

Mad Catz Interactive, Inc.

MCZ: AMEX

BMO Interactive Entertainment Conference
November
2007

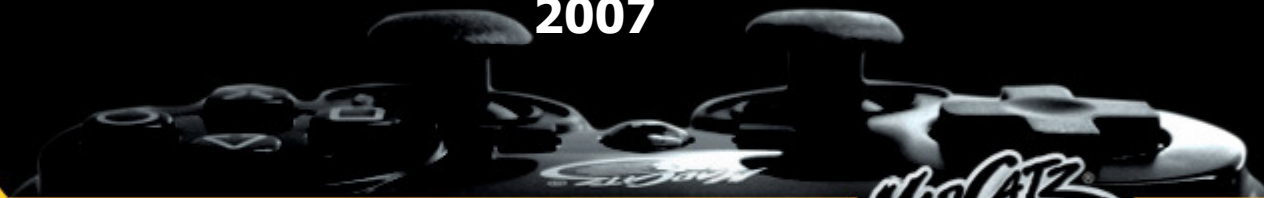
ALL THE ACCESSORIES
FOR THE TRUE GAMER

madcatz.com

PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR



WRITTEN APPROVAL FROM MAD CATZ.



TURBO



Safe Harbor Disclosure

In addition to historical facts or statements of current conditions, this presentation contains forward-looking statements that involve risk and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the company's current expectations and beliefs but are not guarantees of future performance. As such actual results may vary materially from expectations.

The risks and uncertainties associated with the forward-looking statements are described in the Company's filings with the Securities and Exchange Commission, including the Company's reports on Form 10-K and 10-Q.

Mad Catz Interactive assumes no obligation to publicly update or revise any forward-looking statements.

This presentation includes "Non-GAAP financial measures" within the meaning of SEC Regulation G. A reconciliation of all Non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP can be found at the end of this presentation.



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Corporate Overview

- Worldwide third-party interactive entertainment accessories market leader
 - core competencies in design, development, manufacturing, marketing and distribution of interactive entertainment accessories and products An alternative play on the growth of the worldwide video game sector
- San Diego HQ; additional offices Canada, Europe, Hong Kong, China
- Low-cost outsourced manufacturing in Southern China
- Deep North American retail distribution and expanding European presence
 - Product placement in over 20,000 retail storefronts
- Improving profitability and balance sheet
 - TTM Net Sales of \$96.1 million, GM 27%
 - TTM EBITDA of \$9.8 million, EPS of \$0.09
 - 6/30/07 net debt \$354k



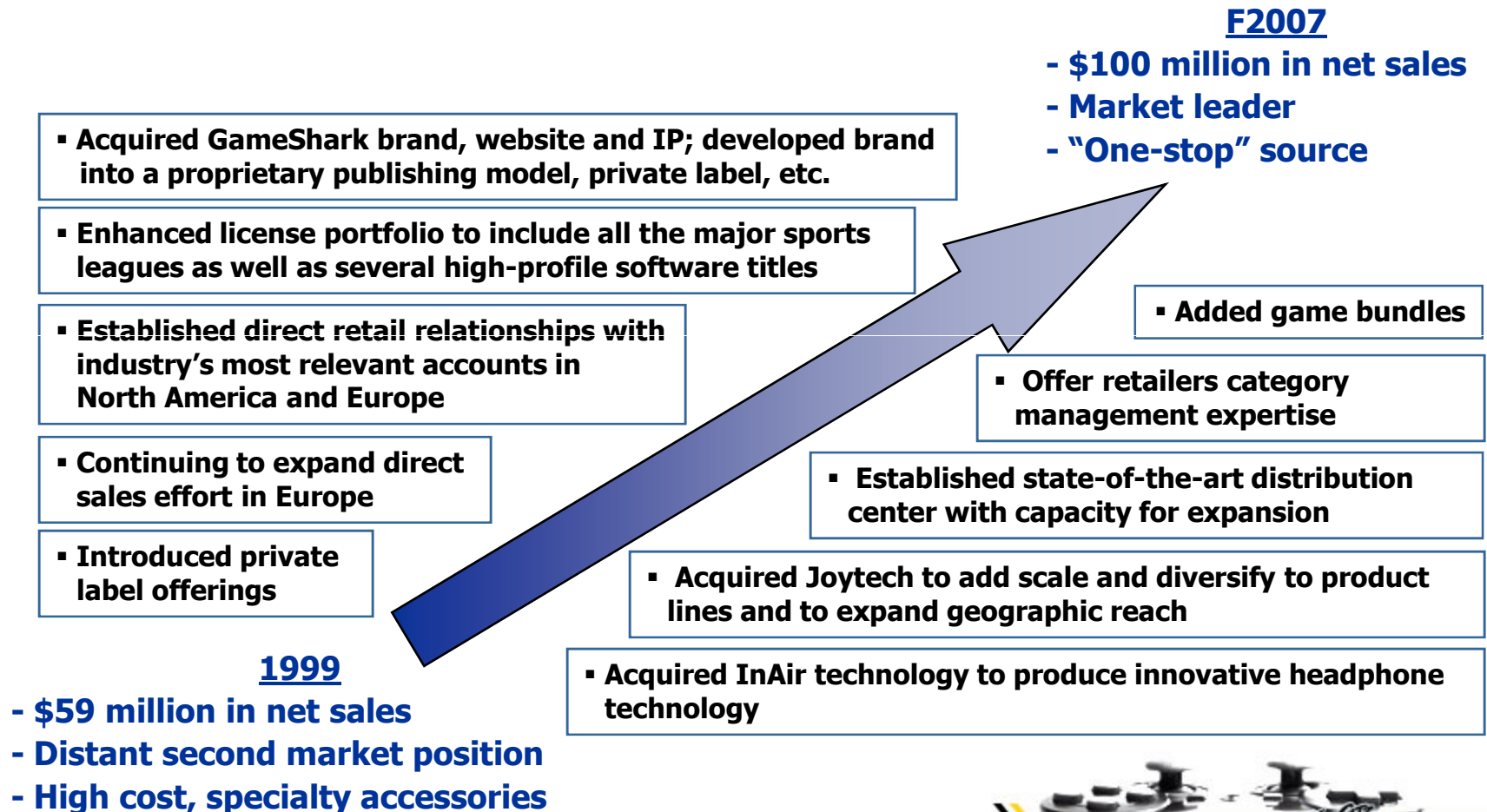
PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Mad Catz Evolution

- Mad Catz is strategically positioned as the leading worldwide provider of third-party gaming accessories



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Fiscal 2007 Revenue Mix



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Strong Worldwide Retail Relationships

- United States :: 71% of FY '07 sales
 - Best Buy; Blockbuster; Circuit City; GameStop; Kmart; Meijer; Musicland; Target; Wal-Mart
- Europe :: 22% of FY '07 sales
 - ARGOS, ASDA; Auchan, Carrefour; Currys; Dixons; Fnac; Karstadt; PC World; Toys R Us
- Canada :: 7% of FY '07 sales
 - Best Buy; GameStop; Future Shop; Wal-Mart



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com

Accessories: An Attractive Line for Retailers

	Hardware	Software	1st Party Accessories	Mad Catz Accessories
Average Margins	3%	20%	35%	45-60%

- First party offering
 - Basic accessories
 - Maximum/single price point
- Mad Catz delivers a diversified SKU mix
 - Broad range
 - Multiple price points
 - Enhanced features
 - Innovative products
 - Licensed products



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Evolving Core Product Offerings

- Controllers
- Steering Wheels
- Joysticks
- Cables
- Face Plates
- Dance Pads
- Carry Cases



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com

Portfolio of Licensed Products

- NFL
- NBA
- MLB
- NHL
- Gears of War
- HALO 3
- Assassin's Creed
- Tom Clancy's Splinter Cell Conviction
- Mass Effect



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Recently Began Shipping AirDrives

- Proprietary personal audio technology owned by Mad Catz
- “Out-of-ear” device has health, safety and functionality benefits:
 - Allows users to be aware of their surroundings while listening to their music
 - Exceeds OSHA standards for all-day listening safety
- Recently announced version for iPhone to be available in early 2008



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Focus on Margins & Sustained Profitability

- Profitability improvements initiated during the console transition have positioned Mad Catz for the current cycle

<i>(US\$ millions)</i> <i>(Fiscal Year Ended March 31,)</i>	FY 2006	FY 2007	TTM 6/30/07
Net Sales	\$100,768	\$99,721	\$96,158
Gross Profit <i>% Margin</i>	\$12,620 <i>12.5%</i>	\$25,018 <i>25.1%</i>	\$26,150 <i>27.2%</i>
Operating Exp <i>% Sales</i>	\$21,771 <i>21.6%</i>	\$18,573 <i>18.6%</i>	\$18,717 <i>19.5%</i>
Net Income <i>% Margin</i>	(\$6,653) <i>-6.6%</i>	\$3,705 <i>3.7%</i>	\$4,400 <i>4.6%</i>
EBITDA <i>% Margin</i>	(\$7,528) <i>-7.4%</i>	\$8,977 <i>9.0%</i>	\$9,804 <i>10.2%</i>
EPS <i>Diluted Shares</i>	(\$0.12) <i>54,244,383</i>	\$0.07 <i>55,036,591</i>	\$0.09 <i>54,355,326</i>

Console transition begins

Unprofitable/low margin product deletions



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Financial Performance :: Balance Sheet

- Focus on working capital management = strengthened balance sheet and flexibility to invest in growth opportunities

(US\$ millions)

(Fiscal Year Ended March 31,)

	FY 2006	FY 2007	Variance	1Q FY 2008
Inventory	\$18,390	\$12,804	(\$5,586)	\$13,859
Accounts Rec	\$12,024	\$14,405	\$2,381	\$11,100
Accounts Pay	\$23,162	\$23,302	\$140	\$13,861
Bank Debt	\$8,581	\$1,345	(\$7,236)	\$2,293
Cash	\$1,607	\$2,350	\$743	\$1,939
Net Cash/(Debt)	(\$6,974)	\$1,005	\$7,979	\$(354)
Working Capital	\$6,089	\$14,351	\$8,262	\$14,351

Ongoing Working Capital Initiatives:

- Promote Direct Import programs
- Reduce inventory

Wachovia Asset-based Loan

- \$35m line advanced against inventory and receivables



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Growth Strategy

Leverage our global distribution footprint by adding products in three categories:

- Core Business :: Console Accessories
 - Console transition will drive growth 2008 onwards
 - Add licenses:
 - NFL, NBA, MLB, NHL, Halo3, Gears of War, Mass Effect, Assassin's Creed, Splinter Cell
 - Higher ASP's; higher margins
 - Joytech acquisition adds scale and diversity to core operations
- Adjacent Categories
 - Audio products
 - e.g. InAir acquisition
 - PC accessories
- Software/Hardware bundles
 - Leverage distribution and hardware capability
 - Real World Golf, X360 Arcade Stick, MC Groovz, PIU



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Joytech Transaction and Rationale

- Acquired certain assets of third-party video game peripherals and A/V accessories provider Joytech from Take-Two for approximately \$3.7 million
 - Diversifies Mad Catz product offerings
 - Strengthens MCZ European and North American retail penetration
- Addition of key Joytech personnel bolsters European sales effort and allows MCZ to initiate a European product development team
 - MCZ sales in Europe have risen from \$10.9 million in FY '05 to \$22.2 million in FY '07
- Acquisition is expected to add at least \$10 million in annual net sales and to be accretive within the first year of completion
- Integration plan will enable MCZ to benefit from transaction during 2007 holiday season



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Far East Manufacturing and Logistics

- Mad Catz Interactive Asia
 - 24 employees in Hong Kong
 - 22 employees in China
 - Recently opened development center in China
 - Engineering, logistics, cost accounting, quality control
- Outsourced manufacturing
 - Low-cost
 - Quality
 - Flexibility
 - Scalability
- Long-term relationships
 - HK office since 1987
 - Exclusive video game company at key factories



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Mad Catz Officers and Directors

- New management and board members bring proven, relevant industry experience

Management

- Darren Richardson :: President & CEO
- Stewart Halpern :: CFO
- Whitney Peterson :: VP Corporate Development and Legal Counsel
- Jon Middleton :: VP Business Development
- Brian Anderson :: General Manager, European Operations
- Kitty Lo :: General Manager, Asian Operations

Board of Directors

- Geoffrey Myers :: Chairman
 - Leading Canadian M&A lawyer
- Tom Brown :: Audit Committee Chair
 - Ex-COO/CFO Sony Vaio Computer Division
- Bill Woodward
 - Co-founder Macromedia; Intermix (MySpace.com) Board Member
- Rob Molyneaux
 - Private Equity Firm Partner



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Investment Considerations

- Leveraging established distribution platform
 - Market leader in hardware and software accessories
 - Worldwide retail presence and relationships
 - Leading brands
- Focus on higher margin/profitable offerings is driving financial results
 - High profile licensed properties
 - Adjacent categories
 - Game and game specific accessory bundles
- Significantly strengthened balance sheet reduces borrowing expenses while providing flexibility to pursue growth initiatives
- Joytech transaction is accretive, complementary and leverages core operations
 - Current infrastructure
 - Low-cost manufacturing
 - Access to distribution channel
 - Select sales and product development personnel
- New management and board members bring proven, relevant industry experience
- Approaching optimal point in console cycle



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



EBITDA Reconciliation

EBITDA represents net income plus interest, taxes, depreciation and amortization

<i>(US\$ millions)</i> <i>(Fiscal Year Ended March 31,)</i>	FY 2006	FY 2007	TTM 6/30/07
Net Income (loss)	\$(6,653)	\$3,705	\$4,400
Adjustments:			
Interest Expense	\$1,395	\$1,109	\$935
Income tax expense (benefit)	(\$4,174)	\$2,225	\$2,594
Depreciation and amortization	<u>\$1,904</u>	<u>\$1,938</u>	<u>\$1,875</u>
EBITDA	(\$7,528)	\$8,977	\$9,804



PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR WRITTEN APPROVAL FROM MAD CATZ.

madcatz.com



Mad Catz Interactive, Inc.

MCZ: AMEX

BMO Interactive Entertainment Conference
November
2007

ALL THE ACCESSORIES
FOR THE TRUE GAMER

madcatz.com

PROPRIETARY AND CONFIDENTIAL: NOT TO BE PUBLISHED OR DISTRIBUTED WITHOUT PRIOR



WRITTEN APPROVAL FROM MAD CATZ.

