

**PRESS RELEASE**

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Plantronics Announces First Quarter Fiscal Year 2016 Financial Results

*Revenue and Profitability in Line with Guidance; 10 Millionth Unified Communications Headset Shipped*

**SANTA CRUZ, CA** – July 27, 2015 - Plantronics, Inc. (NYSE: PLT) today announced first quarter fiscal year 2016 financial results. Highlights of the first quarter include the following (comparisons are against the first quarter of fiscal year 2015):

* Net revenues were $206.4 million compared with $216.7 million
* GAAP gross margin was 52.0% compared with 52.9%
	+ Non-GAAP gross margin was 52.4% compared with 53.2%.
* GAAP operating income was $29.4 million compared with $37.8 million
	+ Non-GAAP operating income was $37.5 million compared with $44.1 million
* GAAP diluted earnings per share (“EPS”) was $0.55 compared with $0.68
	+ Non-GAAP diluted EPS was $0.67 compared with $0.78

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| **Q1 Fiscal Year 2016 GAAP Results** |
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|  |  | **Q1 2016** |  | **Q1 2015** |  | **Change (%)** |
| Net revenues | $206.4 million |  | $216.7 million |  | *(4.8)%* |
| Operating income | $29.4 million |  | $37.8 million |  | *(22.2)%* |
|  *Operating Margin* | *14.2%* |  | *17.4%* |  |  |
| Diluted EPS | $0.55  |  | $0.68  |  | *(19.1)%* |
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| **Q1 Fiscal Year 2016 Non-GAAP Results** |
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|  |  | **Q1 2016** |  | **Q1 2015** |  | **Change (%)** |
| Operating income | $37.5 million |  | $44.1 million |  | *(15.1)%* |
|  *Operating Margin* | *18.2%* |  | *20.4%* |  |  |
| Diluted EPS | $0.67  |  | $0.78  |  | *(14.1)%* |
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A reconciliation between our GAAP and non-GAAP results is provided in the tables at the end of this press release.

“Our first quarter financial results were in-line with our expectations and we executed well on the product side with the recent introduction of several innovative new products for Unified Communications, Consumer Entertainment and Gaming,” stated Ken Kannappan, President & CEO. “We significantly reduced our share count during the quarter by purchasing over five million shares through the strategic use of our line of credit with Wells Fargo and thereafter a portion of the proceeds from our $500 million senior notes offering.”

“Our quarter ending cash, cash equivalents and investments grew to $683 million principally as a result of the proceeds of our senior notes offering, offset by approximately $284 million which we used to pay off our line of credit and to repurchase additional shares of our stock,” stated Pam Strayer, Senior Vice President and Chief Financial Officer. “On a constant currency basis, our overall revenue declined by 1%, but our Enterprise revenues grew by 3%.”

Enterprise net revenues were down slightly to $151.8 million in the first quarter of fiscal year 2016 compared with $152.4 million in the first quarter of fiscal year 2015.

Consumer net revenues were $54.6 million in the first quarter of fiscal year 2016, down from $64.3 million in the first quarter of fiscal year 2015, due primarily to a decline in mono Bluetooth demand and reduced sales of stereo Bluetooth products.

**Plantronics Announces Quarterly Dividend of $0.15**

We are also announcing that we have declared a quarterly dividend of $0.15 per common share, to be paid on September 10, 2015 to all shareholders of record as of the close of business on August 20, 2015.

**Business Outlook**

The following statements are based on our current expectations and many of these statements are forward-looking. Actual results are subject to a variety of risks and uncertainties and may differ materially from our expectations.

We have a “book and ship” business model whereby we fulfill the majority of orders received within 48 hours of receipt of those orders. However, our backlog is occasionally subject to cancellation or rescheduling by our customers on short notice with little or no penalty. Therefore, there is a lack of meaningful correlation between backlog at the end of a fiscal period and net revenues in a succeeding fiscal period.

Our business is inherently difficult to forecast, particularly with continuing uncertainty in regional economic conditions and currency fluctuations, and there can be no assurance that expectations of incoming orders over the balance of the current quarter will materialize.

Subject to the foregoing, we currently expect the following range of financial results for the second quarter of fiscal year 2016:

* Net revenues of $202 million to $212 million;
* GAAP operating income of $25 million to $29 million;
* Non-GAAP operating income of $34 million to $38 million, excluding the impact of $9 million from stock-based compensation and purchase accounting amortization from GAAP operating income;
* Assuming approximately 35 million diluted average weighted shares outstanding:
	+ GAAP diluted EPS of $0.39 to $0.47;
	+ Non-GAAP diluted EPS of $0.58 to $0.66; and
	+ Cost of stock-based compensation and purchase accounting amortization to be approximately $0.19 per diluted share.

Please see our updated Investor Relations Presentation available on our corporate website at [www.plantronics.com/ir](http://www.plantronics.com/ir).

**Conference Call Scheduled to Discuss Financial Results**

We have scheduled a conference call to discuss first quarter fiscal 2016 financial results. The conference call will take place today, July 27, 2015, at 2:00 PM (Pacific Time). All interested investors and potential investors in our stock are invited to participate. To listen to the call, please dial in five to ten minutes prior to the scheduled starting time and refer to the “Plantronics Conference Call.”  Participants from North America should call (888) 301-8736 and other participants should call (706) 634-7260.

A replay of the call with the conference ID # 67985908 will be available until August 27, 2015 at (855) 859-2056 or (800) 585-8367 for callers from North America and at (404) 537-3406 for all other callers. The conference call will also be simultaneously webcast in the Investor Relations section of our corporate website at www.plantronics.com/ir, and the webcast of the conference call will remain available on our website for one month.

A reconciliation between our GAAP and non-GAAP results is provided in the tables at the end of this press release.

**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.

**Safe Harbor**

This release 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 second quarter of fiscal year 2016, including net revenues, operating income and diluted EPS; (ii) our estimates of stock-based compensation and purchase accounting amortization and other related charges, as well as the impact of these non-cash expenses on Non-GAAP operating income and diluted EPS for the second quarter of fiscal year 2016; and (iii) our estimate of weighted average shares outstanding for the second quarter of fiscal year 2016, in addition to other matters discussed in this press release that are not purely historical data. We do not assume any obligation to update or revise any such forward-looking statements, whether as the result of new developments or otherwise.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contemplated by such statements. Among the factors that could cause actual results to differ materially from those contemplated are:

* Micro and macro economic conditions in our domestic and international markets;
* our ability to realize and achieve positive financial results projected to arise from UC adoption could be adversely affected by a variety of factors including the following: (i) as UC becomes more widely adopted, the risk that competitors will offer solutions that will effectively commoditize our headsets which, in turn, will reduce the sales prices for our headsets; (ii) our plans are dependent upon adoption of our UC solution by major platform providers and strategic partners such as Microsoft Corporation, Cisco Systems, Inc., Avaya, Inc., and Alcatel-Lucent, and our influence over such providers with respect to the functionality of their platforms or their product offerings, their rate of deployment, and their willingness to integrate their platforms and product offerings with our solutions is limited; (iii) delays or limitations on our ability to timely introduce solutions that are cost effective, feature-rich, stable, and attractive to our customers within forecasted development budgets; (iv) our successful implementation and execution of new and different processes involving the design, development, and manufacturing of complex electronic systems composed of hardware, firmware, and software that works seamlessly and continuously in a wide variety of environments and with multiple devices; (v) our sales model and expertise must successfully evolve to support complex integration of hardware and software with UC infrastructure consistent with changing customer purchasing expectations; (vi) as UC becomes more widely adopted we anticipate that competition for market share will increase, particularly given that some competitors may have superior technical and economic resources; (vii) UC solutions generally, or our solutions in particular, may not be adopted with the breadth and speed in the marketplace that we currently anticipate; (viii) sales cycles for more complex UC deployments are longer as compared to our traditional Enterprise products; (ix) UC may evolve rapidly and unpredictably and our inability to timely and cost-effectively adapt to those changes and future requirements may impact our profitability in this market and our overall margins; and (x) our failure to expand our technical support capabilities to support the complex and proprietary platforms in which our UC products are and will be integrated;
* failure to match production to demand given long lead times and the difficulty of forecasting unit volumes and acquiring the component parts and materials to meet demand without having excess inventory or incurring cancellation charges;
* volatility in prices from our suppliers, including our manufacturers located in China, have in the past and could in the future negatively affect our profitability and/or market share;
* fluctuations in foreign exchange rates;
* with respect to our stock repurchase program, prevailing stock market conditions generally, and the price of our stock specifically;
* the bankruptcy or financial weakness of distributors or key customers, or the bankruptcy of or reduction in capacity of our key suppliers;
* additional risk factors including: interruption in the supply of sole-sourced critical components, continuity of component supply at costs consistent with our plans, and the inherent risks of our substantial foreign operations; and
* seasonality in one or more of our product categories.

For more information concerning these and other possible risks, please refer to our Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 15, 2015 and other filings with the Securities and Exchange Commission, as well as recent press releases. The Securities and Exchange Commission filings can be accessed over the Internet at <http://www.sec.gov/edgar/searchedgar/companysearch.html>

**Financial Summaries**

The following related charts are provided:

* Summary Unaudited Condensed Consolidated Financial Statements
* Unaudited Reconciliations of GAAP Measures to Non-GAAP Measures
* Summary of Unaudited Reconciliations of GAAP Measures to Non-GAAP Measures and Other Unaudited GAAP Data

**About Plantronics**

Plantronics is a global leader in audio communications for businesses and consumers. We have pioneered new trends in audio technology for over 50 years, creating innovative products that allow people to simply communicate. From Unified Communication solutions to *Bluetooth* headsets, we deliver uncompromising quality, an ideal experience, and extraordinary service. Plantronics is used by every company in the Fortune 100, as well as 911 dispatch, air traffic control and the New York Stock Exchange. For more information, please visit [www.plantronics.com](https://owa.plantronics.com/OWA/redir.aspx?C=beb9e0837ca54f84815a7c0880356a73&URL=http%3a%2f%2fwww.plantronics.com%2f) or call (800) 544-4660.

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