

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

	Q4 2016		Q3 2017		Q4 2017		DEC YTD 2016		DEC YTD 2017	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,759,223		\$1,728,524		\$1,738,593		\$6,829,118		\$6,614,392	
Highlighted items:										
Reduction in revenue related to warrants	16,265		3,064		(8,145)		30,159		-	
Acquisition accounting impacts of deferred revenue	-		-		1,120		-		1,120	
Adjusted sales	\$1,775,488		\$1,731,588		\$1,731,568		\$6,859,277		\$6,615,512	
Net income attributable to ARRIS International plc	\$ 88,283	\$ 0.46	\$ 88,320	\$ 0.47	\$ 13,566	\$ 0.07	\$ 18,100	\$ 0.09	\$ 93,124	\$ 0.49
Highlighted Items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	2,388	0.01	3,897	0.02	3,303	0.02	9,397	0.05	13,947	0.07
Reduction in revenue related to warrants	16,265	0.08	3,064	0.02	(8,145)	(0.04)	30,159	0.16	-	-
Acquisition accounting impacts of deferred revenue	-	-	-	-	1,120	0.01	-	-	1,120	0.01
Acquisition accounting impacts of fair valuing inventory	581	0.00	-	-	7,560	0.04	51,405	0.27	8,468	0.04
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	7,922	0.04	10,836	0.06	67,734	0.36	152,810	0.80	98,356	0.52
Amortization of intangible assets	100,046	0.52	90,162	0.48	100,588	0.53	397,464	2.07	375,407	1.98
Impairment on goodwill and intangible assets	-	-	-	-	55,000	0.29	-	-	55,000	0.29
Stock compensation expense	13,608	0.07	16,316	0.09	15,403	0.08	50,652	0.26	66,711	0.35
Noncontrolling interest share of non-GAAP adj	(807)	-	(711)	-	(20,026)	(0.11)	(3,145)	(0.02)	(22,352)	(0.12)
<i>Impacting other (income)/expense:</i>										
Impairment (gain) on investments	4,446	0.02	(1,821)	(0.01)	-	-	12,297	0.06	929	0.00
Debt amendment fees	-	-	-	-	3,069	0.02	(237)	-	5,851	0.03
Credit facility - ticking fees	-	-	-	-	-	-	(9)	-	-	-
FX contract losses related to cash consideration of Pace acquisition	-	-	-	-	-	-	1,610	0.01	-	-
Remeasurement of certain deferred tax liabilities	(16,356)	(0.09)	3,569	0.02	851	-	(16,356)	(0.09)	9,359	0.05
France R&D tax credit	(4,992)	(0.03)	-	-	-	-	-	-	-	-
<i>Impacting income tax expense:</i>										
Foreign withholding tax	-	-	-	-	-	-	54,741	0.28	-	-
Net tax items	(58,513)	(0.30)	(62,698)	(0.33)	(73,038)	(0.39)	(208,524)	(1.09)	(189,884)	(1.00)
Total highlighted items	64,588	0.34	62,614	0.33	153,419	0.81	532,264	2.77	422,912	2.23
Adjusted net income	\$ 152,871	\$ 0.79	\$ 150,934	\$ 0.80	\$ 166,985	\$ 0.88	\$ 550,364	\$ 2.86	\$ 516,036	\$ 2.72
Weighted average ordinary shares - basic		190,145		187,064		186,548		190,701		187,133
Weighted average ordinary shares - diluted		192,400		188,941		188,829		192,185		189,616