

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

	Q3 2017			
	Network &			
	Cloud	CPE	Corp/ Other	Total
Net Sales	556,863	1,174,725	(3,064)	1,728,524
Non GAAP Adjustments ⁽¹⁾	-	-	3,064	3,064
Adjusted Net Sales	556,863	1,174,725	(0)	1,731,587
Direct Contribution ⁽²⁾	218,995	132,168	(166,007)	185,156
Non GAAP Adjustments ⁽³⁾	-	-	23,277	23,277
Adjusted Direct Contribution	218,995	132,168	(142,730)	208,433
Direct Contribution % of sales	39.3%	11.3%		12.0%

(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.