

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

	<u>Q4 2017</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Dec YTD 2017</u>	<u>Dec YTD 2018</u>
Sales - GAAP	\$ 1,738,593	\$ 1,651,248	\$ 1,787,143	\$ 6,614,392	\$ 6,742,640
Adjustment to revenue related to warrants	(8,145)	-	-	-	-
Acquisition accounting impacts of deferred revenue	1,120	2,400	1,700	1,120	13,101
Adjusted Sales - Non-GAAP	<u>\$1,731,568</u>	<u>\$ 1,653,648</u>	<u>\$ 1,788,843</u>	<u>\$ 6,615,512</u>	<u>\$ 6,755,741</u>
GAAP Gross Margin	\$ 494,469	\$ 465,189	\$ 479,233	\$ 1,666,239	\$ 1,918,859
Acquisition accounting impacts of fair valuing inventory	7,560	-	-	8,468	16,971
Acquisition accounting impacts of deferred revenue	1,120	2,400	1,700	1,120	13,101
Stock compensation expense	3,303	3,660	3,577	13,947	14,299
Adjustment to revenue related to warrants	(8,145)	-	-	-	-
Adjusted Gross Margin - Non-GAAP	<u>\$ 498,307</u>	<u>\$ 471,249</u>	<u>\$ 484,510</u>	<u>\$ 1,689,774</u>	<u>\$ 1,963,230</u>
GAAP Gross Margin - %	28.4%	28.2%	26.8%	25.2%	28.5%
Adjusted Gross Margin - Non-GAAP - %	28.8%	28.5%	27.1%	25.5%	29.1%