



## Third Quarter 2014 Results

October 31, 2014

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Eddie Edwards • President and Chief Executive Officer

Mark Olson • Executive Vice President and Chief Financial Officer



## Caution Regarding Forward Looking Statements

During this presentation, oral or written statements made by us or on our behalf may include forward-looking statements which reflect our current views with respect to future events and financial performance. These forward-looking statements are identified by their use of such terms and phrases as “intend,” “goal,” “estimate,” “expect,” “project,” “projections,” “plans,” “anticipate,” “should,” “designed to,” “foreseeable future,” “believe,” “think,” “scheduled,” “outlook,” “guidance” and similar expressions. 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 our control, including, without limitation, our dependence on customers’ capital spending on communication systems; concentration of sales among a limited number of customers or distributors; changes in technology; our ability to fully realize anticipated benefits from prior or future acquisitions or equity investments; industry competition and the ability to retain customers through product innovation, introduction and marketing; risks associated with our sales through channel partners; possible production disruptions due to supplier or contract manufacturer bankruptcy, reorganization or restructuring; the risk our global manufacturing operations suffer production or shipping delays causing difficulty in meeting customer demands; the risk that internal production capacity and that of contract manufacturers may be insufficient to meet customer demand or quality standards for our products; customer orders, including those for which we have ordered or purchased inputs, may be cancelled; our ability to maintain effective information management systems and to successfully implement major systems initiatives; cyber-security incidents, including data security breaches or computer viruses; product performance issues and associated warranty claims; significant international operations and 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; political and economic instability, both in the U.S. and internationally; potential difficulties in realigning global manufacturing capacity and capabilities among our global manufacturing facilities, including delays or challenges related to removing, transporting or reinstalling equipment, that may affect our ability to meet customer demands for products; possible future restructuring actions; possible future impairment charges for fixed or intangible assets, including goodwill; increased obligations under employee benefit plans; cost of protecting or defending intellectual property; changes in laws or regulations affecting us or the industries we serve; costs and challenges of compliance with domestic and foreign environmental laws and the effects of climate change; 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; our ability to attract and retain qualified key employees; allegations of health risks from wireless equipment; availability and adequacy of insurance; natural or man-made disasters or other disruptions; income tax rate variability and ability to recover amounts recorded as value-added tax receivables; labor unrest; risks of not realizing benefits from research and development projects; our ability to comply with new regulations related to conflict minerals; risks associated with the seasonality of our business; substantial indebtedness and maintaining compliance with debt covenants; our ability to incur additional indebtedness; ability of our lenders to fund borrowings under their credit commitments; changes in capital availability or costs, such as changes in interest rates, security ratings and market perceptions of the businesses in which we operate, or the ability to obtain capital on commercially reasonable terms or at all; continued global economic weakness and uncertainties and disruption in the capital, credit and commodities markets; any statements of belief and any statements of assumptions underlying any of the foregoing; and other factors beyond our control. These and other factors are discussed in greater detail in our 2013 Annual Report on Form 10-K. The information contained in this presentation represents our best judgment at the date of this report based on information currently available. However, we are not undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this presentation.

## Non-GAAP Financial Measures

CommScope 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 non-GAAP measures may not be comparable to other similarly titled measures of other companies. In addition, CommScope 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 are included in this presentation.

- Third Quarter 2014 Summary
- Segment Review
- Balance Sheet, Cash Flow and Capital Structure
- Fourth Quarter and Full Year 2014 Outlook

# Q3 2014 Sales & Results



## Sales & Orders:

- Q3 Sales up \$112m or 13% YOY to \$1.0B
  - Growth in all three segments
- Orders down 2% YOY to \$867m
  - Book-to-bill ratio of 0.9x

## Operating Results:

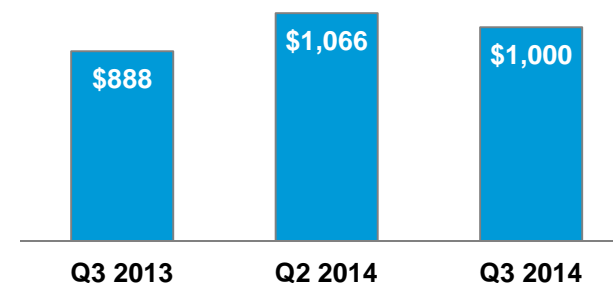
- Gross Margin rose 130 bps YOY to 36%
- GAAP Operating Income up \$51m or 51% YOY to \$151m
- Adjusted Operating Income<sup>1</sup> of \$219m, up \$56m or 35% YOY
  - Adjusted Operating Margin YOY increase of 350 bps

## Net Income & EPS:

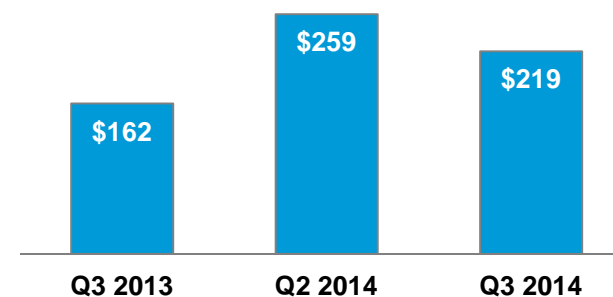
- GAAP Net Income of \$96m, or \$0.50 per diluted share
- Adjusted Net Income<sup>1</sup> of \$119m, up \$59m or 97% YOY
- Adjusted EPS<sup>1</sup> up \$0.24 or 63% YOY to \$0.62 per diluted share

1. See appendix for reconciliation

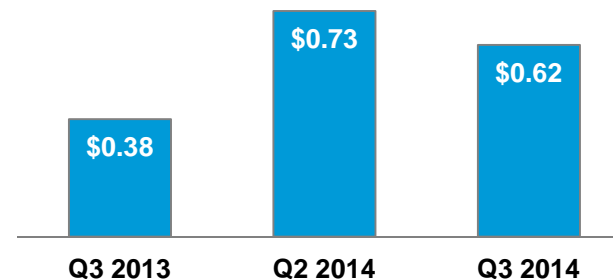
Consolidated Sales  
(in millions)



Consolidated Adjusted Operating Income  
(in millions)

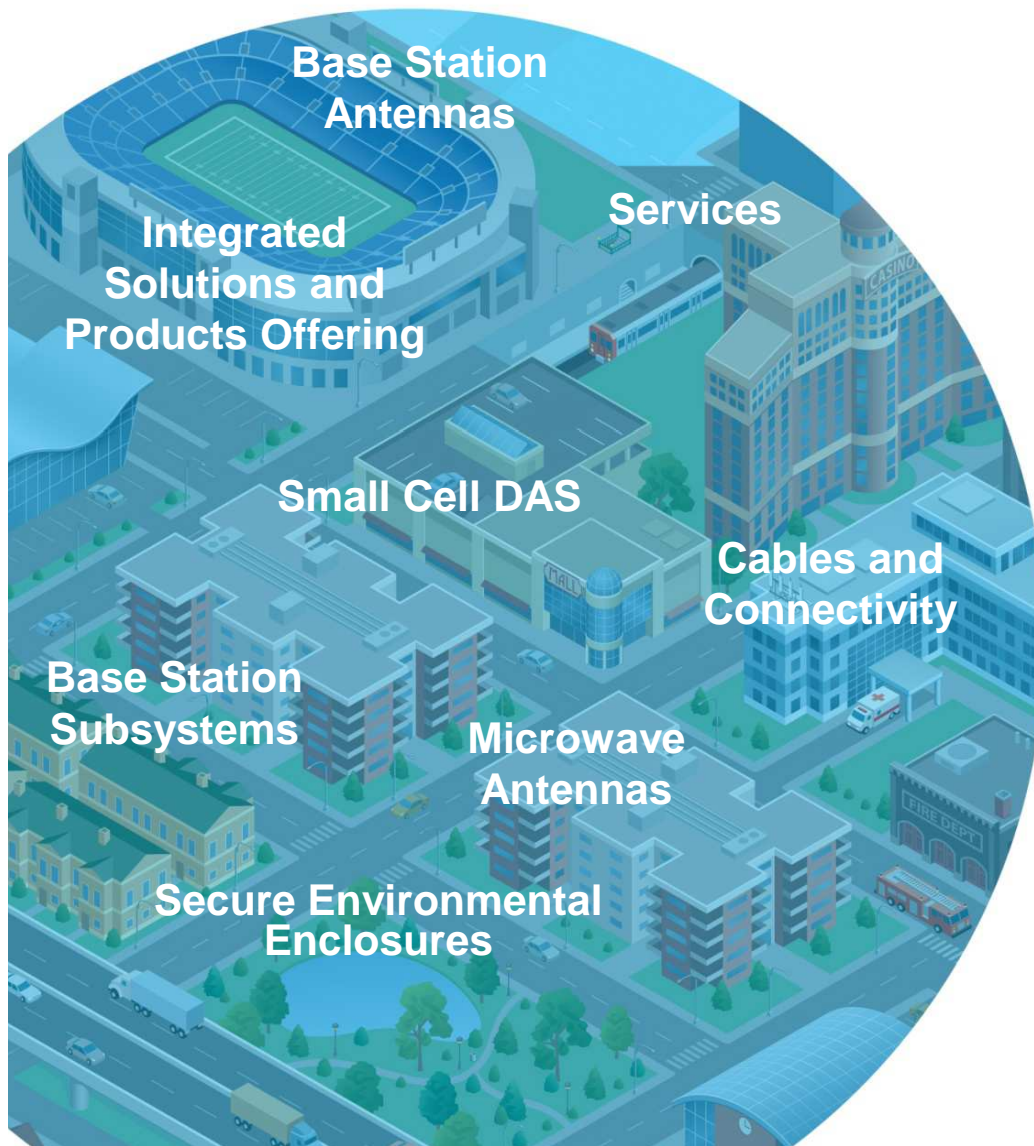


Adjusted Diluted Earnings per Share

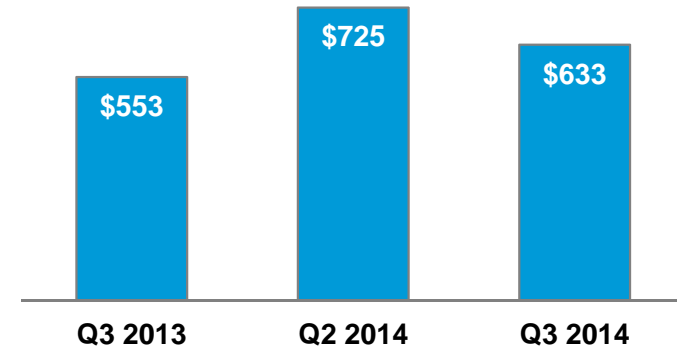


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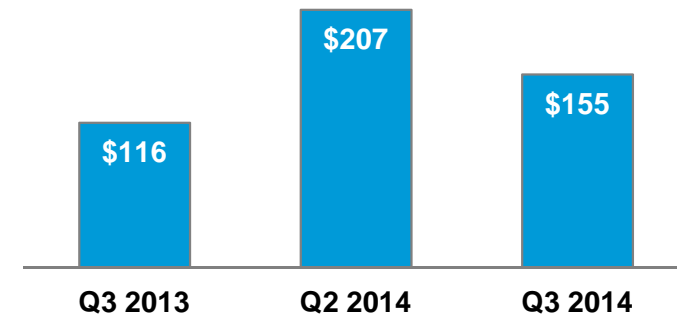
## Global Leader in Wireless RF Infrastructure Solutions



Wireless Sales<sup>1</sup>  
(in millions)



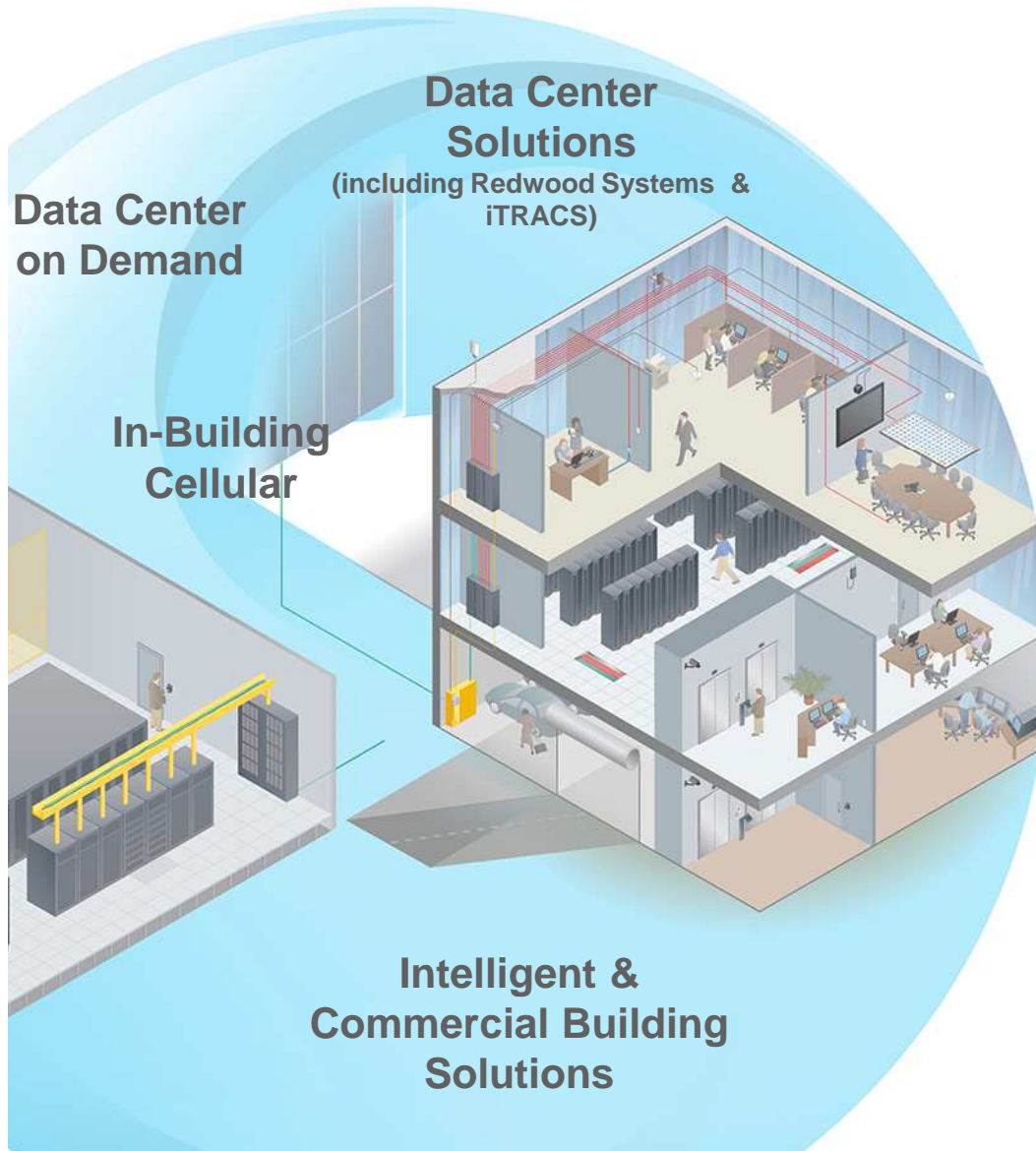
Adjusted Operating Income<sup>2</sup>  
(in millions)



1. Sales exclude inter-segment eliminations

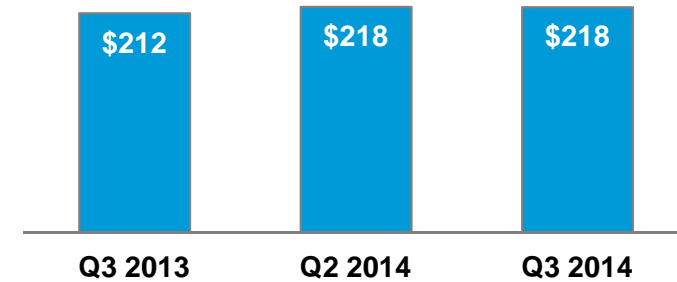
2. See appendix for reconciliation of Adjusted Operating Income

## Structured Cabling Connectivity Solutions



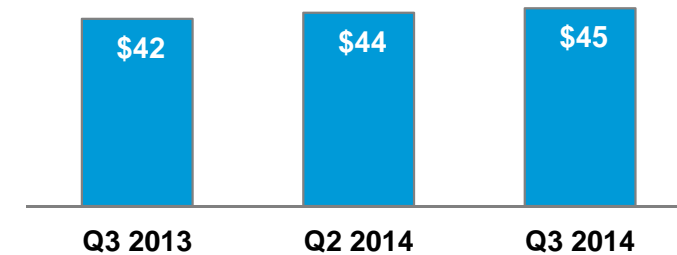
### Enterprise Sales<sup>1</sup>

(in millions)



### Adjusted Operating Income<sup>2</sup>

(in millions)

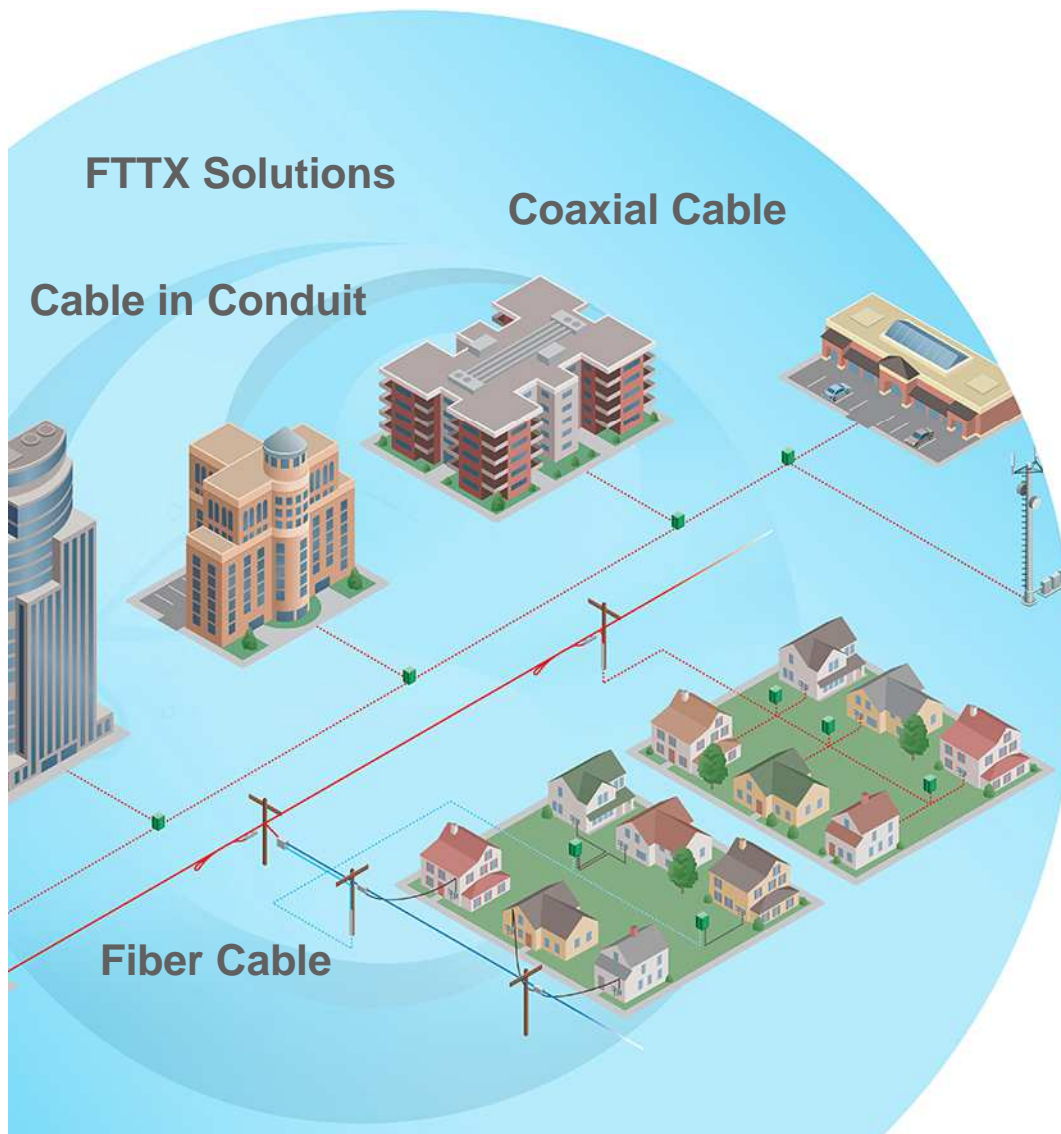


1. Sales exclude inter-segment eliminations

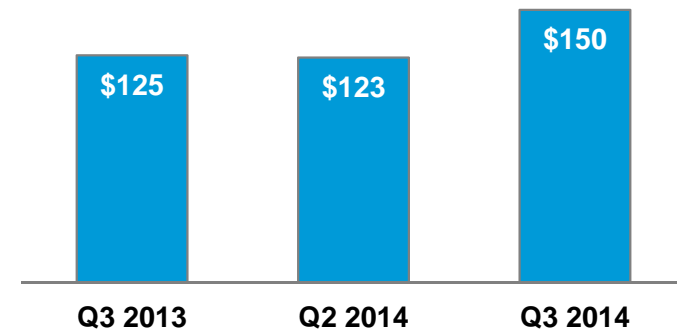
2. See appendix for reconciliation of Adjusted Operating Income



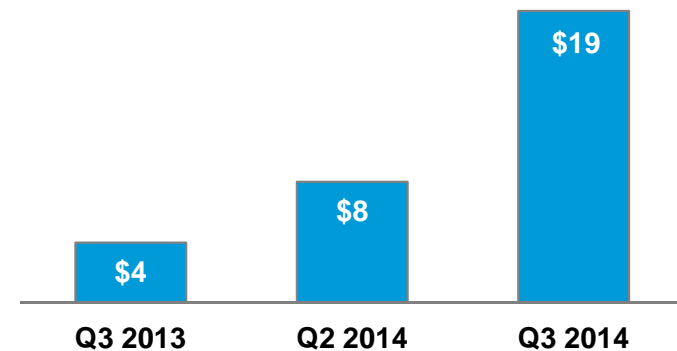
## Coaxial and Fiber Optic Solutions for Cable Television Operators



**Broadband Sales<sup>1</sup>**  
(in millions)



**Adjusted Operating Income<sup>2</sup>**  
(in millions)



1. Sales exclude inter-segment eliminations

2. See appendix for reconciliation of Adjusted Operating Income



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## Cash Flow Highlights

(in millions)	Q3 2013	Q3 2014	LTM Q3 2013	LTM Q3 2014
<b>Cash Flow from Operations</b>	\$ 127	\$ 211	\$ 383	\$ 248
<b>Capital Expenditures</b>	(12)	(9)	(36)	(34)
<b>Debt Redemption Premium</b>	--	--	--	127
<b>Fee Paid to Terminate Management Agreement</b>	--	--	--	20
<b>Adjusted Free Cash Flow</b>	\$ 115	\$ 202	\$ 347	\$ 361
<b>Cash Taxes Paid</b>	\$ 19	\$ 22	\$ 94	\$ 89
<b>Cash Interest Paid</b>	73	7	167	166

## Liquidity of \$987m at September 30, 2014

<u>Cash and Cash Equivalents</u> \$616m	<u>Availability Under Revolver</u> \$371m
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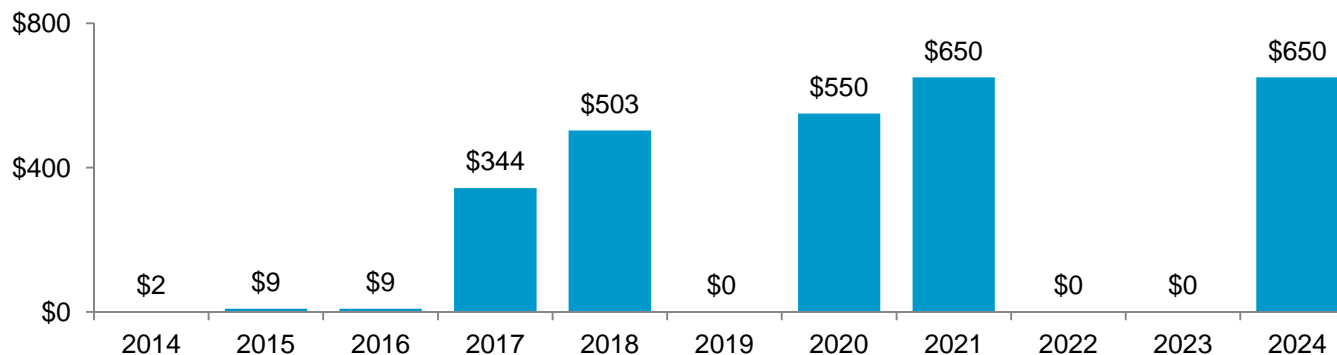
Components may not sum to total due to rounding.

# Capital Structure



(Unaudited – in millions, except ratios)

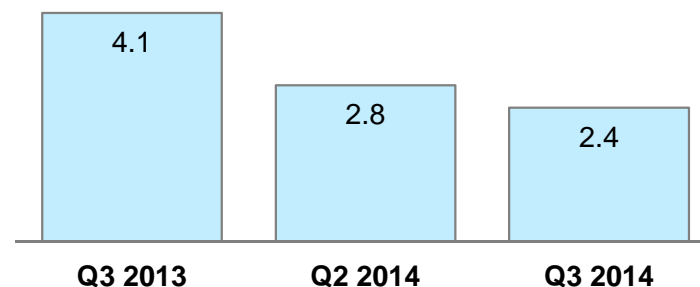
Debt Maturities  
as of  
September 30,  
2014



2014 – 2016 repayments include only mandatory repayments of our term loans

	December 2013	September 2014
<b>Cash &amp; Cash Equivalents</b>	\$ 346	\$ 616
<b>Debt</b>		
Term Loan	\$ 873	\$ 866
2019 Notes	1,100	-
2020 PIK Notes	550	550
2021 Senior Notes	-	650
2024 Senior Notes	-	650
Revolver	-	-
Other Debt	1	-
OID	(9)	(7)
<b>Total Debt</b>	<b>\$ 2,515</b>	<b>\$ 2,709</b>
<b>Stockholders' Equity</b>	<b>\$ 1,088</b>	<b>\$ 1,292</b>
<b>Total Capitalization</b>	<b>\$ 3,603</b>	<b>\$ 4,001</b>
<b>Net Debt</b>	<b>\$ 2,168</b>	<b>\$ 2,093</b>
<b>LTM Adjusted EBITDA</b>	<b>\$ 675</b>	<b>\$ 860</b>
<b>Net Leverage Ratio</b>	<b>3.2x</b>	<b>2.4x</b>

## Net Leverage Ratio



Reduced net leverage ratio 2.6 turns  
since LBO in January 2011

Components may not sum to total due to rounding

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## Q4 2014 Guidance

- Revenue of \$810 million - \$850 million
- Adjusted operating income of \$125 million - \$145 million
- Adjusted earnings per diluted share of \$0.30 - \$0.35, reflecting 192 million weighted average diluted shares

## FY 2014 Guidance

- Revenue of approximately \$3.8 billion - \$3.85 billion
- Adjusted operating income of \$795 million - \$815 million
- Adjusted effective tax rate of 36% - 37%
- Adjusted earnings per diluted share of \$2.15 – \$2.20, reflecting 192 million weighted average diluted shares
- Strong free cash flow

# Appendix

CommScope 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 non-GAAP measures may not be comparable to other similarly titled measures of other companies. In addition, CommScope 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.



# Long-Term Targets

**Net Sales Growth**

- **Mid single digits**

**Adjusted Operating  
Margin %**

- **Stable margins**

**Adjusted Net  
Income Growth**

- **Low double digits**

**Free Cash Flow**

- **Continued strong free cash flow**

# Income Statement



(Unaudited -- In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net sales	\$ 1,000,427	\$ 888,011	\$ 3,001,719	\$ 2,633,559
Operating costs and expenses:				
Cost of sales	637,940	577,812	1,889,870	1,724,461
Selling, general and administrative	121,417	122,424	355,515	354,818
Research and development	30,806	31,757	95,758	95,553
Amortization of purchased intangible assets	44,835	43,956	133,439	130,921
Restructuring costs, net	7,388	4,900	11,677	16,433
Asset impairments	7,000	7,320	14,229	41,802
Total operating costs and expenses	849,386	788,169	2,500,488	2,363,988
Operating income	151,041	99,842	501,231	269,571
Other income (expense), net	1,393	(3,394)	(90,593)	(8,665)
Interest expense	(36,504)	(53,972)	(142,409)	(147,809)
Interest income	1,394	650	3,609	2,260
Income before income taxes	117,324	43,126	271,838	115,357
Income tax expense	(20,893)	(31,839)	(82,877)	(87,048)
Net income	\$ 96,431	\$ 11,287	\$ 188,961	\$ 28,309
Earnings per share:				
Basic	\$ 0.51	\$ 0.07	\$ 1.01	\$ 0.18
Diluted (a)	\$ 0.50	\$ 0.07	\$ 0.99	\$ 0.18
Weighted average shares outstanding:				
Basic	187,407	154,885	186,624	154,883
Diluted (a)	191,627	159,064	191,126	158,008
(a) Calculation of diluted earnings per share:				
Net income (basic)	\$ 96,431	\$ 11,287	\$ 188,961	\$ 28,309
Weighted average shares (basic)	187,407	154,885	186,624	154,883
Dilutive effect of stock options	4,220	4,179	4,502	3,125
Denominator (diluted)	191,627	159,064	191,126	158,008

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

# Balance Sheet



(Unaudited -- In thousands)	September 30, 2014	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 616,434	\$ 346,320
Accounts receivable, less allowance for doubtful accounts of \$12,726 and \$12,617, respectively	703,887	607,489
Inventories, net	418,076	372,187
Prepaid expenses and other current assets	59,387	71,818
Deferred income taxes	62,980	55,609
Total current assets	1,860,764	1,453,423
Property, plant and equipment, net of accumulated depreciation of \$212,538 and \$183,965, respectively	293,915	310,143
Goodwill	1,451,653	1,450,506
Other intangible assets, net	1,306,930	1,422,192
Other noncurrent assets	145,460	97,791
Total assets	\$ 5,058,722	\$ 4,734,055
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 238,863	\$ 251,639
Other accrued liabilities	322,965	332,280
Current portion of long-term debt	8,993	9,462
Total current liabilities	570,821	593,381
Long-term debt	2,700,265	2,505,090
Deferred income taxes	370,711	386,527
Pension and postretirement benefit liabilities	24,512	40,349
Other noncurrent liabilities	100,198	120,692
Total liabilities	3,766,507	3,646,039
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None at September 30, 2014 and December 31, 2013	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 187,634,080 and 185,861,777 at September 30, 2014 and December 31, 2013, respectively	1,886	1,868
Additional paid-in capital	2,134,951	2,101,350
Retained earnings (accumulated deficit)	(789,330)	(978,291)
Accumulated other comprehensive loss	(44,657)	(26,276)
Treasury stock, at cost: 961,566 shares at September 30, 2014 and 961,566 shares at December 31, 2013	(10,635)	(10,635)
Total stockholders' equity	1,292,215	1,088,016
Total liabilities and stockholders' equity	\$ 5,058,722	\$ 4,734,055

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

# Cash Flow



(Unaudited -- In thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>Operating Activities:</b>				
Net income	\$ 96,431	\$ 11,287	\$ 188,961	\$ 28,309
Adjustments to reconcile net income to net cash generated by operating activities:				
Depreciation and amortization	60,385	61,928	198,866	183,865
Equity-based compensation	5,560	3,570	15,731	12,657
Deferred income taxes	(20,036)	8,952	(31,531)	14,728
Asset impairments	7,000	7,320	14,229	41,802
Excess tax benefits from equity-based compensation	(3,596)	—	(10,583)	(9)
Changes in assets and liabilities:				
Accounts receivable	69,172	83,412	(99,645)	(46,795)
Inventories	26,785	3,596	(49,671)	(57,546)
Prepaid expenses and other assets	22,330	(11,646)	2,904	(20,481)
Accounts payable and other liabilities	(52,913)	(44,961)	(58,095)	(19,779)
Other	(609)	3,658	(9,534)	14,516
Net cash generated by operating activities	210,509	127,116	161,632	151,267
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(8,693)	(11,702)	(24,884)	(27,729)
Proceeds from sale of property, plant and equipment	166	182	1,612	1,238
Cash paid for acquisitions	(44,919)	(21,770)	(40,174)	(55,770)
Other	(13,250)	—	(5,951)	2,902
Net cash used in investing activities	(66,696)	(33,290)	(69,397)	(79,359)
<b>Financing Activities:</b>				
Long-term debt repaid	(2,408)	(32,788)	(1,122,197)	(205,237)
Long-term debt proceeds	—	30,072	1,315,000	747,035
Long-term debt financing costs	(519)	(324)	(23,257)	(13,127)
Proceeds from the issuance of common shares under equity-based compensation plans	2,805	—	10,747	—
Excess tax benefits from equity-based compensation	3,596	—	10,583	9
Dividends paid	—	—	—	(538,705)
Cash paid to stock option holders	—	(4,107)	—	(11,295)
Other	—	—	—	(32)
Net cash generated by (used in) financing activities	3,474	(7,147)	190,876	(21,352)
Effect of exchange rate changes on cash and cash equivalents	(11,902)	1,756	(12,997)	(2,886)
Change in cash and cash equivalents	135,385	88,435	270,114	47,670
Cash and cash equivalents, beginning of period	481,049	223,610	346,320	264,375
Cash and cash equivalents, end of period	\$ 616,434	\$ 312,045	\$ 616,434	\$ 312,045

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

# Operating Income to Adjusted Net Income Reconciliation



(Unaudited -- In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
<b>Operating income, as reported</b>	<b>\$ 151.0</b>	<b>\$ 99.8</b>	<b>\$ 501.2</b>	<b>\$ 269.6</b>
Adjustments:				
Amortization of purchased intangible assets	44.8	44.0	133.4	130.9
Restructuring costs, net	7.4	4.9	11.7	16.4
Equity-based compensation	5.6	3.6	15.7	12.7
Asset impairments	7.0	7.3	14.2	41.8
Transaction costs	2.7	1.2	4.6	5.4
Purchase accounting adjustments <sup>(1)</sup>	-	1.6	(11.9)	2.0
Total adjustments to operating income	67.5	62.6	167.7	209.2
<b>Non-GAAP operating income</b>	<b>\$ 218.5</b>	<b>\$ 162.3</b>	<b>\$ 669.0</b>	<b>\$ 478.8</b>
Income before income taxes, as reported	\$ 117.3	\$ 43.1	\$ 271.8	\$ 115.4
Income tax expense, as reported	(20.9)	(31.8)	(82.9)	(87.0)
<b>Net income, as reported</b>	<b>\$ 96.4</b>	<b>\$ 11.3</b>	<b>\$ 189.0</b>	<b>\$ 28.3</b>
Adjustments:				
Total pretax adjustments to operating income	67.5	62.6	167.7	209.2
Pretax amortization of deferred financing costs & OID <sup>(2)</sup>	3.1	3.9	29.2	11.5
Pretax loss on debt transactions <sup>(3)</sup>	-	-	93.9	-
Pretax gain on sale of equity investment <sup>(3)</sup>	(2.1)	-	(8.8)	-
Tax effects of adjustments and other tax items <sup>(4)</sup>	(45.6)	(17.2)	(117.1)	(41.0)
<b>Non-GAAP net income</b>	<b>\$ 119.5</b>	<b>\$ 60.5</b>	<b>\$ 354.0</b>	<b>\$ 207.9</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.50</b>	<b>\$ 0.07</b>	<b>\$ 0.99</b>	<b>\$ 0.18</b>
<b>Non-GAAP diluted EPS</b>	<b>\$ 0.62</b>	<b>\$ 0.38</b>	<b>\$ 1.85</b>	<b>\$ 1.32</b>

(1) For the nine months ended September 30, 2014, includes the reduction in the estimated fair value of contingent consideration payable related to the Redwood acquisition.

(2) Included in interest expense.

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

(4) 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.

# Adjusted Operating Income Reconciliation by Quarter



(Unaudited -- In millions)

	<u>LTM Q3 2014</u>	<u>Q3 2014</u>	<u>Q2 2014</u>	<u>Q1 2014</u>	<u>Q4 2013</u>	<u>Q3 2013</u>
Operating income, as reported	\$ 561.4	\$ 151.0	\$ 203.7	\$ 146.5	\$ 60.1	\$ 99.8
Amortization of purchased intangible assets	177.4	44.8	44.3	44.3	44.0	44.0
Restructuring costs, net	17.3	7.4	2.3	2.0	5.7	4.9
Equity-based compensation	19.2	5.6	6.5	3.7	3.5	3.6
Asset impairments	18.0	7.0	7.2	-	3.7	7.3
Transaction costs	26.5	2.7	1.0	0.9	21.9	1.1
Purchase accounting adjustments	(11.4)	-	(6.4)	(5.4)	0.5	1.6
Adjustment of prior year warranty matter	2.1	-	-	-	2.1	-
<b>Non-GAAP adjusted operating income</b>	<b>\$ 810.4</b>	<b>\$ 218.5</b>	<b>\$ 258.5</b>	<b>\$ 192.0</b>	<b>\$ 141.3</b>	<b>\$ 162.3</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>21.1%</b>	<b>21.8%</b>	<b>24.2%</b>	<b>20.5%</b>	<b>16.7%</b>	<b>18.3%</b>
Depreciation	49.9	12.4	12.1	11.7	13.7	14.0
<b>Non-GAAP adjusted EBITDA</b>	<b>\$ 860.3</b>	<b>\$ 230.9</b>	<b>\$ 270.6</b>	<b>\$ 203.7</b>	<b>\$ 155.1</b>	<b>\$ 176.4</b>

Components may not sum to total due to rounding



# Quarterly Adjusted Operating Income Reconciliation by Segment



(Unaudited -- In millions)

## Third Quarter 2014 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Wireless	Enterprise	Broadband	Total
Operating income, as reported	\$ 113.8	\$ 25.3	\$ 11.9	\$ 151.0
Amortization of purchased intangible assets	23.2	17.3	4.3	44.8
Restructuring costs, net	5.9	-	1.6	7.4
Equity-based compensation	3.1	1.8	0.7	5.6
Asset impairments	7.0	-	-	7.0
Transaction costs	1.7	0.7	0.3	2.7
Purchase accounting adjustments	0.6	(0.6)	-	-
<b>Non-GAAP adjusted operating income</b>	<b>\$ 155.2</b>	<b>\$ 44.5</b>	<b>\$ 18.8</b>	<b>\$ 218.5</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>24.5%</b>	<b>20.4%</b>	<b>12.6%</b>	<b>21.8%</b>

Components may not sum to total due to rounding

# Quarterly Adjusted Operating Income Reconciliation by Segment



(Unaudited -- In millions)

## Second Quarter 2014 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Wireless	Enterprise	Broadband	Total
Operating income (loss), as reported	\$ 178.9	\$ 30.3	\$ (5.5)	\$ 203.7
Amortization of purchased intangible assets	22.5	17.4	4.4	44.3
Restructuring costs, net	1.6	(0.1)	0.8	2.3
Equity-based compensation	3.6	2.1	0.8	6.5
Asset impairments	-	-	7.2	7.2
Transaction costs	0.6	0.2	0.1	1.0
Purchase accounting adjustments	-	(6.4)	-	(6.4)
Prior year warranty matter	-	-	-	-
<b>Non-GAAP adjusted operating income</b>	<b>\$ 207.2</b>	<b>\$ 43.5</b>	<b>\$ 7.8</b>	<b>\$ 258.5</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>28.6%</b>	<b>19.9%</b>	<b>6.3%</b>	<b>24.2%</b>

## First Quarter 2014 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Wireless	Enterprise	Broadband	Total
Operating income (loss), as reported	\$ 127.6	\$ 22.6	\$ (3.7)	\$ 146.5
Amortization of purchased intangible assets	22.5	17.4	4.4	44.3
Restructuring costs, net	1.2	0.2	0.5	2.0
Equity-based compensation	2.0	1.2	0.5	3.7
Asset impairments	-	-	-	-
Transaction costs	0.6	0.2	0.1	0.9
Purchase accounting adjustments	-	(5.4)	-	(5.4)
Prior year warranty matter	-	-	-	-
<b>Non-GAAP adjusted operating income</b>	<b>\$ 153.9</b>	<b>\$ 36.1</b>	<b>\$ 1.9</b>	<b>\$ 192.0</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>24.5%</b>	<b>17.9%</b>	<b>1.8%</b>	<b>20.5%</b>

Components may not sum to total due to rounding

# Quarterly Adjusted Operating Income Reconciliation by Segment



(Unaudited -- In millions)

## Fourth Quarter 2013 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Wireless	Enterprise	Broadband	Total
Operating income (loss), as reported	\$ 57.4	\$ 3.0	\$ (0.3)	\$ 60.1
Amortization of purchased intangible assets	22.0	17.4	4.6	44.0
Restructuring costs, net	14.4	4.6	(13.3)	5.7
Equity-based compensation	1.9	1.1	0.5	3.5
Asset impairments	3.7	-	-	3.7
Transaction costs	12.5	5.9	3.4	21.9
Purchase accounting adjustments	-	0.5	-	0.5
Prior year warranty matter	-	-	2.1	2.1
<b>Non-GAAP adjusted operating income (loss)</b>	<b>\$ 111.9</b>	<b>\$ 32.4</b>	<b>\$ (3.0)</b>	<b>\$ 141.3</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>21.0%</b>	<b>15.8%</b>	<b>-2.8%</b>	<b>16.7%</b>

## Third Quarter 2013 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Wireless	Enterprise	Broadband	Total
Operating income (loss), as reported	\$ 90.3	\$ 21.7	\$ (12.2)	\$ 99.8
Amortization of purchased intangible assets	22.0	17.4	4.6	44.0
Restructuring costs, net	1.4	0.1	3.5	4.9
Equity-based compensation	1.9	1.2	0.5	3.6
Asset impairments	-	-	7.3	7.3
Transaction costs	0.7	0.2	0.2	1.1
Purchase accounting adjustments	-	1.6	-	1.6
<b>Non-GAAP adjusted operating income</b>	<b>\$ 116.3</b>	<b>\$ 42.1</b>	<b>\$ 3.9</b>	<b>\$ 162.3</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>21.1%</b>	<b>19.9%</b>	<b>3.2%</b>	<b>18.3%</b>

Components may not sum to total due to rounding

# Sales & Adjusted Operating Income by Segment



(Unaudited -- In millions)

## Sales by Segment

	Q3 2014	Q2 2014	Q3 2013	% Change	
				Sequential	YOY
Wireless	\$ 633.0	\$ 724.9	\$ 552.6	(12.7) %	14.5 %
Enterprise	218.0	218.4	212.2	(0.2) %	2.7 %
Broadband	149.5	123.4	124.6	21.2 %	20.0 %
Inter-segment eliminations	(0.1)	(0.4)	(1.4)	n/a	n/a
<b>Total Net Sales</b>	<b>\$ 1,000.4</b>	<b>\$ 1,066.3</b>	<b>\$ 888.0</b>	<b>(6.2) %</b>	<b>12.7 %</b>

## Non-GAAP Adjusted Operating Income by Segment

	Q3 2014	Q2 2014	Q3 2013	% Change	
				Sequential	YOY
Wireless	\$ 155.2	\$ 207.2	\$ 116.3	(25.1) %	33.4 %
Enterprise	44.5	43.5	42.1	2.3 %	5.7 %
Broadband	18.8	7.8	3.9	141.0 %	382.1 %
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 218.5</b>	<b>\$ 258.5</b>	<b>\$ 162.3</b>	<b>(15.5) %</b>	<b>34.6 %</b>

Components may not sum to total due to rounding