



Safe Harbor Statement



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This presentation includes "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements are statements that are not historical facts including statements about our beliefs and expectations and statements containing the words "may," "could," "would," "should," "believe," "expect," "anticipate," "plan," "estimate," "target," "project," "intend," "foresee," and similar expressions. 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 include but are not limited to, for example, the application of quarter-end and year-end accounting procedures and adjustments, other developments that may arise between the date of this presentation and the time that financial results for the first quarter ended March 31, 2016 are finalized, statements regarding market opportunities, future products and anticipated future financial and operating performance and results, including estimates for growth, and the other factors discussed in our public filings, including the section entitled "Risk Factors" in Turtle Beach's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and other periodic reports 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.

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This presentation contains certain financial measures, including adjusted EBITDA, that the Securities and Exchange Commission defines as "non-GAAP financial measures." This non-GAAP financial measure, as calculated by the Company, is not necessarily comparable to similarly titled measures reported by other companies. Additionally, this non-GAAP financial measures is not a measurement of financial performance or liquidity under GAAP and should not be considered an alternative to the Company's other financial information determined under GAAP. Management believes that this non-GAAP financial measure, when read in conjunction with the Company's reported results, can provide useful supplemental information for investors analyzing period to period comparisons of the Company's results. "Adjusted EBITDA" is defined by the Company as net income (loss) before interest, taxes, depreciation and amortization, stock-based compensation (non-cash), and certain special items that we believe are not representative of core operations. The Adjusted EBITDA outlook for the second quarter and full year 2016, have not been reconciled to our net loss outlook for the same periods because certain items that would impact interest expense, provision for income taxes and stock-based compensation, which are reconciling items between net loss and Adjusted EBITDA, cannot be reasonably predicted.

Who We Are

- ► Turtle Beach is a premier audio innovation company with a 40-year legacy of creating new audio categories
- ► Longstanding, #1 brand for gaming headsets with 42% share of the U.S. market¹
- Positioned for renewed revenue and profit growth as major industry product cycle continues
- We have created an entirely new audio market for directional sound with HyperSound Clear™ 500P
- HyperSound Clear 500P product launched in Q4-15 and is targeted at the \$5B hearing health market



Leading Gaming Headset Business & Transformational New Directed Audio Technology







	Headsets	HyperSound				
Overview	Market share leader with large, loyal customer base	Breakthrough audio technology that allows directed placement of sound				
Markets	Console Gaming PC Gaming Mobile	Healthcare Commercial Consumer Licensing				
Catalysts	Well-positioned product portfolio for new gen consoles	Launched HyperSound Clear 500P into the \$5B hearing health market in Q4-15				
FY16 Financial Profile	 \$160-\$170M in revenues New gen up ~20% over 2015 ~30% gross margins 	 \$5-\$7M in revenues Significant growth with full rollout 40-50% target gross margins¹ 				

¹⁾ Target gross margins (excluding amortization) at full run rate in Q4 2016.

2016 Management Objectives



- Significantly improve profitability of headset business (~5X EBITDA improvement)
 - ▶ Drive overall growth, offsetting expected \$20M+ YoY decline in old gen revenues with new gen increases
 - ► Continue to improve headset gross margins to achieve ~30% for the year
 - ► Improve international performance in spite of strong dollar impact
 - ▶ Manage OpEx to improve headset adjusted EBITDA to ~\$12M (~5x increase)
- Move HyperSound business towards cash flow breakeven
 - ▶ Prove success in the hearing healthcare channel happy consumers, productive offices
 - ▶ Grow revenues to \$5-\$7M by scaling healthcare channel in U.S. and Europe
 - Continue to drive additional advancements in technology and HyperSound intellectual property
 - ▶ Manage spend carefully to have HyperSound adjusted EBITDA loss of less than \$12M
- ► Targeting positive consolidated adjusted EBITDA of \$0-\$2M for 2016



2016 Outlook¹



(\$ in millions)	Old	New	% Δ²	Management Commentary
Revenue:				
New Gen	\$140-\$145	\$147-\$153	5%	18-23% growth from 2015
Old Gen	\$8-\$10	\$8-\$10	-	60-70% decline from 2015
Other	<i>\$5-\$7</i>	\$5	(17)%	Opportunity for international growth
Total Headset	\$153-\$162	\$160-\$170	5%	Strong new gen growth combined with old gen drop
HyperSound	<i>\$7-\$10</i>	<i>\$5-\$7</i>	(29)%	Slower than expected ramp, lower spend on sales & marketing
Consolidated	\$160-\$172	\$165-\$175	2%	1-8% growth from 2015
Gross Margins				
Headsets	~30%	~30%	-	+400 basis points over 2015
HyperSound	40%-50% by Q4	40%-50% by Q4	-	By Q4-16 as revenues ramp (cash margin excluding amortization)
Adjusted EBITDA:				
Headsets	~\$9	~\$12	33%	~5X increase over 2015
HyperSound Investment	<\$14	<\$12	14%	Modest reduction from 2015 reflecting revenue and OpEx growth
Consol. Adj. EBITDA	~\$(5)	\$0-\$2	NA	\$11M+ increase from 2015

¹⁾ Guidance updated and effective on May 10, 2016.

²⁾ Delta reflects midpoint of the outlook.



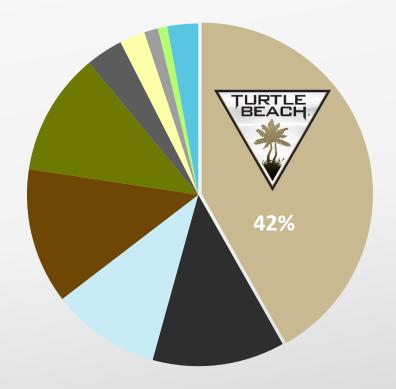
Dominant Gaming Audio Provider with Leading Market Share



- #1 gaming headset provider for Xbox and PlayStation
 - ▶ **42%** of U.S. market in 2015 (42% in Q1 2016)¹
 - ▶ **45%** of U.K. market in 2015 (46% in Q1 2016)²
- Completely transitioned portfolio from old gen (Xbox 360 & PlayStation 3) to new gen (Xbox One & PlayStation 4) from 2013 to 2015
- New gen headset revenues increased 24% in 2015, 64% in Q1 2016 vs. 2015
- ➤ Xbox One: **4 of the top 5 headsets** and the top selling 3rd party headset in 2015¹
- ► PlayStation 4: **3 of the top 5 headsets** and the top selling 3rd party headset in 2015¹



2015 U.S. Gaming Headset Market Share¹



¹⁾ Video Games POS Monthly Update, The NPD Group, Inc. (US data).

²⁾ Gfk/Gfk Chart-Track.

New Gen Console Growth



Platform

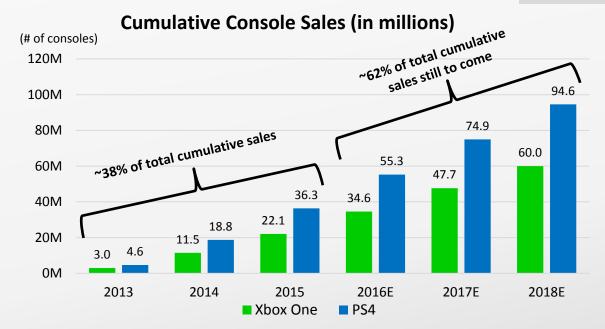
XBOX ONE

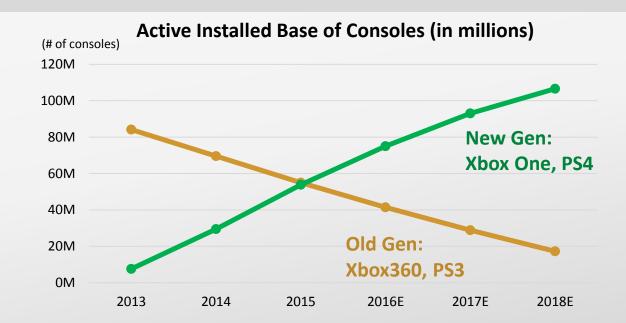
Cumulative Sales (Current → 2018 est.)

22M → 60M

36M → 94M

- Cumulative new gen console sales totaled 58M as of 12/31/15
- New gen console sales are up over 40% vs. old gen at same time in cycle
- Over 30M new gen consoles expected to be sold worldwide in 2016
- New gen cumulative console sales projected to exceed 150M worldwide in 2018





Sources: DFC Intelligence Forecasts: Worldwide Console Forecast, May 2015.

We Cover All Key Price Points – More Than Any Competitor



Retail ASP	<\$50		\$50 ·	- \$99	\$100 - \$200		>\$200		
Console	PS4	Xbox One	PS4	Xbox One	PS4	Xbox One	PS4	Xbox One	TOTAL
TURTLE BEACH.	Recon 60P Recon 50P P4c	Recon 50X Recon 30X	Stealth 400 PX22 PX	XO4 Stealth XO1	Stealth 500P	Stealth 420X XO7 Pro	Elite 800	Stealth 500X Elite 800X	16
Sony			Silver Wired Gold Wireless						2
Microsoft		XB1 Chat		XB1 Stereo					2
Astro						A40 + M80	A40 + MixAmp A50	A40 + MixAmp A50	5
PDP	LVL 5+ LVL 3 LVL 1	LVL 3 LVL 1	AG 9	AG 9 LVL 5+					8
Mad Catz	Kaiken Kama	Kaiken Kama		Kunai					5

We Have Differentiated Technology...



Advanced Chat

Chat technology like noise gate, chat boost, variable microphone monitor

Digital Signal Processing (DSP)
Game audio and chat presets that
can be customized using a new mobile app

Bluetooth

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

Active Noise Cancellation

1st gaming headset to use noise cancellation for both inbound audio and outbound chat

DTS Headphone:X

Headphone:X 1st 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

...And Strong Distribution



Strong Retail Presence

Product sales in over 40 countries with over 280,000 points of distribution

Sample retailers















TARGET







Great Partnerships

Partnerships with industry leading brands













12,000+ Interactive Displays

Market leader in deploying interactive gaming headset displays



Headset Growth Opportunities



PC Gaming

International

- Approximately \$400M market globally¹
- Launched eight new SKUs in 2014 and 2015
- Launched PC gaming accessories via a partner in 2014 including:
 - ► Keyboards
 - Mice
 - Mouse pads
- ► PC gaming more popular than console gaming in markets like Germany, China and other parts of Asia²
- Leveraging expanded portfolio as a growth platform in Germany and China



¹⁾ The NPD Group, IDC and Company Estimates.

²⁾ Newzoo 2015 Global Games Market Report Premium.

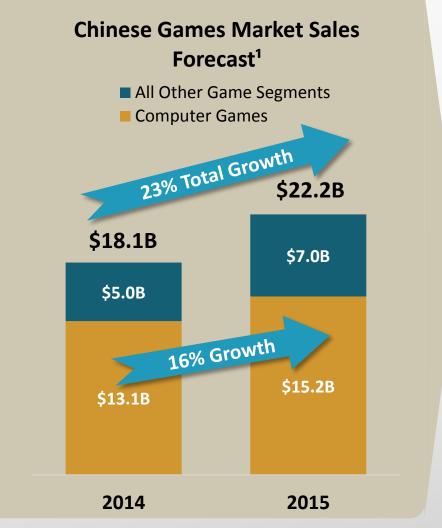
Headset Growth Opportunities



PC Gaming

International

- China represents long-term growth opportunity for console and PC gaming headsets
 - ▶ 446M Chinese gamers²
 - China represents <2% of our annual revenues today</p>
 - China has lifted video game console ban
 - ► Turtle Beach first-to-market with Xbox One gaming headsets, planning to begin sales efforts in 2016-2017 when console sales ramp
 - ► Expect to initiate modest investment in 2016 to begin China growth efforts



¹⁾ Newzoo 2015 Global Games Market Report Premium.

²⁾ CGA, Newzoo China vs. US report Aug 2015.













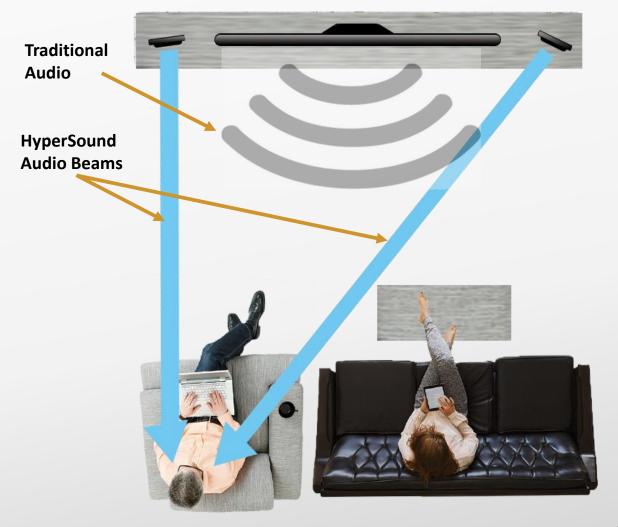
HyperSound – A New Sound Delivery Mechanism



How does HyperSound technology work?

- ► Thin panels produce directional audio within an ultrasound beam, masking ambient noise
- Q4-15 launch into \$5B hearing health market¹ via HyperSound Clear 500P product
- HyperSound Clear 500P TV audio solution improves the listening experience and speech intelligibility for individuals with mild to severe hearing loss
- HyperSound technology shown to be effective in commercial markets requiring directed sound (as demonstrated by national kiosk rollout at Best Buy)
- Future opportunities in consumer markets and licensing agreements

How HyperSound Clear 500P Works

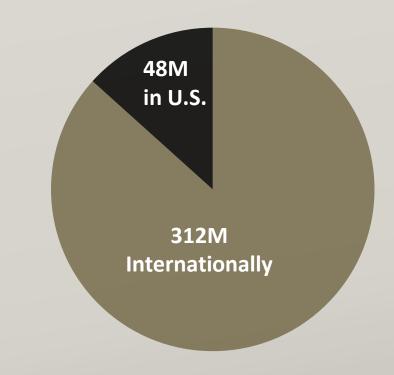


HyperSound Clear 500P – Entering a \$5 Billion Hearing Health Market

TURTLE BEACH
CORPORATION
NASDAQ: HEAR

- Global hearing health market size estimated at \$5B¹
- ▶ 35-40% of people 65+ suffer from hearing loss¹
- ~13M hearing aids are sold annually¹
- Potential complementary and incremental revenue stream for audiologists given low conversion rates on hearing aids
 - ► ~4% in ages 50-59²
 - ▶ ~22% in ages 80+²
- ► Two successful patient preference studies of HyperSound Clear 500P completed³
 - ▶ 79% said HyperSound Clear 500P improved their ability to hear and understand speech
 - ▶ 69% said they would either maybe, probably or definitely purchase
- 1) Johns Hopkins School of Medicine, Nov 2011. World Health Organization, 2013.
- 2) The Hearing Review, Tech Topic, Oct 2015.
- 3) Patient Preferences of 58 adult participants after two minute demonstration of HyperSound Clear 500P at conclusion of their audiologist appointment for a Directed Audio Solution, Hearing Review, 2015.

360 Million or 5% of the World's Population Suffer from Hearing Loss¹



HyperSound Clear 500P improves the listening experience and speech intelligibility for individuals with hearing loss

U.S. Hearing Health Market Structure & Channel Approach

450K Units¹

to

Consumer



Channel Landscape = Signed deals **Retail Channel** Market Size (est.) Initial channel 8,000 POS (Points Independent focus for **HyperSound** of Sale) & Buying **Clear represents** Groups 1.2M Units¹ FUEL ~90%+ of the points of sale We've already Retail 4,000 POS signed ~45% of Store 750K Units¹ overall points of ///\//////Miracle-Ear Front sale Department of **Veterans 800 POS Veterans Affairs** Admin. 725K Units¹ Direct **300 POS** HearingPlanet[®]

> 1) Approximate units of hearing aids sold via this channel.

Welcome to a world of better hearing

HyperSound Clear *500P For Hearing Market*: Our Strategy

TURTLE BEACH
CORPORATION

- Hire Leader: Former president/CEO of two large hearing aid companies hired in 2014 to lead HyperSound
- ► **Get Clearance for Medical Device:** FDA 510(k) clearance in Feb 2014 allows us to market the product "to improve clarity and comprehension of sounds with or without use of hearing aids"
- ► Commercialize Product: Two years of product development completed with shipments started late Oct 2015
- ➤ **Sell as Hearing Product:** Now sold through hearing health care professionals for MSRP of \$1,675 and programmable for specific user's hearing profile
- ▶ **Set-up Sales Channel:** Signed channel relationships giving us access to 5,600+ prospective hearing health offices and retail locations in the U.S. representing ~45% of total distribution points
- ► Scale Manufacturing: Partnered with leading electronics manufacturer, Foxconn, and producing in Mexico



HyperSound Clear 500P Initial Channel Ramp Progress





- We are in early stage of rollout to hearing healthcare offices, pursuing careful approach to ensure success
- Offices require training and visits to become fully active (which has taken more time than expected)
- Certain fully active offices have experienced sales conversion rates of 20+% during product demonstration events
- Product survey results from initial set of consumer users are very positive (4.6+ star ratings)¹
- Launched in European market March2016

Early Purchaser Survey Results¹:



Potential Growth Opportunities for HyperSound Technology



Commercial

- Pre-defined sound zones for in-store promotional, informational, beaconing and way-finding messages
 - ▶ Deployed in Nov 2014 to ~1,000 Best Buy stores in Activision Call of Duty® retail displays
- HyperSound/Kiosk pairing has shown a 28% sales increase in a retail environment¹
- Audio for interactive kiosks and displays
 - ▶ 20M digital signs currently in North America²
 - ▶ 34M ATMs, vending machines and self-services kiosks in N. America at the end of 2015³
 - 2.5M self-service kiosks in 2015²



Consumer & Licensing

- Immersive, directed 3D audio presents consumer opportunities for:
 - ► Home theater systems and sound bars
 - Desktop and gaming speakers
 - Other potential consumer audio opportunities
- Potential licensing market opportunities include:
 - Automotive and other transportation markets
 - Government and military applicants
 - ▶ Displays and televisions





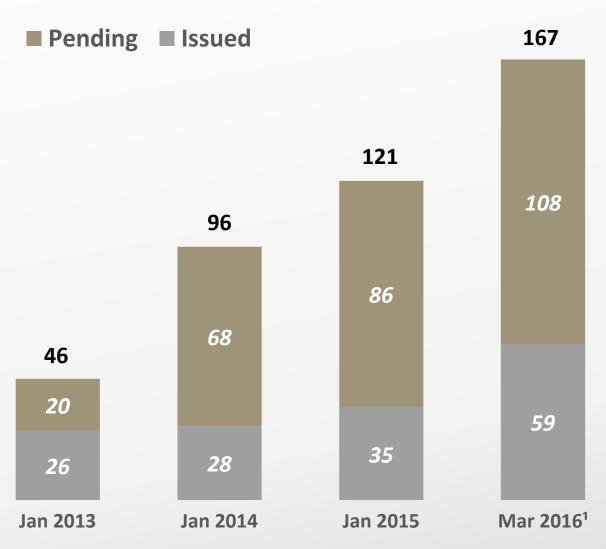
¹⁾ POPAI | HyperSound In-Store Research Report, Jun 2015.

²⁾ BUNN Research, Jan 2014.

³⁾ Self-Service Markets: ATMs, Kiosks, Vending Machines, BCC Research, Mar 2011.

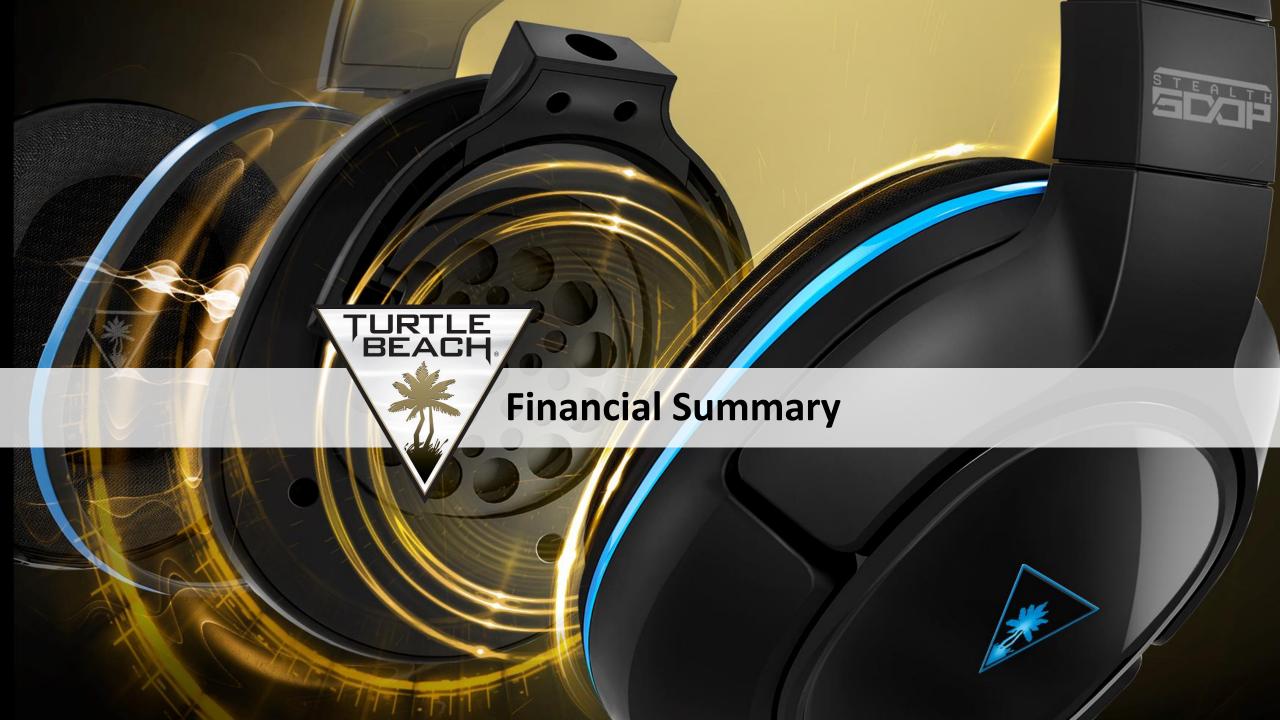
Strong & Rapidly Growing Patent Portfolio





- Headset innovations:
 - Audio processing
 - ► Gaming specific features
- HyperSound innovations:
 - ► Emitter construction
 - ► Ultrasound and emitter electronics
 - Digital signal processing techniques

1) As of March 31, 2016.



Key Stats



Trading Data (@ May 6, 2016)			Capitalization			Balance Sheet Highlights		
Stock	k Price	\$0.95		@ 12-31-15	@ 3-31-16	► Revolver typically peaks in Q4 and		
Mark	ket Capitalization	\$46.8M	Cash & Equivalents	\$7.1M	\$3.2M	lowest in Q1 after holiday receipts		
52 W	/k. Low/High	\$0.85/\$3.72	Debt			► In Feb 2016, raised \$6.2M in net		
Avg.	Daily Vol. (3 mo)	98.0K	Revolver (asset-based loan)	\$32.5M	\$0.5M	proceeds (over 50% purchased by		
Publi	ic Float	25%	Term Loans	\$18.4M	\$17.2M	insiders), stabilizing liquidity		
Prima	ary Shares¹	49.2M	Subordinated Notes ²	\$17.2M	\$17.8M	Accounts payable down 30% to \$12.5M @ Mar 31, 2016		
SG V	TB Holdings & Affiliates ¹	21.5M	Total Debt	\$68.1M	\$35.5M	► Cash + AR - AP = \$6.5M @ Mar		
Retir	red Founders of Turtle Beach ¹	11.0M	Series B - Preferred Stock ³	\$16.1M	\$16.5M	31, 2016 (\$9M higher YoY)		
Optio	ons/Restricted Stock ¹	5.2M		▶ \$44.6M federal, \$20.6M state net				
Warr	rants ¹	3.1M				operating losses @ Dec 31, 2015 offset taxable income (not		
Fully	Diluted Shares ¹	57.5M				scheduled to expire until 2029)		

Sources: S&P Capital IQ, company filings.

¹⁾ As of March 31, 2016.

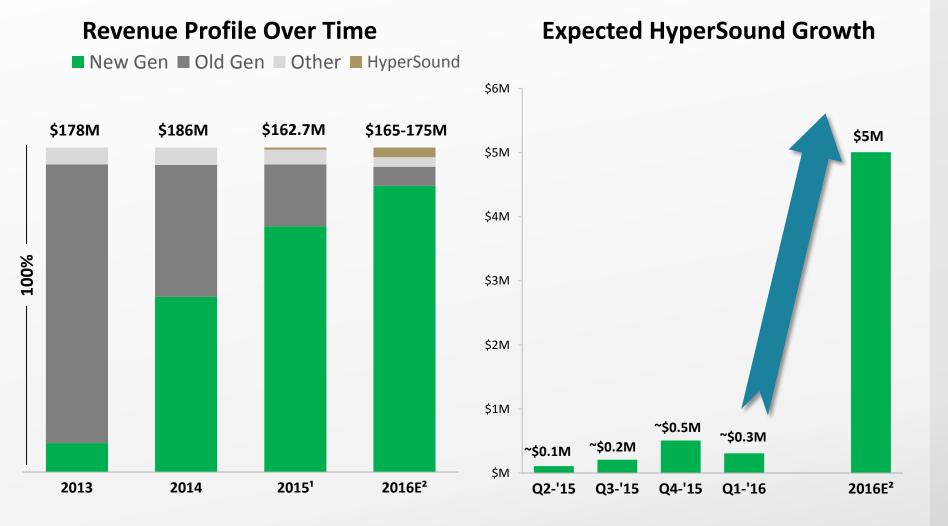
²⁾ Includes SG VTB Holdings (Stripes Group LLC, a private equity fund and our largest shareholder) and trusts affiliated with Ron Doornink, the Company's chairman of the board.

³⁾ Non-callable, due in October 2030, and has 8% per annum PIK interest.

Revenue Growth Profile



NASDAQ: HEAR



- New gen sales up 24% from 2014 to 2015, up 64% in Q1-16 YoY
- Old gen sales declined ~\$40M to under 12% of revenues in Q4 2015
- 2015 and YTD 2016 retail sellthrough outpaced sales, leading to lower channel inventory
- New gen revenue expected to increase 18-23% in 2016²
- Old gen revenue expected to decline 60-70% in 2016²
- HyperSound Clear 500P launched in Q4-15 and expected to reach \$5-\$7M in revenues for 2016

Note: Old gen, new gen revenue splits are approximations.

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¹⁾ Strong dollar and rapid drop in old gen significantly reduced revenues from 2014 to 2015.

²⁾ Guidance updated and effective on May 10, 2016

Q2 2016 Outlook¹



	Q2-16	ΥοΥ Δ	Management Commentary
Revenue	\$25M	11%	Strong start to 2016 in headsets and upcoming product launches driving strong outlook
Gross Margin	~15%	Roughly flat	New gen headsets carry higher gross margin, offset by HyperSound amortization
Adj. EBITDA	\$(6)M	27%	Reduced OpEx to more than offset increased HyperSound investments
EPS	\$(0.23)	Flat	23% YoY excluding \$3.1M tax benefit in Q2-15

1) Guidance updated and effective on May 10, 2016.

2016 Outlook¹



(\$ in millions)	Old	New	% Δ ²	Management Commentary
Revenue:				
New Gen	\$140-\$145	\$147-\$153	5%	18-23% growth from 2015
Old Gen	\$8-\$10	\$8-\$10	-	60-70% decline from 2015
Other	<i>\$5-\$7</i>	\$5	(17)%	Opportunity for international growth
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Consol. Adj. EBITDA	~\$(5)	\$0-\$2	NA	\$11M+ increase from 2015

¹⁾ Guidance updated and effective on May 10, 2016.

²⁾ Delta reflects midpoint of the outlook.

Key Takeaways



NASDAQ: HEAR

- Longstanding, dominant market leader in console gaming headset market with technologically differentiated products
- Console market growing strongly post new platform launches late 2013
- Company now completed successful portfolio transition for new Xbox and PlayStation consoles
- HyperSound Clear 500P launch into \$5B hearing health category, creating strong growth opportunity
- HyperSound commercialization and new gen headset transition expected to meaningfully improve margins, profitability and cash flows









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www.turtlebeach.com

www.hypersound.com





Experienced Management Team





• COO of Motorola Mobility's mobile business





McK

EVP and CFO at Dialogic

CFO at One Communications Corp







 25+ years of experience in the hearing health & medical device industries

 Past president/CEO of Luminetx, Aspyra, Unitron Hearing, and Widex Hearing, both leading hearing aid companies



Richard Kuvalik

John Hanson

CFO

• 15+ years in consumer audio

 Led peripheral products for PlayStation at Sony





Rob Andris

Rodney Schutt

 VP, Global Supply Chain Operations, Hewlett Packard

 20 year, supply chain management, IBM, Cisco, HP



cisco.



Andrew Lilien
VP of Marketina

 20+ years of brand, consumer and retail marketing experience

 Past experience at ESPN, Fleer Trading Cards and National Media Group





Led headset transition as VP of business planning & strategy

• 17 years with Motorola in product management, operations, quality and customer relations



MOTOROLA

Megan Wynne General Counsel

 5 years with I-Flow, a Kimberly-Clark Health Care Company

13 years with Morris Polich & Purdy law firm







SVP, Global Supply Chain & Ops



 Founded Green Edge Technologies and served for 2 years as its CEO



Woody Norris Chief Scientist

Noted life-long inventor and entrepreneur

 Lemelson-MIT Prize for the invention of HyperSound





Experienced Board of Directors





Ron Doornink Chairman

- Former Chairman and CEO of Activision Publishing (NASDAQ: ATVI)
- Operating partner of Stripes Group, LLC
- Founder and principal of Erasmus Equity Investments



Juergen Stark
CEO and Director

- COO of Motorola Mobility's mobile business
- 10 years as Principal at McKinsey & Company, Inc.
- MBA, Harvard Business School; B.S. Aerospace, University of Michigan



Ken Fox Director

- Managing partner of Stripes Group, LLC
- Former Managing Director and co-founder of Internet Capital Group (NASDAQ: ICGE)
- Co-founder of A-10 Capital and Sentinel Fund



William Keitel
Director

- Former CFO of Qualcomm Incorporated (NASDAQ: QCOM)
- During his time at the company grew revenues from ~\$800M to ~\$25B
- Held senior financial roles at Nortel (OTC: NRTLQ) and Pepsico (NYSE: PEP)



Laureen DeBuono
Director

- Partner at leading CFO consulting services firm FLG Partners, LLC
- Former President and CEO of Coapt Systems, Inc.
- Former COO and CFO of hearing aid manufacturer ReSound Corp.



Dr. Andrew Wolfe, PhD *Director*

- Founder and principal of Wolfe Consulting
- Former Chief Technology Officer for SONICblue, Inc.
- B.S.E.E. in Electrical Engineering and Computer Science, Johns Hopkins; Ph.D. in Computer Engineering, Carnegie Mellon