

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

	Q3 2016		Q2 2017		Q3 2017		SEPT YTD 2016		SEPT YTD 2017	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,725,145		\$1,664,170		\$1,728,524		\$5,069,895		\$4,875,799	
Highlighted items:										
Reduction in revenue related to warrants	9,611		2,658		3,064		13,894		8,145	
Adjusted sales	\$1,734,756		\$1,666,828		\$1,731,588		\$5,083,789		\$4,883,944	
Net income (loss) attributable to ARRIS International plc	\$ 48,162	\$ 0.25	\$ 30,336	\$ 0.16	\$ 88,320	\$ 0.47	\$ (70,183)	\$ (0.37)	\$ 79,558	\$ 0.42
Highlighted items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	2,773	0.01	3,495	0.02	3,897	0.02	7,009	0.04	10,644	0.06
Reduction in revenue related to warrants	9,611	0.05	2,658	0.01	3,064	0.02	13,894	0.07	8,145	0.04
Acquisition accounting impacts of fair valuing inventory	493	0.00	-	-	-	-	50,824	0.26	908	0.00
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	10,831	0.06	9,690	0.05	10,836	0.06	144,888	0.75	30,621	0.16
Amortization of intangible assets	89,042	0.46	91,012	0.48	90,162	0.48	297,417	1.55	274,819	1.44
Stock compensation expense	15,102	0.08	18,829	0.10	16,316	0.09	37,044	0.19	51,308	0.27
Noncontrolling interest share of non-GAAP adj	(776)	-	(811)	-	(711)	-	(2,328)	(0.01)	(2,326)	(0.01)
<i>Impacting other (income)/expense:</i>										
Impairment (gain) on investments	2,851	0.01	-	-	(1,821)	(0.01)	7,851	0.04	929	0.00
Debt amendment fees	(237)	-	2,782	0.01	-	-	(237)	-	2,782	0.01
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	-	-	2,828	0.01	3,569	0.02	-	-	8,508	0.04
France R&D tax credit	4,992	0.03	-	-	-	-	4,992	0.03	-	-
<i>Impacting income tax expense:</i>										
Foreign withholding tax	-	-	-	-	-	-	54,741	0.28	-	-
Net tax items	(36,140)	(0.19)	(40,937)	(0.22)	(62,698)	(0.33)	(150,014)	(0.78)	(116,884)	(0.61)
Total highlighted items	98,542	0.51	89,546	0.47	62,614	0.33	467,682	2.43	269,454	1.42
Adjusted net income	\$ 146,704	\$ 0.77	\$ 119,882	\$ 0.63	\$ 150,934	\$ 0.80	\$ 397,499	\$ 2.07	\$ 349,012	\$ 1.83
Weighted average ordinary shares - basic	190,515		186,803		187,064		190,888		187,878	
Weighted average ordinary shares - diluted	191,508		189,002		188,941		192,115		190,264	