consolidated Statements of Operations
(Unaudited — In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net sales	\$1,150,405	\$1,128,775	\$3,510,778	\$3,440,150
Operating costs and expenses:				
Cost of sales	726,531	700,170	2,204,194	2,085,973
Selling, general and administrative	173,990	184,947	544,318	604,408
Research and development	44,807	44,599	142,436	140,569
Amortization of purchased intangible assets	65,782	68,271	199,453	202,890
Restructuring costs, net	7,070	5,360	19,738	24,521
Total operating costs and expenses	<u>1,018,180</u>	<u>1,003,347</u>	<u>3,110,139</u>	<u>3,058,361</u>
Operating income	132,225	125,428	400,639	381,789
Other income (expense), net	(2,379)	3,209	(4,490)	(9,248)
Interest expense	(66,122)	(61,798)	(186,655)	(192,769)
Interest income	1,882	1,180	5,373	3,784
Income before income taxes	65,606	68,019	214,867	183,556
Income tax expense	(1,763)	(16,862)	(51,367)	(43,373)
Net income	<u>\$ 63,843</u>	<u>\$ 51,157</u>	<u>\$ 163,500</u>	<u>\$ 140,183</u>
Earnings per share:				
Basic	\$ 0.33	\$ 0.27	\$ 0.85	\$ 0.73
Diluted (a)	\$ 0.33	\$ 0.26	\$ 0.84	\$ 0.71
Weighted average shares outstanding:				
Basic	192,219	191,824	191,920	192,973
Diluted (a)	195,359	195,815	195,370	197,387
(a) Calculation of diluted earnings per share:				
Net income (basic and diluted)	\$ 63,843	\$ 51,157	\$ 163,500	\$ 140,183
Weighted average shares (basic)	192,219	191,824	191,920	192,973
Dilutive effect of equity-based awards	3,140	3,991	3,450	4,414
Denominator (diluted)	<u>195,359</u>	<u>195,815</u>	<u>195,370</u>	<u>197,387</u>

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

CommScope Holding Company, Inc.
Condensed Consolidated Balance Sheets
(Unaudited — In thousands, except share amounts)

	September 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	\$ 352,397	\$ 453,977
Accounts receivable, less allowance for doubtful accounts of \$18,141 and \$13,976, respectively	901,096	898,829
Inventories, net	490,767	444,941
Prepaid expenses and other current assets	123,277	146,112
Total current assets	1,867,537	1,943,859
Property, plant and equipment, net of accumulated depreciation of \$425,565 and \$390,389, respectively	445,746	467,289
Goodwill	2,858,640	2,886,630
Other intangible assets, net	1,420,677	1,636,084
Other noncurrent assets	125,696	107,804
Total assets	<u>\$ 6,718,296</u>	<u>\$ 7,041,666</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 441,409	\$ 436,737
Other accrued liabilities	323,211	286,980
Total current liabilities	764,620	723,717
Long-term debt	3,983,790	4,369,401
Deferred income taxes	97,849	134,241
Pension and other postretirement benefit liabilities	20,315	25,140
Other noncurrent liabilities	96,652	141,341
Total liabilities	4,963,226	5,393,840
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None	—	—
Common stock, \$.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 192,222,782 and 190,906,110, respectively	1,990	1,972
Additional paid-in capital	2,372,764	2,334,071
Retained earnings (accumulated deficit)	(226,494)	(395,998)
Accumulated other comprehensive loss	(171,982)	(86,603)
Treasury stock, at cost: 6,738,136 shares and 6,336,144 shares, respectively	(221,208)	(205,616)
Total stockholders' equity	1,755,070	1,647,826
Total liabilities and stockholders' equity	<u>\$ 6,718,296</u>	<u>\$ 7,041,666</u>

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

CommScope Holding Company, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited — In thousands)

	Three Months Ended		Nine Months Ended	
	September 30,	2017	September 30,	2017
2018	2018	2017	2018	2017
Operating Activities:				
Net income	\$ 63,843	\$ 51,157	\$ 163,500	\$ 140,183
Adjustments to reconcile net income to net cash generated by operating activities:				
Depreciation and amortization	94,280	92,090	272,629	282,543
Equity-based compensation	11,327	10,974	33,723	31,572
Deferred income taxes	(8,006)	(5,903)	(32,616)	(19,976)
Changes in assets and liabilities:				
Accounts receivable	113,486	15,079	(23,537)	59,054
Inventories	(17,805)	54,033	(65,798)	11,790
Prepaid expenses and other assets	(3,241)	(20,909)	(3,849)	(22,682)
Accounts payable and other liabilities	(28,604)	(57,728)	12,277	(178,505)
Other	1,541	6,579	5,555	31,426
Net cash generated by operating activities	226,821	145,372	361,884	335,405
Investing Activities:				
Additions to property, plant and equipment	(24,604)	(20,575)	(55,448)	(51,152)
Proceeds from sale of property, plant and equipment	6,490	38	12,715	5,016
Proceeds upon settlement of net investment hedge	—	—	1,331	—
Cash paid for acquisitions, including purchase price adjustments, net of cash acquired	—	(105,249)	—	(105,249)
Other	—	3,120	—	9,898
Net cash used in investing activities	(18,114)	(122,666)	(41,402)	(141,487)
Financing Activities:				
Long-term debt repaid	(550,000)	(25,000)	(550,000)	(805,379)
Long-term debt proceeds	150,000	—	150,000	780,379
Debt issuance and modification costs	—	—	—	(8,363)
Debt extinguishment costs	—	—	—	(14,800)
Cash paid for repurchase of common stock	—	(75,000)	—	(175,000)
Proceeds from the issuance of common shares under equity-based compensation plans	73	297	4,988	8,803
Tax withholding payments for vested equity-based compensation awards	(92)	(98)	(15,592)	(14,956)
Net cash used in financing activities	(400,019)	(99,801)	(410,604)	(229,316)
Effect of exchange rate changes on cash and cash equivalents	(1,992)	3,846	(11,458)	18,412
Change in cash and cash equivalents	(193,304)	(73,249)	(101,580)	(16,986)
Cash and cash equivalents at beginning of period	545,701	484,491	453,977	428,228
Cash and cash equivalents at end of period	<u>\$ 352,397</u>	<u>\$ 411,242</u>	<u>\$ 352,397</u>	<u>\$ 411,242</u>

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

CommScope Holding Company, Inc.
Reconciliation of GAAP Measures to Non-GAAP Adjusted Measures
(Unaudited — In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating income, as reported	\$ 132.2	\$ 125.4	\$400.6	\$ 381.8
Adjustments:				
Amortization of purchased intangible assets	65.8	68.3	199.5	202.9
Restructuring costs, net	7.1	5.4	19.7	24.5
Equity-based compensation	11.3	11.0	33.7	31.6
Integration and transaction costs	2.6	12.0	5.3	38.2
Total adjustments to operating income	<u>86.8</u>	<u>96.7</u>	<u>258.2</u>	<u>297.2</u>
Non-GAAP adjusted operating income	\$ 219.0	\$ 222.1	\$658.8	\$ 679.0
Income before income taxes, as reported	\$ 65.6	\$ 68.0	\$214.9	\$ 183.6
Income tax expense, as reported	(1.8)	(16.9)	(51.4)	(43.4)
Net income, as reported	\$ 63.8	\$ 51.2	\$163.5	\$ 140.2
Adjustments:				
Total pretax adjustments to operating income	86.8	96.7	258.2	297.2
Pretax amortization of deferred financing costs & OID (1)	9.8	3.2	15.0	18.8
Pretax loss on debt transactions (2)	—	—	—	16.0
Pretax net investment gains (2)	—	(2.4)	—	(9.0)
Tax effects of adjustments and other tax items (3)	(45.9)	(41.2)	(93.9)	(133.9)
Non-GAAP adjusted net income	\$ 114.5	\$ 107.5	\$342.7	\$ 329.3
Diluted EPS, as reported	\$ 0.33	\$ 0.26	\$ 0.84	\$ 0.71
Non-GAAP adjusted diluted EPS	\$ 0.59	\$ 0.55	\$ 1.75	\$ 1.67

(1) Included in interest expense.

(2) Included in other income (expense), net.

(3) The tax rates applied to adjustments reflect the tax expense or benefit based on the tax jurisdiction of the entity generating the adjustment. There are certain items for which we expect little or no tax effect.

Note: Components may not sum to total due to rounding
See Description of Non-GAAP Financial Measures

CommScope Holding Company, Inc.
Sales by Region
(Unaudited — In millions)

Sales by Region

	Q3 2018	Q3 2017	% Change	
			Sequential	YOY
United States	\$ 653.0	\$ 595.3		9.7%
Europe, Middle East and Africa	235.6	231.0		2.0
Asia Pacific	179.3	218.6		(18.0)
Caribbean and Latin America	59.4	62.2		(4.5)
Canada	23.1	21.7		6.5
Total Net Sales	\$1,150.4	\$1,128.8		1.9%

CommScope Holding Company, Inc.
Segment Information
(Unaudited — In millions)

Sales by Segment

	Q3 2018	Q2 2018	Q3 2017	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 731.7	\$ 740.5	\$ 708.7	(1.2)%	3.2%
Mobility Solutions	418.7	499.4	420.1	(16.2)%	(0.3)%
Total Net Sales	\$1,150.4	\$1,239.9	\$1,128.8	(7.2)%	1.9%

Non-GAAP Adjusted Operating Income by Segment

	Q3 2018	Q2 2018	Q3 2017	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 147.4	\$ 142.9	\$ 138.5	3.1%	6.4%
Mobility Solutions	71.6	108.2	83.6	(33.8)%	(14.4)%
Total Non-GAAP Adjusted Operating Income	\$219.0	\$251.1	\$222.1	(12.8)%	(1.4)%

CommScope Holding Company, Inc.
Reconciliation of GAAP to Non-GAAP Adjusted Operating Income by Segment
(Unaudited — In millions)

Third Quarter 2018 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 94.9	\$ 37.3	\$132.2
Amortization of purchased intangible assets	44.4	21.4	65.8
Restructuring costs, net	(0.4)	7.5	7.1
Equity-based compensation	6.9	4.4	11.3
Integration and transaction costs	1.7	1.0	2.6
Non-GAAP adjusted operating income	\$ 147.4	\$ 71.6	\$219.0
Non-GAAP adjusted operating margin %	20.1%	17.1%	19.0%

Second Quarter 2018 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 85.4	\$ 79.3	\$164.7
Amortization of purchased intangible assets	45.0	21.4	66.4
Restructuring costs, net	4.7	2.5	7.2
Equity-based compensation	7.2	4.6	11.8
Integration and transaction costs	0.7	0.3	1.0
Non-GAAP adjusted operating income	\$ 142.9	\$ 108.2	\$251.1
Non-GAAP adjusted operating margin %	19.3%	21.7%	20.3%

Third Quarter 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 70.4	\$ 55.0	\$125.4
Amortization of purchased intangible assets	44.2	24.1	68.3
Restructuring costs, net	5.6	(0.2)	5.4
Equity-based compensation	6.4	4.6	11.0
Integration and transaction costs	11.9	0.2	12.0
Non-GAAP adjusted operating income	\$ 138.5	\$ 83.6	\$222.1
Non-GAAP adjusted operating margin %	19.5%	19.9%	19.7%

Components may not sum to total due to rounding
See Description of Non-GAAP Financial Measures

CommScope Holding Company, Inc.
Adjusted Free Cash Flow
(Unaudited — In millions)

Adjusted Free Cash Flow

	Q3 2018	Q3 2017
Cash flow from operations	\$226.8	\$ 145.4
Integration and transaction costs	—	12.3
Capital expenditures	(24.6)	(20.6)
Adjusted Free Cash Flow	<u>\$202.2</u>	<u>\$137.1</u>

See Description of Non-GAAP Financial Measures

CommScope Holding Company, Inc.
Quarterly Adjusted Operating Income and Adjusted EBITDA
(Unaudited — In millions)

GAAP to Non-GAAP Adjusted Operating Income and Adjusted EBITDA Reconciliation

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Operating income, as reported	\$ 132.2	\$ 164.7	\$ 103.7	\$ 90.3	\$ 125.4
Amortization of purchased intangible assets	65.8	66.4	67.2	68.1	68.3
Restructuring costs, net	7.1	7.2	5.5	19.3	5.4
Equity-based compensation	11.3	11.8	10.5	10.3	11.0
Integration and transaction costs	2.6	1.0	1.7	9.8	12.0
Non-GAAP adjusted operating income	<u>\$ 219.0</u>	<u>\$ 251.1</u>	<u>\$ 188.6</u>	<u>\$ 197.7</u>	<u>\$ 222.1</u>
Non-GAAP adjusted operating margin %	19.0%	20.3%	16.8%	17.6%	19.7%
Depreciation	18.7	19.9	19.6	20.8	20.6
Non-GAAP adjusted EBITDA	<u>\$ 237.8</u>	<u>\$ 271.1</u>	<u>\$ 208.1</u>	<u>\$ 218.5</u>	<u>\$ 242.7</u>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

CommScope Holding Company, Inc.
Reconciliation of GAAP Measures to Non-GAAP Adjusted Measures
(Unaudited — In millions, except per share amounts)

	Outlook	
	Three Months Ended December 31, 2018	Full Year 2018
Operating income	\$ 60 - \$83	\$ 461 - \$484
Adjustments:		
Amortization of purchased intangible assets	\$ 66	\$ 265
Equity-based compensation	\$ 12	\$ 46
Restructuring costs, integration and transaction costs and other (1)	\$ 7 - \$9	\$ 32 - \$34
Total adjustments to operating income	\$ 85 - \$87	\$ 343 - \$345
Non-GAAP adjusted operating income	\$ 145 - \$170	\$ 804 - \$829
Diluted earnings per share (basic loss per share)	\$ (0.12) - \$(0.14)	\$0.70 - \$0.72
Adjustments (2):		
Total adjustments to operating income	\$ 0.32 - \$0.36	\$1.32 - \$1.34
Debt-related costs and other special items (3)	\$ 0.14 - \$0.17	\$0.07 - \$0.08
Non-GAAP adjusted diluted earnings per share	\$ 0.34 - \$0.39	\$2.09 - \$2.14

- (1) Reflects projections for restructuring costs, integration and transaction costs and other special items. Actual adjustments may vary from projections.
- (2) The tax rates applied to projected adjustments reflect the tax expense or benefit based on the expected tax jurisdiction of the entity generating the projected adjustments. There are certain items for which we expect little or no tax effect.
- (3) Reflects projections for amortization of debt issuance costs, loss on debt extinguishment, net losses on defined benefit plan terminations, foreign exchange losses triggered by the liquidation of subsidiaries and tax items. Actual adjustments may vary from projections.

Our actual results may be impacted by additional events for which information is not currently available, such as additional restructuring activities, asset impairments, debt extinguishments, additional transaction and integration costs, foreign exchange rate fluctuations and other gains or losses related to events that are not currently known or measurable.

See Caution Regarding Forward-Looking Statements and Description of Non-GAAP Financial Measures.



**CommScope to Acquire ARRIS:
Approximately \$7.4 Billion Transaction Accelerates CommScope Vision
to Shape Communications Networks of the Future**

*Transaction More Than Doubles Expected Product Addressable Market
to Greater Than \$60 Billion*

*Expected to Generate Approximately \$1 Billion in Cash Flow from Operations¹ and
Be More Than 30 Percent Accretive to Adjusted EPS in First Full Year after Closing*

Expect More than \$150 Million in Annual Cost Synergies Within Three Years

*The Carlyle Group Reestablishes Ownership Position in CommScope
with \$1 Billion Minority Investment*

HICKORY, NC, and SUWANEE, GA, November 8, 2018 – CommScope (NASDAQ: COMM), a global leader in infrastructure solutions for communications networks, has agreed to acquire ARRIS International plc (NASDAQ: ARRS), a global leader in entertainment and communications solutions, in an all-cash transaction for \$31.75 per share, or a total purchase price of approximately \$7.4 billion, including the repayment of debt.

In addition, The Carlyle Group, a global alternative asset manager, has reestablished an ownership position in CommScope through a \$1 billion minority equity investment as part of CommScope's financing of the transaction.

The combination of CommScope and ARRIS, on a pro forma basis, would create a company with approximately \$11.3 billion in revenue and adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) of approximately \$1.8 billion, based on results for the two companies for the 12 months ended September 30, 2018.

The combined company is expected to drive profitable growth in new markets, shape the future of wired and wireless communications, and position the new company to benefit from key industry trends, including network convergence, fiber and mobility everywhere, 5G, Internet of Things and rapidly changing network and technology architectures.

ARRIS, an innovator in broadband, video and wireless technology, combines hardware, software and services to enable advanced video experiences and constant connectivity across a variety of environments – for service providers, commercial verticals, small enterprises and the people they serve. ARRIS has strong leadership positions in the three segments in which it operates:

- Customer Premises Equipment (CPE), featuring access devices such as broadband modems, gateways and routers and video set-tops and gateways;
- Network & Cloud (N&C), combining broadband and video infrastructure with cloud-based software solutions; and
- Enterprise Networks, incorporating the recently acquired Ruckus Wireless® and ICX Switch® businesses, and focusing on wireless and wired connectivity, including Citizens Broadband Radio Service solutions.

For the 12 months ended September 30, 2018, ARRIS generated revenues of approximately \$6.7 billion, consisting of \$3.9 billion from CPE, \$2.2 billion from N&C and \$568 million from Enterprise Networks (reflecting only a partial year of Ruckus since its acquisition in December 2017).

“After a comprehensive evaluation of our business and the evolving industry we operate in, we are confident that combining with ARRIS is the best path forward for CommScope to grow and provide the greatest returns for shareholders,” said Eddie Edwards, president and chief executive officer, CommScope. “CommScope and ARRIS will bring together a unique set of complementary assets and capabilities that enable end-to-end wired and wireless communications infrastructure solutions that neither company could otherwise achieve on its own. With ARRIS, we will access new and growing markets, and have greater technology, solutions and employee talent that will provide additional value and benefit to our customers and partners.

“CommScope and ARRIS share a customer-first culture that emphasizes innovation, made possible by incredibly talented and experienced teams of people. As we have with numerous transactions in the past, we expect to work together with Bruce McClelland and the ARRIS team to create a best-in-class management team and achieve a seamless integration. Together, CommScope and ARRIS will be well positioned to serve a more diverse set of customers and generate substantial value for our shareholders.”

ARRIS Chief Executive Officer Bruce McClelland said, “CommScope is an ideal partner for ARRIS. In addition to providing immediate and substantial cash value to our shareholders, we are excited for what this combination will deliver for our customers, partners and employees around the world. Today’s agreement is a testament to the strength of ARRIS: our leading technology, talented employees and established competitive position. With CommScope, we expect to further advance ARRIS’ strategy to

drive innovation across our iconic brands and pioneer the standards and pathways for tomorrow's personalized, connected always-on consumer experience. ARRIS will become part of an even stronger, more global industry leader, and I look forward to working with the CommScope team to achieve great results for the combined company."

Transaction is a critical step in fueling growth, shareholder value and customer benefits:

- **Positioned to Capitalize on Positive Industry Trends:** The combined company will be well positioned to benefit from key industry trends by combining best-in-class capabilities in network access technology and infrastructure and creating end-to-end and comprehensive solutions. We believe trends such as network convergence, fiber and mobility everywhere, the advent of 5G and fixed wireless access, Internet of Things and rapidly changing network and technology architectures will provide compelling long-term opportunities for the combined company and its unique end-to-end communications infrastructure capabilities.
- **Unlocks Significant, High-Growth Segments and Increases Product Addressable Market:** The company expects to more than double its total product addressable market to more than \$60 billion, with a unique set of complementary assets and capabilities that enable end-to-end communications infrastructure solutions such as:
 - Converged small cell solutions for licensed and unlicensed wireless spectrum;
 - Complementary wired and wireless communications infrastructure;
 - Integrated broadband access;
 - Private network solutions for industrial, enterprises and public venues; and
 - Comprehensive connected and smart home solutions.
- **Expanded Product Offerings and R&D Capabilities to Meet Diversified Customer Base:** CommScope and ARRIS will share strong technical expertise with approximately 15,000 patents and approximately \$800 million in average annual research and development investments. With a stronger global footprint, the combined company is expected to serve customers across more than 150 countries.
- **Strong Financial Profile with Cost Savings Opportunities:** For the 12 months ended September 30, 2018, on a pro forma basis, the combined company would have generated revenues of approximately \$11.3 billion with adjusted EBITDA of approximately \$1.8 billion. As a result of the combined company's increased

scale, CommScope expects to achieve annual run-rate cost savings of at least \$150 million within three years post-close, with synergies of more than \$60 million expected to be realized in the first full year after closing and more than \$125 million expected to be realized after the second year post-close, driven from natural synergies primarily in direct procurement and SG&A.

- **Significantly Accretive to CommScope's Earnings:** The transaction is expected to be more than 30 percent accretive to CommScope's adjusted earnings per share by the end of the first full year after closing, excluding purchase accounting charges, transition costs and other special items.
- **Maintains CommScope's Strong Balance Sheet, Credit Position and Financial Flexibility:** With a unique set of complementary assets and capabilities that enable end-to-end communications infrastructure solutions, the combined company is expected to generate approximately \$1 billion in cash flow from operations¹ in the first full year after closing. Upon completion of the transaction, CommScope's net leverage (debt less cash) ratio based on pro forma adjusted EBITDA¹ for the 12 months ended September 30, 2018 is expected to be 5.1x, including full run-rate synergies of \$150 million. Given the increased scale and cash flow generation, as well as both companies' track records of successful integration, CommScope expects to rapidly de-lever, targeting a net leverage ratio of approximately 4.0x in the second full year after closing. Long term, the company is targeting a net leverage ratio of 2.0x to 3.0x.

Terms and Financing

The per share cash consideration represents a premium of approximately 27 percent to the volume weighted average closing price of ARRIS' common stock for the 30 trading days ended October 23, 2018, the day prior to market rumors regarding a potential transaction.

The transaction is not subject to a financing condition. CommScope expects to finance the transaction through a combination of cash on hand, borrowings under existing credit facilities and approximately \$6.3 billion of incremental debt for which it has received debt financing commitments from J.P. Morgan Securities LLC, BofA Merrill Lynch and Deutsche Bank Securities Inc.

In addition, The Carlyle Group, a former CommScope owner, is reestablishing a minority ownership position in the company through a \$1 billion equity investment, equal to approximately 16 percent of CommScope's outstanding shares.

"We are delighted to resume our collaboration with CommScope's accomplished management team," said Cam Dyer, Carlyle managing director and global co-head of Technology, Media and Telecom. "We believe in the company's long-term strategy, customer-centric culture and ability to deliver results. This optimism has fueled our desire to be a part of such a promising transaction with ARRIS."

Leadership and Headquarters

Following completion of the combination, Eddie Edwards will continue in his role as president and chief executive officer of CommScope, with Bruce McClelland and other members of the ARRIS leadership team joining the combined company.

CommScope will remain headquartered in Hickory, NC, and the combined company will maintain a significant presence in Suwanee, GA. Upon completion of the transaction, CommScope will continue to be led by an experienced board of directors and management team that leverage the strengths of both companies.

Approvals

The transaction, which is expected to close in the first half of 2019, is subject to the satisfaction of customary closing conditions; expiration or termination of the applicable waiting period under the US Hart-Scott-Rodino Antitrust Improvements Act; receipt of certain regulatory approvals; and approval by ARRIS shareholders.

Advisors

Allen & Company LLC, Deutsche Bank, J.P. Morgan Securities LLC, and BofA Merrill Lynch are serving as financial advisors to CommScope, and Alston & Bird LLP, Latham & Watkins LLP, Cravath, Swaine & Moore LLP, Pinsent Masons LLP and Skadden, Arps, Slate, Meagher & Flom LLP are serving as legal counsel. Evercore is serving as financial advisor to ARRIS. Troutman Sanders LLP, Herbert Smith Freehills LLP and Hogan Lovells LLP are serving as legal counsel to ARRIS. Simpson, Thacher & Bartlett LLP is serving as Carlyle's legal counsel.

Conference Call and Webcast

CommScope and ARRIS will host a conference call today, November 8, 2018, at 8:30 a.m. ET to discuss the transaction. The conference call can be accessed by dialing +1 844-397-6169 (U.S. and Canada only) or +1 478-219-0508 and giving the passcode 1458698.

A live webcast of the conference call will be available on the investor relations section of each company's website at ir.commscope.com and ir.arris.com. The webcast will be archived on the investor relations section of each company's website.

Presentation and Infographic

Associated presentation materials and an infographic regarding the transaction will be available on the investor relations section of each company's website at www.commscope.com and www.arris.com.

END

About CommScope

CommScope (NASDAQ: COMM) helps design, build and manage wired and wireless networks around the world. As a communications infrastructure leader, we shape the always-on networks of tomorrow. For more than 40 years, our global team of greater than 20,000 employees, innovators and technologists have empowered customers in all regions of the world to anticipate what's next and push the boundaries of what's possible. Discover more at <http://www.commscope.com/>

Follow us on [Twitter](#) and [LinkedIn](#) and like us on [Facebook](#).

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About ARRIS

ARRIS International plc (NASDAQ: ARRS) is powering a smart, connected world. The company's leading hardware, software and services transform the way that people and businesses stay informed, entertained and connected. For more information, visit www.arris.com.

For the latest [ARRIS](#) news:

- Check out our blog: [ARRIS EVERYWHERE](#)
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¹ *Financial metrics presented are adjusted to exclude purchase accounting charges, transaction and integration costs and other special items.*

Caution Regarding Forward Looking Statements

This press release or any other oral or written statements made by CommScope or ARRIS, or on either company's behalf, may include forward-looking statements that reflect the current views of CommScope and/or ARRIS (collectively, "us," "we," or "our") with respect to future events and financial performance, including the proposed acquisition by CommScope of ARRIS. These statements may discuss goals, intentions or expectations as to future plans, trends, events, results of operations or financial condition or otherwise, in each case, based on current beliefs of our management, as well as assumptions made by, and information currently available to, such management. These forward-looking statements are generally identified by their use of such terms and phrases as "intend," "goal," "estimate," "expect," "project," "projections," "plans," "potential," "anticipate," "should," "could," "designed to," "foreseeable future," "believe," "think," "scheduled," "outlook," "target," "guidance" and similar expressions, although not all forward-looking statements contain such terms. This list of indicative terms and phrases is not intended to be all-inclusive.

These statements are subject to various risks and uncertainties, many of which are outside of our control, including, without limitation: dependence on customers' capital spending on data and communication systems; concentration of sales among a limited number of customers and channel partners; changes in technology; industry competition and the ability to retain customers through product innovation, introduction and marketing; risks associated with sales through channel partners; changes to the regulatory environment in which our customers operate; product quality or performance issues and associated warranty claims; the ability to maintain effective management information systems and to implement major systems initiatives successfully; cyber-security incidents, including data security breaches, ransomware or computer viruses; the risk our global manufacturing operations suffer production or shipping delays, causing difficulty in meeting customer demands; the risk that internal production capacity or that of contract manufacturers may be insufficient to meet customer demand or quality standards; changes in cost and availability of key raw materials, components and commodities and the potential effect on customer pricing; risks associated with dependence on a limited number of key suppliers for certain raw materials and components; the risk that contract manufacturers we rely on encounter production, quality, financial or other difficulties; our ability to integrate and fully realize anticipated benefits from prior or future acquisitions or equity investments; potential difficulties in realigning global manufacturing capacity and capabilities among global manufacturing facilities or those of our contract manufacturers that may affect our ability to meet customer demands for products; possible future restructuring actions; substantial indebtedness and maintaining compliance with debt covenants; our ability to incur additional indebtedness; our ability to generate cash to service our indebtedness; possible future impairment charges for fixed or intangible assets, including goodwill; income tax rate variability and ability to recover amounts recorded as deferred tax assets; our ability to attract and retain qualified key employees; labor unrest; obligations under defined benefit employee

benefit plans may require plan contributions in excess of current estimates; significant international operations exposing us to economic, political and other risks, including the impact of variability in foreign exchange rates; our ability to comply with governmental anti-corruption laws and regulations and export and import controls worldwide; our ability to compete in international markets due to export and import controls to which we may be subject; the impact of the U.K. invoking Article 50 of the Lisbon Treaty to leave the European Union; changes in the laws and policies in the United States affecting trade, including recently enacted tariffs on imports from China, as well as the risks and uncertainties related to tariffs or a potential global trade war that may impact our products; costs of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign environmental laws; the impact of litigation and similar regulatory proceedings that we are involved in or may become involved in, including the costs of such litigation; risks associated with stockholder activism, which could cause us to incur significant expense, hinder execution of our business strategy and impact the trading value of our securities; and other factors beyond our control. These risks and uncertainties may be magnified by CommScope's acquisition of ARRIS, and such statements are also subject to the risks and uncertainties related to ARRIS' business.

Such forward-looking statements are subject to additional risks and uncertainties related to CommScope's proposed acquisition of ARRIS, many of which are outside of our control, including, without limitation: failure to obtain applicable regulatory approvals in a timely manner, on acceptable terms or at all, or to satisfy the other closing conditions to the proposed acquisition; the risk that CommScope will not successfully integrate ARRIS or that CommScope will not realize estimated cost savings, synergies, growth or other anticipated benefits, or that such benefits may take longer to realize than expected; risks relating to unanticipated costs of integration; the potential impact of announcement or consummation of the proposed acquisition on relationships with third parties, including customers, employees and competitors; failure to manage potential conflicts of interest between or among customers; integration of information technology systems; conditions in the credit markets that could impact the costs associated with financing the acquisition; the possibility that competing offers will be made; and other factors beyond our control.

These and other factors are discussed in greater detail in the reports filed by CommScope and ARRIS with the U.S. Securities and Exchange Commission, including CommScope's Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Report on Form 10-Q for the period ended September 30, 2018 and ARRIS' Quarterly Report on Form 10-Q for the period ended June 30, 2018. Although the information contained in this press release represents our best judgment as of the date hereof based on information currently available and reasonable assumptions, neither CommScope nor ARRIS can give any assurance that the expectations will be attained or that any deviation will not be material. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date made. Neither CommScope nor ARRIS are undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this report, except as otherwise may be required by law.

Non-GAAP Financial Measures

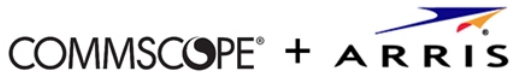
CommScope and ARRIS' management believe that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors' ability to analyze financial and business trends. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. As calculated, CommScope and ARRIS' non-GAAP measures may not be comparable to other similarly titled measures of other companies. In addition, CommScope and ARRIS' management believe that these non-GAAP financial measures allow investors to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. GAAP to non-GAAP reconciliations for historical periods are included in the reports CommScope and ARRIS file with the U.S. Securities and Exchange Commission.

Important Additional Information Regarding the Transaction and Where to Find It

In connection with the proposed transaction, ARRIS will prepare a proxy statement to be filed with the Securities and Exchange Commission (the "SEC"). When completed, a definitive proxy statement and a form of proxy will be mailed to the stockholders of ARRIS. **INVESTORS AND STOCKHOLDERS OF ARRIS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION, INCLUDING ARRIS' PROXY STATEMENT WHEN IT BECOMES AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS WITH RESPECT TO THE PROPOSED MERGER BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION, THE PARTIES TO THE TRANSACTION AND THE RISKS ASSOCIATED WITH THE TRANSACTION.** Those documents, if and when filed, as well as ARRIS' other public filings with the SEC may be obtained without charge at the SEC's web site, <http://www.sec.gov>, or at ARRIS' website at <http://ir.arris.com>. ARRIS' stockholders and other interested parties will also be able to obtain, without charge, a copy of the proxy statement and other relevant documents (when available) by directing a request by mail to ARRIS Investor Relations, 3871 Lakefield Drive, Suwanee, GA 30024 or at <http://ir.arris.com>.

Participants in the Solicitation

ARRIS and its directors and certain of its executive officers, and CommScope and its directors and certain of its executive officers, may be deemed to be participants in the solicitation of proxies from ARRIS' stockholders in connection with the proposed transaction. 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, 2017, which was filed with the SEC on March 23, 2018, and its proxy statement for its 2018 annual meeting of stockholders, which was filed with the SEC on March 23, 2018. Information about the directors and executive officers of CommScope is set forth in the proxy statement for CommScope's 2018 annual meeting of stockholders, which was filed with the SEC on March 20, 2018. Additional information regarding potential participants in the solicitation of proxies from ARRIS' stockholders and a description of their direct and indirect interests, by security holdings or otherwise, will be included in ARRIS' proxy statement when it is filed.



Accelerating CommScope's Vision to Shape the Communications Networks of the Future

November 8, 2018

Eddie Edwards
CommScope President
and Chief Executive Officer

Bruce McClelland
ARRIS Chief Executive Officer

Alex Pease
CommScope Executive Vice
President and Chief Financial
Officer

Caution Regarding Forward Looking Statements

This presentation or any other oral or written statements made by us or on our behalf may include forward-looking statements that reflect the current views of CommScope Holding Company, Inc. ("CommScope," "us," "we" or "our") or ARRIS International plc ("ARRIS") with respect to future events and financial performance, including the proposed acquisition by us of ARRIS. These statements may discuss goals, intentions or expectations as to future plans, trends, events, results of operations or financial condition or otherwise, in each case, based on current beliefs of the management of CommScope and/or ARRIS, as well as assumptions made by, and information currently available to, such management. These forward-looking statements are generally identified by their use of such terms and phrases as "intend," "goal," "estimate," "expect," "project," "projections," "plans," "potential," "anticipate," "should," "could," "designed to," "foreseeable future," "believe," "think," "scheduled," "outlook," "target," "guidance" and similar expressions, although not all forward-looking statements contain such terms. This list of indicative terms and phrases is not intended to be all-inclusive.

These statements are subject to various risks and uncertainties, many of which are outside of our control, including, without limitation: our dependence on customers' capital spending on data and communication systems; concentration of sales among a limited number of customers and channel partners; changes in technology; industry competition and the ability to retain customers through product innovation, introduction and marketing; risks associated with our sales through channel partners; changes to the regulatory environment in which our customers operate; product quality or performance issues and associated warranty claims; our ability to maintain effective management information systems and to implement major systems initiatives successfully; cyber-security incidents, including data security breaches, ransomware or computer viruses; the risk our global manufacturing operations suffer production or shipping delays, causing difficulty in meeting customer demands; the risk that internal production capacity or that of contract manufacturers may be insufficient to meet customer demand or quality standards; changes in cost and availability of key raw materials, components and commodities and the potential effect on customer pricing; risks associated with our dependence on a limited number of key suppliers for certain raw materials and components; the risk that contract manufacturers we rely on encounter production, quality, financial or other difficulties; our ability to integrate and fully realize anticipated benefits from prior or future acquisitions or equity investments; potential difficulties in realigning global manufacturing capacity and capabilities among our global manufacturing facilities or those of our contract manufacturers that may affect our ability to meet customer demands for products; possible future restructuring actions; substantial indebtedness and maintaining compliance with debt covenants; our ability to incur additional indebtedness; our ability to generate cash to service our indebtedness; possible future impairment charges for fixed or intangible assets, including goodwill; income tax rate variability and ability to recover amounts recorded as deferred tax assets; our ability to attract and retain qualified key employees; labor unrest; obligations under our defined benefit employee benefit plans may require plan contributions in excess of current estimates; significant international operations exposing us to economic, political and other risks, including the impact of variability in foreign exchange rates; our ability to comply with governmental anti-corruption laws and regulations and export and import controls worldwide; our ability to compete in international markets due to export and import controls to which we may be subject; the impact of the U.K. invoking Article 50 of the Lisbon Treaty to leave the European Union; changes in the laws and policies in the United States affecting trade, including recently enacted tariffs on imports from China, as well as the risks and uncertainties related to other potential tariffs or a potential global trade war that may impact our products; costs of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign environmental laws; the impact of litigation and similar regulatory proceedings that we are involved in or may become involved in, including the costs of such litigation; risks associated with stockholder activism, which could cause us to incur significant expense, hinder execution of our business strategy and impact the trading value of our securities; and other factors beyond our control. These risks and uncertainties may be magnified by our acquisition of ARRIS, and such statements are also subject to the risks and uncertainties related to ARRIS' business.

Such forward-looking statements are subject to additional risks and uncertainties related to our proposed acquisition of ARRIS, many of which are outside of the control of CommScope and ARRIS, including, without limitation: failure to obtain applicable regulatory approvals in a timely manner, on acceptable terms or at all, or to satisfy the other closing conditions to the proposed acquisition; the risk that we will be required to pay a reverse break fee under the related acquisition agreement; the risk that we will not successfully integrate ARRIS or that we will not realize estimated cost savings, synergies, growth or other anticipated benefits, or that such benefits may take longer to realize than expected; risks relating to unanticipated costs of integration; the potential impact of announcement or consummation of the proposed acquisition on relationships with third parties, including customers, employees and competitors; failure to manage potential conflicts of interest between or among customers; integration of information technology systems; conditions in the credit markets that could impact the costs associated with financing the acquisition; the possibility that competing offers will be made; and other factors beyond the control of CommScope and/or ARRIS.

Furthermore, the information contained in this presentation regarding ARRIS has been derived from public sources or provided to us by ARRIS. Any such information that is not included in the financial statements or the related notes thereto included in the periodic reports filed by ARRIS with the U.S. Securities and Exchange Commission has not been audited or reviewed and is subject to change, as are any non-GAAP financial measures that are derived from such financial information. As such, any of ARRIS' financial information contained in this presentation may differ materially from actual results.

These and other factors are discussed in greater detail in the reports filed by CommScope and ARRIS with the U.S. Securities and Exchange Commission, including CommScope's Annual Report on Form 10-K for the year ended December 31, 2017 and Quarterly Report on Form 10-Q for the period ended September 30, 2018 and ARRIS' Quarterly Report on Form 10-Q for the period ended June 30, 2018. Although the information contained in this presentation represents the best judgment of CommScope and/or ARRIS as of the date of this presentation based on information currently available and reasonable assumptions, neither we nor ARRIS can give any assurance that the expectations will be attained or that any deviation will not be material. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date made. Neither we nor ARRIS are undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this report, except as otherwise may be required by law.

Non-GAAP Financial Measures

CommScope and ARRIS management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors' ability to analyze financial and business trends. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. As calculated, our and ARRIS' non-GAAP measures may not be comparable to other similarly titled measures of other companies. In addition, CommScope and ARRIS management believes that these non-GAAP financial measures allow investors to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. GAAP to non-GAAP reconciliations for historical periods are included in the reports we and ARRIS file with the U.S. Securities and Exchange Commission. Financial metrics presented exclude purchase accounting charges, transition and integration costs and other special items.

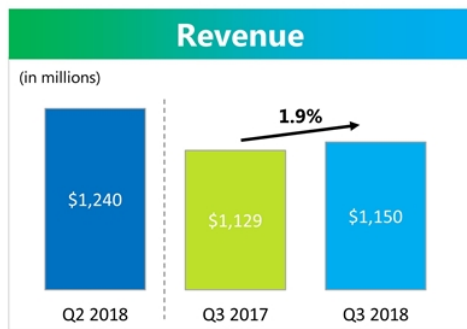


Third Quarter 2018 Results and 4Q/FY18 Financial Outlook

Eddie Edwards
CommScope President and
Chief Executive Officer

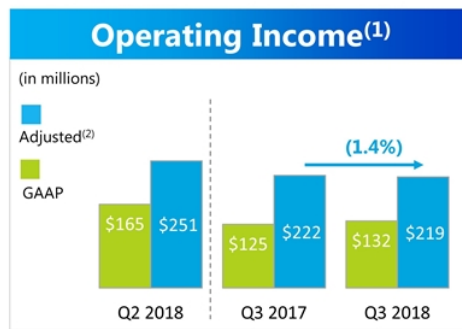


CommScope Q3 2018 Results



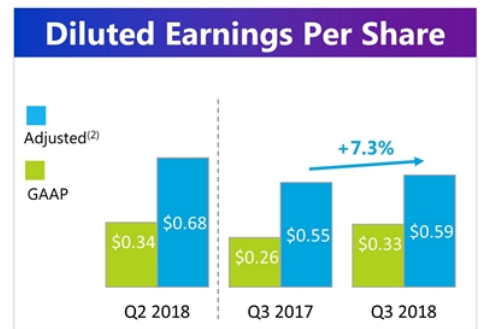
Sales & Orders

- Sales of \$1.15 billion, up 1.9% YOY
 - Growth in North America and EMEA
 - Orders of \$1.04 billion
 - Book-to-bill ratio of 0.90



Operating Results

- Operating Income of \$132 million
- Non-GAAP Adjusted Operating Income⁽²⁾ of \$219 million, or 19% of sales



Net Income & EPS

- Net Income of \$64 million, or \$0.33 per diluted share
- Non-GAAP Adjusted Net Income⁽²⁾ of \$115 million, or \$0.59 per diluted share
- Adjusted effective tax rate of 29.4%

Driving sales while executing on cost savings initiatives to mitigate dynamic and challenging market environment

(1) Q3 2017 results reflect a reclassification of certain components of pension and other postretirement benefit expense from operating income to other income (expense), net as required by ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*.

(2) See appendix for reconciliation of non-GAAP measures.

Outlook: Near-term pressure, long-term opportunity

Our results will be pressured in the near-term by industry headwinds...

Disappointing Q4 outlook and flattish 2019

- Volatile customer spending patterns
- Customer M&A
- Pricing environment
- International markets
- Tariffs
- Technology transitions

...but our industry leading innovation positions CommScope to capitalize on longer-term tailwinds

Significant long-term growth opportunity

- Technology leadership
- Scope of product lineup
- Internet of Things (IoT)
- Hyperscale data centers
- Deep fiber builds
- In-building wireless
- Private networks

Confident in our long-term market positioning



Accelerating CommScope's Vision to Shape the Communications Networks of the Future

November 8, 2018

Eddie Edwards

CommScope President
and Chief Executive Officer

Bruce McClelland

ARRIS Chief Executive Officer

Alex Pease

CommScope Executive Vice
President and Chief Financial
Officer

Acquisition of ARRIS is the strategic next step for CommScope to drive growth and shareholder value creation

Vision



- Transform networks with **efficient solutions that optimize network performance** and deployment speed to meet **ever-increasing bandwidth demands**
- Shaping the communications networks of the future
- Continued mission to **drive shareholder value through growth**

Growth strategy



- Grow in core markets through **increased focus on segmentation and innovation** to solve our customers' biggest networking challenges
- Explore opportunities to enter and grow in **adjacent markets** through innovation and acquisition

Market assessment and diligence



- **Organic and inorganic** options evaluated
- 30+ adjacencies analyzed
- Focused scan on **value creation potential and strategic fit** with CommScope

Acquisition of ARRIS



- **Complementary combination**
- Expected to be **immediately accretive** to EPS with cash flow benefits
- More than **\$150 million of annual run-rate cost synergies** expected*
- **History of successful acquisition-driven growth**
- Platform for **potential future investments**

7 | *Expected to be achieved in the third year following transaction close .

The combination is expected to accelerate CommScope's vision to shape the communications networks of the future

STRATEGIC FIT

- Creates a combined **growth and cash flow oriented company** focused on **enabling a connected lifestyle** by strengthening CommScope's capabilities to **lead the coming network transformation**
- Offers a **compelling value proposition** to all key stakeholders
- Brings together a **complementary set** of IP, capabilities, leadership, and **customer relationships**
- Strong track record of **product commercialization**
- **Similar cultures** expected to lead to a seamless integration

COMPLEMENTARY SOLUTIONS

- Strengthen CommScope's offerings by creating a **broadband access solution** from the Core to the Edge and in the connected home
- **End-to-end wireless connectivity solutions** combining licensed and unlicensed technologies for indoor densification and 5G
- Creates a complete **wired and wireless private network offering**

ATTRACTIVE FOOTPRINT

- Diversifies product lineup and geographies and **opens up new product addressable market (PAM)**
- **Truly global footprint** with customers in over 150 countries
- **Technical expertise** with ~15,000 patents, ~\$800 million average annual R&D investment

FINANCIAL BENEFITS

- ~\$1 billion **cash flow from operations**⁽¹⁾ expected
- Estimated annual run-rate of at least **\$150 million in cost synergies**⁽²⁾
- Expected 30%+ **EPS accretive**⁽¹⁾
- **Well-positioned to de-lever** in the second year post-close to pro forma net leverage of ~4.0x
- **PAM expands to >\$60 billion**
- Potential **revenue synergies**

(1) Expected in the first full year after closing. Financial metrics presented exclude purchase accounting charges, transaction and integration costs and other special items.
(2) Expected to be achieved in the third year following transaction close.

Transaction Summary

CONSIDERATION	GOVERNANCE	FINANCIAL IMPACT	CLEAR PATHWAY TO COMPLETION
<ul style="list-style-type: none">ARRIS shareholders to receive \$31.75 per share in an all-cash transaction for a total purchase price of ~\$7.4 billionA premium of 27% over the volume weighted average closing price of ARRIS's common stock for the 30 trading days ending October 23, 2018⁽¹⁾	<ul style="list-style-type: none">Frank Drendel to continue to serve as Chairman of CommScope Board of DirectorsEddie Edwards to continue to serve as Chief Executive Officer and PresidentTwo Carlyle representatives to join CommScope Board of Directors	<ul style="list-style-type: none">Expected annual cost savings of more than \$150 million within three years post-closeUpside potential through revenue synergiesAnticipated pro forma net leverage of 5.1x at closing <hr/> <ul style="list-style-type: none">Financing Sources:<ul style="list-style-type: none">\$900 million combined cash on hand expected at closing\$6.3 billion of fully committed debt\$1 billion of private equity convertible preferred from The Carlyle Group	<ul style="list-style-type: none">Transaction expected to close in the first half of 2019Closing conditions:<ul style="list-style-type: none">ARRIS shareholder voteCustomary closing conditionsRegulatory clearances

9 | (1) The day prior to news of the market rumors regarding a potential transaction leaking to the media.

Company Overview

- ARRIS, headquartered near Atlanta, Georgia is a **global innovator enabling the gigabit generation** with new compelling connectivity experiences where we live, learn, work and play
- ARRIS partners with the world's leading network operators and enterprises providing them with:
 - Innovation in the network** – from core to edge
 - Seamless connectivity that just works** – meeting and exceeding ever increasing consumer and business demands
 - Cost-effective scalable solutions** enabling state of the art connectivity

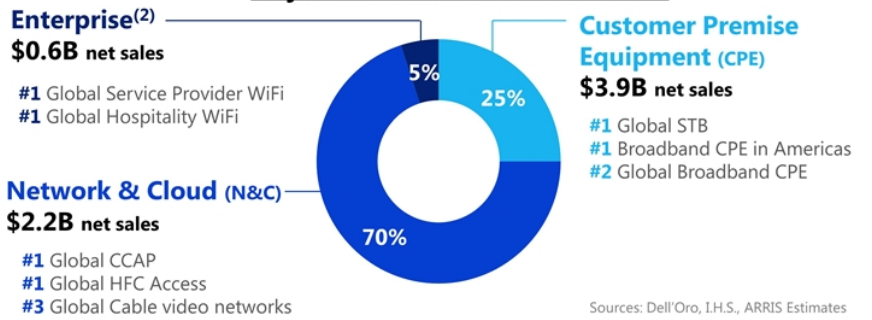
Key Highlights

73 countries with direct and indirect presence	~1,700 Service provider customers served	~10,000 Enterprise Channel Partners	
\$6.7B LTM Net Sales (as of September 30, 2018)	~8,100 Employees	5,000 patents approved or pending	\$420M Cash from Operations (YTD September 30, 2018)

Adjusted Direct Contribution and Net Sales

LTM (as of Sep 30, 2018)

Adjusted Direct Contribution⁽¹⁾



Operating segments	CPE	N&C	Enterprise Networks
Supplying the entire value chain	Broadband CPE growing with bandwidth demand. Video CPE profitability stable through cost management. Supporting the shift to OTT and demand for gigabit capabilities	Cable network equipment supporting the exponential growth in data consumption and devices	Expertise in wired and wireless networking supporting Enterprises and Service Providers toward a constantly connected mobile world.

10 | (1) Breakdown of adjusted direct contribution excludes unallocated corporate expenses. See appendix for reconciliation of non-GAAP measures.
 (2) ARRIS acquired Ruckus in December 2017. Enterprise results reflect Ruckus results since acquisition.

Compelling strategic and financial benefits

1 Technology and market position to shape the **future of wired and wireless communications** and **well-positioned to benefit from key industry trends**

2 Unique set of **complementary assets and capabilities** that enable **end-to-end communications infrastructure solutions**

3 Access to **new markets and diverse customer base, positioning CommScope for growth**

4 **Experienced management team with a proven track record** of successfully integrating large transactions to drive growth

5 **Expected significant and immediate EPS accretion**

1 Stronger platform and better positioned to capitalize on industry trends



Rise of integrated offerings

- Desire for end-to-end integrated solutions in network communication infrastructure throughout Core, Access and Edge layers of the network
- Network operators also seeking to drive greater efficiency in infrastructure deployment



Changing network architectures & technology

- Rapid advancements in wired (e.g., DOCSIS 3.1, hyperscale, fiber deep), and wireless (e.g., max downstream capacity is increased from 1.2 Gbit/s to 10 Gbit/s)
- Emergence of new use cases (e.g., OTT, edge computing) and capabilities (e.g., network virtualization)



Mobility access everywhere

- Driving convergence of licensed & unlicensed spectrum, enabling innovations such as IoT and smart cities
- Opening up new applications / use cases such as private networks implemented over CBRS



Shifting business models

- MSOs shifting business model by bundling wireless, content and broadband services
- MNOs becoming providers of bundled wireless services and mobile + home broadband services
- New players entering communications markets





Roll out of 5G and FWA

- 5G driving network densification among MNOs as well as MSOs
- To deliver on the promise of 5G and a connected lifestyle, the connectivity in the home will need to become more robust and more secure
- Indoor deployments will increase

Confident CommScope will **benefit from key industry trends** by **combining** best-in-class **capabilities** in network access technology and infrastructure and **creating** end-to-end and **comprehensive solutions**

2

Complementary capabilities position CommScope to deliver end-to-end communication solutions

-  New integrated product offering enabled by combination
-  New use cases opened up by combination

A

Residential Broadband Delivery

- N&C products (CMTS, CCAP, etc.)
- Complementary OSP offerings
- Headend to home solutions for MSOs and MNOs

B

Venue Coverage and Capacity Solutions

- Leading technology in licensed, lightly licensed (CBRS) and unlicensed (WiFi) spectrum offerings
- Ability to quickly integrate CBRS into current solutions
- End-to-end solutions for MSOs and MNOs

C

Wired and Wireless For Macro, Metro and Enterprise Applications

- Leading Antenna, Cabling, WAP and Switch lineup
- Licensed and unlicensed 4G/5G products
- Stronger foothold for in-building communications and networks

D

E2E Private Network Solutions

- SAS complementary to vEPC, OneCell®, DAS, picocell and cabling lineups
- Licensed and unlicensed solutions

E

Connected Home

- CPE products
- Vision of connected home and IoT
- Entry into Connected Home offerings

New products and use cases to support evolving industry landscape



Rise of integrated offerings



Changing network architectures & technology



Mobility access everywhere



Shifting business models



Roll out of 5G and FWA

2

Enabling the world's largest customers in nearly every aspect of their communications networks

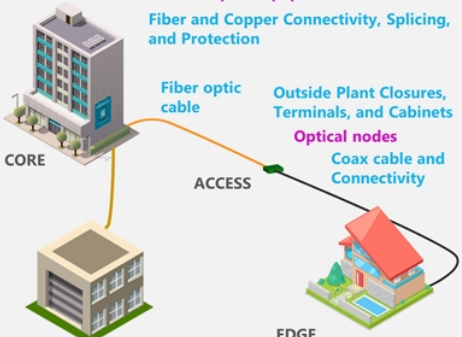
Text - ARRIS solutions
Text - CommScope solutions

A

E2E Residential Broadband Delivery

CONTENT - CORE - ACCESS - EDGE

Headend and Central Office aggregation and transport equipment
Fiber and Copper Connectivity, Splicing, and Protection

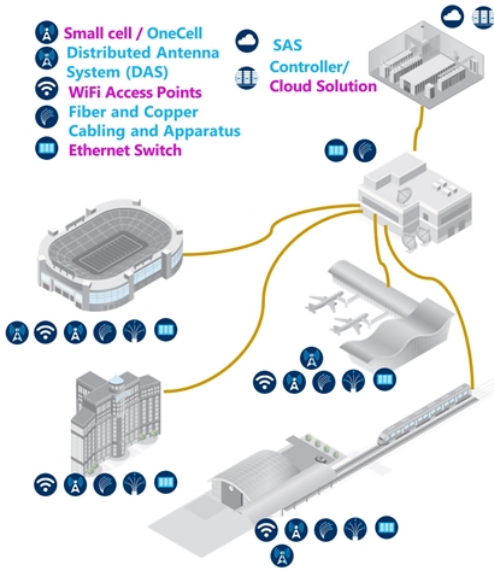


CONTENT
Video Encryption
Advertising Insertion
Cloud Services

EDGE
Set Top Box
Residential Connectivity
Broadband Gateway
and In-home WiFi

B

E2E Venue Coverage and Capacity Solutions

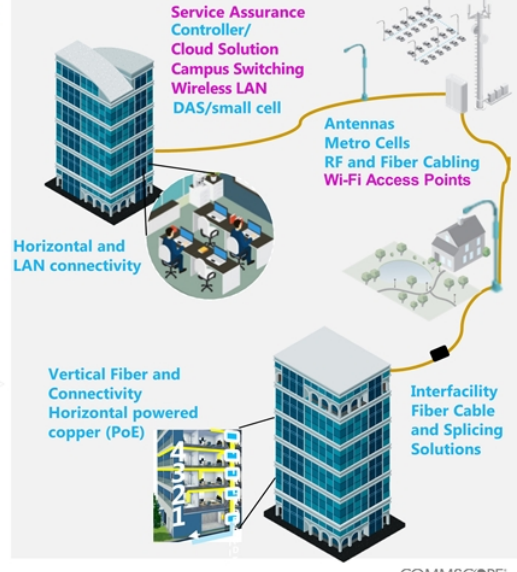


Small cell / OneCell
Distributed Antenna System (DAS)
WiFi Access Points
Fiber and Copper Cabling and Apparatus
Ethernet Switch

SAS Controller/Cloud Solution

C

E2E Wired and Wireless for Macro, Metro, and Enterprise Applications



Service Assurance Controller/Cloud Solution
Campus Switching
Wireless LAN
DAS/small cell

Antennas
Metro Cells
RF and Fiber Cabling
Wi-Fi Access Points

Horizontal and LAN connectivity

Vertical Fiber and Connectivity
Horizontal powered copper (PoE)

Interfacility Fiber Cable and Splicing Solutions

2

CommScope gains strong footing in private networks for industrial, enterprise and public venue use cases

Customers demand increasing security and reliability for network connectivity

Private LTE/5G networks address customer needs

Comprehensive end-to-end private network solution enables customers to realize secure, low latency, high reliability connections

Especially for mission-critical enterprise networks



Capacity



Coverage



Reliability & low latency



Cellular based security



Seamless mobility



Future proof

- More secure and reliable connection via lower latency and higher bandwidth availability
- Higher quality of service compared to mobile networks and WiFi due to private core and dedicated frequencies
- Cloud and locally based evolved packet core to drive efficiency and performance as needed

Applications for a comprehensive private WiFi/LTE/5G solution

Factory Automation



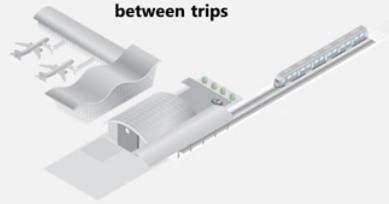
Heavy Industrial



Research and Healthcare



Critical Data Transfer between trips



Key Components

- Switch
- WAP (WiFi)
- Small Cell (LTE)
- Fiber Connectivity
- Copper Connectivity
- SAS
- vEPC

2

Enhanced connected/smart home solutions value proposition

- ARRIS solutions
- CommScope solutions

Components of comprehensive in-home connectivity solution



The evolution of fixed wireless will create the home as a battleground for strategic wireless investments

Fixed wireless access (FWA)

- Network access technology for FWA
- RAN infrastructure
- FTTX

Multimedia

- Set top boxes
- TV systems and software

In-home connectivity

- Broadband gateway
- WLAN access points



In-home network improvement

- WiFi
- Mesh
- 4G/5G (future) picocell



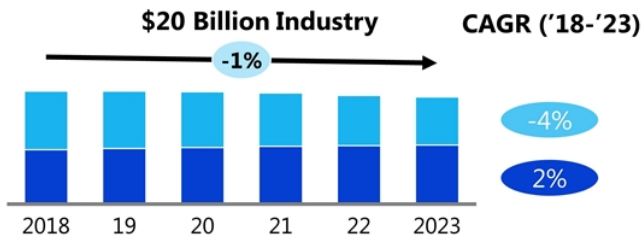
Combination of ARRIS's strategic in-home presence and **fixed wireless access** with **Broadband gateway** products and CommScope's complementary **FTTX cabling solutions** enables continued development of future connected home use cases such as **mesh networking**

2

CPE – Large stable business: Connection to the home remains critical

Global CPE PAM Projection⁽¹⁾

● Video ● Broadband



Video

Low-to-mid single digit declines expected annually

Broadband

Low-single digit growth expected annually

Key Points

- Clear industry leader
- US declines but global stability

Key Points to Consider

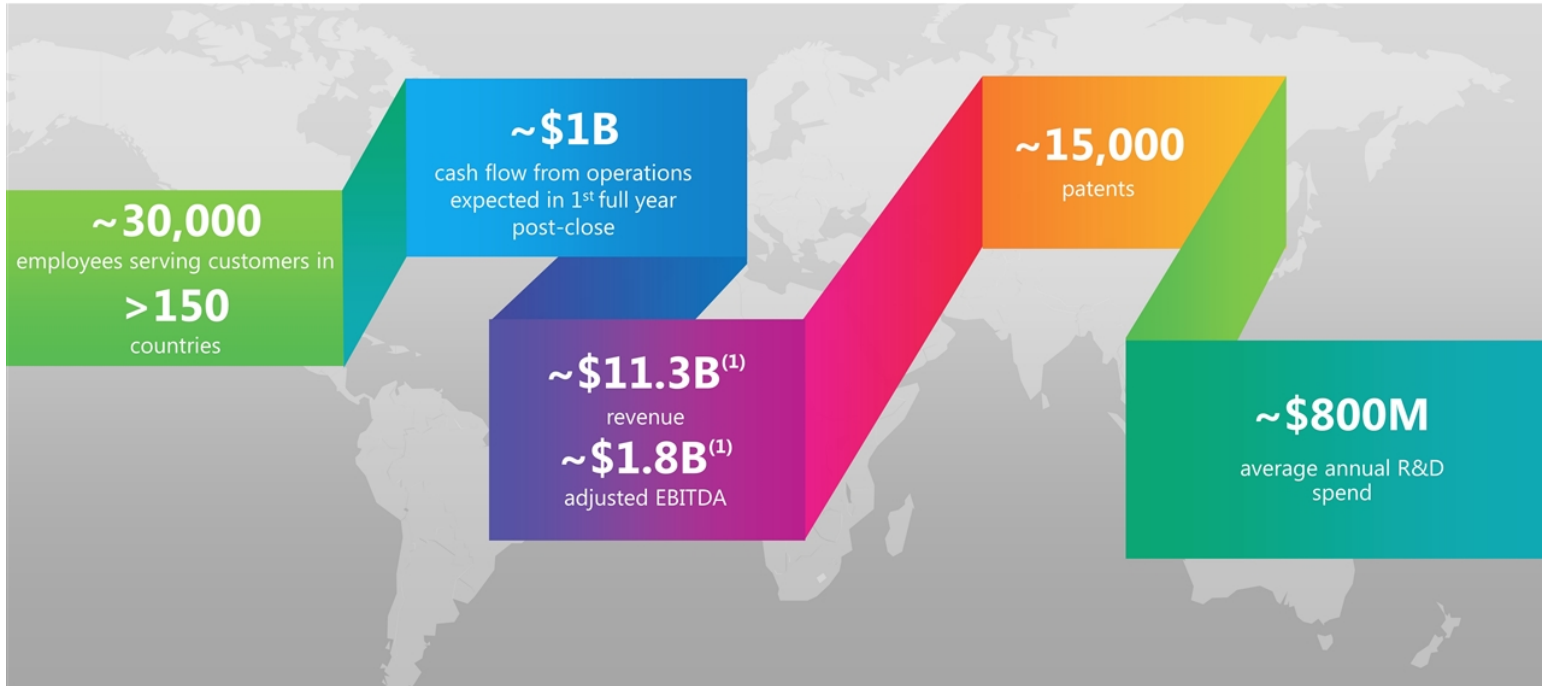
- 1 Leading positions with key customers enabling cross-sell of non-CPE products
- 2 Potential for incremental growth opportunities in broadband and outside the U.S.
- 3 Shortening technology upgrade cycles driving product refreshes and volume growth
- 4 Small proportion of pro forma EBITDA
- 5 Plans to manage efficiently with cost optimization opportunities

The connection to the home is valuable and we have the **combined potential to redefine in-home connectivity**

⁽¹⁾ Company estimates and industry reports

3

Combination accelerates CommScope's vision to shape the communications networks of the future

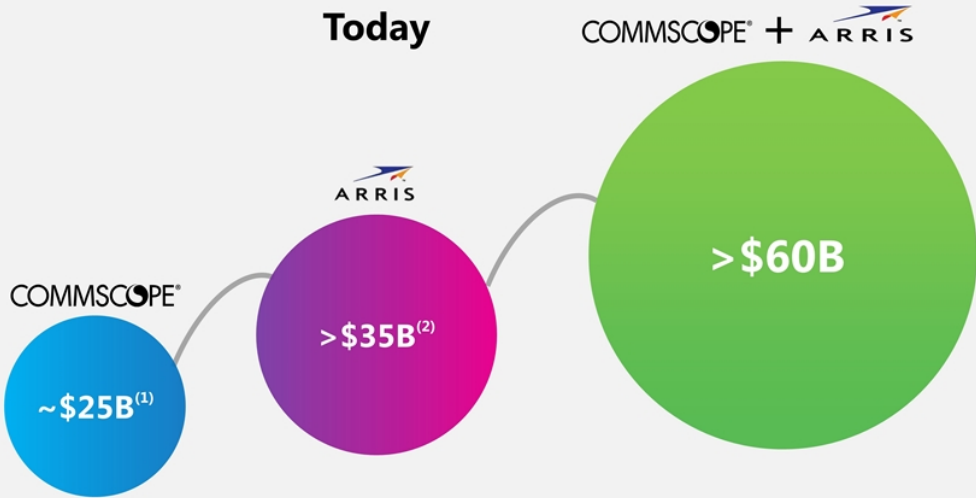


¹⁸ | (1) Based on combined financials for the twelve months ended September 30, 2018.
Note: Financial metrics presented exclude purchase accounting charges, transaction and integration costs and other special items. See appendix for reconciliation of non-GAAP measures.

3

Increasing penetration opportunities in a growing product addressable market

Product Addressable Market (PAM) – \$ Billions



The combination will **more than double CommScope's PAM** and unlock access to **future high growth areas**

19 | (1) CommScope estimates and industry reports
(2) ARRIS estimates and industry reports

3

Broad customer relationships across diverse end-markets

Customers in more than 150 countries

CABLE PROVIDERS



HOSPITALITY



EDUCATION



PROGRAMMERS



FINANCE



SATELLITE PROVIDERS



TELCO PROVIDERS



RETAIL



FORTUNE 500

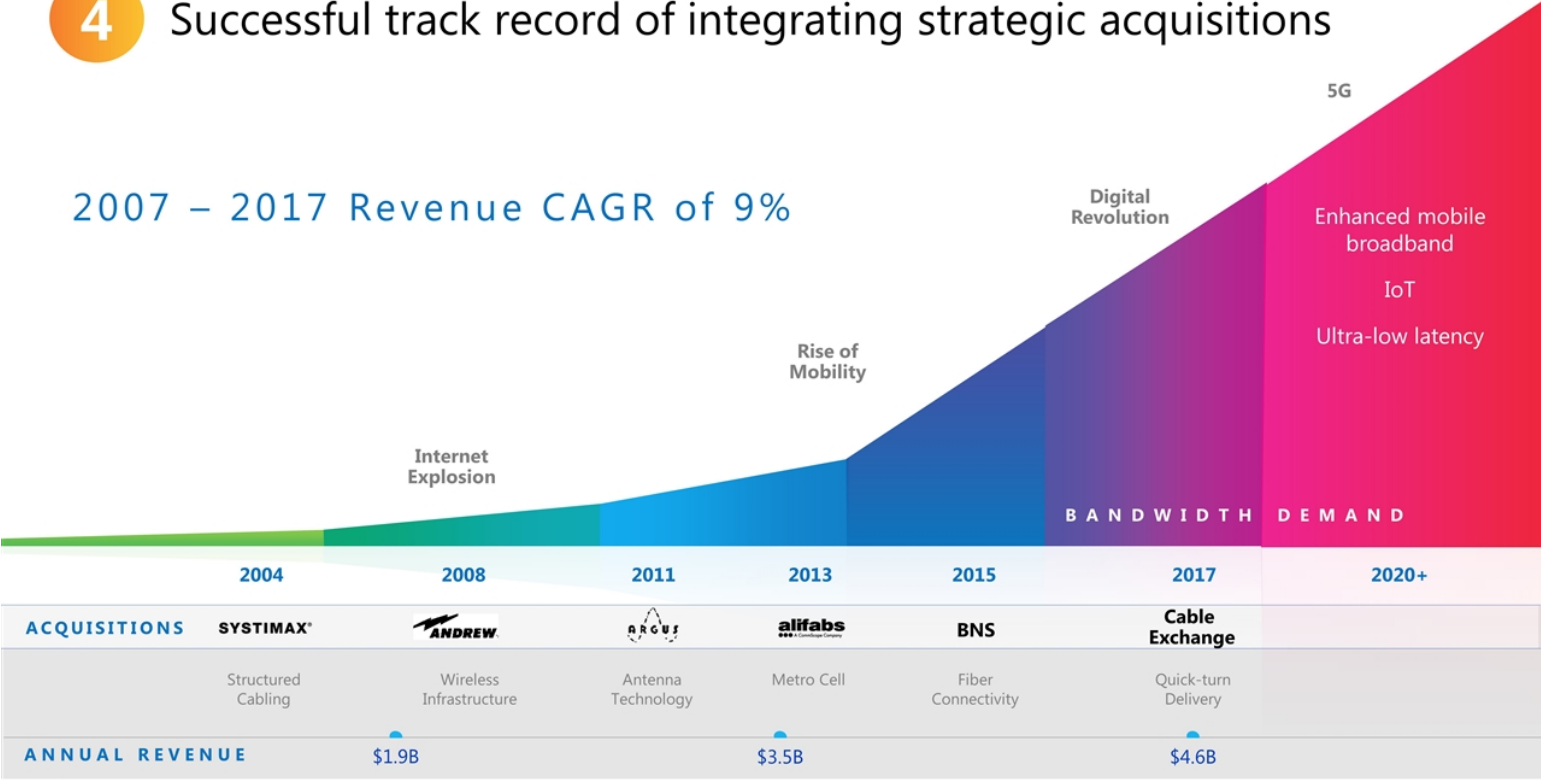


Opportunity to **enhance strategic partnership** and deliver **enhanced capabilities** to existing customers

4

Successful track record of integrating strategic acquisitions

2007 – 2017 Revenue CAGR of 9%



5 Compelling financial rationale for CommScope

~\$1 billion⁽¹⁾ in expected cash flow generation and ability to quickly de-lever

Estimated more than \$150 million in annual run-rate cost synergies⁽²⁾

Expected to be 30%+ accretive to underlying earnings in first full fiscal year

Expands CommScope's product addressable market to >\$60 billion

Potential for additional revenue synergies

(1) In first full year post closing.

(2) Expected to be achieved in the third year following transaction close

Note: Financial metrics presented exclude purchase accounting charges, transaction and integration costs and other special items.

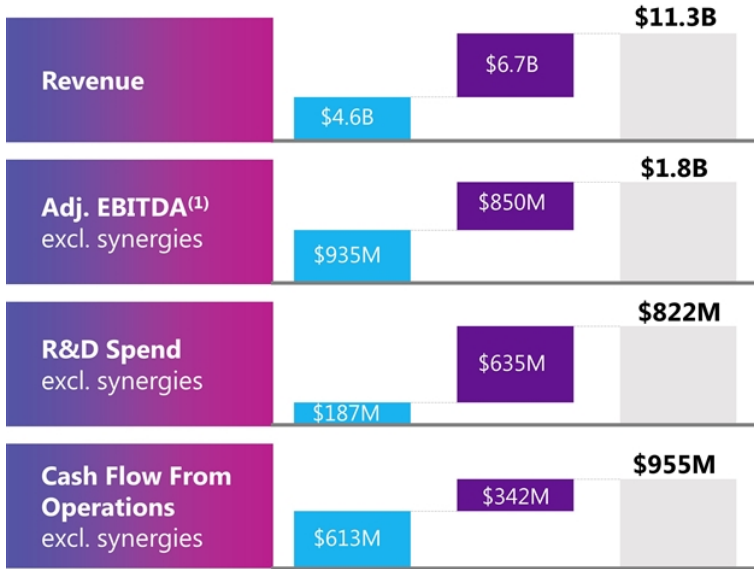
5 Overview of pro forma combined company

LTM (as of Sep 30, 2018)

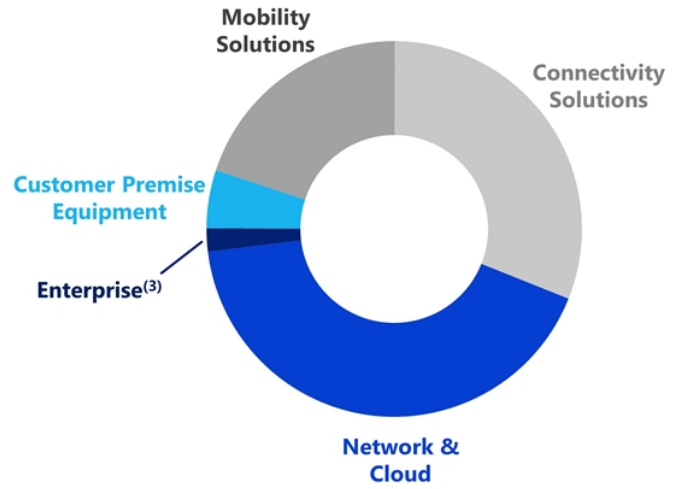
COMMScope

ARRIS

Pro Forma



Pro Forma Profitability Breakdown^(1,2) (LTM 9/30/18)

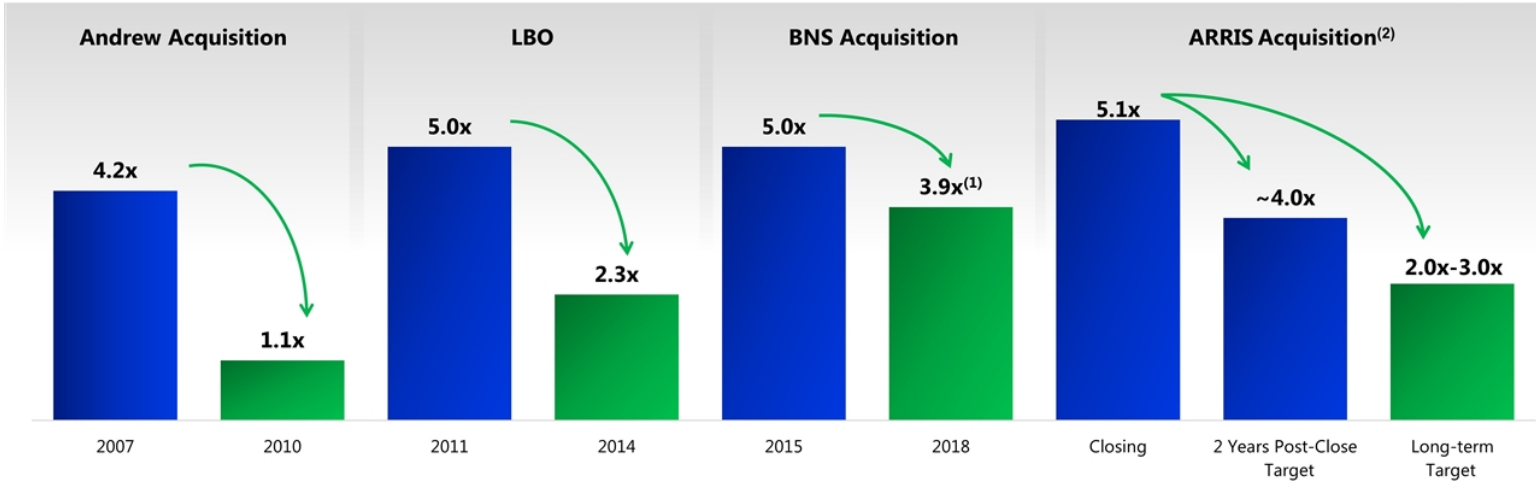


(1) Excludes purchase accounting charges, transaction and integration costs and other special items. See appendix for reconciliation of non-GAAP measures.
 (2) Estimated pro forma profitability reflecting ARRIS adjusted direct contribution and CommScope adjusted operating income (AOI). ARRIS and CommScope utilize different overhead allocation approaches. This chart reflects ARRIS corporate expenses allocated based on revenue. It is intended as an illustrative example of pro forma profitability.
 (3) ARRIS acquired Ruckus in December 2017. Enterprise results reflect Ruckus results since acquisition.

5

CommScope's proven track record of successfully de-levering in previous transactions

Net Leverage



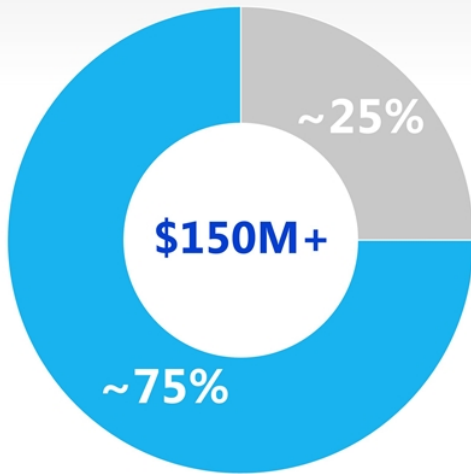
CommScope expected to generate significant free cash flow enabling it reduce leverage quickly

(1) Net leverage ratio as September 30, 2018.

(2) Closing leverage based on pre-forma Adjusted EBITDA of approximately \$1.9 billion (including full \$150 million run rate synergies). The Carlyle investment is considered equity. The ratio of net debt + preferred equity to proforma Adjusted EBITDA is approximately 5.6x.

5 Expect to reach annual run-rate of at least \$150 million⁽¹⁾ in cost synergies in the third year following transaction close

Cost Synergies



SG&A

- Economies of scale through global shared services, consolidation of redundant functional support and real estate footprint consolidation

Cost of Goods

- Procurement and supply chain related savings associated with consolidation of spend, distribution efficiency and elimination of redundancies

In addition to cost synergies, we see the potential for revenue synergies

(1) Expect to achieve ~\$60M in yr. 1 post-close, ~\$125M in yr. 2 post-close, and \$150M+ annual run-rate in yr. 3

5

Premier Equity Sponsorship: THE CARLYLE GROUP

- Carlyle is one of the world's largest private equity firms with **deep technology and communications industry experience**
 - ~\$212 billion of assets under management
 - ~\$27 billion of equity invested in the technology, media, and telecom sector since inception
- Took CommScope private in 2011, re-IPO'd in late 2013, and fully exited in late 2016
CommScope was one of Carlyle's most successful investments ever
- Investing \$1 billion of convertible preferred equity to support the ARRIS transaction:
 - 5.5% coupon, \$27.50 initial conversion price
 - Carlyle will own ~16% of the common equity assuming conversion
 - Two Carlyle representatives to join CommScope Board of Directors

"We are delighted to resume our collaboration with CommScope's accomplished management team. We believe in the company's long-term strategy, customer-centric culture and ability to deliver results. This optimism has fueled our desire to be a part of such a promising transaction with ARRIS."

— *Cam Dyer, Carlyle Managing Director and Global Co-Head of TMT*

5 Financing overview and pro forma net leverage

- CommScope has secured full commitments from J.P. Morgan, Bank of America and Deutsche Bank to finance the transaction. The company expects to use ~\$0.9 billion in combined cash on balance sheet, ~\$5.3 billion of new secured debt, ~\$1.0 billion of senior unsecured debt, and ~\$1.0 billion of Carlyle convertible preferred equity
- Concurrent with the financing, the company has also secured commitments for an upsized 5-year ABL facility of ~\$0.8 billion providing ~\$1.3 billion of liquidity pro forma for the transaction
- Pro forma for the transaction, net leverage will increase to approximately 5.1x LTM Q3 2018 PF EBITDA⁽¹⁾ at closing and expect to deleverage rapidly in the following 12-18 months
- Capital structure provides for attractive terms, flexibility to continue to de-lever and strong ratings

(\$ in billions)	Maturity	Pro forma as of 9/30/18	
		Amount	x LTM 3Q18 EBITDA (incl. synergies) ⁽¹⁾
Cash and equivalents		\$0.5	
New \$0.8B ABL facility	5-yr	-	
Existing Term Loan B	Dec-22	\$0.5	
New secured debt	7-yr	\$5.3	
Net secured debt		\$5.3B	2.7x
Existing senior notes	2021-2027	\$3.6	
New unsecured debt	8-yr	\$1.0	
Net debt		\$9.8B	5.1x
Carlyle convertible preferred equity		\$1.0	
Net debt + convertible preferred equity		\$10.8B	5.6x
Adjusted EBITDA			\$1.9B

(1) Based on pro forma, adjusted EBITDA at September 30, 2018 of approximately \$1.94B (inclusive of full run rate synergies of \$150 million, which are expected to be achieved over three years). This structure assumes full repayment of ARRIS's outstanding debt which was approximately \$2.1B as of September 30, 2018. Numbers may not add due to rounding.

27 | Note: See appendix for reconciliation of non-GAAP measures.

Transaction delivers benefits for all stakeholders

Customers



- Access to complementary and end-to-end communications infrastructure solutions
- Increased focus on comprehensive client needs
- Availability of diverse and capable customer support across all areas of connectivity

Employees



- Greater mobility, skill development, and opportunities for advancement
- Become the spearhead of innovation with new communications infrastructure solutions and possibilities

Investors



- Expect to unlock value through future growth opportunities and expanded addressable market
- Diverse product lineup increases cashflow and reduces risk
- Significant free cash flow generation expected

Partners



- Access to the integrated leader in the communication infrastructure space
- Opens up new opportunities for partnership through expanded lineup of end-to-end communications infrastructure solutions

Appendix

Non-GAAP Financial Measures

CommScope and ARRIS management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors' ability to analyze financial and business trends. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. As calculated, our and ARRIS' non-GAAP measures may not be comparable to other similarly titled measures of other companies. In addition, CommScope and ARRIS management believes that these non-GAAP financial measures allow investors to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. GAAP to non-GAAP reconciliations for historical periods are included in the reports we and ARRIS file with the U.S. Securities and Exchange Commission. Financial metrics presented exclude purchase accounting charges, transaction and integration costs and other special items.

Statements of Operations

(Unaudited -- In thousands,
except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net sales	\$ 1,150,405	\$ 1,128,775	\$ 3,510,778	\$ 3,440,150
Operating costs and expenses:				
Cost of sales	726,531	700,170	2,204,194	2,085,973
Selling, general and administrative	173,990	184,947	544,318	604,408
Research and development	44,807	44,599	142,436	140,569
Amortization of purchased intangible assets	65,782	68,271	199,453	202,890
Restructuring costs, net	7,070	5,360	19,738	24,521
Total operating costs and expenses	1,018,180	1,003,347	3,110,139	3,058,361
Operating income	132,225	125,428	400,639	381,789
Other income (expense), net	(2,379)	3,209	(4,490)	(9,248)
Interest expense	(66,122)	(61,798)	(186,655)	(192,769)
Interest income	1,882	1,180	5,373	3,784
Income before income taxes	65,606	68,019	214,867	183,556
Income tax expense	(1,763)	(16,862)	(51,367)	(43,373)
Net income	\$ 63,843	\$ 51,157	\$ 163,500	\$ 140,183
Earnings per share:				
Basic	\$ 0.33	\$ 0.27	\$ 0.85	\$ 0.73
Diluted (a)	\$ 0.33	\$ 0.26	\$ 0.84	\$ 0.71
Weighted average shares outstanding:				
Basic	192,219	191,824	191,920	192,973
Diluted (a)	195,359	195,815	195,370	197,387
(a) Calculation of diluted earnings per share:				
Net income (basic and diluted)	\$ 63,843	\$ 51,157	\$ 163,500	\$ 140,183
Weighted average shares (basic)	192,219	191,824	191,920	192,973
Dilutive effect of equity-based awards	3,140	3,991	3,450	4,414
Denominator (diluted)	195,359	195,815	195,370	197,387

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

Balance Sheets

(Unaudited -- In thousands, except per share amounts)

	September 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	\$ 352,397	\$ 453,977
Accounts receivable, less allowance for doubtful accounts of \$18,141 and \$13,976, respectively	901,096	898,829
Inventories, net	490,767	444,941
Prepaid expenses and other current assets	123,277	146,112
Total current assets	1,867,537	1,943,859
Property, plant and equipment, net of accumulated depreciation of \$425,577 and \$390,389, respectively	445,746	467,289
Goodwill	2,858,640	2,886,630
Other intangible assets, net	1,420,677	1,636,084
Other noncurrent assets	125,696	107,804
Total assets	\$ 6,718,296	\$ 7,041,666
Liabilities and Stockholders' Equity		
Accounts payable	\$ 441,409	\$ 436,737
Other accrued liabilities	323,211	286,980
Total current liabilities	764,620	723,717
Long-term debt	3,983,790	4,369,401
Deferred income taxes	97,849	134,241
Pension and other postretirement benefit liabilities	20,315	25,140
Other noncurrent liabilities	96,652	141,341
Total liabilities	4,963,226	5,393,840
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 192,222,782 and 190,906,110, respectively	1,990	1,972
Additional paid-in capital	2,372,764	2,334,071
Retained earnings (accumulated deficit)	(226,494)	(395,998)
Accumulated other comprehensive loss	(171,982)	(86,603)
Treasury stock, at cost: 6,738,136 shares and 6,336,144 shares, respectively	(221,208)	(205,616)
Total stockholders' equity	1,755,070	1,647,826
Total liabilities and stockholders' equity	\$ 6,718,296	\$ 7,041,666

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

Statements of Cash Flows

(Unaudited -- In thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	2017	September 30, 2018	2017
Operating Activities:				
Net income	\$ 63,843	\$ 51,157	\$ 163,500	\$ 140,183
Adjustments to reconcile net income to net cash generated by operating activities:				
Depreciation and amortization	94,280	92,090	272,629	282,543
Equity-based compensation	11,327	10,974	33,723	31,572
Deferred income taxes	(8,006)	(5,903)	(32,616)	(19,976)
Changes in assets and liabilities:				
Accounts receivable	113,486	15,079	(23,537)	59,054
Inventories	(17,805)	54,033	(65,798)	11,790
Prepaid expenses and other assets	(3,241)	(20,909)	(3,849)	(22,682)
Accounts payable and other liabilities	(28,604)	(57,728)	12,277	(178,505)
Other	1,541	6,579	5,555	31,426
Net cash generated by operating activities	226,821	145,372	361,884	335,405
Investing Activities:				
Additions to property, plant and equipment	(24,604)	(20,575)	(55,448)	(51,152)
Proceeds from sale of property, plant and equipment	6,490	38	12,715	5,016
Proceeds upon settlement of net investment hedge	—	—	1,331	—
Cash paid for acquisitions, including purchase price adjustments, net of cash acquired	—	(105,249)	—	(105,249)
Other	—	3,120	—	9,898
Net cash used in investing activities	(18,114)	(122,666)	(41,402)	(141,487)
Financing Activities:				
Long-term debt repaid	(550,000)	(25,000)	(550,000)	(805,379)
Long-term debt proceeds	150,000	—	150,000	780,379
Debt issuance and modification costs	—	—	—	(8,363)
Debt extinguishment costs	—	—	—	(14,800)
Cash paid for repurchase of common stock	—	(75,000)	—	(175,000)
Proceeds from the issuance of common shares under equity-based compensation plans	73	297	4,988	8,803
Tax withholding payments for vested equity-based compensation awards	(92)	(98)	(15,592)	(14,956)
Net cash used in financing activities	(400,019)	(99,801)	(410,604)	(229,316)
Effect of exchange rate changes on cash and cash equivalents	(1,992)	3,846	(11,458)	18,412
Change in cash and cash equivalents	(193,304)	(73,249)	(101,580)	(16,986)
Cash and cash equivalents at beginning of period	545,701	484,491	453,977	428,228
Cash and cash equivalents at end of period	\$ 352,397	\$ 411,242	\$ 352,397	\$ 411,242

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

COMMSCOPE

Sales by Region

(Unaudited -- In millions)

	<u>Q3 2018</u>	<u>Q3 2017</u>	<u>% Change</u>
			<u>YOY</u>
United States	\$ 653.0	\$ 595.3	9.7 %
Europe, Middle East and Africa	235.6	231.0	2.0
Asia Pacific	179.3	218.6	(18.0)
Caribbean and Latin America	59.4	62.2	(4.5)
Canada	23.1	21.7	6.5
Total Net Sales	\$ 1,150.4	\$ 1,128.8	1.9 %

Segment Information

(Unaudited -- In millions)

COMMSCOPE®

Sales by Segment

	Q3 2018	Q2 2018	Q3 2017	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 731.7	\$ 740.5	\$ 708.7	(1.2) %	3.2 %
Mobility Solutions	418.7	499.4	420.1	(16.2) %	(0.3) %
Total Net Sales	\$ 1,150.4	\$ 1,239.9	\$ 1,128.8	(7.2) %	1.9 %

Non-GAAP Adjusted Operating Income by Segment

	Q3 2018	Q2 2018	Q3 2017	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 147.4	\$ 142.9	\$ 138.5	3.1 %	6.4 %
Mobility Solutions	71.6	108.2	83.6	(33.8) %	(14.4) %
Total Non-GAAP Adjusted Operating Income	\$ 219.0	\$ 251.1	\$ 222.1	(12.8) %	(1.4) %

Components may not sum to total due to rounding
See Description of Non-GAAP Financial Measures

ARRIS Segment Information

(Unaudited -- In millions)



ARRIS International plc
Reconciliation of GAAP Operating Income (Loss) to Non-GAAP Adjusted Direct Contribution
(Unaudited -- In millions)

Third Quarter 2018 Non-GAAP Adjusted Direct Contribution Reconciliation by Segment

	CPE	N&C	Enterprise	Corporate & Unallocated	Total
Operating income (loss), as reported	\$ 12.2	\$ 173.6	\$ 0.1	\$ (132.9)	\$ 53.0
Amortization of intangible assets	47.1	24.7	15.7	0.8	88.3
Integration, acquisition, restructuring and other costs	2.8	0.8	0.6	0.8	5.0
Direct contribution	\$ 62.2	\$ 199.1	\$ 16.4	\$ (131.3)	\$ 146.4
Allocated costs ⁽¹⁾	(19.3)	(28.7)	(5.5)	53.5	—
Stock-based compensation expense	5.3	7.9	3.3	3.8	20.3
Depreciation expense	7.1	7.0	3.1	4.2	21.4
Non-GAAP adjusted direct contribution	\$ 55.2	\$ 185.4	\$ 17.4	\$ (69.8)	\$ 188.1

Second Quarter 2018 Non-GAAP Adjusted Direct Contribution Reconciliation by Segment

	CPE	N&C	Enterprise	Corporate & Unallocated	Total
Operating income (loss), as reported	\$ 20.5	\$ 176.1	\$ 1.8	\$ (147.6)	\$ 44.9
Amortization of intangible assets	50.6	24.7	14.3	0.8	90.5
Integration, acquisition, restructuring and other costs	14.6	6.4	1.7	0.2	22.8
Direct contribution	\$ 85.7	\$ 207.3	\$ 17.8	\$ (146.6)	\$ 158.2
Allocated costs ⁽¹⁾	(19.9)	(29.0)	(5.6)	54.5	—
Stock-based compensation expense	5.9	8.6	4.5	4.4	23.5
Depreciation expense	7.0	6.6	3.2	4.5	21.2
Non-GAAP adjusted direct contribution	\$ 78.7	\$ 187.5	\$ 19.9	\$ (83.1)	\$ 202.9

First Quarter 2018 Non-GAAP Adjusted Direct Contribution Reconciliation by Segment

	CPE	N&C	Enterprise	Corporate & Unallocated	Total
Operating income (loss), as reported	\$ (20.8)	\$ 197.5	\$ (3.1)	\$ (160.8)	\$ 12.9
Amortization of intangible assets	63.2	25.1	25.5	0.8	114.7
Impairment of goodwill and intangible assets	—	3.4	—	—	3.4
Integration, acquisition, restructuring and other costs	7.1	2.5	3.1	0.8	13.7
Direct contribution	\$ 49.8	\$ 228.5	\$ 25.5	\$ (159.1)	\$ 144.7
Allocated costs ⁽¹⁾	(19.6)	(28.5)	(5.6)	53.7	—
Stock-based compensation expense	5.3	7.8	2.4	3.8	19.3
Depreciation expense	7.7	6.9	3.6	4.7	22.9
Non-GAAP adjusted direct contribution	\$ 43.2	\$ 214.7	\$ 25.9	\$ (97.0)	\$ 186.8

Fourth Quarter 2017 Non-GAAP Adjusted Direct Contribution Reconciliation by Segment

	CPE	N&C	Enterprise	Corporate & Unallocated	Total
Operating income (loss), as reported	\$ 52.5	\$ 158.8	\$ (78.1)	\$ (145.9)	\$ (12.7)
Amortization of intangible assets	63.3	26.1	10.4	0.8	100.6
Impairment of goodwill and intangible assets	—	55.0	—	—	55.0
Integration, acquisition, restructuring and other costs	(3.9)	1.0	69.0	1.6	67.7
Direct contribution	\$ 111.8	\$ 240.9	\$ 1.4	\$ (142.5)	\$ 210.6
Allocated costs ⁽¹⁾	(19.7)	(28.8)	(1.5)	50.0	—
Stock-based compensation expense	5.6	8.3	0.7	4.1	18.7
Depreciation expense	9.6	7.2	1.3	4.9	22.9
Non-GAAP adjusted direct contribution	\$ 107.4	\$ 227.5	\$ 1.9	\$ (84.6)	\$ 252.3

Components may not sum to total due to rounding.

(1) Allocated costs include facility costs, service provider sales and marketing costs and other costs.

CommScope and ARRIS:

Adjusted Operating Income and Adjusted EBITDA Reconciliation by Quarter

(Unaudited -- In millions)

COMMSCOPE®

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Operating income, as reported	\$ 132.2	\$ 164.7	\$ 103.7	\$ 90.3	\$ 125.4
Amortization of purchased intangible assets	65.8	66.4	67.2	68.1	68.3
Restructuring costs, net	7.1	7.2	5.5	19.3	5.4
Equity-based compensation	11.3	11.8	10.5	10.3	11.0
Integration and transaction costs	2.6	1.0	1.7	9.8	12.0
Non-GAAP adjusted operating income	\$ 219.0	\$ 251.1	\$ 188.6	\$ 197.7	\$ 222.1
Non-GAAP adjusted operating margin %	19.0%	20.3%	16.8%	17.6%	19.7%
Depreciation	18.7	19.9	19.6	20.8	20.6
Non-GAAP adjusted EBITDA	\$ 237.8	\$ 271.1	\$ 208.1	\$ 218.5	\$ 242.7



ARRIS International plc Quarterly Adjusted EBITDA (Unaudited -- In millions)

GAAP to Non-GAAP Adjusted EBITDA Reconciliation

	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net income (loss), as reported	\$ 45.8	\$ 34.8	\$ (17.0)	\$ (8.1)
Income tax expense (benefit)	(15.7)	(9.9)	3.5	(32.3)
Interest income	(1.8)	(1.8)	(1.5)	(2.0)
Interest expense	24.0	23.6	22.5	23.8
Depreciation expense	21.6	21.2	22.9	22.9
Amortization of intangible assets	88.3	90.5	114.7	100.6
EBITDA	\$ 162.2	\$ 158.4	\$ 145.0	\$ 104.9
Stock-based compensation expense	20.3	23.5	19.3	18.7
Integration, acquisition, restructuring and other costs	5.0	22.8	13.7	67.7
Impairment of goodwill and intangible assets	—	—	3.4	55.0
Acquisition accounting impacts of deferred revenue	2.4	3.3	5.7	(7.0)
Acquisition accounting impacts of fair valuing inventory	—	—	17.0	7.6
Remeasurement of deferred taxes	0.5	(3.7)	3.7	0.9
Non-GAAP adjusted EBITDA	\$ 190.5	\$ 204.4	\$ 207.7	\$ 247.7

Components may not sum to total due to rounding

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Quarterly Adjusted Operating Income Reconciliation by Segment

(Unaudited -- In millions)

Third Quarter 2018 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 94.9	\$ 37.3	\$ 132.2
Amortization of purchased intangible assets	44.4	21.4	65.8
Restructuring costs, net	(0.4)	7.5	7.1
Equity-based compensation	6.9	4.4	11.3
Integration and transaction costs	1.7	1.0	2.6
Non-GAAP adjusted operating income	\$ 147.4	\$ 71.6	\$ 219.0
Non-GAAP adjusted operating margin %	20.1%	17.1%	19.0%

Second Quarter 2018 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 85.4	\$ 79.3	\$ 164.7
Amortization of purchased intangible assets	45.0	21.4	66.4
Restructuring costs, net	4.7	2.5	7.2
Equity-based compensation	7.2	4.6	11.8
Integration and transaction costs	0.7	0.3	1.0
Non-GAAP adjusted operating income	\$ 142.9	\$ 108.2	\$ 251.1
Non-GAAP adjusted operating margin %	19.3%	21.7%	20.3%

Third Quarter 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 70.4	\$ 55.0	\$ 125.4
Amortization of purchased intangible assets	44.2	24.1	68.3
Restructuring costs, net	5.6	(0.2)	5.4
Equity-based compensation	6.4	4.6	11.0
Integration and transaction costs	11.9	0.2	12.0
Non-GAAP adjusted operating income	\$ 138.5	\$ 83.6	\$ 222.1
Non-GAAP adjusted operating margin %	19.5%	19.9%	19.7%

Components may not sum to total due to rounding
See Description of Non-GAAP Financial Measures

Adjusted Net Income Reconciliation

(Unaudited – In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Operating income, as reported	\$ 132.2	\$ 125.4	\$ 400.6	\$ 381.8
Adjustments:				
Amortization of purchased intangible assets	65.8	68.3	199.5	202.9
Restructuring costs, net	7.1	5.4	19.7	24.5
Equity-based compensation	11.3	11.0	33.7	31.6
Integration and transaction costs	2.6	12.0	5.3	38.2
Total adjustments to operating income	86.8	96.7	258.2	297.2
Non-GAAP adjusted operating income	\$ 219.0	\$ 222.1	\$ 658.8	\$ 679.0
Income before income taxes, as reported	\$ 65.6	\$ 68.0	\$ 214.9	\$ 183.6
Income tax expense, as reported	(1.8)	(16.9)	(51.4)	(43.4)
Net income, as reported	\$ 63.8	\$ 51.2	\$ 163.5	\$ 140.2
Adjustments:				
Total pretax adjustments to operating income	86.8	96.7	258.2	297.2
Pretax amortization of deferred financing costs & OID ⁽¹⁾	9.8	3.2	15.0	18.8
Pretax loss on debt transactions ⁽²⁾	—	—	—	16.0
Pretax net investment gains ⁽²⁾	—	(2.4)	—	(9.0)
Tax effects of adjustments and other tax items ⁽³⁾	(45.9)	(41.2)	(93.9)	(133.9)
Non-GAAP adjusted net income	\$ 114.5	\$ 107.5	\$ 342.7	\$ 329.3
Diluted EPS, as reported	\$ 0.33	\$ 0.26	\$ 0.84	\$ 0.71
Non-GAAP adjusted diluted EPS	\$ 0.59	\$ 0.55	\$ 1.75	\$ 1.67

(1) Included in interest expense.

(2) Included in other income (expense), net.

(3) The tax rates applied to adjustments reflect the tax expense or benefit based on the tax jurisdiction of the entity generating the adjustment. There are certain items for which we expect little or no tax effect.

Note: Components may not sum to total due to rounding
See Description of Non-GAAP Financial Measures

Outlook GAAP to Non-GAAP Reconciliation

(Unaudited -- In millions)

	Outlook	
	Three Months Ended December 31, 2018	Full Year 2018
Operating income	\$ 60 - \$83	\$ 461 - \$484
Adjustments:		
Amortization of purchased intangible assets	\$ 66	\$ 265
Equity-based compensation	\$ 12	\$ 46
Restructuring costs, integration and transaction costs and other ⁽¹⁾	\$ 7 - \$9	\$ 32 - \$34
Total adjustments to operating income	\$ 85 - \$87	\$ 343 - \$345
Non-GAAP adjusted operating income	\$ 145 - \$170	\$ 804 - \$829
Diluted earnings per share (basic loss per share)	\$ (0.12) - \$(0.14)	\$ 0.70 - \$0.72
Adjustments⁽²⁾:		
Total adjustments to operating income	\$ 0.32 - \$0.36	\$ 1.32 - \$1.34
Debt-related costs and other special items ⁽³⁾	\$ 0.14 - \$0.17	\$ 0.07 - \$0.08
Non-GAAP adjusted diluted earnings per share	\$ 0.34 - \$0.39	\$ 2.09 - \$2.14

(1) Reflects projections for restructuring costs, integration and transaction costs and other special items. Actual adjustments may vary from projections.

(2) The tax rates applied to projected adjustments reflect the tax expense or benefit based on the expected tax jurisdiction of the entity generating the projected adjustments. There are certain items for which we expect little or no tax effect.

(3) Reflects projections for amortization of debt issuance costs, loss on debt extinguishment, net losses on defined benefit plan terminations, foreign exchange losses triggered by the liquidation of subsidiaries and tax items. Actual adjustments may vary from projections.

Our actual results may be impacted by additional events for which information is not currently available, such as additional restructuring activities, asset impairments, debt extinguishments, additional transaction and integration costs, foreign exchange rate fluctuations and other gains or losses related to events that are not currently known or measurable.

See Caution Regarding Forward-Looking Statements and Description of Non-GAAP Financial Measures.