



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

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

News Release



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

		Dece	mber 31,	
		2014		2013
Assets				
Cash and cash equivalents	\$	729,321	\$	346,320
Accounts receivable, less allowance for doubtful accounts of	Ψ	729,321	Ψ	540,520
\$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
Liabilities and Stockholders' Equity				
Accounts payable	\$	177,806	\$	251,639
Other accrued liabilities	ψ	289,006	ψ	332,280
Current portion of long-term debt		9,001		9,462
Total current liabilities		475,813		593,381
		175,015		575,501
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, \$.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.

News Release



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

Operating Activities: S 47,811 \$ (8,912) \$ 236,772 \$ Adjustments to reconcile net income (loss) to net cash generated by operating activities: Depreciation and amorization 60,638 72,751 259,504 2 Deferred income taxes $(1,747)$ (55,450) (33,278) (4,277) Asset impairments $(2,133)$ 3,727 12,096 (4,277) Non-cash restructuring charges 459 8,314 1,237 (4,277) Excess taxbenefits from equity-based compensation (828) (220) (11,411) Changes in assets and liabilities: $45,347$ (4,595) (4,324) (6,428) Inventories $45,347$ (1,691) 1,502 (5,643) (29,02) (20,011,641) (1,601) (1,602) (4,242) (6,6164) (1,060) (1,62,75) (29,263) (7,030) (109,922) (20,01) (20,625) (20,01) (20,625) (20,01) (20,6335) (20,01) (20,6335) (20,01) (20,6335) (20,01) (20,6335) (20,01) <		Three Months Ended December 31,				Decen			onths Ended nber 31,	
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Net income (toss) \$ 47,811 \$ (8,912) \$ 236,772 \$ Adjustments to reconcile net income (loss) to net cash generated by operating activities: $60,638$ 72,751 259,504 22 Equity-based compensation 5,361 3,451 21,092 21 Equity-based compensation 5,361 3,451 21,092 21 Non-cash restructuring charges (2,133) 3,727 12,006 22 Non-cash restructuring charges (4,598) (200) (11,411) 23 Changes in assets and liabilities: (3,247) (4,599) (4,324) (0) Accounts receivable 80,821 34,900 (18,824) (0) Accounts receivable (1,247) (1,600) (1,620) (1,620) (1,620) Other noncurrent assets (9,089) 1,855 715 (1,620) (1,6476) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (2,653) (Operating Activities:									
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Other noncurrent liabilities $(12,397)$ $(1,620)$ $(49,265)$ $(12,397)$ Other noncurrent assets $9,089$ $1,855$ 715 Other $(6,164)$ $(13,106)$ $(16,476)$ Net cash generated by operating activities $127,786$ $86,434$ $289,418$ 22 Investing Activities: $127,786$ $86,434$ $289,418$ 22 Investing Activities: $127,786$ $86,434$ $289,418$ 22 Investing Activities: 2963 1999 $4,575$ $4,575$ Cash paid for acquisitions $(16,20)$ $-(41,794)$ $(22,761)$ $(23,000)$ $12,761$ $22,761$ Cash paid for long-term investments $ (15,000)$ $(0,179,952)$ $(0,124,392)$ $(9,124,392)$ $(9,126,95)$ Other 140 $ 441$ $ 441,1$ $ 441,13,10,26$ $9,23,253$ $(1,24,392)$ $(9,124,392)$ $(9,124,392)$ $(9,124,392)$ $(9,124,392)$ $(9,124,392)$ $(9,124,392)$ $(9,12$	Prepaid expenses and other current assets		(9,776)		(11,691)		1,502		(27,257)	
Other noncurrent assets 9,089 1,855 7,15 Other (6,164) (13,106) (16,476) Net cash generated by operating activities 127,786 86,434 289,418 22 Investing Activities: Additions to property, plant and equipment 2,963 1,999 4,575 (2.3h paid for acquisitions (12,051) (9,051) (36,935) (2.3h paid for acquisitions (14,794) (2.3h paid for acquisitions (14,794) (2.3h paid for long-term investments 4,013 23,000 12,761 (2.3h paid for long-term investments - - (15,000) (11,24,392) (90 Other 140 - 441 - - 441 - - (15,000) (11,24,392) (90 Long-term debt repaid (2,195) (702,580) (1,124,392) (90 Long-term debt proceeds 26 200,344 1,315,026 92 - 441 - - - (1,433) (23,257) (11,24,392) (90 Long-term debt proceeds - - - (11,433) (23,2	Accounts payable and other accrued liabilities		(88,695)		57,030		(109,922)		57,575	
Other $(6,164)$ $(13,106)$ $(16,476)$ Net cash generated by operating activities 127,786 86,434 289,418 23 Investing Activities: Additions to property, plant and equipment $(12,051)$ $(9,051)$ $(36,935)$ $(36,935)$ Proceeds from sale of property, plant and equipment $2,963$ $1,999$ $4,575$ (28) Cash paid for acquisitions $(16,20)$ $(41,794)$ (28) Proceeds from sales of businesses and long-term investments $4,013$ $23,000$ $12,761$ 23 Cash paid for long-term investments $(15,000)$ 00	Other noncurrent liabilities		(12,397)		(1,620)		(49,265)		(21,944)	
Net cash generated by operating activities $127,786$ $86,434$ $289,418$ 22 Investing Activities:Additions to property, plant and equipment $(12,051)$ $(9,051)$ $(36,935)$ $(12,051)$ Proceeds from sale of property, plant and equipment $2,963$ $1,999$ $4,575$ (1620) $ (41,794)$ $(21,051)$ Cash paid for acquisitions $(1,620)$ $ (41,794)$ $(21,051)$ $(36,935)$ $(21,051)$ Proceeds from sales of businesses and long-term investments $4,013$ $23,000$ $12,761$ $(22,051)$ Cash paid for long-term investments $ (15,000)$ Other 140 $ 441$ Net cash generated by (used in) investing activities (6555) $15,948$ $(75,952)$ $(01,124,392)$ Financing Activities: $ (1,433)$ $(23,257)$ $(02,124,392)$ $(99,124,392)$ Long-term debt repaid $(2,195)$ $(702,580)$ $(1,124,392)$ $(99,124,392)$ <	Other noncurrent assets		9,089		1,855		715		(3,060)	
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Cash paid for acquisitions $(1,620)$ $(41,794)$ (52) Proceeds from sales of businesses and long-term investments 4.013 $23,000$ $12,761$ 22 Cash paid for long-term investments $(15,000)$ 20 Other140441Net cash generated by (used in) investing activities $(6,555)$ $15,948$ $(75,952)$ (0) Financing Activities: $(2,195)$ $(702,580)$ $(1,124,392)$ (9) Long-term debt repaid $(2,195)$ $(702,580)$ $(1,124,392)$ (9) Long-term debt proceeds26 $200,344$ $1,315,026$ 9 Net proceeds from the issuance of common stock $433,958$ 44 Dividends paid (5) Cash paid to stock option holders (6) Proceeds from the issuance of common shares under (6) Under equity-based compensation plans $1,305$ $1,174$ $12,052$ Excess tax benefits from equity-based compensation 828 220 $11,411$ OtherNet cash generated by (used in) financing activities (36) $(68,317)$ $190,840$ (6) Effect of exchange rate changes on cash and cash equivalents $(8,308)$ 210 $(21,305)$ $(21,305)$,		,		,		(36,780)	
Proceeds from sales of businesses and long-term investments $4,013$ $23,000$ $12,761$ $22,761$ Cash paid for long-term investments———(15,000)Other140—441Net cash generated by (used in) investing activities(6,555)15,948(75,952)(6Financing Activities:Long-term debt repaid(2,195)(702,580)(1,124,392)(90)Long-term debt proceeds26200,3441,315,02694Net proceeds from the issuance of common stock—433,958—44Long-term debt financing costs—(1,433)(23,257)(6)Dividends paid————(5)Cash paid to stock option holders———(6)Proceeds from the issuance of common shares underunder equity-based compensation plans1,3051,17412,052Excess tax benefits from equity-based compensation82822011,4110Other—————Net cash generated by (used in) financing activities(36)(68,317)190,840(6)Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)21Change in cash and cash equivalents112,88734,275383,00134					1,999				3,237	
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Financing Activities:Long-term debt repaid $(2,195)$ $(702,580)$ $(1,124,392)$ (90) Long-term debt proceeds26 $200,344$ $1,315,026$ 94 Net proceeds from the issuance of common stock— $433,958$ — 43 Long-term debt financing costs— $(1,433)$ $(23,257)$ $(1,124,392)$ Dividends paid——433,958— 43 Cash paid to stock option holders——— $(53,257)$ $(1,124,392)$ Proceeds from the issuance of common shares under——— $(53,257)$ $(1,124,392)$ Under equity-based compensation plans1,3051,17412,052 $(1,124,392)$ $(1,124,392)$ Excess tax benefits from equity-based compensation82822011,411 $(1,124,392)$ $(1,124,392)$ $(1,124,392)$ Other————— $(1,23,05)$ $(1,23,05)$ $(1,124,392)$ $(21,305)$ Effect of exchange rate changes on cash and cash equivalents $(8,308)$ 210 $(21,305)$ $(21,305)$ Change in cash and cash equivalents $112,887$ $34,275$ $383,001$ 88									150	
Long-term debt repaid $(2,195)$ $(702,580)$ $(1,124,392)$ (90) Long-term debt proceeds26 $200,344$ $1,315,026$ 94 Net proceeds from the issuance of common stock- $433,958$ - 44 Long-term debt financing costs- $(1,433)$ $(23,257)$ $(1,124,392)$ Dividends paid(1,433) $(23,257)$ $(1,124,392)$ Dividends paid(1,433) $(23,257)$ $(1,124,392)$ Cash paid to stock option holders(1,433) $(23,257)$ $(1,124,392)$ Proceeds from the issuance of common shares under $(1,433)$ $(23,257)$ $(1,124,392)$ Proceeds from the issuance of common shares under $(1,433)$ $(23,257)$ $(1,124,392)$ $(1,124,392)$ Proceeds from the issuance of common shares under $(1,433)$ $(23,257)$ $(1,124,392)$ Under equity-based compensation plans1,3051,17412,052- $(1,2,052)$ -Excess tax benefits from equity-based compensation82822011,411-OtherNet cash generated by (used in) financing activities (36) $(68,317)$ 190,840 (36) Effect of exchange rate changes on cash and cash equivalents $(8,308)$ 210 $(21,305)$ -Change in cash and cash equivalents112,88734,275383,00188	Net cash generated by (used in) investing activities		(6,555)		15,948		(75,952)		(63,411)	
Long-term debt proceeds26200,3441,315,02694Net proceeds from the issuance of common stock—433,958—43Long-term debt financing costs—(1,433)(23,257)(3Dividends paid———(53Cash paid to stock option holders———(53Proceeds from the issuance of common shares under———(53Under equity-based compensation plans1,3051,17412,052(53Excess tax benefits from equity-based compensation82822011,411(53Other—————Net cash generated by (used in) financing activities(36)(68,317)190,840(33Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)	Financing Activities:									
Net proceeds from the issuance of common stock $-$ 433,958 $-$ 44Long-term debt financing costs $ (1,433)$ $(23,257)$ $(23,257)$ Dividends paid $ (53)$ Cash paid to stock option holders $ (53)$ Proceeds from the issuance of common shares under $ (63)$ Under equity-based compensation plans $1,305$ $1,174$ $12,052$ (53) Excess tax benefits from equity-based compensation 828 220 $11,411$ Other $ -$ Net cash generated by (used in) financing activities (36) $(68,317)$ $190,840$ (32) Effect of exchange rate changes on cash and cash equivalents $(8,308)$ 210 $(21,305)$ $(21,305)$ Change in cash and cash equivalents $112,887$ $34,275$ $383,001$ 883	Long-term debt repaid		(2,195)		(702,580)		(1,124,392)		(907,817)	
Long-term debt financing costs $ (1,433)$ $(23,257)$ $(1,433)$ Dividends paid $ (53)$ Cash paid to stock option holders $ (53)$ Proceeds from the issuance of common shares under under equity-based compensation plans $1,305$ $1,174$ $12,052$ Excess tax benefits from equity-based compensation 828 220 $11,411$ Other $ -$ Net cash generated by (used in) financing activities (36) $(68,317)$ $190,840$ Effect of exchange rate changes on cash and cash equivalents $(8,308)$ 210 $(21,305)$ Change in cash and cash equivalents $112,887$ $34,275$ $383,001$ 883	Long-term debt proceeds		26		200,344		1,315,026		947,379	
Dividends paid(5)Cash paid to stock option holders(6)Proceeds from the issuance of common shares under under equity-based compensation plans1,3051,17412,052Excess tax benefits from equity-based compensation82822011,411OtherNet cash generated by (used in) financing activities(36)(68,317)190,840Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)Change in cash and cash equivalents112,88734,275383,00188	Net proceeds from the issuance of common stock				433,958				433,958	
Cash paid to stock option holders(1)Proceeds from the issuance of common shares under under equity-based compensation plans1,3051,17412,052Excess tax benefits from equity-based compensation82822011,411OtherNet cash generated by (used in) financing activities(36)(68,317)190,840Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)Change in cash and cash equivalents112,88734,275383,00188	Long-term debt financing costs		_		(1,433)		(23,257)		(14,560)	
Cash paid to stock option holders(1)Proceeds from the issuance of common shares under under equity-based compensation plans1,3051,17412,052Excess tax benefits from equity-based compensation82822011,411OtherNet cash generated by (used in) financing activities(36)(68,317)190,840Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)Change in cash and cash equivalents112,88734,275383,00188					_				(538,705)	
Proceeds from the issuance of common shares under under equity-based compensation plans1,3051,17412,052Excess tax benefits from equity-based compensation Other82822011,411OtherNet cash generated by (used in) financing activities(36)(68,317)190,840Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)Change in cash and cash equivalents112,88734,275383,00188			_						(11,295)	
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Excess tax benefits from equity-based compensation82822011,411OtherNet cash generated by (used in) financing activities(36)(68,317)190,840Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)Change in cash and cash equivalents112,88734,275383,001883			1.305		1.174		12.052		1,174	
OtherNet cash generated by (used in) financing activities(36)(68,317)190,840(36)Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)(21,305)Change in cash and cash equivalents112,88734,275383,001383,001					-				229	
Net cash generated by (used in) financing activities(36)(68,317)190,840(37)Effect of exchange rate changes on cash and cash equivalents(8,308)210(21,305)Change in cash and cash equivalents112,88734,275383,00188									(32)	
Change in cash and cash equivalents 112,887 34,275 383,001			(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	
		\$		\$		\$		\$	346,320	

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

News Release



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

2014 2013 2014 2013 Operating income, as reported\$ 76.2\$ 60.1\$ 577.4\$ 329.7Adjustments:Amortization of purchased intangible assets 44.8 44.0 178.3 174.9 Restructuring costs, net7.65.7 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 ⁽¹⁾ - 0.5 (11.9) 2.5 Adjustment of prior year warranty matter- 2.1 - 2.1 Total adjustments to operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income 5 45.2 $$ (39.2)$ $$ 317.1$ $$ 76.2$ Income before income taxes, as reported $$ 45.2$ $$ (39.2)$ $$ 317.1$ $$ 76.2$ Income tax expense, as reported $$ 45.2$ $$ (8.9)$ $$ 236.8$ $$ 19.4$ Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4
Adjustments:Adjustments:Image: constraint of the sector of the se
A mortization 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 ⁽¹⁾ - 0.5 (11.9) 2.5 Adjustment of prior year warranty matter- 2.1 $ 2.1$ Total adjustments to operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income\$ 45.2\$ (39.2)\$ 317.1 \$ 76.2 Income before income taxes, as reported\$ 47.8 \$ (8.9) \$ 236.8 \$ 19.4 Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pertax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
Restructuring costs, net7.65.719.322.1Equity-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 ⁽¹⁾ $ 0.5$ (11.9) 2.5 Adjustment of prior year warranty matter $ 2.1$ $ 2.1$ Total adjustments to operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income $\$$ 45.2 $\$$ (39.2) $\$$ 317.1 $\$$ 76.2 Income before income taxes, as reported $\$$ 45.2 $\$$ (39.2) $\$$ 317.1 $\$$ 76.2 Income tax expense, as reported $\$$ 45.2 $\$$ (8.9) $\$$ 236.8 $\$$ 19.4 Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
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 ⁽¹⁾ $ 0.5$ (11.9) 2.5 Adjustment of prior year warranty matter $ 2.1$ $ 2.1$ Total adjustments to operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income $$45.2$ $$(39.2)$ $$317.1$ $$76.2$ Income before income taxes, as reported $$2.6$ 30.3 (80.3) (56.8) Net income, as reported $$$47.8$ $$$(8.9)$ $$$236.8$ $$$19.4$ Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Adjustments: 76.2 30.3 (80.3) (56.8) Net income, as reported $$2.6$ 30.3 $$236.8$ $$$19.4$ Adjustments: 75.2 $$1.4$ $$231.0$ $$290.4$ Aramortization of deferred financing costs & OID ⁽²⁾ 3.2 $$15.1$ $$32.4$ $$26.6$
Asset impairments(2.1) 3.7 12.1 45.5 Transaction costs 7.5 21.9 12.1 27.2 Purchase accounting adjustments ⁽¹⁾ $ 0.5$ (11.9) 2.5 Adjustment of prior year warranty matter $ 2.1$ $ 2.1$ Total adjustments to operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income 63.2 81.4 231.0 290.4 Income before income taxes, as reported $$45.2$ $$(39.2)$ $$317.1$ $$76.2$ Income tax expense, as reported $$2.6$ 30.3 (80.3) (56.8) Net income, as reported $$$47.8$ $$$(8.9)$ $$$236.8$ $$$19.4$ Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
Transaction costs7.5 21.9 12.1 27.2 Purchase accounting adjustments ⁽¹⁾ -0.5(11.9)2.5Adjustment of prior year warranty matter- 2.1 - 2.1 Total adjustments to operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income\$ 139.4\$ 141.3\$ 808.4\$ 620.1Income before income taxes, as reported\$ 45.2\$ (39.2)\$ 317.1\$ 76.2Income tax expense, as reported2.6 30.3 (80.3)(56.8)Net income, as reported\$ 47.8\$ (8.9)\$ 236.8\$ 19.4Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
Purchase accounting adjustments (1) $ 0.5$ (11.9) 2.5 Adjustment of prior year warranty matter Total adjustments to operating income $ 2.1$ $ 2.1$ Non-GAAP adjusted operating income 63.2 81.4 231.0 290.4 Income before income taxes, as reported $\$$ 45.2 $\$$ (39.2) $\$$ 317.1 $\$$ 76.2 Income tax expense, as reported 2.6 30.3 (80.3) (56.8) Net income, as reported $\$$ 47.8 $\$$ (8.9) $\$$ 236.8 $\$$ 19.4 Adjustments: Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID 3.2 15.1 32.4 26.6
Adjustment of prior year warranty matter Total adjustments to operating income $ 2.1$ $ 2.1$ Non-GAAP adjusted operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income $$139.4$ $$141.3$ $$808.4$ $$620.1$ Income before income taxes, as reported $$45.2$ $$(39.2)$ $$317.1$ $$76.2$ Income tax expense, as reported 2.6 30.3 (80.3) (56.8) Net income, as reported $$47.8$ $$(8.9)$ $$236.8$ $$19.4$ Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
Adjustment of prior year warranty matter Total adjustments to operating income $ 2.1$ $ 2.1$ Non-GAAP adjusted operating income 63.2 81.4 231.0 290.4 Non-GAAP adjusted operating income $$139.4$ $$141.3$ $$808.4$ $$620.1$ Income before income taxes, as reported $$45.2$ $$(39.2)$ $$317.1$ $$76.2$ Income tax expense, as reported 2.6 30.3 (80.3) (56.8) Net income, as reported $$47.8$ $$(8.9)$ $$236.8$ $$19.4$ Adjustments:Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
Non-GAAP adjusted operating income \$ 139.4 \$ 141.3 \$ 808.4 \$ 620.1 Income before income taxes, as reported \$ 45.2 \$ (39.2) \$ 317.1 \$ 76.2 Income tax expense, as reported 2.6 30.3 (80.3) (56.8) Net income, as reported \$ 47.8 \$ (8.9) \$ 236.8 \$ 19.4 Adjustments: Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.2 15.1 32.4 26.6
Income before income taxes, as reported\$ 45.2\$ (39.2)\$ 317.1\$ 76.2Income tax expense, as reported2.630.3(80.3)(56.8)Net income, as reported\$ 47.8\$ (8.9)\$ 236.8\$ 19.4Adjustments:Total pretax adjustments to operating income63.281.4231.0290.4Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.215.132.426.6
Income tax expense, as reported2.630.3(80.3)(56.8)Net income, as reported\$ 47.8\$ (8.9)\$ 236.8\$ 19.4Adjustments: Total pretax adjustments to operating income63.281.4231.0290.4Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.215.132.426.6
Net income, as reported\$ 47.8\$ (8.9)\$ 236.8\$ 19.4Adjustments: Total pretax adjustments to operating income63.281.4231.0290.4Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.215.132.426.6
Adjustments:63.281.4231.0290.4Pretax adjustments to operating income63.281.4231.0290.4Pretax amortization of deferred financing costs & OID ⁽²⁾ 3.215.132.426.6
Total pretax adjustments to operating income 63.2 81.4 231.0 290.4 Pretax amortization of deferred financing costs & $OID^{(2)}$ 3.2 15.1 32.4 26.6
Pretax amortization of deferred financing costs & $OID^{(2)}$ 3.2 15.1 32.4 26.6
Pretax loss on debt transactions $^{(3)}$ - 34.4 93.9 34.4
Pretax gain on sale of equity investment $^{(3)}$ (3.5) - (12.3) -
Tax effects of adjustments and other tax items (4) (38.0) (67.7) (155.1) (108.7)
Non-GAAP adjusted net income \$ 72.6 \$ 54.1 \$ 426.7 \$ 262.1
Diluted EPS, as reported \$ 0.25 \$ (0.05) \$ 1.24 \$ 0.12
Non-GAAP adjusted diluted EPS \$ 0.38 \$ 0.30 \$ 2.23 \$ 1.60

(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.





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

	W	<u>ireless</u>	<u>En</u> t	erprise	<u>Br</u>	oadband	<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)
Non-GAAP adjusted operating income	\$	600.3	\$	166.6	\$	41.5	\$ 808.4
Non-GAAP adjusted operating margin		24.3%		19.6%		8.1%	21.1%

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

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

	Wi	reless	<u>Enterprise</u>	<u>Bro</u>	adband	<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
Non-GAAP adjusted operating income	\$	449.4	\$ 155.3	\$	15.4 \$	620.1
Non-GAAP adjusted operating margin		20.7%	18.8%	•	3.2%	17.8%

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)										
							Ģ	% Cha	inge	
	Q4	4 2014	Q	3 2014	Q4	4 2013	Sequent	ial	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	
Total Net Sales	\$	827.9	\$	1,000.4	\$	846.6	(17.2)	%	(2.2)	%

Non-GAAP Adjusted Operating Income by Segment

(Unaudited -- In millions)

							9	6 Cha	ange
	Q4	2014	Q3	3 2014	Q4	2013	Sequenti	al	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
Total Non-GAAP Adjusted Operating Income	\$	139.4	\$	218.5	\$	141.3	(36.2)	%	(1.3) %

Sales by Segment

			% Change	
	 2014	 2013	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	
Total Net Sales	\$ 3,829.6	\$ 3,480.1	10.0	%

Non-GAAP Adjusted Operating Income by Segment

					% Change	
	2	2014	2	2013	YOY	
Wireless	\$	600.3	\$	449.4	33.6	%
Enterprise		166.6		155.3	7.3	%
Broadband		41.5		15.4	169.5	%
Total Non-GAAP Adjusted Operating Income	\$	808.4	\$	620.1	30.4	%

Components may not sum to total due to rounding





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

	W	vireless I		Enterprise		adband	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
Non-GAAP adjusted operating income	\$	84.0	\$	42.5	\$	12.9	\$ 139.4
Non-GAAP adjusted operating margin %		17.3%		20.0%		9.9%	16.8%

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

	W	Wireless		Enterprise		badband	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)		-	 -
Non-GAAP adjusted operating income	\$	155.2	\$	44.5	\$	18.8	\$ 218.5
Non-GAAP adjusted operating margin %		24.5%		20.4%		12.6%	21.8%

Fourth Quarter 2013 Non-GAAP Adjusted Operating Income Reconciliation by Segment

	Wireless		En	terprise	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
Non-GAAP adjusted operating income (loss)	\$	111.9	\$	32.4	\$	(3.0)	\$	141.3
Non-GAAP adjusted operating margin %		21.0%		15.8%		-2.8%		16.7%

Components may not sum to total due to rounding





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

Adjusted Free Cash Flow								
(Unaudited In millions)								
	Q4 2014		Q4 2013		Full Year 2014		Full Year 2013	
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
Adjusted Free Cash Flow	\$	115.7	\$	130.5	\$	346.4	\$	254.1

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)

	Q4 2014		Q3 2014		Q2 2014		Q1 2014		Q4 2013	
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
Non-GAAP adjusted operating income	\$	139.4	\$	218.5	\$	258.5	\$	192.0	\$	141.3
Non-GAAP adjusted operating margin %		16.8%		21.8%		24.2%		20.5%		16.7%
Depreciation		12.7		12.4		12.1		11.7		13.7
Non-GAAP adjusted EBITDA	\$	152.0	\$	230.9	\$	270.6	\$	203.7	\$	155.1

Components may not sum to total due to rounding