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GIBSON GUITAR ACQUIRES MARKET-LEADING PRO AUDIO COMPANIES KRK, CERWIN-VEGA!, AND STANTON

Companies Join to Form New Entity—Gibson Pro Audio Division

Nashville, TN: As part of its continued expansion as a lifestyle brand, Gibson Guitar, the world's premier musical instrument manufacturer, today announced the creation of its pro audio division through the acquisition of the platform assets of the Stanton Group. One of the oldest, most widely recognized and respected designers and marketers of audio products, Stanton Group is comprised of KRK Systems, Cerwin-Vega! and Stanton DJ and makes superior products for consumers and professionals. Together, the companies will form Gibson Pro Audio division, which will be headquartered in Nashville, Tennessee.

The closing of this acquisition marks Gibson's further expansion into the pro audio market with loudspeaker, monitor and electronics technology. In addition, Stanton Group gives Gibson the ability to leverage its existing research and development base.

“Right now we have an extremely powerful brand that people recognize and value, but the musical instrument category is inherently limited because people who purchase instruments also need to know how to play them,” says Henry Juskiewicz, Chairman and CEO of Gibson Guitar. “This new division is perfectly aligned with our core. It expands our reach to fellow music lovers and allows us access to 20 in 20 consumers instead of the one in 20 we currently hit.”

Juskiewicz adds, “Stanton produces some of the best pro audio equipment in the world and we're incredibly excited to be working with the very talented team at Stanton as we take Gibson into the future.”

“We are very excited to be joining the Gibson family,” says Timothy Dorwart, CEO of the Stanton Group. “This partnership will allow our brands and core management team to continue our growth and momentum in the marketplace within our shared channel while the association with the iconic Gibson brand gives us the opportunity to quickly expand our customer base.

Moreover, we bring technical resources that will enhance the R&D capabilities of both companies.”

ABOUT STANTON GROUP

Cerwin-Vega!

Cerwin-Vega! Inc. is a leader in the design, manufacture, and distribution of loudspeakers for the home and professional audio markets. Designed in the pursuit of dynamic, accurate sound reproduction since 1954, Cerwin-Vega! products are distributed throughout the world via a network of distributors and dealers in more than 75 countries.

KRK Systems

KRK Systems is a leading provider of accurate and reliable monitors and control room solutions. Founded in 1986, KRK has remained true to its mission of providing and developing products that meet the needs of its customers. During that time, KRK’s studio monitors, subwoofers, headphones and accessories have become synonymous with quality design and unparalleled performance. With a wide range of monitoring systems, available in multiple sizes and configurations, KRK offers products that meet the diverse needs of professionals and audio enthusiasts across the globe.

Stanton DJ

Stanton is an industry leader in the design and manufacture of professional audio products for DJs. Founded in 1946 by Walter O. Stanton, the inventor of an easily replaceable phonograph stylus, Stanton Magnetics has grown from being one of the first American companies to make and sell magnetic cartridges to offering a complete line of DJ products, which include turntables, high-performance cartridges, CD players, DJ mixers, accessories and digital controllers.

ABOUT GIBSON GUITAR CORP.

Gibson Guitar Corp. is known worldwide for producing classic models in every major style of fretted instrument, including acoustic and electric guitars, mandolins, and banjos. The Gibson Les Paul Guitar is the bestselling guitar of all time and is a tribute to the late, famed musician of the same name. Collectively, the Gibson Robot Guitar, Gibson Dark Fire, Gibson Dusk Tiger and the Gibson Firebird X represent the biggest advances in electric guitar design in more than 75 years. Through the Gibson Foundation, Gibson Guitar Corp. has become equally known for its philanthropic efforts on behalf of music, education, health and human services. Founded in 1894 in Kalamazoo, MI, and headquartered in Nashville, TN, since 1984, Gibson Guitar Corp.’s

family of brands includes Epiphone, Dobro, Kramer, Steinberger, Tobias, Echoplex, Electar, Flatiron, Slingerland, Valley Arts, Maestro, Oberheim, Baldwin, Sunshine Piano, Take Anywhere Technology, J&C Fischer, Chickering, Hamilton, Wurlitzer and Gibson Pro Audio. Visit Gibson's website at www.gibson.com. Follow Gibson Guitar at www.twitter.com/gibsonguitar and www.facebook.com/gibsonguitar.

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