

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

	<u>Q3 2016</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>Sep YTD 2016</u>	<u>Sep YTD 2017</u>
Sales - GAAP	1,725,145	1,664,170	1,728,524	5,069,890	4,875,799
Fair Value of Warrants Adjustment	9,611	2,658	3,064	13,894	8,145
Adjusted Sales - Non- GAAP	<u>1,734,756</u>	<u>1,666,828</u>	<u>1,731,587</u>	<u>5,083,785</u>	<u>4,883,946</u>
GAAP Gross Margin	442,850	403,357	431,155	1,271,611	1,171,770
Fair Value of Inventory Adjustment	494	-	-	50,825	908
Equity Compensation	2,773	3,495	3,897	7,008	10,644
Fair Value of Warrants Adjustment	9,611	2,658	3,064	13,894	8,145
Adjusted Gross Margin - Non-GAAP	<u>455,727</u>	<u>409,511</u>	<u>438,116</u>	<u>1,343,339</u>	<u>1,191,467</u>
GAAP Gross Margin - %	25.7%	24.2%	24.9%	25.1%	24.0%
Adjusted Gross Margin - Non-GAAP - %	26.3%	24.6%	25.3%	26.4%	24.4%