

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

	<u>Q2 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Jun YTD 2016</u>	<u>Jun YTD 2017</u>
Sales - GAAP	1,730,044	1,483,105	1,664,170	3,344,750	3,147,276
Fair Value of Warrants Adjustment	4,283	2,423	2,658	4,283	5,081
Adjusted Sales - Non- GAAP	<u>1,734,327</u>	<u>1,485,528</u>	<u>1,666,828</u>	<u>3,349,033</u>	<u>3,152,357</u>
GAAP Gross Margin	444,734	337,257	403,357	828,766	740,615
Fair Value of Inventory Adjustment	20,039	908	-	50,331	908
Equity Compensation	1,997	3,252	3,495	4,236	6,747
Fair Value of Warrants Adjustment	4,283	2,423	2,658	4,283	5,082
Adjusted Gross Margin - Non-GAAP	<u>471,054</u>	<u>343,840</u>	<u>409,511</u>	<u>887,617</u>	<u>753,351</u>
GAAP Gross Margin - %	25.7%	22.7%	24.2%	24.8%	23.5%
Adjusted Gross Margin - Non-GAAP - %	27.2%	23.1%	24.6%	26.5%	23.9%