

DENON

For Immediate Release

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DENON ANNOUNCES BRAND NEW LINE OF THIRTEEN

ADVANCED AUDIO/VIDEO RECEIVERS

*-- New Models to Offer Expanded Multi-Zone Home Entertainment Capabilities,
Plus a Host of Custom-Integration Features and More ---*

Mahwah, NJ – July 24, 2007 — Denon Electronics, one of the world's premier manufacturers of high-quality home entertainment components, today announced a brand new lineup of thirteen advanced A/V receivers. The company's new line features leading-edge technologies such as HDMI 1.3a capability with support for Deep Color, advanced networking and specially designed custom integration features at attractive new prices. Led by the flagship **AVR-5308CI** (SRP: \$5,199), scheduled for December 2007 shipment, the line includes the feature-packed multi-zone distribution models **AVR-4308CI** (SRP: \$2,499) and **AVR-3808CI** (SRP: \$1,599), as well as five new entry and mid-tier models, including the **AVR-2808CI** (SRP: \$1,199), **AVR-2308CI** (SRP: \$849), **AVR-1908** (SRP: \$599), **AVR-1708** (SRP: \$499) and **AVR-1508** (SRP: \$349). The initials "CI" (for Custom Integration) in the five models noted above emphasize the inclusion of special features and capabilities geared specifically toward professional custom integrators. Denon is also introducing five high-performance receivers in its Retail Home Theater Series line, including the models **AVR-988** (SRP: \$1,199), **AVR-888** (SRP: \$749), **AVR-788** (SRP: \$549), **AVR-688** (SRP: \$449), and **AVR-588** (SRP: \$349). The AVR-1908, AVR-1708 and AVR-1508 are scheduled to ship in September. All other models are currently available.

Joe Stinziano, Denon's Senior Vice President for Sales & Marketing, noted, "This is the first time in nearly ten years that Denon is introducing a completely redesigned lineup of new A/V receivers. These introductions are at the heart of our whole-home, multi-zone entertainment strategy, which is all about making it easier for people to enjoy all their home entertainment

- more -

content, from packaged media to streaming content, virtually wherever and whenever they want.* To this end, we've integrated technologies such as Wi-Fi™ and remote management in our upper-end models, expanded Ethernet connectivity to a new price point and offer support for HDMI1.3a throughout the line.”

Ultimate Support for High-Definition Audio and Video Sources

Following its success in Denon's renowned DVD players, Denon has added the Silicon Optix Realta chipset to its flagship receiver, model AVR-5308CI, providing enhanced video performance with upconversion and scaling to 1080p from all analog sources. This is the first receiver in Denon's line as well as one of the first in the industry to include the Realta chipset in an AV receiver. The AVR-5308CI and the AVR-4308CI also allow for second-zone video output via component with onscreen display for meta-data from iPod®/XM/streaming audio while the AVR-3808CI uses composite for this task. Models AVR-2308CI through the AVR-4308CI feature analog video upconversion with scaling to 1080p using Faroudja DCDi. In addition, models AVR-1908 and AVR-1708 allow upconversion to component from S-Video and composite sources. All new models from the entry-level AVR-1508 to the flagship AVR-5308CI can handle 1080p signals with Deep Color via HDMI.

More Custom-Integration Friendly Features

Models AVR-2308CI through the AVR-5308CI include support for Dolby TrueHD and DTS-HD Master Audio decoding. The top three models in the line include Ethernet connectivity while the AVR-5308CI and AVR-4308CI add Wi-Fi connectivity. Both network protocols allow custom integrators to diagnose, correct, update and remotely perform maintenance on the units without the need to travel to their customer's home. In case of error or lost settings, the custom integrator can remotely restore all of a customer's settings from their office. In addition, all CI models include “Secret CI Modes,” a feature set for certified Denon Integrators that allows them to lock out certain settings to a customer. Other CI-friendly features throughout the line include RS-232 and assignable high current DC trigger outputs. With the exception of the AVR-1508, all new models feature setup and room correction from Audyssey which can calibrate the receiver rather than having to go through the time staking process of manual calibration.

Multi-Source, Multi-Zone Capability in More Models

Recognizing the demand for receivers capable of delivering audio and video to multiple zones within the home, Denon's new lineup includes four models (AVR-5308CI, AVR-4308CI, AVR-3808CI, AVR-2808CI) that offer three-zone, three-source capability.* Models AVR-2308CI, AVR-1908 and AVR-1708 offer dual-zone, dual-source capability. For enhanced control flexibility, all new Denon CI model receivers are compatible with the company's new RC-7000CI / RC-7001RCI Remote Control System (see separate release).

Enhanced Music Performance from Multiple Sources

A compressed audio restorer feature in all models allows users to enjoy enhanced music quality from portables and networked audio files. In addition, models AVR-3808CI and above all feature USB ports for music streaming from USB hard drives, flash drives and MP3 players. Additionally, three discrete and independent tuners – AM/FM, XM and HD Radio (AVR-4308CI and up) provide for multi-zone distribution in models AVR-2308CI through the AVR-5308CI.

Newly Designed Graphical User Interface

All Denon receivers from the AVR-3808CI and above feature the company's newly designed Graphical User Interface (GUI) that makes accessing all the advanced features simpler and more intuitive than ever. In addition, many of Denon's new receivers feature the company's new, improved multi-zone EL programmable remote control. For added convenience, models AVR-1708 through AVR-2808CI also include a basic second-zone remote, while models AVR-3808CI and above feature a new enhanced second-zone remote specifically geared toward custom-integration applications. For installers that plan to add a 3rd party control system, Denon makes all of its remote codes available.

AVR-1908, AVR-1708, AVR-1508: Exceptional Performance, High-Value

The new Denon AVR-1908, AVR-1708, and AVR-1508 are advanced 7-channel receivers (85 watts/channel, 75 watts/channel, 75 watts/channel, respectively) that offer consumers a simple and affordable way to bring the enjoyment of cinema-like surround sound audio into their lives. The AVR-1908, AVR-1708 and AVR-1508 include features traditionally available only on higher-priced receivers, such as HDMI 1.3a with support for 1080p and Deep Color via HDMI. Additionally, the AVR-1908 and AVR-1708 feature Audyssey Laboratories Auto Setup and Calibration/ MultEQ.

New Retail Home Theater Series Models: High-Value, High-Performance

Denon's new Retail Home Theater Series line of advanced receivers, includes the AVR-988, AVR-888, AVR-788, AVR-688, and AVR-588, and offer many of the same high-quality features found in Denon's companion models, including compatibility with HDMI 1.3a throughout the line, as well as Dolby Digital, dts ES Discrete and Matrix 6.1 decoding, 24-bit/192-kHz Analog Devices DACs, multi-zone distribution capability and much more. In addition, all models offer integration features such as dedicated iPod dock accessory control ports that provide command and control capability for iPods via the on-screen GUI and more.

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

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. (TSE I: 6735) is based in Kawasaki 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.

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