

# Plantronics, Inc.

## First Quarter Fiscal 2015

### Analyst Information Sheet

(Unaudited, \$ in thousands except per share amounts)

GAAP Income Statement	Q114	Q214	Q314	Q414	FY14	Q115	Q1 to Q1	Q4 to Q1
	<i>Jun-13</i>	<i>Sep-13</i>	<i>Dec-13</i>	<i>Mar-14</i>		<i>Jun-14</i>		
Net revenues	\$ 202,818	\$ 193,980	\$ 212,739	\$ 209,070	\$ 818,607	\$ 216,662	6.8%	3.6%
Cost of revenues	97,186	94,366	102,412	98,015	391,979	101,952	4.9%	4.0%
Gross profit	105,632	99,614	110,327	111,055	426,628	114,710	8.6%	3.3%
<i>Gross profit %</i>	52.1%	51.4%	51.9%	53.1%	52.1%	52.9%		
Research, development and engineering	20,863	20,447	21,018	22,453	84,781	22,520	7.9%	0.3%
<i>As a % of net revenue</i>	10.3%	10.5%	9.9%	10.7%	10.4%	10.4%		
Selling, general and administrative	48,097	48,507	51,467	53,105	201,176	56,429	17.3%	6.3%
<i>As a % of net revenue</i>	23.7%	25.0%	24.2%	25.4%	24.6%	26.0%		
Gain from litigation settlement	-	-	-	-	-	(2,000)		
Restructuring and other related costs	723	(176)	-	-	547	-		
Operating expenses	69,683	68,778	72,485	75,558	286,504	76,949	10.4%	1.8%
<i>Operating expenses %</i>	34.4%	35.5%	34.1%	36.1%	35.0%	35.5%		
Operating income	35,949	30,836	37,842	35,497	140,124	37,761	5.0%	6.4%
<i>Operating income %</i>	17.7%	15.9%	17.8%	17.0%	17.1%	17.4%		
Interest and other income (expense), net	(486)	359	186	956	1,015	1,020		
Income before income taxes	35,463	31,195	38,028	36,453	141,139	38,781	9.4%	6.4%
Income tax expense	8,510	8,057	3,645	8,510	28,722	10,109		
<i>Income tax expense as a percent of income before taxes</i>	24.0%	25.8%	9.6%	23.3%	20.4%	26.1%		
Net income	\$ 26,953	\$ 23,138	\$ 34,383	\$ 27,943	112,417	\$ 28,672	6.4%	2.6%
Diluted shares outstanding	43,650	43,597	43,228	42,697	43,364	42,466		
Diluted earnings per share ("EPS")	\$ 0.62	\$ 0.53	\$ 0.80	\$ 0.65	\$ 2.59	\$ 0.68	9.7%	4.6%

A reconciliation between GAAP and Non-GAAP measures for the current quarter and prior year quarter is attached as an appendix to this document. Other historical reconciliations are available at [www.plantronics.com/investor](http://www.plantronics.com/investor).

#### Use of Non-GAAP Financial Information

To supplement our condensed consolidated financial statements presented on a GAAP basis, we use non-GAAP measures of operating results, which are adjusted to exclude certain non-cash expenses and charges from non-GAAP operating income, non-GAAP operating margin and non-GAAP diluted EPS, including stock-based compensation related to stock options, restricted stock and employee stock purchases made under our employee stock purchase plan, purchase accounting amortization, accelerated depreciation, and early lease termination charges, all net of the associated tax impact, tax benefits from the release of tax reserves, transfer pricing, tax deduction and tax credit adjustments, and the impact of tax law changes. We exclude these expenses from our non-GAAP measures primarily because Plantronics' management does not believe they are part of our target operating model. We believe that the use of non-GAAP financial measures provides meaningful supplemental information regarding our performance and liquidity and helps investors compare actual results with our long-term target operating model goals. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods; however, non-GAAP financial measures are not meant to be considered in isolation or as a substitute for, or superior to, gross margin, operating income, operating margin, net income or EPS prepared in accordance with GAAP.

**Plantronics, Inc.**  
**First Quarter Fiscal 2015**  
**Analyst Information Sheet**

(Unaudited, \$ in thousands except per share amounts)

Non-GAAP Income Statement	Q114 <sup>(1)</sup>	Q214 (1)	Q314 (1)	Q414 <sup>(1)</sup>	FY14 <sup>(1)</sup>	Q115	Q1 to Q1	Q4 to Q1
	<i>Jun-13</i>	<i>Sep-13</i>	<i>Dec-13</i>	<i>Mar-14</i>		<i>Jun-14</i>		
Net revenues	\$ 202,818	\$ 193,980	\$ 212,739	\$ 209,070	\$ 818,607	\$ 216,662	6.8%	3.6%
Cost of revenues	96,169	92,561	101,726	97,320	387,776	101,417	5.5%	4.2%
Gross profit	106,649	101,419	111,013	111,750	430,831	115,245	8.1%	3.1%
<i>Gross profit %</i>	52.6%	52.3%	52.2%	53.5%	52.6%	53.2%		
Research, development and engineering	19,294	18,675	19,280	20,707	77,956	20,719	7.4%	0.1%
<i>As a % of net revenue</i>	9.5%	9.6%	9.1%	9.9%	9.5%	9.6%		
Selling, general and administrative	44,942	44,752	47,798	49,311	186,803	52,410	16.6%	6.3%
<i>As a % of net revenue</i>	22.2%	23.1%	22.5%	23.6%	22.8%	24.2%		
Gain from litigation settlement	-	-	-	-	-	(2,000)		
Operating expenses	64,236	63,427	67,078	70,018	264,759	71,129	10.7%	1.6%
<i>Operating expenses %</i>	31.7%	32.7%	31.5%	33.5%	32.3%	32.8%		
Operating income	42,413	37,992	43,935	41,732	166,072	44,116	4.0%	5.7%
<i>Operating income %</i>	20.9%	19.6%	20.7%	20.0%	20.3%	20.4%		
Interest and other income (expense), net	(486)	359	186	956	1,015	1,020		
Income before income taxes	41,927	38,351	44,121	42,688	167,087	45,136		
Income tax expense	11,334	10,355	11,065	10,898	43,652	12,182	7.5%	11.8%
<i>Income tax expense as a percent of income before taxes</i>	27.0%	27.0%	25.1%	25.5%	26.1%	27.0%		
Net income	30,593	27,996	33,056	31,790	123,435	32,954	7.7%	3.7%
Diluted shares outstanding	43,650	43,597	43,228	42,697	43,364	42,466	-2.7%	-0.5%
Diluted EPS	\$ 0.70	\$ 0.64	\$ 0.76	\$ 0.74	\$ 2.85	0.78	11.4%	5.4%

# Plantronics, Inc.

## First Quarter Fiscal 2015

### Analyst Information Sheet

(Unaudited, \$ in thousands except per share amounts)

<b>Net revenues by geographic area from unaffiliated customers:</b>	
Domestic	
As a % of total net revenue	
International	
As a % of total net revenue	
United States	
As a % of total net revenue	
Europe and Africa	
As a % of total net revenue	
Asia Pacific	
As a % of total net revenue	
Americas, excluding United States	
As a % of total net revenue	
<b>Net Revenue Breakout</b>	
Enterprise	
As a % of total net revenue	
Unified Communications ("UC") product revenue	
As a % of Enterprise net revenue	
Core Enterprise Revenue	
Consumer	
As a % of total net revenue	

Q114 <sup>(1)</sup>	Q214 <sup>(1)</sup>	Q314 (1)	Q414 (1)	FY14 <sup>(1)</sup>
Jun-13	Sep-13	Dec-13	Mar-14	
\$ 121,318	\$ 115,795	\$ 113,042	\$ 125,123	\$ 475,278
60%	60%	53%	60%	58%
\$ 81,500	\$ 78,185	\$ 99,697	\$ 83,947	\$ 343,329
40%	40%	47%	40%	42%
\$ 121,318	\$ 115,795	\$ 113,042	\$ 125,123	\$ 475,278
60%	60%	53%	60%	58%
\$ 44,385	\$ 43,094	\$ 58,997	\$ 48,909	\$ 195,385
22%	22%	28%	23%	24%
\$ 23,880	\$ 23,280	\$ 25,917	\$ 21,378	\$ 94,455
12%	12%	12%	10%	12%
\$ 13,235	\$ 11,811	\$ 14,783	\$ 13,660	\$ 53,489
6%	6%	7%	7%	6%

Q115
Jun-14
\$ 124,467
57%
\$ 92,195
43%
\$ 124,467
58%
\$ 51,262
24%
\$ 26,969
12%
\$ 13,964
6%

Q1 to Q1	Q4 to Q1
2.6%	-0.5%
13.1%	9.8%
2.6%	-0.5%
15.5%	4.8%
12.9%	26.2%
5.5%	2.2%

\$ 151,183	\$ 139,945	\$ 146,636	\$ 150,501	\$ 588,265
75%	72%	69%	72%	72%
42,093	36,896	43,206	43,647	165,842
28%	26%	29%	29%	28%
109,090	103,049	103,430	106,854	422,423
\$ 51,635	\$ 54,034	\$ 66,103	\$ 58,569	\$ 230,341
25%	28%	31%	28%	28%

\$ 152,353
70%
49,206
32%
103,147
\$ 64,309
30%

Q1 to Q1	Q4 to Q1
0.8%	1.2%
16.9%	12.7%
-5.4%	-3.5%
24.5%	9.8%

<b>Balance Sheet Accounts and Other Metrics:</b>	
Cash, Cash Equivalents & Short-Term Investments	
Long-Term Investments	
Days Sales Outstanding	
Inventory, net	
Inventory turns	
Free Cash Flow (Cash flow from Operations less capital expenditures) <sup>(1)</sup>	
Cash Flow from Operations	
Capital Expenditures <sup>(2)</sup>	
Depreciation	
Purchase Accounting Amortization	
Total # of Worldwide Employees	
<b>Total cash utilized for stock repurchases under authorized plans</b>	
<b>Total shares repurchased under authorized plans (in thousands)</b>	
<b>Average Price per Share for stock repurchases under authorized plans</b>	
Open market repurchases - in actual \$'s	

Q114	Q214	Q314	Q414	FY14
\$ 357,953	\$ 359,123	\$ 321,931	\$ 335,421	\$ 335,421
\$ 85,904	\$ 79,475	\$ 106,800	\$ 100,342	\$ 100,342
54	57	56	60	
\$ 65,314	\$ 69,150	\$ 66,569	\$ 57,132	\$ 57,132
6.0	5.5	6.2	6.9	
\$ 21,126	\$ 9,267	\$ 24,072	\$ 36,041	\$ 90,506
\$ 34,140	\$ 23,466	\$ 34,516	\$ 49,369	\$ 141,491
\$ 13,014	\$ 14,199	\$ 10,444	\$ 13,328	\$ 50,985
\$ 4,011	\$ 3,699	\$ 3,706	\$ 3,845	\$ 15,261
\$ 121	\$ 85	\$ 50	\$ 50	\$ 306
3,221	3,259	3,343	3,379	3,379
\$ 10,766	\$ 16,547	\$ 29,441	\$ 28,900	\$ 85,654
235	372	675	667	1,949
\$ 45.72	\$ 44.54	\$ 43.62	\$ 43.62	\$ 43.95

Q115
\$ 328,437
\$ 108,784
63
\$ 60,968
6.7
\$ 22,226
\$ 29,538
\$ 7,312
\$ 4,574
\$ 50
3,354
\$ 12,438
282
\$ 44.17

Q4 to Q1
-2.1%
8.4%
6.7%
-38.3%
-40.2%
-45.1%
19.0%
0.0%
-0.7%

(1) Non- GAAP

**Plantronics, Inc.**  
**First Quarter Fiscal 2015**  
**Analyst Information Sheet**

(Unaudited, \$ in thousands except per share amounts)

Reconciliations of GAAP Measures to non-GAAP Measures	Q114	Q214	Q314	Q414	FY14	Q115
	Jun-13	Sep-13	Dec-13	Mar-14		Jun-14
GAAP Gross profit	\$ 105,632	\$ 99,614	\$ 110,327	\$ 111,055	\$ 426,628	\$ 114,710
Stock-based compensation	535	638	686	695	2,554	535
Accelerated depreciation	220	41	-	-	261	-
Lease termination charges	262	1,126	-	-	1,388	-
Non-GAAP Gross profit	\$ 106,649	\$ 101,419	\$ 111,013	\$ 111,750	\$ 430,831	\$ 115,245
<i>Non-GAAP Gross profit %</i>	52.6%	52.3%	52.2%	53.5%	52.6%	53.2%
GAAP Operating expenses	\$ 69,683	\$ 68,778	\$ 72,485	\$ 75,558	\$ 286,504	\$ 76,949
Stock-based compensation	(4,452)	(5,327)	(5,357)	(5,490)	(20,626)	(5,770)
Accelerated depreciation	(151)	(49)	-	-	(200)	-
Lease termination charges	-	(66)	-	-	(66)	-
Purchase accounting amortization	(121)	(85)	(50)	(50)	(306)	(50)
Restructuring and other related charges	(723)	176	-	-	(547)	-
Non-GAAP Operating expenses	\$ 64,236	\$ 63,427	\$ 67,078	\$ 70,018	\$ 264,759	\$ 71,129
GAAP Operating income	\$ 35,949	\$ 30,836	\$ 37,842	\$ 35,497	\$ 140,124	\$ 37,761
Stock-based compensation	4,987	5,965	6,043	6,185	23,180	6,305
Accelerated depreciation	371	90	-	-	461	-
Lease termination charges	262	1,192	-	-	1,454	-
Purchase accounting amortization	121	85	50	50	306	50
Restructuring and other related charges	723	(176)	-	-	547	-
Non-GAAP Operating income	\$ 42,413	\$ 37,992	\$ 43,935	\$ 41,732	\$ 166,072	\$ 44,116
<i>Non-GAAP Operating income %</i>	20.9%	19.6%	20.7%	20.0%	20.3%	20.4%
GAAP Income before income taxes	\$ 35,463	\$ 31,195	\$ 38,028	\$ 36,453	\$ 141,139	\$ 38,781
Stock-based compensation	4,987	5,965	6,043	6,185	23,180	6,305
Accelerated depreciation	371	90	-	-	461	-
Lease termination charges	262	1,192	-	-	1,454	-
Purchase accounting amortization	121	85	50	50	306	50
Restructuring and other related charges	723	(176)	-	-	547	-
Non-GAAP Income before income taxes	\$ 41,927	\$ 38,351	\$ 44,121	\$ 42,688	\$ 167,087	\$ 45,136
GAAP Income tax expense	\$ 8,510	\$ 8,057	\$ 3,645	\$ 8,510	\$ 28,722	\$ 10,109
Income tax effect of above items	1,889	2,072	1,799	1,738	7,498	1,800
Income tax effect of unusual tax items	935	226	5,621	650	7,432	273
Non-GAAP Income tax expense	\$ 11,334	\$ 10,355	\$ 11,065	\$ 10,898	\$ 43,652	\$ 12,182
<i>Non-GAAP Income tax expense as a % of Non-GAAP Income before income taxes</i>	27.0%	27.0%	25.1%	25.5%	26.1%	27.0%
GAAP Net income	\$ 26,953	\$ 23,138	\$ 34,383	\$ 27,943	\$ 112,417	\$ 28,672
Stock-based compensation	4,987	5,965	6,043	6,185	23,180	6,305
Accelerated depreciation	371	90	-	-	461	-
Lease termination charges	262	1,192	-	-	1,454	-
Purchase accounting amortization	121	85	50	50	306	50
Restructuring and other related charges	723	(176)	-	-	547	-
Income tax effect of above items	(1,889)	(2,072)	(1,799)	(1,738)	(7,498)	(1,800)
Income tax effect of unusual tax items	(935)	(226)	(5,621)	(650)	(7,432)	(273)
Non-GAAP Net income	\$ 30,593	\$ 27,996	\$ 33,056	\$ 31,790	\$ 123,435	\$ 32,954
GAAP Diluted earnings per common share	\$ 0.62	\$ 0.53	\$ 0.80	\$ 0.65	\$ 2.59	\$ 0.68
Stock-based compensation	0.11	0.14	0.14	0.14	0.53	0.15
Accelerated depreciation	0.01	-	-	-	0.01	-
Lease termination charges	0.01	0.02	-	-	0.03	-
Restructuring and other related charges	0.02	-	-	-	0.02	-
Income tax effect	(0.07)	(0.05)	(0.18)	(0.05)	(0.33)	(0.05)
Non-GAAP Diluted earnings per common share	\$ 0.70	\$ 0.64	\$ 0.76	\$ 0.74	\$ 2.85	\$ 0.78
Shares used in diluted earnings per common share calculation	43,650	43,597	43,228	42,697	43,364	42,466