
**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: January 12, 2015 (Date of earliest event reported)

Turtle Beach Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-35465
(Commission
File Number)

27-2767540
(IRS Employer
Identification Number)

**100 Summit Lake Drive, Suite 100
Valhalla, New York 10595**
(Address of principal executive offices)

914-345-2255
(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 240.14a-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))
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Item 7.01 – Regulation FD Disclosure.

Juergen Stark, Chief Executive Officer of Turtle Beach Corporation (the “Company”), and John Hanson, Chief Financial Officer of Turtle Beach Corporation, are presenting at the 17th Annual ICR XChange Conference on Tuesday, January 13, 2015 at 10:30 a.m. and at the 17th Annual Needham Growth Conference on Wednesday, January 14, 2015 at 3:30 p.m. The presentation is attached as Exhibit 99.1 hereto.

The information in this report is being furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for purposes of Section 17 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 8.01 – Other Events.

On January 12, 2015, the Company issued a press release updating its full year sales outlook, a copy of which is filed herewith as Exhibit 99.2.

Item 9.01 – Financial Statements and Exhibits**(d) Exhibits**

- 99.1 Turtle Beach Corporation Presentation at ICR XChange Conference and Needham Growth Conference.
- 99.2 Press release dated January 12, 2015.

SIGNATURE

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 hereunto duly authorized.

Dated: January 13, 2015

TURTLE BEACH CORPORATION

By:

/s/ John T. Hanson

John T. Hanson

Chief Financial Officer



Turtle Beach Corporation | NASDAQ: HEAR
ICR XChange Conference | January 13, 2015



Safe Harbor Statement



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 recently completed merger, integration plans, expected synergies, market opportunities, future products 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 that could cause Turtle Beach Corporation’s results to differ materially from those described in the forward-looking statements can be found in the prospectus supplement filed with the SEC by Turtle Beach Corporation on April 24, 2014 and in Turtle Beach’s most recent Annual Report on Form 10-K in the section entitled “Risk Factors,” 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. Turtle Beach Corporation undertakes no obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation. This presentation also contains trademarks and trade names that are property of their respective owners.

Company Snapshot



Dominant console gaming headset brand in early stages of once-in-a-decade industry growth cycle



Disruptive technology with demonstrated success in commercial markets and pending launch of product for \$5 billion hearing health category

Brand and Product Overview



Console Gaming Headsets



PC Gaming Headsets



Mobile Headsets

HIGHLIGHTS

- Dominant gaming audio brand with ~ 50% market share and large, loyal customer base
- At the front end of a console gaming cycle expected to fuel industry growth
- Company well positioned given advantages in products, retail distribution, and partnerships
- Additional growth opportunities in PC gaming headset category and international markets
- Roughly \$185m revenue business with EBITDA margins in the high single digit range



Commercial



Healthcare



Consumer



Licensing

HIGHLIGHTS

- Unique, breakthrough audio technology that allows directed placement of sound
- Patented technology with potential to disrupt multiple large audio markets
- Viability in commercial markets demonstrated via recent national retail chain deployment
- Preparing to launch product in 2015 into \$5b hearing health market
- Future opportunities in consumer markets and via licensing agreements

- Strong and growing patent portfolio with over 30 issued and 80 pending patents
- Unique combination of strong existing audio business and disruptive new audio technology



**TURTLE
BEACH**



Headsets

Dominant Gaming Audio Provider

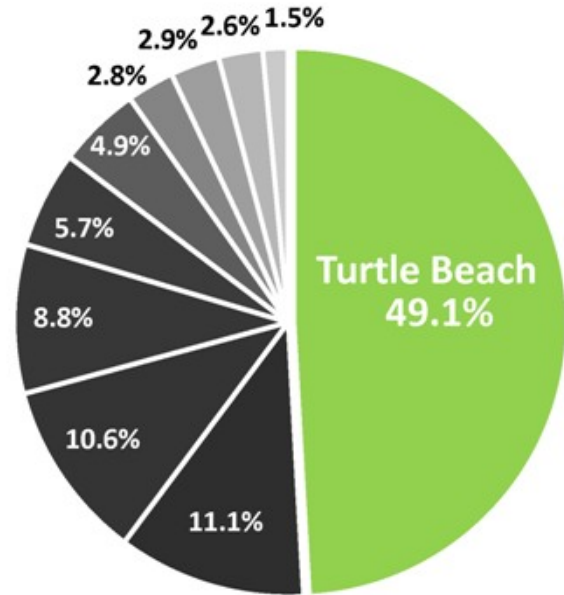


Overview

- **#1** gaming headset in 2013 by dollar share
 - **49%** of U.S. market
 - **53%** of U.K. market
- Broad portfolio of console headsets for **Xbox** and **PlayStation** platform as well as growing offering of **PC** gaming headsets
- Headsets in **27,000 storefronts** in **44 countries** at year-end 2013
- **Brand on the rise**, with awareness among Xbox and PlayStation console gamers **increasing 40%** from 2012 to 2014
- Turtle Beach accounted for **9 of the top 15 headsets sold in the U.S.** during 2013

Leading Market Share

2013 U.S. Gaming Headset Dollar Market Share

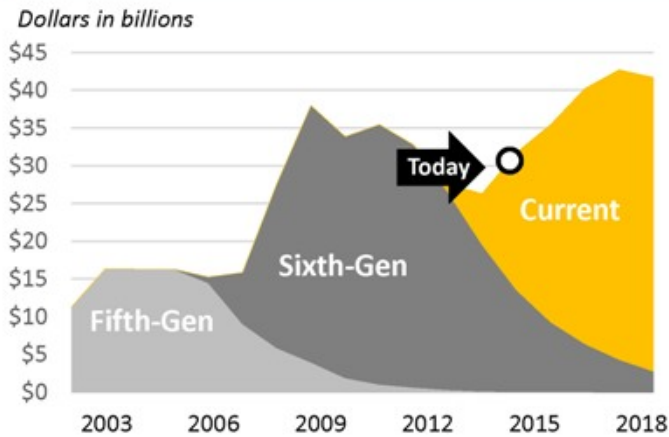


Sources: U.S. data from The NPD Group, Inc. , July 2014 Turtle Beach Brand Awareness and Sentiment Study by The NPD Group, Inc.

Console Transition Expected To Drive Growth

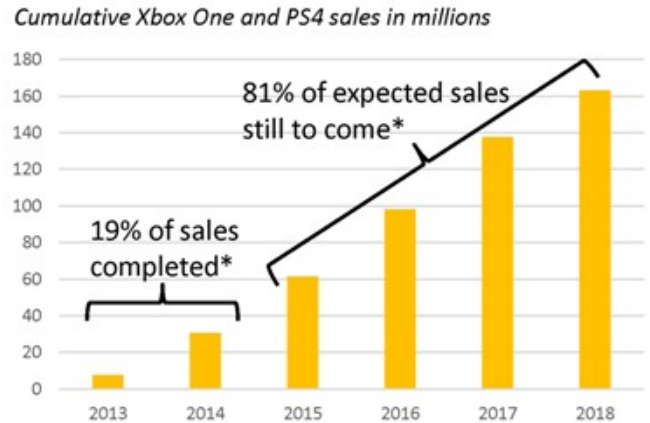


Global Console Hardware and Software Sales



- In each past transition, total industry revenue reached new highs within three years
- Console hardware and software sales are forecasted to increase 58% to \$42 billion from 2013 to 2018

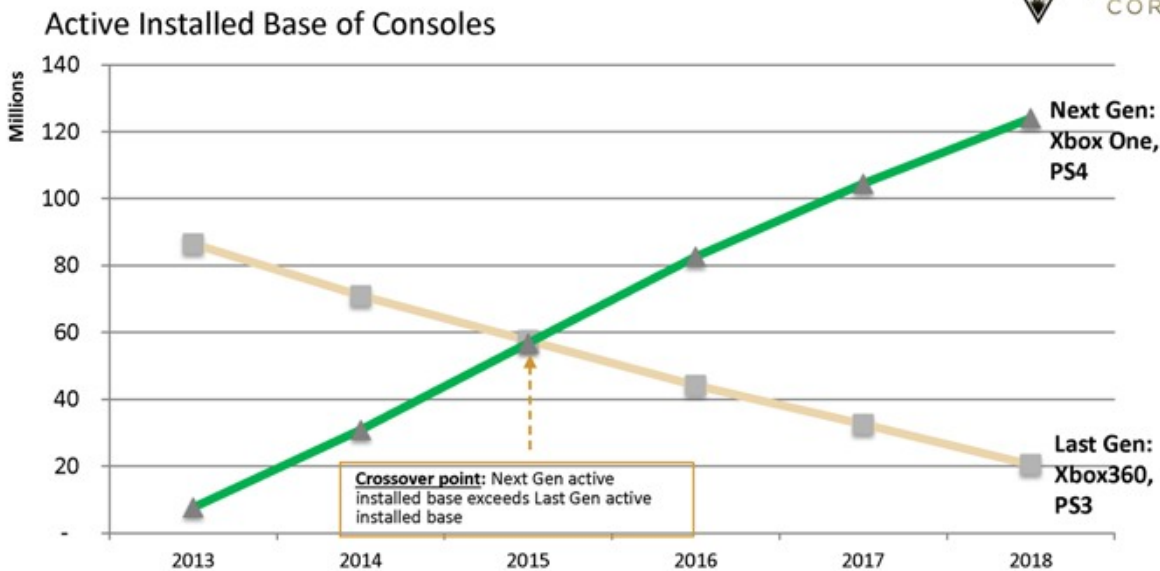
New Generation Console Sales



- Current cycle is off to a strong start with new platform sales more than 70% higher than same period in prior cycle
- Cycle is less than 20% completed to date with 80% of expected installed base growth yet to come

* Percentage of total cumulative expected Xbox One and PS4 unit sales through 2018
Source: DFC Intelligence Forecasts: Worldwide Console Forecast, October 2014

2015 Marks Expected Crossover Point



PROJECTED IMPACT OF CONSOLE TRANSITION ON HEADSETS

2013:

- Last Gen headset sales begin to slow
- Last Gen headset portfolio is reduced (fewer models)
- Next Gen console specs become available
- Specs timing limits Next Gen headset portfolio

2014:

- Last Gen headset sales continue to decline
- Sales of first models of Next Gen headsets ramp
- Last Gen product portfolio further narrowed
- Next Gen headset portfolio increases (more models)

2015:

- Next Gen ramp begins to offset Last Gen decline
- Next Gen headset portfolio largely complete

2016-2017:

- Next Gen headset sales exceed Last Gen sales
- 2nd round of Next Gen Headsets launched, adding sales

2018:

- Next Gen installed base peaks after rapid growth
- Normal industry growth trend expected after 2018

Multiplayer Gaming Drives Headset Sales



The limited number of AAA multiplayer video game releases in the first half of 2014 contributed to the slow growth in attach rates for gaming headsets

3 Major multiplayer titles launched from January to September



An increase in multiplayer titles released in late 2014 will drive gaming headset attach rates

9 Major multiplayer titles to launch between October and December



4 Major console multiplayer titles to launch in 1H15 (delayed from 4Q14)



Advanced Chat

A suite of chat technology including noise gate, chat boost, variable microphone monitor



Digital Signal Processing (DSP)

Advanced DSP for game audio and chat presets that can be customized using a new mobile app



Bluetooth

Dual-pairing Bluetooth in most wireless headsets for wireless chat, mobile gaming, audio calls and music streaming



Active Noise Cancellation

The first gaming headset to use noise cancellation for both inbound audio and outbound chat



DTS Headphone:X

The first gaming headsets with DTS 7.1 surround sound to provide incredibly accurate and immersive directional sound



Superhuman Hearing

Provides a competitive advantage by making important, quiet sounds louder and easier to hear



Leading Products for Both New Platforms



PS4

Red = First and Only Innovations

XBOX ONE



Elite 800

Flagship Wireless Surround

- Active Noise Cancellation
- DTS 7.1 Headphone:X
- Charging Stand & TX
- Introduced October 2014



Stealth 500P

Wireless Surround

- DTS 7.1 Headphone:X
- DTS Surround Modes
- EQ Presets
- Introduced October 2014



Stealth 400

Wireless Stereo

- Digital Stereo Sound
- Universal PS4 Compatibility
- EQ Presets
- Introduced October 2014



P12

Wired Stereo

- Single USB Connection
- In-Line Amplifier
- Mic Monitoring
- Introduced July 2014



Elite 800X

Flagship Wireless Surround

- Active Noise Cancellation
- DTS 7.1 Headphone:X
- Charging Stand & TX
- Planned May 2015



Stealth 500X

Wireless Surround

- First true wireless XB1
- DTS 7.1 Headphone:X
- Genre-Specific Presets
- Introduced October 2015



XO SEVEN Pro

Wired to Controller

- Superhuman Hearing
- Mic Monitoring
- Game/Mic Presets
- Introduced Dec. 2015



XO FOUR Stealth

Wired to Controller

- Game/Mic Presets
- Mic Monitoring
- Introduced Dec. 2015



XO One

Wired to Controller

- Game/Mic Presets
- Mic Monitoring
- Variable Bass Boost
- Introduced October 2015

Exceptionally Strong Retail Distribution

Points of Distribution

Over **370,000** points of distribution (POD)

- **3x increase in North America** since 2011
- **5x increase in International** since 2011
- **Added Chinese distribution**

Points of Distribution



Retailers

Strong retail relationships

U.S. and Canada



U.K. and Europe



Asia



Latin America



Interactive Kiosks

~**18,000** interactive kiosks

- Interactive retail displays allow consumers to **sample headsets** in store
- Kiosks drive a meaningful **increase in sell-through** following deployment



Unparalleled Strategic Relationships



Consoles

The only gaming headset brand that is officially licensed for all three major consoles



Software and Entertainment

Partnerships with some of the world's leading entertainment brands



Gaming and Streaming

Official audio partner of the world's largest professional gaming league and most popular game streaming site



PC Gaming Headsets

Growing market opportunity

- Expanded PC gaming headset portfolio, launching 8 new SKUs in 2014
- YTD 2014 U.S. PC gaming headset market is up 25% or \$9.5M compared to YTD 2013²
- 60% year-over-year dollar share increase for Turtle Beach in the U.S. for the first 11 months of 2014²
- Significant international opportunity as PC gaming is more popular than console gaming in several European and Asian markets
- Introducing PC gaming companion products, including mice, keyboards and mousepads



1. Source: DFC Intelligence Forecasts: Worldwide Console Forecast, February 2014
2. Source: The NPD Group, Inc.

International Markets

International markets

- More sales of next-gen consoles are occurring outside the U.S. than during previous generations
- Solid growth in Europe during 2014 led by the U.K. plus strong share gains in Germany & France
- Turtle Beach has more than doubled the number of countries with retail distribution since 2011, increasing from 22 to 49 over four years

China represents growth opportunity for both console and PC gaming headset business

- 227 million gamers in China; 65 million hard core
- Turtle Beach first-to-market with Xbox One gaming headsets in China
- PC Gaming headset sales in China are forecasted to reach \$55 million in 2014 and \$200 million by 2016³
- Turtle Beach has announced a new *Call of Duty Online* gaming headsets exclusively for China

3. Source: DFC Intelligence Forecasts



 **HYPERSOUND**



New Sound Delivery Mechanism

- Fundamentally new approach to audio
- Thin panels generate an ultrasound beam
- Audio is injected into the beam
- Sound is contained to the air within the ultrasound beam

HyperSound



Standard Speaker



Innovations

Patent-protected innovations provide a competitive advantage over other solutions in the marketplace.

- Digital signal processing has **significantly improved audio quality and frequency response**
- Electronics advancements have enabled the use of **low voltage cables and lower overall power consumption**
- Innovations in emitter panel design have improved the ratio of audio volume to panel size, allowing for the production of **smaller, louder emitter panels**
- Advances in emitter manufacturing process now allow for **cost effective mass production**

Multiple Commercial Market Opportunities



BENEFIT

HyperSound's ability to place sound in a specific location makes it ideal for many commercial uses

MARKET OPPORTUNITY

- Pre-defined sound zones for in-store promotional, informational and way-finding messages
- Audio for interactive kiosks and displays
 - 20M digital signs currently in use in North America¹
 - 34M ATMs, vending machines and self-service kiosks in North America by 2015²
 - 2.5M self-service kiosks by 2015²
 - 120,000 fast food restaurants in the U.S.³
 - 900 casinos and 850,000 electronic gaming machines in the U.S.⁴

STATUS

- In November 2014 achieved first wide-scale deployment of HyperSound® virtual reality audio zones in Activision Call of Duty®: Advanced Warfare retail displays in approximately 1,000 Best Buy locations in North America
- Pursuing multiple showcase installations at brand-name retailers



1. BUNN Research, January 2014.
2. *Self-Service Markets: ATMs, Kiosks, Vending Machines*, BCC Research, March 2011.
3. QSR, August 2013.
4. *2013 Survey of Casino Entertainment*, American Gaming Association, October 2013.

Significant Hearing Health Opportunity



BENEFIT

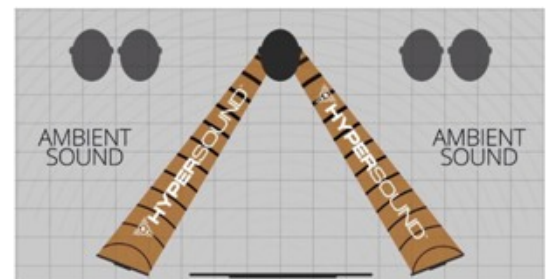
HyperSound provides significant improvement in listening experience for individuals with hearing loss

MARKET OPPORTUNITY

- Targeting living room TV/audio solution to improve speech comprehension and enhance listening experience
- Large, addressable markets
 - 360M worldwide and 48M in the U.S. with hearing loss¹
 - 35% to 40% of population over 65 suffer from hearing loss¹
 - \$4B U.S. hearing-aid market, with ~11M units sold annually¹

STATUS

- Received FDA clearance for HyperSound Audio System in February 2014
- Hired hearing aid industry veteran Rodney Schutt as SVP and General Manager of HyperSound in 2014
- Products in development and expected to ship in 2015



1. Johns Hopkins School of Medicine, November 2011.

Future Opportunities

Consumer

BENEFIT: HyperSound allows for immersive 3D audio in a wide variety of consumer electronics applications

MARKET OPPORTUNITY

- Home theater systems
- Entertainment and gaming soundbars
- Computer speakers

STATUS

- Pursuing consumer product development in 2016 and beyond



Licensing

BENEFIT: HyperSound can be integrated into a wide variety of commercial and consumer products

MARKET OPPORTUNITY

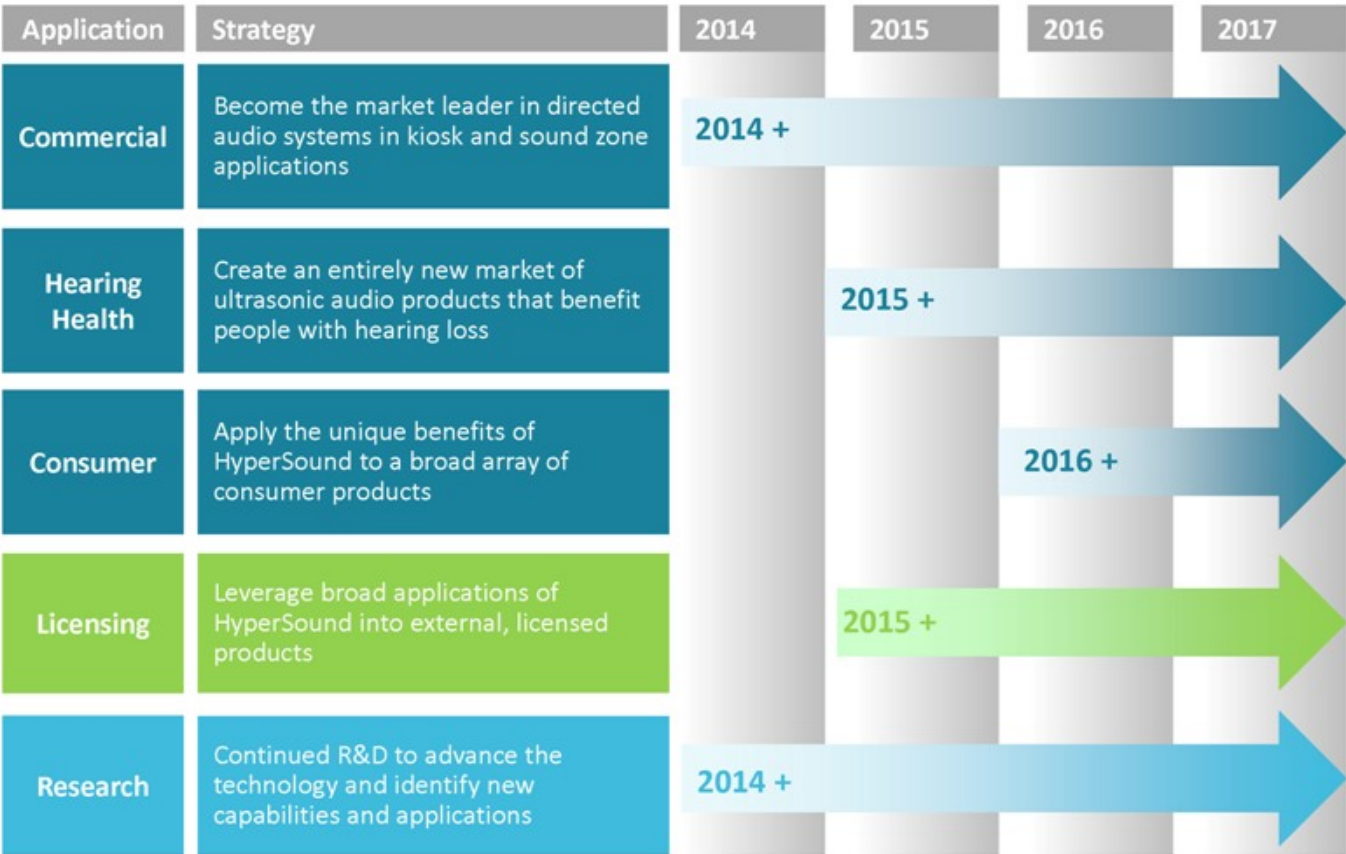
- Automotive and other transportation markets
- Government and military applications
- Displays and televisions
- Others?

STATUS

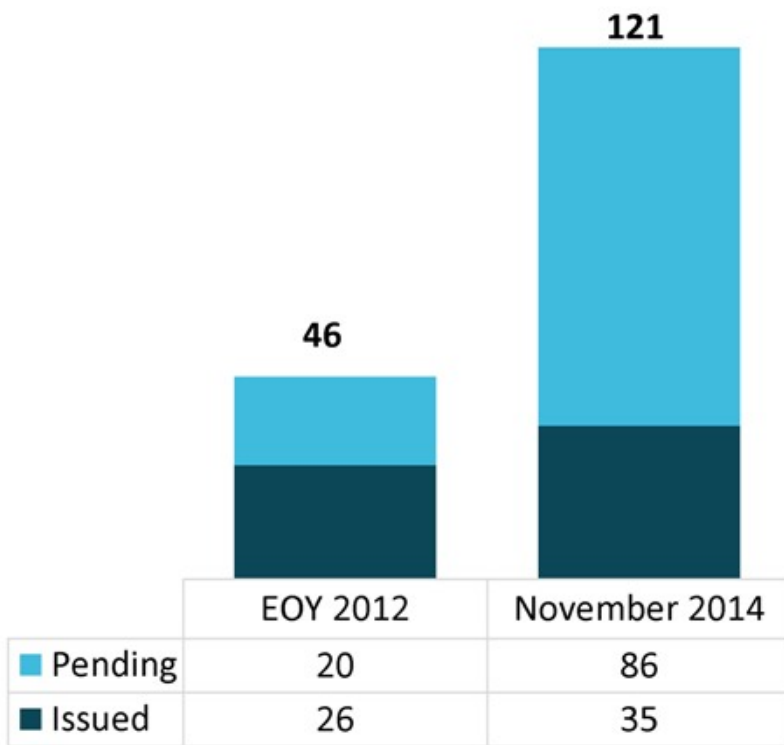
- Actively engaged in initial licensing discussions to incorporate HyperSound technology



Steady Stream of HyperSound Opportunities



Strong and Rapidly Growing Portfolio of Patents



Headset innovations on:

- Audio processing
- Gaming specific features

HyperSound innovations on:

- Emitter construction
- Ultrasound and emitter electronics
- Digital signal processing techniques
- Market uses of ultrasound audio

2014 Performance Against Milestones



2014

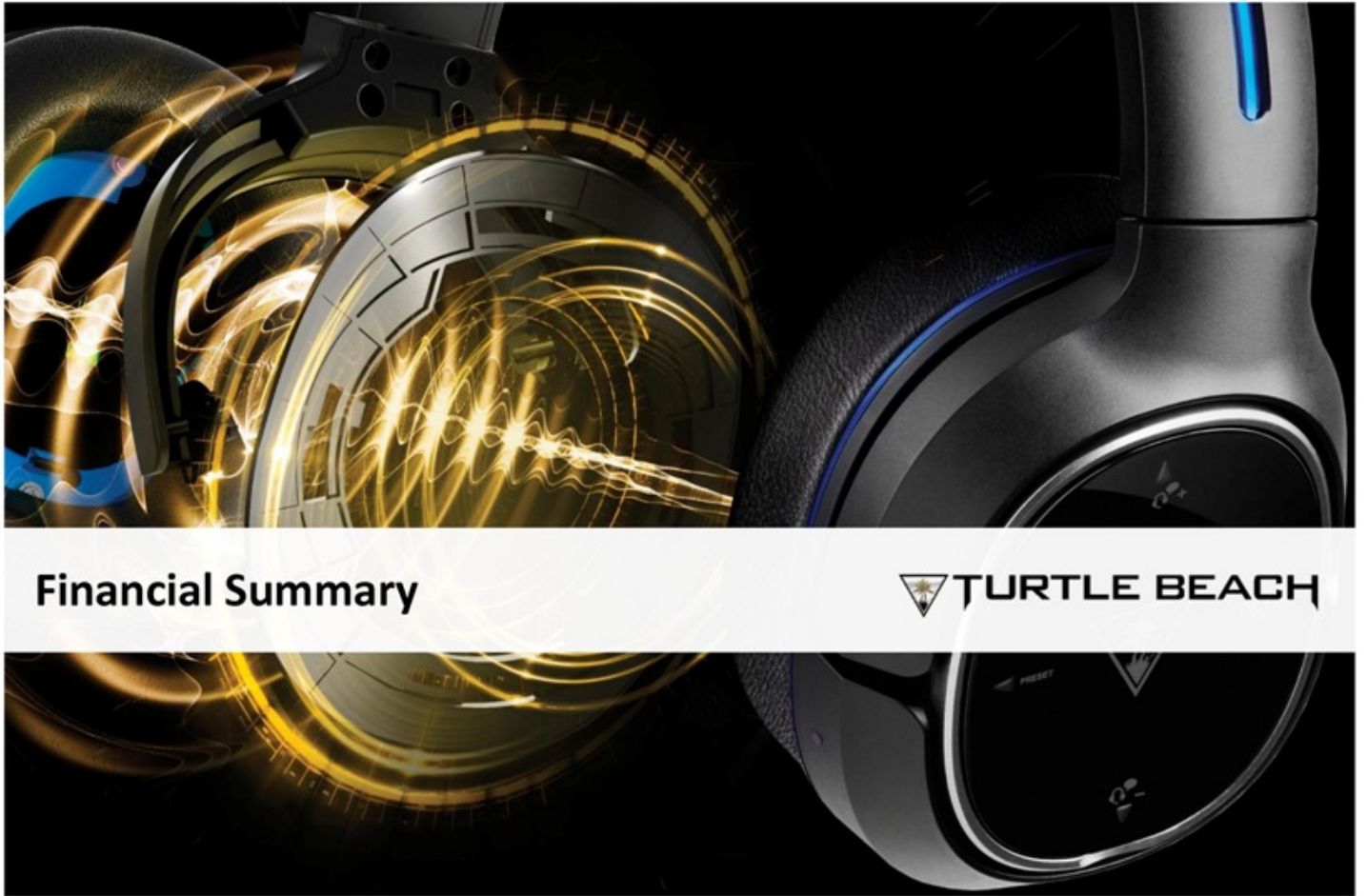
- ✓ Launch broad portfolio of innovative next generation console headsets
- ✓ Strengthen retail relationships and improve in-store experience
- ✓ Improve PC gaming headset offering and introduce accessories
- ✓ Grow market share in non-core markets
- ✓ Achieve large scale retail deployment of HyperSound
- ✓ Complete transition to a public company

2015

- Accelerate console headset growth as new console installed base expands
- Grow newly established China market
- Increase share of PC gaming headsets
- Launch HyperSound healthcare products
- Expand HyperSound Commercial business

2016

- Continued growth of console and PC gaming headsets
- Accelerated growth of HyperSound commercial and healthcare businesses
- Roll-out HyperSound consumer products
- Strategic Acquisitions



Financial Summary



First Quarter

- Completed merger with Parametric Sound (PAMT) and created publicly traded Turtle Beach Corporation
- Refinanced term loan and ABL with new global ABL credit facility
- Launched first-to-market new Xbox One headsets
- Realized higher than normal revenue and profits as Microsoft introduced its adapter in March to give gamers the ability to use headsets on Xbox One platform

Second Quarter

- Completed equity offering and used proceeds to pay down debt and increase liquidity
- Realized lower than normal revenue due to shift from delayed launch of Xbox One headsets
- Incurred significant incremental costs to pack and ship MSFT headset adapter due to late arrival of device from MFST
- Signaled overall market headset attach rates trending lower than expected

Third Quarter

- Reported lower than expected revenue due to continued weakness of console headset market and slight delay in certain product launches
- Reiterated that industry attach rates continue to track lower than expected
- Announced that West Coast port delays were driving increased logistic costs to expedite product to customers

Fourth Quarter

- New Turtle Beach products performed well in a challenging domestic gaming headset market
- West Coast port delays continued to drive higher logistics costs
- Strong growth in key European markets including U.K., Germany and France

Key Financial Takeaways



Revenue

- 50% CAGR between 2010 and 2012 to achieve \$207 million in annual net sales with approximately 70% domestic / 30% international breakdown
- 2013 highly disrupted by start of console transition cycle and delay in Xbox One headsets to March 2014
- Multiple industry headwinds in 2014 including rapid decline in old generation console user base, greater availability of Microsoft XB1 standalone adapter, lower than expected PS4 attach rates and deep competitor discounting
- Turtle Beach headset revenue growth in 2014 despite challenging overall headset market conditions
- Strong international growth in 2014 including PC gaming with market share gains in U.K., Germany, France and entry into China
- Expecting growing demand for new products as new generation active user base surpasses old generation has company well positioned for 2015
- HyperSound expected to contribute increasingly to the top-line as commercial segment expands and healthcare product launches

Key Financial Takeaways



Gross Margin

- Targeting roughly 30% range for headset business
- 2013 & 2014 margins negatively impacted by early stages of console transition (product mix, adapter logistics costs) and West Coast port issues
- 2015 margins expected to benefit from fuller new gen product portfolio partially offset by pressure from old gen discounting
- HyperSound margins targeted at 50% and therefore will raise overall margins as this business grows

Operating Expenses

- Targeting roughly 20% range for headset business
- Expecting modest increases in staff and marketing to support HyperSound growth
- HyperSound operating expenses begin to leverage in 2016

Key Financial Takeaways



Balance Sheet

- Signed new global \$60 million ABL credit facility with Bank of America on March 31, 2014
- Raised net proceeds of \$35.6 million through common stock offering in April 2014
- Repaid all \$17.0 million of outstanding high interest subordinated notes using proceeds from equity offering and lower cost borrowings under credit facility
- All outstanding debt now concentrated in our revolving credit facility with Bank of America that carries an interest rate of LIBOR plus 2.5% except ~\$8 million that is at LIBOR plus 5%.
- Cash interest on TTM basis approximately \$1 million
- Capital expenditures run approximately \$6.0 million annually and are primarily investments in retail displays/kiosk

Investment Summary



Audio technology company with strong existing audio business in gaming headsets combined with disruptive new HyperSound audio technology

Multiple near and long-term growth opportunities

- Dominant console gaming headset brand in early stages of once-in-a-decade industry growth cycle
- Significant market share opportunities in PC gaming headsets and international markets
- Growth opportunities from HyperSound in commercial markets and with 2015 entry into \$5 billion hearing health category



Margin and EBITDA Expansion Potential

- Growing portfolio of new generation headsets and increased contribution from HyperSound to drive gross margin improvement
- Positioned to leverage operating cost structure on revenue growth
- Strong cash flows to fund business expansion



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COMPANY WEBSITES

www.turtlebeachcorp.com

www.turtlebeach.com

www.hypersound.com

**Turtle Beach Updates Full Year Sales Outlook
Company Presenting at ICR XChange and Needham Conferences**

SAN DIEGO, CA, January 12, 2015 – Turtle Beach Corporation (NASDAQ: HEAR) today announced that, in spite of challenging overall market conditions, it expects net sales for the fiscal year ended December 31, 2014 to be within its previously issued guidance range of \$185 to \$195 million, albeit at the low end of this range.

“While industry conditions proved to be more challenging in 2014 than we initially expected, based on our revised estimates we were able to grow our business year-over-year and accomplish our key strategic and product objectives,” commented Juergen Stark, chief executive officer of Turtle Beach. “Our fourth quarter performance reflects strong consumer response to our new products including the newly-launched Stealth 500X and XO ONE which were both the top selling headsets in their price categories in November*. We also experienced strong growth in several international markets including the U.K., Germany and France and established a good initial foothold in China consistent with our business objectives.”

Mr. Stark continued, “The performance of our next generation console gaming headsets was partially offset by softer than expected sales of old generation headsets as the active user bases for Xbox 360 and Playstation 3 continue to decline at a faster pace than initially projected. Significant discounting by several competitors also created additional headwinds for our top-line. We chose not to compete on price in an effort to protect our brand value and margins. In addition, West Coast port issues steadily worsened as the fourth quarter progressed which required us to increase our logistics costs even more than expected.”

“As 2015 gets underway, we remain cautiously optimistic that headset attach rates for the Xbox One and Playstation 4 platforms will accelerate from current levels based on strong next generation console sales. We are confident that our industry leading product line up has us well positioned to benefit from improving trends,” concluded Mr. Stark. “We are also excited about capitalizing on the multiple market opportunities for our disruptive HyperSound audio technology including further commercial retail deployments and the hearing health product we will launch later this year.”

*According to sales tracking data from The NPD Group, Inc. for the \$200 and above and \$49 and below price categories.

Conferences

As a reminder, Chief Executive Officer, Juergen Stark and Chief Financial Officer, John Hanson are presenting at the 17th Annual ICR XChange Conference at 10:30 am ET on Tuesday, January 13, 2015 and the 17th Annual Needham Growth Conference at 3:30 pm ET on Wednesday, January 14, 2015.

The audio portion of both presentations will be webcast live over the internet and can be accessed under the Investor Relations section at www.turtlebeachcorp.com. An online archive will be available for a period of 90 days following the presentation.

About Turtle Beach Corporation

Turtle Beach Corporation (TurtleBeachCorp.com) designs audio products for consumer, commercial and healthcare markets. Under the brand Turtle Beach (TurtleBeach.com), the company markets premium headsets for use with video game consoles, including officially-licensed headsets for the next-generation Xbox One and PlayStation®4, personal computers and mobile devices. Under the brand HyperSound® (HyperSound.com), the company markets pioneering directed audio solutions that have applications in digital signage and kiosks, consumer electronics and healthcare. The Company's shares are traded on the NASDAQ Exchange under the symbol NASDAQ:HEAR.

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