HARMAN

FIRST QUARTER FY 2014 HIGHLIGHTS

DINESH C. PALIWAL – CHAIRMAN, PRESIDENT & CEO
HERBERT K. PARKER – CHIEF FINANCIAL OFFICER

OCTOBER 31, 2013

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FORWARD LOOKING INFORMATION

Except for historical information contained herein, the matters discussed in this earnings release are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act. One should not place undue reliance on these statements. The Company bases these statements on particular assumptions that it has made in light of its industry experience, as well as its perception of historical trends, current market conditions, current economic data, expected future developments and other factors that the Company believes are appropriate under the circumstances. These statements involve risks and uncertainties that could cause actual results to differ materially from those suggested in the forward-looking statements, including but not limited to: (1) the Company's ability to maintain profitability in its infotainment division if there are delays in its product launches which may give rise to significant penalties and increased engineering expense; (2) the loss of one or more significant customers, or the loss of a significant platform with an automotive customer; (3) fluctuations in currency exchange rates, particularly with respect to the value of the U.S. Dollar and the Euro; (4) the Company's ability to successfully implement its global footprint initiative, including achieving cost reductions and other benefits in connection with the restructuring of its manufacturing, engineering, procurement and administrative organizations; (5) fluctuations in the price and supply of raw materials including, without limitation, petroleum, copper, steel, aluminum, synthetic resins, rare metals and rare-earth minerals, or shortages of materials, parts and components; (6) the inability of the Company's suppliers to deliver products at the scheduled rate and disruptions arising in connection therewith; (7) the Company's ability to maintain a competitive technological advantage through innovation and leading product designs; (8) the Company's failure to maintain the value of its brands and implementing a sufficient brand protection program; and (9) other risks detailed in Harman International Industries, Incorporated Annual Report on Form 10-K for the fiscal year ended June 30, 2013 and other filings made by the Company with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statement except as required by law.

This earnings release also makes reference to the Company's awarded business, which represents the estimated future lifetime net sales for all customers. The Company's future awarded business does not represent firm customer orders. The Company reports its awarded business primarily based on written award letters. The Company calculates its awarded business using various assumptions including global vehicle production forecasts, customer take rates for the Company's products, revisions to product life cycle estimates and the impact of annual price reductions and exchange rates, among other factors. These assumptions are updated on an annual basis. The Company updates the estimates quarterly by adding the value of new awards received and subtracting sales recorded during the quarter. These quarterly updates do not include any assumptions for increased take rates, revisions to product life cycle, or any other factors.

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Q1 FY2014 OVERVIEW & RECENT HIGHLIGHTS

- FIRST QUARTER NET SALES UP 17% TO $1.172B
- NON-GAAP OPERATING INCOME UP 18% TO $93M; EPS UP 21% TO $0.95*
- GENERATED 113 MILLION IN CASH FROM OPERATIONS
- SECURED $1.6 BILLION IN NEW AWARDS DURING Q1
- IP PORTFOLIO JUMPS FROM 4,900 TO RECORD 5,200 PATENTS AND FILINGS
- 63 PRODUCTS LAUNCHED AT IFA GERMANY; 39 WON GLOBAL AWARDS
- ACQUIRED DURAN AUDIO; MARTIN LIGHTING SYNERGIES AHEAD OF PLAN
- LAUNCHED NEW RESTRUCTURING PROGRAM; ANN. SAVINGS OF ~$25M

*A non-GAAP measure, see reconciliation of non-GAAP measures in the press release

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NUMBER ONE IN ALL MARKETS WE PLAY

- LTM REV $4.5B
- LTM EBITDA 9.6%
- ~14,600 FTEs

INFOTAINMENT

NAVIGATION, MULTIMEDIA, CONNECTIVITY, & SAFETY SOLUTIONS

LTM REVENUE $2,362M
LTM EBITDA 9.4%

LIFESTYLE

BRANDED AUDIO PRODUCTS FOR HOME, CAR, ON THE GO

LTM REVENUE $1,381M
LTM EBITDA 14.1%

PROFESSIONAL

PRO AUDIO & LIGHTING FOR CINEMA, BROADCAST, TOUR & INSTALLED SOUND

LTM REVENUE $727M
LTM EBITDA 16.6%

LTM = Last Twelve Months, ending Sep. 30, 2013, exclude non-recurring expense

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FINANCIAL PERFORMANCE

($ in millions, except EPS)	Q1 FY14	Q1 FY13	Quarter Year-Over-Year Nominal	Local
HARMAN				
Sales	1,172	998	17%	14%
EBITDA	123	108	14%	12%
% Margin	10.5%	10.8%		
EPS	0.95	0.79	21%	18%
Infotainment				
Sales	640	561	14%	10%
EBITDA	69	60	15%	12%
% Margin	10.8%	10.7%		
Lifestyle				
Sales	334	292	15%	13%
EBITDA	50	45	12%	12%
% Margin	15.1%	15.4%		
Professional				
Sales	197	144	37%	39%
EBITDA	31	23	39%	41%
% Margin	15.9%	15.7%		

EBITDA and EPS are non-GAAP measures and exclude non-recurring items

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INFOTAINMENT DIVISION
Q1 FY2014 HIGHLIGHTS

$1.3B NEW BUSINESS AWARDS

- VW – GLOBAL ENTRY INFOTAINMENT SYSTEM
- DAIMLER – 4G TELEMATICS SOLUTIONS ACROSS MERCEDES CAR LINES
- GEELY – ENTRY NAVIGATION SOLUTION IN NEW SUV VEHICLES

NEW CAR LAUNCHES

- DAIMLER – MERCEDES S-CLASS LAUNCH IN CHINA WITH NTG5 SYSTEM
- TOYOTA – NEW PROGRAMS ACROSS VEHICLES IN EUROPE

INNOVATIONS

- ABI RESEARCH RANK HARMAN AS #1 INFOTAINMENT MARKET SUPPLIER
- BMW NBT INFOTAINMENT SOLUTION CUSTOMIZED FOR I3 ELECTRIC CAR

ABIresearch®
technology market intelligence
strongest innovator amongst top 20 tier 1 suppliers

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LIFESTYLE DIVISION
Q1 FY2014 HIGHLIGHTS

NEW BUSINESS AWARDS

- BMW CROSS-CAR LINE (HARMAN/KARDON)
- LEXUS IS & RX (MARK LEVINSON)
- TOYOTA TACOMA, N. AMERICA (JBL)

NEW CAR LAUNCHES

- BMW 4-, 5-, 7-, & X5 (HARMAN/KARDON LOGIC 7)
- KIA SPORTAGE (INFINITY)

HOME & MULTIMEDIA

- 39 AWARDS FOR 63 NEW PRODUCT LAUNCHES
- WON PRESTIGIOUS EISA AWARDS FOR HARMAN/KARDON ONYX & AKG K935

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PROFESSIONAL DIVISION
Q1 FY2014 HIGHLIGHTS

OVER ONE DOZEN MAJOR NEW VENUE INSTALLATIONS

KEY EVENTS, FESTIVALS & TOURS

- ROCK IN RIO – WORLD'S LARGEST MUSIC FESTIVAL
- MTV VIDEO MUSIC AWARDS

RECENT ACQUISITIONS

- MARTIN SYNERGIES AHEAD OF PLAN
- DURAN BRINGS NEW TECHNOLOGIES TO PRODUCT LINE

28 INNOVATIVE NEW PRODUCTS

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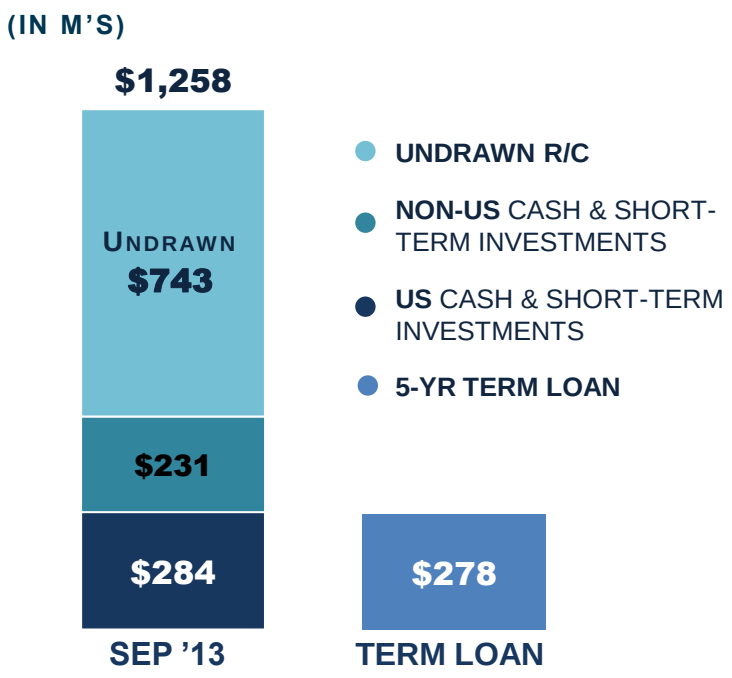
LIQUIDITY & CAPITAL STRUCTURE



CAPITAL ALLOCATION CONSIDERATIONS

- **CAPEX PROJECTS TO DRIVE ORGANIC GROWTH (ROIC ~20+%)**
- **STRATEGIC, ACCRETIVE ACQUISITIONS THAT ACCELERATE GROWTH**
- **CONTINUE DIVIDEND DISTRIBUTIONS**
- **SHARE BUYBACK**
  - 400,000 SHARES REPURCHASED DURING QUARTER
  - 868,000 ADDITIONAL SHARES REPURCHASED IN OCT.

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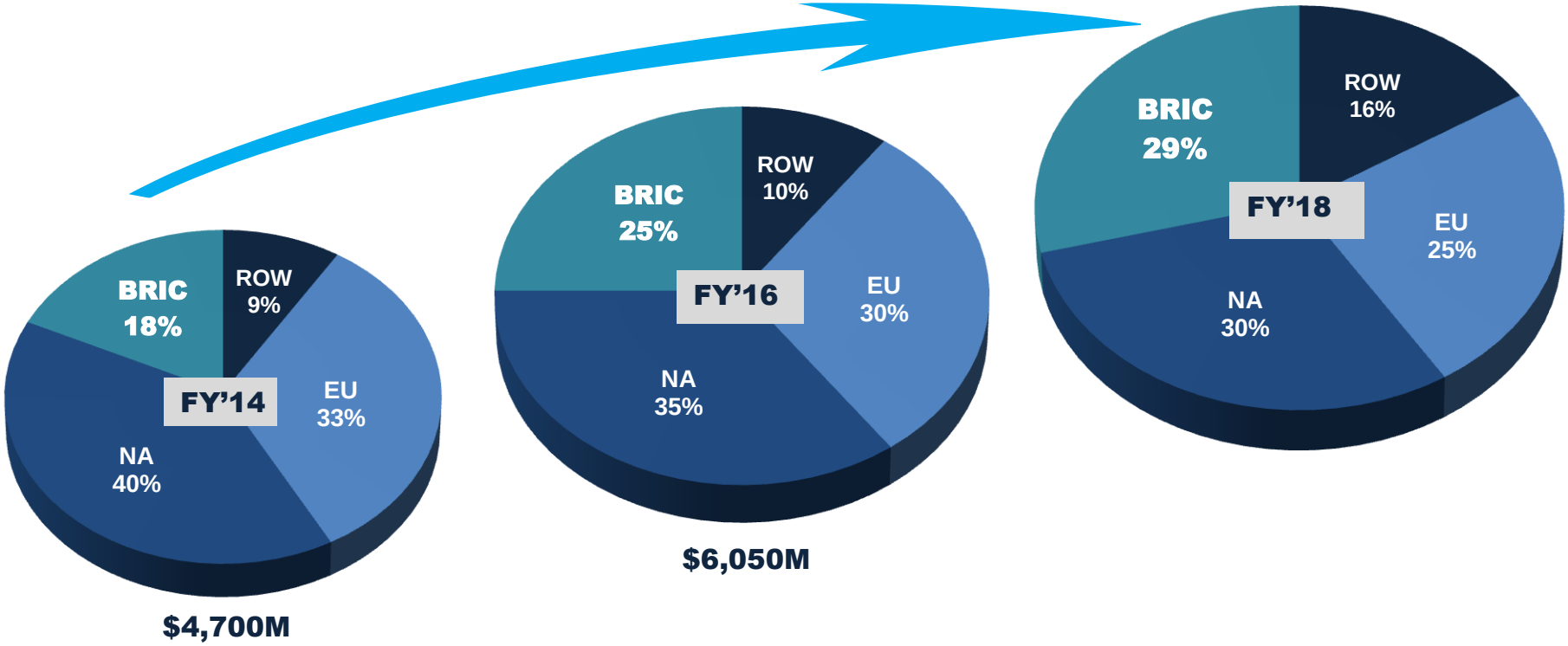
GEOGRAPHIC SALES

BASED ON END MARKET DEMAND

BY MAINTAINING MARKET LEADERSHIP IN NORTH AMERICA AND EUROPE, WHILE RAPIDLY GROWING IN EMERGING MARKETS, HARMAN HAS BECOME BOTH A SECULAR AND BALANCED GROWTH COMPANY



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INVESTMENT THESIS

- INDUSTRY-LEADING BACKLOG WITH DOUBLE-DIGIT OPERATING MARGINS
- DEMAND FOR CONNECTED CAR DRIVES INFOTAINMENT SYSTEMS AND SERVICES
- POWERFUL BRAND PORTFOLIO LIFTS AUDIO BUSINESS IN HOME, CAR AND STAGE
- STRONG BALANCE SHEET WITH MORE THAN $1.3 BILLION IN LIQUIDITY
- SIGNIFICANT EMERGING MARKET GROWTH OPPORTUNITIES IN ALL 3 DIVISIONS
- SUSTAINABLE INNOVATION WITH ~5,200 PATENTS & PATENTS PENDING
- GLOBAL FOOTPRINT WITH COMPETITIVE COST STRUCTURE

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