

ARRIS INTERNATIONAL PLC
PRELIMINARY SUPPLEMENTAL GAAP TO ADJUSTED SALES & DIRECT CONTRIBUTION RECONCILIATION
(in thousands)
(unaudited)

	Q1 2017			
	Network &			
	Cloud	CPE	Corp/ Other	Total
Net Sales	430,436	1,055,056	(2,387)	1,483,105
Non GAAP Adjustments ⁽¹⁾	-	-	2,423	2,423
Adjusted Net Sales	430,436	1,055,056	36	1,485,528
Direct Contribution ⁽²⁾	131,718	118,415	(150,476)	99,657
Non GAAP Adjustments ⁽³⁾	-	-	22,746	22,746
Adjusted Direct Contribution	131,718	118,415	(127,730)	122,403
Direct Contribution % of sales	30.6%	11.2%		8.2%

(1) Impact of warrants adjustment.

(2) Defined as gross margin less direct operating expenses, excluding amortization of intangible assets, restructuring charges, acquisition, integration and other costs.

(3) Equity compensation expense, adjustments related to the acquisition accounting impacts and warrants adjustment.