

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

	Q2 2017			
	Network & Cloud	CPE	Corp/ Other	Total
Net Sales	510,972	1,155,883	(2,685)	1,664,170
Non GAAP Adjustments ⁽¹⁾	-	-	2,658	2,658
Adjusted Net Sales	510,972	1,155,883	(27)	1,666,828
Direct Contribution ⁽²⁾	192,775	123,724	(160,161)	156,338
Non GAAP Adjustments ⁽³⁾	-	-	24,983	24,983
Adjusted Direct Contribution	192,775	123,724	(135,179)	181,321
Direct Contribution % of sales	37.7%	10.7%		10.9%

(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 and warrants adjustment.