

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

	Q1 2018				Total
	Network & Cloud	CPE	Enterprise	Corp/ Other	
Net Sales	538,264	875,226	169,914	(5,694)	1,577,710
Non GAAP Adjustments <sup>(1)</sup>	-	-	-	5,694	5,694
Adjusted Net Sales	538,264	875,226	169,914	0	1,583,404
Direct Contribution <sup>(2)</sup>	228,538	49,761	25,528	(159,145)	144,683
Adjusted Direct Contribution <sup>(3)</sup>	214,717	43,154	25,927	(96,980)	186,818
Adjusted Direct Contribution % of sales	39.9%	4.9%	15.3%		11.8%
<b>Other Items</b>					
Amortization of intangibles	25,135	63,248	25,510	815	114,708
Impairment of goodwill	3,400	-	-	-	3,400
Integration, acquisition, restructuring and other costs	-	-	3,066	10,589	13,655
Depreciation expense	6,900	7,716	3,565	4,698	22,880
Equity compensation expense	7,771	5,298	2,387	3,801	19,256

(1) Impact of adjustment related to acquisition accounting impacts

(2) Defined as gross margin less direct operating expenses, excluding amortization of intangible assets, restructuring charges, acquisition, integration and other costs.

(3) Defined as direct contribution less allocated facility costs, service provider sales and marketing costs plus equity compensation and depreciation expense