NEWS RELEASE

Parametric Sound Announces First Quarter 2014 Results

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- First Quarter Net Revenue Increased 30% to $38.3 million
- First Quarter Gross Profit Increased 42% to $12.3 million

– SAN DIEGO, California, May 12, 2014 –

Parametric Sound Corporation (NASDAQ: HEAR) today announced financial results for the first quarter ended March 31, 2014.

First Quarter 2014 Financial Highlights

- Net revenue of $38.3 million, a 30% increase from $29.5 million in the first quarter of 2013.
- Gross profit of $12.3 million, a 42% increase from $8.6 million in the first quarter of 2013.
- Gross margin of 32.1%, a 290 basis point increase from 29.2% in the first quarter of 2013.
- Adjusted EBITDA (as defined below) for the headset business totaled approximately $4.8 million, a 182% increase from $1.7 million in the first quarter of 2013. The Company invested approximately $2 million in HyperSound during the quarter, Adjusted EBITDA on a consolidated basis was $2.8 million.
- Headset Adjusted EBITDA margins of 12.5%, a 680 basis point increase from 5.7% in the first quarter of 2013.

Recent Developments

- Signed a new $60 million global asset backed credit facility with Bank of America that better supports our domestic and international growth strategies.

- Completed equity offering that raised $35.6 million net of all commissions and fees that improved stock liquidity and increased institutional ownership.
- Used proceeds from the equity offering to significantly improve the balance sheet; as of April 29, 2014 cash and cash equivalents were approximately $20 million, an increase of $14.5 million from March 31, 2014, and net debt was approximately $24.8 million, a reduction of $35.9 million from March 31, 2014.
- Received U.S. Food and Drug Administration (FDA) clearance for the marketing of the HyperSound Audio System as a hearing improvement device.
- Changed ticker symbol to HEAR and moved closer to completing a corporate name change to Turtle Beach Corporation and related CUSIP change, which is expected to occur May 28th.

â€œIt has been a busy and productive first quarter for Parametric Sound, and a formative period during which we laid the groundwork for what I believe will be a bright future for our company and our stockholders,â€ commented Juergen Stark, chief executive officer of Parametric Sound. â€œIn less than 90 days we completed the merger and strengthened our financial position by signing a new asset backed credit facility, paying down long-term debt, and raising capital through a common stock offering. In that same 90 day window, we successfully capitalized on the initial opportunities created by the gaming console transition through the well-executed launch of the first Xbox One headsets to market. Weâ€™ve also moved quickly to get the right people and pieces in place to successfully execute on the commercialization of our HyperSound technology, which will begin in earnest later this year. We are confident that our recent actions have put the Company in a stronger position to capitalize on the many global opportunities that lie ahead.â€

First Quarter 2014 Review

Net revenue increased 30% to $38.3 million, compared with $29.5 million in the same period in 2013. The increase in revenue was driven primarily by demand for the Companyâ€™s new Xbox One headsets, which launched during the first quarter of 2014.

Gross profit increased 42% to $12.3 million, compared to $8.6 million in the same period in 2013. Gross margin increased 290 basis points to 32.1% from 29.2% in the same period in 2013 driven primarily by a favorable product and channel mix.

Operating expenses, excluding $4.2 million in one-time business transactions costs related to the VTBH and Parametric Sound merger that closed on January 15, 2014, increased 40% to $12.6 million, or 32.8% of net revenue, compared to $9.0 million, or 30.3% of net revenue in the same period in 2013. The increase in operating expenses was primarily attributable to investments in personnel and R&D to support future growth of HyperSound technology as well as additional general and administrative costs associated with being a larger public company, partially offset by lower marketing expenses.

Adjusted EBITDA (as defined below) for the headsets business totaled approximately $4.8 million, a 182% increase from $1.7 million in the first quarter of 2013. The Company invested approximately $2 million in HyperSound during the quarter, Adjusted EBITDA on a consolidated basis was $2.8 million.

â€œOur first quarter results represent a very good start to the new fiscal year,â€ commented Mr. Stark. â€œDemand for our first Xbox One compatible headsets, including the popular Titanfall licensed series, has been strong, driving robust top-line growth and gross margin expansion versus a year ago. We expect the momentum across our Turtle Beach business to remain positive as household penetration of Xbox One and PlayStation 4 gaming consoles continues to increase in the U.S. and in international markets.â€

Balance Sheet Highlights

As of March 31, 2014, cash and cash equivalents totaled $5.5 million. As of April 29, 2014, immediately after the closing of our common stock offering, our cash and cash equivalents totaled approximately $20 million. As of March 31, 2014, the Company had outstanding net debt of $60.7 million. The debt at March 31, 2014 consisted of $34.5 million drawn down from our revolver, $17.7 million of subordinated notes and $14.0 million in Series B Preferred Stock. Following the closing of the offering, on April 29, 2014, the Companyâ€™s net debt outstanding was $24.8 million, a decrease of $35.9 million. Total inventory as of March 31, 2014 was $41.6 million, a decrease of 16.2% as compared to the same period in 2013. There were approximately 37.7 total shares outstanding on March 31, 2014. Immediately after the closing of the offering on April 29, 2014, there were approximately 41.7 million.

Full Year 2014 Expectations

Based on first quarter results and current visibility, the Company is reiterating its outlook for the full year. The Company expects net revenues in the Turtle Beach headset business to be in the range of $210 to $230 million representing growth of approximately 24% over 2013 levels at the mid-point of the range. The anticipated revenue growth is primarily driven by the expected rebound in the core console gaming headset market, which the Company expects to be a multi-year trend. Net revenues from the HyperSound business are still expected to be in the range of $1 to $4 million consistent with our expectations for the early stages of commercializing the HyperSound technology. Total company gross margins are expected to be in the 30% range, a 180 basis point increase over 2013 with further improvement expected in 2015 as Turtle Beachâ€™s gaming headset product portfolio for new consoles expands and HyperSound becomes a more material part of the revenues.

Full year Adjusted EBITDA for the headset business is expected to be in the range of $30 to $35 million representing year-over-year growth of 134% at the midpoint of the range. Full year Adjusted EBITDA margin is expected to be approximately 15%, a 730 basis point increase over 2013 at the mid-point of the range. The Company remains

committed to investing in HyperSound in order to capitalize on the broad array of expected future opportunities for this technology. Adjusted EBITDA for the businesses in 2014 is expected to be in the range of $20-$25 million, reflecting the impact of a $10 million anticipated investment during the year in HyperSound.

Conference Call Details

Juergen Stark, CEO, and John Hanson, CFO, will host a conference call and simultaneous webcast to discuss the financial results and outlook today, May 12, 2014, at 1:30 PM Pacific Time / 4:30 PM Eastern Time. To participate in the conference call, investors should dial (877) 303-9855 (domestic) or (408) 337-0154 (international) and provide the pass code 36801752, 10 minutes prior to the scheduled start of the call. A simultaneous audio-only webcast of the call may be accessed on the Internet at www.parametric sound.com. An archive of the webcast will be available on the Companyâ€™s website for approximately one year, and a recorded replay of the call will be available for one week at (855) 859-2056 or (404) 537-3406 and entering conference ID number 36801752.

Non-GAAP Financial Measures

In addition to its reported results, the Company has included in this earnings release certain financial results that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Management believes that such non-GAAP financial measures, 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. These non-GAAP financial measures relate to presenting Adjusted EBITDA, as defined by the Company, for the years ended December 31, 2013, and 2012. Please see a reconciliation of GAAP results to Adjusted EBITDA, which is included below for the first quarters ended March 31, 2014, and 2013.

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