

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

	<u>Q2 2017</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Jun YTD 2017</u>	<u>Jun YTD 2018</u>
Sales - GAAP	1,664,170	1,577,710	1,726,540	3,147,276	3,304,250
Adjustment to revenue related to warrants	2,658	-	-	5,081	-
Acquisition accounting impacts of deferred revenue	-	5,694	3,307	-	9,002
Adjusted Sales - Non-GAAP	<u>1,666,828</u>	<u>1,583,404</u>	<u>1,729,847</u>	<u>3,152,357</u>	<u>3,313,252</u>
GAAP Gross Margin	403,357	475,683	498,755	740,615	974,438
Acquisition accounting impacts of fair valuing inventory	-	16,971	-	908	16,971
Acquisition accounting impacts of deferred revenue	-	5,694	3,307	-	9,002
Stock compensation expense	3,495	3,253	3,809	6,747	7,062
Adjustment to revenue related to warrants	2,658	-	-	5,081	-
Adjusted Gross Margin - Non-GAAP	<u>409,510</u>	<u>501,601</u>	<u>505,871</u>	<u>753,351</u>	<u>1,007,473</u>
GAAP Gross Margin - %	24.2%	30.2%	28.9%	23.5%	29.5%
Adjusted Gross Margin - Non-GAAP - %	24.6%	31.7%	29.2%	23.9%	30.4%