

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

	<u>Q1 2017</u>	<u>Q4 2017</u>	<u>Q1 2018</u>
Sales - GAAP	1,483,105	1,738,593	1,577,710
Adjustment to revenue related to warrants	2,423	(8,145)	-
Acquisition accounting impacts of deferred revenue	-	1,120	5,694
Adjusted Sales - Non-GAAP	<u>1,485,528</u>	<u>1,731,569</u>	<u>1,583,404</u>
GAAP Gross Margin	337,257	494,469	475,683
Acquisition accounting impacts of fair valuing inventory	908	7,560	16,971
Acquisition accounting impacts of deferred revenue	-	1,120	5,694
Stock compensation expense	3,252	3,303	3,253
Adjustment to revenue related to warrants	2,423	(8,145)	-
Adjusted Gross Margin - Non-GAAP	<u>343,840</u>	<u>498,307</u>	<u>501,601</u>
GAAP Gross Margin - %	22.7%	28.4%	30.2%
Adjusted Gross Margin - Non-GAAP - %	23.1%	28.8%	31.7%