

ARRIS INTERNATIONAL PLC
PRELIMINARY SUPPLEMENTAL DIRECT CONTRIBUTION TO ADJUSTED DIRECT CONTRIBUTION RECONCILIATION
(in thousands)
(unaudited)

	Q1 2018				
	Network & Cloud	CPE	Enterprise	Corp/ Other	Total
Direct Contribution ⁽¹⁾	228,538	49,761	25,528	(159,145)	144,683
Allocated costs ⁽²⁾	(28,492)	(19,622)	(5,553)	53,666	-
Direct Contribution after allocation	200,046	30,139	19,976	(105,479)	144,683
Equity compensation expense	7,771	5,298	2,387	3,801	19,256
Depreciation expense	6,900	7,716	3,565	4,698	22,880
Adjusted Direct Contribution	214,717	43,154	25,927	(96,980)	186,818

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

(2) Allocated facility costs and service provider sales and marketing costs