

## CommScope Holding Company, Inc.

**Condensed Consolidated Statements of Operations**  
(Unaudited -- In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net sales	\$ 1,293,948	\$ 972,597	\$ 3,744,715	\$ 2,665,287
Operating costs and expenses:				
Cost of sales	751,097	633,706	2,201,014	1,718,497
Selling, general and administrative	220,835	203,820	664,365	460,288
Research and development	48,430	31,100	152,554	86,818
Amortization of purchased intangible assets	74,639	54,287	224,270	143,697
Restructuring costs, net	10,826	6,868	24,503	10,633
Asset impairments	7,375	85,334	22,668	85,334
Total operating costs and expenses	1,113,202	1,015,115	3,289,374	2,505,267
Operating income (loss)	180,746	(42,518)	455,341	160,020
Other expense, net	(7,546)	(8,269)	(21,898)	(5,556)
Interest expense	(68,349)	(73,387)	(215,024)	(158,752)
Interest income	1,023	1,276	4,750	3,336
Income (loss) before income taxes	105,874	(122,898)	223,169	(952)
Income tax (expense) benefit	(12,043)	42,102	(54,797)	5,224
Net income (loss)	\$ 93,831	\$ (80,796)	\$ 168,372	\$ 4,272
Earnings (loss) per share:				
Basic	\$ 0.49	\$ (0.42)	\$ 0.88	\$ 0.02
Diluted (a)	\$ 0.48	\$ (0.42)	\$ 0.86	\$ 0.02
Weighted average shares outstanding:				
Basic	192,719	190,269	192,275	189,483
Diluted (a)	196,598	190,269	196,141	193,930
(a) Calculation of diluted earnings per share:				
Net income (loss) (basic)	\$ 93,831	\$ (80,796)	\$ 168,372	\$ 4,272
Weighted average shares (basic)	192,719	190,269	192,275	189,483
Dilutive effect of stock awards	3,879	—	3,866	4,447
Denominator (diluted)	196,598	190,269	196,141	193,930

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, 2016	December 31, 2015
<b>Assets</b>		
Cash and cash equivalents	\$ 517,275	\$ 562,884
Accounts receivable, less allowance for doubtful accounts of \$19,388 and \$19,392, respectively	966,839	833,041
Inventories, net	475,679	441,815
Prepaid expenses and other current assets	130,690	166,900
<b>Total current assets</b>	<b>2,090,483</b>	<b>2,004,640</b>
Property, plant and equipment, net of accumulated depreciation of \$288,137 and \$243,806, respectively	499,842	528,706
Goodwill	2,803,227	2,690,636
Other intangible assets, net	1,905,255	2,147,483
Other noncurrent assets	112,834	131,166
<b>Total assets</b>	<b>\$ 7,411,641</b>	<b>\$ 7,502,631</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 417,546	\$ 300,829
Other accrued liabilities	497,777	371,743
Current portion of long-term debt	12,500	12,520
<b>Total current liabilities</b>	<b>927,823</b>	<b>685,092</b>
Long-term debt	4,701,486	5,231,131
Deferred income taxes	202,429	202,487
Pension and other postretirement benefit liabilities	31,201	37,102
Other noncurrent liabilities	115,471	124,099
<b>Total liabilities</b>	<b>5,978,410</b>	<b>6,279,911</b>
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: 192,868,939 and 191,368,727, respectively	1,940	1,923
Additional paid-in capital	2,258,869	2,216,202
Retained earnings (accumulated deficit)	(644,022)	(812,394)
Accumulated other comprehensive loss	(169,277)	(171,678)
Treasury stock, at cost: 1,101,820 shares and 986,222 shares, respectively	(14,279)	(11,333)
<b>Total stockholders' equity</b>	<b>1,433,231</b>	<b>1,222,720</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 7,411,641</b>	<b>\$ 7,502,631</b>

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Operating Activities:</b>				
Net income (loss)	\$ 93,831	\$ (80,796)	\$ 168,372	\$ 4,272
Adjustments to reconcile net income to net cash generated by operating activities:				
Depreciation and amortization	100,953	73,762	301,450	199,485
Equity-based compensation	8,375	5,677	26,621	21,055
Deferred income taxes	(45,920)	(58,409)	(94,239)	(92,538)
Asset impairments	7,375	85,334	22,668	85,334
Excess tax benefits from equity-based compensation	(1,355)	(5,030)	(8,083)	(19,194)
Changes in assets and liabilities:				
Accounts receivable	41,195	2,126	(96,337)	(116,131)
Inventories	(5,094)	58,480	(23,480)	67,518
Prepaid expenses and other assets	2,401	(49,163)	12,540	(43,286)
Accounts payable and other liabilities	53,735	76,793	218,590	74,524
Other	1,160	3,696	(2,850)	4,697
Net cash generated by operating activities	256,656	112,470	525,252	185,736
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(17,476)	(15,341)	(49,660)	(39,422)
Proceeds from sale of property, plant and equipment	195	46	3,935	219
Cash paid for acquisitions including purchase price adjustments, net of cash acquired	(3,549)	(2,957,476)	2,714	(2,957,476)
Acquisition funds held in escrow	—	2,746,875	—	—
Other	1,831	171	3,487	3,268
Net cash used in investing activities	(18,999)	(225,725)	(39,524)	(2,993,411)
<b>Financing Activities:</b>				
Long-term debt repaid	(239,755)	(49)	(546,025)	(502,566)
Long-term debt proceeds	—	—	—	3,246,875
Long-term debt financing costs	—	(64,865)	—	(73,890)
Proceeds from the issuance of common shares under equity-based compensation plans	1,646	4,322	8,637	21,273
Excess tax benefits from equity-based compensation	1,355	5,030	8,083	19,194
Tax withholding payments for vested equity-based compensation awards	(150)	—	(2,946)	—
Net cash generated by (used in) financing activities	(236,904)	(55,562)	(532,251)	2,710,886
Effect of exchange rate changes on cash and cash equivalents	479	(6,180)	914	(14,570)
Change in cash and cash equivalents	1,232	(174,997)	(45,609)	(111,359)
Cash and cash equivalents, beginning of period	516,043	792,959	562,884	729,321
Cash and cash equivalents, end of period	<u>\$ 517,275</u>	<u>\$ 617,962</u>	<u>\$ 517,275</u>	<u>\$ 617,962</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		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
<b>Operating income (loss), as reported</b>	<b>\$ 180.7</b>	<b>\$ (42.5)</b>	<b>\$ 455.3</b>	<b>\$ 160.0</b>
Adjustments:				
Amortization of purchased intangible assets	74.6	54.3	224.3	143.7
Restructuring costs, net	10.8	6.9	24.5	10.6
Equity-based compensation	8.4	5.7	26.6	21.1
Asset impairments	7.4	85.3	22.7	85.3
Integration and transaction costs	14.7	60.8	45.1	82.1
Purchase accounting adjustments	—	30.5	0.6	30.6
Total adjustments to operating income (loss)	115.9	243.5	343.8	373.4
<b>Non-GAAP adjusted operating income</b>	<b>\$ 296.7</b>	<b>\$ 201.0</b>	<b>\$ 799.1</b>	<b>\$ 533.4</b>
Income (loss) before income taxes, as reported	\$ 105.9	\$ (122.9)	\$ 223.2	\$ (1.0)
Income tax (expense) benefit, as reported	(12.0)	42.1	(54.8)	5.2
<b>Net income (loss), as reported</b>	<b>\$ 93.8</b>	<b>\$ (80.8)</b>	<b>\$ 168.4</b>	<b>\$ 4.3</b>
Adjustments:				
Total pretax adjustments to operating income (loss)	115.9	243.5	343.8	373.4
Pretax amortization of deferred financing costs & OID <sup>(1)</sup>	6.1	3.9	16.9	17.1
Pretax acquisition related interest <sup>(1)</sup>	—	23.9	—	29.2
Pretax loss on debt transactions <sup>(2)</sup>	7.8	—	17.8	—
Pretax net investment gains <sup>(2)</sup>	—	—	(0.5)	(2.7)
Tax effects of adjustments and other tax items <sup>(3)</sup>	(64.3)	(87.9)	(147.8)	(142.4)
<b>Non-GAAP adjusted net income</b>	<b>\$ 159.3</b>	<b>\$ 102.6</b>	<b>\$ 398.6</b>	<b>\$ 278.9</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.48</b>	<b>\$ (0.42)</b>	<b>\$ 0.86</b>	<b>\$ 0.02</b>
<b>Non-GAAP adjusted diluted EPS</b>	<b>\$ 0.81</b>	<b>\$ 0.53</b>	<b>\$ 2.03</b>	<b>\$ 1.44</b>

(1) Included in interest expense.

(2) Included in other 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.**  
**Segment Information**  
(Unaudited -- In millions)

**Sales by Segment** <sup>(1)</sup>

	Q3 2016	Q2 2016	Q3 2015	% Change	
				Sequential	YOY
Connectivity Solutions	819.2	778.0	489.0	5.3 %	67.5 %
Mobility Solutions	474.7	528.8	483.6	(10.2) %	(1.8) %
<b>Total Net Sales</b>	<b><u>\$1,293.9</u></b>	<b><u>\$1,306.8</u></b>	<b><u>\$ 972.6</u></b>	<b>(1.0) %</b>	<b>33.0 %</b>

**Non-GAAP Adjusted Operating Income by Segment** <sup>(1)</sup>

	Q3 2016	Q2 2016	Q3 2015	% Change	
				Sequential	YOY
Connectivity Solutions	189.5	168.5	101.6	12.5 %	86.5 %
Mobility Solutions	107.2	122.5	99.4	(12.5) %	7.8 %
<b>Total Non-GAAP Adjusted Operating Income</b>	<b><u>\$ 296.7</u></b>	<b><u>\$ 291.0</u></b>	<b><u>\$ 201.0</u></b>	<b>2.0 %</b>	<b>47.6 %</b>

(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

**CommScope Holding Company, Inc.**  
**Pro Forma Sales**  
**(Unaudited -- In millions)**

**Pro Forma Sales<sup>(1)</sup>**

	Q1 2015	Q2 2015	Q3 2015	Q4 2015 <sup>(2)</sup>	Full Year 2015
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
<b>Total Pro Forma Net Sales</b>	<b><u>\$1,250.3</u></b>	<b><u>\$1,338.3</u></b>	<b><u>\$1,247.3</u></b>	<b><u>\$ 1,142.5</u></b>	<b><u>\$ 4,978.4</u></b>

**Pro Forma Sales by Segment<sup>(1)</sup>**

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full Year 2015
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
<b>Total Pro Forma Net Sales</b>	<b><u>\$1,250.3</u></b>	<b><u>\$1,338.3</u></b>	<b><u>\$1,247.3</u></b>	<b><u>\$ 1,142.5</u></b>	<b><u>\$ 4,978.4</u></b>

(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.

(2) As reported

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See Description of Non-GAAP Financial Measures

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.

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

**Third Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment <sup>(1)</sup>**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	\$ 104.8	\$ 75.9	\$ 180.7
Amortization of purchased intangible assets	49.4	25.2	74.6
Restructuring costs, net	8.4	2.5	10.8
Equity-based compensation	4.9	3.5	8.4
Asset impairments	7.4	—	7.4
Integration and transaction costs	14.6	0.2	14.7
<b>Non-GAAP adjusted operating income</b>	<b>\$ 189.5</b>	<b>\$ 107.2</b>	<b>\$ 296.7</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>23.1%</b>	<b>22.6%</b>	<b>22.9%</b>

**Second Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment <sup>(1)</sup>**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	\$ 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)
<b>Non-GAAP adjusted operating income</b>	<b>\$ 168.5</b>	<b>\$ 122.5</b>	<b>\$ 291.0</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>21.7%</b>	<b>23.2%</b>	<b>22.3%</b>

**Third Quarter 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment <sup>(1)</sup>**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating loss, as reported</b>	\$ (33.9)	\$ (8.6)	\$ (42.5)
Amortization of purchased intangible assets	30.8	23.5	54.3
Restructuring costs, net	4.1	2.8	6.9
Equity-based compensation	3.4	2.2	5.7
Asset impairments	10.9	74.4	85.3
Integration and transaction costs	57.1	3.8	60.8
Purchase accounting adjustments	29.2	1.3	30.5
<b>Non-GAAP adjusted operating income</b>	<b>\$ 101.6</b>	<b>\$ 99.4</b>	<b>\$ 201.0</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>20.8%</b>	<b>20.6%</b>	<b>20.7%</b>

(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

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

**Adjusted Free Cash Flow**

	Q3 2016	Q3 2015
<b>Cash flow from operations</b>	\$ 256.7	\$ 112.5
Integration and transaction costs	16.6	52.7
Redemption premium	7.8	—
Capital expenditures	(17.5)	(15.3)
Capex related to BNS integration	2.5	3.8
<b>Adjusted Free Cash Flow</b>	<b><u>\$ 266.1</u></b>	<b><u>\$ 153.7</u></b>

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 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Operating income (loss), as reported</b>	\$ 180.7	\$ 183.9	\$ 90.7	\$ 21.6	\$ (42.5)
Amortization of purchased intangible assets	74.6	76.0	73.6	76.9	54.3
Restructuring costs, net	10.8	7.6	6.1	18.9	6.9
Equity-based compensation	8.4	9.4	8.8	7.6	5.7
Asset impairments	7.4	—	15.3	5.5	85.3
Integration and transaction costs	14.7	14.5	15.9	14.8	60.8
Purchase accounting adjustments	—	(0.4)	1.0	51.2	30.5
<b>Non-GAAP adjusted operating income</b>	<b><u>\$ 296.7</u></b>	<b><u>\$ 291.0</u></b>	<b><u>\$ 211.4</u></b>	<b><u>\$ 196.4</u></b>	<b><u>\$ 201.0</u></b>
<b>Non-GAAP adjusted operating margin %</b>	<b>22.9%</b>	<b>22.3%</b>	<b>18.5%</b>	<b>17.2%</b>	<b>20.7%</b>
Depreciation	20.2	20.4	19.6	21.9	15.6
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 316.9</u></b>	<b><u>\$ 311.4</u></b>	<b><u>\$ 231.1</u></b>	<b><u>\$ 218.2</u></b>	<b><u>\$ 216.6</u></b>

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 Ending December 31, 2016	Full Year 2016
<b>Operating income</b>	<b>\$111 - \$128</b>	<b>\$566 - \$583</b>
Adjustments:		
Amortization of purchased intangible assets	\$71	\$295
Equity-based compensation	\$9	\$36
Restructuring costs, integration costs and other <sup>(1)</sup>	\$29 - \$32	\$122 - \$125
Total adjustments to operating income	\$109 - \$112	\$453 - \$456
<b>Non-GAAP adjusted operating income</b>	<b>\$220 - \$240</b>	<b>\$1,019 - \$1,039</b>
<b>Diluted earnings per share</b>	<b>\$0.18 - \$0.20</b>	<b>\$1.03 - \$1.05</b>
Adjustments <sup>(2)</sup> :		
Total adjustments to operating income	\$0.36 - \$0.38	\$1.54 - \$1.56
Debt-related costs and other special items <sup>(3)</sup>	\$0.00 - \$0.01	\$0.00 - \$0.01
<b>Non-GAAP adjusted diluted earnings per share</b>	<b>\$0.54 - \$0.59</b>	<b>\$2.57 - \$2.62</b>

(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.