

ARRIS INTERNATIONAL PLC
PRELIMINARY SUPPLEMENTAL SALES & NET INCOME RECONCILIATION
(in thousands, except per share data)

	Q3 2015		Q2 2016		Q3 2016		SEPT YTD 2015		SEPT YTD 2016	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,221,416		\$1,730,044		\$1,725,145		\$3,696,650		\$5,069,895	
Highlighted items:										
Reduction in revenue related to warrants	–		4,283		9,611		–		13,894	
Sales excluding highlighted items	\$1,221,416		\$1,734,327		\$1,734,756		\$3,696,650		\$5,083,789	
Net income (loss) attributable to ARRIS International plc	26,257	0.18	84,227	0.44	48,162	0.25	62,140	0.42	(70,183)	(0.37)
Highlighted Items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	2,284	0.02	1,997	0.01	2,773	0.01	6,289	0.04	7,009	0.04
Reduction in revenue related to warrants	–	–	4,283	0.02	9,611	0.05	–	–	13,894	0.07
Acquisition accounting impacts of fair valuing inventory	–	–	20,039	0.10	493	–	–	–	50,824	0.26
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	7,532	0.05	43,138	0.23	10,831	0.06	20,996	0.14	144,888	0.75
Amortization of tangible assets	57,132	0.38	109,883	0.57	89,042	0.46	171,062	1.15	297,417	1.55
Stock compensation expense	14,005	0.09	9,905	0.05	15,102	0.08	40,267	0.27	37,044	0.19
Noncontrolling interest share of Non-GAAP adjustments	(791)	(0.01)	(776)	–	(776)	–	(1,590)	(0.01)	(2,328)	(0.01)
<i>Impacting other (income)/expense:</i>										
Impairment of Investments	–	–	5,000	0.03	2,851	0.01	150	–	7,851	0.04
Debt amendment fees	669	–	–	–	(237)	–	15,051	0.10	(237)	–
Credit facility - ticking fees	678	–	–	–	–	–	678	–	(9)	–
Foreign exchange contract losses related to cash consideration of Pace acquisition	15,429	0.10	–	–	–	–	8,584	0.06	1,610	0.01
Adjustment to liability related to foreign tax credit benefits	(3,669)	(0.02)	–	–	–	–	(3,669)	(0.02)	–	–
France R&D tax credit	–	–	–	–	4,992	0.03	–	–	4,992	0.03
Loss on sale of building	–	–	–	–	–	–	5,142	0.03	–	–
<i>Impacting income tax expense:</i>										
Foreign withholding tax	–	–	–	–	–	–	–	–	54,741	0.28
Net tax items	(35,845)	(0.24)	(117,291)	(0.61)	(36,140)	(0.19)	(96,500)	(0.65)	(150,014)	(0.78)
Total highlighted items	57,424	0.38	76,178	0.40	98,542	0.51	166,460	1.12	467,682	2.43
Net income excluding highlighted items	83,681	0.56	160,405	0.84	146,704	0.77	228,600	1.53	397,499	2.07
Weighted average common shares - basic		146,781		190,409		190,515		146,146		190,888
Weighted average common shares - diluted		149,313		191,250		191,508		149,196		192,115