

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

	<u>Q4 2015</u>	<u>Q3 2016</u>	<u>Q4 2016</u>
Sales - GAAP	1,101,681	1,725,145	1,759,223
Fair Value of Warrants Adjustment	-	9,611	16,264
Adjusted Sales - Non- GAAP	<u>1,101,681</u>	<u>1,734,757</u>	<u>1,775,487</u>
GAAP Gross Margin	358,673	442,850	435,603
Fair Value of Inventory Adjustment	-	494	580
Equity Compensation	2,219	2,773	2,837
Fair Value of Warrants Adjustment	-	9,611	16,264
Adjusted Gross Margin - Non-GAAP	<u>360,892</u>	<u>455,728</u>	<u>455,284</u>
GAAP Gross Margin - %	32.6%	25.7%	24.8%
Adjusted Gross Margin - Non-GAAP - %	32.8%	26.3%	25.6%