HARMAN

Third Quarter FY 2011 Highlights

Dinesh C. Paliwal - Chairman, President and CEO

Herbert Parker - Chief Financial Officer

April 28, 2011

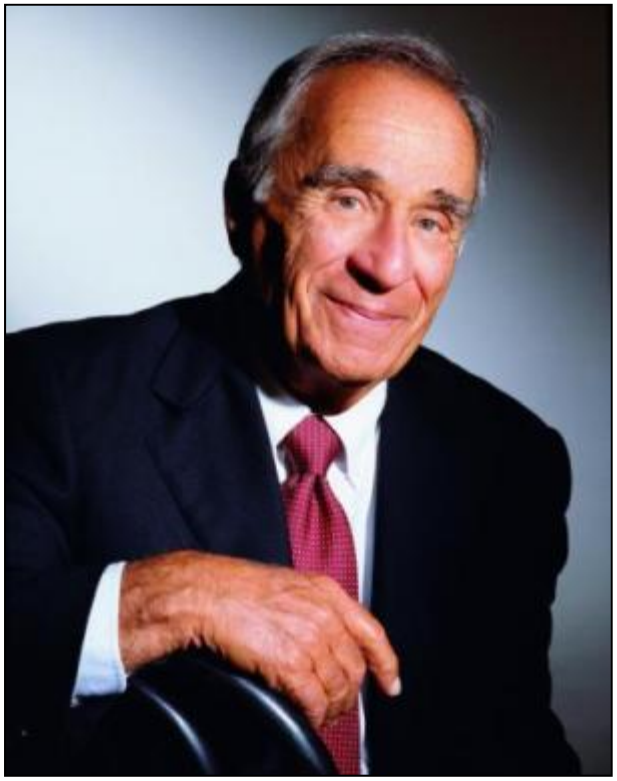
HARMAN AKG harman/kardon Infinity JBL lexicon mark levinson

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

GRAMMY is a registered trademark of The Recording Academy.

In Memoriam -- Dr. Sidney Harman
1918 - 2011

HARMAN



It is with deep sadness that we learned of the passing of our company's Founder and Chairman Emeritus, Dr. Sidney Harman, on April 12, 2011. His spirit and passion will be missed, but his legacy will live on in the hearts of audiophiles from every generation.

Harman International is establishing the ‘Sidney Harman Vision Scholarship’

The Company will also launch a limited edition series of ‘Sidney Harman Signature’ products.

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Forward looking information

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Except for historical information contained herein, the matters discussed are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and 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 (1) our ability to maintain profitability in our automotive 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)warranty obligations for defects in our products; (4) fluctuations in currency exchange rates, particularly with respect to the value of the U.S. Dollar and the Euro; (5) 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; (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 compliance with such laws; (10) our ability to maintain a competitive technological advantage through innovation and leading product designs; (11) the outcome of pending or future litigation and other claims, including, but not limited to, the current stockholder and Employee Retirement Income Security Act of 1974 lawsuits; (12) our ability to enforce or defend our ownership and use of intellectual property rights; and (13) other risks detailed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2010 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 press release also makes reference to the Company's sales backlog. The Company's sales backlog reflects anticipated net sales from formally awarded new programs and open replacement programs, less phased-out and cancelled programs. The sales backlog may be impacted by various assumptions embedded in the calculation, including vehicle production levels on new and replacement programs, foreign currency exchange rates and the timing of major program launches.

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Recent News

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HARMAN Expands Volkswagen Group Order to $1.6 Billion; Includes Asia

STAMFORD, Connecticut – April 12, 2011 – HARMAN (NYSE:HAR) announced today that it has been awarded additional business to provide next-generation scalable Premium-High infotainment solutions for Volkswagen Group brands: Audi, SEAT, Skoda, and Volkswagen in Asia.

- Rounds out HARMAN's role as a global supplier to VW Group
- Expands infotainment systems business in the fast-growing Asian markets
- Rapid adoption of scalable, next-generation infotainment platform for both 'Premium-Mid' and 'Premium-High' solutions (Toyota, Chrysler Fiat, VW Group)
- Backlog of awarded business ~ $13 Billion with $3.5 Billion in scalable platform

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Group Overview – Q3 FY11

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Core Businesses	LTM Rev ~$3.6 B	~12,000 Employees

Automotive Infotainment

Global Leader

Navigation, Multimedia, Telematics & Connectivity for High and Mid Systems

$1,941M

Automotive Audio

Global Leader

High performance, energy efficient audio & noise management systems

$664M

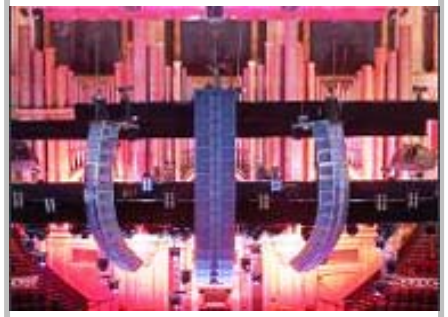
Consumer Audio

Premium Niche

Home, multimedia, and mobile audio solutions

Professional Audio

Global Leader



Premium solutions for recording, broadcast, tour & installed sound

Automotive Division
$2,605M

Consumer Division
$401M

Professional Division
$584M

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Financial Performance – FY11 Q3 and YTD

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($ in millions except EPS)	Quarter Year-Over-Year			Q3 Year-To-Date		
	Q3 '11	Q3 '10	% Change	FY11	FY10	% Change
HARMAN						
Sales	948	837	13%	2,741	2,514	9%
Operating Income	63	33	93%	176	86	105%
% Margin	6.7%	3.9%		6.4%	3.4%	
EPS	0.60	0.27		1.75	0.55	
Automotive						
Sales	707	630	12%*	1,978	1,841	8%*
Operating Income	61	31	101%	159	72	121%
% Margin	8.7%	4.9%		8.0%	3.9%	
Professional						
Sales	146	126	16%	442	380	16%
Operating Income	21	19	12%	67	56	18%
% Margin	14.4%	14.9%		15.1%	14.8%	
Consumer						
Sales	95	81	17%	320	292	10%
Operating Income	1	(0)	NM	12	10	23%
% Margin	0.7%	-0.3%		3.7%	3.3%	

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

* Excluding PND, growth percentages were 13% for Q3 and 11% for Q3 YTD (11% and 16% in local currency, respectively)

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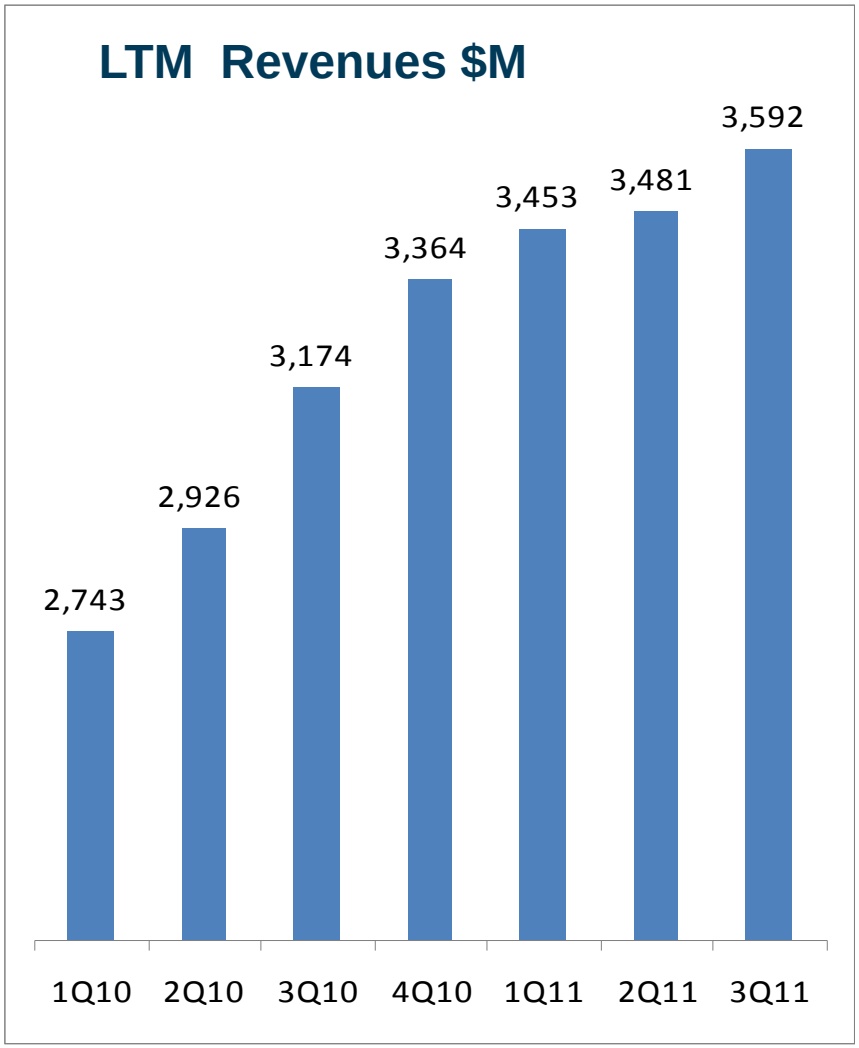
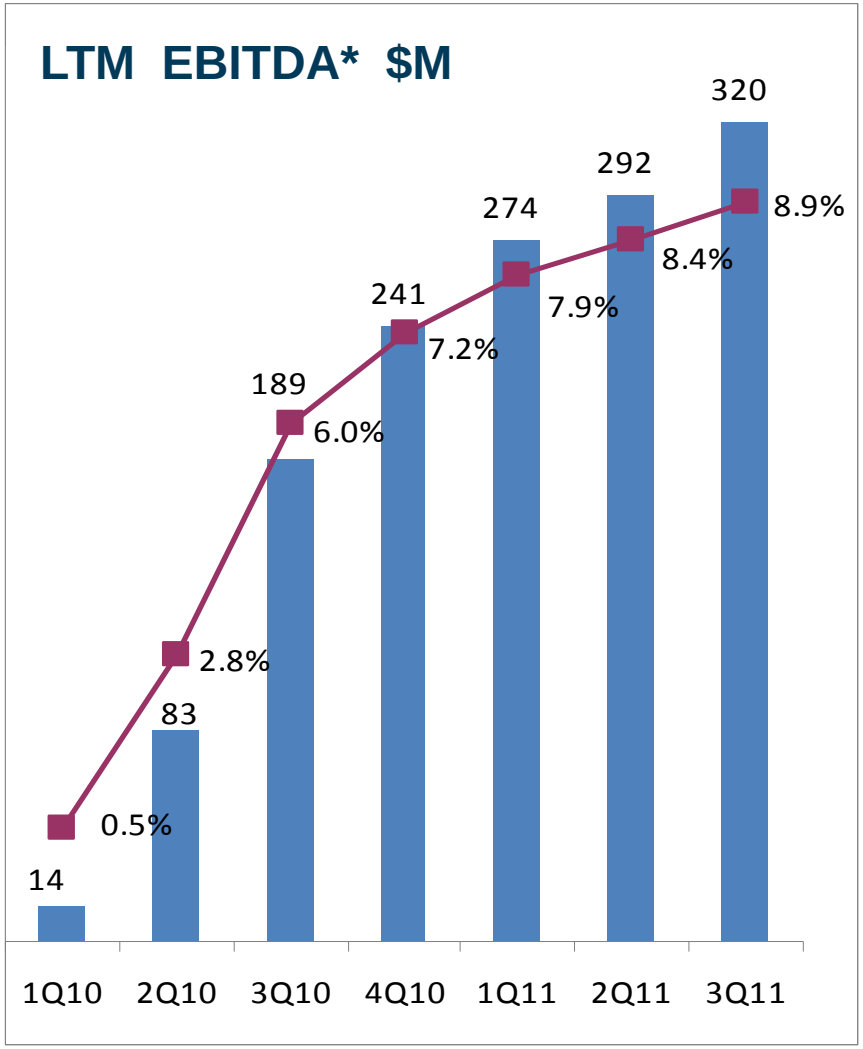
Consistent Improvement Continues
– Six Quarters of Growth At Top and Bottom Line





LTM – Last Twelve Months

* Non-GAAP, excluding restructuring expenses, from continuing operations

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Dashboard: Long Term Growth Drivers

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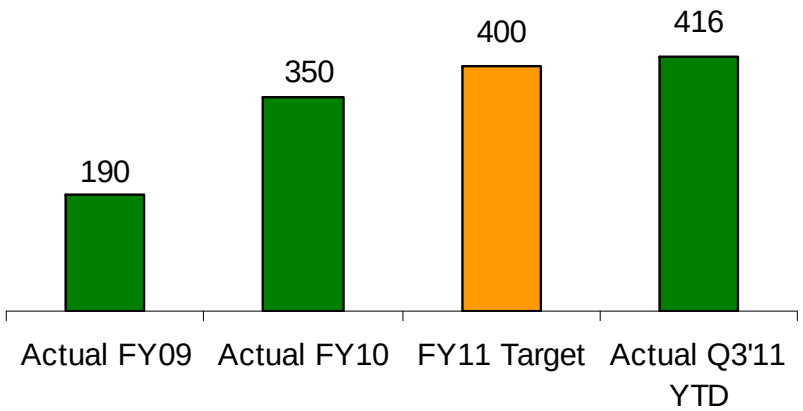
Quarterly Updates

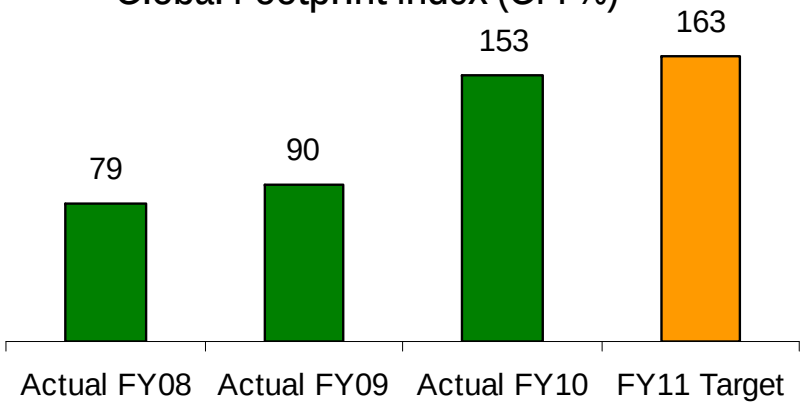
STEP Change Savings to Date ($M)



Note: Savings earned based on Fiscal '08 base line

Annual Updates

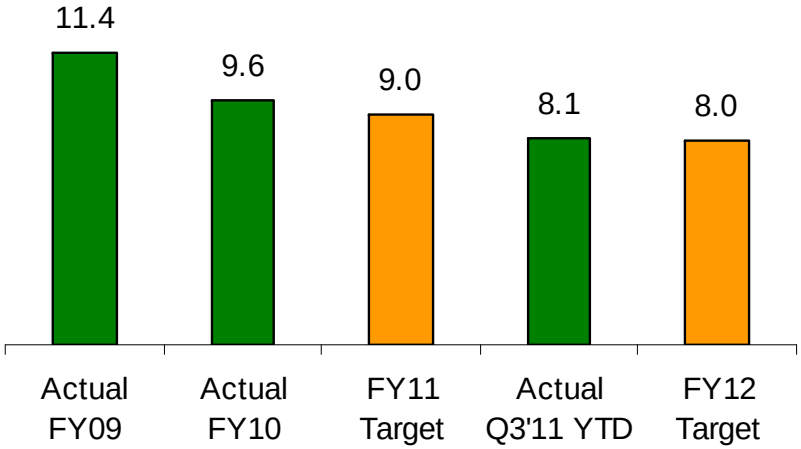
Global Footprint Index (GFI %)



Note: The Global Footprint Index is defined as the sum of percentage of Capex, Sourcing and Workforce in Best-Cost Countries

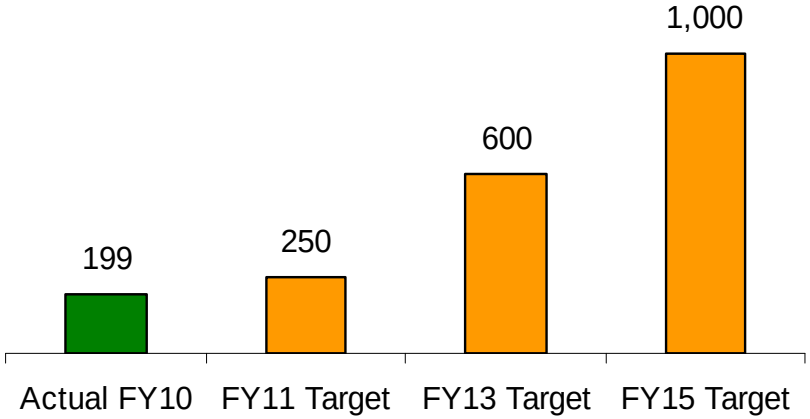
Quarterly Updates

R&D/Engineering Over Sales (%)



Annual Updates

China 5-year Growth Plan ($M)



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Executing On All Four Strategic Pillars

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- **Growing Automotive Audio**
  - Contracts in China for BYD E6 electric MPV vehicle; Geely Emgrand EC8 Luxury Sedan, and BYD-Daimler global J-V
  - QuantumLogic™ surround technology launched with Ferrari FF
- **Growing Smart Infotainment**
  - Expands VW Group order to Asia. Total order now $1.6 B
  - Harman-developed Toyota Entune™ system
  - Launch of Becker MAP PILOT hybrid nav for Mercedes Benz
- **Growing Emerging Markets**
  - Dandong, China 460K sq-ft facility nears completion
  - Queretaro, Mexico 400K sq-ft facility nears completion
- **Getting Costs and Capital Structure Right**
  - Exceeded $400 million STEP Change cost savings goal
  - Managing capacity growth in MX, HU, and CN
  - Other capital strategies to drive shareholder value

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Automotive Division Highlights

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Innovation and Execution Drive Continued Growth

- VW Group selected HARMAN's leading edge next-generation infotainment system. Total global order value $1.6 Billion
- China's BYD selected HARMAN'S branded audio system for its E6 electric MPV vehicle
- Joint Venture of China's BYD & Daimler Benz selected HARMAN'S branded audio systems
- China's GEELY Motors selected HARMAN's branded audio system for its new luxury segment sedan, the Emgrand EC8
- HARMAN & TOYOTA unveil advanced automotive multimedia system, Toyota Entune™

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Automotive Division Highlights

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Technology Partnerships Drive Cutting-Edge Innovation

- HARMAN introduces patented QuantumLogic™ surround technology for its JBL audio in new Ferrari FF
- HARMAN launches innovative Becker MAP PILOT docking navigation system with Mercedes-Benz
- HARMAN connectivity solutions make the Rinspeed "BamBoo" concept car a social networking hub
- HARMAN and Sierra Wireless collaborate to bring 4G/LTE broadband connectivity to the car
- HARMAN and Nuance collaborate to develop intuitive, intelligent voice solutions for today's Connected Car

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Consumer Division Highlights

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Speed of Innovation Drives Profitable Growth

Innovation accelerating growth

- 17 new Consumer product launches in Q3 2011
- Represents more than 25% of revenue

Rapid sales growth

- Brazil, India, and China showing increased demand, penetration

Strengthening channels

- Higher penetration in Apple, Best Buy and Target with new products - JBL *OnAir* and JBL *OnBeat*
- BDS Home System continues gaining share in Europe and now launches in Americas and Asia

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Professional Division Highlights

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Delivering A World-Class Professional Audio Experience

- Grammy® Awards ceremony and telecast

- Super Bowl XLV, the Oscars®, the Country Music Awards, and the Indian National Games.

- JBL VerTec Subcompact Line Array speakers received the audio industry's prestigious TEC Award at the January NAMM music dealers show.

- JBL PRX600 powered speaker product line wins the Music & Sound Retailer 2011 Reader's Award for Best Speaker.

- Outfitted Ontario, Canada Courthouses

- Houston Astros baseball stadium

- Dolphin Hotel at Walt Disney World Resort

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Liquidity, Debt Maturity Profile and Capital Structure

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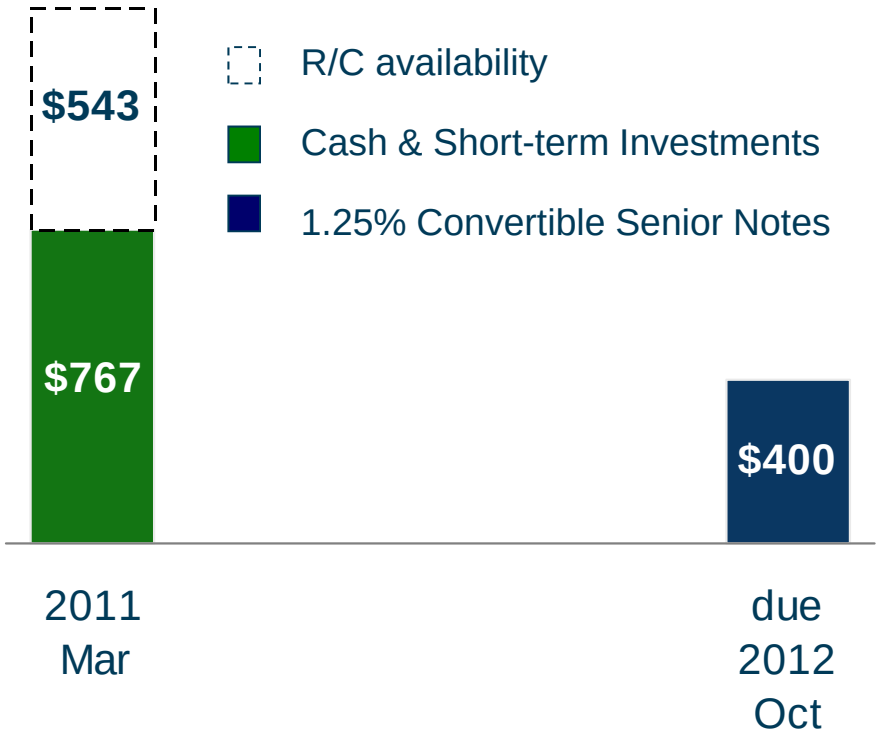
Total Liquidity at $1.3 Billion



- **Net Cash & ST Investment position of $767 M**
- **Net Cash Positive**

	2009	2010	Mar 2011
Debt / LTM EBITDA[1]	8.9x	1.6x	1.2x
Debt / Capitalization	36.4%	25.0%	21.8%
LTM FFO[1]/ Debt	26.0%	49.7%	75.6%

[1]Adjusted for restructuring and goodwill impairment charges

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$13 Billion in Profitable Automotive Awards

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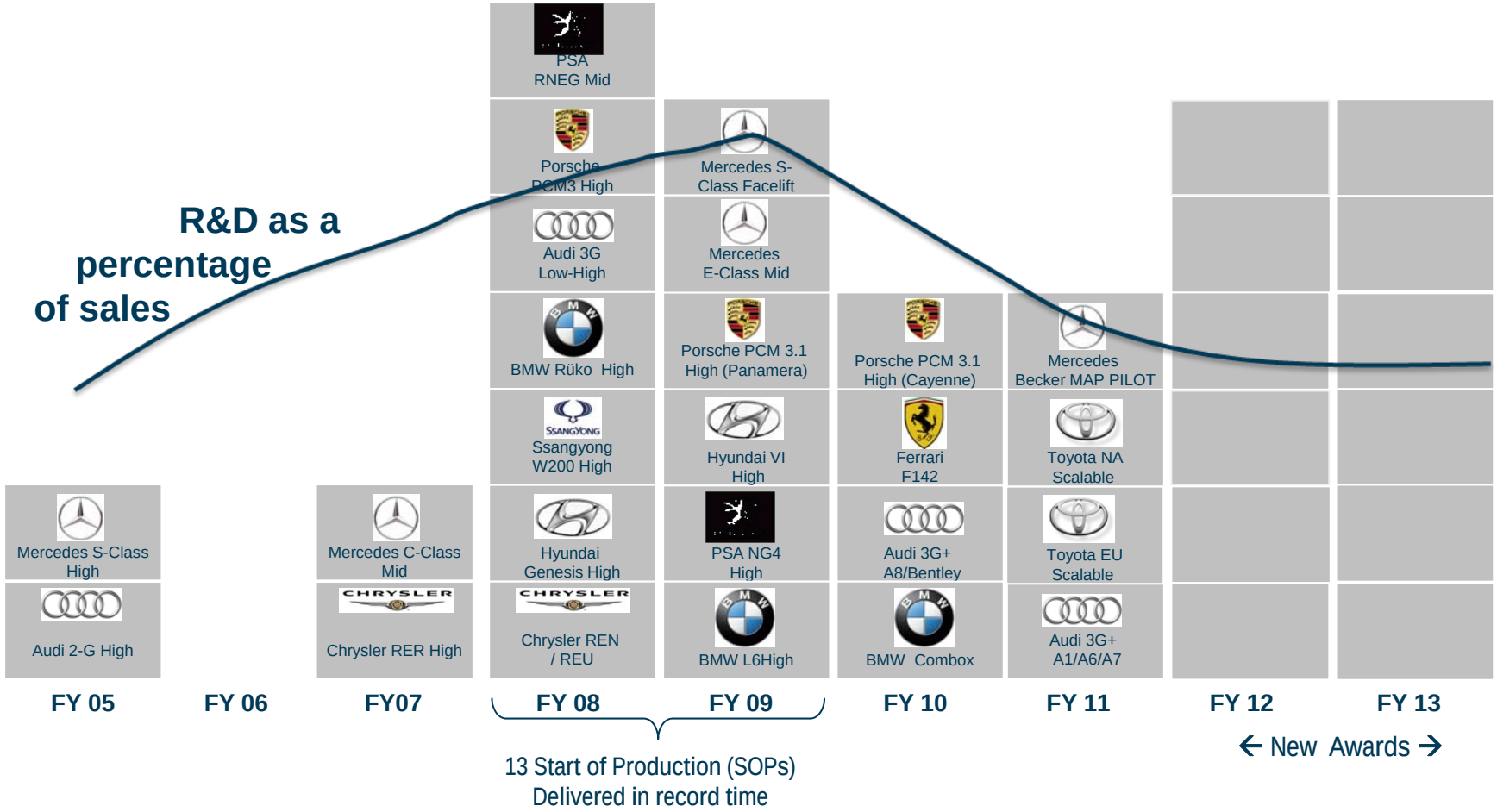
R&D Transformation Drives Profitable Growth



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Summary - Six Quarters of Profitable Growth

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- Q3 sales up 13% and Operating Income up 93%, YTD up 105%
- STEP Change permanent cost savings of $416M exceeds target
- Next-gen scalable backlog now $3.5B out of total backlog of $13B
- Innovation pipeline drives double digit growth
  - Over 40 new products in Professional and Consumer
  - Connected Car technologies launched at Detroit and Geneva Auto Shows
- Infrastructure investments now capturing growth in emerging markets
  - VW Asia order, Automotive Audio orders for BYD, BYD-Daimler JV and Geely
  - Doubling capacity by summer 2011 in HU, CN & MX – 5 mega plants

Strong Momentum for Shareholder Value Creation

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