

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

	Q3 2017		Q2 2018		Q3 2018		SEP YTD 2017		SEP YTD 2018	
	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share	Amount	Per Diluted Share
Sales	\$1,728,524		\$1,726,540		\$1,651,248		\$4,875,799		\$4,955,498	
Highlighted items:										
Reduction in revenue related to warrants	3,064		-		-		8,145		-	
Acquisition accounting impacts of deferred revenue	-		3,307		2,400		-		11,401	
Adjusted sales	\$1,731,588		\$1,729,847		\$1,653,648		\$4,883,944		\$4,966,899	
Net income (loss) attributable to ARRIS International plc	\$ 88,320	\$ 0.47	\$ 35,754	\$ 0.19	\$ 47,079	\$ 0.26	\$ 79,558	\$ 0.42	\$ 69,233	\$ 0.38
Highlighted Items:										
Impacting gross margin:										
Stock compensation expense	3,897	0.02	3,809	0.02	3,660	0.02	10,644	0.06	10,722	0.06
Reduction in revenue related to warrants	3,064	0.01	-	-	-	-	8,145	0.04	-	-
Acquisition accounting impacts of deferred revenue	-	-	3,307	0.02	2,400	0.02	-	-	11,401	0.06
Acquisition accounting impacts of fair valuing inventory	-	-	-	-	-	-	908	-	16,971	0.09
Impacting operating expenses:										
Integration, acquisition, restructuring and other costs	10,836	0.06	22,844	0.12	5,046	0.03	30,622	0.16	41,545	0.23
Amortization of intangible assets	90,162	0.48	90,485	0.49	88,305	0.49	274,819	1.44	293,498	1.60
Impairment on goodwill and intangible assets	-	-	-	-	-	-	-	-	3,400	0.02
Stock compensation expense	16,316	0.08	19,694	0.11	16,668	0.09	51,308	0.27	52,365	0.28
Noncontrolling interest share of non-GAAP adj	(711)	-	(867)	(0.00)	(885)	-	(2,326)	(0.01)	(4,073)	(0.02)
Impacting other (income)/expense:										
Impairment (gain) on investments	(1,821)	(0.01)	-	-	-	-	929	-	-	-
Debt amendment fees	-	-	-	-	-	-	2,782	0.02	-	-
Remeasurement of certain deferred tax liabilities	3,569	0.02	(3,676)	(0.02)	519	-	8,508	0.04	540	0.00
Impacting income tax expense:										
Net tax items	(62,698)	(0.33)	(37,387)	(0.20)	(40,666)	(0.23)	(116,884)	(0.61)	(102,594)	(0.56)
Total highlighted items	62,614	0.33	98,209	0.53	75,047	0.42	269,455	1.41	323,775	1.76
Adjusted net income	\$ 150,934	\$ 0.80	\$ 133,963	\$ 0.72	\$ 122,126	\$ 0.68	\$ 349,013	\$ 1.83	\$ 393,008	\$ 2.14
Weighted average ordinary shares - basic		187,064		184,216		178,106		187,878		182,132
Weighted average ordinary shares - diluted		188,941		185,669		179,337		190,264		183,817