

ARRIS INTERNATIONAL PLC
PRELIMINARY ADJUSTED SALES & EBITDA RECONCILIATION
(In millions)
(unaudited)

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Sales	\$ 1,260	\$ 1,221	\$ 1,102	\$ 1,615	\$ 1,730	\$ 1,725	\$ 1,759	\$ 1,483	\$ 1,664	\$ 1,729	\$ 1,739	\$ 1,578	\$ 1,727
Highlighted items:													
Reduction in revenue related to warrants	-	-	-	-	4	10	16	2	3	3	(8)	-	-
Acquisition accounting impacts of deferred revenue	-	-	-	-	-	-	-	-	-	-	1	6	3
Adjusted sales	1,260	1,221	1,102	1,615	1,734	1,735	1,775	1,486	1,667	1,732	1,732	1,583	1,730
Trailing Twelve Months Adjusted Sales	\$ 5,198 \$ 5,672 \$ 6,185 \$ 6,859 \$ 6,730 \$ 6,663 \$ 6,659 \$ 6,616 \$ 6,713 \$ 6,776												
Net income (loss) as reported	\$ 15	\$ 23	\$ 27	\$ (205)	\$ 82	\$ 46	\$ 86	\$ (41)	\$ 28	\$ 87	\$ (8)	\$ (17)	\$ 35
Income tax expense (benefit)	13	12	(7)	86	(69)	9	(11)	10	(8)	(14)	(32)	3	(10)
Interest income	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Interest expense	28	15	14	20	19	20	21	20	23	20	24	23	24
Depreciation expense	17	17	18	24	22	23	22	21	22	22	23	23	21
Amortization of intangible assets	57	57	56	98	110	89	100	94	91	90	101	115	90
EBITDA	130	124	107	22	164	186	216	102	154	203	105	145	158
<i>Adjustments</i>													
Stock-based compensation expense	16	16	18	14	12	18	16	19	22	20	19	19	24
Integration, acquisition, restructuring and other costs	13	8	8	91	41	11	8	10	10	11	68	14	23
Impairment on goodwill and intangible assets	-	-	-	-	2	-	-	-	-	-	55	3	-
Reduction in revenue related to warrants	-	-	-	-	4	10	16	-	-	-	-	-	-
Acquisition accounting impacts of deferred revenue	-	-	-	-	-	-	-	2	3	3	(7)	6	3
Acquisition accounting impacts of fair valuing inventory	-	-	-	30	20	-	1	1	-	-	8	17	-
Impairment (gain) on investments	0	-	(0)	-	5	3	4	3	-	(2)	-	-	-
Credit facility - ticking fees	-	1	1	(0)	-	-	-	-	-	-	-	-	-
FX contract losses related to acquisition	(7)	15	14	2	-	-	(16)	-	-	-	-	-	-
Adjustment to liability related to foreign tax credit	-	(4)	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of deferred taxes	-	-	-	-	-	-	-	2	3	4	1	4	(4)
Adjusted EBITDA - Non-GAAP	\$ 152	\$ 160	\$ 148	\$ 159	\$ 248	\$ 227	\$ 245	\$ 139	\$ 192	\$ 239	\$ 248	\$ 208	\$ 204
Trailing Twelve Months Adjusted EBITDA	\$ 619 \$ 715 \$ 782 \$ 879 \$ 859 \$ 803 \$ 815 \$ 818 \$ 886 \$ 899												