

D&M

D&M Holdings Inc.

For Immediate Release

D&M Holdings Inc. Completes Acquisition of Philips Sound Solutions

TOKYO--January 5, 2007--D&M Holdings Inc. (TSE I: 6735) announced today that it has completed the purchase of Philips Sound Solutions (PSS) from Royal Philips Electronics (NYSE:PHG, AEX:PHI).

D&M Holdings has re-named the company "D&M Premium Sound Solutions." D&M Holdings, based in Kawasaki, Japan, owns the Denon, Marantz, McIntosh Laboratory, Boston Acoustics®, Snell Acoustics, D&M Professional, Denon DJ, ReplayTV® and Escient® brands.

The acquisition of PSS broadens D&M's automotive OEM business. Boston Acoustics, another D&M Holdings company, currently provides its premium audio systems for use in 10 DaimlerChrysler vehicles in partnership with Visteon Corporation.

Philips Sound Solutions, headquartered in Dendermonde, Belgium, is known for high-quality, Hi-Fi audio products for the B2B automotive and consumer electronics markets. Key automotive customers include: BMW, Volkswagen, Toyota (Europe), Seat and Jaguar, and key consumer customers include Philips and Dell.

"We are very pleased to welcome the team from Philips Sound Solutions to the D&M family," said Eric C. Evans, chairman of D&M Holdings. "This acquisition enhances our position as a supplier in the automotive audio industry and creates a stronger platform for D&M to expand its branded segment of this business," he said.

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About D&M Holdings Inc.

D&M Holdings Inc. (TSE I: 6735) is based in Kawasaki, Japan and owns the Denon, Marantz, McIntosh Laboratory, Boston Acoustics, Snell Acoustics, D&M Professional, Denon DJ, 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 automotive 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.

Denon and Marantz are registered trademarks of D&M Holdings Inc.; McIntosh is a registered trademark of McIntosh Laboratory, Inc.; Boston Acoustics is a registered trademark of Boston Acoustics, Inc. and ReplayTV and Escient are registered trademarks of Digital Networks North America, Inc.

Statements in this news release 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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