

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Net sales	\$ 827,895	\$ 846,558	\$ 3,829,614	\$ 3,480,117
Operating costs and expenses:				
Cost of sales	542,475	554,715	2,432,345	2,279,177
Selling, general and administrative	129,376	147,457	484,891	502,275
Research and development	29,543	30,879	125,301	126,431
Amortization of purchased intangible assets	44,826	43,966	178,265	174,887
Restructuring costs, net	7,590	5,671	19,267	22,104
Asset impairments	(2,133)	3,727	12,096	45,529
Total operating costs and expenses	751,677	786,415	3,252,165	3,150,403
Operating income	76,218	60,143	577,449	329,714
Other income (expense), net	4,188	(39,371)	(86,405)	(48,037)
Interest expense	(36,526)	(60,790)	(178,935)	(208,599)
Interest income	1,345	847	4,954	3,107
Income (loss) before income taxes	45,225	(39,171)	317,063	76,185
Income tax benefit (expense)	2,586	30,259	(80,291)	(56,789)
Net income (loss)	\$ 47,811	\$ (8,912)	\$ 236,772	\$ 19,396
Earnings (loss) per share:				
Basic	\$ 0.25	\$ (0.05)	\$ 1.27	\$ 0.12
Diluted (a)	\$ 0.25	\$ (0.05)	\$ 1.24	\$ 0.12
Weighted average shares outstanding:				
Basic	187,738	177,725	186,905	160,641
Diluted (a)	192,215	177,725	191,450	164,013
(a) Calculation of diluted earnings (loss) per share:				
Net income (loss) (basic)	\$ 47,811	\$ (8,912)	\$ 236,772	\$ 19,396
Weighted average shares (basic)	187,738	177,725	186,905	160,641
Dilutive effect of stock options	4,477	-	4,545	3,372
Denominator (diluted)	192,215	177,725	191,450	164,013

See notes to consolidated financial statements included in our Form 10-K.

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

	December 31,	
	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 729,321	\$ 346,320
Accounts receivable, less allowance for doubtful accounts of \$8,797 and \$12,617, respectively	612,007	607,489
Inventories, net	367,185	372,187
Prepaid expenses and other current assets	67,875	71,818
Deferred income taxes	51,230	55,609
Total current assets	1,827,618	1,453,423
Property, plant and equipment, net of accumulated depreciation of \$207,342 and \$183,965, respectively	289,371	310,143
Goodwill	1,451,887	1,450,506
Other intangible assets, net	1,260,927	1,422,192
Other noncurrent assets	126,082	97,791
Total assets	\$ 4,955,885	\$ 4,734,055
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 177,806	\$ 251,639
Other accrued liabilities	289,006	332,280
Current portion of long-term debt	9,001	9,462
Total current liabilities	475,813	593,381
Long-term debt	2,698,724	2,505,090
Deferred income taxes	339,945	386,527
Pension and postretirement benefit liabilities	29,478	40,349
Other noncurrent liabilities	104,306	120,692
Total liabilities	3,648,266	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 December 31, 2014 and 2013	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 187,831,389 and 185,861,777 at December 31, 2014 and 2013, respectively	1,888	1,868
Additional paid-in capital	2,141,433	2,101,350
Retained earnings (accumulated deficit)	(741,519)	(978,291)
Accumulated other comprehensive loss	(83,548)	(26,276)
Treasury stock, at cost: 961,566 shares at December 31, 2014 and 2013	(10,635)	(10,635)
Total stockholders' equity	1,307,619	1,088,016
Total liabilities and stockholders' equity	\$ 4,955,885	\$ 4,734,055

See notes to consolidated financial statements included in our Form 10-K.

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>Operating Activities:</b>				
Net income (loss)	\$ 47,811	\$ (8,912)	\$ 236,772	\$ 19,396
Adjustments to reconcile net income (loss) to net cash generated				
by operating activities:				
Depreciation and amortization	60,638	72,751	259,504	256,616
Equity-based compensation	5,361	3,451	21,092	16,108
Deferred income taxes	(1,747)	(55,450)	(33,278)	(40,722)
Asset impairments	(2,133)	3,727	12,096	45,529
Non-cash restructuring charges	459	8,314	1,237	11,179
Excess tax benefits from equity-based compensation	(828)	(220)	(11,411)	(229)
Changes in assets and liabilities:				
Accounts receivable	80,821	34,900	(18,824)	(11,895)
Inventories	45,347	(4,595)	(4,324)	(62,141)
Prepaid expenses and other current assets	(9,776)	(11,691)	1,502	(27,257)
Accounts payable and other accrued liabilities	(88,695)	57,030	(109,922)	57,575
Other noncurrent liabilities	(12,397)	(1,620)	(49,265)	(21,944)
Other noncurrent assets	9,089	1,855	715	(3,060)
Other	(6,164)	(13,106)	(16,476)	(1,454)
Net cash generated by operating activities	127,786	86,434	289,418	237,701
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(12,051)	(9,051)	(36,935)	(36,780)
Proceeds from sale of property, plant and equipment	2,963	1,999	4,575	3,237
Cash paid for acquisitions	(1,620)	—	(41,794)	(55,770)
Proceeds from sales of businesses and long-term investments	4,013	23,000	12,761	26,502
Cash paid for long-term investments	—	—	(15,000)	(750)
Other	140	—	441	150
Net cash generated by (used in) investing activities	(6,555)	15,948	(75,952)	(63,411)
<b>Financing Activities:</b>				
Long-term debt repaid	(2,195)	(702,580)	(1,124,392)	(907,817)
Long-term debt proceeds	26	200,344	1,315,026	947,379
Net proceeds from the issuance of common stock	—	433,958	—	433,958
Long-term debt financing costs	—	(1,433)	(23,257)	(14,560)
Dividends paid	—	—	—	(538,705)
Cash paid to stock option holders	—	—	—	(11,295)
Proceeds from the issuance of common shares under equity-based compensation plans	1,305	1,174	12,052	1,174
Excess tax benefits from equity-based compensation	828	220	11,411	229
Other	—	—	—	(32)
Net cash generated by (used in) financing activities	(36)	(68,317)	190,840	(89,669)
Effect of exchange rate changes on cash and cash equivalents	(8,308)	210	(21,305)	(2,676)
Change in cash and cash equivalents	112,887	34,275	383,001	81,945
Cash and cash equivalents, beginning of period	616,434	312,045	346,320	264,375
Cash and cash equivalents, end of period	<u>\$ 729,321</u>	<u>\$ 346,320</u>	<u>\$ 729,321</u>	<u>\$ 346,320</u>

See notes to consolidated financial statements included in our Form 10-K.

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

	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
<b>Operating income, as reported</b>	<b>\$ 76.2</b>	<b>\$ 60.1</b>	<b>\$ 577.4</b>	<b>\$ 329.7</b>
Adjustments:				
Amortization of purchased intangible assets	44.8	44.0	178.3	174.9
Restructuring costs, net	7.6	5.7	19.3	22.1
Equity-based compensation	5.4	3.5	21.1	16.1
Asset impairments	(2.1)	3.7	12.1	45.5
Transaction costs	7.5	21.9	12.1	27.2
Purchase accounting adjustments <sup>(1)</sup>	-	0.5	(11.9)	2.5
Adjustment of prior year warranty matter	-	2.1	-	2.1
Total adjustments to operating income	<u>63.2</u>	<u>81.4</u>	<u>231.0</u>	<u>290.4</u>
<b>Non-GAAP adjusted operating income</b>	<b>\$ 139.4</b>	<b>\$ 141.3</b>	<b>\$ 808.4</b>	<b>\$ 620.1</b>
Income before income taxes, as reported	\$ 45.2	\$ (39.2)	\$ 317.1	\$ 76.2
Income tax expense, as reported	<u>2.6</u>	<u>30.3</u>	<u>(80.3)</u>	<u>(56.8)</u>
<b>Net income, as reported</b>	<b>\$ 47.8</b>	<b>\$ (8.9)</b>	<b>\$ 236.8</b>	<b>\$ 19.4</b>
Adjustments:				
Total pretax adjustments to operating income	63.2	81.4	231.0	290.4
Pretax amortization of deferred financing costs & OID <sup>(2)</sup>	3.2	15.1	32.4	26.6
Pretax loss on debt transactions <sup>(3)</sup>	-	34.4	93.9	34.4
Pretax gain on sale of equity investment <sup>(3)</sup>	(3.5)	-	(12.3)	-
Tax effects of adjustments and other tax items <sup>(4)</sup>	<u>(38.0)</u>	<u>(67.7)</u>	<u>(155.1)</u>	<u>(108.7)</u>
<b>Non-GAAP adjusted net income</b>	<b>\$ 72.6</b>	<b>\$ 54.1</b>	<b>\$ 426.7</b>	<b>\$ 262.1</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.25</b>	<b>\$ (0.05)</b>	<b>\$ 1.24</b>	<b>\$ 0.12</b>
<b>Non-GAAP adjusted diluted EPS</b>	<b>\$ 0.38</b>	<b>\$ 0.30</b>	<b>\$ 2.23</b>	<b>\$ 1.60</b>

(1) For the year ended December 31, 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.

See Description of Non-GAAP Financial Measures

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

**Year Ended December 31, 2014 Non-GAAP Adjusted Operating Income by Segment**

	<u>Wireless</u>	<u>Enterprise</u>	<u>Broadband</u>	<u>Total</u>
Operating income, as reported	\$ 468.1	\$ 99.8	\$ 9.5	\$ 577.4
Amortization of purchased intangible assets	91.3	69.4	17.6	178.3
Restructuring costs, net	16.2	0.1	2.9	19.3
Equity-based compensation	11.7	6.7	2.7	21.1
Asset impairments	4.9	-	7.2	12.1
Transaction costs	7.6	3.0	1.5	12.1
Purchase accounting adjustments	0.6	(12.5)	-	(11.9)
<b>Non-GAAP adjusted operating income</b>	<b>\$ 600.3</b>	<b>\$ 166.6</b>	<b>\$ 41.5</b>	<b>\$ 808.4</b>
<b>Non-GAAP adjusted operating margin</b>	<b>24.3%</b>	<b>19.6%</b>	<b>8.1%</b>	<b>21.1%</b>

**Year Ended December 31, 2013 Non-GAAP Adjusted Operating Income by Segment**

	<u>Wireless</u>	<u>Enterprise</u>	<u>Broadband</u>	<u>Total</u>
Operating income (loss), as reported	\$ 303.4	\$ 66.7	\$ (40.4)	\$ 329.7
Amortization of purchased intangible assets	88.1	68.4	18.4	174.9
Restructuring costs, net	24.3	5.1	(7.3)	22.1
Equity-based compensation	8.7	5.2	2.3	16.1
Asset impairments	9.4	-	36.2	45.5
Transaction costs	15.5	7.4	4.3	27.2
Purchase accounting adjustments	-	2.5	-	2.5
Adjustment of prior year warranty matter	-	-	2.1	2.1
<b>Non-GAAP adjusted operating income</b>	<b>\$ 449.4</b>	<b>\$ 155.3</b>	<b>\$ 15.4</b>	<b>\$ 620.1</b>
<b>Non-GAAP adjusted operating margin</b>	<b>20.7%</b>	<b>18.8%</b>	<b>3.2%</b>	<b>17.8%</b>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

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

**Sales by Segment**

(Unaudited -- In millions)

	Q4 2014	Q3 2014	Q4 2013	% Change	
				Sequential	YOY
Wireless	\$ 484.8	\$ 633.0	\$ 533.7	(23.4) %	(9.2) %
Enterprise	212.5	218.0	205.2	(2.5) %	3.6 %
Broadband	130.6	149.5	109.1	(12.6) %	19.7 %
Inter-segment eliminations	(0.1)	(0.1)	(1.4)	N/A	N/A
<b>Total Net Sales</b>	<b>\$ 827.9</b>	<b>\$ 1,000.4</b>	<b>\$ 846.6</b>	<b>(17.2) %</b>	<b>(2.2) %</b>

**Non-GAAP Adjusted Operating Income by Segment**

(Unaudited -- In millions)

	Q4 2014	Q3 2014	Q4 2013	% Change	
				Sequential	YOY
Wireless	\$ 84.0	\$ 155.2	\$ 111.9	(45.9) %	(24.9) %
Enterprise	42.5	44.5	32.4	(4.5) %	31.2 %
Broadband	12.9	18.8	(3.0)	(31.4) %	N/A
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 139.4</b>	<b>\$ 218.5</b>	<b>\$ 141.3</b>	<b>(36.2) %</b>	<b>(1.3) %</b>

**Sales by Segment**

	2014	2013	% Change	
				YOY
Wireless	\$ 2,469.8	\$ 2,174.2		13.6 %
Enterprise	850.5	827.9		2.7 %
Broadband	511.1	484.6		5.5 %
Inter-segment eliminations	(1.8)	(6.6)		N/A
<b>Total Net Sales</b>	<b>\$ 3,829.6</b>	<b>\$ 3,480.1</b>		<b>10.0 %</b>

**Non-GAAP Adjusted Operating Income by Segment**

	2014	2013	% Change	
				YOY
Wireless	\$ 600.3	\$ 449.4		33.6 %
Enterprise	166.6	155.3		7.3 %
Broadband	41.5	15.4		169.5 %
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 808.4</b>	<b>\$ 620.1</b>		<b>30.4 %</b>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

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

**Fourth Quarter 2014 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Wireless	Enterprise	Broadband	Total
Operating income, as reported	\$ 47.8	\$ 21.5	\$ 6.9	\$ 76.2
Amortization of purchased intangible assets	23.1	17.4	4.4	44.8
Restructuring costs, net	7.5	-	0.1	7.6
Equity-based compensation	3.0	1.7	0.7	5.4
Asset impairments	(2.1)	-	-	(2.1)
Transaction costs	4.7	1.9	0.9	7.5
<b>Non-GAAP adjusted operating income</b>	<b>\$ 84.0</b>	<b>\$ 42.5</b>	<b>\$ 12.9</b>	<b>\$ 139.4</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>17.3%</b>	<b>20.0%</b>	<b>9.9%</b>	<b>16.8%</b>

**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>

**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>

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**

(Unaudited -- In millions)

	<u>Q4 2014</u>	<u>Q4 2013</u>	<u>Full Year 2014</u>	<u>Full Year 2013</u>
Cash flow from operations	\$ 127.8	\$ 86.4	\$ 289.4	\$ 237.7
Capital expenditures	(12.1)	(9.1)	(36.9)	(36.8)
Debt redemption premium	-	33.0	93.9	33.0
Fee paid to terminate management agreement	-	20.2	-	20.2
<b>Adjusted Free Cash Flow</b>	<b><u>\$ 115.7</u></b>	<b><u>\$ 130.5</u></b>	<b><u>\$ 346.4</u></b>	<b><u>\$ 254.1</u></b>

**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**

(Unaudited -- In millions)

	<u>Q4 2014</u>	<u>Q3 2014</u>	<u>Q2 2014</u>	<u>Q1 2014</u>	<u>Q4 2013</u>
Operating income, as reported	\$ 76.2	\$ 151.0	\$ 203.7	\$ 146.5	\$ 60.1
Amortization of purchased intangible assets	44.8	44.8	44.3	44.3	44.0
Restructuring costs, net	7.6	7.4	2.3	2.0	5.7
Equity-based compensation	5.4	5.6	6.5	3.7	3.5
Asset impairments	(2.1)	7.0	7.2	-	3.7
Transaction costs	7.5	2.7	1.0	0.9	21.9
Purchase accounting adjustments	-	-	(6.4)	(5.4)	0.5
Adjustment of prior year warranty matter	-	-	-	-	2.1
<b>Non-GAAP adjusted operating income</b>	<b><u>\$ 139.4</u></b>	<b><u>\$ 218.5</u></b>	<b><u>\$ 258.5</u></b>	<b><u>\$ 192.0</u></b>	<b><u>\$ 141.3</u></b>
<b>Non-GAAP adjusted operating margin %</b>	<b><u>16.8%</u></b>	<b><u>21.8%</u></b>	<b><u>24.2%</u></b>	<b><u>20.5%</u></b>	<b><u>16.7%</u></b>
Depreciation	12.7	12.4	12.1	11.7	13.7
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 152.0</u></b>	<b><u>\$ 230.9</u></b>	<b><u>\$ 270.6</u></b>	<b><u>\$ 203.7</u></b>	<b><u>\$ 155.1</u></b>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures