

**ARRIS INTERNATIONAL PLC**  
**PRELIMINARY SUPPLEMENTAL GAAP TO NON-GAAP SALES & GROSS MARGIN RECONCILIATION**

	<u>Q2 2015</u>	<u>Q1 2016</u>	<u>Q2 2016</u>
Sales - GAAP	1,260.1	1,614.7	1,730.0
Fair Value of Warrants Adjustment	-	-	4.3
Adjusted Sales - Non- GAAP	<u>1,260.1</u>	<u>1,614.7</u>	<u>1,734.3</u>
GAAP Gross Margin	364.4	384.0	444.7
Fair Value of Inventory Adjustment	-	30.3	20.0
Equity Compensation	2.2	2.2	2.0
Fair Value of Warrants Adjustment	-	-	4.3
Adjusted Gross Margin - Non-GAAP	<u>366.6</u>	<u>416.6</u>	<u>471.1</u>
GAAP Gross Margin - %	28.9%	23.8%	25.7%
Adjusted Gross Margin - Non-GAAP - %	29.1%	25.8%	27.2%