



ARRIS

LEHMAN BROTHERS
Worldwide Wireless and Wireline
Conference

Crowne Plaza Times Square Manhattan
New York City
June 3, 2005

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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 result of new information, future events or otherwise.



ARRIS Overview

Who We Are....

- ARRIS is a leading global provider of broadband access solutions for delivery of converged voice, data and video services over HFC networks
- We help our customers create value primarily through Revenue Generating Unit (RGU) growth
- Two product categories
 - Broadband
 - 1st generation cable telephony: Cornerstone® Voice
 - IP based network elements for converged data, voice & video: CMTS, D5™ DMTS*
 - Supplies & CPE
 - DOCSIS® CPE (EMTAs, cable modems)
 - TeleWire Supply® (plant hardware)

What We Have Done....

- Established market leadership in broadband voice and data
 - Undisputed leader in Cable Telephony with approaching 5M lines in service
 - Strong market and technology position in DOCSIS® Qualified CMTS for VoIP and high speed data
 - Two DOCSIS 2.0 CMTS platforms
 - Growing share of embedded CMTS base
 - Top 5 operators have standardized on ARRIS EMTAs – #1 position worldwide in Q105
- Ready for the “all digital” network market disruption... moving to everything IP, everywhere.
 - Building on DOCSIS experience
 - Launched IP Video initiative

ARRIS 5-Point Growth Strategy...

- Transition to “Everything IP... Everywhere”
 - Lead the market with solutions that address
 - The growing broadband internet access market
 - The explosive VoIP market
 - The emerging IP Video transport market
 - The developing international markets
- Leverage our current voice and data business
 - Fill out installed base of CBR voice telephony
 - Establish large installed CMTS base for high speed data
- Strengthen & grow TeleWire Supply infrastructure business
- Expand and/or fill gaps in our existing product and services portfolio through internal developments, partnerships and acquisitions
- Maintain and improve strong capital structure



Our Markets

ARRIS Worldwide Sales...

A Global Customer Base

Canada

- Eastlink
- Videotron
- Capella / Rogers

Latin America

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

United States

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

Asia

- Jupiter – Japan
- Synclayer – Japan
- 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 66 operators, in 47 cities,
in 28 countries, and growing...**

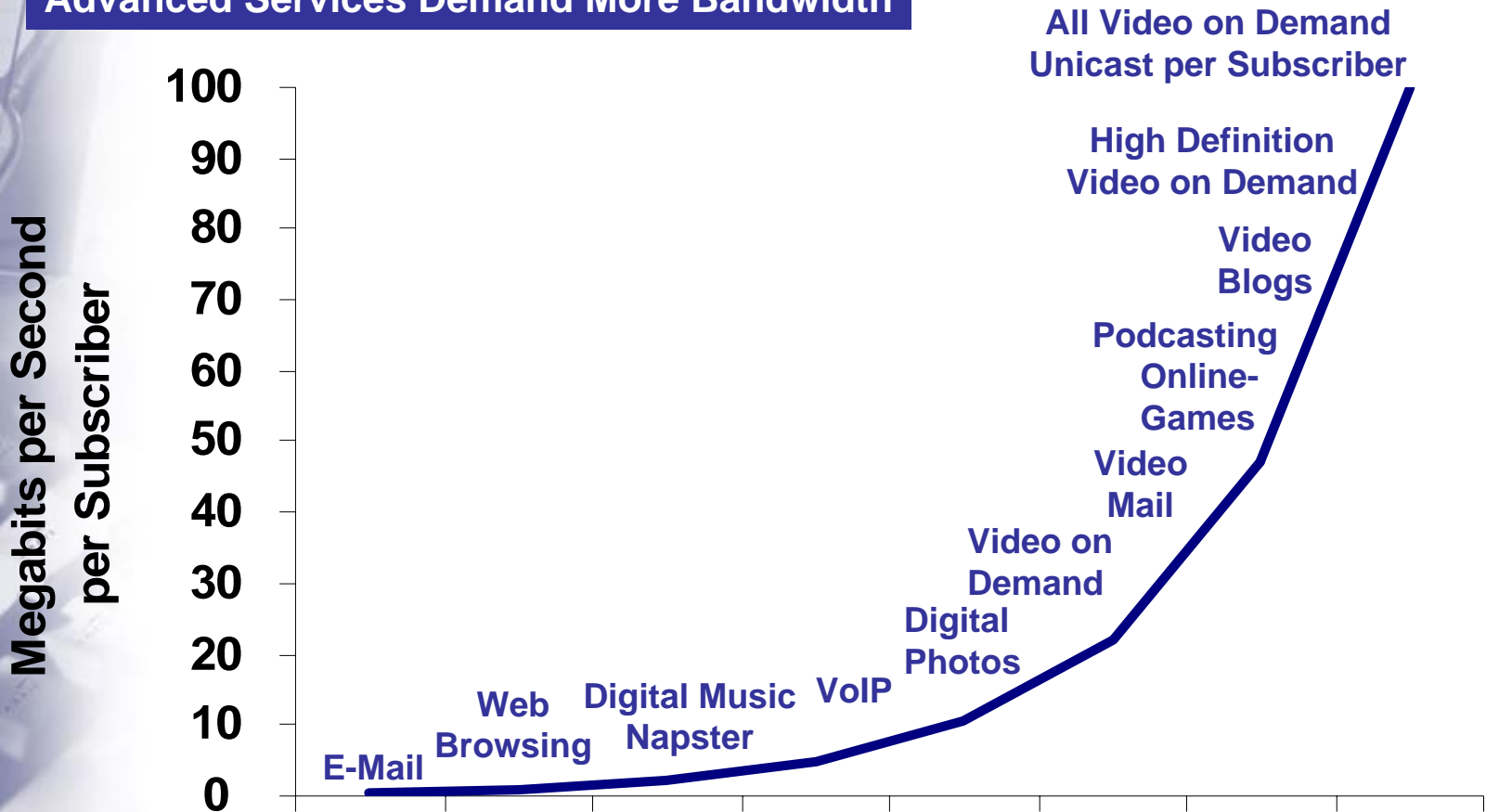
ARRIS Market Environment....

- Increasing Competition from Telcos and Satellite will drive U.S. Cable Operator Spending for...
 - Faster Internet Access
 - Carrier Grade Phone Service
 - On-demand and IP Video
- Similar dynamics apply in a growing International market
- Aging network will require more infrastructure maintenance
- The “all digital” IP based technology disruption is occurring : ***Data*** → ***Voice*** → ***Video***

ARRIS is Ready!

New, Advanced Services are driving Consumers' Unquenchable Thirst for Bandwidth...

Advanced Services Demand More Bandwidth





ARRIS Products Current and Future

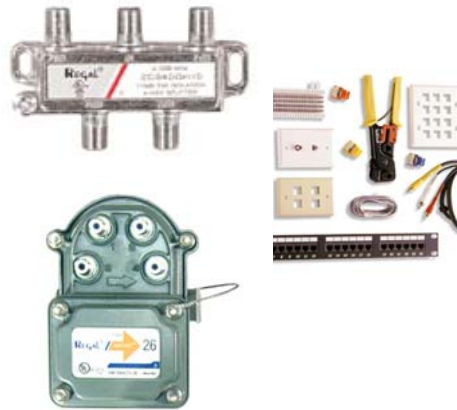
ARRIS TeleWire provides infrastructure Products for existing Markets and for new Emerging Markets....

Plant Maintenance & Construction



- Maintain/grow share
- Product cost reduction & margin improvement
- Value-added services

Drop



- Compete aggressively in this growth area
- Leverage ARRIS Broadband success with CBR and VoIP

Emerging Markets



- Leverage ARRIS Broadband business
- Anticipate MSO need for new RGUs ie, Wireless
 - Residential
 - Commercial/SOHO
- Invest in new products & partners

ARRIS provides a wide range of Products for Voice, Data, & Video Solutions

CBR Telephony

Cornerstone®
HDT



Cornerstone®
Voice Ports Cornerstone®
Max24

VoIP Telephony & Broadband Data

Cadant® C4™
CMTS



Cadant® C3™
CMTS



DOCSIS 2.0
Euro-DOCSIS 2.0
PacketCable



Touchstone™ Telephony
Ports (EMTAs), Telephony
Modems, & Cable Modems

IP Everything Data, Voice, Video

Keystone D5™
DMTS



Touchstone™ Telephony
Ports (EMTAs), Telephony
Modems, & Cable Modems,
Third Party Set top Boxes

Toward Convergence

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ARRIS Cadant CMTS Product Portfolio meets TODAY'S Worldwide needs for VoIP and HSD...

Chassis-based



Large Markets

Cadant® C4™ CMTS

- >20K homes passed per hub
- DOCSIS 2.0 **Qualified**
- DSG Support **Qualified**
- PacketCable™ **Qualified**
- Supports up to 52,000 IP addresses
- Hitless failover
- Hitless software upgrade (HSU)
- 100 Mbps Flexpath™ transport capability

DOCSIS® 2.0 and
Euro-DOCSIS 2.0
Qualified CMTS

Rack Mount



Medium to Small Markets

Cadant C3™ CMTS

- 5K – 20K homes passed per hub
- DOCSIS 2.0 **Qualified**
- Supports up to 3,000 Subscribers
- Commercial Application Support
 - Virtual Private Networks

DOCSIS 2.0 and
Euro-DOCSIS 1.1
Qualified CMTS

ARRIS CPE Portfolio of Products For All Applications

.....with Full PacketCable & SIP Support



	Touchstone™ Telephony Modem Platinum	Touchstone™ Telephony Modem Gold	Touchstone™ Telephony Modem Silver	Touchstone™ Telephony Modem Bronze	Touchstone™ Telephony Port
Application	Carrier Grade Voice & Data	Carrier Grade Voice & Data	Voice & Data	Voice & Data	Outdoor Carrier Grade 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	2 or 4 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*	PC 1.1/DOCSIS 2.0
Features	<ul style="list-style-type: none"> - Battery Backup - Data Interface - Voice CODEC - Specials 	<ul style="list-style-type: none"> - 8-16 Hrs Lithium Ion - Bridged 10/100 & USB - 711, 726, 729 - Battery Telemetry 	<ul style="list-style-type: none"> - 4 Hrs Lithium Ion - Bridged 10/100 & USB - 711, 726, 729 - Battery Telemetry 	<ul style="list-style-type: none"> - Local power only - Bridged 10/100 & USB - 711, 726, 729 	<ul style="list-style-type: none"> - Local power only - Bridged 10/100 - 711, 726, 729 - Network or LPSU - 10 Base-T - 711, 726, 729 - Battery Telemetry

*Euro-DOCSIS models also available

Announcing the new Multi-line EMTA which further expands the product line.....

Target Markets:

- Multiple Dwelling Units

- Domestic 30% HHP (30M homes)
- International 40% HHP (45M homes)

- Small & Medium Businesses

- Integrated DOCSIS 2.0 Cablemodem
- Full PacketCable and SIP support
- Leverages 9 years of multi-line network interface unit deployments with Cornerstone® technology
- Wall mount and rack mount options
- RJ45 10/100Bt Data Interface



**Cornerstone®
Max24**



**Touchstone® TM512A
12-Line eMTA**

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The ARRIS Touchstone™ Wideband Modem will meet Future Bandwidth Demands....

- **Industry leading data rates**
- **Standards-based DOCSIS technology**
 - IP Bonded Channels
- **Supported by all ARRIS Wideband platforms**
 - Cadant C4
 - Keystone D5
- **Will be supported by ARRIS DOCSIS 3.0**
- **Compact Design**
- **Available: 4Q05**



<u>Downstream</u>	<u>Upstream</u>	<u>Interfaces</u>
<ul style="list-style-type: none">• Up to 4 discrete DOCSIS channels – 64/256QAM• Up to 160Mbps• Supports both TCP and UDP traffic	<ul style="list-style-type: none">• Up to 4 bonded DOCSIS 2.0 return channels• Up to 120Mbps• Quality of Service	<ul style="list-style-type: none">• Ethernet 10/100/1000Bt• Easy-to-understand LED visual indicators• External AC/DC converter



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The ARRIS logo consists of a stylized, swooshing shape above the word 'ARRIS'. The swoosh is blue on the left and transitions to orange and red on the right. A small 'TM' trademark symbol is located to the right of the swoosh.

Coming Soon...

ARRIS Keystone D5™ DMTS....

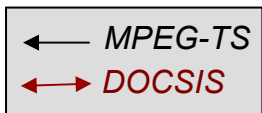
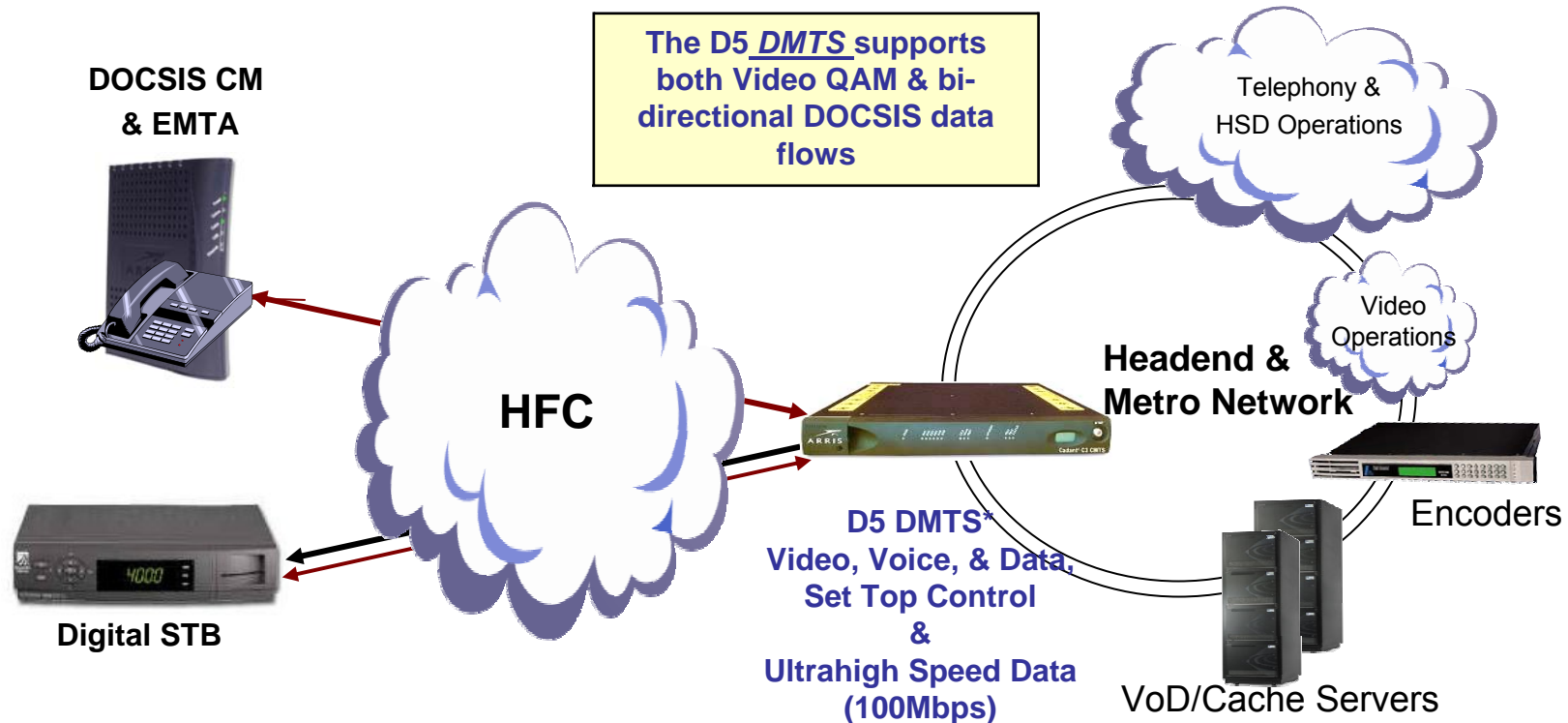
provides a simpler, more powerful, converged platform...

- New Class of Network Edge device to support both MPEG digital video and DOCSIS® IP multimedia content delivery
- Industry leading density
- Modular design supports flexible deployment configurations
- Dynamically allocates bandwidth for digital video, VOD, IP Multi-cast, IP Uni-cast and DOCSIS data content



Available Q105 – Trials

Tomorrow's HFC Architecture.... *Simpler, More Powerful, Converged Platform!* The D5 will support today's services and provide for graceful evolution.....



In summary, more Bandwidth is critical for the Triple Play and the C4 and D5 provide it.....

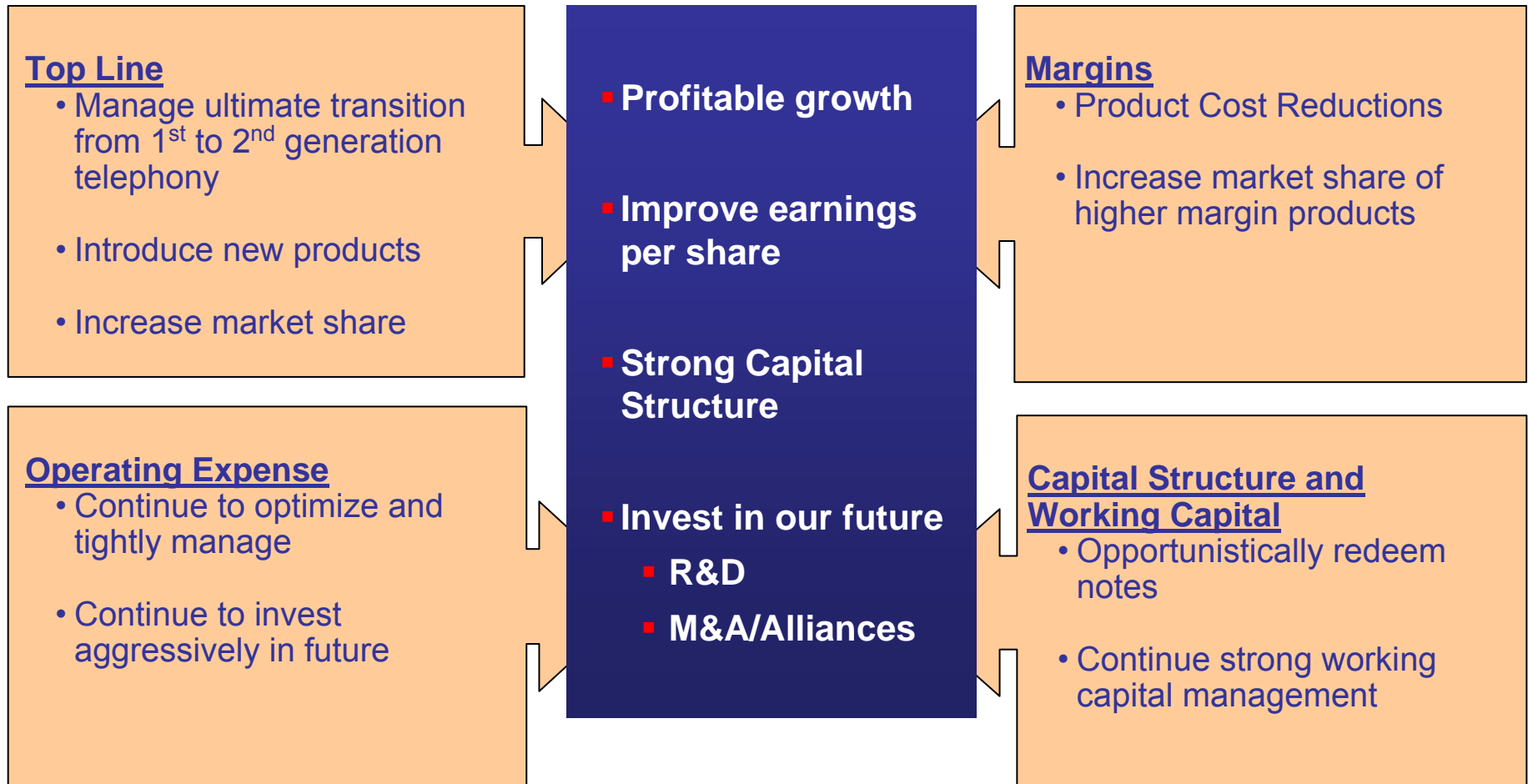
- Operators must offer more bandwidth intensive services and lower CAPEX
- Network foundations:
 - Data – *low cost*
 - Voice – *reliability*
 - Video – *bandwidth*
- ARRIS delivers it all!
 - Cadant C4 CMTS evolves to a comprehensive edge bandwidth management system (M-CMTS)
 - Keystone D5 is the first Digital Multimedia Termination System (DMTS™) for bandwidth-intensive applications



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Financials

Key Areas of Action & Focus for continued Financial Improvement in 2005 and beyond...



Q105 Results reflect Growing Profitability, Earnings and Business Momentum...

- Q105 revenue of \$135.9 million **increased** 22% over Q104 revenue of \$111.6 million and **increased** 5% sequentially
- EPS significantly improved year over year
 - GAAP EPS **increased** \$0.28 from (\$0.24) in Q104 to \$0.04 in Q105
 - Proforma EPS **increased** \$0.03 from \$0.02 to Q104 to \$0.05 in Q105
- Gross margins **increased** 100 basis points from Q404
- Cash and cash equivalents on hand **increased** to \$107.9 million
- Book-to-bill ratio **increased** to 1.35 in Q105 from 1.08 in Q404
- Backlog **increased** ~62% to \$122.8 million as compared to Q404
- DSO's **decreased** to 40.0 from 42.0 in Q404
- Inventory turns **increased** to 4.7, up from 4.2 in Q404

A close-up, slightly blurred image of an ARRIS keyboard and mouse, positioned on the left side of the slide. The keyboard keys are visible, with some labeled 'ARRIS'. The mouse is partially visible at the top left.

Guidance For Second Quarter 2005...

(issued as of April 27, 2005)

- Revenues in the range of \$145 to \$155 million
- Net income per share from \$0.06 to \$0.10
- Gross margins in the range of 26-28%

ARRIS products remain well positioned for anticipated MSO spending in 2005 and beyond



Outlook For 2005 Continues Positive...

- Anticipate continuing both Top & Bottom Line improvements
 - GAAP EPS & pro forma EPS closer together
 - Amortization of Intangibles \$29M in 2004 vs. \$1M in 2005
- Increasing EMTA production capacity to meet rising customer demand
- Positioned well in growth segments
 - VoIP
 - Higher Speed Data
 - IP Video



Questions and Answers