

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

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Net sales	\$ 1,142,541	\$ 827,895	\$ 3,807,828	\$ 3,829,614
Operating costs and expenses:				
Cost of sales	743,511	542,475	2,462,008	2,432,345
Selling, general and administrative	227,101	129,376	687,389	484,891
Research and development	49,146	29,543	135,964	125,301
Amortization of purchased intangible assets	76,905	44,826	220,602	178,265
Restructuring costs, net	18,855	7,590	29,488	19,267
Asset impairments	5,450	(2,133)	90,784	12,096
Total operating costs and expenses	<u>1,120,968</u>	<u>751,677</u>	<u>3,626,235</u>	<u>3,252,165</u>
Operating income	21,573	76,218	181,593	577,449
Other income (expense), net	(7,505)	4,188	(13,061)	(86,405)
Interest expense	(75,909)	(36,526)	(234,661)	(178,935)
Interest income	792	1,345	4,128	4,954
Income (loss) before income taxes	(61,049)	45,225	(62,001)	317,063
Income tax (expense) benefit	(14,098)	2,586	(8,874)	(80,291)
Net income (loss)	<u>\$ (75,147)</u>	<u>\$ 47,811</u>	<u>\$ (70,875)</u>	<u>\$ 236,772</u>
Earnings (loss) per share:				
Basic	\$ (0.39)	\$ 0.25	\$ (0.37)	\$ 1.27
Diluted (a)	\$ (0.39)	\$ 0.25	\$ (0.37)	\$ 1.24
Weighted average shares outstanding:				
Basic	191,040	187,738	189,876	186,905
Diluted (a)	191,040	192,215	189,876	191,450
(a) Calculation of diluted earnings (loss) per share:				
Net income (loss) (basic)	\$ (75,147)	\$ 47,811	\$ (70,875)	\$ 236,772
Weighted average shares (basic)	191,040	187,738	189,876	186,905
Dilutive effect of stock options	-	4,477	-	4,545
Denominator (diluted)	<u>191,040</u>	<u>192,215</u>	<u>189,876</u>	<u>191,450</u>

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,	
	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 562,884	\$ 729,321
Accounts receivable, less allowance for doubtful accounts of \$19,392 and \$8,797, respectively	833,041	612,007
Inventories, net	441,815	367,185
Prepaid expenses and other current assets	166,900	67,875
Deferred income taxes	—	51,230
Total current assets	2,004,640	1,827,618
Property, plant and equipment, net of accumulated depreciation of \$243,806 and \$207,342, respectively	528,706	289,371
Goodwill	2,690,636	1,451,887
Other intangible assets, net	2,147,483	1,260,927
Other noncurrent assets	131,166	87,255
Total assets	\$ 7,502,631	\$ 4,917,058
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 300,829	\$ 177,806
Other accrued liabilities	371,743	289,006
Current portion of long-term debt	12,520	9,001
Total current liabilities	685,092	475,813
Long-term debt	5,231,131	2,659,897
Deferred income taxes	202,487	339,945
Pension and postretirement benefit liabilities	37,102	29,478
Other noncurrent liabilities	124,099	104,306
Total liabilities	6,279,911	3,609,439
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None at December 31, 2015 or 2014	—	—
Common stock, \$.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 191,368,727 and 187,831,389 at December 31, 2015 and 2014, respectively	1,923	1,888
Additional paid-in capital	2,216,202	2,141,433
Retained earnings (accumulated deficit)	(812,394)	(741,519)
Accumulated other comprehensive loss	(171,678)	(83,548)
Treasury stock, at cost: 986,222 shares and 961,566 shares at December 31, 2015 and 2014, respectively	(11,333)	(10,635)
Total stockholders' equity	1,222,720	1,307,619
Total liabilities and stockholders' equity	\$ 7,502,631	\$ 4,917,058

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 December 31,		Year Ended December 31,	
	2015	2014	2015	2014
<b>Operating Activities:</b>				
Net income (loss)	\$ (75,147)	\$ 47,811	\$ (70,875)	\$ 236,772
Adjustments to reconcile net income (loss) to net cash generated by operating activities:				
Depreciation and amortization	104,015	60,638	303,500	259,504
Equity-based compensation	7,610	5,361	28,665	21,092
Deferred income taxes	(9,288)	(1,747)	(101,826)	(33,278)
Asset impairments	5,450	(2,133)	90,784	12,096
Excess tax benefits from equity-based compensation	(5,560)	(828)	(24,754)	(11,411)
Changes in assets and liabilities:				
Accounts receivable	109,147	80,821	(6,984)	(18,824)
Inventories	94,646	45,347	162,164	(4,324)
Prepaid expenses and other current assets	(31,693)	(9,776)	(65,271)	1,502
Accounts payable and other accrued liabilities	(79,954)	(88,695)	6,921	(109,922)
Other noncurrent liabilities	(969)	(12,397)	(13,320)	(49,265)
Other noncurrent assets	(2,258)	9,089	(11,966)	715
Other	325	(5,705)	5,022	(15,239)
Net cash generated by operating activities	116,324	127,786	302,060	289,418
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(17,079)	(12,051)	(56,501)	(36,935)
Proceeds from sale of property, plant and equipment	3,198	2,963	3,417	4,575
Cash paid for acquisitions, net of cash acquired	(43,515)	(1,620)	(3,000,991)	(41,794)
Proceeds from sales of businesses and long-term investments	—	4,013	2,817	12,761
Cash paid for long-term investments	—	—	—	(15,000)
Other	195	140	646	441
Net cash used in investing activities	(57,201)	(6,555)	(3,050,612)	(75,952)
<b>Financing Activities:</b>				
Long-term debt repaid	(116,490)	(2,195)	(619,056)	(1,124,392)
Long-term debt proceeds	—	26	3,246,875	1,315,026
Long-term debt financing costs	(429)	—	(74,319)	(23,257)
Proceeds from the issuance of common shares under equity-based compensation plans	4,297	1,305	25,570	12,052
Excess tax benefits from equity-based compensation	5,560	828	24,754	11,411
Other	(698)	—	(698)	—
Net cash generated by (used in) financing activities	(107,760)	(36)	2,603,126	190,840
Effect of exchange rate changes on cash and cash equivalents	(6,441)	(8,308)	(21,011)	(21,305)
Change in cash and cash equivalents	(55,078)	112,887	(166,437)	383,001
Cash and cash equivalents, beginning of period	617,962	616,434	729,321	346,320
Cash and cash equivalents, end of period	<u>\$ 562,884</u>	<u>\$ 729,321</u>	<u>\$ 562,884</u>	<u>\$ 729,321</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		Year Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
<b>Operating income, as reported</b>	<b>\$ 21.6</b>	<b>\$ 76.2</b>	<b>\$ 181.6</b>	<b>\$ 577.4</b>
Adjustments:				
Amortization of purchased intangible assets	76.9	44.8	220.6	178.3
Restructuring costs, net	18.9	7.6	29.5	19.3
Equity-based compensation	7.6	5.4	28.7	21.1
Asset impairments	5.5	(2.1)	90.8	12.1
Transaction and integration costs	14.8	7.5	96.9	12.1
Purchase accounting adjustments <sup>(1)</sup>	51.2	-	81.7	(11.9)
Total adjustments to operating income	174.9	63.2	548.2	231.0
<b>Non-GAAP adjusted operating income</b>	<b>\$ 196.4</b>	<b>\$ 139.4</b>	<b>\$ 729.8</b>	<b>\$ 808.4</b>
Income (loss) before income taxes, as reported	\$ (61.0)	\$ 45.2	\$ (62.0)	\$ 317.1
Income tax (expense) benefit, as reported	(14.1)	2.6	(8.9)	(80.3)
<b>Net income (loss), as reported</b>	<b>\$ (75.1)</b>	<b>\$ 47.8</b>	<b>\$ (70.9)</b>	<b>\$ 236.8</b>
Adjustments:				
Total pretax adjustments to operating income	174.9	63.2	548.2	231.0
Pretax amortization of deferred financing costs & OID <sup>(2)</sup>	5.2	3.2	22.3	32.4
Pretax acquisition related interest <sup>(2)</sup>	-	-	29.2	-
Pretax loss on debt transactions <sup>(3)</sup>	-	-	-	93.9
Pretax gain on sale of equity investment <sup>(3)</sup>	-	(3.5)	(2.7)	(12.3)
Tax effects of adjustments and other tax items <sup>(4)</sup>	(22.2)	(38.0)	(164.4)	(155.1)
<b>Non-GAAP adjusted net income</b>	<b>\$ 82.8</b>	<b>\$ 72.6</b>	<b>\$ 361.7</b>	<b>\$ 426.7</b>
<b>Diluted EPS, as reported</b>	<b>\$ (0.39)</b>	<b>\$ 0.25</b>	<b>\$ (0.37)</b>	<b>\$ 1.24</b>
<b>Non-GAAP adjusted diluted EPS <sup>(5)</sup></b>	<b>\$ 0.42</b>	<b>\$ 0.38</b>	<b>\$ 1.86</b>	<b>\$ 2.23</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. Adjustments for 2015 also reflect the exclusion of an increase in a valuation allowance.

(5) Diluted shares used in the calculation of non-GAAP adjusted diluted EPS for the three months and year ended December 31, 2015 are 195.1 million and 194.2 million, respectively.

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**

	Q4 2015	Q3 2015	Q4 2014	% Change	
				Sequential	YOY
Wireless	\$ 451.7	\$ 475.3	\$ 484.8	(5.0) %	(6.8) %
Enterprise	203.4	227.8	212.5	(10.7) %	(4.3) %
Broadband	99.0	128.5	130.6	(23.0) %	(24.2) %
BNS	388.5	141.1	-	175.3 %	NM
Inter-segment eliminations	(0.1)	(0.1)	(0.1)	NM	NM
<b>Total Net Sales</b>	<b>\$ 1,142.5</b>	<b>\$ 972.6</b>	<b>\$ 827.9</b>	<b>17.5 %</b>	<b>38.0 %</b>

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

	Q4 2015	Q3 2015	Q4 2014	% Change	
				Sequential	YOY
Wireless	\$ 80.2	\$ 99.3	\$ 84.0	(19.2) %	(4.5) %
Enterprise	42.7	58.2	42.5	(26.6) %	0.5 %
Broadband	11.4	17.7	12.9	(35.6) %	(11.6) %
BNS	62.1	25.8	-	140.7 %	NM
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 196.4</b>	<b>\$ 201.0</b>	<b>\$ 139.4</b>	<b>(2.3) %</b>	<b>40.9 %</b>

**Sales by Segment**

	2015	2014	% Change
			YOY
Wireless	\$ 1,938.5	\$ 2,469.8	(21.5) %
Enterprise	864.4	850.5	1.6 %
Broadband	476.1	511.1	(6.8) %
BNS	529.6	-	NM
Inter-segment eliminations	(0.8)	(1.8)	NM
<b>Total Net Sales</b>	<b>\$ 3,807.8</b>	<b>\$ 3,829.6</b>	<b>(0.6) %</b>

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

	2015	2014	% Change
			YOY
Wireless	\$ 381.1	\$ 600.3	(36.5) %
Enterprise	205.2	166.6	23.2 %
Broadband	55.6	41.5	34.0 %
BNS	87.9	-	NM
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 729.8</b>	<b>\$ 808.4</b>	<b>(9.7) %</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)**

**Year Ended December 31, 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Wireless	Enterprise	Broadband	BNS	Total
Operating income (loss), as reported	\$ 182.8	\$ 114.0	\$ 17.0	\$ (132.2)	\$ 181.6
Amortization of purchased intangible assets	93.4	69.4	16.3	41.5	220.6
Restructuring costs, net	7.3	2.6	2.6	17.0	29.5
Equity-based compensation	12.3	7.4	2.8	6.2	28.7
Asset impairments	74.4	5.5	10.9	-	90.8
Transaction and integration costs	10.8	6.2	6.1	73.8	96.9
Purchase accounting adjustments	-	0.1	-	81.6	81.7
<b>Non-GAAP adjusted operating income</b>	<b>\$ 381.1</b>	<b>\$ 205.2</b>	<b>\$ 55.6</b>	<b>\$ 87.9</b>	<b>\$ 729.8</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>19.7%</b>	<b>23.8%</b>	<b>11.7%</b>	<b>16.6%</b>	<b>19.2%</b>

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

	Wireless	Enterprise	Broadband	BNS	Total
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 and integration costs	7.6	3.0	1.5	-	12.0
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>\$ -</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>0.0%</b>	<b>21.1%</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 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Wireless	Enterprise	Broadband	BNS	Total
Operating income (loss), as reported	\$ 50.4	\$ 16.0	\$ 5.8	\$ (50.6)	\$ 21.6
Amortization of purchased intangible assets	24.2	17.4	3.9	31.5	76.9
Restructuring costs, net	3.3	2.7	1.2	11.7	18.9
Equity-based compensation	1.7	1.0	0.4	4.4	7.6
Asset impairments	-	5.5	-	-	5.5
Transaction and integration costs	0.5	0.2	0.1	14.0	14.8
Purchase accounting adjustments	-	-	-	51.1	51.2
<b>Non-GAAP adjusted operating income</b>	<b>\$ 80.2</b>	<b>\$ 42.7</b>	<b>\$ 11.4</b>	<b>\$ 62.1</b>	<b>\$ 196.4</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>17.7%</b>	<b>21.0%</b>	<b>11.5%</b>	<b>16.0%</b>	<b>17.2%</b>

**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>

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

	Wireless	Enterprise	Broadband	BNS	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 and integration 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>\$ -</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>0.0%</b>	<b>16.8%</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>Q4 2015</u>	<u>Q4 2014</u>	<u>Full Year 2015</u>	<u>Full Year 2014</u>
Cash flow from operations	\$ 116.3	\$ 127.8	\$ 302.1	\$ 289.4
Transaction and integration costs	24.5	*	96.1	*
Capital expenditures	(17.1)	(12.1)	(56.5)	(36.9)
Debt redemption premium	-	-	-	93.9
Capital spending for BNS acquisition integration	1.7	-	12.7	-
<b>Adjusted Free Cash Flow</b>	<b>\$ 125.4</b>	<b>\$ 115.7</b>	<b>\$ 354.4</b>	<b>\$ 346.4</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>Q4 2015</u>	<u>Q3 2015</u>	<u>Q2 2015</u>	<u>Q1 2015</u>	<u>Q4 2014</u>
Operating income (loss), as reported	\$ 21.6	\$ (42.5)	\$ 109.4	\$ 93.1	\$ 76.2
Amortization of purchased intangible assets	76.9	54.3	44.6	44.8	44.8
Restructuring costs, net	18.9	6.9	1.9	1.9	7.6
Equity-based compensation	7.6	5.7	10.1	5.3	5.4
Asset impairments	5.5	85.3	-	-	(2.1)
Transaction and integration costs	14.8	60.8	9.9	11.4	7.5
Purchase accounting adjustments	51.2	30.5	-	-	-
<b>Non-GAAP adjusted operating income</b>	<b>\$ 196.4</b>	<b>\$ 201.0</b>	<b>\$ 175.9</b>	<b>\$ 156.5</b>	<b>\$ 139.4</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>17.2%</b>	<b>20.7%</b>	<b>20.3%</b>	<b>19.0%</b>	<b>16.8%</b>
Depreciation	21.9	15.6	11.5	11.6	12.7
<b>Non-GAAP adjusted EBITDA</b>	<b>\$ 218.2</b>	<b>\$ 216.6</b>	<b>\$ 187.4</b>	<b>\$ 168.1</b>	<b>\$ 152.0</b>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

Note: For the year ended December 31, 2015, as measured pursuant to indentures governing our senior notes and PIK notes, pro forma Adjusted EBITDA was \$991.6 million, which included the impact of the BNS and Airvana acquisitions (\$163.2 million) and savings from announced cost reduction initiatives (\$38.1 million) so that the impact of the acquisitions and cost reduction initiatives are fully reflected in the twelve-month period. See our Form 10-K for further information.



CommScope Holding Company, Inc.  
BNS Revenue by Quarter  
(Unaudited -- In millions)

**BNS Revenue by Quarter**

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	<u>2015</u>
PF Q1 <sup>(1)</sup>	\$ 424.9
PF Q2 <sup>(1)</sup>	471.0
PF Q3 <sup>(1)</sup>	415.8
Q4	<u>388.5</u>
Total	<u>\$ 1,700.2</u>
	 <u>PF 2014<sup>(1)</sup></u>
PF Q1	\$ 467.6
PF Q2	504.0
PF Q3	503.2
PF Q4	<u>417.1</u>
	<u>\$ 1,891.8</u>

(1) See Description of Pro Forma Results

Components may not sum to total due to rounding

**Pro Forma Results**

The pro forma BNS amounts are based on their historical results prepared on a carve-out basis of accounting and, therefore, may not be indicative of the actual results when operated as part of CommScope. The pro forma adjustments represent management's best estimates based on information available at the time the pro forma information was prepared and may differ from the adjustments that may actually have been required. Accordingly, the pro forma financial information should not be relied upon as being indicative of the results that would have been realized.