

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

	Q2 2017		Q1 2018		Q2 2018		JUN YTD 2017		JUN YTD 2018	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,664,170		\$1,577,710		\$1,726,540		\$3,147,276		\$3,304,250	
Highlighted items:										
Reduction in revenue related to warrants	2,658		-		-		5,081		-	
Acquisition accounting impacts of deferred revenue	-		5,694		3,307		-		9,002	
Adjusted sales	\$1,666,828		\$1,583,404		\$1,729,847		\$3,152,357		\$3,313,252	
Net income (loss) attributable to ARRIS International plc	\$ 30,336	\$ 0.16	\$ (13,600)	\$ (0.07)	\$ 35,754	\$ 0.19	\$ (8,762)	\$ (0.05)	\$ 22,154	\$ 0.12
Highlighted Items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	3,495	0.02	3,253	0.02	3,809	0.02	6,747	0.04	7,062	0.04
Reduction in revenue related to warrants	2,658	0.01	-	-	-	-	5,081	0.03	-	-
Acquisition accounting impacts of deferred revenue	-	-	5,694	0.03	3,307	0.02	-	-	9,002	0.05
Acquisition accounting impacts of fair valuing inventory	-	-	16,971	0.09	-	-	908	0.00	16,971	0.09
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	9,690	0.05	13,655	0.07	22,844	0.12	19,785	0.10	36,499	0.20
Amortization of intangible assets	91,012	0.48	114,708	0.61	90,485	0.49	184,657	0.97	205,193	1.10
Impairment on goodwill and intangible assets	-	-	3,400	0.02	-	-	-	-	3,400	0.02
Stock compensation expense	18,829	0.10	16,003	0.09	19,694	0.11	34,992	0.18	35,697	0.19
Noncontrolling interest share of non-GAAP adj	(811)	-	(2,321)	(0.01)	(867)	(0.00)	(1,615)	(0.01)	(3,188)	(0.02)
<i>Impacting other (income)/expense:</i>										
Impairment on investments	2,782	0.01	-	-	-	-	2,750	0.01	-	-
Debt amendment fees	-	-	-	-	-	-	2,782	0.01	-	-
Remeasurement of deferred taxes	2,828	0.01	3,697	0.02	(3,676)	(0.02)	4,940	0.03	20	0.00
<i>Impacting income tax expense:</i>										
Net tax items	(40,937)	(0.22)	(24,541)	(0.13)	(37,387)	(0.20)	(54,270)	(0.28)	(61,928)	(0.33)
Total highlighted items	89,546	0.47	150,519	0.80	98,209	0.53	206,757	1.08	248,728	1.34
Adjusted net income	\$ 119,882	\$ 0.63	\$ 136,919	\$ 0.73	\$ 133,963	\$ 0.72	\$ 197,995	\$ 1.04	\$ 270,882	\$ 1.45
Weighted average ordinary shares - basic		186,803		184,805		184,216		188,291		184,376
Weighted average ordinary shares - diluted		189,002		187,175		185,669		190,932		186,288