

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 7, 2013

Parametric Sound Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation)

000-54020
(Commission
File Number)

27-2767540
(I.R.S. Employer
Identification No.)

13771 Danielson Street, Suite L
Poway, California 92064
(Address of Principal Executive Offices)

(Former name or former address, if changed since last report)

888-477-2150
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14.a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01. Other Information.

On November 4, 2013, Parametric Sound Corporation (the “Company”) filed a preliminary proxy statement with the Securities and Exchange Commission (“SEC”) in connection with the proposed merger with VTB Holdings, Inc. (“Turtle Beach”).

The Company has updated its investor presentation slides and is furnishing the updated presentation attached as Exhibit 99.1 to this report, which the Company may use from time to time in conversations with investors and analysts.

This material is not a substitute for the preliminary proxy statement that the Company filed with the SEC on November 4, 2013, the definitive version of the proxy statement which will be mailed to security holders in connection with the proposed merger. WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TURTLE BEACH, THE COMPANY AND THE PROPOSED MERGER. Investors and security holders can obtain these materials and other documents filed with the SEC free of charge at the SEC’s website, www.sec.gov. Free copies of the proxy statement (when available) and other documents filed with the SEC also can be obtained by directing a request to Parametric, Attention: Investor Relations, telephone: (888) 477-2150.

The directors and executive officers of the Company and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding the interests of the Company’s directors and executive officers in the proposed merger is available in its preliminary proxy statement filed with the SEC on November 4, 2013. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained the proxy statement and other relevant materials to be filed with the SEC when they become available.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Investor Presentation dated November 7, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 7, 2013

Parametric Sound Corporation

By: /s/ James A. Barnes

James A. Barnes

Chief Financial Officer, Treasurer and Secretary



INVESTOR PRESENTATION
NOVEMBER 2013



Cautionary Note on Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, for example, statements regarding benefits of the proposed merger, integration plans, expected synergies and anticipated future financial and operating performance and results, including estimates for growth. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. A discussion of some of these risks and uncertainties is contained or referred to in the preliminary proxy statement filed with the SEC by Parametric Sound Corporation on November 4, 2013 in the section entitled “Risk Factors” and elsewhere. Additional factors that could cause Parametric Sound Corporation’s results to differ materially from those described in the forward-looking statements can be found in its Annual Report on Form 10-K for the fiscal year ended September 30, 2012, and Quarterly Reports on Form 10-Q for the quarterly periods ended December 31, 2012, March 31, 2013 and June 30, 2013, as such reports may have been amended, each filed with the SEC and available on the SEC’s website, www.sec.gov. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Neither Parametric Sound Corporation nor Voyetra Turtle Beach undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation, except as required by law.



Additional Information

This material is not a substitute for the preliminary proxy statement that Parametric Sound Corporation filed with the Securities and Exchange Commission on November 4, 2013, nor the definitive version of the proxy statement which will be mailed to security holders in connection with the proposed merger. **WE URGE INVESTORS AND SECURITY HOLDERS TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION** about Voyetra Turtle Beach, Parametric Sound Corporation and the proposed merger. Investors and security holders can obtain these materials and other documents filed with the SEC free of charge at the SEC's website, www.sec.gov. Free copies of the proxy statement (when available) and other documents filed with the SEC also can be obtained by directing a request to Parametric, Attention: Investor Relations, telephone: (888) 477-2150.

The directors and executive officers of Parametric Sound Corporation and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Parametric Sound Corporation's directors and executive officers is available in its preliminary proxy statement filed with the SEC by Parametric Sound Corporation on November 4, 2013. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained the proxy statement and other relevant materials to be filed with the SEC when they become available.



Presenters

Ken Potashner	Executive Chairman of Parametric Sound
Juergen Stark	Chief Executive Officer of Turtle Beach
John Hanson	Chief Financial Officer of Turtle Beach



Agenda

Transaction Overview

Ken Potashner



Parametric Sound Merger with Voyetra Turtle Beach

Turtle Beach

- Over 35 years of audio technology innovation and commercialization
- #1 gaming headset position
 - 53% U.S. dollar market share
 - Large, loyal installed consumer base
- Excellent retail relationships and distribution with 27,000 storefronts in 44 countries
- Economical and effective supply chain
- 2x net revenue increase from 2010–2012
- 2012 net revenue of \$207 million, EBITDA of \$48 million¹ and net income of \$26.5 million

Parametric Sound

- Pioneer in disruptive HyperSound® audio technology
- Strong R&D focus
- Significant IP protection
 - 24 U.S. and 2 foreign patents issued
 - 31 U.S. patents pending and more filings in process
 - Multiple corresponding foreign filings pending and in process
- Initial stages of product commercialization
- Diverse consumer, healthcare and commercial applications



¹ See non-GAAP to GAAP reconciliation on slide 41

Transaction Summary

Company Name	▶ Parametric Sound Corporation (Nasdaq: PAMT)
Consideration	▶ Shares of Parametric Sound common stock
Approximate Pro Forma Ownership of Parametric Common Stock (Fully-diluted)	▶ <ul style="list-style-type: none">▪ 80% by pre-merger Turtle Beach security holders (including optionees)¹▪ 20% by pre-merger Parametric Sound security holders (including optionees)¹
Headquarters	▶ San Diego, California
Required Approvals & Timing	▶ <ul style="list-style-type: none">▪ NASDAQ approval▪ Parametric shareholder approval▪ Timing of expected close: Late 2013 / Early 2014 (subject to clearing SEC comments)▪ Consummation of a "Qualified Offering" under which Parametric Sound must raise \$5 million or more of debt or equity capital satisfying certain conditions▪ Other customary conditions

¹ Subject to adjustment as provided in the merger agreement



Parametric Sound Transaction Rationale

Leading and Diversified Audio Technology Company with Attractive Global End-Market Opportunities

Develop	<ul style="list-style-type: none">✓ Ability to leverage Turtle Beach's vast expertise in audio technology✓ Offers Parametric greater financial resources to fund existing / future product development
Commercialize	<ul style="list-style-type: none">✓ Ability to commercialize HyperSound® products in various end markets:<ul style="list-style-type: none">✓ Digital Signage/Commercial✓ Gaming and PC Audio✓ Health Care✓ Consumer Audio
Distribute	<ul style="list-style-type: none">✓ Access to Turtle Beach's end-to-end supply chain✓ Leverage deep, global retail relationships to distribute HyperSound® products
Market	<ul style="list-style-type: none">✓ Leverage Turtle Beach's leading and established consumer audio brand to support adoption of HyperSound® products
Stronger Financial Profile	<ul style="list-style-type: none">✓ Combined market cap of \$545 million and enterprise value of \$611 million¹✓ Combined 2012 net revenue of \$207 million✓ Combines attractive growth engine with stable, recurring revenue model generating significant free cash flow

¹ Market cap calculated using 38.2mm pro forma shares, PAMT closing price of \$14.24 on 11/1/13; firm value using \$77.3mm pro forma debt and \$11.3mm pro forma cash



Exceptional and Seasoned Executive Team

Current Turtle Beach Management		Current Parametric Sound Management	
<p>Juergen Stark Chief Executive Officer, President</p> <ul style="list-style-type: none"> Chief Executive Officer of Voyetra Turtle Beach since 2012 Former COO of Motorola's mobile device business Over eight years in senior management positions with Motorola Former CEO and co-founder of Centerpost Corporation 		<p>Ken Potashner Executive Chairman</p> <ul style="list-style-type: none"> Appointed a Director of Parametric Sound in December 2011 and Executive Chairman in March 2012 Chairman of the Board at Newport Corporation 4 years as President, CEO and Chairman of SONICblue Inc. Chairman of Board at Maxwell Technologies from 1996 to 2003 	
<p>John Hanson Chief Financial Officer, Treasurer & Secretary</p> <ul style="list-style-type: none"> Former CFO at Dialogic, Inc., a mobile telecommunications network appliance and software business 3 years as CFO for OneCommunications Corp Previous experience as CFO for Worldport Communications, Millenium Rail and Wace USA 		<p>Elwood "Woody" Norris Founder, Director, President & Chief Scientist</p> <ul style="list-style-type: none"> Original inventor of HyperSound® technology and awarded the \$500,000 Lemelson-MIT Prize for revolutionizing acoustics Has been inventing for more than 30 years with a record of successful inventions 	
<p>Richard Kulavik Chief Technology Officer</p>	<p>Dominick Pagnozzi SVP of Global Market Strategy & Development</p>	<p>Jim Barnes Co-Founder, Chief Financial Officer, Treasurer & Secretary</p>	
<p>Bob Picunko Chief Marketing Officer</p>	<p>Robert Andris SVP, Global Supply Chain & Operations</p>	<p>Todd Savitt Vice President of Sales & Marketing</p>	
<p>Jim Adams SVP of Global Sales</p>	<p>Jeff Goldstein Vice President of Product & Strategy</p>		



Agenda

Turtle Beach Overview

Juergen Stark



Our Goal

~\$200 million
in net revenue

\$1 billion
in net revenue



Key drivers

Near Term

- ✓ Gaming headsets
 - Post-console transition pick up
 - Xbox One license
 - International penetration
 - Increase PC market share
- ✓ Media headsets
 - Favorable early reviews
 - Broaden category of users across devices
- ✓ HyperSound®
 - Ramp up commercial business (retail displays, kiosks, restaurants, etc.)
 - Develop & commercialize consumer & health care products

Long Term

- ✓ Media headset category
 - Gaming
 - Movies and music
 - At home and mobile
 - Domestic and international
- ✓ HyperSound®
 - Consumer, commercial and health care applications
 - New, disruptive applications
- ✓ Develop and / or acquire additional complementary audio technologies / products

Audio Technology

Innovation

Quality Products



Turtle Beach is the Leading Audio Technology Focused Gaming Headset Brand



- Over **35** years of audio technology innovation
- **#1** gaming headset position with **53%** U.S. dollar market share and large, loyal installed consumer base
- High quality products
- **65%** brand rating among console gamers and **77%** among 18–24 year olds who are familiar with Turtle Beach
- **27,000** storefronts in **44** countries
- Economical and effective supply chain
- **2x** net revenue increase from 2010–2012
- Strong profitability with **20% - 23% EBITDA margin** from 2010-2012



PARAMETRIC SOUND[®]
CORPORATION



Over 35 Years of Audio Technology Innovation Led to Creation of Category

1975 – 1984: Synthesizers

1985 – 2004: PC Audio

2005 – Today

Gaming Headsets



Key Catalysts

- ✓ Launch of Xbox 360 (2005) and PS3 (2006)
- ✓ Growth in multiplayer gaming that requires chat capabilities and high quality audio
- ✓ Emergence of high profile gaming franchises
- ✓ Game developers spending heavily on sound design



PARAMETRIC SOUND[®]
CORPORATION



Diverse Product Line

- Headset Uses
 - Gaming
 - Movies
 - Music
 - Voice calls and chat
- Customer Profiles
 - Core
 - Enthusiast
 - Casual
 - Entry level
- Price Points: \$29 to \$399

Consoles

XBOX ONE

NEW

SEVEN

Premium Xbox One Gaming Headset

XBOX 360

NEW

510

Premium Fully Wireless Dolby Digital Headset

X12

Amplified Stereo Headset

X42

Wireless Dolby Surround Sound Headset

PLAYSTATION 3

NEW

FX51

Premium Fully Wireless Dolby Digital Headset

NEW

FX22

Universal Amplified Stereo Headset

FX21

Multi-Platform Amplified Stereo Headset

P11

Amplified Stereo Headset

NINTENDO

N11

WiiU™ Wired Stereo Headset

MLa

WiiU™ Wired Stereo Headset

TOURNAMENT AUDIO

TRM1

Six Channel Tournament Audio Mixer

DOLBY PROCESSOR

DSS2

Dolby Surround Sound Processor for Stereo Headsets

PC

PC GAMING

NEW

Z300

High Performance Wireless Stereo PC Headset

NEW

Z22

Amplified Stereo PC Headset

Mac/Mobile Device

iSeries

NEW

i60

Wireless Desktop Media Headset

NEW

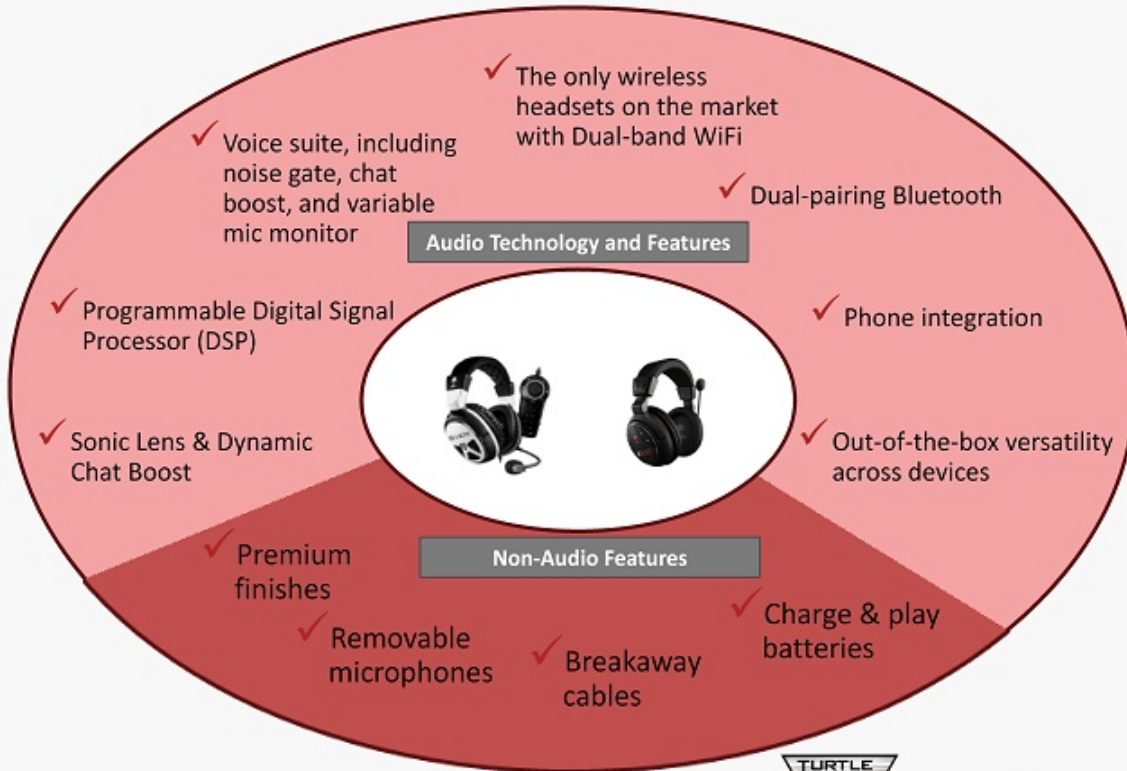
i30

Wireless Media Headset





Product Innovation and Quality



PARAMETRIC SOUND[™]
CORPORATION



Widely Recognized Success



SCORE: 10/10 "The Turtle Beach Ear Force XP510 has a superior, integrative design with sturdy components, a form factor with excellent comfort, great sound editing software with several sound customization options and wide cross-platform portability to console and mobile."



CONTROL "Turtle Beach's Ear Force Z Seven is a PC gamer's dream headset. The amount of fully customizable options, as well as quick on-the-fly audio adjustments from the wired touch controller, is outstanding."



QUALITY "Turtle Beach is one of the companies leading gaming headgear out of the basement and into the real world... XP510 is a veritable media-holic's dream..."



REPUTATION "10 million gamers ...have fueled Turtle Beach's meteoric growth...in 2010 Turtle Beach forged a partnership with Activision's Call of Duty franchise, the most popular game in the world..."



VERSATILITY "The ability to natively work with a number of devices and deliver fantastic audio quality is exactly what you should expect... [and] precisely what Turtle Beach has delivered."

4.5 Out of 5 Stars ★★★★★

"The XP Seven is everything you'd expect from Turtle Beach's top offering."

"Movies, music and gaming all benefit from the XP Seven's potent mix of clarity and power."

— Digital Trends

CRITIC'S ACCLAIM

9.2 "AMAZING"

out of 10

IGN

"The Ear Force XP Seven reigns supreme"

4.75 Out of 5 Stars ★★★★★

"The audio quality is about as good as it gets..."

"The XP Seven is one of the most attractive headsets I've seen. Looks good, sounds even better."

"The XP Seven easily earns its place as one of the most versatile gaming headsets on the market..."

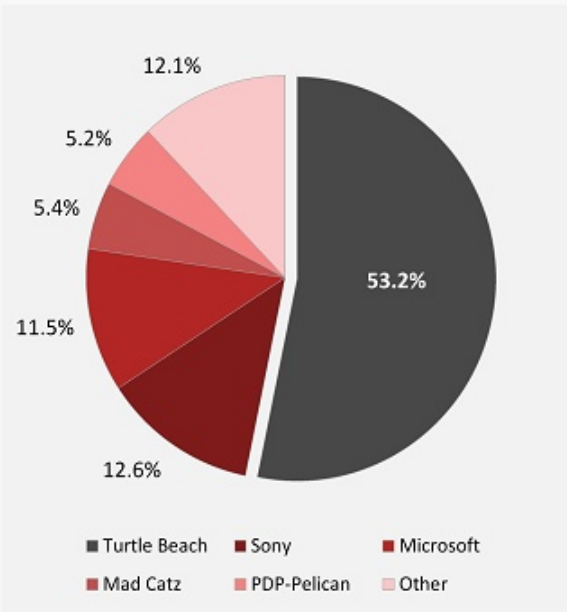
— Gamer





Industry Leading Brand

2012 U.S. Gaming Headset Dollar Market Share



Strong Brand Awareness

- Positive brand rating among Xbox 360 and PlayStation 3 console gamers
 - +7 points to **65%** in 2013
 - **77%** among 18-24 year-olds

Market-Leading Products

- 9 of the top 10 best selling third-party gaming headsets in 2012 in U.S. dollar share
- The top five best-selling third-party gaming headsets in the U.S. since 2005 in U.S dollar share





Installed Consumer Base

Large Audience of Gamers

165 million Americans played video games in 2012



There are two gamers in each US game-playing household

In 2013 U.S. consumers spent **\$20.8 billion** on gaming



\$1.7 billion spent on console accessories

\$370 million on gaming headsets 



51% of U.S. households own a gaming console

Each of those households owns an average of two



- Turtle Beach estimated installed base of more than **7 million** users
- According to a study of Xbox 360 and PlayStation 3 gamers, owners of Turtle Beach headsets earn more and spend more relative to owners of non-Turtle Beach headsets:
 - Purchase more video games
 - Spend more on electronic entertainment
 - More likely to have purchased a peripheral





Broad Global Retail Distribution

Exceptional Retail Relationships

U.S.



Canada



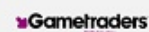
U.K. & Europe



Asia



Latin America



27,000 storefronts in 44 countries

Point of Sale Displays (Kiosks)

- Special interactive displays at key retailers, including Best Buy and Walmart
- Benefits same store sales
- An interactive kiosk program has added additional appeal to both retailers and customers
- Turtle Beach currently has over 15,000 domestic and international kiosks



PARAMETRIC SOUND CORPORATION



Economical and Effective Supply Chain



Turtle Beach available in 15,000 stores in North America and nearly 12,000 across Europe, Africa, the Middle East and Asia



Agenda

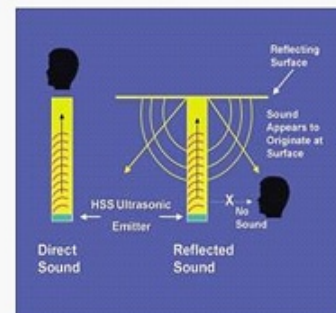
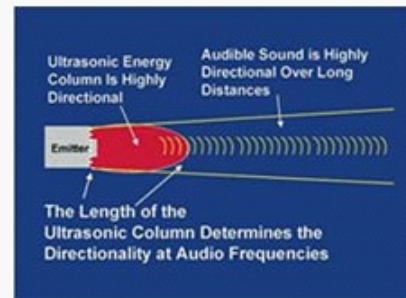
Parametric Sound Overview

Ken Potashner



HyperSound[®]

- **Innovative** -- sound creation along a directional ultrasonic beam fundamentally changes how sound is created and delivered to listeners
- **Immersive** -- emitter technology beams audio like a laser and immerses the listener in clear, distinct, robust 3D sound
- **Controlled** -- ability to control the placement of sound – key to targeted commercial and consumer applications including digital signage, kiosks, retail, home entertainment, video gaming, health care, mobile devices, tablets, computers and slot machines
- **Disruptive** – the potential to dramatically change sound reproduction and hearing loss markets



HyperSound[®] - Key Areas of Innovation

Audio

Digital Signal Processing


- Proprietary pre-processing of audio signal (EQ, compression, limiters)
- Proprietary post-processing of combined signal (Hilbert, recursion)
- ✓ Lower distortion
- ✓ Improved audio performance
- ✓ Improved frequency response
- ✓ Exceptional transient response

Electronics

- Invention and use of transducer
- Unique amplification circuitry
- ✓ Low voltage cables
- ✓ Lower power consumption

Emitters

- Invention to break size barrier for thin film
- Unique innovation in back-plate configuration
- ✓ Lower cost
- ✓ Improved audio output & performance
- ✓ Smaller size



Combination creates first truly usable ultrasound-based audio system...

... with innovation that is protected

- 26 patents issued
- 31 patents pending
- Additional filings in process



Agenda

Growth Strategy

Juergen Stark



Significant Growth Opportunities for the Combined Company

PARAMETRIC SOUND™
CORPORATION



- 1 Grow console gaming headset segment
- 2 Grow PC gaming headset segment
- 3 Develop and expand media headsets

Develop HyperSound® products:

- 4 Commercial applications
- 5 Health care applications
- 6 Consumer applications
- 7 Licensing opportunities



PARAMETRIC SOUND™
CORPORATION

1 Grow Console Gaming Headset Segment

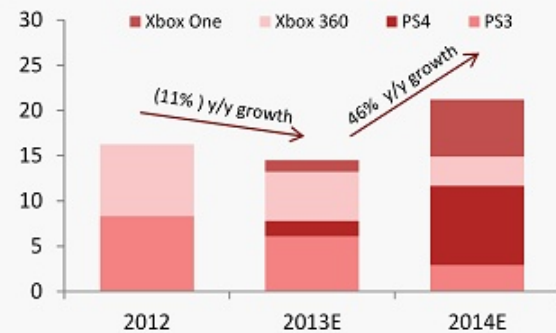
Existing Console Dynamics

- Large and growing installed base of current-gen consoles
 - More than 130mm current-generation Xbox 360 and PS3 consoles sold worldwide with millions playing multiplayer games everyday
 - Microsoft and Sony are expected to continue to sell and support current generation consoles
- Opportunity to target new consumers and drive upgrades and replacements for existing consumers
 - Only 22% of US Xbox 360 and PS3 owners currently use a headset, more than half are still using their first headset
 - Turtle Beach plans to capture a significant portion of sales from gamers upgrading to their second, more advanced headset
- Plans to increase points of distribution and the number of interactive sales kiosks in international markets in order to grow ex-U.S. market share

New Console Transition

- Launch of the Xbox One and PS4 is anticipated to add millions of consoles to the installed base and generate demand in accessory sales
- Turtle Beach is currently one of only two companies with official licenses to produce headsets for the Xbox One
- Industry sources are anticipating significant growth in 2014 and beyond

Projected Global Units Sold (millions)



2 Grow PC Gaming Headset Segment

PC Market Dynamics

- PC game markets in Korea, Japan, U.S., U.K. and Germany all showed growth in 2012, together these markets increased PC game revenue by 9% in 2012, to \$8.4 billion
- In 2012 PC gaming generated \$6.8 billion in revenue in China, the fastest growing PC market tracked in the study, a 9% increase over 2011
- Turtle Beach believes a strong PC gaming headset product offering is important for gaining market share in PC-dominated gaming markets, including China, Germany and the Nordic countries

PC Gaming Growth Strategy

- Turtle Beach plans to target key markets with a strong PC gaming headset product line-up
- Launched tournament-grade Z SEVEN and Z22 wired headsets in Q2-Q3 2012
- PC headsets have received positive reviews, including a category-leading 9.7 out of 10 score for the Z SEVEN from *Top Ten Reviews*
- The Z300 headset, which will launch in Q4 2013, adds a high-end wireless surround sound headset to the PC line-up

"When it comes to getting the absolute most out of a game's sound design, the Ear Force Z Seven really is a truly worthy purchase."

-- Game Rant, September 2013

*"It's a headset full of features that's comfortable and packs a punch no matter what game, song or movie you're playing. It's **easily one of the most versatile, customizable headsets on the market.**"*

-- Game Zone, September 2013

*"I'm walking away from the Z Seven **extremely impressed.** Turtle Beach has once again delivered a product that produces at **the highest level for serious gamers.**"*

-- Unwinnable, April 2013



3 Develop and Expand Media Headsets

Media headsets are a new category that spans music, movies and gaming

Home entertainment

- Cross-platform versatility
- Audio presets for music, movie and gaming
- Hidden microphones for chat and voice calls

Mobile

- The majority of Turtle Beach wired headsets, and even some wireless headsets, include a standard 3.5 mm audio adaptor cord to make them compatible with mobile devices
- Turtle Beach wireless headsets use the latest Bluetooth technology so they can be used with mobile devices, including tablets smartphones, and Bluetooth stereos and TVs

Available in Apple Stores Worldwide



i60
Wi-Fi Desktop System
US MSRP: \$399⁹⁵



i30
Bluetooth Headset
US MSRP: \$299⁹⁵

MFi certified by Apple® to work with iPod®, iPad® and iPhone® devices

The iSeries headsets will raise Turtle Beach's brand awareness and broaden its consumer base

"...These cans have literally forever changed the way I listen to music. I feel like I've been cheated when it comes to music; like I have to re-listen to every song I've ever heard to catch the audio that I didn't hear until I experienced it with the i60. The headset is phenomenal."

i60 Headset Review, October 2013, 2d-x.com



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CORPORATION

4 Develop HyperSound® Products

Commercial Applications - Utilize HyperSound® Localized Audio to Create Specific Areas of High Fidelity Surround Sound

Retail / Kiosks	Banking	Restaurants	Museums
<ul style="list-style-type: none"> There are over 700 kiosk design-build firms in the U.S. HyperSound® creates sound zones within the store for targeted advertising and without noise bleed into adjacent zones Currently in discussions with several manufacturers to integrate HyperSound® into kiosks Provides opportunity to cross and up-sell, coupon dispensing, and increase participation in promotions and loyalty programs 	<ul style="list-style-type: none"> In 2012 there were 97,337 U.S. bank branches² Bank branches are used more than any other touch point (85%)³ HyperSound® allows banks to transform their branches by enhancing their digital place-based media with customized audio Potential locations include the entry, foyer, teller and private client areas, drive-throughs and ATM locations 	<ul style="list-style-type: none"> There are 980,000 restaurant locations in the U.S.¹ Restaurants are using comprehensive digital media systems to manage the customer experience and increase sales HyperSound® augments video displays by creating targeted audio zones within the stores QSR Pilot underway – audio will be offered to 400 S. California restaurants in 1st half of 2014 	<ul style="list-style-type: none"> There are over 17,000 museums in the U.S. Direct sounds to precise regions within a museum Increases ROI by eliminating portable audio devices Preserves the peaceful environment of a gallery Allows for multiple audio zones in small spaces
			Other <ul style="list-style-type: none"> Casinos Theatres



Source: ¹NRA, ²SNL Financial, ³November 2012 study from the Federal Reserve Board

5 Develop HyperSound® Products

Health Care Applications - Leverage the Significant Hearing Improvement from HyperSound® to Create Living Room Audio Add-on for Hearing Impaired

Market Overview

- The World Health Organization estimates that over 360 million people world-wide live with disabling hearing loss
- Approximately 48 million in the U.S. have some impairment according to a 2011 report in the Archives of Internal Medicine
- The global wholesale hearing aid market is **\$4 billion** with **10-11 million units** sold annually
- Experiencing **2-4% annual unit growth** driven by demographic development
- Over **10%** of population in OECD countries suffer from hearing loss

Underserved Market

- Average of 8 years between diagnosis until someone takes action
- Approximately **1 in 5 people** who need a hearing aid actually get one
- Vet administration contracting for record number of hearing aids
- ADA and other guidelines require hearing impaired equal access to businesses and government buildings
- Education represents a large target market

Hearing Impaired Opportunities

- Our research suggests HyperSound® penetrates to inner ear providing greater DB gain than conventional speakers
- Preference testing indicates that HyperSound® clarity is preferred over conventional speakers by more than 70% of persons with hearing loss
- In May 2013 clinical study results were announced comparing HyperSound® with conventional speakers - - results confirmed improved clarity and comprehension among clinical subjects consistent with preference testing
- Hearing impaired and aging population are targets for a novel "out-of-the-ear" solution for a range of home entertainment products
- FDA clearance being sought for virtual hearing aid product
- Personal sound amplification product (PSAP) market also targeted



6 Develop HyperSound® Products

Consumer Applications – Utilize the 3D Nature of HyperSound® to Create Full Surround Sound Experience With Two Emitters



Home Entertainment

- Flat panel TV shipments are expected to grow to over 289 million in 2015
- Global 4K TV shipments are expected to grow to 780,000 in 2013 and 22 million units in 2017
- Soundbars represent the fastest growing segment in the global loudspeaker market and their popularity is helping drive the market
- Global market for all loudspeakers is projected to reach \$6.1 billion by 2018

Video and Computer Gaming

- PlayStation / Xbox / Nintendo-type gaming
- 2.1 system for PCs
- The world video game market (equipment and software) estimated at \$68 billion in 2012

PC Audio

- Over 310 million personal computers are in use in the U.S. and over 1.6 billion globally



7 Develop HyperSound® Products

Licensing Opportunities – Leverage Broad Applications of HyperSound® into External, Licensed Products

Licensing Strategy

- ✓ Have flexibility to license the IP of HyperSound® for alternative applications
- ✓ Will consider licenses that maximize long term economics with regard to building new channels, products, and platforms

Recent Developments

- Recently filed a U.S. patent application on technology that enables transparent materials to implement HyperSound®

Licensing Opportunities

- ✓ Areas for potential licensing consideration include:
 - ✓ Automotive
 - ✓ ATMs
 - ✓ Video display manufacturers
 - ✓ TV manufacturers
 - ✓ Computer manufacturers



Agenda

Financial Summary

John Hanson



Financial Highlights

Multi-Year Trends

- Doubled net revenues from 2010 to 2012
- Seasonal business that has historically realized approximately 50% of annual net revenue and cash flow during the September to December period (holiday season)
- Significant investment in infrastructure and staff from 2010 to 2012 to support current and long term growth
- Console refresh in November 2013 is expected to reverse the declining sales trend between 2012 and 2013 that were driven by consumer anticipation of the new models
- Launch of new Xbox One and PS4 consoles expected to lead to increased console unit shipments in Q4 2013, 2014 and beyond
 - Microsoft's delay of the Xbox One hardware and software until early 2014 is expected to result in a deferral of Turtle Beach's Xbox One headset-related revenues and profits for Q4, but substantially all of which are expected to be realized in early 2014
 - Turtle Beach is one of only two companies currently officially licensed to develop Xbox One compatible gaming headsets

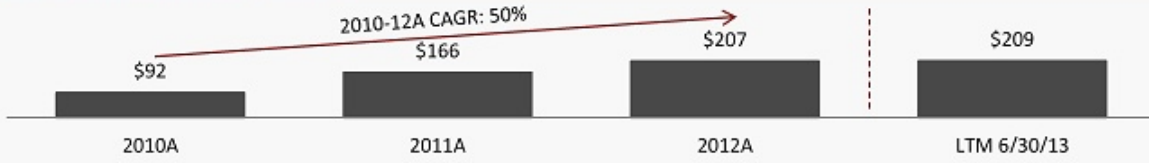
First Half 2013 Trends

- Investments made to continue to grow competencies in product management and engineering
- Shifted significant portion of marketing programs into first half of 2013 (versus earlier years) ahead of next generation console launches
- Proactive inventory management programs were initiated in first half of 2013 to rationalize inventory levels ahead of next generation console launches

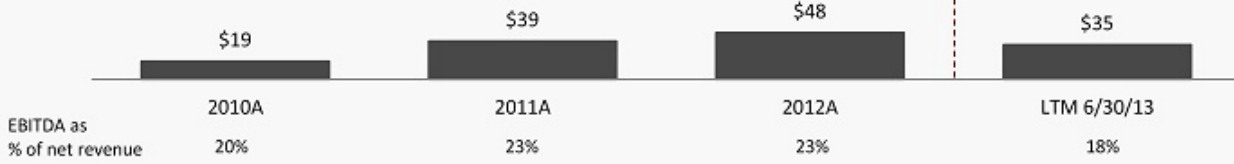


Overview of Turtle Beach Financials

Turtle Beach Net Revenue (\$ millions)



Turtle Beach EBITDA (\$ millions)



Turtle Beach Net Income (\$ millions)





Select Turtle Beach Historical Cash Flow Items

Select Cash Flow Statement Items (\$K)	FY2010	FY2011	FY2012	6 months ending 6/30/2013
Net Cash from Operations	\$1,106	\$2,401	\$5,000	\$22,271
Change in Net Working Capital	\$(22,506)	\$(26,552)	\$(20,317)	\$40,492
Capital Expenditures	\$(822)	\$(1,634)	\$(5,945)	\$(2,862)

Note: Change in net working capital includes change in accounts receivable, inventories, accounts payable, accrued liabilities and prepaid expenses and other current assets




Pro Forma Financials

Select Income Statement Items (\$K)		Unaudited Pro forma		Unaudited Combined Pro Forma
Period	9 mo ended 6/30/2013	9 mo ended 6/30/2013	FYE 9/30/2012	
Net Revenue	\$476	\$165,075	\$234	\$207,370
Gross Profit	\$232	\$55,052	\$114	\$73,306
Operating Income (Loss)	\$(5,100)	\$15,680	\$(4,474)	\$37,608
Other Expense, net	\$1	\$(2,903)	\$12	\$(2,910)
Provision for Income Taxes	--	\$6,000	--	\$13,522
Net Income (Loss)	\$(5,099)	\$6,777	\$(4,462)	\$21,176



Pro Forma Capitalization

Select Balance Sheet Items (\$K)		Unaudited Combined Pro Forma as of June 30, 2013
Cash & Cash Equivalents	\$3,283	\$11,302
Revolver	--	18,000
Term Loan	--	39,750
Due to Shareholders	--	6,250
Series B Redeemable Preferred Stock	--	13,197
Capitalized Leases	141	141
Total Debt	\$141	\$77,338
Shareholder Equity	4,821	69,023
Total Capitalization	\$4,962	\$146,361

Note: Revolver draw changes with seasonality of business and pays down annually



Our Goal

~\$200 million
in net revenue

\$1 billion
in net revenue



Key drivers	Near Term	Long Term	
	<ul style="list-style-type: none"> ✓ Gaming headsets <ul style="list-style-type: none"> ▪ Post-console transition pick up ▪ Xbox One license ▪ International penetration ▪ Increase PC market share ✓ Media headsets <ul style="list-style-type: none"> ▪ Favorable early reviews ▪ Broaden category of users across devices ✓ HyperSound® <ul style="list-style-type: none"> ▪ Ramp up commercial business (retail displays, kiosks, restaurants, etc.) ▪ Develop & commercialize consumer & health care products 	<ul style="list-style-type: none"> ✓ Media headset category <ul style="list-style-type: none"> ▪ Gaming ▪ Movies and music ▪ At home and mobile ▪ Domestic and international ✓ HyperSound® <ul style="list-style-type: none"> ▪ Consumer, commercial and health care applications ▪ New, disruptive applications ✓ Develop and / or acquire additional complementary audio technologies / products 	
	Audio Technology	Innovation	Quality Products



Our Core Principles and Creating Long-Term Shareholder Value

Core Principles

- ✓ Developing innovative and technology in ways that benefit consumers is the key to long term success
- ✓ Doing products “right” that are high quality, user friendly and well packaged with attention to detail
- ✓ Bringing passion that helped us become the market leader in gaming headsets to the broader media headset category and HyperSound® applications

Creating Long-Term Shareholder Value

- ✓ Deliver innovative, differentiated products
- ✓ Win with consumers
- ✓ Generate healthy gross margins
- ✓ Reward lead, talented team who deliver innovative, differentiated products



Agenda

Appendix



Turtle Beach EBITDA – Reconciliation of Non-GAAP Financial Measure

(\$K)	FY2010	FY2011	FY2012	6 months ended 6/30/2012	6 months ended 6/30/2013
EBITDA	\$18,527	\$38,968	\$47,812	\$8,252	\$(4,215)
Interest Expense, net	(581)	(2,932)	(4,738)	(1,303)	(2,563)
(Provision), Benefit for Income Taxes	(7,584)	(13,782)	(14,008)	(2,272)	3,487
Depreciation and Amortization	(240)	(700)	(2,606)	(576)	(2,351)
Total Income (Loss)	\$10,122	\$21,554	\$26,460	\$4,101	\$(5,642)

Note: Refer to Financial Highlights on page 33 for overview of drivers of financial performance

