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Q3 FY15 Financial Results

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January 26, 2015

Simply Smarter Communications™

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements relating to (i) our estimates of GAAP and non-GAAP financial results for the fourth quarter of fiscal year 2015, including net revenues, operating income and diluted EPS; (ii) our estimate of weighted average shares outstanding for the fourth quarter of fiscal year 2015 (iii) our estimates of stock-based compensation and purchase accounting amortization and other associated tax impacts, as well as the impact of these non-cash expenses on Non-GAAP operating income and diluted EPS and (iv) our estimates of total addressable market including industry revenue expectations, UC increase in rates and UC headset sales in addition to other matters discussed in this presentation that are not purely historical data. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contemplated by such statements. We do not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise, except as required by applicable law.

The factors that could cause actual results to differ are discussed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on May 16, 2014, in our reports on Form 10-Q and Form 8-K filed with the SEC as well as our other public disclosures, including our press releases. Please also refer to the Safe Harbor included in our press release regarding our results for the third quarter of fiscal year 2015 which was filed with the Securities and Exchange Commission on a Form 8-K on January 26, 2015. The Securities and Exchange Commission filings and our press releases can be accessed on our website at www.plantronics.com/investor

This presentation may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. 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

Key Points For Q3 FY15

- Company is executing well; recent currency moves are a significant headwind
- 10% Enterprise Revenue Growth
- Record Consumer Revenues, success in *Stereo Bluetooth*
- Record Operating Income
- Met EPS estimates despite currency headwind
- Enthusiastic reaction to recently launched products, and excellent portfolio to launch throughout the year

Q3 FY15 Financial Highlights (Non-GAAP)

Comparisons are to Prior Year Quarter

- Revenue: \$231.8 vs. \$212.7M, 9% growth
- Gross Margin: 52.0% vs. 52.2%
- Operating Margin: 20.8% vs. 20.7%
- Operating Income: \$48.1M vs. \$43.9M, 10% growth
- Diluted Earnings per share: \$0.79 vs. \$0.76, 4% growth
- UC revenue: \$53.5M vs. \$43.2M, 24% growth
- \$484M in cash, cash equivalents and short & long term investments

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.

Revenues by Product Group, Q3 FY 2015, YOY Growth

\$231.8 Million Total Revenue

6% Growth

Consumer
\$70.2M

4% Growth

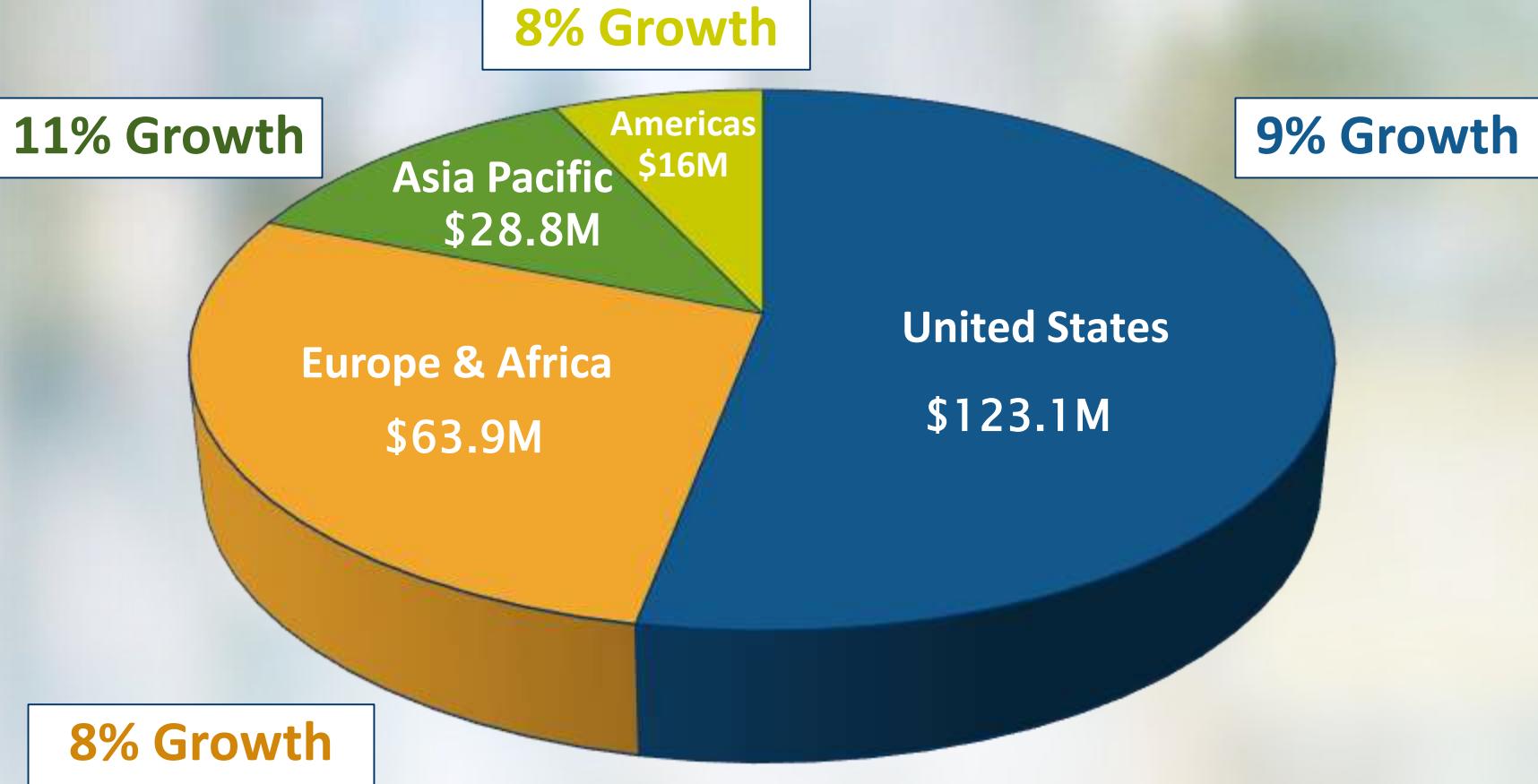
Core Enterprise
\$108.1M

Unified
Communications
\$53.5M

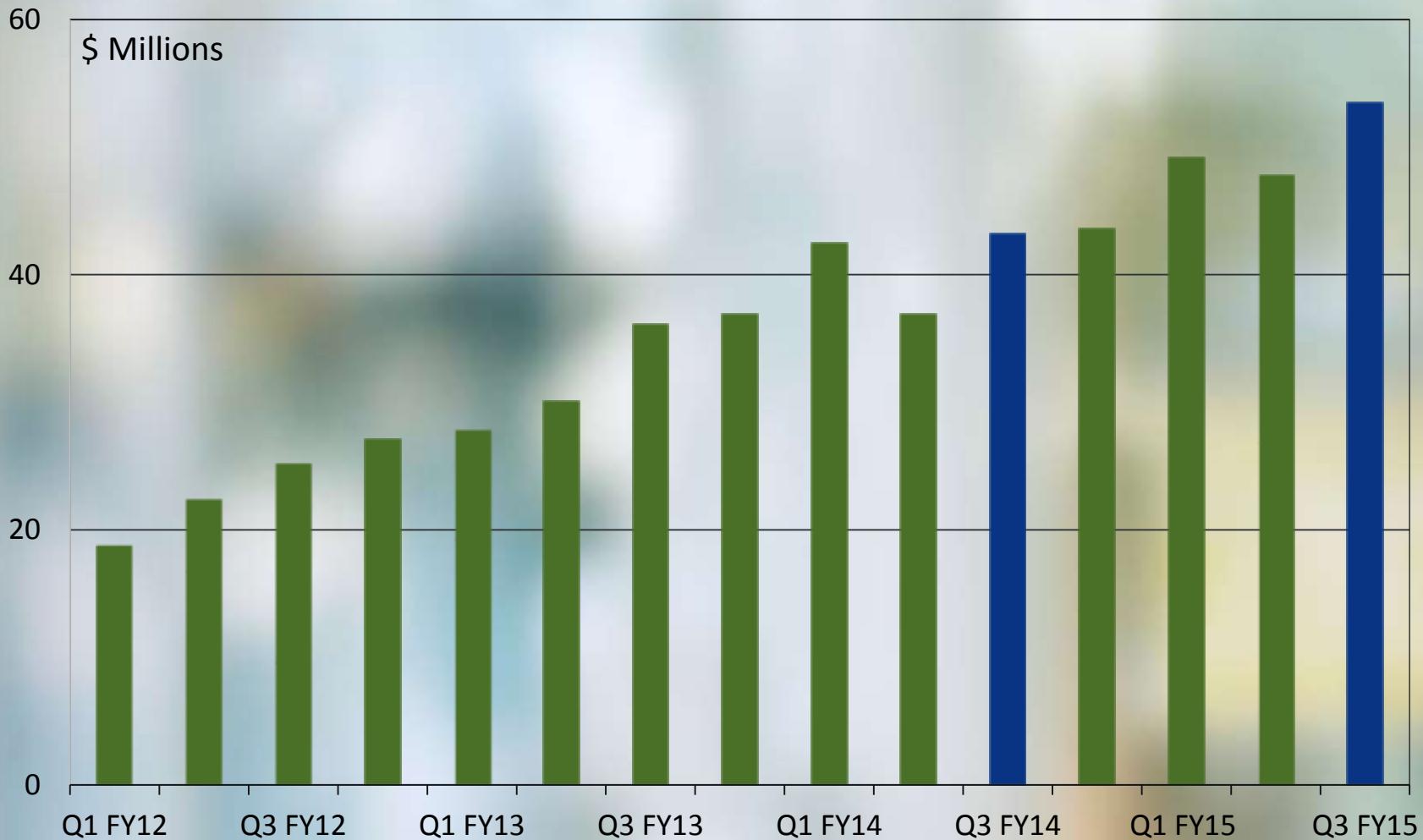
24% Growth

Revenues by Region, Q3 FY 2015, YOY Growth

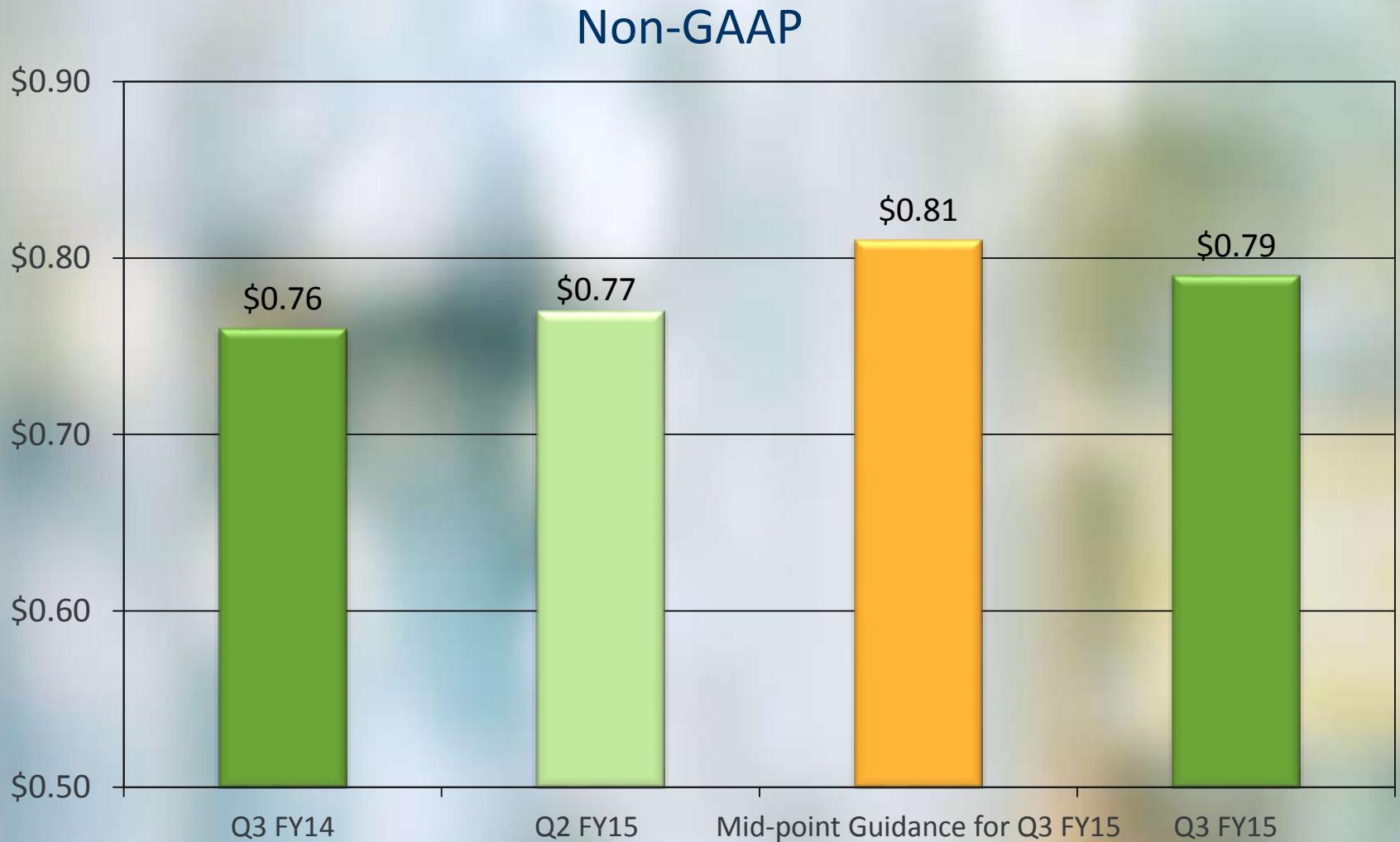
\$231.8 Million Total Revenue



24% Growth in UC Revenues



EPS Met Guidance, Despite Material Currency Headwind



Leverage in Our Long-Term Target Operating Model

Non-GAAP

	Target Model*	Q3 FY15**
Gross Margin	50 – 52%	52.0%
R & D	8 – 10%	9.0%
S, G & A	21 – 23%	23.0%
Operating Margin	20 – 23%	20.8%

* This target model is not a projection for FY15 or any other particular quarter or fiscal period.

**Non-GAAP does not include stock-based compensation, accelerated depreciation and restructuring and other related charges

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Q4 FY15 Guidance as of January 26, 2014

- Net Revenues: \$205 million to \$215 million
- GAAP operating income of \$32 million to \$37 million
- Non-GAAP operating income of \$40 million to \$45 million
 - Excludes ~\$8 million of stock-based compensation and purchase accounting amortization
- Assuming ~43 million diluted average weighted shares outstanding:
- GAAP diluted EPS: \$0.55 to \$0.63
- The EPS cost of stock-based compensation and purchase accounting amortization, along with the associated tax impacts is expected to be \$0.12; and
- Non-GAAP diluted EPS of approximately \$0.67 to \$0.75

Plantronics does not intend to update these targets during the quarter or to report on its progress toward these targets. Plantronics will not comment on these targets to analysts or investors except by its press release announcing its fourth quarter fiscal year 2015 results or by other public disclosure. Any statements by persons outside Plantronics speculating on the progress of the fourth quarter fiscal year 2015 will not be based on internal company information and should be assessed accordingly by investors.

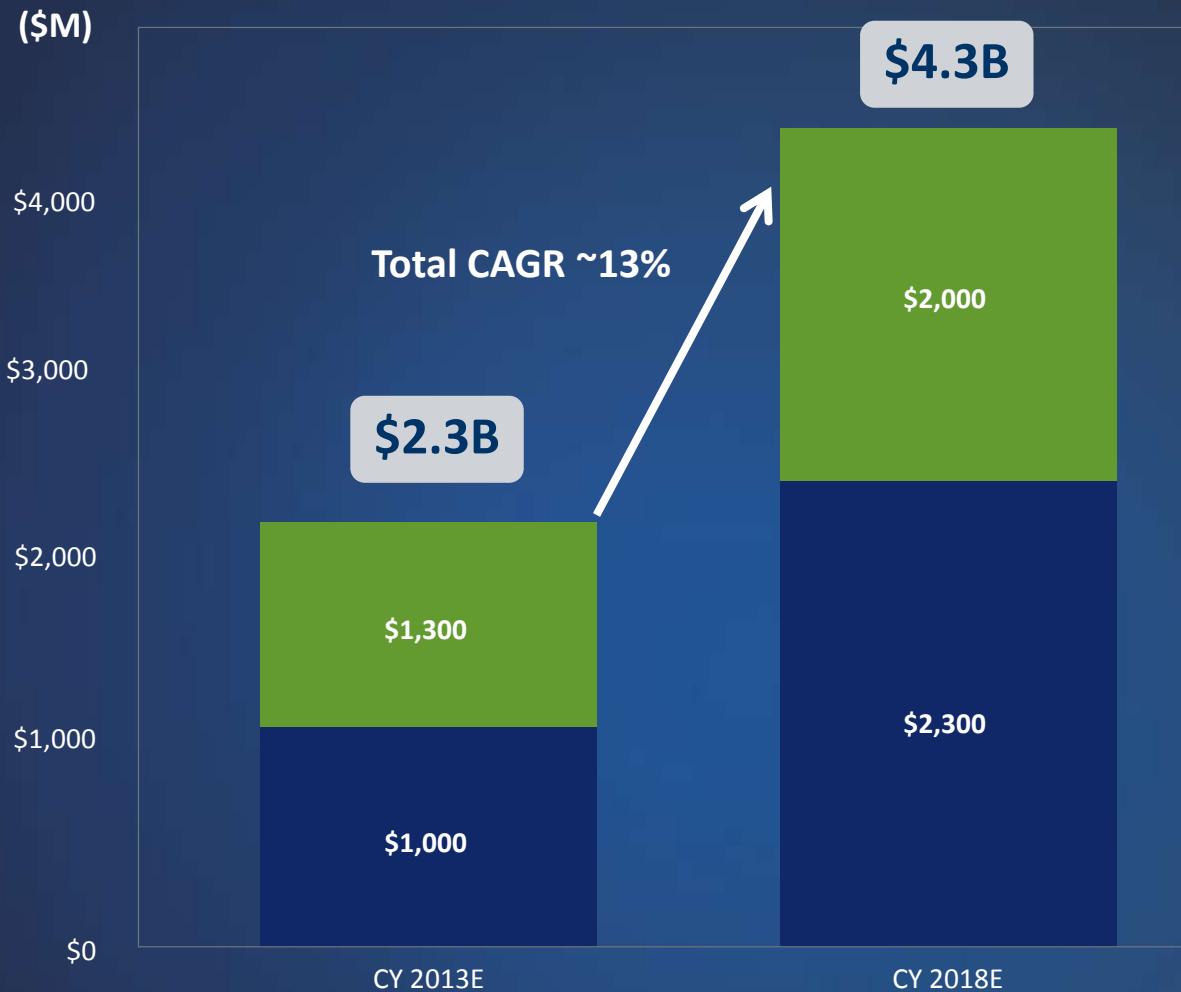
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Total Addressable Market



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WW Industry Revenue Expectations CY13– CY18



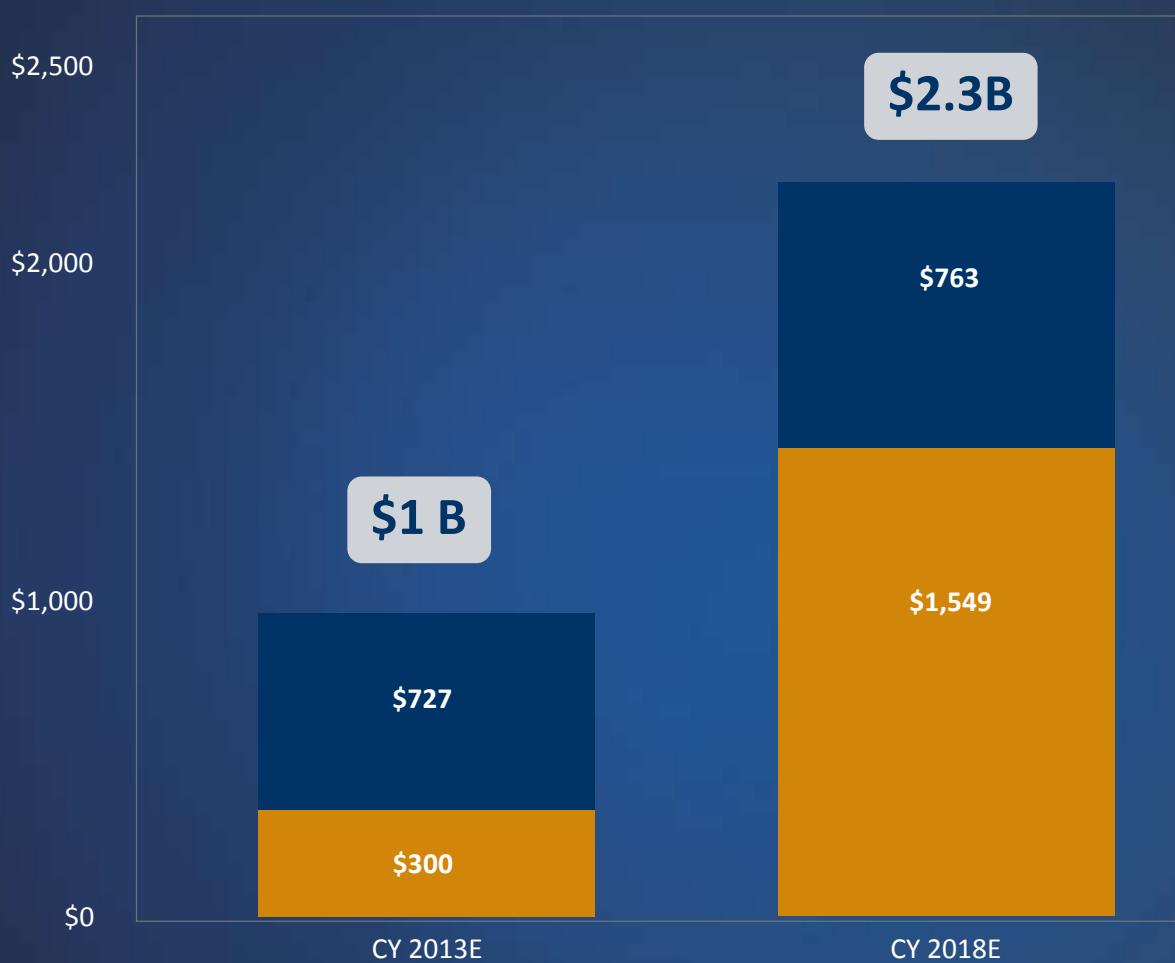
Industry CAGRs	
Consumer	8% – 10%
Enterprise	17% - 18%
Overall	~13%

Growth rates vary with economy, consumer adoption rates, competition and resulting price levels and other factors.

Sources: Frost & Sullivan, Strategy Analytics and company estimates

Enterprise WW Industry Revenue Expectations CY13– CY18

WW Enterprise Revenue (\$M)



Industry CAGRs
(approximations)

Core Enterprise	1%
Unified Communications	38% - 40%
Overall	17% - 18%

Growth rates vary with economy, consumer adoption rates, competition and resulting price levels and other factors.

Sources: Frost & Sullivan and company estimates

UC Headset Model Logic – CY 2018

2018 UC Industry Installed Base

94M Active UC
Voice Licenses

60% UC Headset
Attach Rate

56M Audio
Endpoints

2018 UC Industry Headset Sales

22M UC Audio
Devices Sold

\$1.5B UC Audio
Device Market
Revenue

1
Investing in
High Growth
Markets

2
A Leverageable
Long-term
Business
Model

3
Continuous
Return of
Cash to
Stockholders

Driving Value Creation



Promising Opportunities in All Product Categories

- 
1. Unified Communications
 2. Contact Center
 3. Consumer Stereo
 4. Core Enterprise

1) The Unified Communications Opportunity



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UC Opens the Market to Infrequent Phone Users



UC Increases Headset Attach Rates

Audio Device Attach Rate to Office Workers

Early Adopter Market Phase
Attach Rate:
(Traditional + UC): 13%

**Current Estimated
Attach Rate: 6%**



2013: 425M Knowledge Workers



2018: 450M Knowledge Workers

Growth rates vary with economy, consumer adoption rates, competition and resulting price levels and other factors.

Sources: Frost & Sullivan and company estimates

Calendar Year

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UC Headset Market to be ~\$1.5B* in CY18

90% of
Enterprises
Are Moving to UC

80% Headset
Attach Rate to
Softphones



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*Frost & Sullivan

2) Upgrades in the Contact Center

Intelligence & Innovation



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The Contact Center Evolution is Just Beginning



Cloud Based CC is
Growing Rapidly

Contact Center Agent
Growth Rate Continues at
~ Global GDP*

EncorePro 500 Series

- Lightest in class
- Improved intelligibility
- Proprietary microphone
- Improved noise-cancellation
- Wideband audio
- Improved comfort & fit



New Plantronics Digital Adapter Series

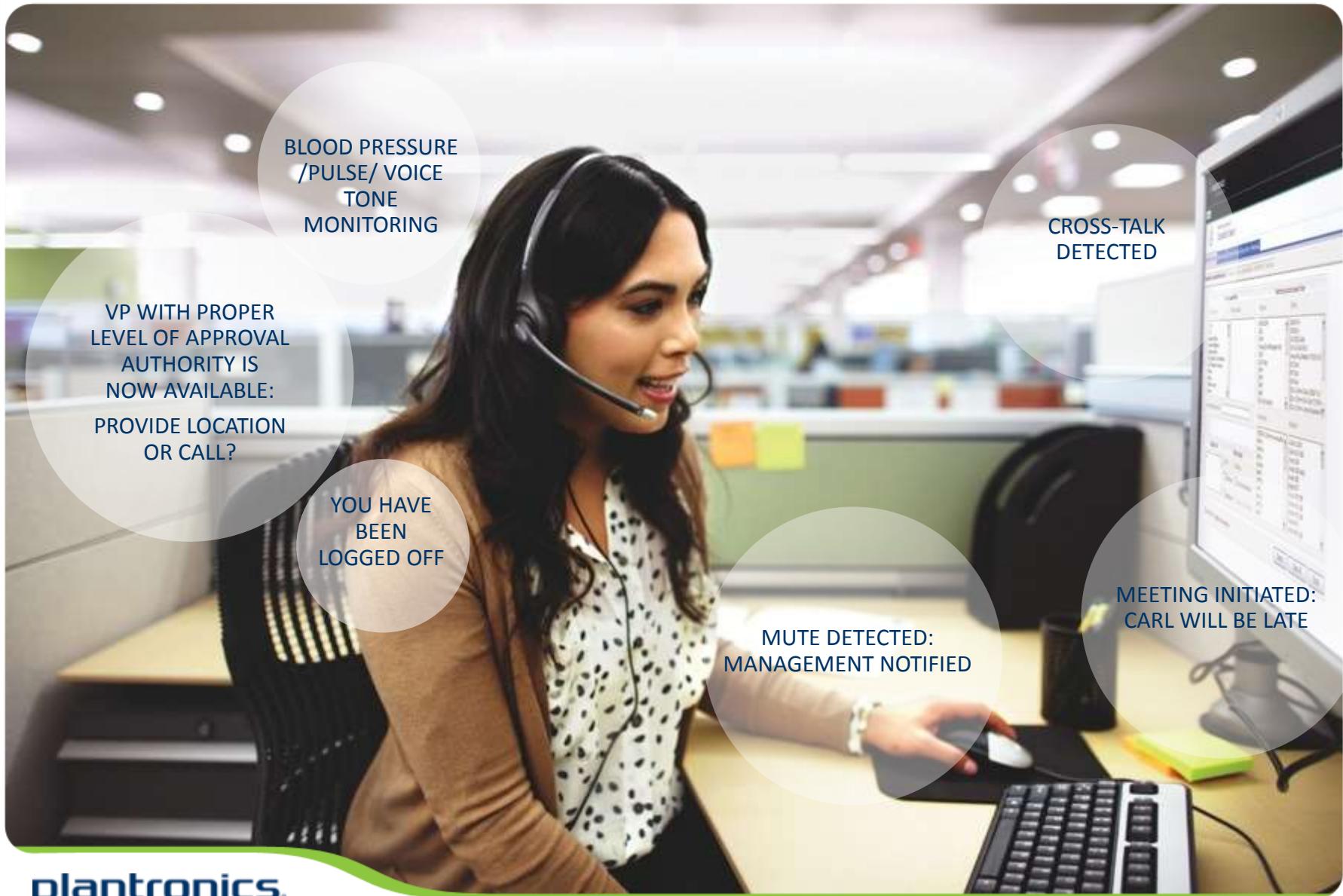
Bringing Intelligence
to Customer Service

- Cross Talk Detection
- Mute Detection
- SmartLock
- Asset Management

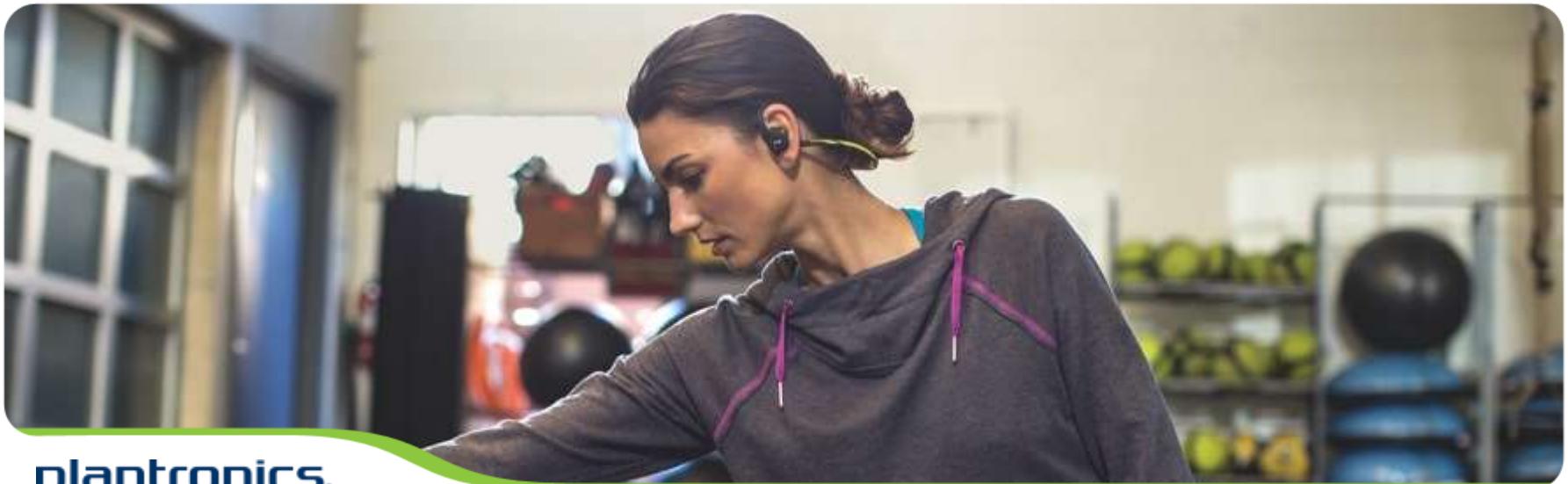


Plantronics Spokes Software

Looking Ahead: Intelligent Enterprise & Contact Center



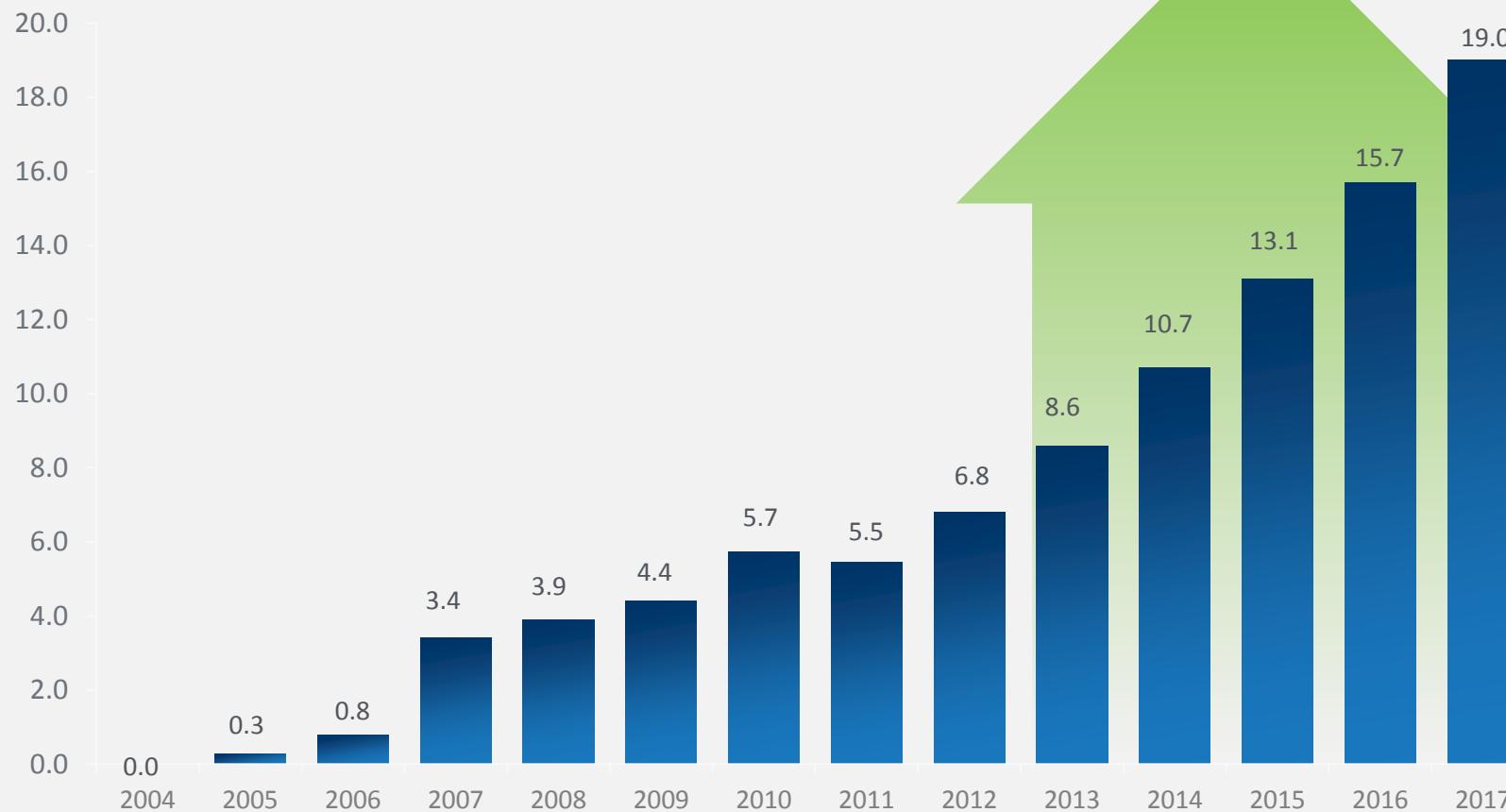
3) Consumer Stereo Bluetooth



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Global Bluetooth Stereo Headset Sales

(Millions of Units)



Source: Strategy Analytics, Nov 2013

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New Stereo *Bluetooth*: Backbeat FIT & Backbeat PRO



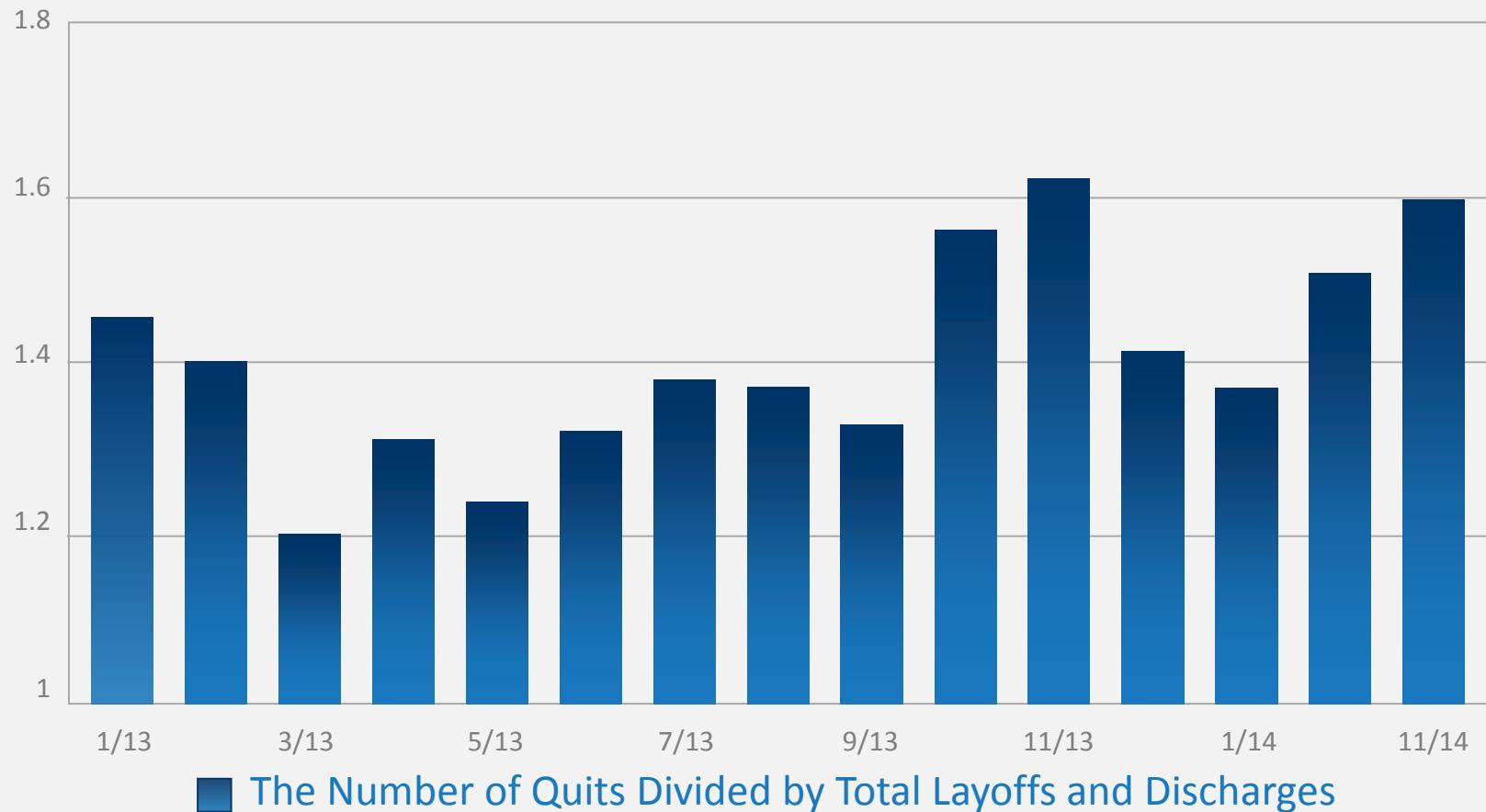
Our new stereo products have superb wireless audio, long battery life, and multi-device connectivity that keeps users connected while on the go.

4) Core Enterprise is Driven by Job Turnover



Higher Job Turnover Drives Core Enterprise

Current Turnover is Below Pre-recession Peak of Approximately 2



Source: US Labor Department

Why We Win

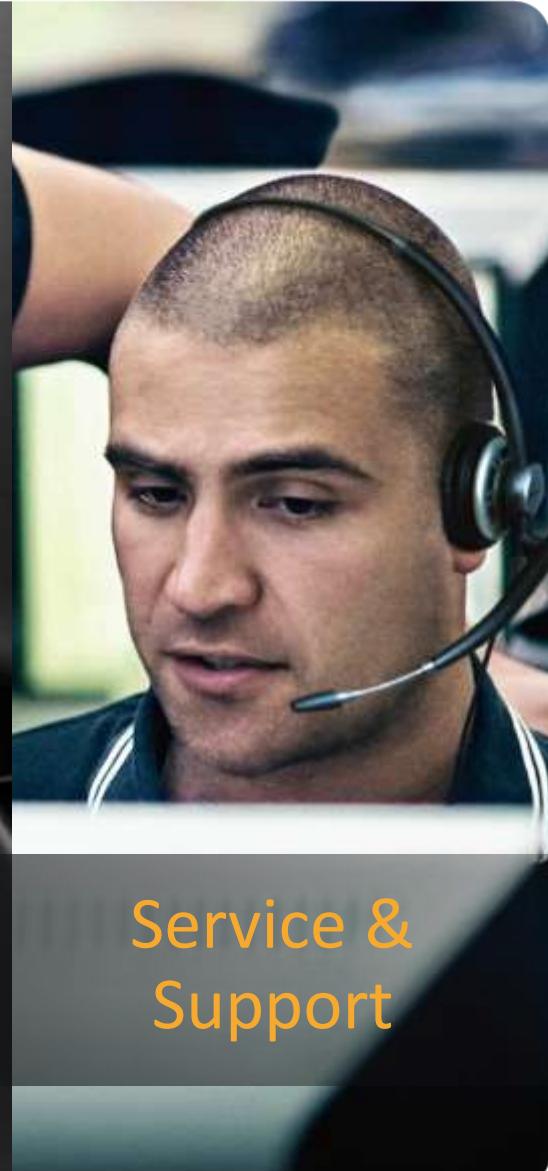


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Relationships



Innovation



Service & Support

A close-up, side-profile photograph of a young man with dark hair and a mustache. He is wearing a black t-shirt and a black Plantronics earbud with a microphone. The background is blurred, showing some orange and green lights, suggesting an urban or tech-oriented environment.

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