

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

	Q1 2017		Q4 2016		Q1 2016	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$ 1,483,105		\$ 1,759,223		\$ 1,614,706	
Highlighted items:						
Reduction in revenue related to warrants	2,423		16,265		-	
Sales excluding highlighted items	\$ 1,485,528		\$ 1,775,488		\$ 1,614,706	
Net income (loss) attributable to ARRIS International plc	\$ (39,098)	\$ (0.21)	\$ 88,283	\$ 0.46	\$ (202,573)	\$ (1.06)
Highlighted items:						
<i>Impacting gross margin:</i>						
Stock compensation expense	3,252	0.02	2,388	0.01	2,239	0.01
Reduction in revenue related to warrants	2,423	0.01	16,265	0.08	-	-
Acquisition accounting impacts of fair valuing inventory	908	-	581	-	30,292	0.16
<i>Impacting operating expenses:</i>						
Integration, acquisition, restructuring and other costs	10,095	0.05	7,922	0.04	90,919	0.47
Amortization of intangible assets	93,646	0.49	100,047	0.52	98,493	0.51
Stock compensation expense	16,163	0.08	13,608	0.07	12,037	0.06
Noncontrolling interest share of Non-GAAP adjustments	(804)	-	(807)	-	(776)	-
<i>Impacting other (income)/expense:</i>						
Impairment of Investments	2,750	0.02	4,446	0.02	-	-
Credit facility - ticking fees	-	-	-	-	(9)	-
Foreign exchange contract losses related to cash consideration of Pace acquisition	-	-	-	-	1,610	0.01
Remeasurement of certain deferred tax liabilities	2,112	0.01	(16,356)	-	-	-
France R&D tax credit	-	-	(4,992)	(0.03)	-	-
<i>Impacting income tax expense:</i>						
Foreign withholding tax	-	-	-	-	54,741	0.28
France R&D tax credit	-	-	4,992	0.03	-	-
Net tax items	(13,333)	(0.07)	(63,505)	(0.33)	3,417	0.02
Total highlighted items	117,212	0.61	64,589	0.34	292,963	1.51
Net income excluding highlighted items	\$ 78,114	\$ 0.40	\$ 152,872	\$ 0.79	\$ 90,390	\$ 0.47
Weighted average ordinary shares - basic		189,796		190,145		191,743
Weighted average ordinary shares - diluted		192,879		192,400		193,591