

# **Fine Sounds SpA to Add McIntosh Laboratory to its Portfolio of High-End Audio Brands**

## **Acquisition Will Place Group at the Forefront of Global Luxury Audio Industry**

MILAN, October 8, 2012 --- Fine Sounds SpA of Milan, Italy, owner of Sonus Faber, Audio Research Corporation, Wadia Digital and Sumiko, has acquired 100% of McIntosh Laboratory, America's most respected and formidable producer of hi-fi system solutions and a global leader in prestige home entertainment and ultimate-quality audio for over 60 years. Fine Sounds is owned by Quadrivio, an Investment Management Company also based in Milan, Italy. The acquisition of McIntosh, a Binghamton, NY based company which had been previously owned by D+M Group, represents a marquee investment for the group, whose strategic direction is to offer products that are the best in the world in their category.

McIntosh rose to power in the '50s, '60s and 70's as the rock & roll movement emerged as the defining musical genre in America and throughout the world. Beginning with the Beatles' Shea Stadium performance in 1965, countless rock & roll acts became so popular that only huge stadiums could handle the crowds. It was McIntosh that ultimately pioneered systems capable of delivering clean, high-quality sound that could stand up to these vast arenas of screaming fans. The first was the system assembled for Woodstock in 1969, where the rock festival's organizers were forced to develop a system capable of reaching to hundreds of thousands of fans. Five years later, the Grateful Dead – who would become the premier American touring band for a generation – unveiled its “Wall of Sound” on March 24, 1974, and set new standards for live performances with arguably the greatest PA system of all times. McIntosh amps drove both of those legendary systems.

From that time on, McIntosh – or “Mac” as it is lovingly referred to by enthusiasts – has been the choice of generations of musicians, recording artists and producers, whether in recording studios or their own homes. In addition to exceptional quality sound, McIntosh is highly recognizable by its black glass front panels, “McIntosh Blue” amplifier power meters and iconic logo, which give the product its very distinctive, timeless identity.

Fine Sounds and McIntosh believe the acquisition will deliver important benefits to McIntosh's customers, sales partners and employees by providing opportunities for building on Fine Sounds Group's product development capabilities, distribution synergies and financial resources. With Fine Sounds' support, McIntosh is now poised to elevate its brand to even higher acclaim, expand its distribution as well as its reach into new international markets. "We are thrilled to welcome McIntosh, one of the industry's most illustrious brands, into our portfolio," says Mauro Grange, CEO of Fine Sounds Group. "McIntosh is dedicated to the highest caliber of high-end audio and is a perfect fit with our own culture and vision. We will treasure and protect the legacy of McIntosh as well as its people and reputation."

"This acquisition represents a strategic direction for our company to be a leader in the international luxury audio arena, and to have products that are the best in the world in their category. With the distribution synergies we will have with our other outstanding brands, McIntosh will be positioned for substantially accelerated global growth."

"We are very excited to be joining hands with a partner that has a deep appreciation for our unique brand, history and company culture," says Charles Randall, current President and CEO of McIntosh, who will continue managing the McIntosh brand with the full support of Mauro Grange and the Fine Sounds' team. "It's their appreciation of our legacy, as well as their strong leadership, distribution advantage and marketing expertise that gives us confidence in a bright future."

The acquisition of McIntosh is an important one for Fine Sounds. "McIntosh will help strategically strengthen our brand portfolio, allowing us to have a broader product offering, covering more categories, offering customers a complete solution. It does not compete with any of the other brands we hold – it is positioned quite differently – and offers opportunities for great synergies which we can leverage," added Grange.

Houlihan Lokey served as the exclusive financial advisor to D+M Group and McIntosh on the transaction.

#### **About Fine Sounds SpA:**

Fine Sounds SpA, is the holding Company controlling Sonus Faber, the Vicenza, Italy based leading manufacturer and marketer of High-End Two-Channel loudspeakers; Audio Research Corporation, the Minneapolis, MN based leading manufacturer and marketer of High-Definition Vacuum-Tube and Solid-State electronic audio components; Wadia Digital, based in Minneapolis, MN, one of the original companies dedicated to high performance digital audio reproduction and has been at the forefront of Apple iPod docking technology; and Sumiko, the Berkeley, CA based importer and distributor of the finest audio components in North America [. Annual revenues of the Fine Sounds group proforma for the recent transactions are in excess of US\$ 70 million, with 250 employees worldwide. For more information please visit the website at [www.sonusfaber.com](http://www.sonusfaber.com). [www.audioresearch.com](http://www.audioresearch.com) [www.sumikoaudio.net](http://www.sumikoaudio.net) [www.wadia.com](http://www.wadia.com)

#### **About McIntosh Laboratory:**

Founded in 1949, McIntosh Laboratory is known for offering distinguished quality audio products, superior customer service and the ultimate experience in music and film. All McIntosh products are handcrafted at the Binghamton, NY factory with a passion for music and the McIntosh heritage. McIntosh continues to define the ultimate home entertainment experience for discriminating consumers around the world, with the iconic "McIntosh Blue" Watt Meters globally recognized as a symbol of quality audio. Since its inception, McIntosh has been powering some of the most important moments in music history and pop culture. From President Lyndon Johnson's inauguration speech, to Woodstock, to the infamous Grateful Dead "Wall of Sound," McIntosh has not only witnessed history, it has shaped it. With McIntosh, customers

have the ability to create their own premium audio experience – and truly *live their music*. For more information please visit the website at [www.McIntoshLabs.com](http://www.McIntoshLabs.com).

**About Quadrivio:**

Quadrivio SGR is a leading Italian Private Equity firm, currently managing a family of funds with a total of equity under management in excess of US\$ 300 million. Founded in 2002, Quadrivio is one of the few middle market private equity firms in Italy which is independently managed and owned by its partners. For more information please visit the website at [www.quadrivosgr.it](http://www.quadrivosgr.it).

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