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(www.arrisi.com)



Safe Harbor

This presentation contains forward-looking statements concerning projections of revenues, income and other financial items; plans and objectives for future operations, products and services; future economic performance; and the assumptions underlying or relating to the foregoing. The statements in this presentation that use such words as "believe," "expect," "intend," "anticipate," "contemplate," "estimate," or "plan," or similar expressions are also forward-looking statements. Actual results may differ materially from those contained in any forward-looking statement or from those which could be expected to accompany such statements. Specific factors which could cause such material differences include the following: the timing of the introduction and the performance factors of certain new ARRIS products; design or manufacturing defects in our products which could curtail sales and subject us to substantial costs for removal, replacement and reinstallation of such products; manufacturing or product development problems that we do not anticipate; an inability to absorb or adjust our costs in response to lower sales volumes than we anticipate; loss of key management, sales or technical employees; decisions by our larger customers to cancel contracts or orders as they are entitled to do or not to enter into new contracts or orders with us because of dissatisfaction, technological or competitive changes, changes in control or other reasons. Other risks involve capital spending levels by our customers based in part on demand for broadband services, customer adoption of our technologies, the development and marketing of technology by our competitors and the risks associated with potential acquisitions of competitors, additional lines of business and/or product and services offerings. The above listing of factors is representative of the factors which could affect our forward-looking statements and is not intended as an all encompassing list of such factors. We disclaim any obligation to update publicly or otherwise these statements, whether as a result of new information, future events or otherwise.



Who we are....

- Provider of access solutions for delivery of data, voice and video services over HFC
- Largest “pure-play” in VoIP & High Speed Data
- Leader in fast growing market segments of Cable Telephony and Converged IP services over cable
- Enabler of cable operators’ ability to compete with telcos and satellite and offer “triple-play”

Exciting Industry Developments and New Technology Trends Accelerate as Revealed in selected News Headlines during the Month of August...

REPORT SEES 11 MILLION CABLE VOIP SUBSCRIBERS IN 2007

Big TV's

Broadband Blitz

Cable Satisfies Voice Customers

Downloading Service to Allow Film Watching on TV Screen

Meeting the Demands of On-Demand

Betting Big on a Triple Play

Cable's Quad Play

SURVEY: HOME VOIP USE GROWS IN U.S.

DSL, Cable Voice Numbers Both Up

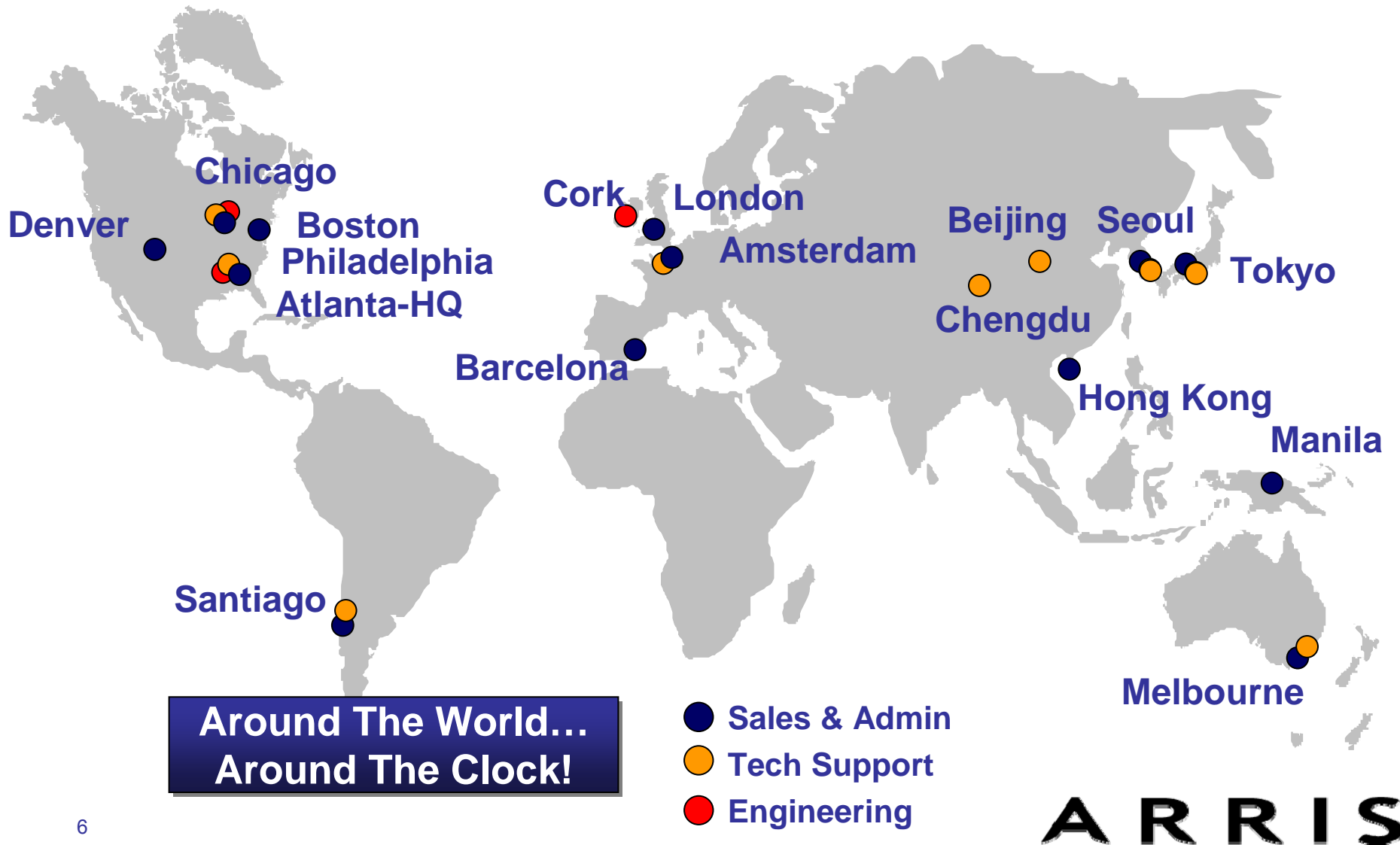
ARRIS



Macro-trends are Driving Cable Equipment Spending Worldwide....

- Heated Competition for the Customer! Telcos seek video subs... MSOs seek Telco subs
- VoIP in the very Early Stages of Rollout Worldwide
- Triple play of data, voice and video pushes bandwidth needs
- Internet Traffic driving Data speeds towards +100 Mbps
- High Definition TV on Demand is coming
- Wireless creates “Quadruple Play” opportunity

Worldwide Presence allows ARRIS to Benefit from Industry Macro trends....



ARRIS Worldwide Customer Base...

Canada

- Eastlink
- Capella/Videotron
- Rogers

Latin America

- VTR – Chile
- BCD/Cablevision – Argentina
- CableMas – Mexico
- Liberty – Puerto Rico
- Cable Bahamas – Bahamas
- Plus 10 Others

United States

- Cox
- Comcast
- Time Warner
- Charter
- Insight
- Adelphia
- Cable One
- GCI
- Knology
- Susquehanna
- Grande
- Bright House
- Frankfort
- Black Hills
- Cebridge
- Plus 50 Others

Asia

- Jupiter – Japan
- Synclayer – Japan
- Hanaro - Korea
- Commverge – Korea
- Han Kook – Korea
- Chengdu – China
- Plus 12 Others

Europe

- UGC / Europe – Multiple Countries
- Retecal – Spain
- Cabovisao – Portugal
- Essent – Netherlands
- Accesscom – Israel
- Telenet – Belgium
- Laser GmbH – Germany
- Plus 40 Others

**Over 145 operators,
in 37 countries, and growing...**

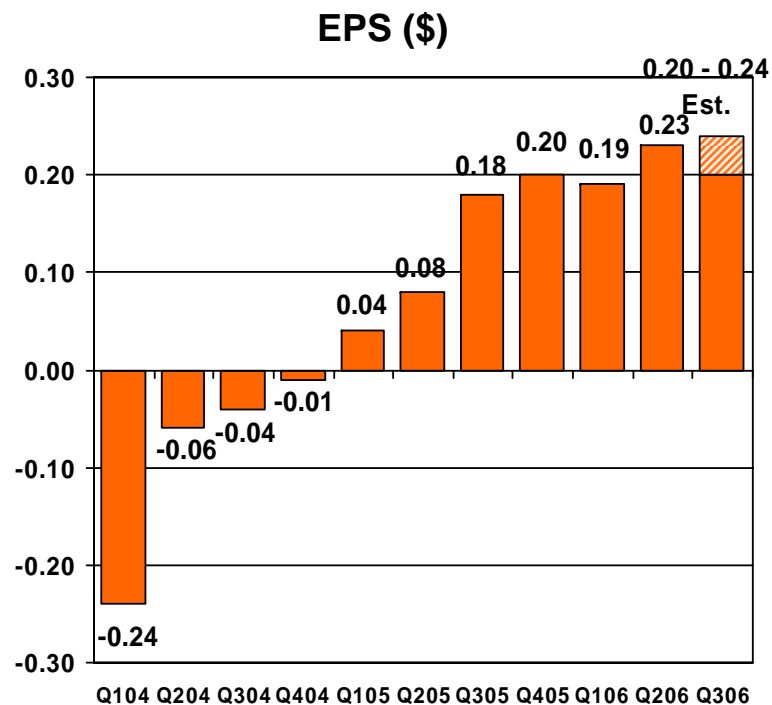
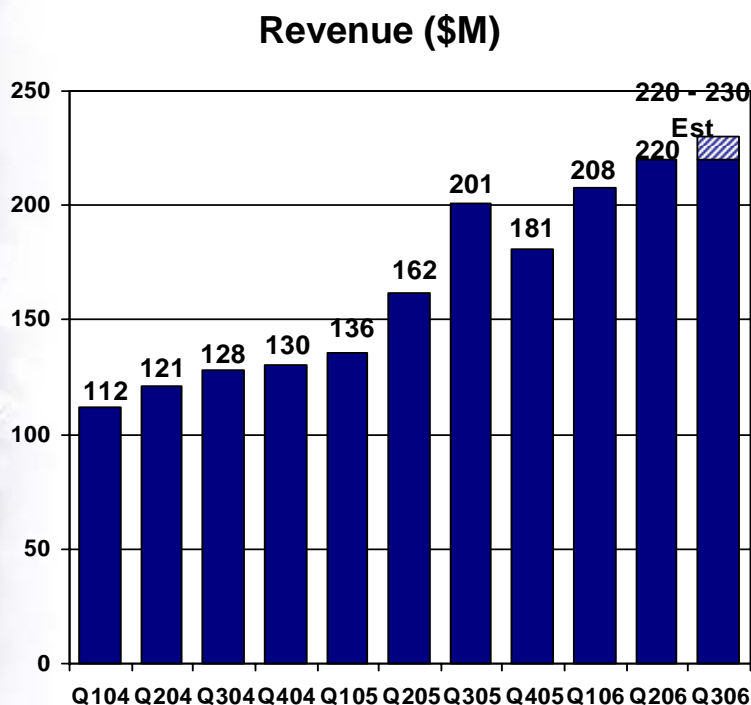


Why ARRIS?....

- Positioned in “Sweet Spot” of Macro-trend CAPEX spending
- Rapid new product innovations and introductions
- Operational excellence... DSO's, Turns, Cost Reduction
- Strong Balance Sheet... Great Cash Generation
- Competition and Bandwidth drives demand for ARRIS products
- FY2005 and Q106 results demonstrate Market Leadership and ongoing Business Momentum

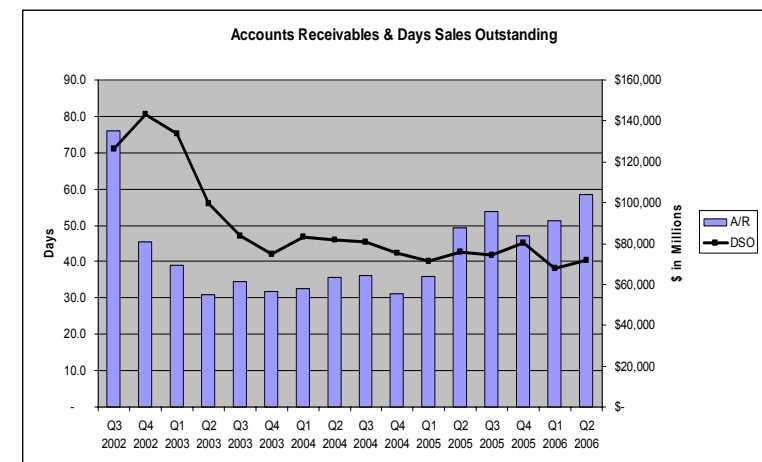
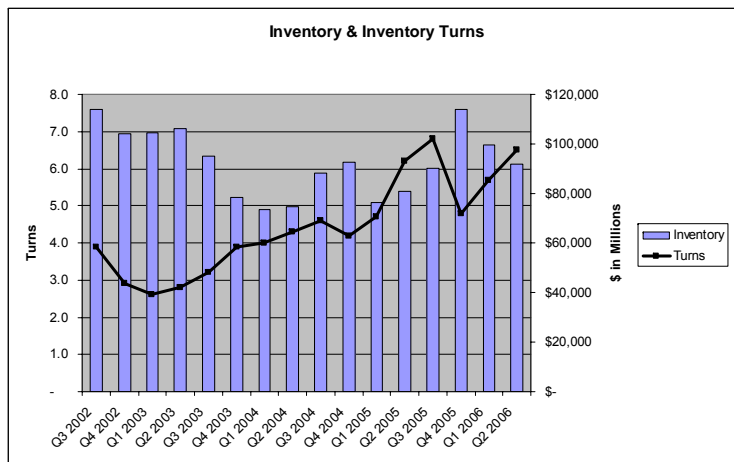
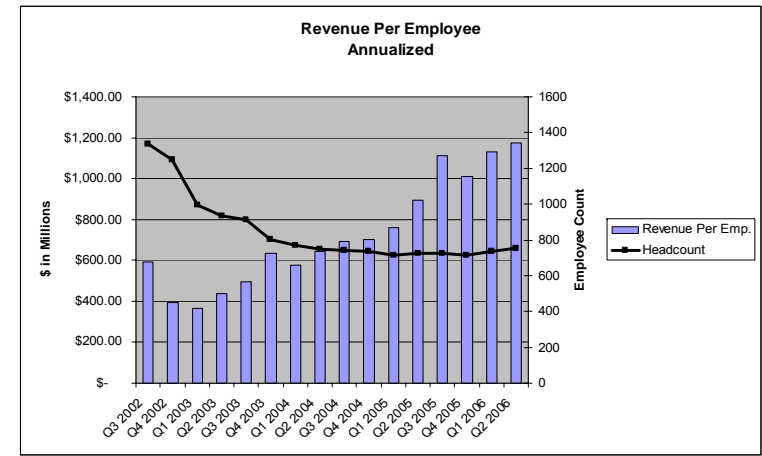
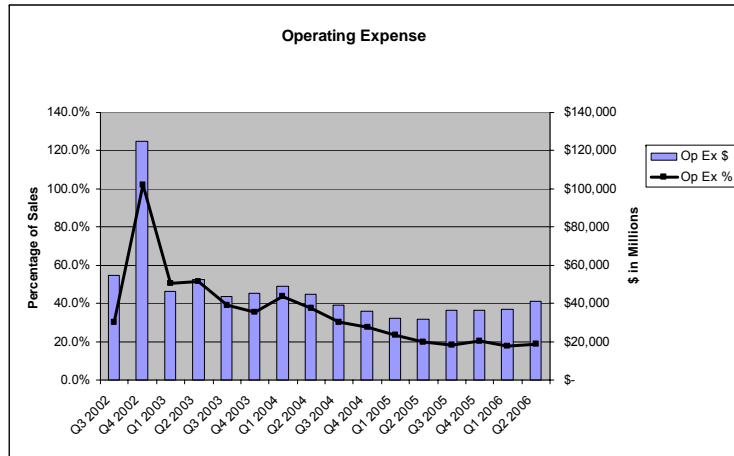
Financial Results Continue to Improve into 2006 with Strong First Half....

- 6 mos. 2006 Revenues of \$428.3M up 43.7% over 6 mos. 2005
- Q206 GAAP EPS* of \$0.23 up \$0.15 from Q205 GAAP EPS of \$0.08
- 6 mos. 2006 GAAP EPS* of \$0.42 up \$0.30 from GAAP EPS of \$0.12 in first 6 months of 2005
- Q306 Guidance - Rev. of \$220-\$230M – EPS* \$0.20-\$0.24 GAAP

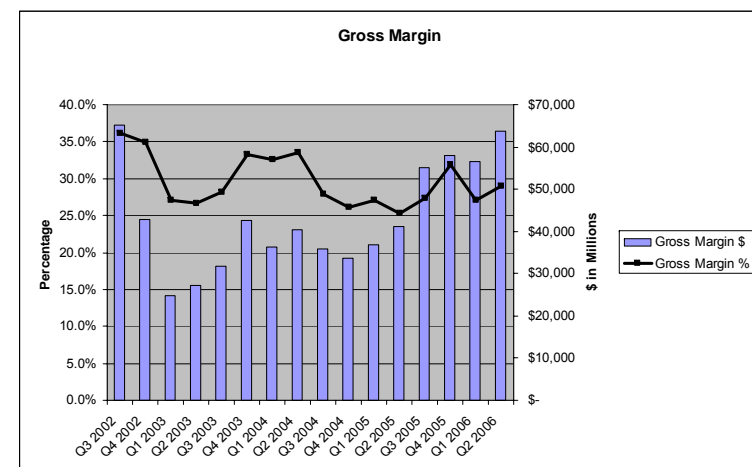
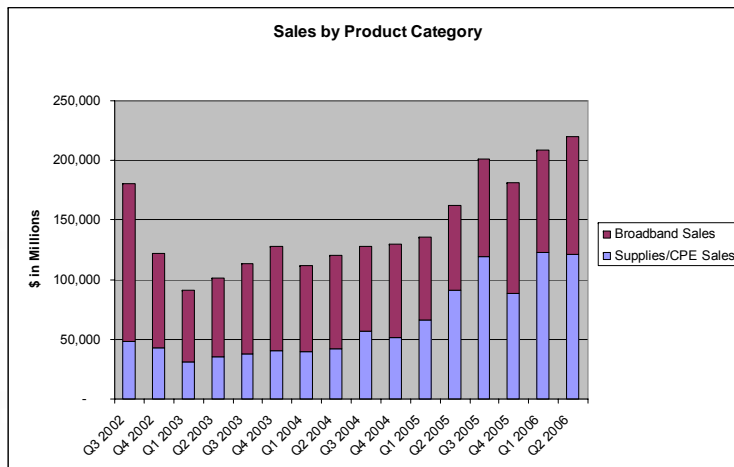
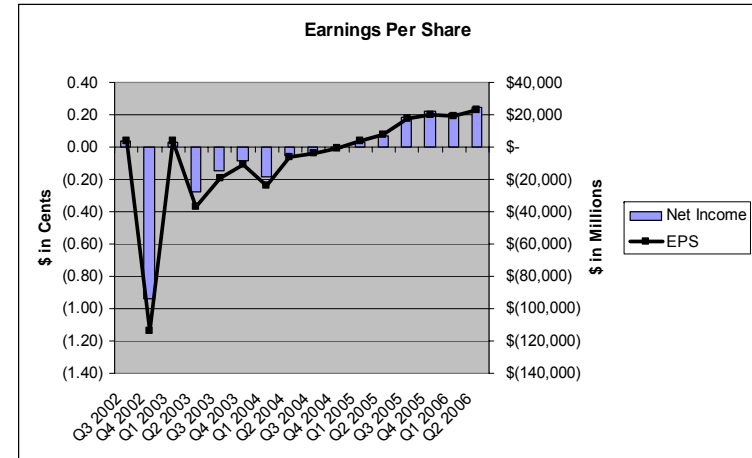
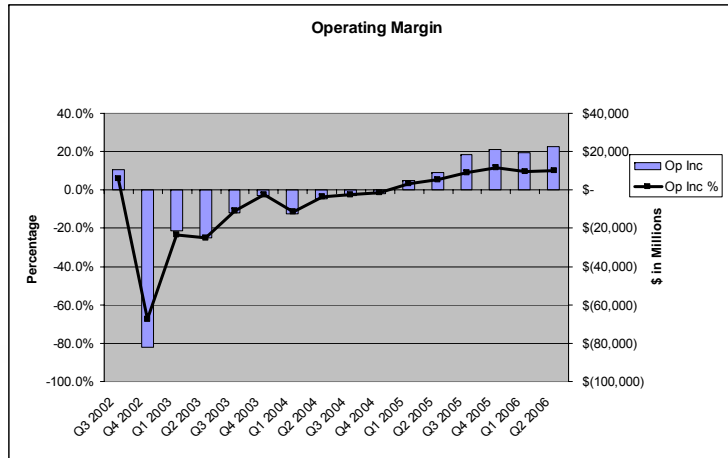


*Included in GAAP EPS are amortization of intangibles, equity compensation expense, loss on debt retirement, restructuring and certain other costs. See our website at www.arrisi.com for a reconciliation of non-GAAP measures.

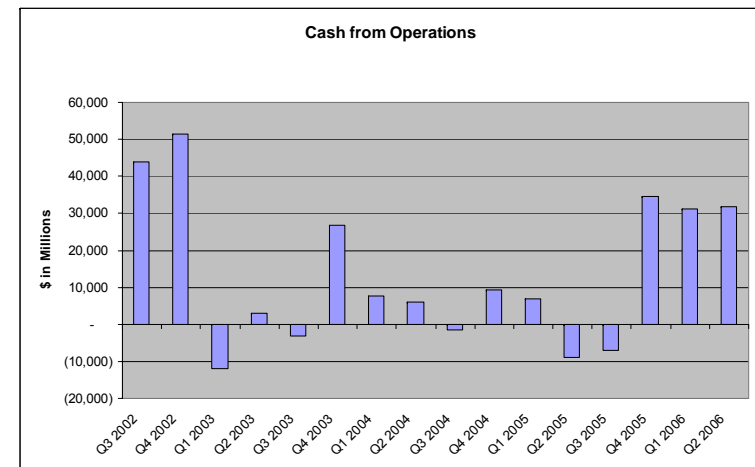
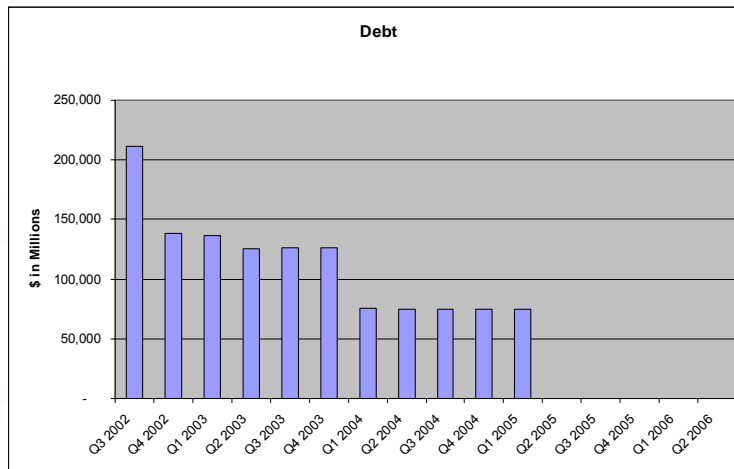
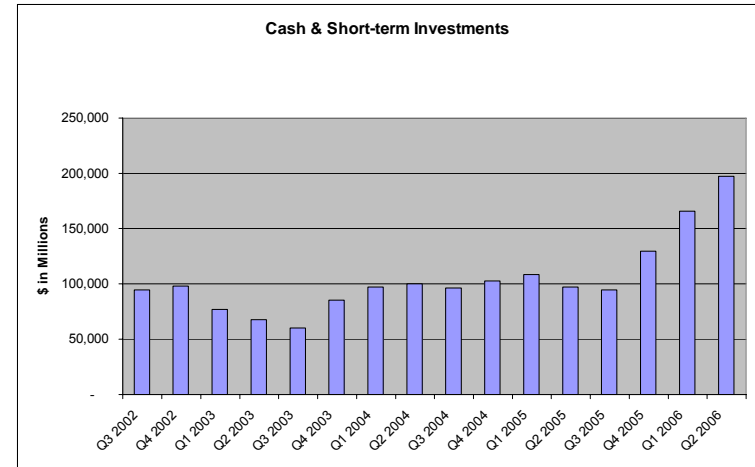
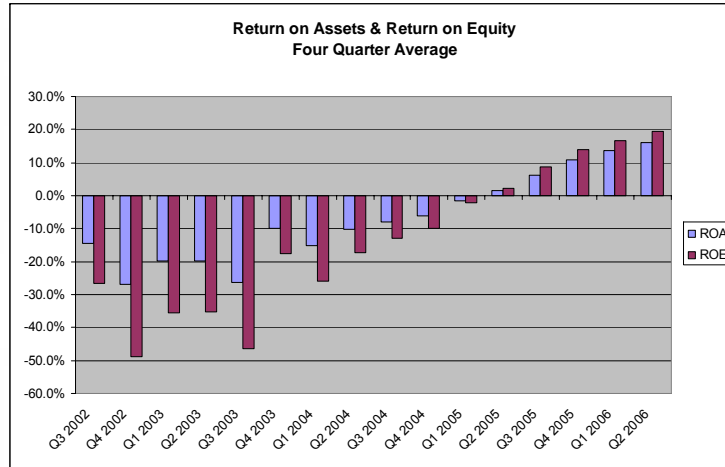
Expense Control and Operating Efficiency Creates Operating Leverage... (GAAP)



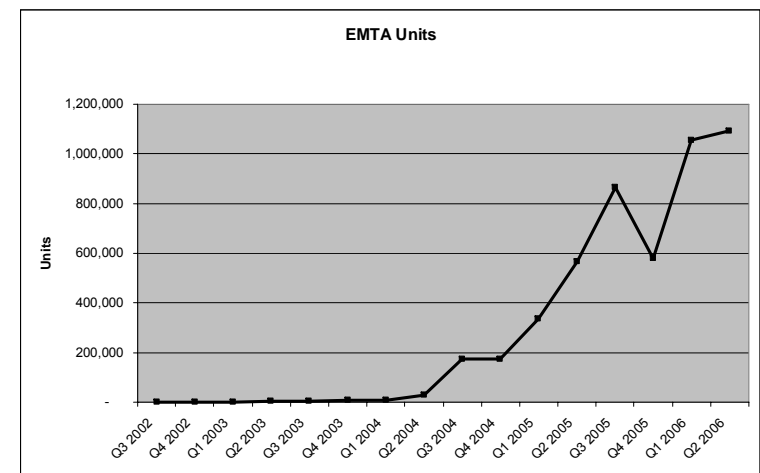
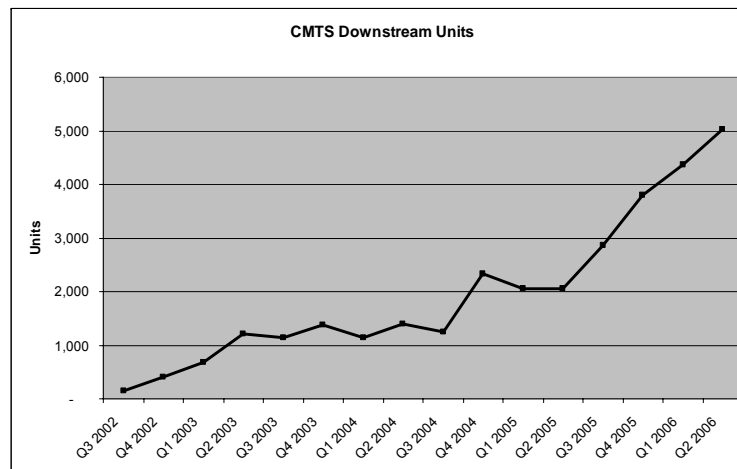
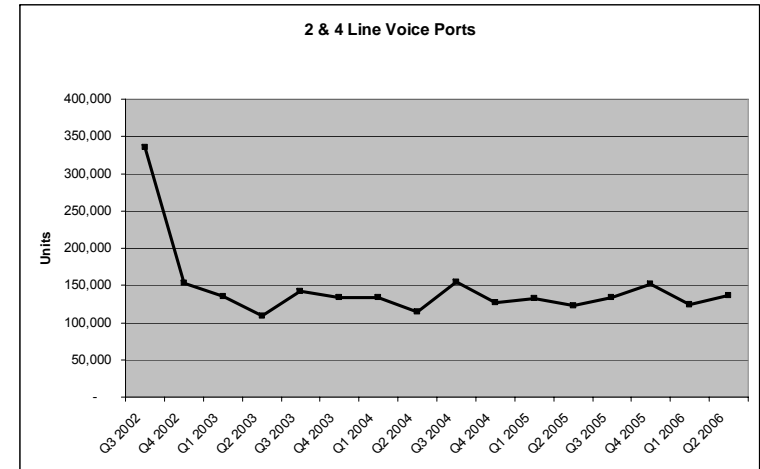
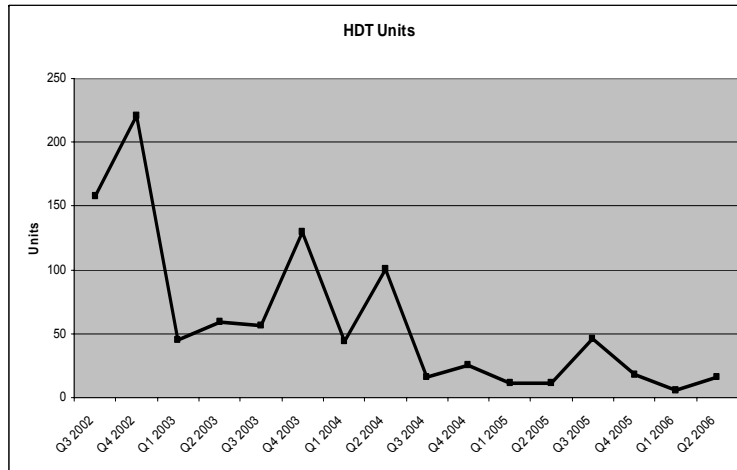
Operating Margin (% & \$) and EPS Increase even as Supplies and CPE become a Larger Part of the Mix... (GAAP)



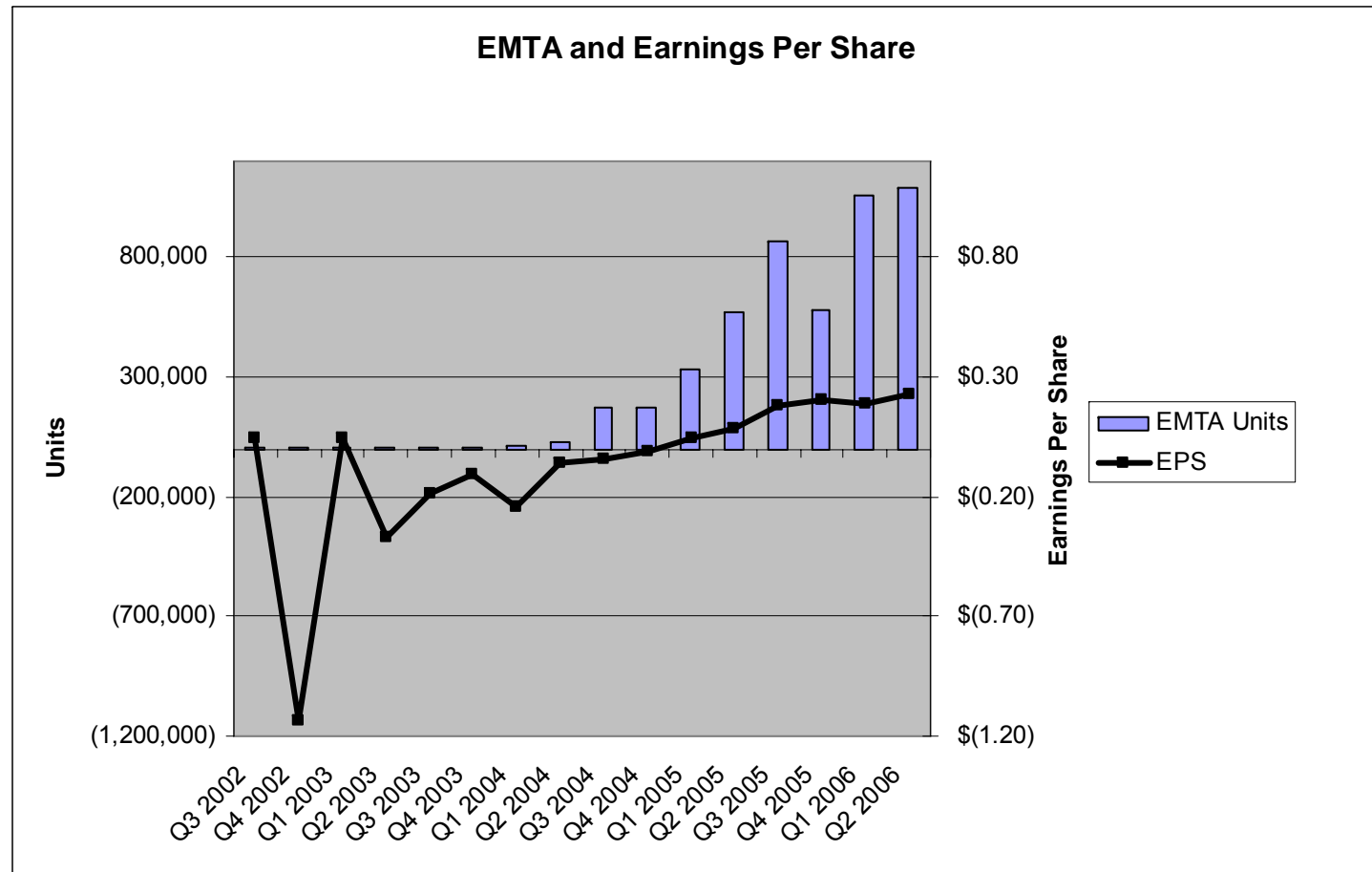
Return on Assets, Return on Equity and Balance Sheet Metrics Continue to Improve.... (GAAP)



Growth in EMTA and CMTS Shipments Increases Faster than declines in CBR...



Earnings Per Share has Increased in Relation to Increase in EMTA units Shipped... (GAAP)





ARRIS Market Share Results . . .

- Entered the DOCSIS® CMTS market in 2002 and took share
 - ~ 0% share 2001 increased to #2 Worldwide position throughout 2005 and #2 in Q206 at ~23% share
- Launched VoIP E-MTA in 2003 and gained #1 position
 - 41% share units Q2 2006...#1 again with over 1 million shipped!
- Focus on High Growth Areas allows for More Share of Cable Capex spending

Value, Standards, Reliability, Superior Service

Source: Infonetics



New ARRIS Product Introductions Reflect Industry Macro-trends...

Network

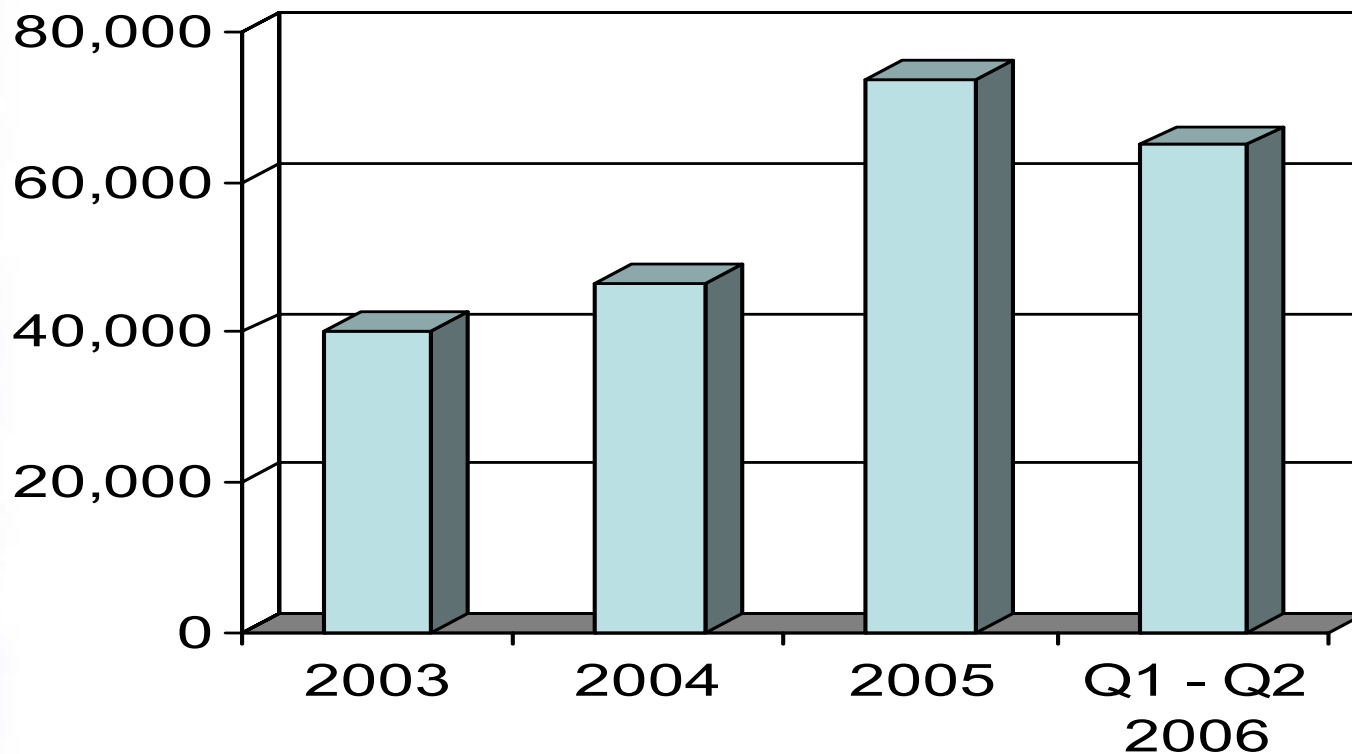
- **C4 CMTS 3.0 Wideband**
 - 100 to 1,000+ Mbps per sub
 - ARRIS first to demonstrate
 - ARRIS method now standard
 - Critical in Asia, Europe, and the U.S. where VDSL and FTTH are being deployed
- **D5 Next Gen Edge QAM**
 - First element of M-CMTS
 - DOCSIS 3.0 Shared QAM
 - Voice, Data, Video
 - Switched Digital Video

CPE

- **Single Line EMTA**
 - Cable Modem replacement
- **Multi-line EMTA**
 - MDU/Commercial Services
- **Wireless Voice/Data Gateway**
 - 802.11g
- **Wideband Modem**
 - 100+ Mbps per sub HSD
- **DS-1/E-1 over Cable**
 - Commercial Services

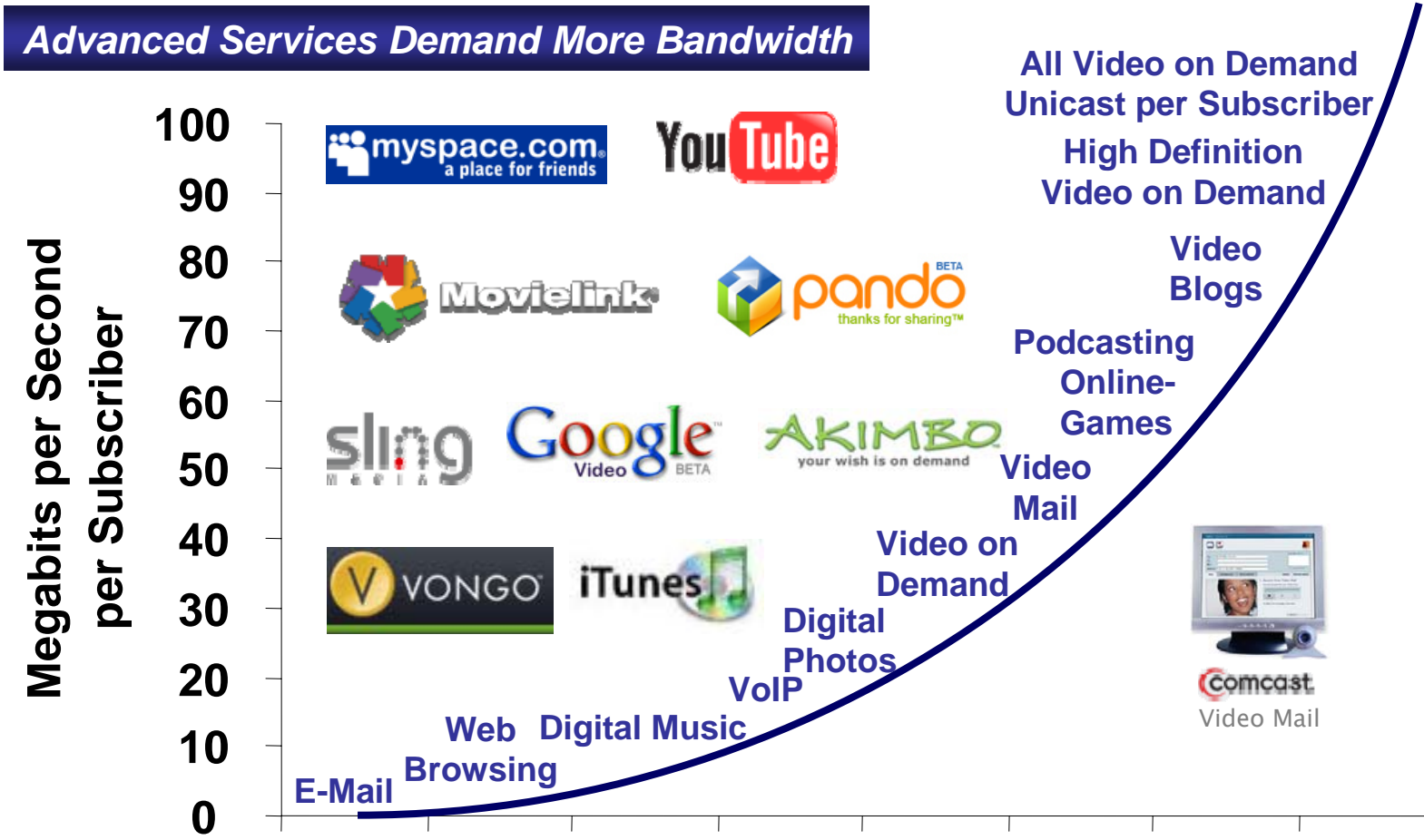
Growth of ARRIS Network Products will Continue as Triple Play Grows...

ARRIS CMTS Ports Shipped



- **Over 1,200 C4 CMTS chassis shipped worldwide**
 - More than 50 operators

New Services Create More Traffic and Consume More Bandwidth....



ARRIS Growth Strategy Provides Plan for New HSD, VoIP and IP-TV Services...

- **Continue technology leadership**
 - Reliability (Hitless failover and Upgrades)
 - Carrier Grade VoIP
 - Highest Density Platform
- **Deliver market leading features**
 - Software upgrade for Wide-Band 100 Mbps
 - Virtual Private Networks and DS-1
 - Switched Digital Video
- **Lead in Next Generation M-CMTS**
 - DOCSIS 3.0 Compliance
 - “All in One” C4/D5 M-CMTS
 - Easy upgrade of existing base
 - Either all-ARRIS or multi-vendor solutions
 - Commitment to Converged Services
 - Everything IP, Everywhere...Voice, Data, Video



C4 CMTS/M-CMTS



C3 CMTS



D5 Edge QAM/M-CMTS

ARRIS



ARRIS FlexPath™ Solution on C4 CMTS Delivers Wideband Now!

- What is the FlexPath Solution?
 - DOCSIS 3.0-based channel bonding software solution for higher bandwidths downstream and upstream
- ARRIS FlexPath™ Design Goals
 - Implement a channel bonding scheme that
 - Addresses primary markets
 - Does not impact overall delivery schedule
 - Leverages C4® CMTS hardware already deployed
 - Software-only upgrade to launch service
- Provides additional speeds MSOs require before DOCSIS® 3.0 products become available and spec finalized
- Operators in Japan and Korea now deploying 100+ Mbps service using ARRIS C4 CMTS with FlexPath™

Cost effective solution ready today!

ARRIS



Do MSOs need a Next Gen CMTS?

- **Triple play is moving to converged IPTV, VoIP, and HSD**
 - Requires more bandwidth, security, and IP addresses to facilitate the shift to Everything IP, Everywhere
- **Flexible bandwidth allocation needed to reduce CAPX/sub**
 - Discrete deployment of Upstream and Downstream capacity allows cost-effective emerging services like IPTV
- **Competition from DSL and FTTX is driving Wideband data**
- **IPv6 is needed to resolve IP address exhaust for large MSO or interconnected IP networks**

Answer: Yes, with DOCSIS 3.0 !



Early Stage of Worldwide VoIP Drives CPE Opportunities for ARRIS....

- US Cable VoIP penetration at ~5% of homes passed
- Comcast forecasts 20% penetration of the 41 million homes that they pass by 2009.... Adding ~23,000 new subs per week
- Only ~50% of Comcast operating areas are now being marketed to for VoIP... 100% by next year
- Time Warner adding >20,000 new telephony subs/week... 9% overall vs. +23% in Portland
- Cox over 30% and growing...
- “Adelphia” properties set to go VoIP in 2007....
- International VoIP Growth mirrors US VoIP Growth

ARRIS Touchstone Telephony leads the Market with Superior Products...

- Shipped over 5 million Touchstone Telephony Modems
- #1 Market Share 6 consecutive quarters
- Major new products in 2006 (Multi-line, Wireless, Wideband)

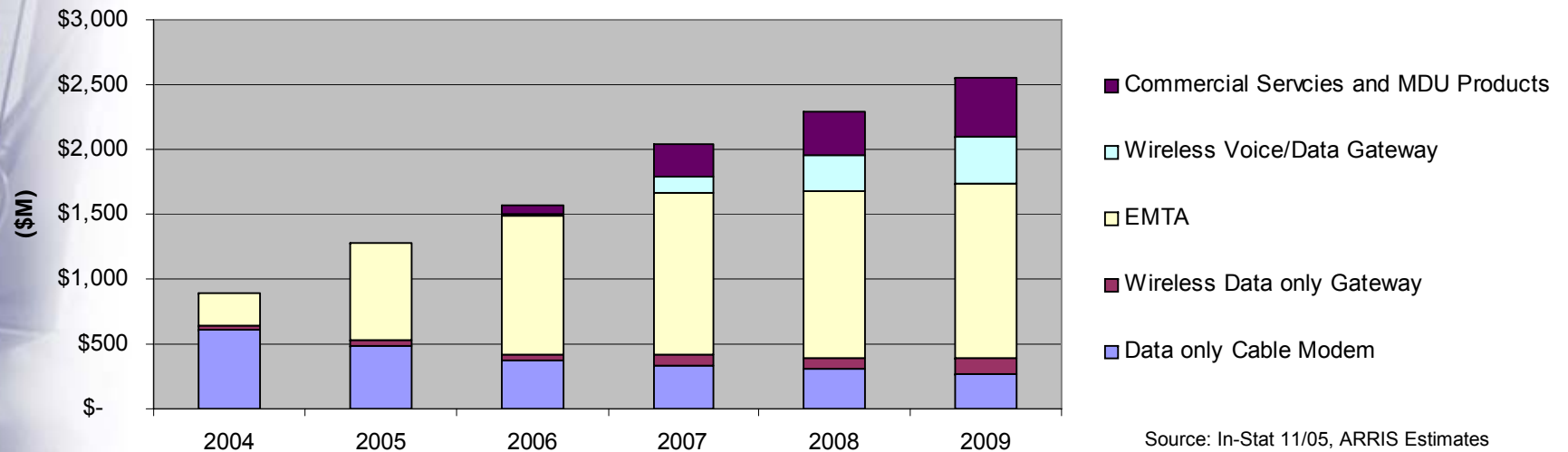


*Note: Top 10 E-MTA customers for 2Q06

23

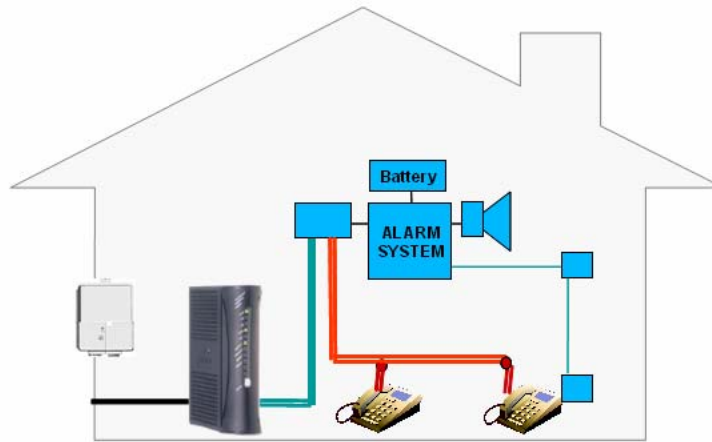
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Cable CPE CAPEX shows Healthy Growth Potential as VoIP Rolls out...

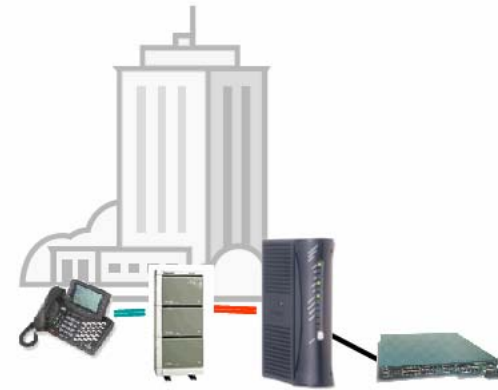


- 2005: first year of deployments, 2006 – 2008 more operator launches and velocity
- Total EMTA revenues increase as unit volumes outpace ASP declines
 - Profitability maintained through cost reduction and new product introductions
- More growth as new services are implemented using DOCSIS-embedded devices
 - Wireless Gateway, Multi-line EMTA, 100Mbps+ Wideband modem, DS-1 Commercial Service
- Top 6 North American MSO subscribers estimated to grow 170% to 5.8 M by YE06

New Touchstone® Product introductions allow continuing Revenue and Profitability Growth...



Primary Line VoIP E-MTA



Commercial Services DS1 over DOCSIS



Multi-line E-MTA for MDU



100Mbps+ Wideband



Wireless Voice/Data Gateway

ARRIS



In Summary, a Very Positive Outlook in 2006 and Beyond...

- Leader in fast growing market segments
- Rapid new product innovations
- Operational excellence
- Strong Balance Sheet

**Leading to continued top and
bottom line improvements....**



Questions

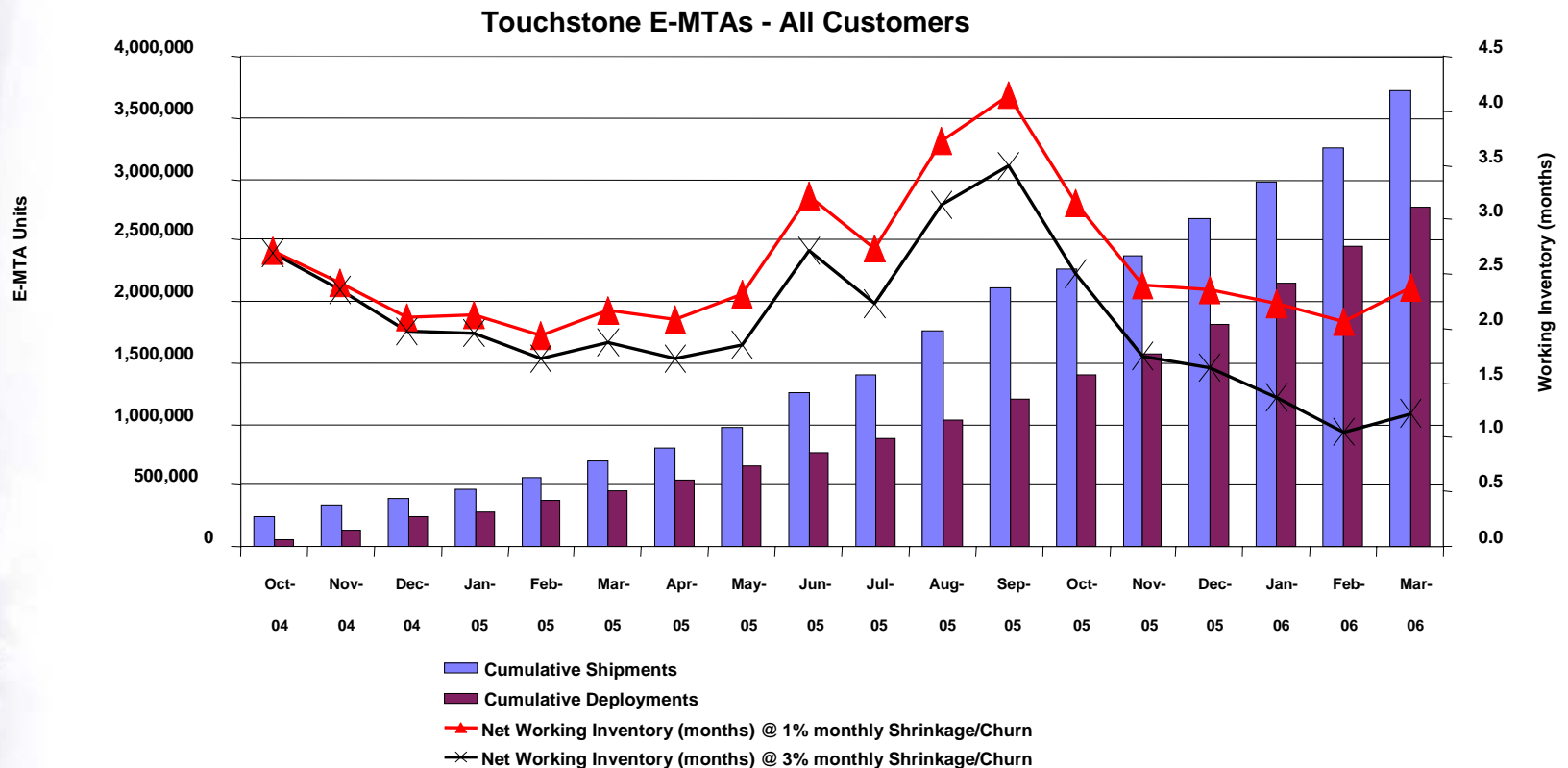


Resource Appendix

- Customer Premise Equipment (CPE)
- Cable Modem Termination System (CMTS) & D5
- Fixed Mobile Convergence (FMC)

(see FBR Growth Conference at www.arrisi.com for Appendix of slides)

ARRIS Touchstone Telephony Modem Deployments vs. Inventory Levels are as expected...



- Bottom's up analysis of shipments vs. deployments
- Forward-looking estimate of customer inventory vs. future deployment rate, accounting for product lost due to customer churn and shrinkage

▪ Continued strong customer demand

Current E-MTA Portfolio...

Supports both PacketCable and SIP....



	Touchstone™ Telephony Modem Platinum	Touchstone™ Telephony Modem Gold	Touchstone™ Telephony Modem Silver	Touchstone™ Telephony Modem Bronze
Application	Carrier Grade Voice & Data	Carrier Grade Voice & Data	Voice & Data	Voice & Data
Capacity	2 RJ11 1 RJ45 1 USB	2 RJ11 1 RJ45 1 USB	2 RJ11 1 RJ45 1 USB	1 RJ11 1 RJ45
CableLabs®	PC 1.1/DOCSIS® 2.0	PC 1.1/DOCSIS 2.0*	PC 1.0/DOCSIS 2.0*	PC 1.0/DOCSIS 2.0*
Features				
• Battery Backup	8-16 Hrs Lithium Ion	4 Hrs Lithium Ion	Local power only	Local power only
• Data Interface	Bridged 10/100BT & USB	Bridged 10/100BT & USB	Bridged 10/100BT & USB	10/100BT
• Voice CODEC	711, 726, 729	711, 726, 729	711, 726, 729	711, 726, 729
• Specials	Battery Telemetry	Battery Telemetry		

ARRIS Touchstone® Telephony Tools... Accelerating Time to Market and lowering Cost of Ownership.....

T.38 Fax
Relay

End-of-
Call Stats

Dial Pulse
Support

Gain
Compensated
CallerID

Loop
Diagnostics

Normal/Power
Ringing

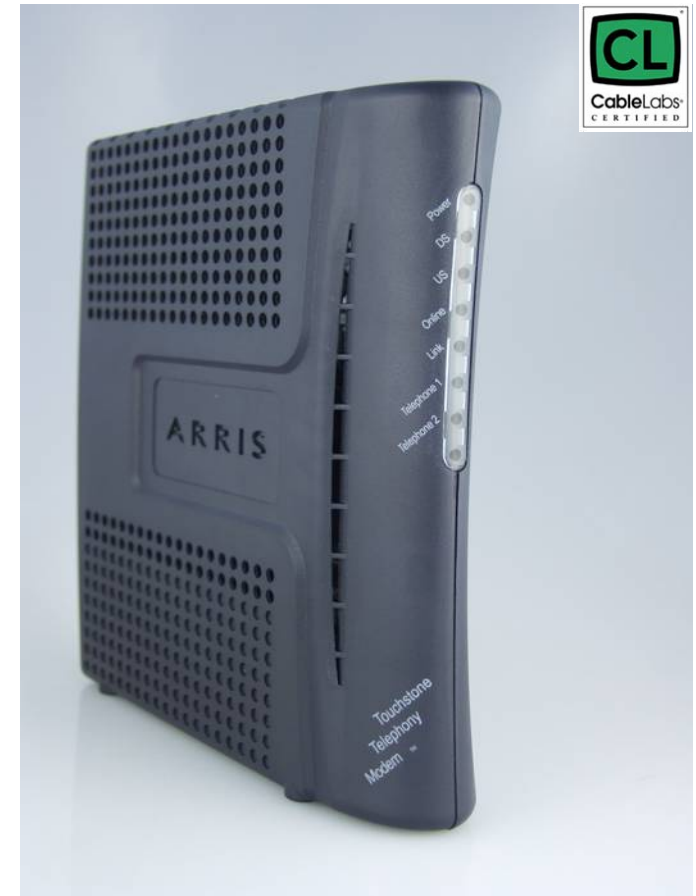
Hitless
S/W
Upgrade

Loop
Voltage
Mgmt

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The Next Generation ARRIS EMTA...

- Replaces the TM402 family
- Lower Cost
- Based on next gen chipsets
- Smaller footprint
- Same field proven line card features available in TM402
 - 48V supervisory
 - Constant current boost mode
 - 5 REN, etc..
- Redesigned battery solution
 - 2 cell pack – 5 hours
 - 4 cell pack – 10 hours
- Integrated power supply
 - No power cord brick!
- ILEC cross-wiring protection
- Available Now



TM502 Product Family

ARRIS

Multi-Line EMTAs for MDUs and Small Businesses...



TM512A 12-Line EMTA

- 8 or 12 line configurations (TM508A and TM512A)
- Integrated DOCSIS 2.0 Cable modem
- PacketCable and SIP Protocols
- Carrier class telephony interface (line diags, current boost mode)
- Support for External Battery Backup
- Wall mount and rack mount options
- RJ45 10/100BaseT Data Interface
- Available June 2006

Wideband Modem will meet Market Bandwidth Demands....

- Standards-based IP Bonded Channels
- Downstream data rates
 - 4 DOCSIS channels
 - 160 Mbps
- Upstream data rates
 - 4 DOCSIS 2.0 channels
 - 120 Mbps
- Quality of Service
- Ethernet 10/100/1000BT
- External AC/DC converter
- DOCSIS 3.0 compatible
- Available July 2006



WBM650A Wideband Modem

802.11g Wireless Gateway....

Combines Leading EMTA Technology with Wireless to Create an ideal Home Network

- CableLabs Compliant
- 2 analog POTs lines
- 10/100 Base-T 4 Port Ethernet Switch and USB 1.1 interface
- Network Address Translation (NAT) and DHCP Server
- Wire Equivalent Privacy
- VPN Capability
- Battery-backup and non-battery versions
- Available 3Q06



WTM552

ARRIS

DS-1 Circuit Emulation Modem for Commercial Services...

- **Based on ARRIS' industry leading carrier-grade embedded MTA platforms**
 - Ethernet (RJ45) packet data interfaces
 - T1 TDM data interface
 - Lithium-ion battery back-up 2.2AH
 - DOCSIS 2.0 compliant transport
- **TDM data and packet data both supported from a single, compact, battery-backed CPE**
- **Proven and extremely stable DOCSIS 2.0 cable modem platform with very large deployed base**
- **Industry leading battery technology**



**Circuit Emulation
Service Modem**

ARRIS

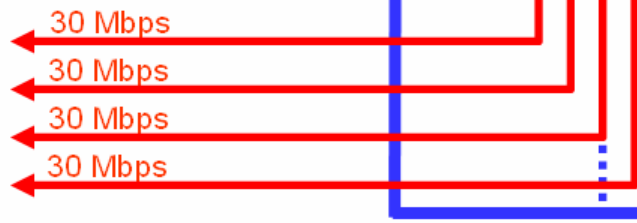
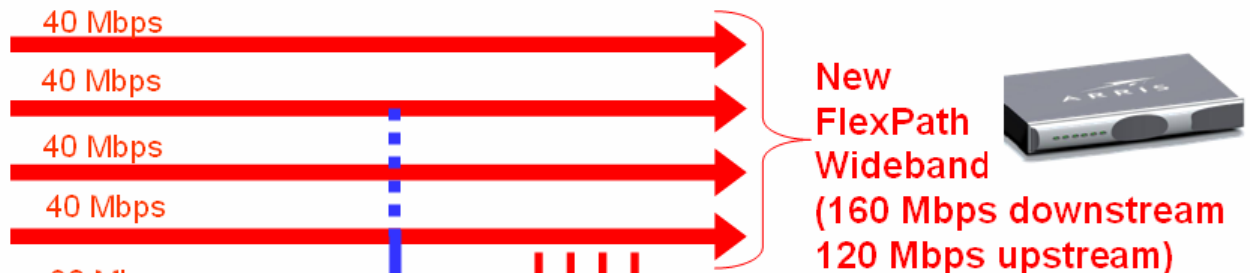
ARRIS FlexPath™ Operation Utilizes Existing Cadant® C4® CMTS with Software Update

Deployed Cadant C4 CMTS Chassis Are FlexPath Solution Hardware Ready!

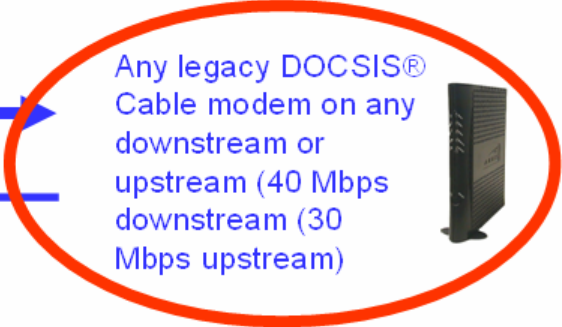
Today's Cadant C4 CMTS with a FlexPath Upgrade



Up to four separate downstreams from multiple Cadant C4 Cable Access Modules (CAMs)



Up to four separate upstreams to Cadant C4 CAMs



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ARRIS D5™

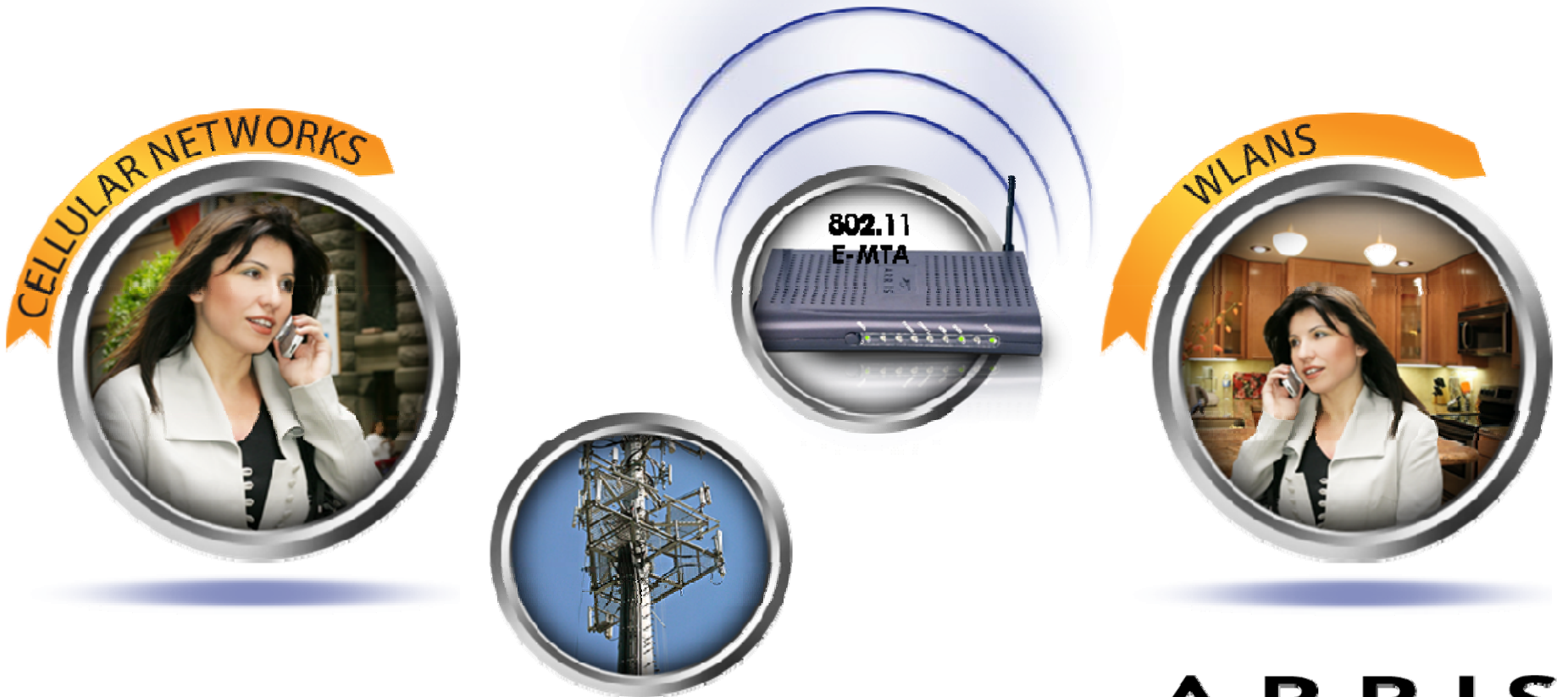
- **First ARRIS Next Generation Modular CMTS Element**
- **DOCSIS 3.0 QAM Sharing**
- **Converged Voice, Data, Video**
 - MPEG switched digital video
 - VOD
 - Multicast IPTV
 - Unicast IPTV
 - DOCSIS IP Multimedia content
- **Integrated with VOD suppliers**
 - Broadbus, C-COR, Concurrent, Kasenna
- **Industry leading value, density and modularity**
- **Available Now**



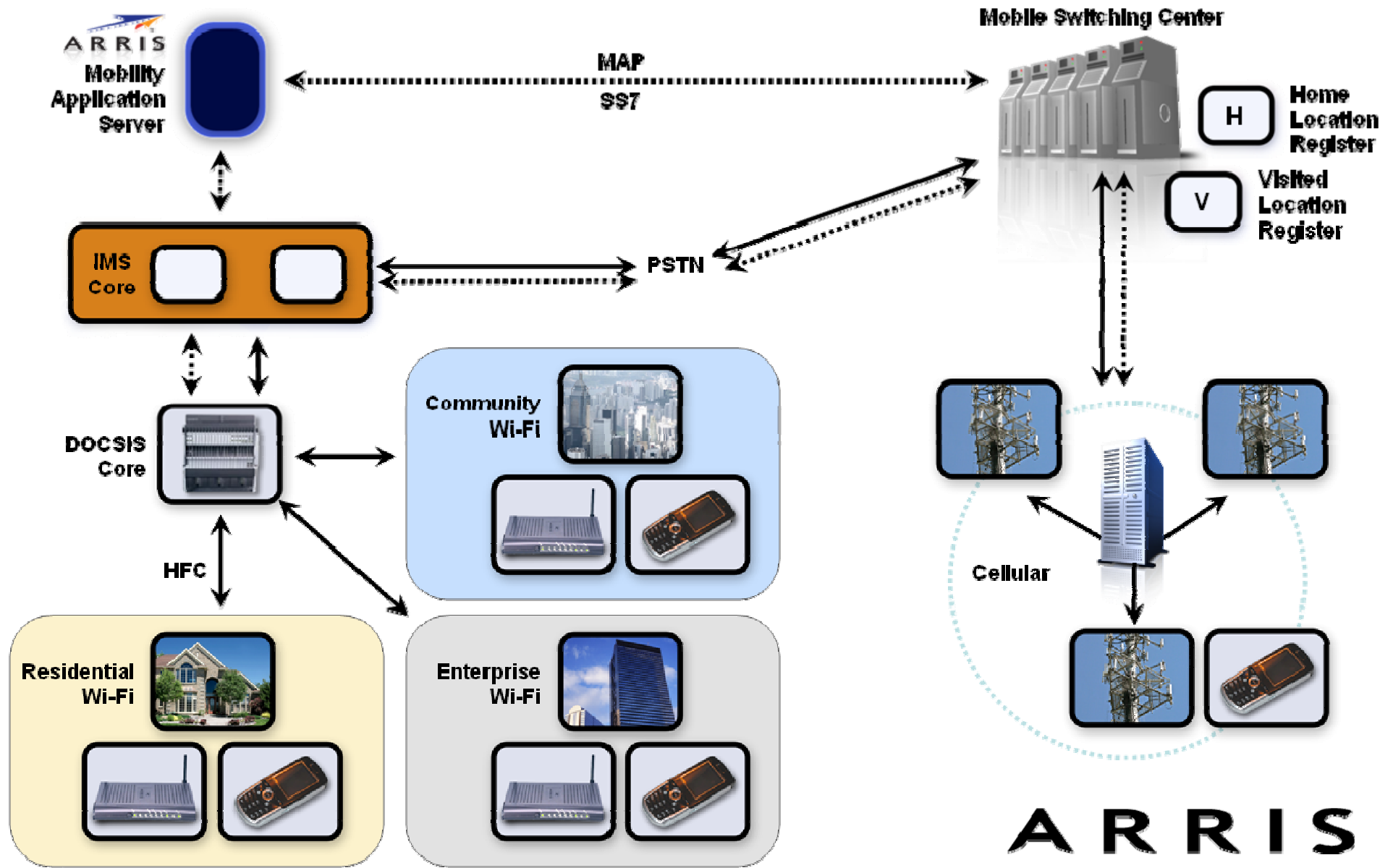
D5 M-CMTS Edge QAM

Fixed Mobile Convergence (FMC) presents new “Quadruple Play” opportunity....

Enable subscribers to seamlessly move between cellular networks and local area wireless networks while still receiving the same set of services



Network Convergence is coming...



FMC Provides Value to all Participants...

MSO

- Reduced churn, adds ARPU
- Quad play differentiation
- Guaranteed QoS
- Enables new phone, data and video features and drives BB penetration

Handset Manufacturer

- FMC stimulates handset churn
- Cable subs represent new, large market

Consumer

- More value at lower or equivalent price
- Multi-service bundle with new value services
- Convenience, simplicity and guaranteed QoS

Mobile Operator

- New low churn subs
- Low cost channel – No subsidy
- Equivalent operating margins
- Reduced spectrum investment