

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

	Q2 2016		Q1 2017		Q2 2017		JUN YTD 2016		JUN YTD 2017	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,730,044		\$1,483,106		\$1,664,170		\$3,344,750		\$3,147,276	
Highlighted items:										
Reduction in revenue related to warrants	4,283		2,423		2,658		4,283		5,081	
Adjusted sales	\$1,734,327		\$1,485,529		\$1,666,828		\$3,349,033		\$3,152,357	
Net income (loss) attributable to ARRIS International plc	84,228	0.44	(39,098)	(0.21)	30,336	0.16	(118,345)	(0.62)	(8,762)	(0.05)
Highlighted Items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	1,997	0.01	3,252	0.02	3,495	0.02	4,236	0.02	6,747	\$0.04
Reduction in revenue related to warrants	4,283	0.02	2,423	0.01	2,658	0.01	4,283	0.02	5,081	\$0.03
Acquisition accounting impacts of fair valuing inventory	20,039	0.10	908	-	-	-	50,331	0.26	908	-
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	43,137	0.23	10,095	0.05	9,690	0.05	134,057	0.70	19,785	\$0.10
Amortization of intangible assets	109,883	0.57	93,646	0.49	91,012	0.48	208,375	1.08	184,658	\$0.97
Stock compensation expense	9,905	0.05	16,163	0.08	18,829	0.10	21,942	0.11	34,992	\$0.18
Noncontrolling interest share of Non-GAAP adjustments	(776)	-	(804)	-	(811)	-	(1,552)	(0.01)	(1,615)	(0.01)
<i>Impacting other (income)/expense:</i>										
Impairment of Investments	5,000	0.03	2,750	0.01	-	-	5,000	0.03	2,750	\$0.01
Debt amendment fees	-	-	-	-	2,782	0.01	-	-	2,782	\$0.01
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	2,828	0.01	-	-	4,940	\$0.03
<i>Impacting income tax expense:</i>										
Foreign withholding tax	-	-	-	-	-	-	54,741	0.28	-	-
Net tax items	(117,291)	(0.61)	(13,333)	(0.07)	(40,853)	(0.22)	(113,874)	(0.59)	(54,270)	(0.28)
Total highlighted items	76,177	0.40	117,212	0.61	89,630	0.47	369,140	1.92	206,758	\$1.08
Adjusted net income	160,405	0.84	78,114	0.40	119,966	0.63	250,795	1.30	197,996	\$1.04
Weighted average ordinary shares - basic		190,409		189,796		186,803		191,076		188,291
Weighted average ordinary shares - diluted		191,250		192,879		189,002		192,421		190,932