

**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,	
	2015	2014	2015	2014
Net sales	\$ 972,597	\$ 1,000,427	\$ 2,665,287	\$ 3,001,719
Operating costs and expenses:				
Cost of sales	633,706	637,940	1,718,497	1,889,870
Selling, general and administrative	203,820	121,417	460,288	355,515
Research and development	31,100	30,806	86,818	95,758
Amortization of purchased intangible assets	54,287	44,835	143,697	133,439
Restructuring costs, net	6,868	7,388	10,633	11,677
Asset impairments	85,334	7,000	85,334	14,229
Total operating costs and expenses	<u>1,015,115</u>	<u>849,386</u>	<u>2,505,267</u>	<u>2,500,488</u>
Operating income (loss)	(42,518)	151,041	160,020	501,231
Other income (expense), net	(8,269)	1,393	(5,556)	(90,593)
Interest expense	(73,387)	(36,504)	(158,752)	(142,409)
Interest income	1,276	1,394	3,336	3,609
Income (loss) before income taxes	(122,898)	117,324	(952)	271,838
Income tax (expense) benefit	42,102	(20,893)	5,224	(82,877)
Net income (loss)	<u>\$ (80,796)</u>	<u>\$ 96,431</u>	<u>\$ 4,272</u>	<u>\$ 188,961</u>
Earnings (loss) per share:				
Basic	\$ (0.42)	\$ 0.51	\$ 0.02	\$ 1.01
Diluted (a)	\$ (0.42)	\$ 0.50	\$ 0.02	\$ 0.99
Weighted average shares outstanding:				
Basic	190,269	187,407	189,483	186,624
Diluted (a)	190,269	191,627	193,930	191,126
(a) Calculation of diluted earnings per share:				
Net income (loss) (basic)	\$ (80,796)	\$ 96,431	\$ 4,272	\$ 188,961
Weighted average shares (basic)	190,269	187,407	189,483	186,624
Dilutive effect of stock options	-	4,220	4,447	4,502
Denominator (diluted)	<u>190,269</u>	<u>191,627</u>	<u>193,930</u>	<u>191,126</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)

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 617,962	\$ 729,321
Accounts receivable, less allowance for doubtful accounts of \$12,782 and \$8,797, respectively	958,214	612,007
Inventories, net	554,835	367,185
Prepaid expenses and other current assets	146,743	67,875
Deferred income taxes	72,726	51,230
Total current assets	2,350,480	1,827,618
Property, plant and equipment, net of accumulated depreciation of \$233,332 and \$207,342, respectively	530,070	289,371
Goodwill	2,616,400	1,451,887
Other intangible assets, net	2,266,192	1,260,927
Other noncurrent assets	98,064	87,255
Total assets	\$ 7,861,206	\$ 4,917,058
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 336,796	\$ 177,806
Other accrued liabilities	414,552	289,006
Current portion of long-term debt	12,592	9,001
Total current liabilities	763,940	475,813
Long-term debt	5,342,910	2,659,897
Deferred income taxes	263,374	339,945
Pension and postretirement benefit liabilities	51,958	29,478
Other noncurrent liabilities	120,549	104,306
Total liabilities	6,542,731	3,609,439
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None at September 30, 2015 or December 31, 2014	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 190,590,496 and 187,831,389 at September 30, 2015 and December 31, 2014, respectively	1,916	1,888
Additional paid-in capital	2,199,286	2,141,433
Retained earnings (accumulated deficit)	(737,247)	(741,519)
Accumulated other comprehensive loss	(134,845)	(83,548)
Treasury stock, at cost: 961,566 shares at September 30, 2015 and December 31, 2014	(10,635)	(10,635)
Total stockholders' equity	1,318,475	1,307,619
Total liabilities and stockholders' equity	\$ 7,861,206	\$ 4,917,058

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,	
	2015	2014	2015	2014
<b>Operating Activities:</b>				
Net income (loss)	\$ (80,796)	\$ 96,431	\$ 4,272	\$ 188,961
Adjustments to reconcile net income (loss) to net cash generated by operating activities:				
Depreciation and amortization	73,762	60,385	199,485	198,866
Equity-based compensation	5,677	5,560	21,055	15,731
Deferred income taxes	(58,409)	(20,036)	(92,538)	(31,531)
Asset impairments	85,334	7,000	85,334	14,229
Excess tax benefits from equity-based compensation	(5,030)	(3,596)	(19,194)	(10,583)
Changes in assets and liabilities:				
Accounts receivable	2,126	69,172	(116,131)	(99,645)
Inventories	58,480	26,785	67,518	(49,671)
Prepaid expenses and other assets	(49,163)	22,330	(43,286)	2,904
Accounts payable and other liabilities	76,793	(52,913)	74,524	(58,095)
Other	3,696	(609)	4,697	(9,534)
Net cash generated by operating activities	<u>112,470</u>	<u>210,509</u>	<u>185,736</u>	<u>161,632</u>
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(15,341)	(8,693)	(39,422)	(24,884)
Proceeds from sale of property, plant and equipment	46	166	219	1,612
Cash paid for acquisitions, net of cash acquired	(2,957,476)	(44,919)	(2,957,476)	(40,174)
Acquisition funds held in escrow	2,746,875	—	—	—
Other	171	(13,250)	3,268	(5,951)
Net cash used in investing activities	<u>(225,725)</u>	<u>(66,696)</u>	<u>(2,993,411)</u>	<u>(69,397)</u>
<b>Financing Activities:</b>				
Long-term debt repaid	(49)	(2,408)	(502,566)	(1,122,197)
Long-term debt proceeds	—	—	3,246,875	1,315,000
Long-term debt financing costs	(64,865)	(519)	(73,890)	(23,257)
Proceeds from the issuance of common shares under equity-based compensation plans	4,322	2,805	21,273	10,747
Excess tax benefits from equity-based compensation	5,030	3,596	19,194	10,583
Net cash generated by (used in) financing activities	<u>(55,562)</u>	<u>3,474</u>	<u>2,710,886</u>	<u>190,876</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(6,180)</u>	<u>(11,902)</u>	<u>(14,570)</u>	<u>(12,997)</u>
Change in cash and cash equivalents	(174,997)	135,385	(111,359)	270,114
Cash and cash equivalents, beginning of period	<u>792,959</u>	<u>481,049</u>	<u>729,321</u>	<u>346,320</u>
Cash and cash equivalents, end of period	<u>\$ 617,962</u>	<u>\$ 616,434</u>	<u>\$ 617,962</u>	<u>\$ 616,434</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,	
	2015	2014	2015	2014
<b>Operating income (loss), as reported</b>	<b>\$ (42.5)</b>	<b>\$ 151.0</b>	<b>\$ 160.0</b>	<b>\$ 501.2</b>
Adjustments:				
Amortization of purchased intangible assets	54.3	44.8	143.7	133.4
Restructuring costs, net	6.9	7.4	10.6	11.7
Equity-based compensation	5.7	5.6	21.1	15.7
Asset impairments	85.3	7.0	85.3	14.2
Transaction and integration costs	60.8	2.7	82.1	4.6
Purchase accounting adjustments <sup>(1)</sup>	30.5	-	30.6	(11.9)
Total adjustments to operating income	<u>243.5</u>	<u>67.5</u>	<u>373.4</u>	<u>167.7</u>
<b>Non-GAAP adjusted operating income</b>	<b>\$ 201.0</b>	<b>\$ 218.5</b>	<b>\$ 533.4</b>	<b>\$ 669.0</b>
Income (loss) before income taxes, as reported	\$ (122.9)	\$ 117.3	\$ (1.0)	\$ 271.8
Income tax (expense) benefit, as reported	42.1	(20.9)	5.2	(82.9)
<b>Net income (loss), as reported</b>	<b>\$ (80.8)</b>	<b>\$ 96.4</b>	<b>\$ 4.3</b>	<b>\$ 189.0</b>
Adjustments:				
Total pretax adjustments to operating income	243.5	67.5	373.4	167.7
Pretax amortization of deferred financing costs & OID <sup>(2)</sup>	3.9	3.1	17.1	29.2
Pretax acquisition related interest <sup>(2)</sup>	23.9	-	29.2	-
Pretax loss on debt transactions <sup>(3)</sup>	-	-	-	93.9
Pretax gain on sale of equity investment <sup>(3)</sup>	-	(2.1)	(2.7)	(8.8)
Tax effects of adjustments and other tax items <sup>(4)</sup>	(87.9)	(45.6)	(142.4)	(117.1)
<b>Non-GAAP adjusted net income</b>	<b>\$ 102.6</b>	<b>\$ 119.5</b>	<b>\$ 278.9</b>	<b>\$ 354.0</b>
<b>Diluted EPS, as reported</b>	<b>\$ (0.42)</b>	<b>\$ 0.50</b>	<b>\$ 0.02</b>	<b>\$ 0.99</b>
<b>Non-GAAP adjusted diluted EPS</b>	<b>\$ 0.53</b>	<b>\$ 0.62</b>	<b>\$ 1.44</b>	<b>\$ 1.85</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.

See Description of Non-GAAP Financial Measures

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

**Sales by Segment**

	Q3 2015	Q2 2015	Q3 2014	% Change	
				Sequential	YOY
Wireless	\$ 475.3	\$ 515.2	\$ 633.0	(7.7) %	(24.9) %
Enterprise	227.8	221.9	218.0	2.7 %	4.5 %
Broadband	128.5	130.6	149.5	(1.6) %	(14.0) %
BNS	141.1	-	-	NM	NM
Inter-segment eliminations	(0.1)	(0.4)	(0.1)	NM	NM
<b>Total Net Sales</b>	<b>\$ 972.6</b>	<b>\$ 867.3</b>	<b>\$ 1,000.4</b>	<b>12.1 %</b>	<b>(2.8) %</b>

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

	Q3 2015	Q2 2015	Q3 2014	% Change	
				Sequential	YOY
Wireless	\$ 99.3	\$ 103.5	\$ 155.2	(4.1) %	(36.0) %
Enterprise	58.2	55.3	44.5	5.2 %	30.8 %
Broadband	17.7	17.2	18.8	2.9 %	(5.9) %
BNS	25.8	-	-	NM	NM
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 201.0</b>	<b>\$ 175.9</b>	<b>\$ 218.5</b>	<b>14.3 %</b>	<b>(8.0) %</b>

NM – Not meaningful

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)**

**Third Quarter 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Wireless	Enterprise	Broadband	BNS	Total
Operating income (loss), as reported	\$ (2.2)	\$ 39.3	\$ 2.0	\$ (81.6)	\$ (42.5)
Amortization of purchased intangible assets	23.1	17.4	3.8	10.0	54.3
Restructuring costs, net	1.3	-	0.2	5.3	6.9
Equity-based compensation	2.1	1.3	0.5	1.8	5.7
Asset impairments	74.4	-	10.9	-	85.3
Transaction and integration costs	0.6	0.3	0.2	59.8	60.8
Purchase accounting adjustments	-	-	-	30.5	30.5
<b>Non-GAAP adjusted operating income</b>	<b>\$ 99.3</b>	<b>\$ 58.2</b>	<b>\$ 17.7</b>	<b>\$ 25.8</b>	<b>\$ 201.0</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>20.9%</b>	<b>25.6%</b>	<b>13.8%</b>	<b>18.3%</b>	<b>20.7%</b>

**Second Quarter 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Wireless	Enterprise	Broadband	BNS	Total
Operating income, as reported	\$ 70.2	\$ 31.8	\$ 7.4	\$ -	\$ 109.4
Amortization of purchased intangible assets	23.1	17.3	4.2	-	44.6
Restructuring costs, net	0.9	(0.1)	1.0	-	1.9
Equity-based compensation	5.5	3.4	1.3	-	10.1
Transaction and integration costs	3.8	2.8	3.3	-	9.9
<b>Non-GAAP adjusted operating income</b>	<b>\$ 103.5</b>	<b>\$ 55.3</b>	<b>\$ 17.2</b>	<b>\$ -</b>	<b>\$ 175.9</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>20.1%</b>	<b>25.0%</b>	<b>13.1%</b>	<b>-</b>	<b>20.3%</b>

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

	Wireless	Enterprise	Broadband	BNS	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>\$ -</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>-</b>	<b>21.8%</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**

	<u>Q3 2015</u>	<u>Q3 2014</u>
Cash flow from operations	\$ 112.5	\$ 210.5
Transaction and integration costs	52.7	*
Capital expenditures	(15.3)	(8.7)
Capital spending for BNS acquisition integration	3.8	-
<b>Adjusted Free Cash Flow</b>	<b><u>\$ 153.7</u></b>	<b><u>\$ 201.8</u></b>

\* Not significant

**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**

	<u>Q3 2015</u>	<u>Q2 2015</u>	<u>Q1 2015</u>	<u>Q4 2014</u>	<u>Q3 2014</u>
Operating income (loss), as reported	\$ (42.5)	\$ 109.4	\$ 93.1	\$ 76.2	\$ 151.0
Amortization of purchased intangible assets	54.3	44.6	44.8	44.8	44.8
Restructuring costs, net	6.9	1.9	1.9	7.6	7.4
Equity-based compensation	5.7	10.1	5.3	5.4	5.6
Asset impairments	85.3	-	-	(2.1)	7.0
Transaction and integration costs	60.8	9.9	11.4	7.5	2.7
Purchase accounting adjustments	30.5	-	-	-	-
<b>Non-GAAP adjusted operating income</b>	<b><u>\$ 201.0</u></b>	<b><u>\$ 175.9</u></b>	<b><u>\$ 156.5</u></b>	<b><u>\$ 139.4</u></b>	<b><u>\$ 218.5</u></b>
<b>Non-GAAP adjusted operating margin %</b>	<b>20.7%</b>	<b>20.3%</b>	<b>19.0%</b>	<b>16.8%</b>	<b>21.8%</b>
Depreciation	15.6	11.5	11.6	12.7	12.4
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 216.6</u></b>	<b><u>\$ 187.4</u></b>	<b><u>\$ 168.1</u></b>	<b><u>\$ 152.0</u></b>	<b><u>\$ 230.9</u></b>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures