



HARMAN

FIRST QUARTER FY 2016 HIGHLIGHTS

DINESH C. PALIWAL - CHAIRMAN, PRESIDENT AND CEO

SANDRA E. ROWLAND - CHIEF FINANCIAL OFFICER

October 29, 2015

FORWARD LOOKING INFORMATION



Except for historical information contained herein, the matters discussed in this earnings presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. 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, uncertainties and assumptions 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 if there are delays in its product launches or increased pricing pressure from its customers; (2) the loss of one or more significant customers, the loss of a significant platform with an automotive customer or the in-sourcing of certain services by the Company's automotive customers; (3) fluctuations in currency exchange rates, particularly with respect to the value of the U.S. Dollar and the Euro; (4) 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; (5) the inability of the Company's suppliers to deliver products at the scheduled rate and disruptions arising in connection therewith; (6) the Company's ability to maintain a competitive technological advantage through innovation and leading product designs; (7) the Company's ability to integrate successfully its recently completed and future acquisitions; (8) the Company's ability to attract and retain qualified senior management and to prepare and implement an appropriate succession plan for its critical organizational positions; (9) the Company's failure to maintain the value of its brands and implementing a sufficient brand protection program; and (10) other risks detailed in the Harman International Industries, Incorporated Annual Report on Form 10-K for the fiscal year ended June 30, 2015 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 presentation also makes reference to the Company's awarded business or 'backlog,' 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. To validate these awards, the Company uses 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 and reported externally on an annual basis.

Q1 FY 2016 HIGHLIGHTS



- **NET SALES INCREASE 14% TO \$1.6B; UP 23% EX-FX**
- **OPERATIONAL EBITDA* UP 20% TO \$197M**
- **OPERATIONAL EPS* UP 13% TO \$1.48**
- **SECURED \$1.1 BILLION IN NEW AUTOMOTIVE AWARDS**
- **RECOGNIZED FOR IoT INNOVATION LEADERSHIP**

**EBITDA and EPS are non-GAAP measures and exclude restructuring, non-recurring charges and acquisition-related items*

OUR BUSINESSES

LTM REV \$6.4B; LTM EBITDA 11.5%; ~28,000 FTEs

TECHNOLOGIES FOR SEAMLESS LIVING



CONNECTED CAR



Navigation, Multimedia, Connectivity, Telematics, Safety & Security Solutions

LIFESTYLE AUDIO



Premium Branded Audio products for use at home, in the car and on the go

PROFESSIONAL SOLUTIONS



Audio, Lighting, Video Switching and Enterprise Automation for Entertainment and Enterprises

CONNECTED SERVICES



Cloud, Mobility and Analytics Software Solutions along with OTA update technologies for Automotive, Mobile and Enterprises

LTM Revenue \$2,967M

LTM EBITDA 12.8%

LTM Revenue* \$1,868M

LTM EBITDA 14.1%

LTM Revenue* \$1,042M

LTM EBITDA 14.6%

LTM Revenue* \$487M

LTM EBITDA 15.7%

EBITDA is non-GAAP measure and excludes restructuring, non-recurring charges and acquisition-related items. LTM = Last Twelve Months ending Sep 30, 2015.

*Includes intercompany revenues.

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FINANCIAL PERFORMANCE



(\$ in millions, except EPS)		Quarter Year-Over-Year				LTM Year-Over-Year			
		Q1 FY16	Q1 FY15	Nominal	Local	Q1 FY16	Q1 FY15	Nominal	Local
HARMAN									
	Sales	1,631	1,429	14%	23%	6,357	5,606	13%	23%
	EBITDA	197	164	20%	27%	732	596	23%	30%
	% Margin	12.1%	11.5%			11.5%	10.6%		
	EPS	1.48	1.31	13%	19%	5.87	4.76	23%	33%
Connected Car									
	Sales	755	700	8%	19%	2,967	2,732	9%	19%
	EBITDA	105	90	17%	22%	379	300	27%	32%
	% Margin	13.9%	12.8%			12.8%	11.0%		
Lifestyle Audio									
	Sales*	462	406	14%	21%	1,868	1,667	12%	19%
	EBITDA	64	62	4%	8%	263	241	9%	13%
	% Margin	13.8%	15.1%			14.1%	14.4%		
Professional Solutions									
	Sales*	247	254	-3%	1%	1,042	910	14%	19%
	EBITDA	36	37	-4%	2%	152	147	3%	8%
	% Margin	14.5%	14.6%			14.6%	16.1%		
Connected Services									
	Sales*	174	68			487	296		
	EBITDA	23	6			77	39		
	% Margin	13.2%	9.0%			15.7%	13.2%		

EBITDA is non-GAAP measure and excludes restructuring, non-recurring charges and acquisition-related items. LTM = Last Twelve Months ending Sep 30, 2015.

*Includes intercompany revenues.

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CONNECTED CAR Q1 FY 2016 HIGHLIGHTS



NEW AWARDS

BMW

Suzuki

Daimler

TATA

GAC Motor



NEW LAUNCHES / PLATFORM EXPANSIONS

Audi A4

Mercedes Benz (C-Class Coupe)

Mini (Clubman)

Volkswagen (Tiguan)



LIFESTYLE AUDIO

Q1 FY 2016 HIGHLIGHTS



CAR AUDIO

New Business Awards:

Audi	BMW	Toyota
Great Wall	Hyundai	

New Car Launches:

Alfa Romeo Giulia (Harman Kardon)	Lexus RX (Mark Levinson)
McLaren 570S (Bowers & Wilkins)	



CONSUMER AUDIO

Milestones:

58 New Product Launches at 2015 IFA Consumer Electronics Show in Berlin
15 Million Cumulative Portable Speaker Sales Worldwide

Recognitions:

AKG N60 NC (EISA, RedDot, IF Design Awards) AKG Y50 BT (What Hi-Fi? 5 Star Rating)



PROFESSIONAL SOLUTIONS Q1 FY 2016 HIGHLIGHTS



MAJOR NEW VENUE INSTALLATIONS

Changi Airport, Singapore

Raytheon, U.S.

KEY EVENTS/TOURS

iHeartRadio Music Festival, Las Vegas

Rock in Rio, Rio de Janeiro, Brazil

INDUSTRY AWARDS

Frost & Sullivan Europe Growth Excellence Leadership Award (AMX)

Future Music Magazine's "Platinum Award" (AKG Microphones)

7 MAJOR NEW PRODUCTS LAUNCHED

START OF PRODUCTION AT PECS, HUNGARY PLANT

Raytheon



Changi Airport, Singapore



iHeart Radio Festival



Rock in Rio, Brazil



Pecs, Hungary



CONNECTED SERVICES Q1 FY 2016 HIGHLIGHTS



NEW CUSTOMER CONTRACTS

Mozilla Pepsi United Healthcare

mozilla



FOLLOW ON CONTRACTS

BMW Hyundai Intel
Polycom Toyota



TOYOTA

OTA CONTRACTS

Bosch KDDI Subaru



BOSCH



AWARDS & ACCOLADES

Awarded 2015 Excellence in Software Award by Cisco

Recognized as Global Leader in IoT Services by HfS Research



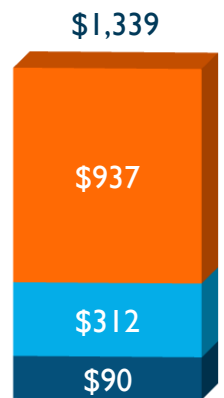
CAPITAL STRUCTURE

LIQUIDITY & CAPITAL STRUCTURE



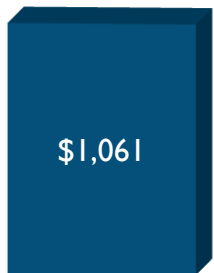
LIQUIDITY

DEBT



- **UNDRAWN**
- **NON-U.S.**
- **U.S.**

September 30, 2015 (\$ IN MILLIONS)



CAPITAL ALLOCATION CONSIDERATIONS

- CAPEX PROJECTS TO DRIVE ORGANIC GROWTH
- STRATEGIC, BOLT-ON ACQUISITIONS THAT ACCELERATE GROWTH
- CONTINUE DIVIDEND DISTRIBUTIONS
- SHARE BUYBACK
 - REPURCHASED 371,000 SHARES
 - \$463M BOARD AUTHORIZATION REMAINS

INVESTMENT THESIS



INDUSTRY-LEADING \$23B BACKLOG WITH DOUBLE-DIGIT OPERATING MARGINS

DEMAND FOR CONNECTED CAR DRIVES TAKE RATES AND SOFTWARE SERVICES

POWERFUL BRANDS LIFT AUDIO BUSINESS IN HOME, CAR AND ENTERTAINMENT

SOFTWARE SERVICES BUSINESS POISED TO CAPITALIZE ON GROWTH OF IOT

SIGNIFICANT EMERGING MARKET GROWTH OPPORTUNITIES IN ALL 4 DIVISIONS

SUSTAINABLE INNOVATION WITH ~5,900 PATENTS & PATENTS PENDING

GLOBAL FOOTPRINT WITH COMPETITIVE COST STRUCTURE

STRONG BALANCE SHEET WITH \$1.3 BILLION IN LIQUIDITY



HARMAN



Thank You