

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

	<u>Q3 2017</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Sep YTD 2017</u>	<u>Sep YTD 2018</u>
Sales - GAAP	1,728,524	1,726,540	1,651,248	4,875,799	4,955,498
Adjustment to revenue related to warrants	3,064	-	-	8,145	-
Acquisition accounting impacts of deferred revenue	-	3,307	2,400	-	11,401
Adjusted Sales - Non-GAAP	<u>1,731,588</u>	<u>1,729,847</u>	<u>1,653,648</u>	<u>4,883,944</u>	<u>4,966,899</u>
GAAP Gross Margin	431,155	498,755	465,189	1,171,770	1,439,627
Acquisition accounting impacts of fair valuing inventory	-	-	-	908	16,971
Acquisition accounting impacts of deferred revenue	-	3,307	2,400	-	11,401
Stock compensation expense	3,897	3,809	3,660	10,644	10,722
Adjustment to revenue related to warrants	3,064	-	-	8,145	-
Adjusted Gross Margin - Non-GAAP	<u>438,116</u>	<u>505,871</u>	<u>471,249</u>	<u>1,191,467</u>	<u>1,478,721</u>
GAAP Gross Margin - %	24.9%	28.9%	28.2%	24.0%	29.1%
Adjusted Gross Margin - Non-GAAP - %	25.3%	29.2%	28.5%	24.4%	29.8%