

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

	Q4 2015		Q3 2016		Q4 2016		DEC YTD 2015		DEC YTD 2016	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,101,681		\$1,725,145		\$1,759,223		\$4,798,332		\$6,829,118	
Highlighted items:										
Reduction in revenue related to warrants	-		9,611		16,264		-		30,158	
Adjusted sales	\$1,101,681		\$1,734,756		\$1,775,487		\$4,798,332		\$6,859,276	
Net income attributable to ARRIS International plc	30,041	0.20	48,162	0.25	86,748	0.45	92,181	0.62	16,565	0.09
Highlighted items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	2,219	0.01	2,773	0.01	2,837	0.01	8,508	0.06	9,846	0.05
Reduction in revenue related to warrants	-	-	9,611	0.05	16,264	0.08	-	-	30,158	0.16
Acquisition accounting impacts of fair valuing inventory	-	-	493	-	580	-	-	-	51,404	0.27
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	8,281	0.06	10,831	0.06	7,922	0.04	29,277	0.20	152,810	0.80
Amortization of intangible assets	56,377	0.38	89,042	0.46	100,046	0.52	227,440	1.52	397,463	2.07
Stock compensation expense	15,443	0.10	15,102	0.08	15,646	0.08	55,710	0.37	52,690	0.27
Noncontrolling interest share of Non-GAAP adjustments	(1,357)	(0.01)	(786)	(0.00)	(807)	(0.00)	(2,947)	(0.02)	(3,145)	(0.02)
<i>Impacting other (income)/expense:</i>										
Impairment of Investments	(159)	-	2,851	0.01	4,446	0.02	(9)	-	12,297	0.06
Debt amendment fees	291	-	(237)	-	-	-	15,342	0.10	(237)	-
Credit facility - ticking fees	1,022	-	-	-	-	-	1,700	0.01	(9)	-
Foreign exchange contract losses related to cash consideration of Pace acquisition	13,699	0.09	-	-	-	-	22,283	0.15	1,610	0.01
Remeasurement of certain deferred tax liabilities	-	-	-	-	(16,356)	-	-	-	(16,356)	(0.09)
Adjustment to liability related to foreign tax credit benefits	-	-	-	-	-	-	(3,669)	(0.02)	-	-
France R&D tax credit reclassification	-	-	4,992	0.03	(4,992)	(0.03)	-	-	-	-
Loss on sale of building	-	-	-	-	-	-	5,142	0.03	-	-
<i>Impacting income tax expense:</i>										
France R&D tax credit reclassification	-	-	(4,992)	(0.03)	4,992	0.03	-	-	-	-
Foreign withholding tax	-	-	-	-	-	-	-	-	54,741	0.28
Net tax items	(32,363)	(0.22)	(31,145)	(0.16)	(64,417)	(0.33)	(128,864)	(0.86)	(209,437)	(1.09)
Total highlighted items	63,453	0.42	98,535	0.51	66,161	0.34	229,913	1.54	533,835	2.78
Adjusted net income	93,494	0.62	146,697	0.77	152,909	0.79	322,094	2.16	550,400	2.86
Weighted average common shares - basic		147,109		190,515		190,145		146,388		190,701
Weighted average common shares - diluted		149,842		191,508		192,400		149,359		192,185