

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

	Q3 2018				
	Network & Cloud	CPE	Enterprise	Corp/ Other	Total
Operating income (loss)	173,577	12,233	103	(132,892)	53,021
Add:					
Amortization of intangible assets	24,724	47,096	15,669	817	88,306
Integration, acquisition, restructuring & other costs	836	2,823	623	764	5,046
Direct contribution <sup>(1)</sup>	199,137	62,152	16,395	(131,311)	146,373
Adjustments:					
Allocated costs <sup>(2)</sup>	(28,662)	(19,344)	(5,533)	53,539	-
Stock compensation expense	7,917	5,298	3,343	3,770	20,328
Depreciation expense	7,000	7,107	3,149	4,174	21,431
Adjusted direct contribution	<u>185,393</u>	<u>55,213</u>	<u>17,354</u>	<u>(69,828)</u>	<u>188,131</u>

(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