

ARRIS INTERNATIONAL PLC
PRELIMINARY ADJUSTED SALES & NET INCOME RECONCILIATION
(in thousands, except per share data) (unaudited)

	Q4 2017		Q3 2018		Q4 2018		DEC YTD 2017		DEC YTD 2018	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,738,593		\$1,651,248		\$1,787,143		\$6,614,392		\$6,742,640	
Highlighted items:										
Reduction in revenue related to warrants	(8,145)		-		-		-		-	
Acquisition accounting impacts of deferred revenue	1,120		2,400		1,700		1,120		13,101	
Adjusted sales	\$1,730,448		\$1,653,648		\$1,788,843		\$6,614,392		\$6,755,741	
Net income attributable to ARRIS International plc	\$	12,469 \$ 0.07	\$	47,079 \$ 0.26	\$	44,507 \$ 0.25	\$	92,027 \$ 0.49	\$	113,740 \$ 0.62
Highlighted Items:										
<i>Impacting gross margin:</i>										
Stock compensation expense	3,303	0.02	3,660	0.02	3,577	0.02	13,947	0.07	14,299	0.08
Reduction in revenue related to warrants	(8,145)	(0.04)	-	-	-	-	-	-	-	-
Acquisition accounting impacts of deferred revenue	1,120	0.01	2,400	0.01	1,700	0.01	1,120	0.01	13,101	0.07
Acquisition accounting impacts of fair valuing inventory	7,560	0.04	-	-	-	-	8,468	0.04	16,971	0.09
<i>Impacting operating expenses:</i>										
Integration, acquisition, restructuring and other costs	67,736	0.36	5,046	0.03	13,722	0.08	98,357	0.52	55,267	0.30
Amortization of intangible assets	100,588	0.53	88,305	0.49	90,062	0.51	375,407	1.98	383,560	2.11
Impairment of goodwill and intangible assets	55,000	0.29	-	-	-	-	55,000	0.29	3,400	0.02
Stock compensation expense	15,403	0.08	16,668	0.09	18,569	0.11	66,711	0.35	70,934	0.39
Gain on sale of fixed assets	-	-	-	-	(13,346)	(0.08)	-	-	(13,346)	(0.07)
Noncontrolling interest share of non-GAAP adj	(20,026)	(0.11)	(885)	(0.00)	(849)	-	(22,352)	(0.12)	(4,922)	(0.03)
<i>Impacting other (income)/expense:</i>										
Impairment on investments	-	-	-	-	-	-	929	-	-	-
Debt amendment fees	3,069	0.02	-	-	-	-	5,851	0.03	-	-
Pension settlement and curtailment	-	-	-	-	5,665	0.03	-	-	5,665	0.03
Remeasurement of certain deferred tax liabilities	852	-	519	-	(1,017)	(0.01)	9,360	0.05	(477)	-
<i>Impacting income tax expense:</i>										
Net tax items	(73,267)	(0.39)	(40,666)	(0.23)	(29,513)	(0.17)	(190,151)	(1.00)	(132,107)	(0.73)
Total highlighted items	153,193	0.81	75,047	0.42	88,570	0.50	422,647	2.23	412,345	2.27
Adjusted net income	\$	165,662 \$ 0.88	\$	122,126 \$ 0.68	\$	133,077 \$ 0.76	\$	514,674 \$ 2.71	\$	526,085 \$ 2.89
Weighted average ordinary shares - basic		186,548		178,106		173,726		187,133		180,147
Weighted average ordinary shares - diluted		188,829		179,337		176,248		189,616		182,041