FRANKLIN STREET PROPERTIES CORP /MA/
Form 10-Q
October 30, 2018
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10 - Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from   to

Commission File Number: 001-32470

Franklin Street Properties Corp.

(Exact name of registrant as specified in its charter)

Maryland	04-3578653
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

401 Edgewater Place, Suite 200

Wakefield, MA 01880

(Address of principal executive offices)(Zip Code)

(781) 557-1300

(Registrant’s telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES NO

The number of shares of common stock outstanding as of October 25, 2018 was 107,231,155.

Table of Contents

Franklin Street Properties Corp.
Form 10-Q

Quarterly Report
September 30, 2018

Table of Contents

		Page
Part I.	Financial Information	
	Item 1. Financial Statements	
	Consolidated Balance Sheets as of September 30, 2018 and December 31, 2017	3
	Consolidated Statements of Income for the three and nine months ended September 30, 2018 and 2017	4
	Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2018 and 2017	5
	Consolidated Statements of Cash Flows for the nine months ended September 30, 2018 and 2017	6
	Notes to Consolidated Financial Statements	7-19
	Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	20-37
	Item 3. Quantitative and Qualitative Disclosures About Market Risk	37
	Item 4. Controls and Procedures	39
Part II.	Other Information	
	Item 1. Legal Proceedings	40
	Item 1A. Risk Factors	40
	Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	40

Item 3.	Defaults Upon Senior Securities	40
Item 4.	Mine Safety Disclosures	40
Item 5.	Other Information	40
Item 6.	Exhibits	41
Signatures		42

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1.Financial Statements

Franklin Street Properties Corp.

Consolidated Balance Sheets

(Unaudited)

(in thousands, except share and par value amounts)	September 30, 2018	December 31, 2017
Assets:		
Real estate assets:		
Land	$ 191,578	$ 191,578
Buildings and improvements	1,848,362	1,811,631
Fixtures and equipment	7,842	5,614
	2,047,782	2,008,823
Less accumulated depreciation	419,746	376,131
Real estate assets, net	1,628,036	1,632,692
Acquired real estate leases, less accumulated amortization of $98,890 and $109,771, respectively	65,687	86,520
Investment in non-consolidated REITs	—	70,164
Cash, cash equivalents and restricted cash	10,434	9,819
Tenant rent receivables, less allowance for doubtful accounts of $225 and $250, respectively	3,206	3,123
Straight-line rent receivable, less allowance for doubtful accounts of $50 and $50, respectively	53,056	53,194
Prepaid expenses and other assets	9,259	8,387
Related party mortgage loan receivables	70,925	71,720
Other assets: derivative asset	22,265	13,925
Office computers and furniture, net of accumulated depreciation of $1,493 and $1,420, respectively	216	289
Deferred leasing commissions, net of accumulated amortization of $24,059 and $22,276, respectively	45,475	40,679
Total assets	$ 1,908,559	$ 1,990,512
Liabilities and Stockholders' Equity:		
Liabilities:		
Bank note payable	$ 17,000	$ 78,000
	763,914	764,901

Term loans payable, less unamortized financing costs of $6,086 and $5,099, respectively		
Series A&B Senior Notes, less unamortized financing costs of $1,191 and $1,308, respectively	198,809	198,692
Accounts payable and accrued expenses	62,699	61,039
Accrued compensation	2,844	3,641
Tenant security deposits	5,619	5,383
Other liabilities: derivative liabilities	—	1,759
Acquired unfavorable real estate leases, less accumulated amortization of $7,985 and $7,638, respectively	4,261	5,805
Total liabilities	1,055,146	1,119,220
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $.0001 par value, 20,000,000 shares authorized, none issued or outstanding	—	—
Common stock, $.0001 par value, 180,000,000 shares authorized, 107,231,155 and 107,231,155 shares issued and outstanding, respectively	11	11
Additional paid-in capital	1,356,457	1,356,457
Accumulated other comprehensive income	22,265	12,166
Accumulated distributions in excess of accumulated earnings	(525,320)	(497,342)
Total stockholders' equity	853,413	871,292
Total liabilities and stockholders' equity	$ 1,908,559	$ 1,990,512

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Franklin Street Properties Corp.

Consolidated Statements of Income

(Unaudited)

(in thousands, except per share amounts)	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Revenues:				
Rental	$ 67,436	$ 67,339	$ 198,473	$ 201,710
Related party revenue:				
Management fees and interest income from loans	1,261	1,278	3,793	4,014
Other	8	9	26	29
Total revenues	68,705	68,626	202,292	205,753
Expenses:				
Real estate operating expenses	17,946	17,898	52,051	52,492
Real estate taxes and insurance	11,651	11,882	35,120	35,880
Depreciation and amortization	23,277	24,988	70,903	75,599
General and administrative	3,394	3,286	9,908	9,806
Interest	9,935	8,258	29,174	23,730
Total expenses	66,203	66,312	197,156	197,507
Income before equity in income (loss) of non-consolidated REITs, other, gain (loss) on sale of properties and properties held for sale, less applicable income tax and taxes	2,502	2,314	5,136	8,246
Equity in income (loss) of non-consolidated REITs	7,180	(121)	6,793	(719)
Other	—	67	—	218
Gain (loss) on sale of properties and properties held for sale, less applicable income tax	—	(257)	—	(18,460)
Income (loss) before taxes on income	9,682	2,003	11,929	(10,715)
Taxes on income	74	100	231	297
Net income (loss)	$ 9,608	$ 1,903	$ 11,698	$ (11,012)
Weighted average number of shares outstanding, basic and diluted	107,231	107,231	107,231	107,231
Net income (loss) per share, basic and diluted	$ 0.09	$ 0.02	$ 0.11	$ (0.10)

The accompanying notes are an integral part of these consolidated financial statements.

4

Table of Contents

Franklin Street Properties Corp.

Consolidated Statements of Comprehensive Income

(Unaudited)

(in thousands)	For the Three Months Ended September 30, 2018	2017	For the Nine Months Ended September 30, 2018	2017
Net income (loss)	$ 9,608	$ 1,903	$ 11,698	$ (11,012)
Comprehensive income (loss):				
Unrealized gain (loss) on derivative financial instruments	1,069	14	10,099	(524)
Total comprehensive income (loss)	1,069	14	10,099	(524)
Comprehensive income (loss)	$ 10,677	$ 1,917	$ 21,797	$ (11,536)

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Franklin Street Properties Corp.

Consolidated Statements of Cash Flows

(Unaudited)

(in thousands)	For the Nine Months Ended September 30, 2018	2017
Cash flows from operating activities:		
Net income (loss)	$ 11,698	$ (11,012)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	73,127	77,418
Amortization of above and below market leases	(405)	(941)
Hedge ineffectiveness	—	(218)
Loss on sale of properties and properties held for sale, less applicable income tax	—	18,460
Equity in (income) loss of non-consolidated REITs	(6,793)	719
Increase (decrease) in allowance for doubtful accounts	(25)	25
Changes in operating assets and liabilities:		
Tenant rent receivables	(58)	(902)
Straight-line rents	821	(2,021)
Lease acquisition costs	(683)	(876)
Prepaid expenses and other assets	(487)	(1,945)
Accounts payable and accrued expenses	(2,665)	(489)
Accrued compensation	(797)	(784)
Tenant security deposits	236	76
Payment of deferred leasing commissions	(11,051)	(8,178)
Net cash provided by operating activities	62,918	69,332
Cash flows from investing activities:		
Property improvements, fixtures and equipment	(35,901)	(41,862)
Investment in non-consolidated REITs	74,931	—
Distributions in excess of earnings from non-consolidated REITs	710	1,041
Repayment of related party mortgage receivable	795	9,795
Proceeds received on sales of real estate assets	—	6,160
Net cash provided by (used in) investing activities	40,535	(24,866)
Cash flows from financing activities:		
Distributions to stockholders	(39,676)	(61,122)
Borrowings under bank note payable	30,000	60,000
Repayments of bank note payable	(91,000)	(40,000)
Deferred financing costs	(2,162)	—
Net cash used in financing activities	(102,838)	(41,122)
Net increase in cash, cash equivalents and restricted cash	615	3,344
Cash, cash equivalents and restricted cash, beginning of year	9,819	9,366
Cash, cash equivalents and restricted cash, end of period	$ 10,434	$ 12,710

Supplemental disclosure of cash flow information:

Cash paid for:		
Interest	$ 25,388	$ 21,885
Taxes	$ 485	$ 583
Non-cash investing activities:		
Accrued costs for purchases of real estate assets	$ 9,465	$ 6,053

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Franklin Street Properties Corp.
Notes to Consolidated Financial Statements
(Unaudited)

1. Organization, Properties, Basis of Presentation, Financial Instruments and Recent Accounting Standards

Organization

Franklin Street Properties Corp. ("FSP Corp." or the "Company") holds, directly and indirectly, 100% of the interest in FSP Investments LLC, FSP Property Management LLC, FSP Holdings LLC and FSP Protective TRS Corp. FSP Property Management LLC provides asset management and property management services. The Company also has a non-controlling common stock interest in three corporations organized to operate as real estate investment trusts ("REIT"). Collectively, the three REITs are referred to as the "Sponsored REITs".

As of September 30, 2018, the Company owned and operated a portfolio of real estate consisting of 34 operating properties, one property that was substantially redeveloped and is in lease-up and three managed Sponsored REITs; and held four promissory notes secured by mortgages on real estate owned by Sponsored REITs, including two mortgage loans and two revolving lines of credit. From time-to-time, the Company may acquire, develop or redevelop real estate, make additional secured loans or acquire a Sponsored REIT. The Company may also pursue, on a selective basis, the sale of its properties in order to take advantage of the value creation and demand for its properties, or for geographic or property specific reasons.

Properties

The following table summarizes the Company's number of operating properties and rentable square feet of real estate. In January 2016, the Company classified one property as non-operating that was substantially redeveloped and is in lease-up, which is excluded as of September 30, 2018 and 2017.

	As of September 30,	
	2018	2017
Commercial real estate:		
Number of properties	34	35
Rentable square feet	9,760,699	10,085,889

Basis of Presentation

The unaudited consolidated financial statements of the Company include all of the accounts of the Company and its majority-owned subsidiaries. All significant intercompany balances and transactions have been eliminated. These financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2017, as filed with the Securities and Exchange Commission.

The accompanying interim financial statements are unaudited; however, the financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair presentation of the financial statements for these interim periods have been included. Operating results for the three and nine months ended September 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018 or for any other period.

Financial Instruments

As disclosed in Note 4, the Company's derivatives are recorded at fair value using Level 2 inputs. The Company estimates that the carrying values of cash, cash equivalents and restricted cash, receivables and tenant security deposits approximate

Table of Contents

their fair values based on their short-term maturity and the loan receivable, bank note and term loans payable approximate their fair values as they bear interest at variable interest rates at spreads that approximate market.

Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statement of cash flows.

(in thousands)	September 30, 2018	September 30, 2017
Cash and cash equivalents	$ 10,434	$ 12,647
Restricted cash	—	63
Total cash, cash equivalents and restricted cash	$ 10,434	$ 12,710

Amounts included in restricted cash represent amounts set aside for the payments to be made pursuant to our employees' flexible medical spending accounts.

Recent Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers ("Topic 606"), which provides guidance for revenue recognition. The standard's core principle is that a company will recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. This update is effective for interim and annual reporting periods beginning after December 15, 2017. A substantial portion of our revenue consists of rental income from leasing arrangements, which is specifically excluded from Topic 606. The Company adopted Topic 606 using the modified retrospective approach effective January 1, 2018 and the adoption did not have an impact on the amount or timing of revenue recognition in the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASU 2016-02"). ASU 2016-02 requires lessees to establish a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term on their balance sheets. Lessees will continue to recognize lease expenses

on their income statements in a manner similar to current accounting. The guidance also eliminates current real estate-specific provisions for all entities. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. This new standard is effective for annual periods beginning after December 15, 2018, and interim periods thereafter with early adoption permitted. The Company is currently evaluating the potential changes from ASU 2016-02 to future financial reporting and disclosures. The Company expects the adoption of this standard in 2019 will increase its assets and liabilities by approximately $3 million for the addition of right-of-use assets and lease liabilities related to an operating lease for office space in which the Company is a tenant; however, the Company does not expect the standard to have a material impact to its results of operations or liquidity.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”), which requires that entities use a new forward looking “expected loss” model that generally will result in the earlier recognition of allowance for credit losses. The measurement of expected credit losses is based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently assessing the potential impact the adoption of ASU 2016-13 will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (“ASU 2016-15”), which clarifies how reporting entities should present and classify certain cash receipts and cash payments in the statement of cash flows. ASU 2016-15 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company adopted this guidance during the first quarter of 2018 and applied it retrospectively. Pursuant to the adoption, the Company elected the cumulative earnings

Table of Contents

approach related to the distributions received from its equity method investments. The adoption did not have an impact on the Company's consolidated statements of cash flows.

In November 2016, the FASB issued ASU No. 2016-18, Restricted Cash ("ASU 2016-18"), which clarifies how reporting entities should present restricted cash and restricted cash equivalents. Reporting entities will show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. The new standard requires a reconciliation of the totals in the statement of cash flows to the related captions in the balance sheets. ASU 2016-18 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Upon the adoption of ASU 2016-18, the Company reconciled both cash and cash equivalents and restricted cash and restricted cash equivalents, whereas under the previous guidance the Company explained the changes during the period for cash and cash equivalents only. Prior periods were retrospectively adjusted to conform to the current period's presentation.

In January 2017, the FASB issued ASU No. 2017-01, Clarifying the Definition of a Business ("ASU 2017-01"), which provides additional guidance on evaluating whether transactions should be accounted for as an acquisition (or disposal) of assets of a business. The update defines three requirements for a set of assets and activities (collectively referred to as a "set") to be considered a business: inputs, processes and outputs. ASU 2017-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. This update will be applied prospectively to any transactions occurring within the period of adoption. Certain property acquisitions which under previous guidance would have been accounted for as business combinations will be accounted for as acquisitions of assets. In an acquisition of assets, certain acquisition costs are capitalized as opposed to expensed under business combination guidance.

In August 2018, the FASB issued No. ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). The ASU is intended to improve the effectiveness of fair value measurement disclosures. ASU 2018-13 is effective for all entities for annual periods beginning after December 15, 2019, and interim periods within those fiscal years. This ASU amends existing fair value measurement disclosure requirements by adding, changing, or removing certain disclosures. ASU 2018-13 will be effective for the Company as of January 1, 2020, and earlier adoption is permitted. The Company is currently reviewing the effect of this ASU to the consolidated financial statements.

2. Related Party Transactions and Investments in Non-Consolidated Entities

Investment in Sponsored REITs:

At September 30, 2018 and December 31, 2017, the Company held a common stock interest in three and six Sponsored REITs, respectively. The Company held a non-controlling preferred stock investment in two

Sponsored REITs, FSP 303 East Wacker Drive Corp. (“East Wacker”) and FSP Grand Boulevard Corp. (“Grand Boulevard”), which were liquidated during the three months ended September 30, 2018. As of September 30, 2018, the Company held a beneficial interest in the East Wacker and Grand Boulevard liquidating trusts.

In December 2007, the Company purchased 965.75 preferred shares or 43.7% of the outstanding preferred shares of one of its Sponsored REITs, East Wacker. On September 24, 2018, the property owned by East Wacker was sold and, thereafter, East Wacker declared and issued a liquidating distribution for its preferred shareholders, from which the Company was entitled to $70.0 million. On September 27, 2018, the Company received $69.0 million in an initial cash distribution. As a result of the sale, the Company recognized a gain on liquidation of $7.1 million. As of September 30, 2018, the Company held a beneficial interest in the East Wacker liquidating trust in the amount of $1.0 million, which is included in other assets in the accompanying consolidated balance sheet.

In May 2009, the Company purchased 175.5 preferred shares or 27.0% of the outstanding preferred shares of one of its Sponsored REITs, Grand Boulevard. On July 19, 2018, the property owned by Grand Boulevard was sold and, thereafter, Grand Boulevard declared and issued a liquidating distribution for its preferred shareholders, from which the Company was entitled to $6.2 million. On August 17, 2018, the Company received $5.9 million in an initial cash distribution. As a result of the sale, the Company recognized a loss on liquidation of $0.1 million. As of September 30, 2018, the Company held a beneficial interest in the Grand Boulevard liquidating trust in the amount of $0.3 million, which is included in other assets in the accompanying consolidated balance sheet.

Table of Contents

Equity in income (loss) of investments in non-consolidated REITs is derived from the Company's share of income or loss in the operations of those entities and includes gain or loss on liquidation. The Company exercised influence over, but did not control these entities, and investments are accounted for using the equity method.

Equity in income (loss) of investments in non-consolidated REITs:

The following table includes equity in income (loss) of investments in non-consolidated REITs

	Nine Months Ended September 30,	
(in thousands)	2018	2017
Equity in income (loss) of East Wacker	$ 7,209	$ (272)
Equity in (loss) of Grand Boulevard	(107)	(447)
Impairment charge	(309)	—
	$ 6,793	$ (719)

Equity in income (loss) of East Wacker was derived from the Company's preferred stock investment in the entity. In December 2007, the Company purchased 965.75 preferred shares or 43.7% of the outstanding preferred shares of East Wacker. On September 24, 2018, the property owned by East Wacker was sold at a gain, which is included in equity in income (loss) of non-consolidated REITs on the consolidated statements of income.

Equity in losses of Grand Boulevard is derived from the Company's preferred stock investment in the entity. In May 2009, the Company purchased 175.5 preferred shares or 27.0% of the outstanding preferred shares of Grand Boulevard. On July 19, 2018, the property owned by Grand Boulevard was sold at a loss, which is included in equity in income (loss) of non-consolidated REITs on the consolidated statements of income.

At June 30, 2018, the Company recognized an impairment charge of $309,000, which represented the other-than-temporary decline in the fair value below the carrying value of one of the Company's investments in non-consolidated REITs. The Company estimated the fair value of its equity investment by estimating the fair value of the property, less estimated costs to sell using a purchase and sale agreement to purchase the property made by third parties (Level 3 inputs, as there is no active market).

The Company received distributions of $710,000 and $1,041,000 from non-consolidated REITs during the nine months ended September 30, 2018 and 2017, respectively.

Management fees and interest income from loans:

Asset management fees range from 1% to 5% of collected rents and the applicable contracts are cancelable with 30 days notice. Asset management fee income from non-consolidated entities amounted to approximately $375,000 and $459,000 for the nine months ended September 30, 2018 and 2017, respectively.

From time to time the Company may make secured loans ("Sponsored REIT Loans") to Sponsored REITs in the form of mortgage loans or revolving lines of credit to fund construction costs, capital expenditures, leasing costs and for other purposes. The Company reviews Sponsored REIT loans for impairment each reporting period. A loan is impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts recorded on the balance sheet. The Company applies normal loan review and underwriting procedures (as may be implemented or modified from time to time) in making that judgment. None of the Sponsored REIT loans have been impaired.

The Company anticipates that each Sponsored REIT Loan will be repaid at maturity or earlier from refinancing, long term financings of the underlying properties, cash flows from the underlying properties or some other capital event. Each Sponsored REIT Loan is secured by a mortgage on the underlying property and has a term of approximately one to three years. Except for two mortgage loans which bear interest at a fixed rate, advances under each Sponsored REIT Loan bear

interest at a rate equal to the 30-day LIBOR rate plus an agreed upon amount of basis points and also require a 50 basis point draw fee.

The following is a summary of the Sponsored REIT Loans outstanding as of September 30, 2018:

(dollars in thousands) Sponsored REIT	Location	Maturity Date	Maximum Amount of Loan	Amount Drawn at 30-Sep-18	Interest Rate (1)	Draw Fee (2)	Interest Rate at 30-Sep-18
Secured revolving lines of credit							
FSP Satellite Place Corp.	Duluth, GA	31-Dec-19	$ 5,500	$ 1,325	L+ 4.4 %	0.5 %	6.51 %
FSP Energy Tower I Corp.	Houston, TX	30-Jun-19	20,000	15,600	L+ 5.0 %	0.5 %	7.11 %
Mortgage loan secured by property							
FSP Monument Circle LLC (3)	Indianapolis, IN	7-Dec-18	21,000	21,000	4.90 %	n/a	4.90 %
FSP Energy Tower I Corp. (4)	Houston, TX	30-Jun-19	33,000	33,000	6.41 %	n/a	6.41 %
			$ 79,500	$ 70,925			

(1) The interest rate is 30-day LIBOR rate plus the additional rate indicated, otherwise a fixed rate.
(2) The draw fee is a percentage of each new advance, and is paid at the time of each new draw.
(3) This mortgage loan includes an origination fee of $164,000 and an exit fee of $38,000 when repaid by the borrower.
(4) This mortgage loan includes an annual extension fee of $108,900 paid by the borrower.

The Company recognized interest income and fees from the Sponsored REIT Loans of approximately $3,418,000 and $3,554,000 for the nine months ended September 30, 2018 and 2017, respectively.

Non-consolidated REITs:

The balance sheet data below for 2018 and 2017 includes the 3 Sponsored REITs the Company held an interest in as of September 30, 2018 and the 6 Sponsored REITs the Company held an interest in as of December 31, 2017. The

operating data below for 2018 and 2017 include the operations of the 6 and 7 Sponsored REITs in which the Company held an interest in during the nine months ended September 30, 2018 and 2017, respectively.

Summarized financial information for these Sponsored REITs is as follows:

(in thousands)	September 30, 2018	December 31, 2017
Balance Sheet Data (unaudited):		

The total purchase price consisted of approximately $2.3 billion in cash and approximately 5.1 million shares of CommScope common stock, with a value of approximately $255 million. Pursuant to accounting principles generally accepted in the United States of America, the per share value assigned to the stock consideration paid was $49.60, the average of the closing stock price of CommScope common stock on December 24, 2007, the day the final form of the merger consideration was determined and announced, and the two preceding and succeeding trading days. The cash portion of the purchase price was funded primarily through $2.1 billion of borrowings under new senior secured credit facilities (see Note 9). The Company prepared the following preliminary estimate of the fair

68

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

3. ACQUISITIONS (Continued)

values assigned to each major asset and liability category of Andrew as of the December 27, 2007 closing date:

	As of December 27, 2007 (in millions)
Cash and cash equivalents	165.7
Accounts receivable	591.7
Inventories	382.7
Other current assets	186.7
Property, plant and equipment	303.8
Identifiable intangible assets	976.7
Goodwill	1,056.8
Other noncurrent assets	41.6
Total assets	3,705.7
Accounts payable	284.3
Current employee benefit liabilities	57.8
Other current liabilities	182.8
Current portion of long-term debt	234.2
Long-term debt	11.7
Noncurrent pension and postretirement benefit liabilities	35.9
Noncurrent deferred tax liabilities	297.7
Other noncurrent liabilities	48.5
Total liabilities	1,152.9
Net acquisition cost	2,552.8

The table below summarizes preliminary valuations of the intangible assets acquired that were determined by management to meet the criteria for recognition apart from goodwill. The values presented below are preliminary estimates and are subject to change as management completes its valuation of the Andrew acquisition.

	Estimated Fair Value	Weighted Average Amortization Period
	(in millions)	(in years)
Customer base	$ 557.7	7.1

	Estimated Fair Value	Weighted Average Amortization Period
Trade names and trademarks	336.3	23.0
Patents and technologies	81.6	6.6
Other	1.1	3.0
Total amortizable intangible assets	$ 976.7	12.5

The identifiable intangible assets were determined by management to have finite lives. The useful lives for the customer base were based on management's forecasts of customer turnover, sales levels

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

3. ACQUISITIONS (Continued)

with major customers and types of customers. The useful lives for the trade names and trademarks were estimated based on the periods that the trade names and trademarks have been in use and the absence of a definite plan to discontinue their use in the foreseeable future. The useful lives for the patents and technologies were based on review of historical lives of similar products, in conjunction with technology-specific factors and anticipated future trends in the industry as well as the remaining lives of the related patents. The useful life of the other intangible assets was based on management's estimate of the remaining useful life, considering the age of the underlying assets.

The goodwill arising from the preliminary purchase price allocation is believed to be consistent with Andrew's reputation in the marketplace (which is expected to lead to sales to new customers), synergies expected to be realized from the acquisition and the going concern value of the assembled Andrew business. The goodwill is not expected to be deductible for tax purposes.

CommScope's consolidated results of operations for the year ended December 31, 2007 do not include the results of operations of Andrew for the period from December 27, 2007 through December 31, 2007 because the results of operations for this period are immaterial to the Consolidated Statement of Operations and Consolidated Statement of Cash Flows. The Andrew amounts included in the pro forma information are based on Andrew's historical results 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 historical results that would have been realized had the acquisition occurred as of the date indicated or that may be achieved in the future.

The following table presents pro forma consolidated results of operations for CommScope for the years ended December 31, 2007 and 2006 as though the acquisition had been completed as of January 1, 2007 and 2006, respectively (in millions, except per share amount):

	Unaudited	
	2007	2006
Revenue	$ 4,149.9	$ 3,777.5
Net loss	(155.7)	(76.8)
Net loss per share	(2.34)	(1.21)

These pro forma results reflect pro forma adjustments for net interest expense, depreciation, amortization and related income taxes. No pro forma adjustment has been made to provide a tax benefit for Andrew's actual net losses or to record a reversal of Andrew's existing deferred tax valuation allowances. The 2007 pro forma results include pretax impairment charges of approximately $161 million related to Andrew's historical goodwill and long-lived assets,

certain Andrew investments and Andrew's Satellite Communications business. The 2007 pro forma results also include a $45 million pretax charge related to the TruePosition litigation judgment (see Note 16). During 2007 and 2006, Andrew incurred pretax acquisition-related costs of $36 million and $13 million, respectively, that are included in the pro forma results above. The 2006 pro forma results also include the impact of recording a valuation allowance for deferred taxes of $83 million.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

3. ACQUISITIONS (Continued)

Net income during 2007 includes certain charges incurred by legacy CommScope that relate directly or indirectly to the acquisition, as listed below on a pretax basis (in millions):

Acquisition-related costs	$ 1.3
Loss on early extinguishment of debt	1.9

Signal Vision, Inc.

On May 1, 2007, CommScope acquired substantially all of the assets and assumed certain current liabilities of Signal Vision, Inc., a leading supplier of broadband radio frequency subscriber products, for approximately $19.0 million, of which $17.0 million was paid in cash and the balance is payable within two years. The acquisition is included within the Broadband segment and resulted in net sales of $16.5 million for the year ended December 31, 2007.

The allocation of the purchase price, based on estimated fair values of the assets acquired, is as follows:

	Estimated Fair Value	Amortization Period
	(in millions)	(in years)
Inventory	$ 4.4	
Accounts receivable	2.5	
Machinery and equipment	0.1	
Intangible assets:		
Customer base	5.2	9.7
Trade name	0.7	3.7
Patents and technologies	0.4	10.0
Other	3.0	5.0
Goodwill	3.1	
Less: Current liabilities assumed	(0.4)	
Total purchase price	$ 19.0	

The weighted average estimated useful life of the amortizable intangible assets acquired is 7.8 years.

Trilogy Communications, Inc.

On March 6, 2006, CommScope acquired the assets supporting the trunk and distribution cable television products business of Trilogy Communications, Inc., along with certain other assets. The purchase price of $13.8 million was paid in cash. The products acquired were integrated into the Broadband segment and resulted in net sales of $12.8 million for the year ended December 31, 2006.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

3. ACQUISITIONS (Continued)

The allocation of the purchase price, based on estimated fair values of the assets acquired, is as follows:

	Estimated Fair Value	Amortization Period
	(in millions)	(in years)
Inventory	$ 4.9	
Other current assets	0.3	
Machinery and equipment	1.1	
Intangible assets:		
Customer base	4.0	10.0
Non-compete agreement	1.7	7.0
Other identifiable intangible assets	1.8	10.0
Total purchase price	$ 13.8	

The weighted average useful life of the intangible assets acquired is 9.3 years.

Connectivity Solutions

Effective January 31, 2004, CommScope acquired substantially all of the assets and assumed certain liabilities of Connectivity Solutions. The total purchase price consisted of approximately $250 million in cash and approximately 1.8 million shares of CommScope common stock valued at $32.4 million. Additional paid-in-capital (APIC) was reduced by a $0.5 million accrual for estimated registration costs related to the issuance of the common shares. These registration rights expired in 2006 and resulted in the reversal of this accrual and a $0.5 million increase to APIC.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table presents details of the Company's intangible assets other than goodwill and fully amortized assets, including the preliminary allocation of the Andrew purchase price, as of December 31 (in millions):

	2007			2006		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer base	$ 579.8	$ 6.7	$ 573.1	$ 16.7	$ 4.4	$ 12.3
Trade names and trademarks	338.1	0.3	337.8	1.0	0.1	0.9
Patents and technologies	131.5	18.5	113.0	48.7	13.7	35.0
Other	6.5	1.0	5.5	16.0	13.4	2.6
Total amortizable intangible assets	1,055.9	26.5	1,029.4	82.4	31.6	50.8
Trademarks	13.4		13.4	13.2		13.2
Total other intangible assets	$ 1,069.3	$ 26.5	$ 1,042.8	$ 95.6	$ 31.6	$ 64.0

The Company's finite-lived intangible assets are being amortized on a straight-line basis over the weighted-average amortization periods in the following table. The aggregate weighted-average amortization period is 12.3 years.

	Weighted-Average Amortization Period
	(in years)
Customer base	7.2
Trade names and trademarks	22.9
Patents and technologies	8.2
Other	5.7

Amortization expense for intangible assets was $8.4 million, $12.8 million and $13.0 million for the years ended December 31, 2007, 2006 and 2005, respectively. Estimated amortization expense for the five succeeding years is as follows (in millions):

2008	$ 114.3

2009	114.3
2010	114.3
2011	113.8
2012	113.4

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

4. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

The following table summarizes the allocation of goodwill to legacy CommScope segments and legacy Andrew operating groups. Management intends to re-evaluate reportable segments in 2008 as a result of the acquisition of Andrew and will reallocate goodwill as necessary.

	(in millions)
Legacy CommScope Segments	
Enterprise	$ 20.9
Broadband	133.5
Carrier	
Legacy Andrew Operating Groups	
Antenna and Cable Products	760.9
Wireless Network Solutions	295.9
Total	$ 1,211.2

5. OFS BRIGHTWAVE, LLC

In November 2001, CommScope acquired an 18.4% ownership interest in OFS BrightWave, an optical fiber and fiber optic cable venture between CommScope and The Furukawa Electric Co., Ltd. (Furukawa). OFS BrightWave was formed to operate a portion of the optical fiber and fiber optic cable business (OFS Group) acquired from Lucent Technologies Inc. (Lucent). Of the amount paid by CommScope, $173.4 million represented a capital contribution in exchange for CommScope's 18.4% equity interest in OFS BrightWave and $30 million represented a loan to OFS BrightWave. Furukawa owned the remaining 81.6% equity interest in OFS BrightWave. CommScope held a contractual right to sell its ownership interest in OFS BrightWave to Furukawa for a cash payment equal to CommScope's original investment in and advances to OFS BrightWave.

Effective April 1, 2004, Furukawa made additional equity contributions to OFS BrightWave. Since CommScope elected not to make a corresponding investment in OFS BrightWave, CommScope's ownership percentage in OFS BrightWave was reduced from 18.4% to 9.4%.

Primarily as a result of the continuing weakness in the global fiber optic cable market and Furukawa's continuing efforts to restructure its OFS operations, CommScope agreed with Furukawa to further amend their existing contractual arrangements in the second quarter of 2004 for the mutual benefit of both companies. On June 14, 2004, CommScope and Furukawa changed the period in which CommScope could exercise its contractual right to sell its ownership interest in OFS BrightWave to Furukawa from 2006 to any time on or after June 14, 2004 and changed the exercise price from $173.4 million in cash to the approximately 7.7 million shares of CommScope common stock owned by Furukawa. On June 14, 2004, CommScope exercised its contractual right to sell and sold its 9.4% ownership interest in OFS BrightWave to Furukawa in exchange for the approximately 7.7 million shares of CommScope common stock owned by Furukawa, which were valued at $132.3 million as of

the transaction date. CommScope currently holds these shares as treasury stock. As a result of this transaction, CommScope no longer owns any equity interest in OFS BrightWave.

This transaction did not affect CommScope's right to receive full payment from OFS BrightWave under the $30 million note due in November 2006, based on its original terms. Primarily due to market

74

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

5. OFS BRIGHTWAVE, LLC (Continued)

conditions for optical fiber and because CommScope no longer had an equity ownership interest in OFS BrightWave, CommScope determined that there was an other-than-temporary impairment in the $11.1 million carrying value of this note as of the transaction date and reduced the carrying value of the note to zero. On June 30, 2006, CommScope agreed to accept and received $29.8 million plus accrued interest in full satisfaction of the amount owed by OFS BrightWave and the note agreement was terminated. The recovery of the OFS BrightWave note receivable resulted in a 2006 pretax gain of $29.8 million ($18.6 million after-tax, or $0.26 per diluted share). CommScope had received quarterly interest payments in accordance with the terms of the note prior to its termination.

6. RESTRUCTURING CHARGE AND EMPLOYEE TERMINATION BENEFITS

Andrew Restructuring Activity

As of December 27, 2007, the Company recognized a liability of $34.7 million for restructuring costs in connection with the preliminary purchase price allocation. The liability included $32.5 million of severance and related fringe benefits and $2.2 million of lease termination costs. As integration plans are further developed and finalized, it is expected that there will be further restructuring actions identified and additional liabilities established as adjustments to the allocation of the purchase price.

Legacy CommScope Activity

The Company began implementing restructuring initiatives in 2005 and 2004. As a result of these initiatives, the Company recognized pretax charges during the years ended December 31, 2007, 2006 and 2005 that affected the operating segments as follows:

	Enterprise Segment	Broadband Segment	Carrier Segment	Total
Year ended December 31, 2007	$ 637	$ 278	$ 87	$ 1,002
Year ended December 31, 2006	8,563	3,211	804	12,578
Year ended December 31, 2005	33,915	771	3,872	38,558

In August 2005, CommScope adopted global manufacturing initiatives to reduce costs by improving manufacturing efficiency and to enhance the Company's long-term competitive position. Implementation of these initiatives included shifting significant Enterprise and Broadband segment cable production capacity among CommScope's global facilities, consolidating operations at the CSMI Omaha facility into one building and closing a Broadband segment manufacturing facility in Scottsboro, Alabama, in late 2006. As of December 31, 2007, these restructuring initiatives were complete.

The

75

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

6. RESTRUCTURING CHARGE AND EMPLOYEE TERMINATION BENEFITS (Continued)

activity within the liability (included in other accrued liabilities) for these restructuring initiatives was as follows:

	Employee-Related Costs	Equipment Relocation Costs	Asset Impairment Charges	Total
Charge recorded in 2005	$ 18,042	$ 2,416	$ 14,048	$ 34,506
Cash paid		(2,416)		(2,416)
Non-cash	(9,955)		(14,048)	(24,003)
Balance as of December 31, 2005	8,087			8,087
Charge recorded in 2006	5,240	7,867	(518)	12,589
Cash paid	(11,817)	(7,867)	1,577	(18,107)
Non-cash			(1,059)	(1,059)
Balance as of December 31, 2006	1,510			1,510
Charge recorded in 2007	(181)	1,079	104	1,002
Cash paid	(1,329)	(1,079)		(2,408)
Non-cash			(104)	(104)
Balance as of December 31, 2007	$	$	$	$

Employee-related costs included the expected severance costs and related fringe benefits, accrued over the remaining period employees were required to work in order to receive severance benefits. The costs recorded in 2005 also include a $10.0 million non-cash charge for pension and other postretirement benefit curtailment and special termination benefits related to an early retirement offer that was made available to and accepted by 166 employees. During 2007, the balance of the severance pay and related fringe benefits were paid and the immaterial remaining balance of the reserve was released.

Equipment relocation costs related directly to shifting manufacturing capacity among our global manufacturing facilities and included costs to uninstall, pack, ship and re-install equipment as well as the costs to prepare the receiving facility to accommodate the equipment. These costs were recognized as the expenses were incurred.

Asset impairment charges of $14.0 million, pretax, were incurred during the year ended December 31, 2005 related to production equipment that was identified as excess, pending consolidation of certain production operations in other facilities. Gains of $1.6 million were realized during 2006 on the sale of assets that had been previously impaired under the 2005 global manufacturing initiatives. Additional impairment charges of $1.1 million were recognized during 2006 related to a parcel of land that the Company sold and assets abandoned as a result of the closing of the Scottsboro, Alabama facility. During 2006, the Company sold a manufacturing building at the Omaha facility for $10.2 million, realizing an immaterial gain. During 2007, the Company sold a warehouse at the Omaha facility and the Scottsboro facility for net proceeds of approximately $10.5 million, resulting in a net pretax loss of approximately $0.1 million. As of December 31, 2007, assets with a net book value of $4.1 million, which are classified as property, plant and equipment in

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

6. RESTRUCTURING CHARGE AND EMPLOYEE TERMINATION BENEFITS (Continued)

the Consolidated Balance Sheet are being marketed for sale. Additional net impairment charges or gains may be incurred or realized upon the disposition of these or other excess assets.

7. ACCOUNTS RECEIVABLE

During 2002, the Company wrote off $21.4 million of Adelphia Communications Corporation (Adelphia) receivables as a result of Adelphia's Chapter 11 bankruptcy. In October 2003, the Company assigned its trade claims against Adelphia and its affiliates to a third party in exchange for an initial payment of $12.5 million. This assignment of receivables did not meet the criteria set forth in SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," to recognize the proceeds as a recovery of bad debt expense, due primarily to the existence of a standard recourse provision in the assignment agreement. Therefore, the proceeds were reported in other noncurrent liabilities in the Consolidated Balance Sheets until the validity and ownership of these receivables was determined.

In December 2005, a final order was issued by the bankruptcy court affirming the validity of the claims that the Company had assigned. As a result, the Company received an additional $0.7 million from the third party and recognized $13.2 million as a reduction of bad debt expense within selling, general and administrative expenses in the Consolidated Statements of Operations.

8. BALANCE SHEET DETAILS

Short-term Investments

At December 31, 2007, the Company did not hold any short-term investments. At December 31, 2006, the Company's short-term investments were composed of the following:

Available for sale	$ 131,868
Held-to-maturity	20,000
	$ 151,868

Inventories

	As of December 31,	
	2007	2006
Raw materials	$ 137,606	$ 56,888
Work in process	158,721	38,936

	As of December 31,	
Finished goods	252,033	57,772
	$ 548,360	$ 153,596

77

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

8. BALANCE SHEET DETAILS (Continued)

Property, Plant and Equipment

	As of December 31,	
	2007	2006
Land and land improvements	$ 42,762	$ 29,447
Buildings and improvements	181,179	119,340
Machinery and equipment	586,356	362,478
Construction in progress	12,023	4,682
	822,320	515,947
Accumulated depreciation	(297,015)	(273,935)
	$ 525,305	$ 242,012

Depreciation expense was $38,786, $40,424, and $44,757 during 2007, 2006 and 2005, respectively. No interest was capitalized during 2007, 2006 and 2005.

Other Current Accrued Liabilities

	As of December 31,	
	2007	2006
Compensation and employee benefit liabilities	$ 118,361	$ 66,979
Purchase price payable	61,240	
Litigation reserve	45,300	
Other	175,043	28,337
	$ 399,944	$ 95,316

9. FINANCING

	As of December 31,	
	2007	2006
Seven-year senior secured term loan	$ 1,350,000	$
Six-year senior secured term loan	750,000	
1% convertible senior subordinated debentures	250,000	250,000
3.25% convertible senior subordinated debentures	231,264	

	As of December 31,	
Other	14,555	
Four-year senior secured term loan		23,300
IDA notes		10,800
	2,595,819	284,100
Less current portion	(247,662)	(13,000)
	$ 2,348,157	$ 271,100

78

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

9. FINANCING (Continued)

Senior Secured Credit Facilities

In connection with its acquisition of Andrew, on December 27, 2007, the Company entered into senior secured credit facilities aggregating $2.5 billion. The senior secured credit facilities consist of a $1.35 billion term loan that matures on December 27, 2014 (the seven-year senior secured term loan), a $750 million term loan that matures on December 27, 2013 (the six-year senior secured term loan), and a $400 million revolving credit facility that matures on December 27, 2013. In connection with entering into the senior secured credit facilities, the Company incurred costs of approximately $33.8 million, which were capitalized as other assets and are being amortized over the terms of the facilities. The senior secured credit facilities are secured by substantially all of the Company's assets and are guaranteed by all of the Company's active domestic subsidiaries. The seven-year senior secured term loan is required to be repaid in consecutive quarterly installments of $3.375 million beginning March 31, 2008 and on each quarterly payment date thereafter with a final payment of all outstanding principal and interest at maturity on December 27, 2014. The six-year senior secured term loan is required to be repaid in consecutive quarterly installments of $9.375 million from March 31, 2010 to December 31, 2010, $18.750 million from March 31, 2011 to December 31, 2011, $56.250 million from March 31, 2012 to December 31, 2012, and $103.125 million on each quarterly payment date thereafter with a final payment of all outstanding principal and interest on December 27, 2013. As of December 31, 2007, $2.1 billion was outstanding under the term loans and there were no outstanding borrowings under the revolving credit facility. However, availability under the revolving credit facility is reduced by outstanding letters of credit, which totaled $23.2 million as of December 31, 2007.

Outstanding principal under the seven-year senior secured term loan bears interest at a rate equal to, at the Company's option, either (1) the base rate (which is the higher of the then current Federal Funds rate plus 0.5% or the prime rate most recently announced by Bank of America, N.A., the administrative agent under the senior credit facilities) plus a margin of 1.50% or (2) the adjusted one, two, three or six-month London Interbank Offered Rate (LIBOR) plus a margin of 2.50%. Outstanding principal under the six-year senior secured term loan and the revolving credit facility initially bears interest at a rate equal to, at the Company's option, either (1) the base rate plus a margin of 1.25%, or (2) the adjusted one, two, three or six-month LIBOR plus a margin of 2.25%. The undrawn portion of the revolving credit facility is subject to an unused line fee calculated initially at an annual rate of 0.50%. Beginning with the four-quarter period ending March 31, 2008, pricing of the six-year senior secured term loan, the revolving credit facility and the unused line fee for the revolving credit facility will be determined by reference to a pricing grid based on the Company's consolidated leverage ratio for the four-quarter period then ended. Under the pricing grid, the applicable margins for the six-year senior secured term loan and the revolving credit facility will range from 0.75% to 1.25% for base rate loans and from 1.75% to 2.25% for LIBOR loans, and the unused line fee for the revolving credit facility will range from 0.375% to 0.50%. Outstanding letters of credit are subject to an annual fee equal to the applicable margin for LIBOR loans under the revolving credit facility as in effect from time to time, plus a fronting fee on the undrawn amount thereof at an annual rate of 0.25%.

The senior secured credit facilities are subject to mandatory prepayment with specified percentages of the net cash proceeds of certain asset dispositions, casualty events, and debt and equity issuances and with excess cash flow, in each case subject to certain conditions. The senior secured credit facilities contain covenants that restrict, among other things, the Company's ability to create liens, incur

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

9. FINANCING (Continued)

indebtedness and guarantees, make certain investments or acquisitions, merge or consolidate, dispose of assets, pay dividends, repurchase or redeem capital stock and subordinated indebtedness, change the nature of their business, enter into certain transactions with affiliates, and make changes in accounting policies or practices except as required by generally accepted accounting principles. The Company is also required to comply with certain financial covenants, including an interest coverage ratio, a consolidated leverage ratio and a maximum annual capital expenditures covenant. Management believes the Company was in compliance with all of its covenants under the senior secured credit facilities as of December 31, 2007.

The Company's previous $185 million senior secured credit facility was terminated upon entering into the $2.5 billion senior secured credit facilities on December 27, 2007. The four-year term loan outstanding under the previous $185 million credit facility was repaid in 2007.

Convertible Debentures

1% Convertible Senior Subordinated Debentures

In March 2004, the Company issued $250 million aggregate principal amount of 1% convertible senior subordinated debentures due March 15, 2024. In connection with the issuance of the debentures, the Company incurred costs of approximately $6.9 million, which were capitalized as other assets and are being amortized over a period of five years, representing the period until the debenture holders may first require the Company to repurchase the debentures.

The Company may redeem some or all of these debentures at any time on or after March 20, 2009 at a redemption price equal to 100% of the principal amount of the debentures, plus accrued interest. Additionally, holders of the debentures may require the Company to repurchase all or any portion of their debentures for cash on March 20, 2009, March 15, 2014 and March 15, 2019 at a price equal to 100% of the principal amount of debentures to be repurchased, plus accrued interest.

These debentures are convertible into shares of CommScope common stock in the following circumstances: (1) if the closing price of CommScope common stock exceeds 120% of the conversion price then in effect for at least twenty trading days in the thirty consecutive trading day period ending on the last trading day of the immediately preceding fiscal quarter, which condition was met for the quarter ended December 31, 2007; (2) subject to certain exceptions, during the five business days after any five consecutive trading day period in which the trading price per $1,000 principal amount of the debentures for each day of such period was less than 98% of the product of the closing sale price of CommScope common stock and the number of shares issuable upon conversion of $1,000 principal amount of the debentures; (3) if the debentures have been called for redemption; or (4) upon the occurrence of certain corporate transactions.

As of December 31, 2007, the conversion rate of these debentures was 45.977 shares per $1,000 principal amount of debentures, representing a conversion price of $21.75 per share. The conversion rate is subject to adjustment, without duplication, upon the occurrence of any of the following events, as more fully explained in the indenture governing the debentures: (1) payment or issuance of common stock as a dividend or distribution on the Company's common stock; (2) the issuance to all holders of common stock of rights, warrants or options to purchase the Company's common stock for a period expiring within 45 days of the record date for such distribution at a price less than the average of the

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

9. FINANCING (Continued)

closing sale prices for the 10 trading days preceding the declaration date for such distribution; (3) subdivisions, splits or combinations of the Company's common stock; (4) distributions by the Company to all holders of the Company's common stock of shares of the Company's capital stock, evidences of indebtedness, property or assets, including rights, warrants, options and other securities but excluding dividends or distributions covered by clauses (1) or (2) above or any dividend or distribution paid exclusively in cash; provided that in the event that the Company distributes capital stock of, or similar equity interests in, a subsidiary or other business unit of the Company, then the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of the Company's common stock, in each case based on the average closing sales prices of those securities (where such closing prices are available) for the 10 trading days commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such distribution on the New York Stock Exchange or such other principal national or regional exchange or market on which the securities are then listed or quoted or in the absence of such a quotation, a closing sale price determined by the Company on a basis it considers appropriate; (5) the payment of cash as a dividend or distribution on the Company's common stock, excluding any dividend or distribution in connection with the Company's liquidation, dissolution or winding up; or (6) the Company or any of its subsidiaries makes a payment in respect of a tender offer or exchange offer for the Company's common stock to the extent that the cash and value of any other consideration included in the payment per share of the Company's common stock exceeds the closing sale price per share of the Company's common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer.

To the extent that any future shareholder rights plan adopted by the Company is in effect upon conversion of the debentures into common stock, holders of the debentures will receive, in addition to the common stock, the rights under the rights plan unless the rights have separated from the common stock at the time of conversion, in which case the conversion rate will be adjusted as if the Company distributed to all holders of its common stock, shares of its capital stock, evidences of indebtedness, property or assets as described in clause (4) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In the event of (1) any reclassification of the Company's common stock; (2) a consolidation, merger or binding share exchange involving the Company; or (3) a sale or conveyance to another person or entity of all or substantially all of the Company's property and assets, in which holders of the Company's common stock would be entitled to receive stock, other securities, other property, assets or cash for their common stock, holders of the debentures will, upon conversion, be entitled to receive the same type of consideration that they would have been entitled to receive if they had converted the debentures into the Company's common stock immediately prior to any of these events.

The Company may, from time to time, increase the conversion rate if the Company's Board of Directors has made a determination that this increase

would be in the Company's best interests. In addition, the Company may increase the conversion rate if the Company's Board of Directors deems it advisable to avoid or diminish any income tax to holders of common stock resulting from any stock or rights distribution.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

9. FINANCING (Continued)

3.25% Convertible Senior Subordinated Debentures

In connection with the acquisition of Andrew, the Company assumed the outstanding balance of Andrew's 3.25% convertible debentures. As a result of the acquisition, the debentures became convertible into merger consideration of $986.15 of cash and 2.304159 shares of CommScope common stock for each $1,000 in face value of the debentures. The $210.5 million outstanding face value of the debentures was recorded as $231.3 million on the Consolidated Balance Sheet as of December 31, 2007, reflecting the fair value of the merger consideration. As of February 15, 2008, the holders of substantially all of the outstanding debentures had converted the debentures and received merger consideration aggregating $207.5 million of cash and 484,736 shares of CommScope common stock.

Other Matters

In January 1995, CommScope entered into a $10.8 million unsecured loan agreement in connection with the issuance of notes by the Alabama State Industrial Development Authority (the IDA Notes). These notes were redeemed on May 1, 2007.

Several of the Company's foreign subsidiaries maintain credit agreements. The total availability under these foreign credit agreements was $122 million, none of which was outstanding as of December 31, 2007.

The following table summarizes scheduled maturities of long-term debt (in millions).

	2008	2009	2010	2011	2012	Thereafter
Scheduled maturities of long-term debt	$ 247.6	$ 16.1	$ 53.2	$ 90.7	$ 240.5	$ 1,947.7

The weighted average effective interest rate on outstanding borrowings, including amortization of associated loan fees, under the above debt instruments was 6.23% and 2.68% at December 31, 2007 and 2006, respectively.

10. DERIVATIVES AND HEDGING ACTIVITIES

In December 2007, the Company entered into an interest rate swap agreement to hedge against the variability of forecasted interest payments attributable to changes in interest rates on a portion of the term loans issued under the new senior secured credit facilities. Through this swap, the Company fixed the following notional amounts at 4.1275%: $1.5 billion from December 27, 2007 through December 31, 2008; $1.3 billion from January 1, 2009 through December 31, 2009; $1.0 billion from January 1, 2010 through December 31, 2010; and $400 million from January 1, 2011 through December 31, 2011. The interest rate swap agreement was designated as a cash flow hedge at inception and such designation was effective at December 31, 2007 and is expected to continue to be effective for the duration of the swap agreement, resulting in no significant anticipated hedge ineffectiveness. The fair value of the interest rate swap, reflected in other noncurrent liabilities, was

$4.5 million as of December 31, 2007.

As of December 31, 2007 and 2006, the Company had a cross currency swap of U.S. dollars for euros with a notional amount of $14 million. During the first nine months of 2005, the cross currency swap was designated as a hedge of the Company's net investment in its Belgian subsidiary to reduce

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

10. DERIVATIVES AND HEDGING ACTIVITIES (Continued)

the volatility in stockholders' equity caused by changes in euro exchange rates. Beginning October 1, 2005, portions of the hedging instrument were designated as hedges against fluctuations in the fair value of certain of the Company's euro-denominated assets. Pretax gains (losses) of $(0.7) million, $(0.3) million and $0.1 million on the portion designated as a fair value hedge are reflected in the Company's Consolidated Statements of Operations for the years ended December 31, 2007, 2006 and 2005, respectively. The designations of the hedging instrument were effective as of December 31, 2007 and 2006, and are expected to continue to be effective for the duration of the agreement, resulting in no anticipated hedge ineffectiveness. The agreement matures on December 1, 2009. The fair value of the hedging instrument, reflected in other noncurrent liabilities, was $8.7 million and $7.1 million as of December 31, 2007 and 2006, respectively.

There were no reclassifications from accumulated other comprehensive income (loss) to earnings related to derivative and hedging activities during the years ended December 31, 2007, 2006 and 2005. Activity in the accumulated net loss on derivative instruments included in accumulated other comprehensive income (loss) for the years ended December 31, 2007, 2006 and 2005 consisted of the following:

	2007	2006	2005
Accumulated net loss on derivative instruments, beginning of year	$ (5,201)	$ (4,274)	$ (5,716)
Gain (loss) on cross currency swap designated as a net investment hedge, net of taxes	(807)	(927)	1,442
Gain (loss) on interest rate swap designated as a cash flow hedge, net of taxes	(2,841)		
Accumulated net loss on derivative instruments, end of year	$ (8,849)	$ (5,201)	$ (4,274)

11. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans

The Company sponsors defined contribution retirement savings plans that allow employees of certain subsidiaries to contribute a portion of their compensation on a pretax and/or after-tax basis in accordance with guidelines established by the plans and the Internal Revenue Service. The Company matches a percentage of the employee contributions up to certain limits. The Company contributed $10.7 million in 2007, $10.2 million in 2006 and $8.1 million in 2005 to these retirement savings plans, of which $4.1 million in 2005 was discretionary.

The Company also maintains a noncontributory unfunded defined contribution pension plan (the Restated SERP) for certain active and retired key executives. The Company is not required to make any payments until the participant is eligible to receive retirement benefits under the Plan. During 2007, 2006 and 2005, the Company recognized pretax costs of $1.5 million, $1.2 million and $1.1 million, respectively, representing additional accrued benefits and interest credited under the Restated SERP. Benefit payments to retirees were $0.9 million, $0.3 million and $0.1 million in 2007,

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

11. EMPLOYEE BENEFIT PLANS (Continued)

2006 and 2005, respectively. The accrued liability, included in other noncurrent liabilities, was approximately $9.3 million and $8.7 million as of December 31, 2007 and 2006, respectively.

Pension and Other Postretirement Benefit Plans

The Company sponsors defined benefit pension plans covering represented employees and certain domestic and foreign employees. Included in the defined benefit pension plans are both funded and unfunded plans and contributory and noncontributory plans. The Company also sponsors postretirement health care and life insurance benefit plans that provide benefits to certain represented employees and certain full-time employees who retire from the Company. The health care plans contain various cost-sharing features such as participant contributions, deductibles, coinsurance and caps, with Medicare as the primary provider of health care benefits for eligible retirees. The accounting for the health care plans anticipates future cost-sharing changes to the written plan that are consistent with the Company's expressed intent to maintain a consistent level of cost sharing with retirees. The Company recognizes the cost of providing and maintaining postretirement benefits during employees' expected active service periods.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

11. EMPLOYEE BENEFIT PLANS (Continued)

The following table summarizes information for the defined benefit pension and postretirement benefit plans. The Company uses a December 31 measurement date for its plans.

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 128,924	$ 130,950	$ 92,311	$ 94,673
Service cost	3,248	3,286	4,170	4,553
Interest cost	7,320	6,760	5,143	5,067
Plan participants' contributions	204	173	348	220
Actuarial (gain) loss	(7,303)	(3,103)	(17,643)	(10,285)
Plan amendments		(5,928)		(554)
Acquisition of Andrew	121,573		14,798	
Benefits paid	(5,465)	(4,468)	(2,004)	(1,368)
Translation loss and other	1,297	1,254		5
Benefit obligation at end of year	$ 249,798	$ 128,924	$ 97,123	$ 92,311
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 120,555	$ 95,405	$ 9,379	$ 8,742
Employer and plan participant contributions	6,103	15,216	1,827	1,192
Return on plan assets	4,774	13,405	508	813
Acquisition of Andrew	98,930			
Benefits paid	(5,465)	(4,468)	(2,004)	(1,368)
Translation gain and other	1,128	997		
Fair value of plan assets at end of year	$ 226,025	$ 120,555	$ 9,710	$ 9,379
Funded status (benefit obligation in excess of fair value of plan assets)	$ 23,773	$ 8,369	$ 87,413	$ 82,932

As of December 31, 2007, the current and noncurrent portions of pension and postretirement benefit liabilities were $2,911 and $108,275, respectively. As of December 31, 2006, the current and noncurrent portions of pension and postretirement benefit liabilities were $1,306 and $89,995, respectively.

The accumulated benefit obligation for all of the Company's defined benefit pension plans was $210,952 and $123,952 as of December 31, 2007 and 2006, respectively. The following table summarizes information for the Company's pension plans with an accumulated benefit obligation in excess of plan assets.

	December 31, 2007	December 31, 2006
Projected benefit obligation	$ 3,826	$ 116,138
Accumulated benefit obligation	3,826	115,671
Fair value of plan assets		109,733

85

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

11. EMPLOYEE BENEFIT PLANS (Continued)

The following table summarizes pretax amounts included in accumulated other comprehensive income for the years ended December 31, 2007 and 2006.

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Unrecognized net actuarial gain (loss)	$ 8,193	$ 5,154	$ 12,593	$ (4,906)
Unrecognized prior service credit	4,386	5,157	382	468
Unrecognized transition obligation	(323)	(347)		
Total	$ 12,256	$ 9,964	$ 12,975	$ (4,438)

Net periodic benefit cost and other amounts included in other comprehensive income for the defined benefit pension and postretirement benefit plans consisted of the following components:

	Pension Benefits			Other Postretirement Benefits		
	2007	2006	2005	2007	2006	2005
Service cost	$ 3,248	$ 3,286	$ 3,927	$ 4,170	$ 4,553	$ 4,200
Interest cost	7,320	6,760	6,257	5,143	5,067	4,460
Recognized actuarial (gain) loss		57		(65)	567	(11)
Amortization of transition obligation	56	40	41			
Amortization of prior service credit	(771)	(771)		(86)	(86)	
Curtailment loss and special termination benefits			9,600			355
Return on plan assets	(9,094)	(8,005)	(6,299)	(587)	(557)	(527)
Net periodic benefit cost	$ 759	$ 1,367	$ 13,526	$ 8,575	$ 9,544	$ 8,477
Changes in plan assets and benefit obligations included in other comprehensive income:						
Change in unrecognized net actuarial (gain) loss	(3,039)			(17,499)		
	771			86		

	Pension Benefits	Other Postretirement Benefits
Change in unrecognized prior service credit		
Change in unrecognized transition obligation	(24)	
Total included in other comprehensive income	$ (2,292)	$ (17,413)
Total recognized in net periodic benefit cost and included in other comprehensive income	$ (1,533)	$ (8,838)

The 2005 curtailment loss and special termination benefits included in net periodic benefit costs resulted from an early retirement offer that was made in conjunction with our global manufacturing

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

11. EMPLOYEE BENEFIT PLANS (Continued)

restructuring initiatives (see Note 6). The cost related to other postretirement benefits is net of the reduction in unrecognized actuarial gains that existed at the time the curtailment was recognized.

Amortization of amounts included in accumulated other comprehensive income as of December 31, 2007 is expected to increase (decrease) net periodic benefit cost during 2008 as follows:

	Pension Benefits	Other Postretirement Benefits	Total
Amortization of net gain	$	$ (494)	$ (494)
Amortization of prior service credit	(771)	(86)	(857)
Amortization of transition obligation	48		48
Total	$ (723)	$ (580)	$ (1,303)

Assumptions

Significant assumptions in determining benefit obligations and net periodic benefit cost are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2007	2006	2005	2007	2006	2005
Weighted-average assumptions used to determine:						
Benefit obligations:						
Discount rate	5.90%	5.70%	5.40%	6.40%	5.80%	5.50%
Rate of compensation increase	4.25%	4.40%	4.40%	4.50%	4.50%	4.50%
Net periodic benefit cost:						
Discount rate	5.70%	5.40%	5.70%	5.80%	5.50%	5.75%
Rate of return on plan assets	7.90%	7.80%	7.75%	6.30%	6.25%	6.10%
	4.40%	4.40%	4.40%	4.50%	4.25%	4.25%

	Pension Benefits	Other Postretirement Benefits
Rate of compensation increase		

	2007	2006
Health care cost trend rate assumed for next year	8.3%	8.7%
Ultimate rate to which the cost trend rate is assumed to decline	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2013	2013

The Company considered the available yields on high-quality fixed-income investments with maturities corresponding to the Company's expected benefit obligations to determine the discount rates at each measurement date.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

11. EMPLOYEE BENEFIT PLANS (Continued)

A one-percentage-point change in assumed health care cost trend rates would have had the following effects as of and for the year ended December 31, 2007 (in millions):

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost components of net periodic benefit cost	$ 2.1	$ (1.6)
Effect on postretirement benefit obligation	14.4	(11.6)

Plan Assets

In developing the expected rate of return on plan assets, the Company considered the expected long-term rate of return of each individual asset class. Expected return on plan assets is based on the market related value of the assets. Substantially all of the pension assets and certain of the other postretirement assets are managed by an independent investment advisor with an objective of maximizing return, subject to assuming a prudent level of risk. The majority of such assets are currently invested with a target allocation of 70% equity securities and 30% fixed income instruments.

The Company's weighted-average asset allocations at December 31, 2007 and 2006, by asset category, are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Asset category:				
Equity securities	68%	71%	39%	40%
Debt securities	28	27	61	60
Other	4	2		
Total	100%	100%	100%	100%

Expected Cash Flows

The Company expects to contribute $11.2 million to the defined benefit pension plans and $4.7 million to the postretirement benefit plans during 2008.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

11. EMPLOYEE BENEFIT PLANS (Continued)

The following table summarizes projected benefit payments from pension and postretirement benefit plans through 2017, including benefits attributable to estimated future service, and projected receipts from the Medicare Part D subsidy (in millions).

		Other Postretirement Benefits	
	Pension Benefits	Without Medicare Subsidy	Medicare Subsidy
2008	$ 7.6	$ 4.7	$ (0.1)
2009	8.4	4.9	(0.1)
2010	9.3	5.2	(0.1)
2011	10.9	5.7	(0.1)
2012	10.8	5.9	(0.1)
2013-2017	64.1	32.8	(1.3)

12. INCOME TAXES

Income before income taxes, including the effect of the 2006 OFS BrightWave transaction, includes the results from domestic and international operations as follows:

	Year Ended December 31,		
	2007	2006	2005
U.S. companies	$ 228,589	$ 167,703	$ 49,580
Non-U.S. companies	70,470	25,792	21,507
Income before income taxes	$ 299,059	$ 193,495	$ 71,087

The components of the income tax provision (benefit), including the effect of the 2006 OFS BrightWave transaction, were as follows:

	Year Ended December 31,		
	2007	2006	2005
Current:			
Federal	$ 87,381	$ 51,335	$ 20,294
Foreign	8,141	3,268	4,134
State	10,172	868	3,488
Current income tax provision	105,694	55,471	27,916

	Year Ended December 31,		
Deferred:			
Federal	(10,192)	9,608	(2,592)
Foreign	(233)	72	(2,409)
State	(1,051)	(1,789)	(1,806)
Deferred income tax provision (benefit)	(11,476)	7,891	(6,807)
Total income tax provision	$ 94,218	$ 63,362	$ 21,109

89

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

12. INCOME TAXES (Continued)

The reconciliation of the statutory U.S. federal income tax rate to the Company's effective income tax rate was as follows:

	Year Ended December 31,		
	2007	**2006**	**2005**
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax effect	1.5	1.7	1.0
Export sales benefit		(0.2)	(2.3)
Permanent items and other	(0.8)	(1.2)	(0.9)
Federal and state tax credits	(0.7)	(0.6)	(1.8)
Income tax uncertainties	1.2	1.1	2.5
Foreign tax credits	(0.9)	(0.8)	(2.6)
Foreign tax rate differential	(5.8)	(2.9)	(5.4)
Sub-Part F income tax	2.0	1.6	4.0
Change in valuation allowance		(1.0)	0.2
Effective income tax rate	31.5%	32.7%	29.7%

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

12. INCOME TAXES (Continued)

The components of deferred income tax assets and liabilities and the classification of deferred tax balances on the balance sheet were as follows:

	As of December 31,	
	2007	2006
Deferred tax assets:		
Accounts receivable, inventory reserves and warranty reserves	$ 43,609	$ 14,598
Employee benefits	15,563	7,347
Postretirement benefits	42,642	34,976
Litigation reserves	17,035	
Restructuring accruals	5,599	31
Foreign net operating loss carryforwards	47,652	20,611
Derivative hedging instruments	5,583	3,053
Federal net operating loss carryforwards	56,571	
Federal tax credit carryforward	66,990	453
State net operating loss and tax credit carryforwards	19,342	3,751
Transaction costs	4,215	
Equity-based compensation	5,130	1,609
Other	21,631	4,687
Total deferred tax assets	351,562	91,116
Valuation allowance	(74,146)	(20,651)
Total deferred tax assets, net of valuation allowance	277,416	70,465
Deferred tax liabilities:		
Goodwill and intangible assets	(375,958)	(19,142)
Property, plant and equipment	(41,789)	(11,274)
Inventory	(13,318)	
Other	(8,522)	
Total deferred tax liabilities	(439,587)	(30,416)
Net deferred tax asset (liability)	$ (162,171)	$ 40,049
Deferred taxes as recorded on the balance sheet:		
Current deferred tax asset	$ 106,476	$ 24,556
Noncurrent deferred tax asset (liability)	(268,647)	15,493
Net deferred tax asset (liability)	$ (162,171)	$ 40,049

Deferred tax assets as of December 31, 2007 include $56.6 million of tax benefits associated with federal net operating loss carryforwards, all of which were acquired in connection with the Company's acquisition of Andrew. These net operating loss carryforwards begin to expire in 2018. No valuation allowance has been established against this deferred tax asset.

During 2007, the Company realized $0.5 million of foreign tax credit carryforwards. The deferred tax asset for federal tax credit carryforwards as of December 31, 2007 includes foreign tax credit

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

12. INCOME TAXES (Continued)

carryforwards of $39.8 million, which will begin to expire in 2008, research tax credit carryforwards of $25.1 million, which will begin to expire in 2008, and alternative minimum tax credit carryforwards of $2.1 million with no expiration. All of the tax credit carryforwards as of December 31, 2007 were acquired in the Andrew acquisition. A valuation allowance of $5.2 million has been established against this deferred tax asset because the available evidence indicates that it is more likely than not that the Company will not realize a portion of these tax credit carryforwards prior to expiration.

During 2007, the Company realized $0.8 million (net of federal tax impact) of state income tax benefits from state net operating loss carryforwards and state credit carryforwards. The deferred tax asset for state net operating loss and tax credit carryforwards as of December 31, 2007 includes tax benefits (net of federal tax impact) of $16.0 million associated with state net operating loss carryforwards, which begin to expire in 2008, and tax benefits (net of federal tax impact) of $3.4 million associated with state tax credit carryforwards, which will begin to expire in 2011. Substantially all of the state net operating loss carryforwards and $0.5 million of the state tax credit carryforwards were acquired in the Andrew acquisition. A valuation allowance of $13.8 million has been established against this deferred tax asset because the available evidence indicates that it is more likely than not that the Company will not realize a portion of these net operating loss carryforwards prior to expiration.

Deferred tax assets as of December 31, 2007 include $47.7 million of tax benefits associated with foreign net operating loss carryforwards, $31.5 million of which were acquired in the Andrew acquisition. These net operating loss carryforwards begin to expire in 2008 and some are subject to local restrictions limiting their utilization. Valuation allowances related to these foreign net operating loss carryforwards and certain other foreign deferred tax assets of $51.5 million ($35.3 million acquired in the Andrew acquisition) and $20.6 million as of December 31, 2007 and 2006, respectively, have been established because the available evidence indicates that it is more likely than not that the Company will not realize a portion of these net operating loss carryforwards and deferred tax assets.

In addition to the valuation allowances detailed above, the Company has also established a valuation allowance of $3.6 million against its deferred tax asset for certain transaction costs which the available evidence indicates that it is more likely than not that the Company will not realize these deferred tax benefits. The portion of the Company's valuation allowances established in the preliminary purchase price allocation for the Andrew acquisition was $58.0 million.

The Company adopted the provisions of FIN 48 as of January 1, 2007, resulting in a $4.2 million increase in the liability for unrecognized tax benefits with an offsetting reduction to opening retained earnings. In addition, the Company reduced a long-term deferred tax asset by $4.0 million with an offsetting reduction to opening retained earning of $1.9 million and an increase of $2.1 million to long-lived assets as a purchase accounting adjustment related to the 2004 acquisition of

92

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

12. INCOME TAXES (Continued)

Connectivity Solutions. The activity within the liability for unrecognized tax benefits under FIN 48 during 2007 was as follows:

Balance as of January 1, 2007	$ 11,350
Increases related to prior periods	3,061
Decreases related prior periods	(310)
Increases related current periods	1,637
Decreases related to settlement with taxing authorities	(2,249)
Decreases related to lapse in statute of limitations	(58)
Increase related to Andrew acquisition	47,823
Balance as of December 31, 2007	$ 61,254

The Company's liability for unrecognized tax benefits of $61.3 million includes $13.4 million that, if recognized, would favorably affect the effective tax rate in future periods.

The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense. As of December 31, 2007, the Company had accrued approximately $6.7 million for the payment of interest and penalties of which $1.4 million was accrued through the income tax provision for the year ended December 31, 2007. An additional $1.7 million of interest and penalties accrued at December 31, 2007 was related to the Andrew acquisition.

The Company believes it is reasonably possible that the liability for unrecognized tax benefits will decrease by approximately $9.0 to $12.0 million in the next twelve months as a result of the completion and settlement of audits in various jurisdictions. The tax positions principally relate to R&D tax credits, intellectual property valuation, non-U.S. transfer pricing adjustments and intangible holding company issues. In the opinion of management, the Company has adequate reserves with respect to these issues.

The Company files a consolidated U.S. federal income tax return as well as consolidated or individual subsidiary returns in various states and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local or foreign income tax examinations by taxing authorities for years before 1997. The Internal Revenue Service (IRS) commenced an examination of the Company's 2004 and 2005 income tax returns in 2006 that is expected to be completed during 2008. As of December 31, 2007, the IRS has proposed certain significant adjustments to the Company's R&D tax credit positions related to years prior to 2004. The Company is currently protesting these proposed adjustments and expects an agreement will be reached during 2008. All other major jurisdictions where the Company maintains a significant presence are currently not pursuing examination.

The cumulative amount of undistributed earnings from foreign subsidiaries for which no U.S. income taxes have been provided was $730.1 million as of

December 31, 2007. Although the Company does not currently intend to repatriate these earnings from foreign subsidiaries, foreign tax credits may be available to reduce U.S. taxes in the event of such repatriation.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

12. INCOME TAXES (Continued)

The following table presents income tax expense (benefit) related to other comprehensive income.

	Year Ended December 31,		
	2007	2006	2005
Gain (loss) on derivative financial instruments	$ (2,142)	$ (544)	$ 848
Foreign currency transaction gain on long-term intercompany loans foreign subsidiaries	2,144		
Defined benefit plans	6,046		
	$ 6,048	$ (544)	$ 848

13. EQUITY-BASED COMPENSATION PLANS

On May 5, 2006, the stockholders of the Company approved the 2006 Long Term Incentive Plan (the 2006 Plan), authorizing 2.3 million shares for issuance, of which no more than 1.5 million shares may be full value awards (stock, restricted stock, restricted stock units or performance awards, as defined). Awards under the 2006 Plan may include stock, stock options, restricted stock, restricted stock units, performance units, performance share units, performance-based restricted stock, stock appreciation rights and dividend equivalent rights for employees and non-employee directors of the Company. Approval of the 2006 Plan canceled all shares authorized but not issued under the Amended and Restated CommScope, Inc. 1997 Long-Term Incentive Plan (the 1997 Plan). Awards granted prior to May 5, 2006 remain subject to the provisions of the 1997 Plan. As of December 31, 2007, approximately 1.7 million shares were available for future grants under the 2006 Plan, of which 1.0 million may be full value awards.

In connection with the acquisition of Andrew, the Company filed a Registration Statement on Form S-8 to register approximately 1.9 million shares of CommScope common stock to be issued under plans previously authorized by Andrew shareholders (the Andrew Plans). Of the approximately 1.9 million shares registered, no more than approximately 0.7 million may be full value awards. As of December 31, 2007, approximately 1.0 million shares were available for future grants under the Andrew Plans, of which 0.7 million may be full value awards.

As discussed in Note 2, effective January 1, 2006, the Company adopted SFAS No. 123(R), which requires the fair value of equity-based compensation to be recognized in earnings over the requisite service period. The following table summarizes the impact of equity-based compensation expense

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

13. EQUITY-BASED COMPENSATION PLANS (Continued)

recognized in the Consolidated Statements of Operations for the years ended December 31, 2007 and 2006 (in thousands):

	2007	2006
Cost of sales	$ 2,442	$ 1,455
Selling, general and administrative expense	6,781	2,942
Research and development expense	1,010	512
Equity-based compensation expense before taxes	10,233	4,909
Related income tax benefits	(3,332)	(1,635)
Equity-based compensation expense, net of taxes	$ 6,901	$ 3,274

As of December 31, 2007, $11.8 million of total unrecognized compensation costs related to non-vested awards are expected to be recognized over a remaining weighted average period of 1.3 years. The Company's annual equity-based compensation grant, which has typically occurred in December, was delayed until January 2008, after the close of the Andrew acquisition. There were no significant capitalized equity-based compensation costs at December 31, 2007.

Stock Options

Stock options are awards that allow the recipient to purchase shares of the Company's common stock at a fixed price. Stock options are granted at an exercise price equal to or greater than the Company's stock price at the date of grant. These awards generally vest one-third per year over the three years following the grant date and have a contractual term of ten years.

The following tables summarize the Company's stock option activity and information about stock options outstanding at December 31, 2007 (in thousands, except per share data):

	Shares	Weighted Average Exercise Price Per Share	Weighted Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Outstanding and expected to vest at December 31, 2006	4,742	$ 18.47		
Granted				

	Shares	Weighted Average Exercise Price Per Share	Weighted Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value
Issued in connection with Andrew acquisition	849	$ 59.61	$ 7.96	
Exercised	(1,993)	$ 17.78		
Expired or forfeited	(13)	$ 60.36	$ 5.23	
Outstanding and expected to vest at December 31, 2007	3,585	$ 28.45		$ 84,604
Exercisable at December 31, 2007	3,391	$ 28.63		$ 79,951

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

13. EQUITY-BASED COMPENSATION PLANS (Continued)

The total intrinsic value of options exercised during the years ended December 31, 2007, 2006 and 2005 was $48.4 million, $52.3 million and $9.6 million, respectively. All of the non-vested options at December 31, 2007 are expected to vest as they are primarily held by officers and directors. The exercise prices of outstanding options at December 31, 2007 were in the following ranges:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price Per Share	Shares	Weighted Average Exercise Price Per Share
	(in thousands)	(in Years)		(in thousands)	
$7.43 to $16.50	1,264	5.0	$ 13.06	1,244	$ 13.04
$16.51 to $24.00	1,000	5.7	$ 18.53	935	$ 18.43
$24.01 to $49.21	677	4.9	$ 37.06	568	$ 38.34
$49.22 to $90.16	644	2.9	$ 65.00	644	$ 65.00
$7.43 to $90.16	3,585	4.8	$ 28.45	3,391	$ 28.63

The weighted average remaining contractual life of exercisable options at December 31, 2007 was 4.6 years.

The Company's pro forma disclosures of net earnings for periods prior to the adoption of SFAS No. 123(R) were determined under a fair value method as prescribed by SFAS No. 123. Key input assumptions used to estimate the fair value of stock options include the grant price of the award, the expected option term, volatility of the Company's stock, the risk-free rate and the Company's projected dividend yield. The Company believes that the valuation technique and the approach utilized to develop the underlying assumptions are appropriate in estimating the fair values of CommScope stock options. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive equity awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company under SFAS No. 123 or SFAS No. 123(R).

The fair value of stock option awards (including stock options issued in conjunction with the Andrew acquisition) was estimated using the Black-Scholes model with the following weighted average assumptions for the years ended December 31, 2007, 2006 and 2005:

	2007	2006	2005
Valuation assumptions:			
Expected option term (years)	1.5	5.0	4.7
Expected volatility	44.6%	45.0%	44.0%
Expected dividend yield			
Risk-free interest rate	3.39%	4.60%	4.20%
Weighted average fair value per option	$ 7.96	$ 13.66	$ 7.85

Had the Company accounted for equity-based compensation plans using the fair value based accounting method described by SFAS No. 123 for periods prior to 2006, the Company's basic and

96

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

13. EQUITY-BASED COMPENSATION PLANS (Continued)

diluted net income per share for the year ended December 31, 2005, would have been as follows (in thousands, except per share data):

Net income, as reported	$ 49,978
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related income tax effects	12,684
Pro forma net income for basic net income per share	37,294
Add: Effect of assumed conversion of 1% convertible senior subordinated debentures due 2024	2,516
Pro forma net income for diluted net income per share	$ 39,810
Net income per share:	
Basic as reported	$ 0.91
Basic pro forma.	$ 0.68
Diluted as reported	$ 0.78
Diluted pro forma	$ 0.59

On August 10, 2005, the Compensation Committee of the Company's Board of Directors amended certain stock option agreements with employees to accelerate the vesting of certain outstanding unvested stock options. Unvested options to purchase 2.1 million shares with an average exercise price of $17.54 per share became exercisable as a result of the vesting acceleration. The intrinsic value of the stock options on the acceleration date was $2.6 million. Pro forma net income in the table above includes $5.9 million, net of tax, of additional compensation expense determined under the fair value-based method as a result of the accelerated vesting of stock options. The Company recognized no compensation expense associated with these options during the years ended December 31, 2007 and 2006 as a result of the accelerated vesting in 2005. Had these options not been accelerated, the Company would have recognized an additional $2.9 million and $6.5 million in pretax compensation expense for the years ended December 31, 2007 and 2006, respectively.

Performance Share Units

Performance Share Units issued under the 2006 Plan or Performance Units issued under the 1997 Plan (collectively PSUs) are stock awards in which the number of shares ultimately received by the employee depends on Company performance against specified targets. Such awards vest and shares are issued after three years if the performance targets are met. The fair value of each PSU is determined on the date of grant, based on the Company's stock price and the likelihood that performance targets will be achieved. Over the performance period, the number of shares of stock that will be issued is adjusted upward or downward based upon the probable achievement of performance targets. The

ultimate number of shares issued and the related compensation cost recognized will be based on a comparison of the final performance metrics to the targets specified in the grants.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

13. EQUITY-BASED COMPENSATION PLANS (Continued)

The following table summarizes the PSU activity for the year ended December 31, 2007 (in thousands, except per share data):

	Units	Weighted Average Grant Date Fair Value Per Share
Outstanding and non-vested at December 31, 2006	449	$ 23.26
Granted		
Additional PSUs granted related to 2007 performance	70	$ 30.42
Forfeited	(5)	$ 23.71
Outstanding and non-vested at December 31, 2007	514	$ 24.29

Restricted Stock Units

Restricted Stock Unit Awards issued under the 2006 Plan or Phantom Stock Awards issued under the 1997 Plan (collectively RSUs) entitle the holder to shares of common stock after a three-year vesting period. The fair value of the awards is determined on the grant date based on the Company's stock price.

The following table summarizes the RSU activity for the year ended December 31, 2007 (in thousands, except per share data):

	Units	Weighted Average Grant Date Fair Value Per Share
Outstanding and non-vested at December 31, 2006	503	$ 24.78
Granted	17	$ 45.54
Forfeited	(25)	$ 25.72
Outstanding and non-vested at December 31, 2007	495	$ 25.43

14. SUPPLEMENTAL CASH FLOW INFORMATION

	As of December 31,		
	2007	2006	2005

	As of December 31,		
Cash paid during the year for:			
Income taxes	$ 89,153	$ 47,362	$ 22,141
Interest	4,707	5,980	6,186
Noncash investing and financing activities:			
Fair value of CommScope, Inc. common stock issued as partial consideration for Andrew acquisition	$ 255,045	$	$

98

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash and cash equivalents, investments classified as short-term or noncurrent, trade receivables, trade payables, debt instruments, a cross currency swap contract and an interest rate swap agreement (see Note 10). For cash and cash equivalents, short-term investments classified as available for sale, trade receivables and trade payables, the carrying amounts of these financial instruments as of December 31, 2007 and 2006 were considered representative of their fair values due to their short terms to maturity. The fair value of the Company's senior secured term loans, 1% convertible debentures (see Note 9) and short-term investments classified as held-to-maturity was based on quoted market prices. The fair value of the 3.25% convertible debentures assumed in the Andrew acquisition was based on the value of merger consideration those noteholders were entitled to receive (see Note 9). The fair value of the Company's cross currency swap contract was based on the net present value of the difference between the expected future U.S. dollar cash flows and the expected future euro cash flows. The fair value of the Company's interest rate swap agreement was based on the net present value of the difference between the expected future fixed rate interest payments and variable rate interest payments. The fair value of the auction rate securities classified as other noncurrent assets (see Note 2) was based on a broker quote.

The carrying amounts and estimated fair values of the Company's convertible debentures, cross currency swap, interest rate swap, short-term investments classified as held-to-maturity and auction rate securities classified as other noncurrent assets as of December 31, 2007 and 2006, are as follows:

	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Seven-year senior secured term loan	$ 1,350,000	$ 1,289,000	$	$
Six-year senior secured term loan	750,000	705,000		
1% convertible debentures	250,000	570,725	250,000	370,300
3.25% convertible debentures	231,264	231,453		
Cross currency swap	8,712	8,712	7,148	7,148
Interest rate swap	4,510	4,510		
Short-term investments classified as held-to-maturity			20,000	19,997
Auction rate securities	5,214	5,214		

	2007	2006
classified as other noncurrent assets		

The fair value estimates presented above are based on pertinent information available to management as of December 31, 2007 and 2006. Although management is not aware of any factors that would significantly affect these fair value estimates, such amounts have not been comprehensively revalued for purposes of these financial statements since those dates, and current estimates of fair value may differ significantly from the amounts presented.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

16. COMMITMENTS AND CONTINGENCIES

CommScope leases certain equipment and facilities under operating leases expiring at various dates through 2019. Rent expense was $10.6 million in 2007, $11.8 million in 2006 and $11.5 million in 2005. Future minimum rental payments required under operating leases and capital leases having a remaining term in excess of one year at December 31, 2007 are as follows:

	Operating Leases	Capital Leases
2008	$ 35,484	$ 681
2009	28,989	569
2010	22,953	532
2011	18,161	493
2012	15,867	143
Thereafter	75,312	
Total minimum lease payments	196,766	2,418
Less: Amount representing interest		(285)
	$ 196,766	$ 2,133

Product warranty reserves are reflected in other current accrued liabilities. The following table summarizes the activity for the years ended December 31, 2007, 2006 and 2005 related to the warranty reserves.

	2007	2006	2005
Reserve at beginning of year	$ 2,090	$ 2,035	$ 1,531
Provision for warranties	3,754	194	808
Acquisition of Andrew	24,677		
Payments	(1,338)	(139)	(304)
Reserve at end of year	$ 29,183	$ 2,090	$ 2,035

Legal Proceedings

On October 25, 2005, TruePosition, Inc. filed a complaint in the U.S. District Court for the District of Delaware, alleging that Andrew's sale of certain mobile location products to a customer located in the Middle East infringed a TruePosition patent. Mobile location systems installed in wireless networks are used to determine the position of mobile devices. The complaint sought, among other things, injunctive relief and unspecified monetary damages.

On September 14, 2007, a jury ruled in favor of TruePosition, finding that Andrew had willfully infringed a single TruePosition patent in providing a mobile location system to the customer, and the jury awarded $45.3 million in damages to TruePosition. The Company believes the verdict is in error and is

seeking to have it reversed. The jury's verdict, including the damage award, is subject to the outcome of various post-verdict motions that the Company is currently pursuing. In addition, the judge presiding over the case has not ruled on various equitable claims that Andrew presented to the judge as part of the post-trial submissions. In the event that the Company is unsuccessful in having the verdict set aside by the trial court, it intends to appeal.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

16. COMMITMENTS AND CONTINGENCIES (Continued)

On October 1, 2007, TruePosition filed a motion seeking a permanent injunction and a motion seeking to increase the damages awarded, up to trebling the amount as well as the fees and expenses of its counsel. TruePosition may also seek to recover interest on the judgment. However, the Company believes the damages awarded are inappropriate, as would be any increase, any award of interest, fees or expenses or the issuance of an injunction.

As a result of the jury verdict in the case, a $45.3 million liability is included in other accrued liabilities as of December 31, 2007, which was the Company's estimate of the probable loss, if the jury verdict is not reduced, set aside or overturned. The litigation with TruePosition may result in the loss of future revenue opportunities, including opportunities to manufacture and sell products using uplink time difference of arrival (U-TDOA) technology; however, the Company is not currently able to assess the likelihood or magnitude of such potential losses.

At issue in the litigation with TruePosition is a patent that TruePosition argued was infringed by an Andrew U-TDOA mobile location system that is being deployed under multiple phases with the customer. Andrew was awarded the initial two phases with this customer for an expanded deployment of this strategic project which, when completed, will cover approximately a thousand cell sites. There are additional phases, not all of which have been awarded by the customer, for approximately two thousand additional cell sites. The jury verdict includes claims related to all such cell sites, including those already installed and those to be installed. The patent at issue relates only to certain implementations using U-TDOA technology. As a result, other customer installations and projects that use different mobile location technologies are not impacted.

CommScope reached an agreement with the U.S. Department of Justice (DOJ) on December 6, 2007 that allowed it to complete its acquisition of Andrew. Under the terms of an agreed form of final judgment, which was filed December 6, 2007 in U.S. District Court for the District of Columbia, CommScope is required to divest certain non-core assets, including Andrew's non-controlling minority interest in Andes Industries, Inc., a supplier of last-mile products for broadband communications networks, and other related assets. This agreed form of final judgment is subject to the Court's approval. The carrying value of the assets to be divested was less than $15 million as of December 31, 2007. The Company is actively engaged in the process of working toward divestiture of these assets. Any divestiture is subject to the DOJ's approval.

CommScope is also either a plaintiff or a defendant in other pending legal matters in the normal course of business; however, management believes none of these legal matters, other than that discussed above, will have a materially adverse effect on the Company's financial position or results of operations upon final disposition. In addition, CommScope is subject to various federal, state, local and foreign laws and regulations governing the use, discharge, disposal and remediation of hazardous materials. Compliance with current laws and regulations has not had, and is not expected to have, a materially adverse effect on the Company's financial condition or results of operations.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

17. INDUSTRY SEGMENTS, MAJOR CUSTOMERS, RELATED PARTY TRANSACTIONS AND GEOGRAPHIC INFORMATION

Segment Information

The Company defines its reportable segments by major product category, which is consistent with the manner in which the business is managed. Prior to the acquisition of Andrew on December 27, 2007, the Company's reportable segments, which are referred to herein as legacy CommScope segments, were Enterprise, Broadband and Carrier. Andrew's reportable segments prior to the acquisition (legacy Andrew segments) were reported in two operating groups: Antenna and Cable Products and Wireless Network Solutions. Management will re-evaluate its reportable segments in 2008 to reflect the manner in which the merged businesses are managed.

Legacy CommScope Segments

The Enterprise segment consists mainly of structured cabling systems for business enterprise applications and connectivity solutions for wired and wireless networks within organizations. The segment also includes coaxial cable for various video and data applications that are not related to cable television.

The Broadband segment consists mainly of coaxial cable, fiber optic cable and conduit for cable television system operators. These products support multi-channel video, voice and high-speed data services for residential and commercial customers using Hybrid Fiber Coaxial architecture.

The Carrier segment consists of secure environmental enclosures for electronic devices and equipment, cables and components used by wireless providers to connect antennae to transmitters and connectivity solutions for telephone central offices. These products are primarily used by telecommunications service providers or "carriers."

Legacy Andrew Operating Groups

The Antenna and Cable Products (ACP) operating group includes a diverse product offering of primarily passive transmission devices for the wireless infrastructure market including base station antennas, connectors, coaxial cable and microwave antennas. Also, included in the ACP operating group is Satellite Communications. As of January 31, 2008, Andrew's Satellite Communications segment was sold to Resilience Capital Partners for $8.5 million in cash and a $2.5 million note that will mature in 39 months. The former Satellite Communications segment will operate as an independent company under the name ASC Signal Corporation. The Company expects to receive an additional $2.5 million note upon completion of certain manufacturing asset transfers to ASC Signal. The company also may receive up to an additional $25 million in cash after three years, based upon ASC Signal's achievement of certain financial targets.

The Wireless Network Solutions operating group includes a variety of active electronic devices and services including geolocation products, network optimization analysis systems, base station subsystems, and engineering and consulting services as well as wireless innovations products that are used to

extend and enhance the coverage of wireless networks in areas where signals are difficult to send or receive such as tunnels, subways and airports.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

17. INDUSTRY SEGMENTS, MAJOR CUSTOMERS, RELATED PARTY TRANSACTIONS AND GEOGRAPHIC INFORMATION (Continued)

The following table provides summary financial information for legacy CommScope reportable segments as of December 31, 2007 and 2006 and for legacy Andrew operating groups as of December 31, 2007 (in millions):

	As of December 31,	
	2007	2006
Identifiable segment related assets:		
Enterprise	$ 352.6	$ 375.1
Broadband	389.3	365.0
Carrier	114.1	94.5
Antenna and Cable Products	2,445.9	
Wireless Network Solutions	1,048.7	
Total identifiable segment related assets	4,350.6	834.6
Reconciliation to total assets:		
Cash, cash equivalents and short-term investments	649.5	427.9
Deferred income taxes	106.5	40.0
Total assets	$ 5,106.6	$ 1,302.5

The following tables provide summary financial information for the legacy CommScope reportable segments for the years ended December 31, 2007, 2006 and 2005 (in millions):

	Year Ended December 31,		
	2007	2006	2005
Net sales:			
Enterprise	$ 899.4	$ 802.3	$ 662.5
Broadband	625.3	550.2	459.6
Carrier	407.6	273.1	217.4
Inter-segment eliminations	(1.5)	(1.7)	(2.3)
Consolidated net sales	$ 1,930.8	$ 1,623.9	$ 1,337.2
Operating income (loss):			
Enterprise	$ 151.4	$ 95.9	$ 34.1
Broadband	71.2	34.3	47.8
Carrier	63.9	28.4	(7.0)

	Year Ended December 31,		
Consolidated operating income	$ 286.5	$ 158.6	$ 74.9
Depreciation and amortization:			
Enterprise	$ 26.5	$ 30.2	$ 33.2
Broadband	18.8	20.2	21.8
Carrier	4.2	5.2	5.2
Consolidated depreciation and amortization	$ 49.5	$ 55.6	$ 60.2

103

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

17. INDUSTRY SEGMENTS, MAJOR CUSTOMERS, RELATED PARTY TRANSACTIONS AND GEOGRAPHIC INFORMATION (Continued)

Customer Information

Sales to Anixter International Inc. and its affiliates (Anixter) accounted for 25%, 29% and 32% of the Company's total net sales during 2007, 2006 and 2005, respectively. These sales were primarily within the Enterprise segment. Sales to Alcatel-Lucent, which primarily relate to their role as an original equipment manufacturer for a large telecommunications company, accounted for approximately 11% of the Company's net sales during 2007. Sales to Alcatel-Lucent primarily originate within the Carrier segment. Other than Anixter and Alcatel-Lucent, no customer accounted for 10% or more of the Company's total net sales for 2007, 2006 or 2005.

Accounts receivable from Nokia Siemens Networks represented approximately 10% of net accounts receivable as of December 31, 2007. Accounts receivable from Anixter represented approximately 29% of net accounts receivable as of December 31, 2006. No other customer accounted for more than 10% of the Company's net accounts receivable as of December 31, 2007 or 2006.

Sales to related parties were less than 2% of net sales in 2007, less than 1% of net sales in 2006 and less than 2% of net sales in 2005. Trade accounts receivable from related parties were less than 4% of the Company's total trade accounts receivable balance as of December 31, 2007 and less than 1% of trade accounts receivable as of December 31, 2006. Purchases from related parties were less than 1% of operating costs and expenses in 2007, 2006 and 2005. As of December 31, 2007 and 2006, less than 1% of the Company's trade accounts payable were to related parties.

Geographic Information

Sales to customers located outside of the United States comprised 33%, 32% and 34% of total net sales in 2007, 2006 and 2005, respectively. Sales by geographic region, based on the destination of product shipments, were as follows (in millions):

	Year Ended December 31,		
	2007	2006(1)	2005
United States	$ 1,302.9	$ 1,100.6	$ 886.8
Europe, Middle East and Africa	265.8	241.8	208.4
Asia/Pacific Rim	177.8	137.1	123.0
Latin America	153.6	113.3	84.9
Canada	30.7	31.1	34.1
Consolidated net sales	$ 1,930.8	$ 1,623.9	$ 1,337.2

(1) For the year ended December 31, 2006, $11.1 million of sales previously reported as domestic sales have been reclassified to Europe, Middle East and Africa ($6.8 million), Asia/Pacific Rim ($2.3 million) and Latin America ($2.0 million) to properly reflect customer location.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

17. INDUSTRY SEGMENTS, MAJOR CUSTOMERS, RELATED PARTY TRANSACTIONS AND GEOGRAPHIC INFORMATION (Continued)

Long-lived assets, excluding intangibles, financial instruments and deferred taxes, consisted substantially of property, plant and equipment and were dispersed by geographic area as follows (in millions):

	As of December 31,		
	2007	2006	2005
United States	$ 262.3	$ 188.9	$ 200.3
Europe, Middle East and Africa	92.9	20.8	23.2
Asia/Pacific Rim	134.2	20.9	16.9
Other Americas	35.9	11.4	12.5
Total long-lived assets, as defined above	$ 525.3	$ 242.0	$ 252.9

18. QUARTERLY FINANCIAL DATA (UNAUDITED, IN THOUSANDS EXCEPT PER SHARE DATA)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 2007:				
Net sales	$ 435,452	$ 519,144	$ 513,608	$ 462,559
Gross profit	131,944	162,594	159,284	135,265
Operating income	63,664	86,411	81,365	55,103
Net income	45,855	61,129	60,273	37,584
Net income per share, basic	0.76	1.00	0.98	0.61
Net income per share, diluted	0.63	0.83	0.81	0.51
Fiscal 2006:				
Net sales	$ 352,254	$ 411,881	$ 466,100	$ 393,711
Gross profit	84,739	108,548	139,813	110,985
Operating income(a)	19,348	38,086	64,852	36,298
Net income(b)	12,727	46,646	43,590	27,170
Net income per share, basic	0.22	0.80	0.74	0.46
Net income per share, diluted	0.19	0.65	0.61	0.38

(a) Operating income for each quarter of 2006 included pretax restructuring charges of, in chronological order, $3,749, $4,004, $3,011 and

$1,814.

(b) Net income for the second quarter of 2006 included a gain of $18,625 on an OFS BrightWave note receivable, net of tax.

CommScope, Inc.

Notes to Consolidated Financial Statements (Continued)

(In Thousands, Unless Otherwise Noted)

19. SUBSEQUENT EVENTS

On January 31, 2008, the Company sold its satellite communications product line to ASC Signal Corporation (ASC). The Company received $8.5 million in cash, $2.5 million in notes receivable due April 30, 2010, a 17.9% ownership interest in ASC and the potential for up to an additional $25.0 million of cash if certain financial targets are met over a three year period from the date of the divestiture. In addition, the Company will receive an additional note receivable for $2.5 million also due April 30, 2010, upon completion of certain manufacturing asset transfers, expected to be completed within one year. Net sales from the satellite communications product line for 2007 and 2006 were $103 million and $116 million, respectively.

As of February 15, 2008, the holders of substantially all of the outstanding 3.25% convertible senior subordinated debentures assumed in the Andrew acquisition had converted the debentures and received merger consideration aggregating $207.5 million of cash and 484,736 shares of CommScope common stock.

CommScope, Inc.

Schedule II Valuation and Qualifying Accounts

(In thousands)

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Other(1)	Deductions(2)	Balance at End of Period
Deducted from assets:					
Allowance for doubtful accounts					
Year ended December 31, 2007	$ 13,461	$ 1,490	$ 7,743	$ 540	$ 22,154
Year ended December 31, 2006	$ 13,644	$ 2,444	$	$ 2,627	$ 13,461
Year ended December 31, 2005(3)	$ 12,761	$ 2,607	$	$ 1,724	$ 13,644

(1) Andrew Corporation balance as of the December 27, 2007 acquisition date.

(2) Uncollectible customer accounts written off, net of recoveries of previously written off customer accounts.

(3) Activity in 2005 does not include the recovery of $13,246 in bad debt expense related to Adelphia accounts receivable.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Our disclosure controls and procedures are designed to ensure information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to management to allow timely decisions regarding required disclosure and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Our Chief Executive Officer and Chief Financial Officer have reviewed the effectiveness of disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K and have concluded that the disclosure controls and procedures are effective.

Other than the acquisition of Andrew, discussed below, there were no changes in our internal control over financial reporting during the three months ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

During the three months ended December 31, 2007, we completed the acquisition of Andrew. We are in the process of integrating the Andrew operations, including internal controls. As permitted by the SEC, for purposes of the evaluation of internal control over financial reporting, the disclosure controls and procedures of Andrew and the impact of this acquisition on CommScope's internal controls over financial reporting have been excluded. We will include Andrew in our assessment of internal control over financial reporting for 2008.

Management's Report on Internal Control Over Financial Reporting

The management of CommScope is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

CommScope management assessed the effectiveness of CommScope's internal control over financial reporting as of December 31, 2007. In making this assessment, CommScope's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control Integrated Framework.

Based on this assessment, and providing for the exclusion of Andrew's internal controls from management's assessment as included herein, management concludes that, as of December 31, 2007, CommScope's internal control over financial reporting is effective based on the COSO internal control criteria. As of December 31, 2007, total assets subject to Andrew's internal control over financial reporting represented 46% of CommScope's consolidated total assets.

Also included in this Form 10-K is an independent auditors' report based on an audit of CommScope's internal control over financial reporting.

February 28, 2008

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item is contained in Part I, Item 1 of this Form 10-K and the sections captioned "Management of the Company Board of Directors of the Company," "Management of the Company Committees of the Board of Directors Board Meetings," and "Management of the Company Section 16(a) Beneficial Ownership Reporting Compliance" included in our 2008 Proxy Statement, which sections are incorporated herein by reference.

Code of Ethics for Principal Executive and Senior Financial and Accounting Officers

We have adopted the CommScope, Inc. Code of Ethics for Principal Executive and Senior Financial and Accounting Officers (the "Senior Officer Code of Ethics"), a code of ethics that applies to our Chief Executive Officer, Chief Financial Officer and Controller. The Senior Officer Code of Ethics is publicly available on our web site at *www.commscope.com*. If we make an amendment to, or grant a waiver from, a provision of the Senior Officer Code of Ethics, we will disclose the nature of such waiver or amendment on our web site.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item is contained in the section captioned "Management of the Company Executive Officer Compensation" in our 2008 Proxy Statement and is incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item is contained in the sections captioned "Beneficial Ownership of Common Stock" and "Management of the Company Executive Officer Compensation Equity Compensation Plan Information as of Fiscal Year End" in our 2008 Proxy Statement, which sections are incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item is contained in the sections captioned "Management of the Company Certain Relationships and Related Transactions" and "Management of the Company Independence of Board Members" in our 2008 Proxy Statement and is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item is contained in the section captioned "Independent Auditors" in our 2008 Proxy Statement and is incorporated by reference herein.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents Filed as Part of this Report:

1. *Financial Statements*

   The following consolidated financial statements of CommScope, Inc. are included under Part II, Item 8:

   Report of Independent Registered Public Accounting Firm

   Consolidated Statements of Operations for the Years ended December 31, 2007, 2006 and 2005

   Consolidated Balance Sheets as of December 31, 2007 and 2006

   Consolidated Statements of Cash Flows for the Years ended December 31, 2007, 2006 and 2005

   Consolidated Statements of Stockholders' Equity and Comprehensive Income for the Years ended December 31, 2007, 2006 and 2005

   Notes to Consolidated Financial Statements

2. *Financial Statement Schedules*

   Schedule II Valuation and Qualifying Accounts. Included under Part II, Item 8.

   Certain schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

3. *List of Exhibits.* See Index of Exhibits included herein.

SIGNATURES

Pursuant to the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMSCOPE, INC.

Date: February 28, 2008 By: /s/ FRANK M. DRENDEL

Frank M. Drendel
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ FRANK M. DRENDEL Frank M. Drendel	Chairman of the Board and Chief Executive Officer	February 28, 2008
/s/ JEARLD L. LEONHARDT Jearld L. Leonhardt	Executive Vice President and Chief Financial Officer (Principal financial officer)	February 28, 2008
/s/ WILLIAM R. GOODEN William R. Gooden	Senior Vice President and Controller (Principal accounting officer)	February 28, 2008
/s/ BOYD L. GEORGE Boyd L. George	Director	February 28, 2008
/s/ GEORGE N. HUTTON, JR. George N. Hutton, Jr.	Director	February 28, 2008
/s/ KATSUHIKO OKUBO Katsuhiko Okubo	Director	February 28, 2008
/s/ RICHARD C. SMITH	Director	February 28, 2008

Signature	Title	Date
Richard C. Smith		
/s/ JUNE E. TRAVIS June E. Travis	Director	February 28, 2008
/s/ JAMES N. WHITSON James N. Whitson	Director	February 28, 2008

112

Index of Exhibits

Exhibit No.	Description
2.1	Asset Purchase Agreement, dated as of October 26, 2003, by and among CommScope, Inc. and SS Holdings, LLC and Avaya Inc. (Incorporated herein by reference from the Company's Current Report on Form 8-K dated February 12, 2004 (File No. 1-12929)).
2.2	Agreement and Plan of Merger, dated as of June 26, 2007, by and among CommScope, Inc., DJRoss, Inc. and Andrew Corporation (Incorporated herein by reference from the Company's Current Report on Form 8-K dated June 27, 2007 (File No. 1-12929)).
3.1	Amended and Restated Certificate of Incorporation of CommScope, Inc. (Incorporated herein by reference from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1997 (File No. 1-12929)).
3.2	Amended and Restated By-Laws of CommScope, Inc. (Incorporated herein by reference from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1997 (File No. 1-12929)).
4.1	Indenture, dated as of March 24, 2004, between CommScope, Inc. and Wachovia Bank, National Association, as Trustee (Incorporated herein by reference from the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2004 (File No. 1-12929)).
4.2	Indenture, dated as of August 8, 2003, by and among Andrew Corporation and The Bank of New York Trust Company, N.A., formerly known as BNY Midwest Trust Company (Incorporated herein by reference from the Company's Current Report on Form 8-K dated December 28, 2007 (File No. 1-12929)).
4.2.1	First Supplemental Indenture, dated as of December 27, 2007, by and among Andrew Corporation and The Bank of New York Trust Company, N.A. (Incorporated by reference herein from the Company's Current Report on Form 8-K dated December 28, 2007 (File No. 1-12929)).
10.1	Tax Sharing Agreement, dated as of July 25, 1997, among NextLevel Systems, Inc., CommScope, Inc. and General Semiconductor, Inc. (Incorporated herein by reference from the Company's Quarterly Report on From 10-Q for the period ended June 30, 1997 (File No. 1-12929)).

Exhibit No.	Description
10.2+	Amended and Restated CommScope, Inc. 1997 Long-Term Incentive Plan (as amended and restated effective May 7, 2004) (Incorporated herein by reference from Appendix B to the Company's definitive Proxy Statement filed with the Commission on March 24, 2004 (File No. 1-12929)).
10.2.1+	Form of Nonqualified Stock Option Agreement under Amended and Restated CommScope, Inc. 1997 Long-Term Incentive Plan (Incorporated herein by reference from the Company's Quarterly Report on From 10-Q for the period ended September 30, 2004 (File No. 1-12929)).
10.2.2+	Form of CommScope, Inc. 1997 Long-Term Incentive Plan Employee Performance Unit Award Agreement (Incorporated by reference herein from the Company's Current Report on Form 8-K dated December 15, 2005 (File No. 1-12929)).
10.2.3+	Form of Director's Nonqualified Stock Option Agreement under Amended and Restated CommScope, Inc. 1997 Long-Term Incentive Plan. (1)

10.3+	Form of Severance Protection Agreement between the Company and certain executive officers (Incorporated herein by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 1-12929)).
10.3.1+	Form of Amendment to Severance Protection Agreement between the Company and certain executive officers (Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 1-12929)).
10.4+	Employment Agreement between Frank Drendel, General Instrument Corporation and CommScope, Inc. of North Carolina, the Letter Agreement related thereto dated May 20, 1993 and Amendment to Employment Agreement dated July 25, 1997 (Incorporated by reference from the Company's Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12929)).
10.5+	CommScope, Inc. Annual Incentive Plan, as amended effective March 25, 2004 (Incorporated herein by reference from Appendix C to the Company's definitive Proxy Statement filed with the Commission on March 24, 2004 (File No. 1-12929)).
10.6+	CommScope, Inc. Supplemental Executive Retirement Plan, as Amended and Restated effective February 24, 2006 (Incorporated herein by reference from the Company's Current Report on Form 8-K, dated March 1, 2006 (File No. 1-12929)).
10.7+	Form of Indemnification Agreement by and among CommScope, Inc., CommScope, Inc. of North Carolina, and their directors and officers (Incorporated by reference herein from the Company's Current Report on Form 8-K dated March 10, 2005 (File No. 1-12929)).
10.8+	Amended and Restated CommScope, Inc. 2006 Long-Term Incentive Plan (Incorporated by reference herein from the Company's Current Report on Form 8-K dated February 28, 2007 (File No. 1-12929)).
10.8.1+	Form of CommScope, Inc. 2006 Long Term Incentive Plan Nonqualified Stock Option Agreement (Annual) and Employee Performance Share Unit Award Agreement (Incorporated by reference herein from the Company's Current Report on Form 8-K dated January 22, 2008 (File No. 1-12929)).
10.8.2+	Form of CommScope, Inc. 2006 Long Term Incentive Plan Director Share Award

	Agreement. (1)
10.8.3+	Form of CommScope, Inc. 2006 Long-Term Incentive Plan Director's Nonqualified Stock Option Agreement. (1)
10.9+	Andrew Corporation Management Incentive Program, dated November 18, 1999, as amended May 12, 2003, May 14, 2004 and January 22, 2008. (1)
10.10+	Andrew Corporation Long-Term Incentive Plan, dated November 17, 2004, as amended January 22, 2008. (1)
10.11	Credit Agreement, dated as of December 27, 2007, by and among CommScope, Inc., Bank of America, as Administrative Agent, Swing Line Lender and L/C Issuer, the Other Lenders Party thereto, Bank of America Securities LLC, and Wachovia Capital Markets, LLC, as Joint Lead Arrangers and Joint Bookrunners, Wachovia Bank, National Association, as Syndication Agent, JPMorgan Chase Bank, N.A., Mizuho Corporate Bank, LTD. and Calyon New York Branch, as Co-Documentation Agents (Incorporated by reference herein from the Company's Current Report on Form 8-K dated December 28, 2007 (File No. 1-12929)).

10.12	Purchase and Sale Agreement, dated as of November 5, 2007, by and among Andrew Corporation, Andrew Canada Inc., Andrew Limited, Andrew Holdings (Germany) GmbH and ASC Signal Corporation, as amended by Amendment No. 1 to Purchase and Sale Agreement, dated as of December 20, 2007, by and among Andrew Corporation, Andrew Canada Inc., Andrew Limited, Andrew Holdings (Germany) GmbH and ASC Signal Corporation (Incorporated by reference herein from the Company's Current Report on Form 8-K dated January 4, 2008 (File No. 1-12929)).
10.12.1	Amendment No. 2 to Purchase and Sale Agreement, dated as of December 28, 2007, by and among Andrew Corporation, Andrew Canada Inc., Andrew Limited, Andrew Holdings (Germany) GmbH and ASC Signal Corporation (Incorporated by reference herein from the Company's Current Report on Form 8-K dated January 4, 2008 (File No. 1-12929)).
10.12.2	Amendment No. 3 to Purchase and Sale Agreement, dated as of January 31, 2008, by and among Andrew Corporation, Andrew Canada Inc., Andrew Limited, Andrew Holdings (Germany) GmbH and ASC Signal Corporation (Incorporated by reference herein from the Company's Current Report on Form 8-K dated January 31, 2008 (File No. 1-12929)).
21	Subsidiaries of the Registrant. (1)
23	Consent of Deloitte & Touche LLP. (1)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a). (1)
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a). (1)
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished pursuant to Item 601(b)(32)(ii) of Regulation S-K). (1)

---

(1) Filed with this Form 10-K.

\+ Management Compensation.