DENON

For Immediate Release

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DENON EXHIBITS FOUR NEW MODELS IN ITS COMPACT "S-SERIES," ADDING ADVANCED NETWORKING CAPABILITIES

-- New Compact 2.1 Systems and Company's First Networked Audio Systems Provide Audio Streaming, Virtual Surround Sound and Much More ---

Mahwah, NJ – September 6, 2007 — Denon Electronics, one of the world's premier manufacturers of high-quality home entertainment components, is expanding its popular S-Series home entertainment products with two new compact 2.1 systems, models **S-302** (SRP: $1,699), and **S-102** (SRP: $999), both of which mark a major leap forward in compact home entertainment connectivity and convenience. The company is also adding its first two Networked Audio Systems to the S-Series lineup, models **S-52** (SRP: $ 699) and **S-32** (SRP: $499). Each of these new Denon® products will be on display at CEDIA 2007 (Booth # 204).

Joe Stinziano, Denon's Senior Vice President for Sales & Marketing noted, "Our new S-Series products embody Denon's 'Whole Home Audio' strategy. With the introduction of these new S-Series home theater systems and our Networked Audio Systems, we're raising the bar for the entire compact category, enhancing our line with advanced networking, connectivity, performance and convenience features. These new products will help define an entirely new category of products and provide "Boundless Entertainment" opportunities for our customers."

New Compact 2.1 Systems Offer Performance Enhancements, Networking Capabilities

Denon's S-302 and S-102 are the next-generation of the company's original S-Series models, the popular S-301 and S-101. The new models maintain the same compact form factor with minor cosmetic differences to the speakers. Both however, offer significant feature and convenience enhancements. Most notably, Denon has packed both models with advanced

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technologies that dramatically enhance both sound and video quality. For example, the S-102 will scale content from its built-in DVD player up to 1080p, outputting it via HDMI. In addition, the S-302 will upconvert all analog sources to HDMI, with scaling to a crystal clear 1080p image. Additionally, both will perform I/P conversion from interlaced to progressive scan.

For enhanced audio performance, the new S-Series models feature Audyssey Bass-XT and Dynamic EQ for greater bass response from the included subwoofer (which is 20% smaller than previous designs). The S-302 boasts an amplifier section with 50-watts per channel and a 100-watt amplifier for the subwoofer. The S-102 features 35-watts per channel as well as a 70-watt amplifier for the subwoofer.

The S-302 adds powerful networking features, borrowed from Denon's new A/V receiver lineup.* The addition of an Ethernet port and built-in Wi-Fi® allows the unit to serve as a DLNA client and stream Internet radio as well as other music from network attached storage devices or from a PC /Mac on the network.

Additionally, the S-302/S-102 integrate a new GUI for ease of use as well as the ability to view cover art from an iPod or other streaming media.

New Networked Audio Systems: Renowned S-Series Sound, Plus Networking

In addition to the robust sound quality, Denon's new **S-52** and **S-32** feature a built-in iPod dock for easy drop-in functionality. Like the other models in the S-Series, these new units deliver crisp, clean sound with powerful bass response, made possible by Audyssey Bass-XT and Dynamic EQ software.

Like the S-302, both Networked Audio Systems feature the ability to stream music wirelessly from Internet Radio sources and other network attached storage devices, PC or Mac computers on the network and even the Rhapsody Music Service (subscription required). These also have the ability to decode popular MP3 and WMA formats and also AAC, WAV and those encoded in FLAC (Free Lossless Audio Codec).

To take advantage of the iPod connectivity, Denon has added a scroll wheel on the top of the units for easy control of long lists of artists, albums, or playlists stored on iPods or sourced from Internet Radio stations.

Additional Performance Features in S-52

The S-52 is designed for consumers who will settle for nothing but the best in the compact system category. In addition to all the audio-enhancing technologies available in the S-32, the S-52 adds a built-in HD Radio tuner with multicasting functionality and a slot-loading CD player capable of decoding many popular audio formats including MP3, WMA, AAC, WAV and FLAC. The S-52 is also satellite radio ready via optional subscription-based hardware, and it also features a USB port that allows users to connect USB mass storage devices, including Flash Drives, MP3 players or USB hard drive.

The S-302 and S-102 are slated to ship this month and both the S-32 and S-52 are slated to ship in October 2007.

**A home network is required for networking features.*

About Denon Electronics

Denon is a world leader in the manufacture of the highest quality home theater, audio and software products. Denon is recognized internationally for innovative and groundbreaking products and has a long history of technical innovations, including the development and first commercialization of PCM digital audio. Denon Electronics is owned by D&M Holdings Inc.

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®, ReplayTV®, 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.

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