



REPLAYTV ANNOUNCES NEW STRATEGIC DIRECTION WITH DVR FOR THE PC

—ReplayTV and Hauppauge Team Up to Offer Innovative PC-Based DVR—

SANTA CLARA, CA., December 19, 2005 — ReplayTV®, the pioneer of digital video recording, today announced that it will introduce a new Digital Video Recorder (DVR) software solution in 2006 based on its acclaimed DVR expertise. The new software application is designed for the personal computer, which globally is the fastest growing video entertainment platform.

To initiate its new strategy, ReplayTV has teamed with Hauppauge Computer Works, the leading manufacturer of TV receivers for PCs, to create an affordable and innovative PC-based DVR solution. ReplayTV plans to bundle its PC DVR software application with Hauppauge's market-leading WinTV-PVR tuner/encoder PC cards beginning in 2006 for the North America market.

Today's announcement follows a successful long term restructuring of ReplayTV by the company's parent company, D&M Holdings Inc., making the ReplayTV DVR business solidly profitable. ReplayTV will soon complete the sale of all remaining 5500 Series DVR products, completing the first phase of the transformation of the brand from a hardware manufacturer to a leading provider of advanced DVR software and services to consumers of entertainment PCs. Today's announcement has no impact on existing ReplayTV DVR customers who will continue to be fully supported with EPG service for their ReplayTV DVR products.

Noted D&M's Bernie Sepaniak, President of ReplayTV: "After a period of re-structuring, planning and product engineering, ReplayTV is now solidly on a path for strong growth, and our relationship with Hauppauge is a clear indication of how we intend to utilize the best, most advanced technologies in the industry to achieve our strategic goals. In 2006, ReplayTV will once again re-define the DVR experience with an affordable product that combines our background in sophisticated DVR technologies with an easy-to-use PC-based solution."

Bill Loewenthal, ReplayTV's VP/GM added: "More consumers are using the PC as an integral home entertainment device, and sales of PC tuner card sales are soaring around the globe. Creating a global DVR solution for the PC is a natural step for ReplayTV. Our innovative new product offerings for 2006 will combine our proven strengths in the DVR field with a variety of ingenious and 'intelligent' capabilities extended by the PC. Coupled with the same Internet-delivered EPG services that serve our installed base of ReplayTV DVRs, we can bring a tremendous DVR experience to the entertainment PC consumer."

ReplayTV's DVR experience on the PC will showcase a range of unique and useful features accessed via our new user interface design that builds on and furthers ReplayTV's original award winning design.

ReplayTV will announce product details and pricing in 2006.

About ReplayTV

ReplayTV[®] is the inventor and creator of DVR technology. ReplayTV has earned over 20 prestigious awards including CNET's Editors Choice Award and is the winner of an Emmy award for technological achievement. The company is a leader in the DVR industry in groundbreaking innovations aimed at providing consumers with unmatched power and control in maximizing their TV viewing experience with the best performance and best value. Founded in 1997, ReplayTV is headquartered in Santa Clara, California. The ReplayTV[®] brand is owned by D&M Holdings U.S., Inc., through its wholly owned subsidiary Digital Networks North America, Inc.

About D&M Holdings Inc.

D&M Holdings Inc. (TSE II: 6735) is based in Tokyo and owns the Denon, Marantz, McIntosh Laboratory, Boston Acoustics, Snell Acoustics, D&M Professional, ReplayTV[®] and Escient[®] brands. Denon, Marantz, McIntosh and D&M Professional are global industry leaders in the specialist home theater, audio/video consumer electronics or professional audio markets, with a strong and long-standing heritage of manufacturing and marketing high-performance audio and video components. Boston Acoustics, with its signature The Boston Sound,[™] is a leader in premium loudspeakers for home and audio markets. Snell is a super premium speaker brand. The ReplayTV and Escient brands represent award-winning technologies in digital home entertainment. Additional information is available at www.dm-holdings.com.

About Hauppauge Digital, Inc.

Hauppauge Digital, Inc. is a leading developer and manufacturer of digital TV and data broadcast receiver products for personal computers. Through its Hauppauge Computer Works Inc. and Hauppauge Digital Europe subsidiaries, the Company designs and develops digital video boards for a TV-in-a-window, digital video editing and video conferencing. The Company is headquartered in Hauppauge, New York, with administrative offices in New York, Singapore, Taiwan, Ireland and Luxembourg and sales offices in Germany, London, Paris, the Netherlands, Sweden, Italy, Spain, Singapore, and California. The Company's Internet web site can be found at <http://www.hauppauge.com>.

DISCLAIMER

Statements in this news release that are not statements of historical fact include forward looking statements regarding future events or the future financial performance of the company. We wish to caution you that such statements are just predictions and that actual events or results may differ materially. Forward looking statements involve a number of risks and uncertainties surrounding competitive and industry conditions, market acceptance for the company's products, risks of litigation, technological changes, developing industry standards and other factors related to the company's businesses.

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