

HARMAN



Third Quarter FY 2013 Highlights

Dinesh C. Paliwal – Chairman, President & CEO
Herbert Parker – Chief Financial Officer

AKG

harman/kardon

Infinity

JBL

lexicon

mark
Levinson

We are proud of more than 60 years of innovation, technical excellence and multiple GRAMMY® Awards.

GRAMMY is a registered trademark of The Recording Academy.

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. We base these statements on particular assumptions that we have made in light of our industry experience, as well as our perception of historical trends, current market conditions, current economic data, expected future developments and other factors that we believe 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) our ability to maintain profitability in our infotainment division if there are delays in our 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) our ability to successfully implement our global footprint initiative, including achieving cost reductions and other benefits in connection with the restructuring of our 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 our suppliers to deliver products at the scheduled rate and disruptions arising in connection therewith; (7) our ability to attract and retain qualified senior management and to prepare and implement an appropriate succession plan for our critical organizational positions; (8) our failure to implement and maintain a comprehensive disaster recovery program; (9) our failure to comply with governmental rules and regulations, including the Foreign Corrupt Practices Act and U.S. export control laws, and the cost of complying with such laws; (10) our ability to maintain a competitive technological advantage through innovation and leading product designs; (11) our failure to maintain the value of our brands and implementing a sufficient brand protection program; and (12) other risks detailed in Harman International Industries, Incorporated Annual Report on Form 10-K for the fiscal year ended June 30, 2012 and other filings made by the Company with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statement except as required by law.

This deck 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 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, 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.

Q3 FY 13 Overview and Recent Highlights

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Raised FY2013 EPS guidance to \$3.00 from \$2.70 - \$2.90

Net sales of \$1.062B; operating income of \$66M*

Home & Multimedia revenues grew 17% with high single digit EBIT %

Martin acquisition expands Professional Division portfolio

iOnRoad acquisition accelerates advanced safety rollout

European economy and auto sector remain weak

Restructuring program on track to deliver \$30-35M in 2014

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

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HARMAN ...

Leader in Infotainment and Audio Technologies

HARMAN

LTM Rev ~\$4.2B

LTM EBITDA 9.3%

~14,300 FTEs

Infotainment Division



✓ Global Leader

Navigation, multimedia connectivity and safety solutions for a premium driving experience

LTM Rev \$2,258M
LTM EBITDA 9.2%

Lifestyle Division



✓ Global Leader

Branded audio for high quality sound in the car, in the home and on the go

LTM Rev \$1,321M
LTM EBITDA 14.4%

Professional Division



✓ Global Leader

Premium audio and lighting solutions for recording, broadcast, tour and installed sound

LTM Rev \$625M
LTM EBITDA 15.8%

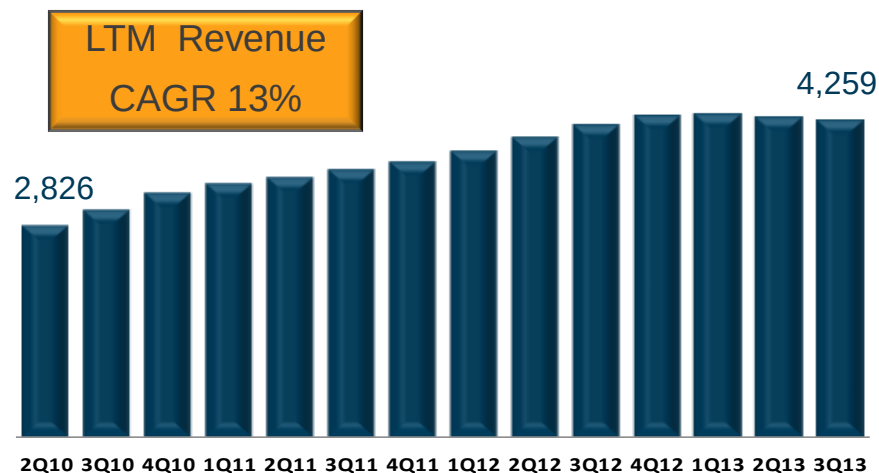
LTM = Last Twelve Months, ending March 31, 2013, excluding restructuring expense

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Creating Shareholder Value with High Performance Culture

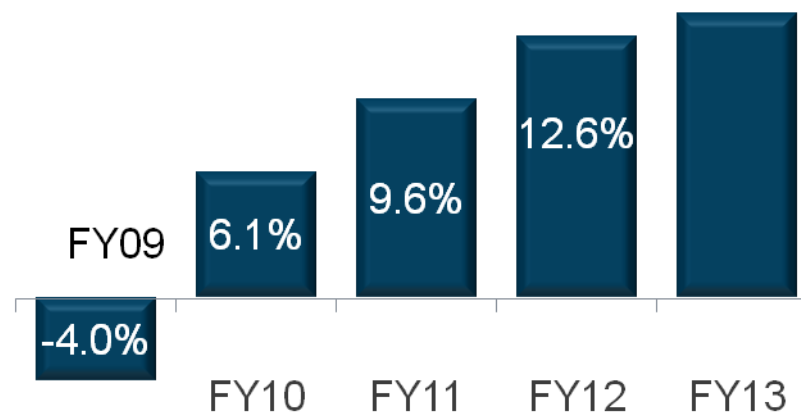
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Revenue Growth Trends*

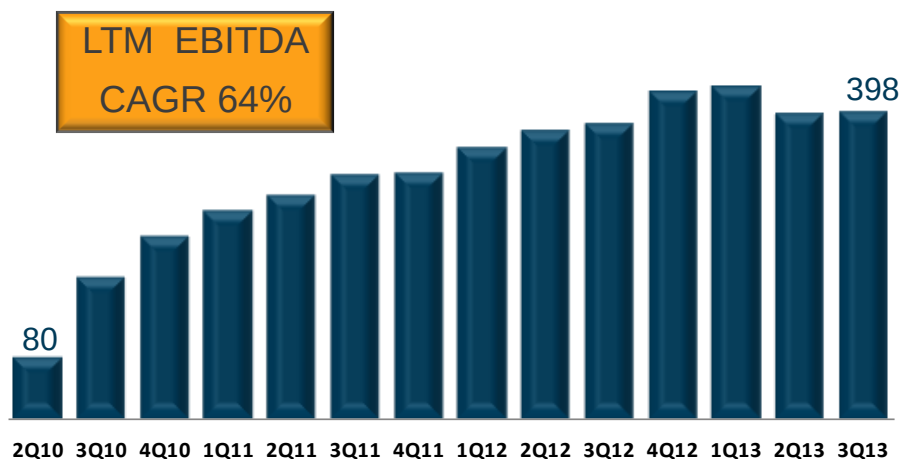


Return on Invested Capital (ROIC)

Annual Updates

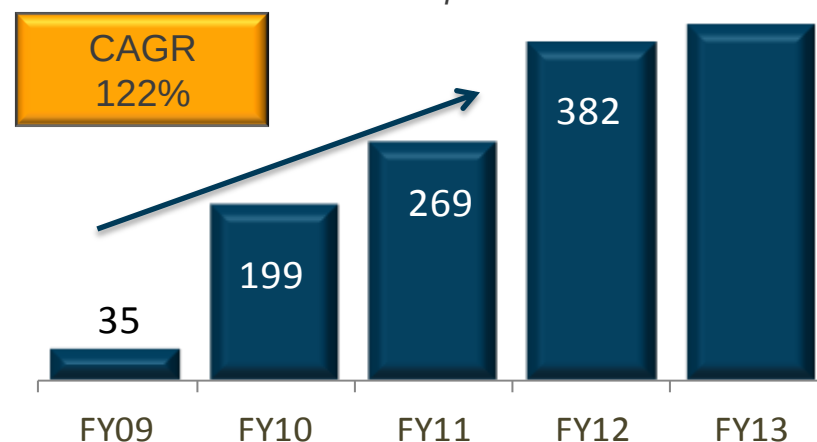


EBITDA Growth Trends*



China 5-year Growth Plan (\$M)

Annual Updates

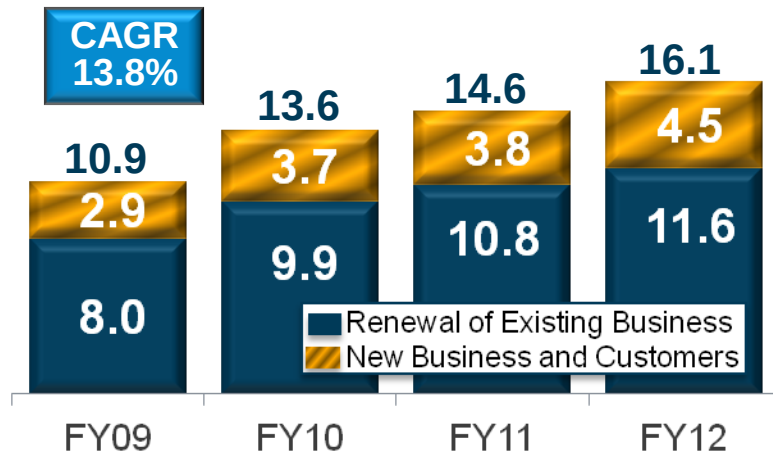


* In constant currency , excluding restructuring

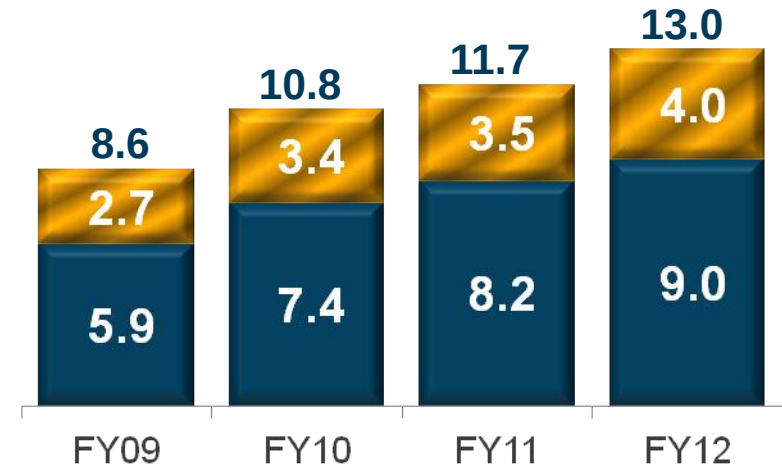
Automotive Awarded Business (Updated Annually)

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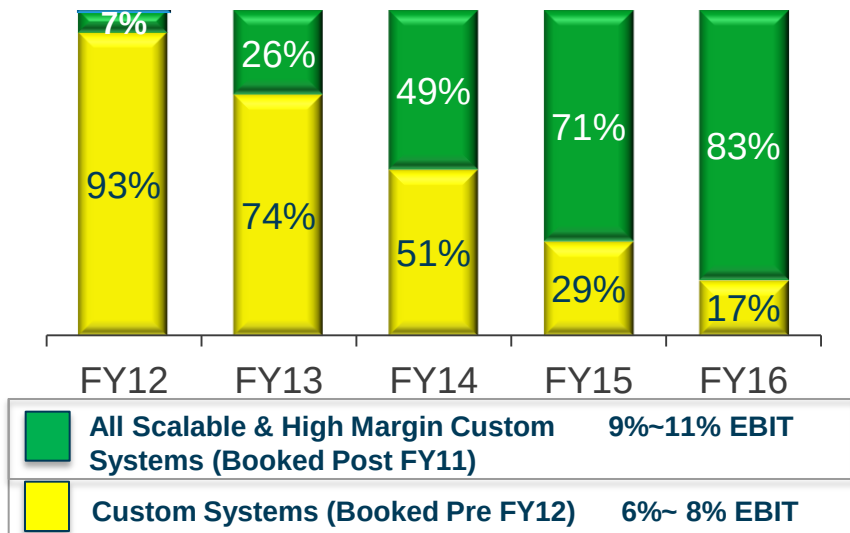
Automotive Awarded Business Backlog



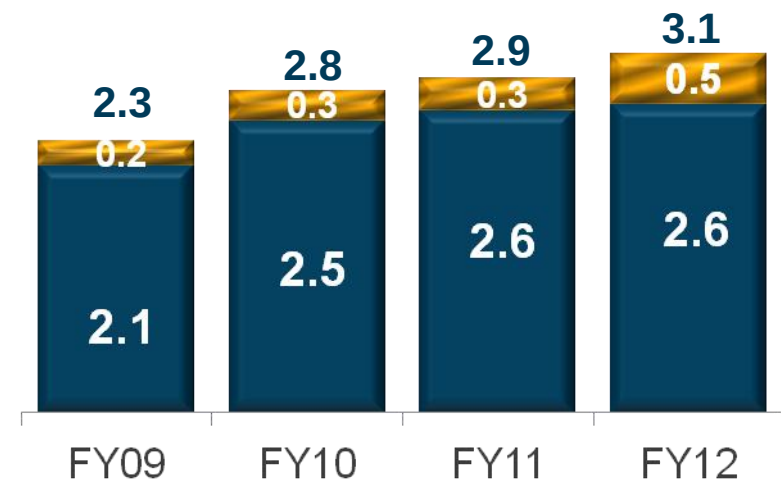
Infotainment Awarded Business Backlog



Infotainment Backlog Rev Segmentation



Audio Awarded Business Backlog

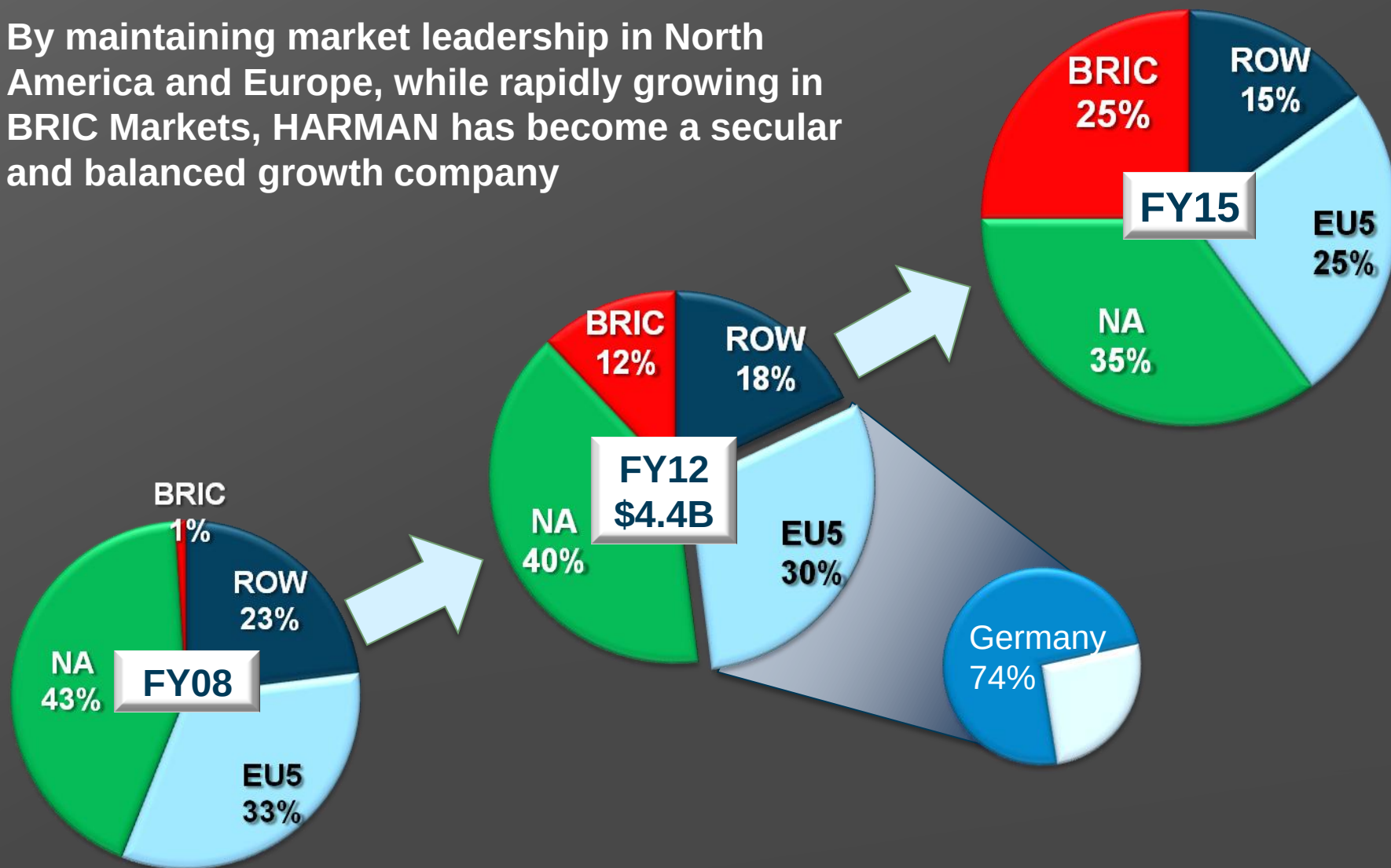


Balanced Geographic Sales

— based on end market demand

HARMAN

By maintaining market leadership in North America and Europe, while rapidly growing in BRIC Markets, HARMAN has become a secular and balanced growth company



Financial Performance – Q3 FY13

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(\$ in millions, except EPS)	Quarter Year-Over-Year				Three Quarters Year-Over-Year			
	Q3 FY13	Q3 FY12	Nominal	Local	FY13	FY12	Nominal	Local
HARMAN								
Sales	1,062	1,096	-3%	-3%	3,116	3,273	-5%	-2%
EBITDA	98	96	2%	2%	292	328	-11%	-8%
% Margin	9.2%	8.8%			9.4%	10.0%		
EPS	0.79	0.74	7%	8%	2.17	2.26	-4%	0%
Infotainment								
Sales	569	610	-7%	-7%	1,669	1813	-8%	-4%
EBITDA	49	60	-19%	-19%	154	190	-19%	-16%
% Margin	8.6%	9.9%			9.2%	10.5%		
Lifestyle								
Sales	327	332	-1%	-1%	991	1001	-1%	2%
EBITDA	47	39	21%	21%	139	134	4%	6%
% Margin	14.3%	11.7%			14.0%	13.4%		
Professional								
Sales	165	153	8%	9%	453	459	-1%	0%
EBITDA	27	23	19%	20%	72	69	5%	6%
% Margin	16.2%	14.7%			15.9%	15.0%		

Delivering World Leading Automotive Solutions



- Start of production of next generation infotainment solution for Mercedes S-Class
- Expanded production of recently launched Chrysler UConnect to Jeep vehicles and BMW NBT to Series 1, 3, and 6 models
- Integrated Apple's SIRI into HARMAN's head-unit in Ferrari's FF infotainment system
- iOnRoad acquisition accelerates advanced safety growth opportunities



Safety Drives Infotainment Systems & Services Growth



- **iOnRoad is a leader in the development of vehicle safety systems (ADAS)**
 - Collision Warnings, Lane Departure Warnings & Headway Monitoring
- **Integration into next gen platforms demonstrated at CES & Geneva Auto Shows**
- **Offered in scalable and custom platforms**
- **Infotainment Services to provide upgrade pathway for current installed base**
- **Flexible software solution**

Accelerates the rollout of new advanced safety features

Grew Car Audio Backlog and Home & Multimedia Revenues



▪ Won several car audio awards across multiple geographic regions

- Kia Optima & Sedona (Infinity)
- Maserati (non-branded)
- Ferrari F149 (JBL Professional)
- Toyota Alphard (JBL)

▪ Multiple car audio SOP launches

- Lexus IS (Mark Levinson)
- Mercedes CLA (Harman/Kardon)
- Kia Soul (Infinity)
- Chevy Malibu, China (JBL)

▪ Shipped 1+ million wireless portable audio products in the past 2 quarters

- JBL Flip #1 selling portable audio product (NPD Group)

Martin acquisition expands Professional Division portfolio



▪ Expanded Professional Product Offering

- Entered lighting & video markets with acquisition of Martin

▪ New Stadium & Venue Awards and Commissions

- Two additional Brazil FIFA World Cup Stadiums (Arena Amazonia and Estadio Nacional)
- Multiple KTV Venues in China
- Sports Authority Field at Mile High Stadium, Denver
- Dodgers Stadium, Los Angeles

▪ Major Special Events, Festival & Tours

- U.S. Presidential Inauguration
- 85th Annual Academy Awards & 55th Annual GRAMMY Awards
- Super Bowl XLVII Halftime Show
- Carnival at Rio de Janeiro

Framework for Long Term Profitable Growth



1. Growing Smart Infotainment

- Profit and market leader with industry leading order backlog
- Technology innovator with connected and safe solutions for all segments
- Grow Infotainment Services business from \$100M to \$500M in 5 years

2. Growing Audio Brands

- Profit and market leader with industry leading car audio order backlog
- Launching innovative and portable products

3. Growing Emerging Markets

- Strong wins in Brazil including FIFA and Olympic stadiums

4. Optimizing Costs and Capital Structure

- 2013 restructuring on track to deliver \$30-35M in annualized savings starting in FY 2014

5. Diversifying Portfolio

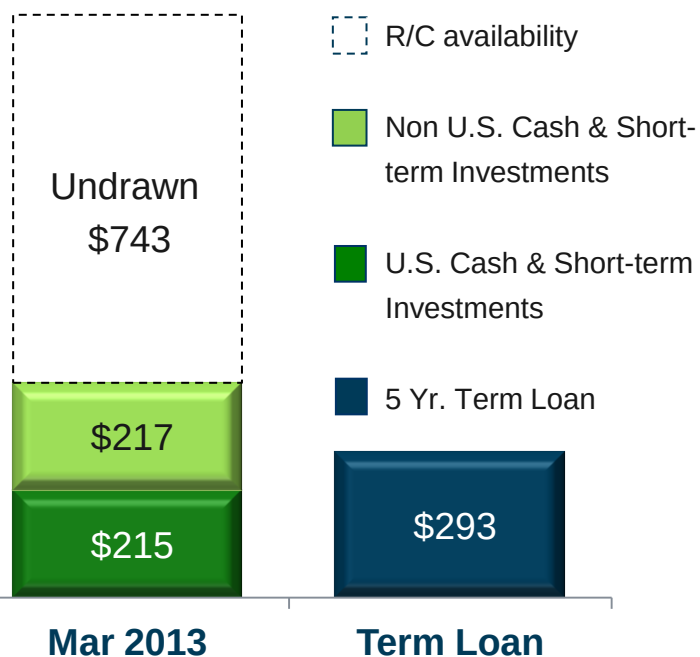
- Expanded Professional Division portfolio to lighting and video

Total Liquidity \$1.18 Billion

12-24 Months Capital / Cash Allocation

Considerations

- ✓ Return to investment grade lowered cost of capital
- ✓ Continue to pay dividends at current or higher level
- ✓ CAPEX projects to drive organic growth (ROIC~20+%)
- ✓ Strategic, accretive acquisitions that accelerate growth
 - *Martin Professional closed in Feb 2013*
 - *iOnRoad closed in Apr 2013*
- ✓ Share buyback



More than 50% of our debt matures in fiscal 2017 and beyond

Innovation Drives Long-term Secular Growth

Industry leading order backlog with double digit operating margins

Demand for connected cars drives infotainment systems and services

Powerful brand portfolio lifts audio business in home, car and stage

Strong balance sheet with more than \$1.18 billion in liquidity

Significant emerging market growth opportunities in all three divisions

Sustainable innovation with > 4,600 patents & patents pending

Improving global footprint and cost structure

HARMAN

WHERE SOUND MATTERS

AKG

harman/kardon

 **Infinity**

JBL

lexicon

mark
levinson