

D&M

D&M Holdings Inc.

For Immediate Release

**D&M Holdings Inc. to Acquire Philips Sound Solutions, Expanding OEM Automotive
and Consumer Businesses**

*--Acquisition gives D&M Holdings access to new premium customers, leading technologies
and significant R&D--*

TOKYO – November 28, 2006 – D&M Holdings Inc. (TSE I: 6735) announced today the signing of a definitive agreement for D&M Holdings to acquire Philips Sound Solutions (PSS) of Royal Philips Electronics (NYSE:PHG, AEX:PHI).

Philips Sound Solutions (PSS) has strong market positions in 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. Key consumer customers include Philips and Dell. Philips has been active in divesting its non-core business and this transaction is consistent with this strategy.

D&M Holdings will re-name 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.

With the automotive assets and relationships of PSS, D&M Holdings will accelerate its automotive OEM business. Delivered in partnership with Visteon Corporation (NYSE: VC), Boston Acoustics currently provides premium audio systems for 10 Daimler Chrysler vehicles, including: the Chrysler 300 series, Dodge Magnum, Dodge Charger, Jeep® Grand Cherokee and Jeep Compass. Boston Acoustics also recently received its first business award from General Motors.

The acquisition, which is expected to be accretive to D&M’s earnings, also provides D&M Holdings with patented technologies and expertise that will provide opportunities to introduce

differentiated products with new technology. PSS products include DSP amplifiers, lightweight and high power cone speakers, flat speakers and assemblies used in flat displays and televisions plus wireless surround speaker systems. PSS also brings purchasing and production operations in Asia and elsewhere that can be leveraged across D&M brands.

“The acquisition of Philips Sound Solutions fits well with our strategic vision and priorities of expanding into new businesses where we can leverage the value of strong audio know-how and world-leading brands,” said Eric C. Evans, chairman and co-chief executive officer of D&M Holdings. “This acquisition allows us to achieve critical mass in revenue, infrastructure and relationships in the automotive OEM business and substantially enhances our ability to develop innovative and groundbreaking premium products,” he said.

The operations of PSS, headquartered in Belgium, will be headed by Chief Executive Officer Bernard Geldof and become part of D&M Holdings’ automotive OEM business unit, which is led by Michael J. Maloney, president of D&M OEM, Global Marketing Group. PSS has development centers in Belgium, China and India and production facilities in Belgium, Hungary, Ukraine and China. In 2005, PSS had annual revenue of approximately EUR 120 million (JPY18 billion and US\$150 million).

This transaction, which is expected to close in the fourth quarter of calendar 2006 and will be settled in cash, represents D&M Holdings’ seventh acquisition since the company was formed in 2002.

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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 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 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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