



For Immediate Release

D&M Holdings Inc. Reports Nine Months of Fiscal 2007 Revenues up 18%
Commercial Segment Continues to Show Substantial Growth

Tokyo, Japan – February 8, 2007—D&M Holdings Inc. (TSE 1: 6735) today filed with the Tokyo Stock Exchange results from the first nine months (April 1 – December 31) of the 2007 fiscal year ending March 31, 2008. Commercial segment revenue and operating profits continued to show substantial year-over-year improvement. The Consumer segment saw a small revenue decrease as a result of declines in sales of standard DVD player products prior to the release of new high definition players. The company maintained its forecast for consolidated business results for the full 2007 fiscal year.

1. Results of the Nine-Month Period of Fiscal Year 2007 (April 1, 2007 – December 31, 2007)

Consolidated Business Results

The company's consolidated revenue for the first nine-month period ended December 31, 2007 totaled JPY 83.8 billion, an 18% increase over the same period in 2006. Revenues in the Consumer AV (audio/video) and Commercial AV segments were JPY 59.1 billion and JPY 24.7 billion, respectively.

For the nine-month period ended December 31, 2007, the company reported EBITDA (earnings before interest, taxes, depreciation and amortization) of JPY 6.3 billion, up slightly from last year's level of JPY 6.1 billion. In addition, the company also recorded a one-time extraordinary gain on the sale of Replay TV in the third quarter.

The company reported operating profit for the period of JPY 3.7 billion, a 13% decrease from the same period in 2006. Included in the results for the nine months were one-time non-cash charges of approximately JPY .4 billion relating to the acquisition of Calrec Audio in August 2007. Excluding these one time charges, operating profit was JPY 4.1 billion, 5 % lower than the year ago period.

For the nine-month period ended December 31, 2007, the company reported a net income of JPY 2.2 billion and an EPS of JPY 24.2.

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(Units: in millions of yen)

Consolidated business results for first nine months of FY2007	Revenue	Operating profit (loss)	Ordinary profit (loss)	EBITDA	Net income (loss)	Fully Diluted EPS
December 31, 2007	83,846	3,770	3,272	6,331	2,264	24.2
December 31, 2006	70,957	4,352	4,167	6,093	2,421	26.5
Increase (decrease)	12,889	(582)	(895)	238	(157)	(2.3)
% Change	18%	(13%)	(21%)	4%	(6%)	(8%)

Business Segment Results

Consumer AV

Revenue from the company's Consumer AV segment for the first nine-month period ended December 31, 2007 totaled JPY 59.1 billion, down 3% from the year-ago period. Revenues were impacted by declines in the sales of standard DVD player products prior to the release of new high definition players. New Blu Ray high-definition DVD models were launched by the company in December of 2007 with additional models scheduled to be introduced in the fourth quarter FY2007. Market acceptance has been favorable.

The company reported an operating profit of JPY 2.2 billion for the Consumer AV segment for the first nine months, compared to JPY 3.2 billion in the prior year period. Consumer segment operating earnings were constrained by the revenue decrease discussed above and additional product development expenses relating to advanced DVD products. In addition, in FY2006, the company benefited from larger than normal shipments required for the start of business with a U.S. mega-retailer.

(Units: in millions of yen)

Consumer AV results for first nine months of FY2007 and FY2006 pro forma	Revenue	Operating profit (loss)
December 31, 2007	59,101	2,273
December 31, 2006	61,117	3,210
Increase (decrease)	(2,016)	(937)
% Change	(3%)	(29%)

Commercial AV

Revenue from the company's Commercial AV segment for the first nine-month period ended December 31, 2007 totaled JPY 24.7 billion, up 151% from the prior year period. This was largely due to the inclusion of D&M Premium Sound Solutions which continues to maintain a solid foothold in the automotive and home audio solutions market in Europe.

Segment operating profit was JPY 1.4 billion, up 31% from the year-ago period. These operating results include the previously mentioned one-time non-cash charges of JPY .4 billion relating to the acquisition of Calrec Audio. Excluding the non-recurring items, operating profit was JPY 1.8 billion, a 57% increase over the same period in FY2006.

(Units: in millions of yen)

Commercial AV results for first nine months of FY2007 and FY2006 pro forma	Revenue	Operating profit
December 31, 2007	24,744	1,497
December 31, 2006	9,839	1,141
Increase (decrease)	14,905	356
% Change	151%	31%

2. Outlook for Fiscal Year 2007 (April 1, 2007—March 31, 2008)

Forecast for Consolidated Business Results

Based on the company's current outlook for full-year FY2007 results, the company affirmed its prior consolidated business results forecast released May 23, 2007.

(Units: millions of yen)

Forecast of consolidated business results for FY2007	Revenue	Operating profit	Ordinary profit	Net income	Fully Diluted EPS
Forecast on May 23, 2007	108,500	6,400	5,900	3,350	36.6

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3. Business Highlights from the Third Quarter of Fiscal Year 2007:

Notable business developments in the third quarter included:

- D&M divested most of the assets of ReplayTV, streamlining the portfolio of brands and businesses to those that directly contribute to the growth strategy.
- Boston Acoustics and Visteon announced that they are delivering the popular Dolby Pro Logic II surround sound to the 2008 models of the Chrysler 300 and Dodge Charger. Listeners will hear all the detail and subtleties of the original stereo content, with the added luxury of full, compelling surround sound.
- Eastern European sales, for all brands combined, increased 45 percent compared to the same period last year. This is the result of building strong partnerships with the dealer community in the region and understanding the intricacies and requirements of the consumers' cultures.
- D&M's branded and unbranded automotive and commercial team reorganized the management structure to better serve customers through local representation.
- Flat panel television sales are driving Boston Acoustics and Denon's soundbar technology signifying the continued appreciation for superior audio with premium video.
- Denon's AVP-A1HD and POA-A1HD won HiVi magazine's Grand Prix Gold awards and Marantz's DV7001 won WHAT'S HiFi magazine's 2007 DVD Player Product of the Year award. Snell was awarded the Stereo Sound Grand Prix 2007 for the Illusion A7 loudspeaker.

"We remain positive that D&M is comfortably maintaining its strong share in the premium audio and video space," said Chairman and Chief Executive Officer Eric C. Evans. "Our consumer business has been challenged by product delays but we are optimistic that the new products in our pipeline will offset this going forward," continued Evans. "The commercial side of our business remains strong and has firmly planted D&M in a position to deliver on our growth strategy. In addition, this segment continues to reduce the seasonality of our business and will eventually lead to more balanced quarterly returns."

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About D&M Holdings Inc.

D&M Holdings Inc. is a global operating company providing worldwide management and distribution platforms for premium consumer, automotive, commercial and professional audio and video businesses including Denon[®], Marantz[®], McIntosh[®] Laboratory, Boston Acoustics[®], Snell Acoustics, Escient[®], Calrec Audio, Denon DJ, D&M Professional and D&M Premium Sound Solutions. Our technologies improve the quality of any audio and visual experience. All product and brand names with a trademark symbol are trademarks or registered trademarks of D&M Holdings, Inc. or its subsidiaries. For more information visit www.dm-holdings.com.

Forward Looking Statement

Statements in this news release regarding D&M Holdings, Inc. that are not statements of historical fact may 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 the integration of the company's acquisitions, competitive and industry conditions, targeted cost savings programs, market acceptance for the company's products, technological changes, developing industry standards and other factors related to the company's businesses.

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