

YOUR NETWORK
RUNS ON COMMScope™

Second Quarter 2016 Results

July 28, 2016

Eddie Edwards

President and
Chief Executive Officer

Mark Olson

Executive Vice President and
Chief Financial Officer

Caution Regarding Forward Looking Statements

During this presentation or any other 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 generally identified by their use of such terms and phrases as “intend,” “goal,” “estimate,” “expect,” “project,” “projections,” “plans,” “anticipate,” “should,” “could,” “designed to,” “foreseeable future,” “believe,” “think,” “scheduled,” “outlook,” “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.

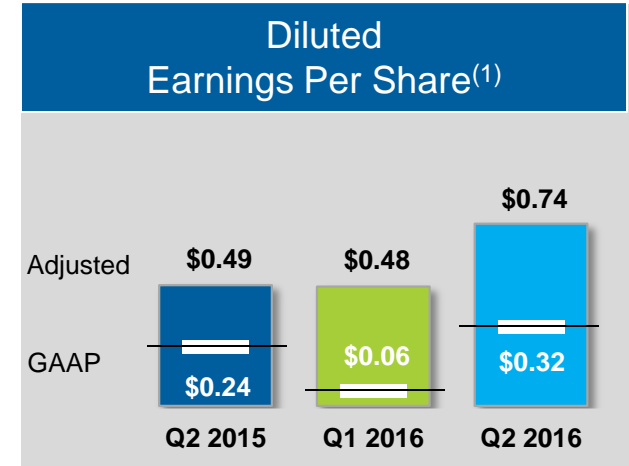
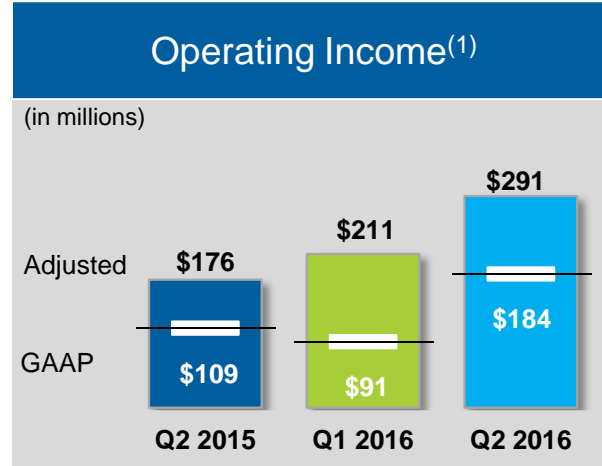
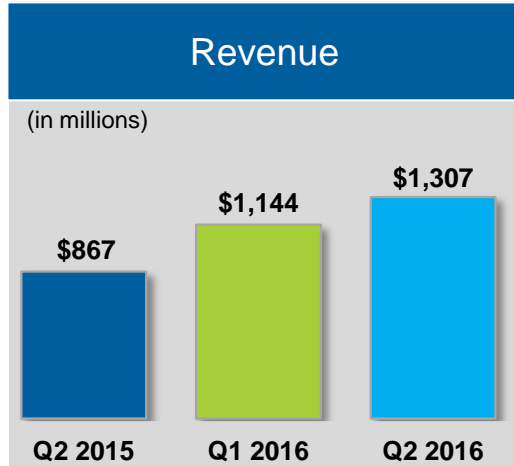
These statements are subject to various risks and uncertainties, many of which are outside our control, including, without limitation, our ability to integrate the BNS business on a timely and cost-effective manner; our reliance on TE Connectivity for transition services for the BNS business; our ability to realize expected growth opportunities and cost savings from the BNS business; our dependence on customers' capital spending on 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; product performance issues and associated warranty claims; 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; 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; 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 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, 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; 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 value-added tax receivables; our ability to attract and retain qualified key employees; labor unrest; significant international operations expose 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; cost of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign environmental laws; and other factors beyond our control. These and other factors are discussed in greater detail in our 2015 Annual Report on Form 10-K. Although the information contained in this presentation represents our best judgment as of the date of this report 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 report, except as otherwise may be required by law.

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.

- Second quarter 2016 results
- Segment review
- Cash flow, liquidity and capital structure
- BNS acquisition synergy update
- Third quarter and calendar year 2016 outlook

Q2 2016 Results



Sales & Orders:

- Sales of \$1.31 billion, consistent with guidance
 - On a pro forma basis for BNS, revenue down 2 percent YOY
- Orders of \$1.33 billion
 - Book-to-bill ratio of 1.02

Operating Results:

- Record gross margin of 42%
- GAAP Operating Income of \$184 million
- Adjusted Operating Income⁽¹⁾ increased 65% YOY to \$291 million, or 22% of sales
 - BNS acquisition and favorable geographic and product mix

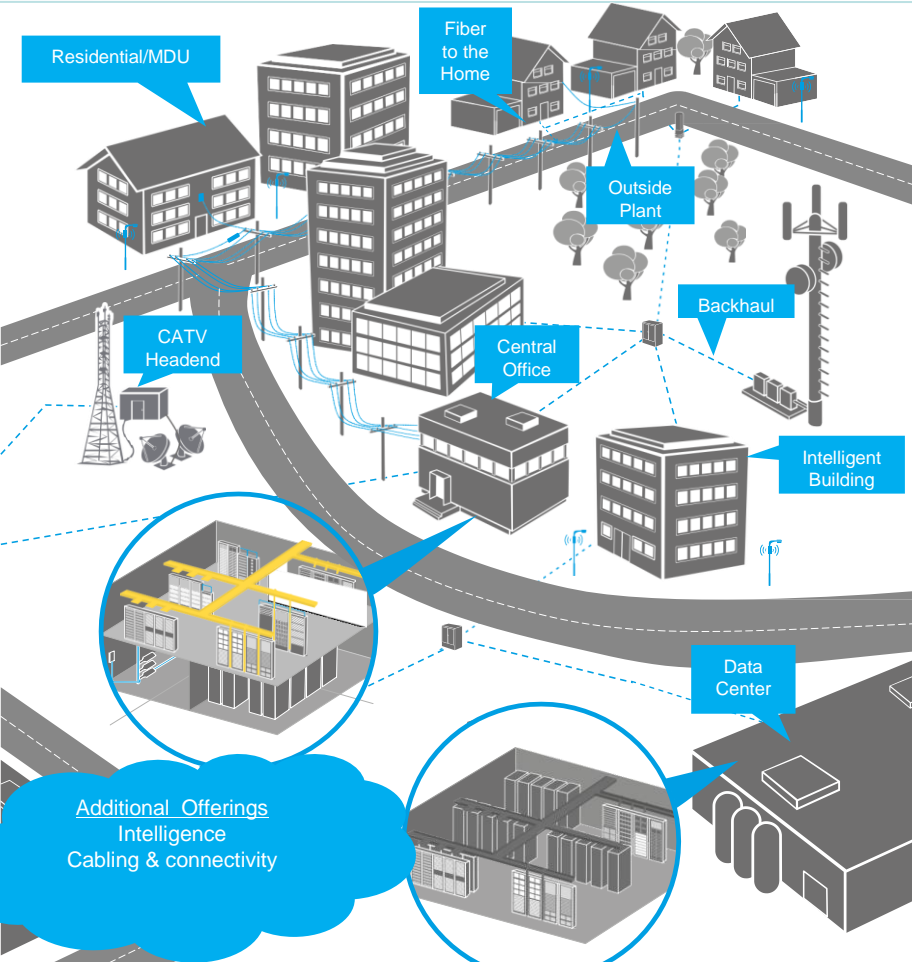
Net Income & EPS:

- GAAP Net Income of \$62 million, or \$0.32 per diluted share
- Adjusted Net Income⁽¹⁾ of \$145 million, or \$0.74 per diluted share, up 51% YOY

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

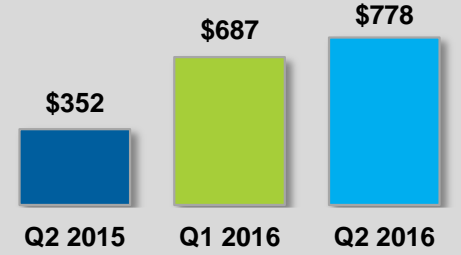
CommScope Connectivity Solutions (CCS)

COMMSCOPE®



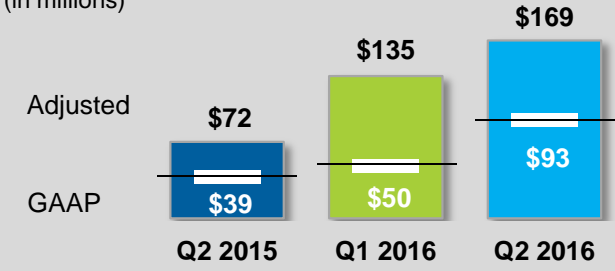
Revenue

(in millions)



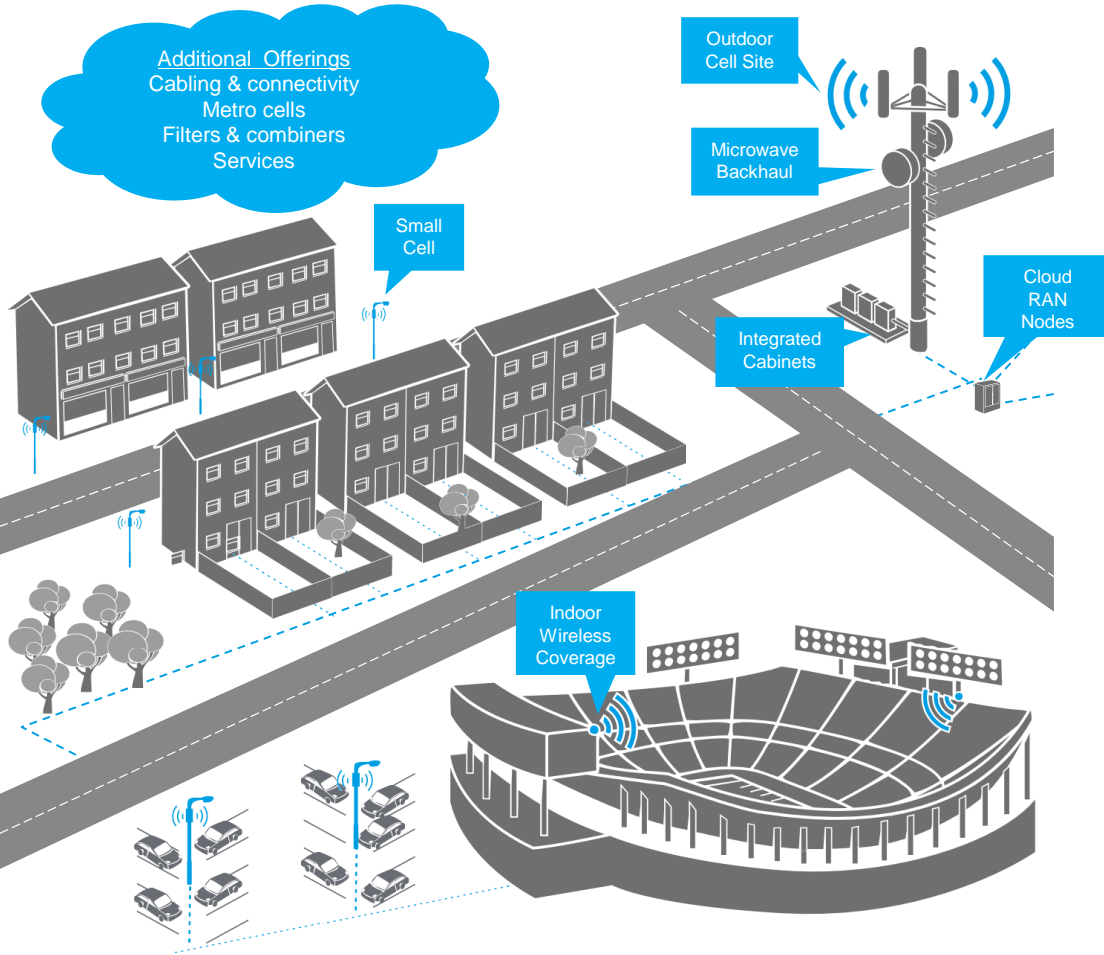
Operating Income⁽¹⁾

(in millions)



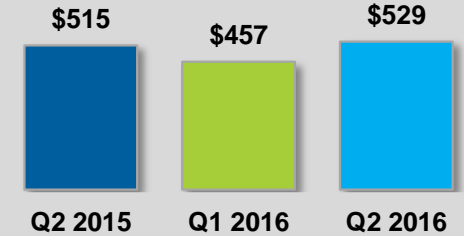
(1) See appendix for reconciliation of Adjusted Operating Income

CommScope Mobility Solutions (CMS)



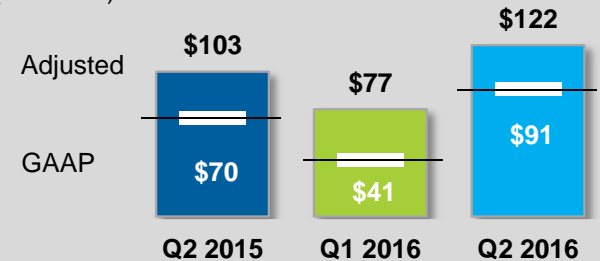
Revenue

(in millions)



Operating Income⁽¹⁾

(in millions)



(1) See appendix for reconciliation of Adjusted Operating Income

Cash Flow Highlights

(in millions)	Q2 2015	Q2 2016	LTM Q2 2015	LTM Q2 2016
Cash flow from operations	\$ 72	\$ 151	\$ 412	\$ 497
Capital expenditures, net of capital expenditures related to BNS integration ⁽¹⁾	(9)	(16)	(37)	(57)
Cash paid for transaction & integration costs	12	15	19	109
Debt redemption premium	---	10	---	10
Adjusted free cash flow	\$ 76	\$ 160	\$ 393	\$ 559
Cash taxes paid	\$ 26	\$ 23	\$ 108	\$ 100
Cash interest paid	\$ 60	\$ 22	\$ 137	\$ 278

Liquidity of \$875 million at June 30, 2016

Cash and Cash Equivalents: \$516 million

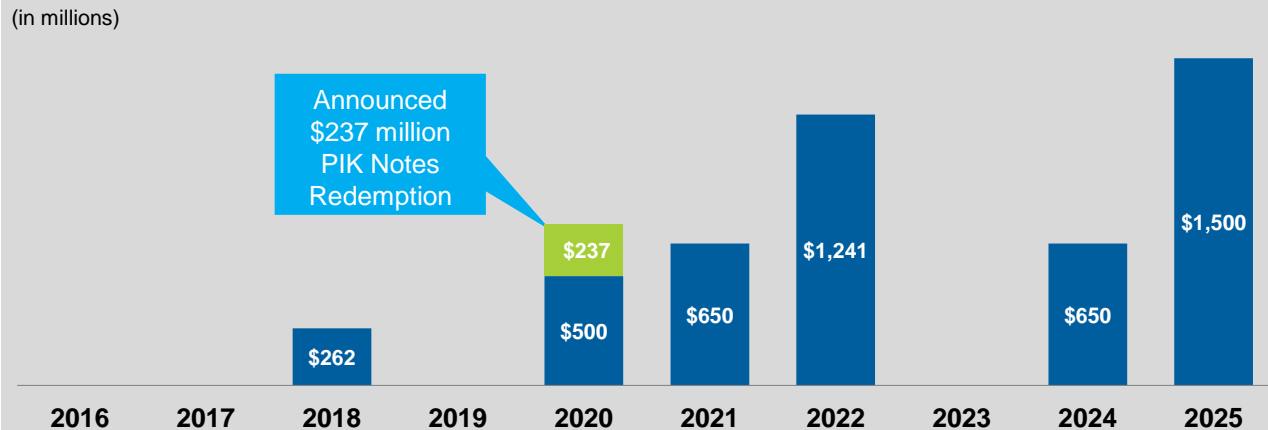
Availability Under Revolver: \$359 million

(1) Capital expenditures related to BNS integration for Q2 2015, Q2 2016, LTM Q2 2015 and LTM Q2 2016 were \$7 million, \$2 million, \$7 million and \$8 million, respectively. Components may not sum to total due to rounding

Capital Summary & Net Leverage Ratio

(dollars in millions)	6/30/2016
5.00% and 5.50% Notes	\$ 1,300.0
PIK Notes	236.6
Term Loans	1,502.5
6.00% Notes	1,500.0
Secured Notes	500.0
Less: OID & DFF	(91.3)
Total Debt	\$ 4,947.9
Cash & Cash Equivalents	516.0
Net Debt (excluding OID & DFF)	\$ 4,523.1
Stockholders' Equity	1,320.2
Total Capitalization	\$ 6,268.1
<u>LTM Adjusted EBITDA</u>	
CommScope	\$ 977.3
Acquisitions	38.6
Pro Forma LTM Adjusted EBITDA ⁽¹⁾	\$ 1,015.8
Net Leverage Ratio	4.5x

Major Debt Maturities as of June 30, 2016⁽²⁾



Expect net leverage ratio ~4x
by the end of 2016

(1) Includes pro forma adjusted EBITDA for BNS and Airvana for July 1, 2015 to the close of each acquisition

(2) Excludes mandatory prepayments of \$12.5 million annually for \$1.25 billion term loan due 2022

Accelerated and raised synergy targets

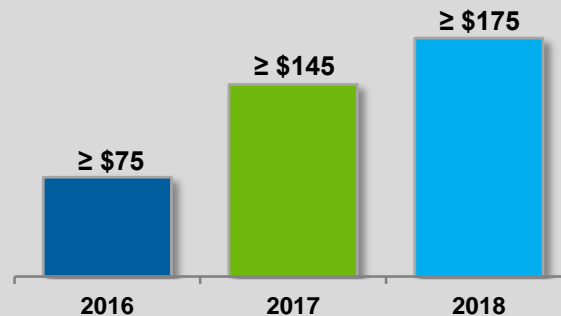
Original:
Estimated Synergies
≥ \$150 million

(in millions)



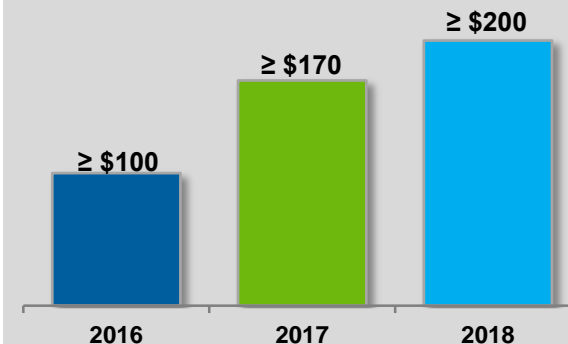
Q1 2016 Update:
Estimated Synergies
≥ \$175 million

(in millions)



Current Update:
Estimated Synergies
≥ \$200 million

(in millions)



Q3 2016 Guidance

- Sales of \$1.26 billion - \$1.31 billion
- Operating income of \$166 million - \$183 million
- Adjusted operating income of \$265 million - \$285 million
- Earnings per diluted share of \$0.37 - \$0.39, based on 196 million weighted average diluted shares
- Adjusted earnings per diluted share of \$0.69 - \$0.74, up 35% YOY at the midpoint
- Adjusted effective tax rate of 34% - 35%

Full Year 2016 Outlook

- Sales of \$4.85 billion – \$4.95 billion
- Operating income of \$562 million - \$597 million
- Adjusted operating income of \$990 million - \$1,035 million
- Earnings per diluted share of \$0.91 – 0.96, based on 196 million weighted average diluted shares
- Adjusted earnings per diluted share of \$2.42 - \$2.52, up 33% YOY at the midpoint
- Adjusted effective tax rate of 34% - 35%
- Cash flow from operations of more than \$550 million

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.

Pro Forma Results

The unaudited pro forma amounts are presented as though the BNS acquisition had been completed as of January 1, 2015. This pro forma information has not been prepared in accordance with U.S. generally accepted accounting principles. Accordingly, the pro forma financial information should not be relied upon as being indicative of the results that would have been realized.

Income Statements



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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net sales	\$ 1,306,788	\$ 867,290	\$ 2,450,767	\$ 1,692,690
Operating costs and expenses:				
Cost of sales	753,029	552,595	1,449,917	1,084,791
Selling, general and administrative	234,333	130,797	443,530	256,468
Research and development	51,934	27,982	104,124	55,718
Amortization of purchased intangible assets	76,015	44,624	149,631	89,410
Restructuring costs, net	7,605	1,894	13,677	3,765
Asset impairments	—	—	15,293	—
Total operating costs and expenses	<u>1,122,916</u>	<u>757,892</u>	<u>2,176,172</u>	<u>1,490,152</u>
Operating income	183,872	109,398	274,595	202,538
Other income (expense), net	(14,653)	86	(14,352)	2,713
Interest expense	(74,113)	(49,036)	(146,675)	(85,365)
Interest income	1,148	1,031	3,727	2,060
Income before income taxes	96,254	61,479	117,295	121,946
Income tax expense	(34,293)	(15,887)	(42,754)	(36,878)
Net income	<u>\$ 61,961</u>	<u>\$ 45,592</u>	<u>\$ 74,541</u>	<u>\$ 85,068</u>
Earnings per share:				
Basic	\$ 0.32	\$ 0.24	\$ 0.39	\$ 0.45
Diluted (a)	\$ 0.32	\$ 0.24	\$ 0.38	\$ 0.44
Weighted average shares outstanding:				
Basic	192,241	189,682	191,996	189,084
Diluted (a)	196,073	194,004	195,815	193,570
(a) Calculation of diluted earnings per share:				
Net income (basic)	\$ 61,961	\$ 45,592	\$ 74,541	\$ 85,068
Weighted average shares (basic)	192,241	189,682	191,996	189,084
Dilutive effect of stock options	3,832	4,322	3,819	4,486
Denominator (diluted)	<u>196,073</u>	<u>194,004</u>	<u>195,815</u>	<u>193,570</u>

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

Balance Sheets



(Unaudited -- In thousands,
except share amounts)

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Assets		
Cash and cash equivalents	\$ 516,043	\$ 562,884
Accounts receivable, less allowance for doubtful accounts of \$16,365 and \$19,392, respectively	993,013	833,041
Inventories, net	465,685	441,815
Prepaid expenses and other current assets	<u>128,756</u>	<u>166,900</u>
Total current assets	2,103,497	2,004,640
Property, plant and equipment, net of accumulated depreciation of \$275,457 and \$243,806, respectively	505,432	528,706
Goodwill	2,797,234	2,690,636
Other intangible assets, net	1,982,792	2,147,483
Other noncurrent assets	<u>125,593</u>	<u>131,166</u>
Total assets	<u>\$ 7,514,548</u>	<u>\$ 7,502,631</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 456,830	\$ 300,829
Other accrued liabilities	400,540	371,743
Current portion of long-term debt	<u>12,500</u>	<u>12,520</u>
Total current liabilities	869,870	685,092
Long-term debt	4,935,355	5,231,131
Deferred income taxes	227,060	202,487
Pension and other postretirement benefit liabilities	38,633	37,102
Other noncurrent liabilities	<u>123,425</u>	<u>124,099</u>
Total liabilities	6,194,343	6,279,911
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.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: 192,618,113 and 191,368,727, respectively	1,937	1,923
Additional paid-in capital	2,247,504	2,216,202
Retained earnings (accumulated deficit)	(737,853)	(812,394)
Accumulated other comprehensive loss	(177,254)	(171,678)
Treasury stock, at cost: 1,096,926 shares and 986,222 shares, respectively	<u>(14,129)</u>	<u>(11,333)</u>
Total stockholders' equity	<u>1,320,205</u>	<u>1,222,720</u>
Total liabilities and stockholders' equity	<u>\$ 7,514,548</u>	<u>\$ 7,502,631</u>

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

Statements of Cash Flows



(Unaudited -- In thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Operating Activities:				
Net income	\$ 61,961	\$ 45,592	\$ 74,541	\$ 85,068
Adjustments to reconcile net income to net cash generated by operating activities:				
Depreciation and amortization	103,559	66,269	200,497	125,723
Equity-based compensation	9,411	10,125	18,246	15,378
Deferred income taxes	(37,879)	(20,506)	(48,319)	(34,129)
Asset impairments	—	—	15,293	—
Excess tax benefits from equity-based compensation	(5,347)	(3,750)	(6,728)	(14,164)
Changes in assets and liabilities:				
Accounts receivable	(78,772)	(22,940)	(137,532)	(118,257)
Inventories	(8,523)	3,246	(18,386)	9,038
Prepaid expenses and other assets	16,517	7,011	10,139	5,877
Accounts payable and other liabilities	91,836	(14,951)	164,855	(2,269)
Other	(2,259)	1,930	(4,010)	1,001
Net cash generated by operating activities	150,504	72,026	268,596	73,266
Investing Activities:				
Additions to property, plant and equipment	(17,712)	(15,868)	(32,184)	(24,081)
Proceeds from sale of property, plant and equipment	56	48	3,740	173
Net purchase price adjustment	(9,092)	—	6,263	—
Acquisition funds held in escrow	—	(2,746,875)	—	(2,746,875)
Other	1,182	464	1,656	3,097
Net cash used in investing activities	(25,566)	(2,762,231)	(20,525)	(2,767,686)
Financing Activities:				
Long-term debt repaid	(303,124)	(500,318)	(306,270)	(502,517)
Long-term debt proceeds	—	3,246,875	—	3,246,875
Long-term debt financing costs	—	(9,025)	—	(9,025)
Proceeds from the issuance of common shares under equity-based compensation plans	5,501	4,952	6,991	16,951
Excess tax benefits from equity-based compensation	5,347	3,750	6,728	14,164
Tax withholding payments for vested equity-based compensation awards	(75)	—	(2,796)	—
Net cash generated by (used in) financing activities	(292,351)	2,746,234	(295,347)	2,766,448
Effect of exchange rate changes on cash and cash equivalents	(4,912)	1,788	435	(8,390)
Change in cash and cash equivalents	(172,325)	57,817	(46,841)	63,638
Cash and cash equivalents, beginning of period	688,368	735,142	562,884	729,321
Cash and cash equivalents, end of period	\$ 516,043	\$ 792,959	\$ 516,043	\$ 792,959

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

Quarter Segment Information



(Unaudited -- In millions)

Sales by Segment ⁽¹⁾

	<u>Q2 2016</u>	<u>Q1 2016</u>	<u>Q2 2015</u>	<u>% Change</u>	
				<u>Sequential</u>	<u>YOY</u>
Connectivity Solutions	778.0	687.0	352.1	13.2 %	121.0 %
Mobility Solutions	528.8	457.0	515.2	15.7 %	2.6 %
Total Net Sales	<u>\$ 1,306.8</u>	<u>\$ 1,144.0</u>	<u>\$ 867.3</u>	14.2 %	50.7 %

Non-GAAP Adjusted Operating Income by Segment ⁽¹⁾

	<u>Q2 2016</u>	<u>Q1 2016</u>	<u>Q2 2015</u>	<u>% Change</u>	
				<u>Sequential</u>	<u>YOY</u>
Connectivity Solutions	168.5	134.8	72.5	25.0 %	132.4 %
Mobility Solutions	122.5	76.6	103.5	59.9 %	18.4 %
Total Non-GAAP Adjusted Operating Income	<u>\$ 291.0</u>	<u>\$ 211.4</u>	<u>\$ 175.9</u>	37.7 %	65.4 %

(1) As of January 1, 2016, the Company began reporting in two operating segments: CommScope Connectivity Solutions (CCS) and CommScope Mobility Solutions (CMS). All prior period amounts have been restated to reflect these operating segment changes.

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

(Unaudited -- In millions)

Pro Forma Sales⁽¹⁾

	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>Q3 2015</u>	<u>Q4 2015⁽²⁾</u>	<u>Full Year 2015</u>
Legacy CommScope	\$ 825.4	\$ 867.3	\$ 831.5	\$ 754.0	\$ 3,278.2
Legacy BNS	424.9	471.0	415.8	388.5	1,700.2
Total Pro Forma Net Sales	<u>\$ 1,250.3</u>	<u>\$ 1,338.3</u>	<u>\$ 1,247.3</u>	<u>\$ 1,142.5</u>	<u>\$ 4,978.4</u>

Pro Forma Sales by Segment⁽¹⁾

	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>Q3 2015</u>	<u>Q4 2015</u>	<u>Full Year 2015</u>
Connectivity Solutions	\$ 717.6	\$ 781.2	\$ 750.4	\$ 671.5	\$ 2,920.7
Mobility Solutions	532.7	557.0	496.9	471.0	2,057.6
Total Pro Forma Net Sales	<u>\$ 1,250.3</u>	<u>\$ 1,338.3</u>	<u>\$ 1,247.3</u>	<u>\$ 1,142.5</u>	<u>\$ 4,978.4</u>

(1) See Description of Pro Forma Results

(2) As reported

Components may not sum to total due to rounding

Adjusted Operating Income Reconciliation by Quarter



(Unaudited -- In millions)

	<u>Q2 2016</u>	<u>Q1 2016</u>	<u>Q4 2015</u>	<u>Q3 2015</u>	<u>Q2 2015</u>
Operating income (loss), as reported	\$ 183.9	\$ 90.7	\$ 21.6	\$ (42.5)	\$ 109.4
Amortization of purchased intangible assets	76.0	73.6	76.9	54.3	44.6
Restructuring costs, net	7.6	6.1	18.9	6.9	1.9
Equity-based compensation	9.4	8.8	7.6	5.7	10.1
Asset impairments	—	15.3	5.5	85.3	—
Integration and transaction costs	14.5	15.9	14.8	60.8	9.9
Purchase accounting adjustments	(0.4)	1.0	51.2	30.5	—
Non-GAAP adjusted operating income	<u>\$ 291.0</u>	<u>\$ 211.4</u>	<u>\$ 196.4</u>	<u>\$ 201.0</u>	<u>\$ 175.9</u>
Non-GAAP adjusted operating margin %	22.3%	18.5%	17.2%	20.7%	20.3%
Depreciation	20.4	19.6	21.9	15.6	11.5
Non-GAAP adjusted EBITDA	<u>\$ 311.4</u>	<u>\$ 231.1</u>	<u>\$ 218.2</u>	<u>\$ 216.6</u>	<u>\$ 187.4</u>

Components may not sum to total due to rounding

Note: Pro forma LTM adjusted EBITDA for June 2016 was \$1,015.8 million, which included the impact of the BNS and Airvana acquisitions (\$38.6 million) so that the impact of the acquisitions is fully reflected in the twelve-month period. See our Form 10-Q for further information.

Quarterly Adjusted Operating Income Reconciliation by Segment



(Unaudited -- In millions)

Second Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment ⁽¹⁾

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 92.9	\$ 91.0	\$ 183.9
Amortization of purchased intangible assets	50.6	25.4	76.0
Restructuring costs, net	6.6	1.0	7.6
Equity-based compensation	5.3	4.1	9.4
Integration and transaction costs	13.5	1.0	14.5
Purchase accounting adjustments	(0.4)	—	(0.4)
Non-GAAP adjusted operating income	\$ 168.5	\$ 122.5	\$ 291.0
Non-GAAP adjusted operating margin %	21.7%	23.2%	22.3%

First Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment ⁽¹⁾

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 50.0	\$ 40.7	\$ 90.7
Amortization of purchased intangible assets	48.2	25.4	73.6
Restructuring costs, net	1.1	5.0	6.1
Equity-based compensation	5.0	3.8	8.8
Asset impairments	15.3	—	15.3
Integration and transaction costs	14.1	1.8	15.9
Purchase accounting adjustments	1.0	—	1.0
Non-GAAP adjusted operating income	\$ 134.8	\$ 76.6	\$ 211.4
Non-GAAP adjusted operating margin %	19.6%	16.8%	18.5%

Second Quarter 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment ⁽¹⁾

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 39.2	\$ 70.2	\$ 109.4
Amortization of purchased intangible assets	21.5	23.1	44.6
Restructuring costs, net	1.0	0.9	1.9
Equity-based compensation	4.6	5.5	10.1
Integration and transaction costs	6.1	3.8	9.9
Non-GAAP adjusted operating income	\$ 72.5	\$ 103.5	\$ 175.9
Non-GAAP adjusted operating margin %	20.6%	20.1%	20.3%

(1) As of January 1, 2016, the Company began reporting in two operating segments: Connectivity Solutions and Mobility Solutions. All prior period amounts have been restated to reflect these operating segment changes.

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		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Operating income, as reported	\$ 183.9	\$ 109.4	\$ 274.6	\$ 202.5
Adjustments:				
Amortization of purchased intangible assets	76.0	44.6	149.6	89.4
Restructuring costs, net	7.6	1.9	13.7	3.8
Equity-based compensation	9.4	10.1	18.2	15.4
Asset impairments	—	—	15.3	—
Integration and transaction costs	14.5	9.9	30.3	21.3
Purchase accounting adjustments	(0.4)	—	0.6	0.1
Total adjustments to operating income	107.1	66.5	227.7	130.0
Non-GAAP adjusted operating income	\$ 291.0	\$ 175.9	\$ 502.4	\$ 332.4
Income before income taxes, as reported	\$ 96.3	\$ 61.5	\$ 117.3	\$ 121.9
Income tax expense, as reported	(34.3)	(15.9)	(42.8)	(36.9)
Net income, as reported	\$ 62.0	\$ 45.6	\$ 74.5	\$ 85.1
Adjustments:				
Total pretax adjustments to operating income	107.1	66.5	227.7	130.0
Pretax amortization of deferred financing costs & OID ⁽¹⁾	7.2	10.1	10.9	13.2
Pretax acquisition related interest ⁽¹⁾	—	5.3	—	5.3
Pretax loss on debt transactions ⁽²⁾	9.9	—	9.9	—
Pretax gains on sale of equity investment ⁽²⁾	(0.1)	(0.3)	(0.5)	(2.7)
Tax effects of adjustments and other tax items ⁽³⁾	(41.4)	(32.4)	(83.4)	(54.5)
Non-GAAP adjusted net income	\$ 144.7	\$ 94.8	\$ 239.1	\$ 176.3
Diluted EPS, as reported	\$ 0.32	\$ 0.24	\$ 0.38	\$ 0.44
Non-GAAP adjusted diluted EPS	\$ 0.74	\$ 0.49	\$ 1.22	\$ 0.91

(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 September 30, 2016	Full Year 2016
Operating income	\$166 - \$183	\$562 - \$597
Adjustments:		
Amortization of purchased intangible assets	\$74	\$297
Equity-based compensation	\$9	\$36
Restructuring costs, integration costs and other ⁽¹⁾	\$16 - \$19	\$95 - \$105
Total adjustments to operating income	\$99 - \$102	\$428 - \$438
Non-GAAP adjusted operating income	\$265 - \$285	\$990 - \$1,035
Diluted earnings per share	\$0.37 - \$0.39	\$0.91 - \$0.96
Adjustments ⁽²⁾ :		
Total adjustments to operating income	\$0.33 - \$0.35	\$1.47 - \$1.51
Debt-related costs and other special items ⁽³⁾	\$(0.01) - \$0.00	\$0.04 - \$0.05
Non-GAAP adjusted diluted earnings per share	\$0.69 - \$0.74	\$2.42 - \$2.52

(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 investment gains or losses and other 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.