



FOURTH QUARTER & FULL-YEAR FISCAL 2016 HIGHLIGHTS

DINESH C. PALIWAL - CHAIRMAN, PRESIDENT AND CEO

SANDRA E. ROWLAND - CHIEF FINANCIAL OFFICER

AUGUST 4, 2016



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 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; (2) the Company's ability to maintain a competitive technological advantage through innovation and leading product designs; (3) the Company's ability to maintain profitability if there are delays in its product launches or increased pricing pressure from its customers; (4) fluctuations in currency exchange rates, particularly with respect to the value of the U.S. Dollar and the Euro; (5) the inability of the Company's suppliers to deliver materials, parts and components, including, without limitation, microchips and displays, at the scheduled rate and disruptions arising in connection therewith; (6) 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; (7) the Company's failure to protect the security of its products and systems against cyber crime; (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 the Harman International Industries, Incorporated Annual Report on Form 10-K for the fiscal year ended June 30, 2016 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 presentation also makes reference to the Company's awarded business or "backlog", which represents the estimated future lifetime net sales for all of the Company's automotive customers. The Company's 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. The term "take rate" represents the number of units sold by the Company divided by an estimate of the total number of vehicles of a specific vehicle line produced during the same timeframe. The assumptions the Company uses to validate these awards are updated and reported externally on an annual basis.

HIGHLIGHTS – FISCAL 2016



Q4 2016

- **NET SALES UP 12% TO \$1.9B**
- **GAAP EBITDA UP 26% TO \$212M;
OPERATIONAL EBITDA UP 20% TO \$225M**
- **GAAP EPS \$1.01 IN-LINE WITH FY15;
OPERATIONAL EPS UP 14% TO \$1.57**

FULL-YEAR 2016

- **NET SALES UP 12% TO \$6.9B**
- **GAAP EBITDA UP 26% TO \$804M;
OPERATIONAL EBITDA UP 20% TO \$836M**
- **GAAP EPS UP 3% TO \$4.99; OPERATIONAL
EPS UP 9% TO \$6.24**

INDUSTRY-LEADING \$24.1B AUTOMOTIVE BACKLOG

Note: Operational EBITDA and EPS exclude acquisition-related items, restructuring and non-recurring charges.

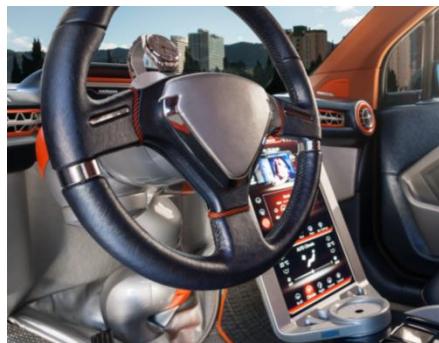
OUR BUSINESSES – FISCAL 2016

FY REV \$6.9B; FY EBITDA 12.1%; ~29,000 FTEs

TECHNOLOGIES FOR A CONNECTED LIFE



CONNECTED CAR

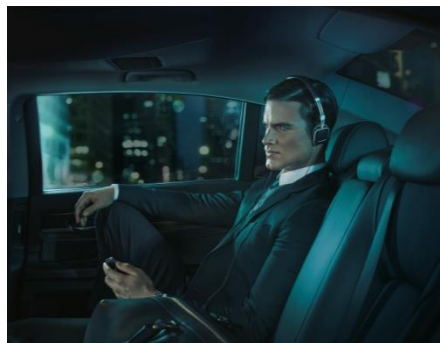


Navigation, Multimedia, Connectivity, Telematics, Safety & Security Solutions

FY Revenue \$3,102M

FY EBITDA 14.3%

LIFESTYLE AUDIO



Premium Branded Audio Products and Sound Management Software for Home, Car and on the go

FY Revenue \$2,138M

FY EBITDA 15.4%

PROFESSIONAL SOLUTIONS



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

FY Revenue \$1,014M

FY EBITDA 12.1%

CONNECTED SERVICES



Cloud, Mobility and Analytics Solutions with OTA updates for Car, Mobile and Enterprises

FY Revenue \$694M

FY EBITDA 12.2%

EBITDA is non-GAAP measure and excludes acquisition-related items, restructuring and non-recurring charges. FY = Full-year ending June 30, 2016. FY divisional revenue includes \$37M intercompany revenues.

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FINANCIAL PERFORMANCE



(\$ in millions, except EPS)		Quarter Year-Over-Year				YTD Year-Over-Year			
		Q4 FY16	Q4 FY15	Nominal	Local	Q4 FY16	Q4 FY15	Nominal	Local
HARMAN									
	Sales	1,881	1,679	12%	12%	6,912	6,155	12%	16%
	EBITDA	225	187	20%	21%	836	699	20%	23%
	% Margin	12.0%	11.2%			12.1%	11.4%		
	EPS	1.57	1.37	14%	14%	6.24	5.71	9%	13%
Connected Car									
	Sales	843	758	11%	10%	3,102	2,911	7%	11%
	EBITDA	116	88	32%	31%	442	364	22%	24%
	% Margin	13.8%	11.6%			14.3%	12.5%		
Lifestyle Audio									
	Sales	578	463	25%	25%	2,138	1,813	18%	21%
	EBITDA	94	61	53%	55%	329	260	26%	30%
	% Margin	16.3%	13.3%			15.4%	14.4%		
Professional Solutions									
	Sales	286	285	1%	1%	1,014	1,049	-3%	-1%
	EBITDA	34	46	-25%	-24%	122	153	-20%	-18%
	% Margin	12.0%	16.0%			12.1%	14.6%		
Connected Services									
	Sales	185	173	7%	8%	694	381	82%	96%
	EBITDA	22	30	-29%	-27%	85	60	42%	54%
	% Margin	11.7%	17.6%			12.2%	15.7%		

EBITDA is non-GAAP measure and excludes acquisition-related items, restructuring and non-recurring charges. FY = Full-year ending June 30, 2016. Divisional revenue includes intercompany revenues.

CONNECTED CAR Q4 FY16 HIGHLIGHTS



NEW BUSINESS AWARDS

North American OEM

Porsche

Harley Davidson

Toyota



NEW VEHICLE LAUNCHES

BMW X3 and X4

Genesis EQ900/G90 (Hyundai)

Kia K3 and K5

TATA Tiago



INDUSTRY AWARDS

Consumer Reports Highest Rated Infotainment System

Supplier of the Year – 2016 Automotive Interiors Expo, Germany



LIFESTYLE AUDIO

Q4 FY16 HIGHLIGHTS



CAR AUDIO

New Business Awards:

Audi (Bang & Olufsen) Toyota (JBL)
Lexus (Mark Levinson) SGM Wuling (Infinity)
Electric Car (Summit Platform)

Hyundai/Kia (Infinity)
Subaru (Harman Kardon)



New Car Launches:

Audi Q5 (Bang & Olufsen) Maserati Quattroporte and Ghibli (Bowers & Wilkins)
Dodge Viper SRT (Harman Kardon)



Milestones:

New Business Awards for ISZ and HALOsonic Sound Management Solutions
Lincoln Luxury World Excellence Award (Revel)



CONSUMER AUDIO

Record 56 Design and Innovation Awards in 2016
Launched Harman Kardon Go+Play and JBL Charge 3



reddot award 2016
winner

PROFESSIONAL SOLUTIONS Q4 FY16 HIGHLIGHTS



MAJOR NEW ENTERPRISE INSTALLATIONS

Heinz Field, Pittsburgh

Hyatt Regency, Mexico City

Burj Al Arab Hotel, Dubai

KEY ENTERTAINMENT EVENTS / TOURS

Shanghai Chenshan Classical Music Festival

Academy of Country Music Awards

Multiple Summer Concert Tours

7 INDUSTRY AWARDS RECEIVED

Commercial Integrator's Best Product of 2016 - JBL Pro Control Mount Speakers

RAVe PUBLICATIONS 2016 Readers' Choice Awards (Crown, Martin, JBL and AMX)

24 NEW PRODUCTS LAUNCHED

HEINZ FIELD, PITTSBURGH



HYATT REGENCY, MEXICO



BURJ AL ARAB HOTEL, DUBAI



COUNTRY MUSIC AWARDS



RASCAL FLATTS RHYTHM & ROOTS TOUR



SHANGHAI CHENSHAN MUSIC FESTIVAL



CONNECTED SERVICES

Q4 FY16 HIGHLIGHTS



ENGINEERING CONTRACTS

BMW

Microsoft

PSA

Reliance Jio



OTA CONTRACTS

FCA

Porsche

Subaru



PARTNERSHIPS & AWARDS

Partnership with NXP Semiconductors on Software Update Gateway

EGR Award – Data Analytics Partner of the Year for Europe

IoT Business Impact Award - IoT Evolution Expo

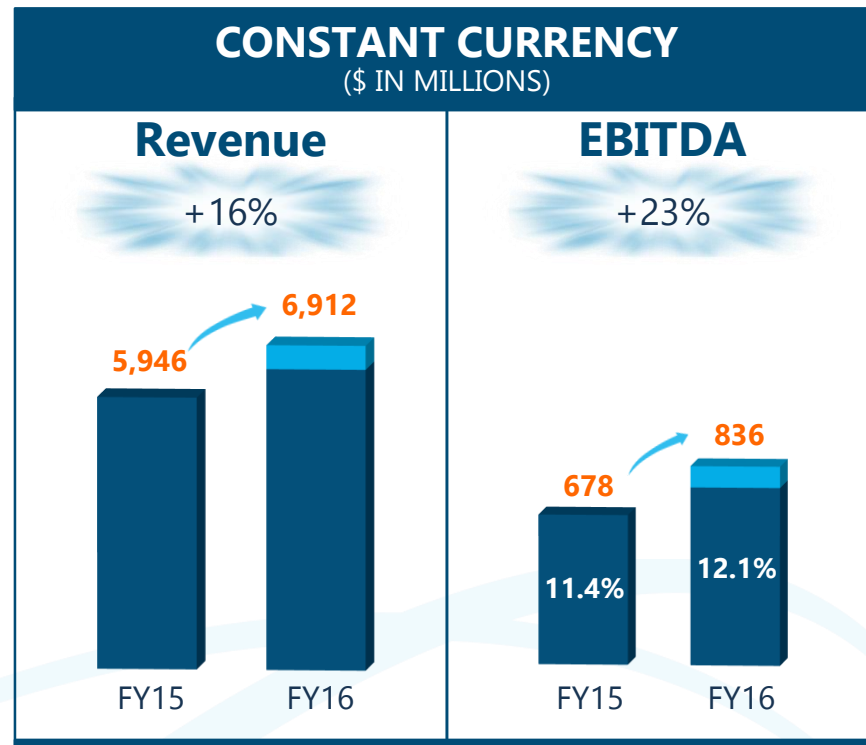
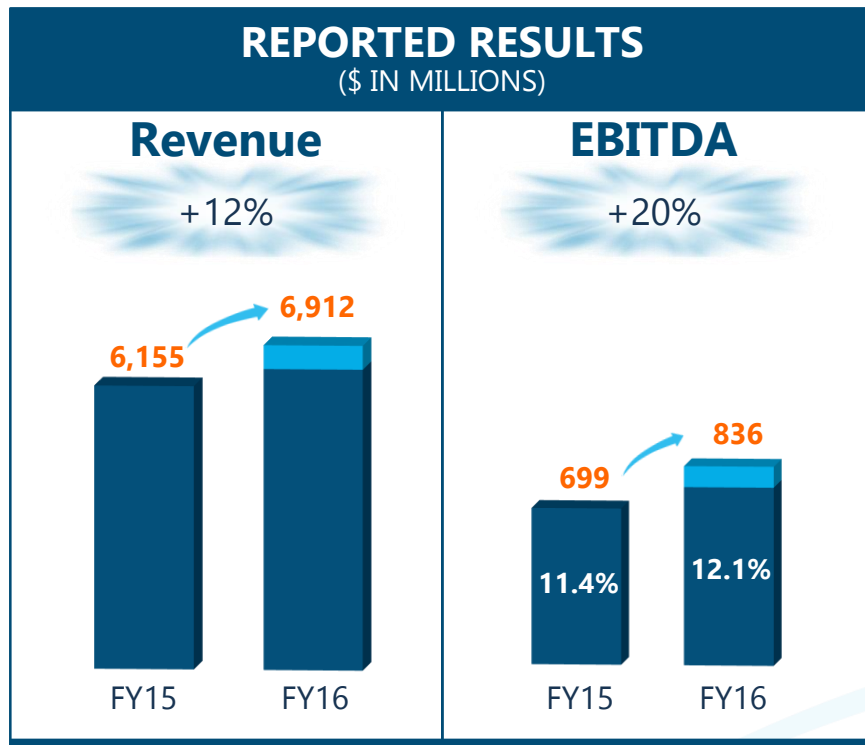




FY 2016 SUMMARY

2016 RECAP

RECORD REVENUE AND EBITDA



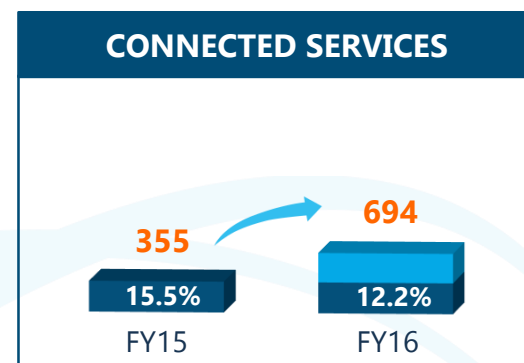
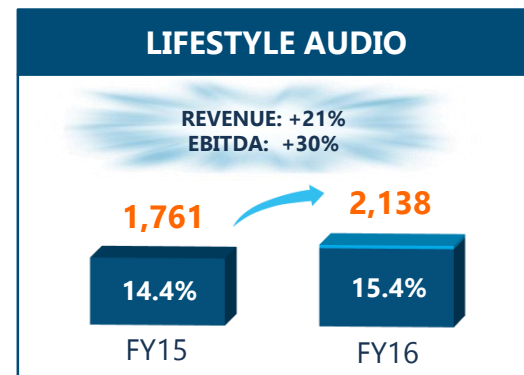
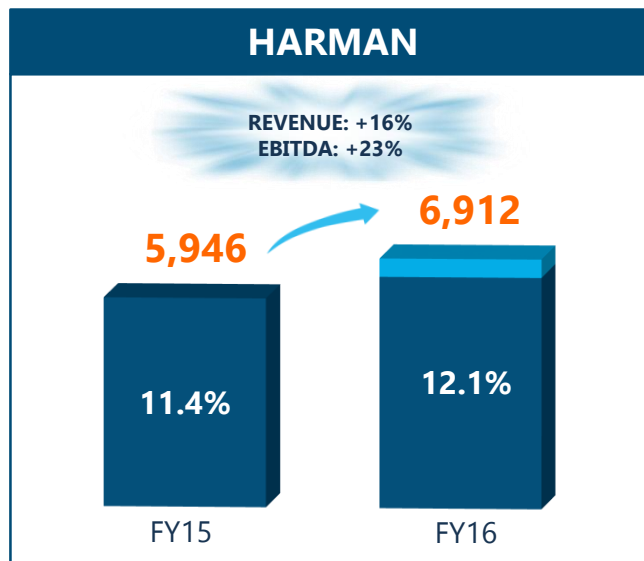
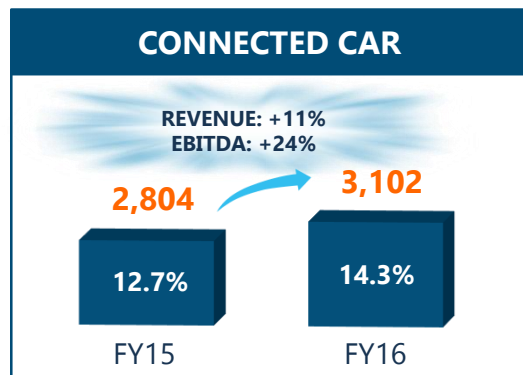
NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES ACQUISITION-RELATED ITEMS, RESTRUCTURING AND NON-RECURRING CHARGES.

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■ Organic ■ M&A

2016 RECAP

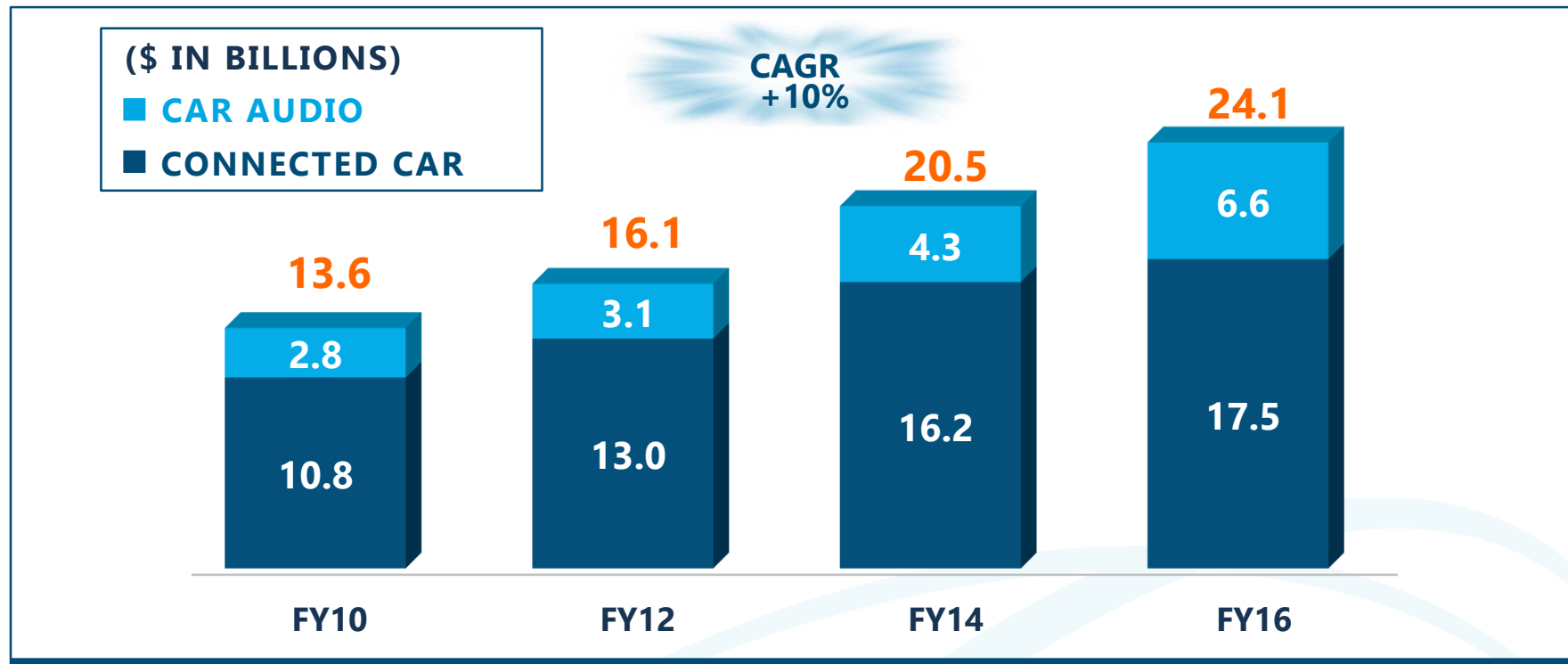
DIVISION PERFORMANCE – CONSTANT CURRENCY



\$ IN MILLIONS

■ Organic
■ M&A

AWARDED AUTOMOTIVE BUSINESS BACKLOG EXPANSION



STRONG LONG-TERM PERFORMANCE

DOUBLE DIGIT GROWTH

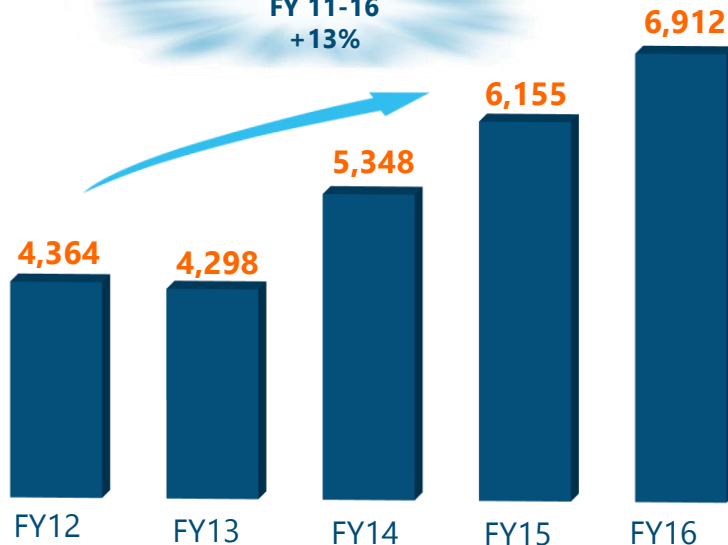


REPORTED RESULTS

(\$ IN MILLIONS)

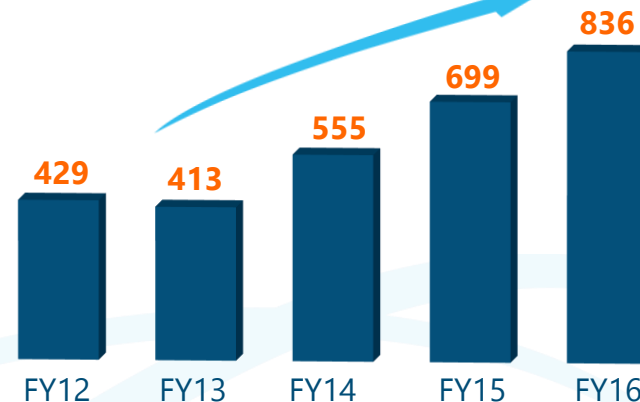
REVENUE

5 Year CAGR
FY 11-16
+13%



EBITDA

5 Year CAGR
FY 11-16
+21%



NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES RESTRUCTURING, ACQUISITION-RELATED ITEMS AND NON-RECURRING CHARGES



FINANCIAL OUTLOOK



NEW DIVISIONAL REPORTING STRUCTURE

RECLASSIFICATION OF CAR AUDIO AFTERMARKET SERVICES



2016 REPORTING STRUCTURE

TOTAL COMPANY

Revenue: \$6,912M
EBITDA: \$836M, 12.1%

CONNECTED CAR

Revenue: \$3,102M
EBITDA: \$442M, 14.3%

LIFESTYLE AUDIO

Revenue: \$2,138M
EBITDA: \$329M, 15.4%

PROFESSIONAL SOLUTIONS

Revenue: \$1,014M
EBITDA: \$122M, 12.1%

CONNECTED SERVICES

Revenue: \$694M
EBITDA: \$85M, 12.2%

NEW REPORTING STRUCTURE

TOTAL COMPANY

Revenue: \$6,912M
EBITDA: \$836M, 12.1%

CONNECTED CAR

Revenue: \$3,102M
EBITDA: \$442M, 14.3%

LIFESTYLE AUDIO

Revenue: \$2,200M
EBITDA: \$328M, 14.9%

PROFESSIONAL SOLUTIONS

Revenue: \$1,014M
EBITDA: \$122M, 12.1%

CONNECTED SERVICES

Revenue: \$632M
EBITDA: \$86M, 13.7%

NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES RESTRUCTURING, ACQUISITION-RELATED ITEMS AND NON-RECURRING CHARGES

FISCAL YEAR 2017 FORECAST CONTINUED PROFITABLE GROWTH



REVENUE GROWTH (\$ IN MILLIONS)



EBITDA GROWTH (\$ IN MILLIONS)



FORECAST ASSUMPTIONS

• GEOGRAPHIC ASSUMPTIONS:

	<u>GDP</u>	<u>AUTOMOTIVE PRODUCTION</u>
NORTH AMERICA:	~ 2.0%	~ 2.0 - 3.0%
EUROPE:	~ 1.5%	~ 0.0 - 1.0%
CHINA:	~ 6.0%	~ 3.0 - 3.5%
GLOBAL:	~ 2.5%	~ 2.0 - 3.0%

• INDUSTRY INFOTAINMENT TAKE RATES:

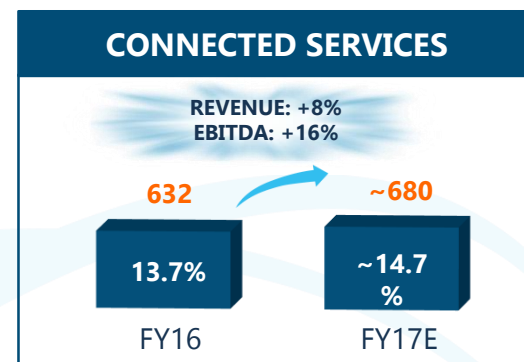
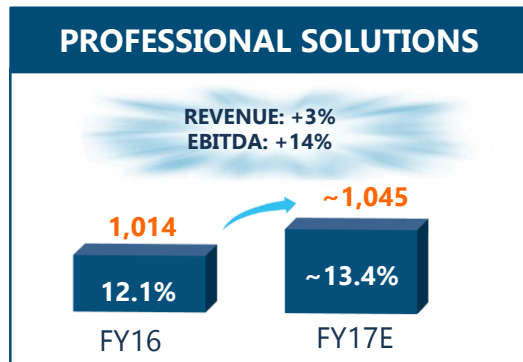
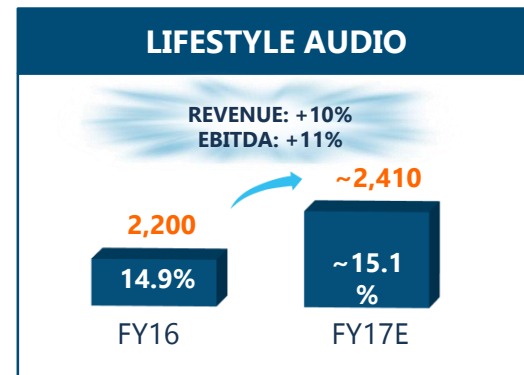
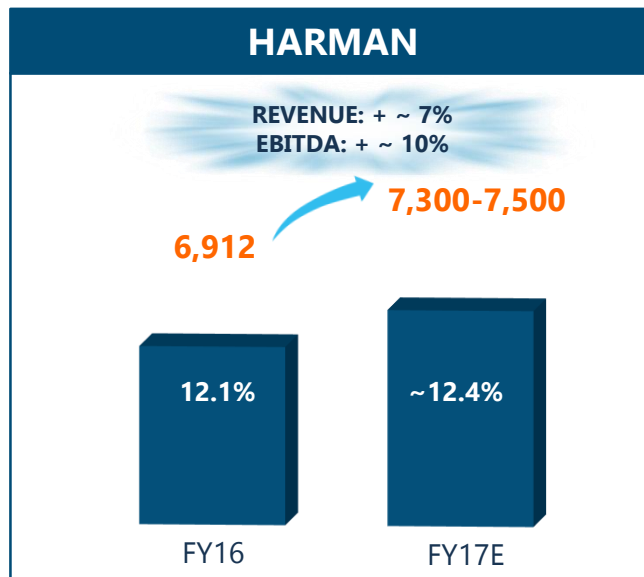
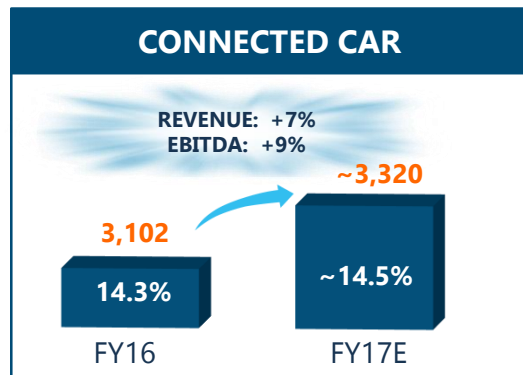
Embedded:	FY16: ~27%
	FY17: ~30%

Source: IHS, NPD, BERG AND HARMAN RESEARCH
ASSUMES EUR/USD RATE OF 1.10

NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES RESTRUCTURING, ACQUISITION-RELATED ITEMS AND NON-RECURRING CHARGES

FISCAL 2017 FORECAST

DIVISIONAL BREAKOUT



\$ IN MILLIONS

FY 2017 ASSUMES 1.10 EUR/USD

FY 2017 INTERCOMPANY ELIMINATIONS \$55 MILLION

FY 2017 CORPORATE EBITDA ~(\$165) MILLION

LIFESTYLE AUDIO AND CONNECTED SERVICES REVENUE AND EBITDA RESTATED TO REFLECT AUDIO SERVICES RECLASSIFICATION FROM CONNECTED SERVICES TO LIFESTYLE AUDIO

NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES ACQUISITION-RELATED ITEMS, RESTRUCTURING AND NON-RECURRING CHARGES

FISCAL YEAR 2017 FORECAST

FINANCIAL METRICS – OPERATIONAL



\$ IN MILLIONS, EXCEPT EPS		FY16 REPORTED	FY17 FORECAST RANGE
EBITDA		836	900 - 940
	D & A	159	~180
EBIT		677	720 - 760
	Interest Expense and Misc	46	50 - 60
Pre-Tax Income		631	670 - 700
	Income Tax Expense	177	185 - 195
	<i>Tax Rate</i>	28.1%	27.5%- 28.0%
Net Income		453	485 - 505
	<i>Share Count</i>	72.5	~72
EPS		6.24	6.75 - 7.00

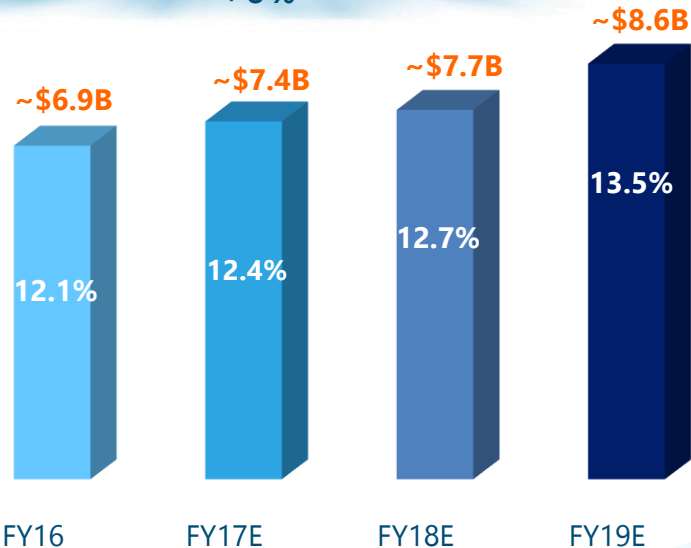
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2017 GUIDANCE AND MID-TERM OUTLOOK

PROFITABLE REVENUE GROWTH



REVENUE CAGR
FY16 - 19
+ 8 %



GROWTH DRIVERS

REVENUE

- NEW AUTOMOTIVE SOPs
- TAKE RATE EXPANSION
- SOFTWARE SERVICES FOR IOT
- END-TO-END ENTERPRISE SOLUTION SALES

EBITDA

- PRODUCTIVITY INITIATIVES
- FOOTPRINT OPTIMIZATION
- OPERATING LEVERAGE
- HIGHER MARGIN SOFTWARE SERVICES

Global GDP CAGR ~2.5%

Global Automotive Production CAGR: ~3% EUR/USD Assumption: 1.10

Source: LMC, IHS, BLOOMBERG AND HARMAN RESEARCH

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MEGATRENDS AND GROWTH DRIVERS

PATH TO \$11 BILLION IN REVENUE



Autonomous Car



Internet of Things



Smart Audio



CLOUD, MOBILITY &
ANALYTICS

CYBERSECURITY

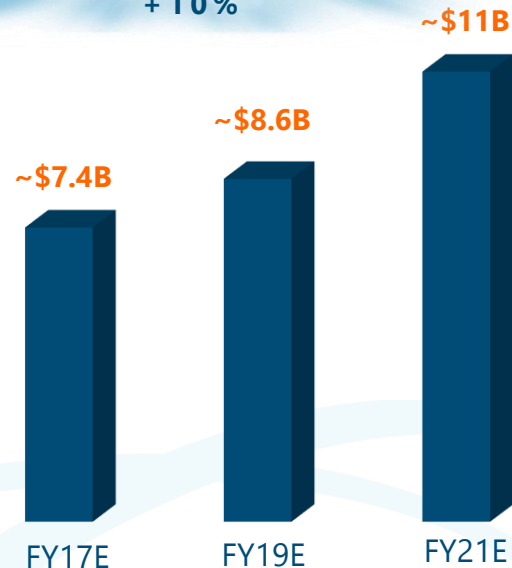
SOUND MANAGEMENT

USER INTERFACE

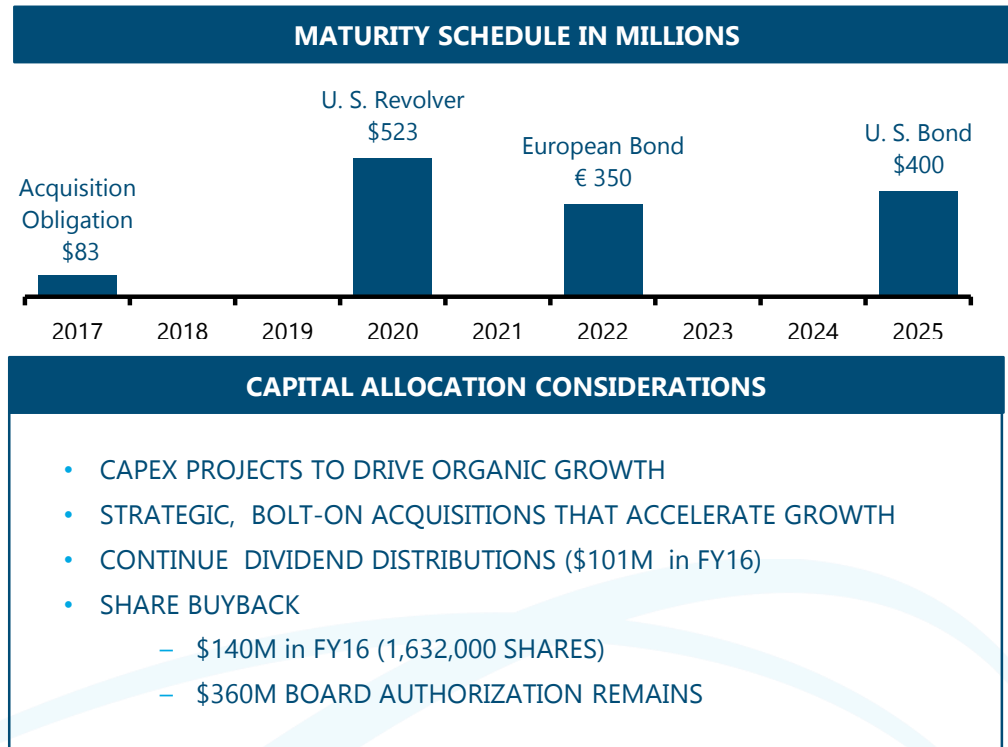
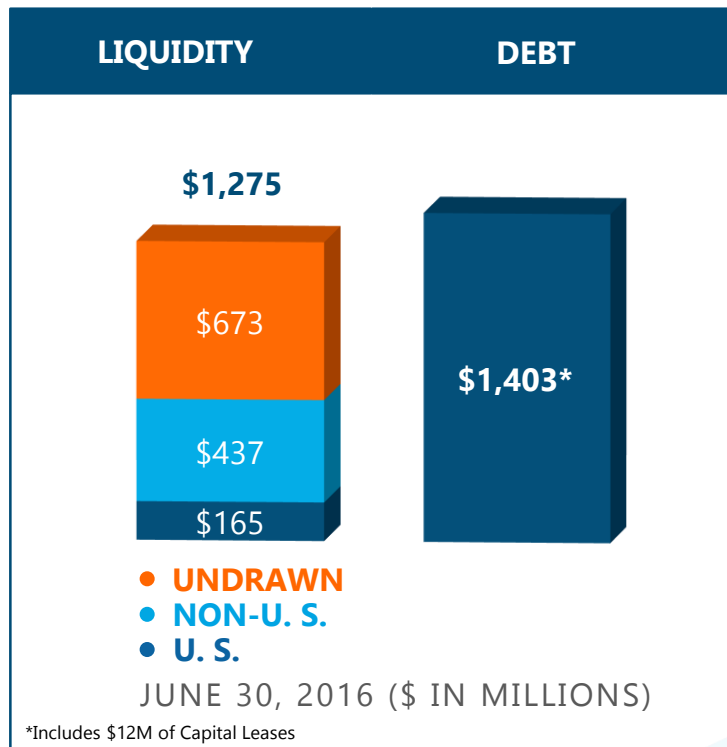
ARTIFICIAL
INTELLIGENCE

SOFTWARE SERVICES

ORGANIC REVENUE CAGR
FY16-21
+ 10%



CAPITAL STRUCTURE LIQUIDITY & MATURITY SCHEDULE



INVESTMENT THESIS



INDUSTRY-LEADING \$24.1B 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 ~6,200 PATENTS & PATENTS PENDING

GLOBAL FOOTPRINT WITH COMPETITIVE COST STRUCTURE

STRONG BALANCE SHEET WITH \$1.3 BILLION IN LIQUIDITY



HARMAN



Thank You

FY16 RESULTS

GAAP TO NON-GAAP RECONCILIATION



\$ IN MILLIONS, EXCEPT EPS	GAAP	Adjustments	Non-GAAP
Operating Income	580		
Restructuring		25	
Acquisition related		56	
Non-Recurring		16	
Adjusted Operating Income		97	677
Interest Expense and Misc	49	(3)	46
Pre-Tax Income	531	100	631
Income Tax Expenses	168	9	177
Net Income	362	91	453
EPS	4.99	1.25	6.24

NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES RESTRUCTURING,, NON-RECURRING CHARGES AND ACQUISITION-RELATED ITEMS

FY17 FORECAST

GAAP TO NON-GAAP RECONCILIATION



\$ IN MILLIONS, EXCEPT EPS	GAAP	Adjustments	Non-GAAP
Operating Income	615 - 655		
Restructuring		~50	
Acquisition related		~50	
Non-Recurring		~5	
Adjusted Operating Income		105	720 - 760
Interest Expense and Misc	50 - 60		50 - 60
Pre-Tax Income	565 - 595	105	670 - 700
Income Tax Expenses	155 - 165	30	185 - 195
Net Income	410 - 430	75	485 - 505
EPS	5.70 - 5.95	1.05	6.75 - 7.00

NOTE: EBITDA IS NON-GAAP MEASURE AND EXCLUDES RESTRUCTURING,, NON-RECURRING CHARGES AND ACQUISITION-RELATED ITEMS