

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Net sales	\$ 1,120,432	\$ 1,178,906	\$ 4,560,582	\$ 4,923,621
Operating costs and expenses:				
Cost of sales	705,778	689,018	2,788,688	2,890,032
Selling, general and administrative	190,697	215,130	794,291	879,495
Research and development	44,942	48,161	185,222	200,715
Amortization of purchased intangible assets	68,099	72,932	270,989	297,202
Restructuring costs, net	19,261	18,372	43,782	42,875
Asset impairments	—	15,884	—	38,552
Total operating costs and expenses	1,028,777	1,059,497	4,082,972	4,348,871
Operating income	91,655	119,409	477,610	574,750
Other expense, net	(1,626)	(8,273)	(15,040)	(30,171)
Interest expense	(64,290)	(62,510)	(257,059)	(277,534)
Interest income	437	774	4,221	5,524
Income before income taxes	26,176	49,400	209,732	272,569
Income tax (expense) benefit	27,405	5,066	(15,968)	(49,731)
Net income	<u>\$ 53,581</u>	<u>\$ 54,466</u>	<u>\$ 193,764</u>	<u>\$ 222,838</u>
Earnings per share:				
Basic	\$ 0.28	\$ 0.28	\$ 1.01	\$ 1.16
Diluted (a)	\$ 0.27	\$ 0.28	\$ 0.98	\$ 1.13
Weighted average shares outstanding:				
Basic	190,826	193,305	192,430	192,470
Diluted (a)	195,074	197,401	196,811	196,459
(a) Calculation of diluted earnings per share:				
Net income (basic and diluted)	\$ 53,581	\$ 54,466	\$ 193,764	\$ 222,838
Weighted average shares (basic)	190,826	193,305	192,430	192,470
Dilutive effect of stock awards	4,248	4,096	4,381	3,989
Denominator (diluted)	<u>195,074</u>	<u>197,401</u>	<u>196,811</u>	<u>196,459</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,	
	2017	2016
<b>Assets</b>		
Cash and cash equivalents	\$ 453,977	\$ 428,228
Accounts receivable, less allowance for doubtful accounts of \$13,976 and \$17,211, respectively	898,829	952,367
Inventories, net	444,941	473,267
Prepaid expenses and other current assets	146,112	139,902
Total current assets	1,943,859	1,993,764
Property, plant and equipment, net of accumulated depreciation of \$390,389 and \$303,734, respectively	467,289	474,990
Goodwill	2,886,630	2,768,304
Other intangible assets, net	1,636,084	1,799,065
Other noncurrent assets	107,804	105,863
Total assets	<u>\$ 7,041,666</u>	<u>\$ 7,141,986</u>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 436,737	\$ 415,921
Other accrued liabilities	286,980	429,397
Current portion of long-term debt	—	12,500
Total current liabilities	723,717	857,818
Long-term debt	4,369,401	4,549,510
Deferred income taxes	134,241	199,121
Pension and other postretirement benefit liabilities	25,140	31,671
Other noncurrent liabilities	141,341	109,782
Total liabilities	5,393,840	5,747,902
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: 190,906,110 and 193,837,437, respectively	1,972	1,950
Additional paid-in capital	2,334,071	2,282,014
Retained earnings (accumulated deficit)	(395,998)	(589,556)
Accumulated other comprehensive loss	(86,603)	(285,113)
Treasury stock, at cost: 6,336,144 shares and 1,129,222 shares, respectively	(205,616)	(15,211)
Total stockholders' equity	1,647,826	1,394,084
Total liabilities and stockholders' equity	<u>\$ 7,041,666</u>	<u>\$ 7,141,986</u>

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,	
	2017	2016	2017	2016
<b>Operating Activities:</b>				
Net income	\$ 53,581	\$ 54,466	\$ 193,764	\$ 222,838
Adjustments to reconcile net income to net cash generated by operating activities:				
Depreciation and amortization	95,469	97,603	378,012	399,053
Equity-based compensation	10,278	8,385	41,850	35,006
Deferred income taxes	(51,499)	(6,639)	(71,475)	(100,878)
Asset impairments	—	15,884	—	38,552
Changes in assets and liabilities:				
Accounts receivable	37,691	(4,530)	96,745	(100,867)
Inventories	41,868	(8,516)	53,658	(31,996)
Prepaid expenses and other current assets	21,188	(12,332)	(1,273)	14,273
Accounts payable and other accrued liabilities	9,785	(46,263)	(154,691)	191,405
Other noncurrent liabilities	28,673	(16,872)	14,644	(35,950)
Other noncurrent assets	(8,197)	12,231	(8,418)	(1,834)
Other	12,044	(4,310)	43,470	10,619
Net cash generated by operating activities	250,881	89,107	586,286	640,221
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(17,569)	(18,654)	(68,721)	(68,314)
Proceeds from sale of property, plant and equipment	408	149	5,424	4,084
Cash paid for acquisitions, including purchase price adjustments, net of cash acquired	—	3,384	(105,249)	6,098
Proceeds from sale of businesses and long-term investments	—	1	9,898	1,292
Payments upon settlement of net investment hedge	(7,558)	—	(7,558)	—
Other	—	57	—	2,253
Net cash used in investing activities	(24,719)	(15,063)	(166,206)	(54,587)
<b>Financing Activities:</b>				
Long-term debt repaid	(185,000)	(172,889)	(990,379)	(718,914)
Long-term debt proceeds	—	19,764	780,379	19,764
Debt issuance and modification costs	—	(4,318)	(8,363)	(4,318)
Debt extinguishment costs	—	—	(14,800)	(17,779)
Cash paid for repurchase of common stock	—	—	(175,000)	—
Proceeds from the issuance of common shares under equity-based compensation plans	1,146	8,119	9,949	16,756
Tax withholding payments for vested equity-based compensation awards	(449)	(932)	(15,405)	(3,878)
Net cash used in financing activities	(184,303)	(150,256)	(413,619)	(708,369)
Effect of exchange rate changes on cash and cash equivalents	876	(12,835)	19,288	(11,921)
Change in cash and cash equivalents	42,735	(89,047)	25,749	(134,656)
Cash and cash equivalents at beginning of period	411,242	517,275	428,228	562,884
Cash and cash equivalents at end of period	<u>\$ 453,977</u>	<u>\$ 428,228</u>	<u>\$ 453,977</u>	<u>\$ 428,228</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,	
	2017	2016	2017	2016
<b>Operating income, as reported</b>	<b>\$ 91.7</b>	<b>\$ 119.4</b>	<b>\$ 477.6</b>	<b>\$ 574.8</b>
Adjustments:				
Amortization of purchased intangible assets	68.1	72.9	271.0	297.2
Restructuring costs, net	19.3	18.4	43.8	42.9
Equity-based compensation	10.3	8.4	41.9	35.0
Asset impairments	—	15.9	—	38.6
Integration and transaction costs	9.8	17.2	48.0	62.3
Purchase accounting adjustments	—	—	—	0.6
Total adjustments to operating income	107.5	132.8	404.7	476.6
<b>Non-GAAP adjusted operating income</b>	<b>\$ 199.1</b>	<b>\$ 252.2</b>	<b>\$ 882.3</b>	<b>\$ 1,051.4</b>
Income before income taxes, as reported	\$ 26.2	\$ 49.4	\$ 209.7	\$ 272.6
Income tax (expense) benefit, as reported	27.4	5.1	(16.0)	(49.7)
<b>Net income, as reported</b>	<b>\$ 53.6</b>	<b>\$ 54.5</b>	<b>\$ 193.8</b>	<b>\$ 222.8</b>
Adjustments:				
Total pretax adjustments to operating income	107.5	132.8	404.7	476.6
Pretax amortization of deferred financing costs & OID <sup>(1)</sup>	6.6	4.4	25.4	21.4
Pretax loss on debt transactions <sup>(2)</sup>	—	—	16.0	17.8
Pretax net investment gains <sup>(2)</sup>	—	—	(9.0)	(0.5)
Tax effects of adjustments and other tax items <sup>(3)</sup>	(76.6)	(71.1)	(210.5)	(218.9)
<b>Non-GAAP adjusted net income</b>	<b>\$ 91.1</b>	<b>\$ 120.6</b>	<b>\$ 420.4</b>	<b>\$ 519.2</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.27</b>	<b>\$ 0.28</b>	<b>\$ 0.98</b>	<b>\$ 1.13</b>
<b>Non-GAAP adjusted diluted EPS</b>	<b>\$ 0.47</b>	<b>\$ 0.61</b>	<b>\$ 2.14</b>	<b>\$ 2.64</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. Given the complexities of the U.S. tax legislation enacted in late 2017, we applied a non-GAAP effective tax rate of 35% for the fourth quarter, consistent with the adjusted rate in prior quarters in 2017.

Note: Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

**CommScope Holding Company, Inc.**  
**Sales by Region**  
(Unaudited -- In millions)

**Sales by Region**

	<b>Q4 2017</b>	<b>Q4 2016</b>	<b>% Change YOY</b>
United States	\$ 561.9	\$ 623.7	(9.9)%
Europe, Middle East and Africa	243.9	240.1	1.6
Asia Pacific	224.0	224.8	(0.4)
Central and Latin America	68.5	67.9	0.9
Canada	22.1	22.4	(1.3)
<b>Total Net Sales</b>	<b><u>\$ 1,120.4</u></b>	<b><u>\$ 1,178.9</u></b>	<b>(5.0)%</b>

**Sales by Region**

	<b>Full Year 2017</b>	<b>Full Year 2016</b>	<b>% Change YOY</b>
United States	\$ 2,449.4	\$ 2,634.9	(7.0)%
Europe, Middle East and Africa	942.5	933.5	1.0
Asia Pacific	828.3	961.0	(13.8)
Central and Latin America	245.6	280.3	(12.4)
Canada	94.8	113.9	(16.8)
<b>Total Net Sales</b>	<b><u>\$ 4,560.6</u></b>	<b><u>\$ 4,923.6</u></b>	<b>(7.4)%</b>

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

**Sales by Segment**

	Q4 2017	Q3 2017	Q4 2016	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 693.8	\$ 708.7	\$ 681.3	(2.1) %	1.8 %
Mobility Solutions	426.6	420.1	497.6	1.5 %	(14.3) %
<b>Total Net Sales</b>	<b>\$ 1,120.4</b>	<b>\$ 1,128.8</b>	<b>\$ 1,178.9</b>	<b>(0.7) %</b>	<b>(5.0) %</b>

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

	Q4 2017	Q3 2017	Q4 2016	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 125.4	\$ 139.3	\$ 139.5	(10.0) %	(10.1) %
Mobility Solutions	73.6	84.2	112.7	(12.6) %	(34.7) %
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 199.1</b>	<b>\$ 223.5</b>	<b>\$ 252.2</b>	<b>(10.9) %</b>	<b>(21.1) %</b>

**Sales by Segment**

	2017		2016		% Change YOY
Connectivity Solutions	\$	2,809.8	\$	2,965.5	(5.3) %
Mobility Solutions		1,750.8		1,958.1	(10.6) %
<b>Total Net Sales</b>	<b>\$</b>	<b>4,560.6</b>	<b>\$</b>	<b>4,923.6</b>	<b>(7.4) %</b>

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

	2017		2016		% Change YOY
Connectivity Solutions	\$	526.3	\$	632.3	(16.8) %
Mobility Solutions		356.0		419.1	(15.1) %
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$</b>	<b>882.3</b>	<b>\$</b>	<b>1,051.4</b>	<b>(16.1) %</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)**

**Year Ended December 31, 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	<b>Connectivity Solutions</b>	<b>Mobility Solutions</b>	<b>Total</b>
<b>Operating income, as reported</b>	<b>\$ 242.0</b>	<b>\$ 235.6</b>	<b>\$ 477.6</b>
Amortization of purchased intangible assets	175.5	95.5	271.0
Restructuring costs, net	36.6	7.2	43.8
Equity-based compensation	24.4	17.5	41.9
Integration and transaction costs	47.9	0.2	48.0
<b>Non-GAAP adjusted operating income</b>	<b>\$ 526.3</b>	<b>\$ 356.0</b>	<b>\$ 882.3</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>18.7%</b>	<b>20.3%</b>	<b>19.3%</b>

**Year Ended December 31, 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	<b>Connectivity Solutions</b>	<b>Mobility Solutions</b>	<b>Total</b>
<b>Operating income, as reported</b>	<b>\$ 291.2</b>	<b>\$ 283.6</b>	<b>\$ 574.8</b>
Amortization of purchased intangible assets	195.9	101.3	297.2
Restructuring costs, net	27.1	15.8	42.9
Equity-based compensation	19.8	15.2	35.0
Asset impairments	38.6	—	38.6
Integration and transaction costs	59.1	3.3	62.3
Purchase accounting adjustments	0.6	—	0.6
<b>Non-GAAP adjusted operating income</b>	<b>\$ 632.3</b>	<b>\$ 419.1</b>	<b>\$ 1,051.4</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>21.3%</b>	<b>21.4%</b>	<b>21.4%</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 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	\$ 48.2	\$ 43.4	\$ 91.7
Amortization of purchased intangible assets	44.8	23.3	68.1
Restructuring costs, net	16.6	2.6	19.3
Equity-based compensation	6.0	4.3	10.3
Integration and transaction costs	9.8	—	9.8
<b>Non-GAAP adjusted operating income</b>	<b>\$ 125.4</b>	<b>\$ 73.6</b>	<b>\$ 199.1</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>18.1%</b>	<b>17.3%</b>	<b>17.8%</b>

**Third Quarter 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	\$ 71.2	\$ 55.6	\$ 126.8
Amortization of purchased intangible assets	44.2	24.1	68.3
Restructuring costs, net	5.6	(0.2)	5.4
Equity-based compensation	6.4	4.6	11.0
Integration and transaction costs	11.9	0.2	12.0
<b>Non-GAAP adjusted operating income</b>	<b>\$ 139.3</b>	<b>\$ 84.2</b>	<b>\$ 223.5</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>19.7%</b>	<b>20.0%</b>	<b>19.8%</b>

**Fourth Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	\$ 43.3	\$ 76.1	\$ 119.4
Amortization of purchased intangible assets	47.7	25.3	72.9
Restructuring costs, net	11.0	7.3	18.4
Equity-based compensation	4.7	3.7	8.4
Asset impairments	15.9	—	15.9
Integration and transaction costs	16.9	0.3	17.2
<b>Non-GAAP adjusted operating income</b>	<b>\$ 139.5</b>	<b>\$ 112.7</b>	<b>\$ 252.2</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>20.5%</b>	<b>22.7%</b>	<b>21.4%</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 2017</u>	<u>Q4 2016</u>	<u>Full Year 2017</u>	<u>Full Year 2016</u>
<b>Cash flow from operations</b>	<b>\$ 250.9</b>	<b>\$ 89.1</b>	<b>\$ 586.3</b>	<b>\$ 640.2</b>
Integration and transaction costs	8.4	17.0	50.6	64.8
Capital expenditures	(17.6)	(18.7)	(68.7)	(68.3)
Capex related to BNS integration	—	1.2	—	6.1
<b>Adjusted Free Cash Flow</b>	<b><u>\$ 241.7</u></b>	<b><u>\$ 88.6</u></b>	<b><u>\$ 568.2</u></b>	<b><u>\$ 642.8</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**

	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>Q4 2016</u>
<b>Operating income, as reported</b>	<b>\$ 91.7</b>	<b>\$ 126.8</b>	<b>\$ 137.8</b>	<b>\$ 121.4</b>	<b>\$ 119.4</b>
Amortization of purchased intangible assets	68.1	68.3	67.0	67.6	72.9
Restructuring costs, net	19.3	5.4	13.8	5.4	18.4
Equity-based compensation	10.3	11.0	11.2	9.4	8.4
Asset impairments	—	—	—	—	15.9
Integration and transaction costs	9.8	12.0	12.6	13.5	17.2
<b>Non-GAAP adjusted operating income</b>	<b><u>\$ 199.1</u></b>	<b><u>\$ 223.5</u></b>	<b><u>\$ 242.4</u></b>	<b><u>\$ 217.3</u></b>	<b><u>\$ 252.2</u></b>
<b>Non-GAAP adjusted operating margin %</b>	<b>17.8%</b>	<b>19.8%</b>	<b>20.6%</b>	<b>19.1%</b>	<b>21.4%</b>
Depreciation	20.8	20.6	20.2	20.0	20.2
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 219.9</u></b>	<b><u>\$ 244.1</u></b>	<b><u>\$ 262.6</u></b>	<b><u>\$ 237.3</u></b>	<b><u>\$ 272.5</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 Ended March 31, 2018	Full Year 2018
<b>Operating income</b>	<b>\$93 - \$108</b>	<b>\$615 - \$660</b>
Adjustments:		
Amortization of purchased intangible assets	\$70	\$265
Equity-based compensation	\$12	\$55
Restructuring costs, integration costs and other <sup>(1)</sup>	\$0 - \$5	\$0 - \$5
Total adjustments to operating income	\$82 - \$87	\$320 - \$325
<b>Non-GAAP adjusted operating income</b>	<b>\$175 - \$195</b>	<b>\$935 - \$985</b>
<b>Diluted earnings per share</b>	<b>\$0.13 - \$0.16</b>	<b>\$1.46 - \$1.58</b>
Adjustments <sup>(2)</sup> :		
Total adjustments to operating income	\$0.30 - \$0.32	\$1.20 - \$1.25
Debt-related costs and other special items <sup>(3)</sup>	\$0.01	\$(0.10) - \$(0.12)
<b>Non-GAAP adjusted diluted earnings per share</b>	<b>\$0.44 - \$0.49</b>	<b>\$2.56 - \$2.71</b>

(1) Reflects projections for restructuring costs, integration 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, gains on defined benefit plan terminations and 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.