Harman International

Highlights – Q3 2009 – April 29, 2009

Herbert Parker
CFO

Dinesh Paliwal
Chairman and CEO

Forward-Looking Information and Non-GAAP Financial Information

Except for historical information contained herein, the matters discussed 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 successfully implement our strategic initiatives, including our STEP Change cost reduction initiative, and to achieve the intended benefits and anticipated savings of those initiatives; (2) changes in consumer confidence and spending and worsening economic conditions in the U.S. and Europe; (3) valuation of certain assets, including goodwill, investments and deferred tax assets, considering recent market conditions; (4) a change in interest rates and availability of financing affecting consumer spending; (5) automobile industry sales and production rates; (6) our ability to effectively implement our restructuring programs and to realize the intended benefits of these programs; (7) fluctuations in currency exchange rates; (8) the bankruptcy or financial deterioration of one or more of our customers or suppliers; (9) the loss of one or more significant customers, including our automotive customers; (10) model-year changeovers and customer acceptance in the automotive industry; (11) our ability to satisfy contract performance criteria at expected profit margins; (12) availability of key components for the products we manufacture; (13) customer acceptance of our consumer and professional products; (14) competition in the automotive, consumer or professional markets in which we operate, including pricing pressures for our products; (15) the outcome of pending or future litigation and other claims, including, but not limited to the current stockholder and ERISA lawsuits or any claims or litigation arising out of our business, labor disputes at our facilities and those of our customers or common carriers; (16) warranty obligations for defects in our products; (17) work stoppages at our facilities or affecting our customers or suppliers; (18) our ability to comply with financial or other covenants in our credit agreements; and (19) other risks detailed in Harman International's Annual Report on Form 10-K for the fiscal year ended June 30, 2008 and other filings made by Harman International with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statement.

Also, please note that in addition to reporting financial results in accordance with generally accepted accounting principles in the U.S. ("GAAP"), we routinely report certain non-GAAP financial results. These non-GAAP measures, together with corresponding GAAP numbers and a reconciliation to GAAP, are contained in our earnings press release and are posted on Harman's investor relations website. We do not intend for this information to be considered in isolation or as a substitute for other measures prepared in accordance with GAAP.

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Core Businesses

Automotive

Navigation, audio, multimedia, and communications for a superior driving experience

Consumer

Discriminating audio, video, storage and multimedia products for around the home and on the go

Professional

Comprehensive pro audio and networking solutions for recording and broadcast, sports and entertainment

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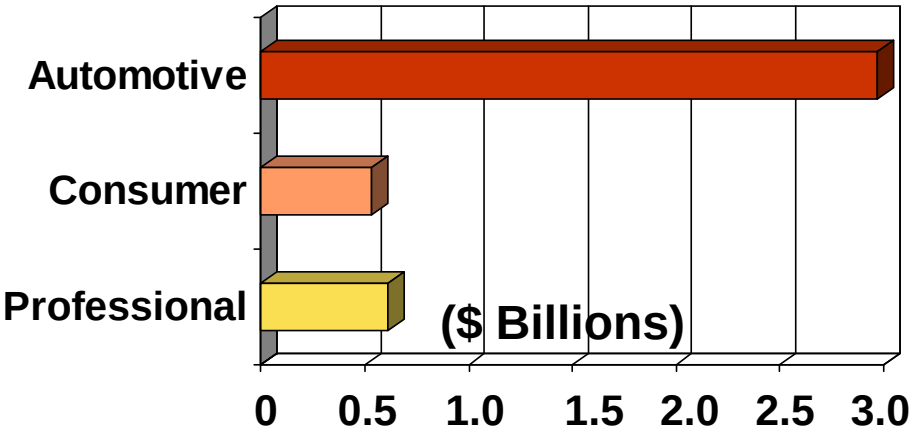
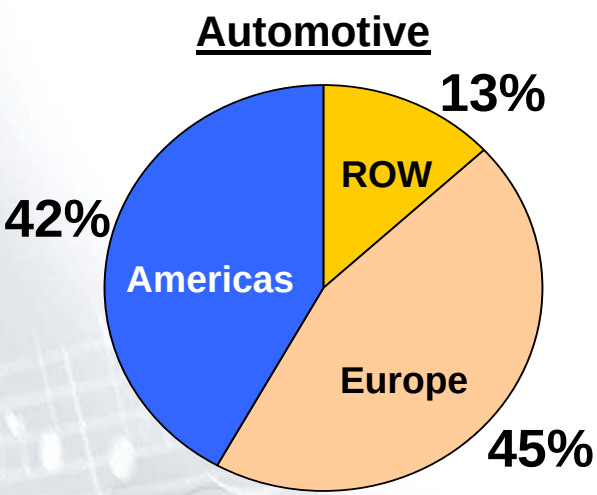
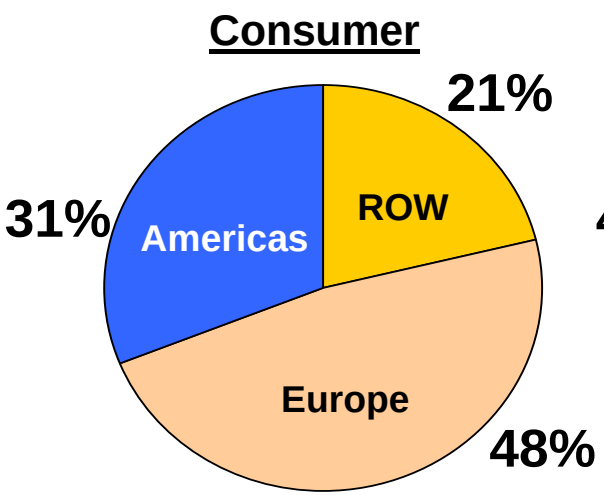
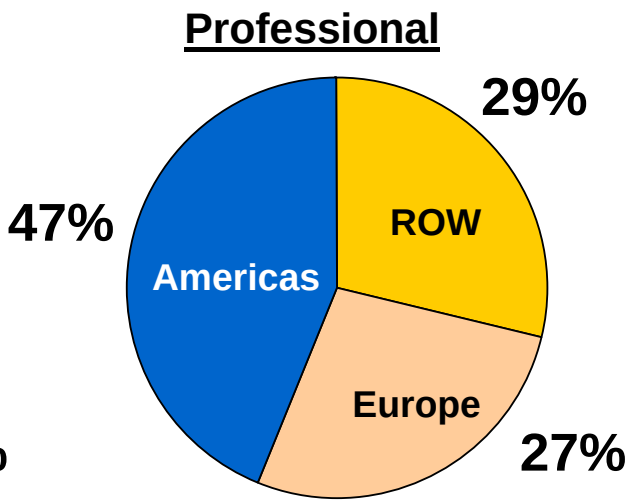
Revenue by Division and by Region, FY2008

- $4.1 Billion revenues in FY 2008
- 35 locations across the Americas, Europe and Asia
- 16 legendary brands









Source: 2008 reported actuals by division (top); 2008 estimates by region (bottom)

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Deep Global Recession Has Impacted All Sectors

Automotive

- U.S. auto production down (-56%) calendar Q1 09
- European production down (-41%) calendar Q1 09
- China & India production down (-17%) calendar Q1 09
- Global production down (-38%) calendar Q1 09

Consumer

- Consumer confidence remains at record lows in United States and Europe
- Discretionary spending dramatically pulled back

Professional

- Some contractors defer projects
- Specialty retailers cut orders as musician/consumer demand shrinks

Source: J.D. Power

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Harman's Three Divisions Were Negatively Impacted

Three Months Ending Mar. 31, 2009

	Harman Intl.			Automotive			Consumer			Professional		
	Q3 09	Q3 08	Change	Q3 09	Q3 08	Change	Q3 09	Q3 08	Change	Q3 09	Q3 08	Change
Sales	598	1,033	(42%)	405	759	(47%)	72	113	(36%)	112	150	(26%)
EBIT	(68)	27	n.m.	(63)	24	n.m.	(7)	(7)	--	11	22	(48%)

Nine Months Ending Mar. 31, 2009

	Harman Intl.			Automotive			Consumer			Professional		
	9M 09	9M 08	Change	9M 09	9M 08	Change	9M 09	9M 08	Change	9M 09	9M 08	Change
Sales	2,223	3,045	(27%)	1,539	2,152	(29%)	298	416	(28%)	357	447	(20%)
EBIT	(41)	144	n.m.	(56)	103	n.m.	(5)	7	n.m.	45	65	(32%)

Note: All figures Non-GAAP
n.m. = Not Meaningful

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Liquidity adequate to support operations and STEP Change

Cash and Short-term Investments

- **$334.3 million**

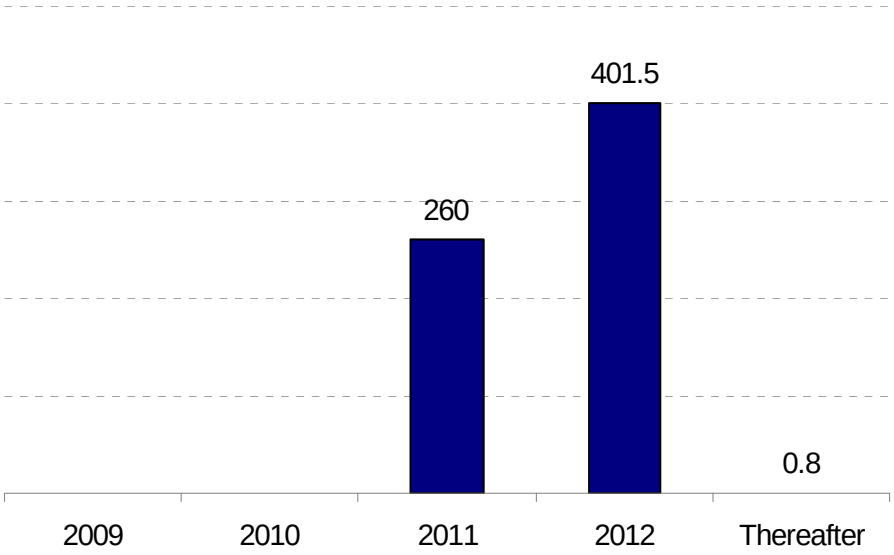
Revolving Credit Facility

- **$270 million**
- **Maturity December 31, 2011**

$400 million convertible notes

- **1.25% coupon rate**
- **Maturity Oct 2012**

Debt Maturity Schedule



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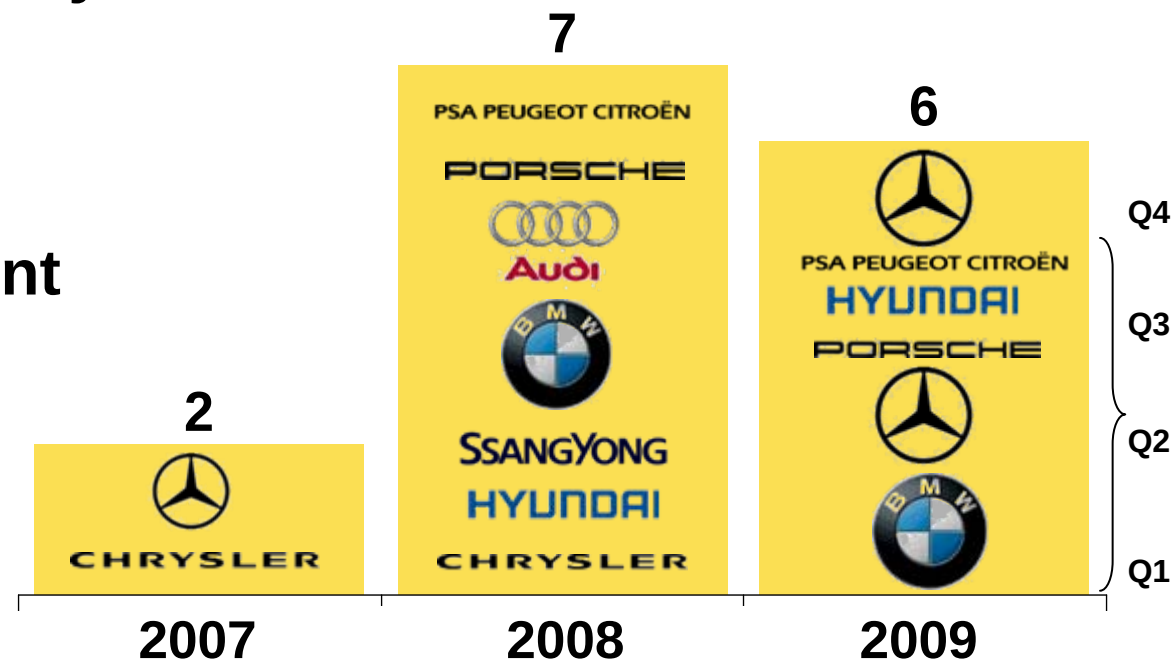
Successful execution of record backlog with 40% less capital employed

Number of Infotainment Platform Launches



5 of 6 Major Programs Successfully Launched YTD.

CAPEX

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Successful Execution and Technology Leadership

- Successful launch of high-end navigation system on the Citroen C5, Peugeot 308 and new Peugeot small SUV 3008.
- Launched infotainment system for new Porsche Panamera
- Successfully launched second complete infotainment and audio system on Hyundai's new luxury flagship "Equus" in Korea
- Launched JBL Audio System on the new Toyota Prius
- Launched next generation Audio System for the new Lexus RX.
- BMW 7 Series with Harman infotainment named world's most technologically advanced new vehicle by analysts iSuppli
- Selected by BMW to provide branded audio across all Mini models
- Launched Harman GreenEdge energy-efficient audio and infotainment solutions with Intel and Rinspeed Automotive
- Exclusive partnership with Lotus Engineering to develop Active Noise Management applications for traditional and electric cars

New Mid-system development remains ahead of schedule for Fall 2009

Innovation Drives Strong Consumer Brand Penetration

- JBL Project K2 S9900 luxury speakers launched, with more than $1 million in orders during the first month of release

- Announced alliance with style leader Roxy to launch a new market category of fashion headphones and portable audio, a Top 10 Spring Fashion Product on MTV's House of Style

- AKG Headphones K420 / K450 and JBL 'Control Now' speakers receive the international "Red Dot Award: Product Design 2009." 1,400 companies from 50 countries submitted over 3,200 entries.

harman/kardon®

- The editors of German magazine *HiFi Test Review* named the Harman Kardon DMC 1000 Product of the Year

Infinity

- The UK's best-selling home cinema magazine has labeled Infinity Classica Loudspeakers as a 2009 Best Buy.

- The first Sound for Vision in-store installations aimed at increasing home theater attachment with flat screen TV purchases will be implemented in MSH Group stores in Europe

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Leading Entertainers and Venues Choose Harman Pro

- More than 50 new Harman Professional products introduced at trade shows in the US and Europe during the quarter
- New Harman systems play to opening day crowds at the New York Yankees, NY Mets and Baltimore Orioles stadiums
- Leading West Coast tour sound provider orders more than 800 Crown ITech HD amplifiers
- Cinemark Theaters roll out Harman's next-generation ScreenArray system featuring JBL speakers actively powered by Crown amplifiers
- New AKG products launched on You Tube ad channel
- Harman Pro system was installed in the New York/New York Casino and a massive installation at City Center in Las Vegas

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Leading Entertainers and Events Choose Harman Pro

- New Soundcraft Vi6 and Vista 5 consoles are being used on the stages of the renowned Kennedy Center in Washington, DC
- The new JBL Professional EON500 Series was awarded the 2009 MIPA award for Portable PA Product at the MusikMesse international trade fair in Germany
- Harman Pro systems, including AKG wireless, were installed at the new offices of the National Academy of Recording Arts & Sciences, who produce the Grammy Awards
- Additional high-profile installations include:
  - Rialto Theatre in Tucson, Arizona
  - Popejoy Hall Center for the Arts at the University of New Mexico
  - Wen Zhou Theater, Shanghai
  - Sion Church in Gwangju, Korea
  - Ferrari World theme park in Abu Dhabi
  - Kimmel Center's Verizon Hall For Performing Arts

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Key software accomplishments to enable future growth

- QNX CAR program launched – industry leading model for OEM and Tier One's to prototype, develop and deploy automotive systems through a new innovative business model

- QNX featured as premier software provider in Alcatel-Lucent NG Connect Program – "cutting edge technologies and services to reshape the way people communicate and interact"

- QNX selected by Visteon for OS technology to power the Ford F-150 Digital Instrument Cluster (model year 2012)

- Singapore Land Transport Authority selects QNX technologies for remote diagnostics and fare monitoring on 3500 buses

- QNX achieves key certification milestones:
  - First release of multi-core RTOS to achieve Common Criteria Certification
  - Plan of intent approved for achieving SIL 3 certification release

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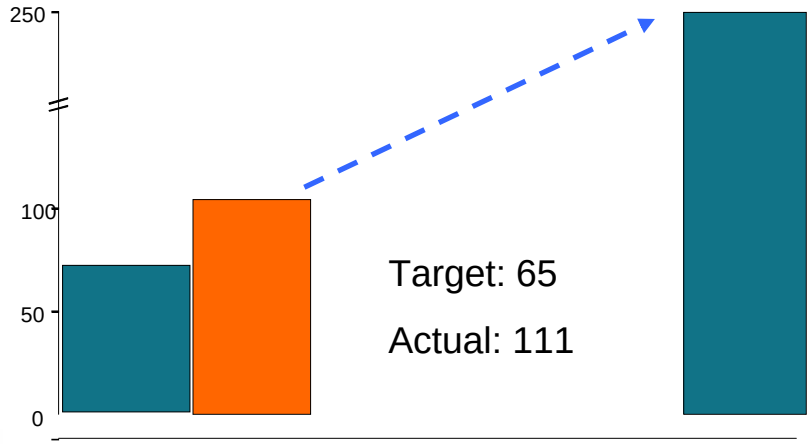
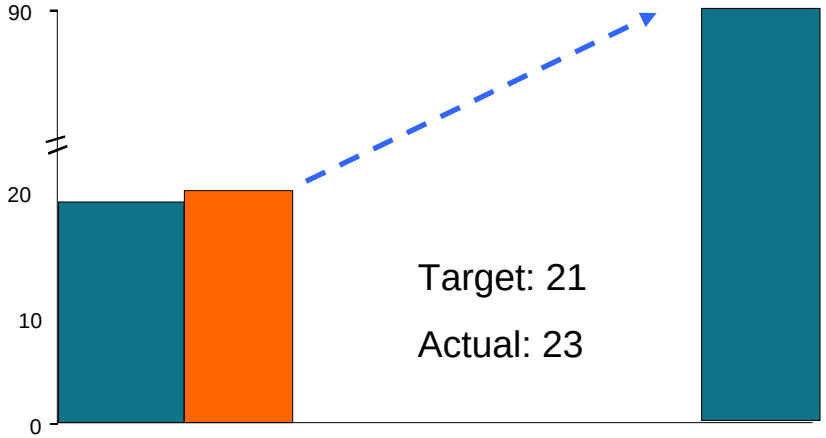
Savings By Major Categories

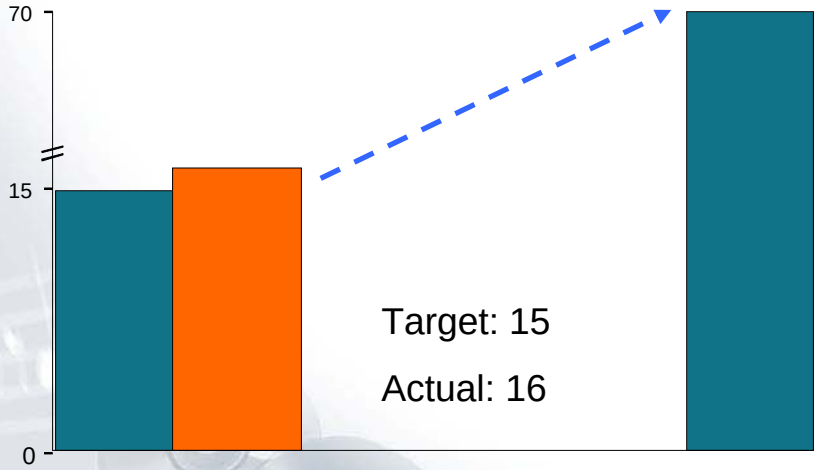
Manufacturing & Sourcing FY'11 Target: $244m



Engineering FY'11 Target: $85m



Selling, General & Admin FY'11 Target: $71m



Target Actual

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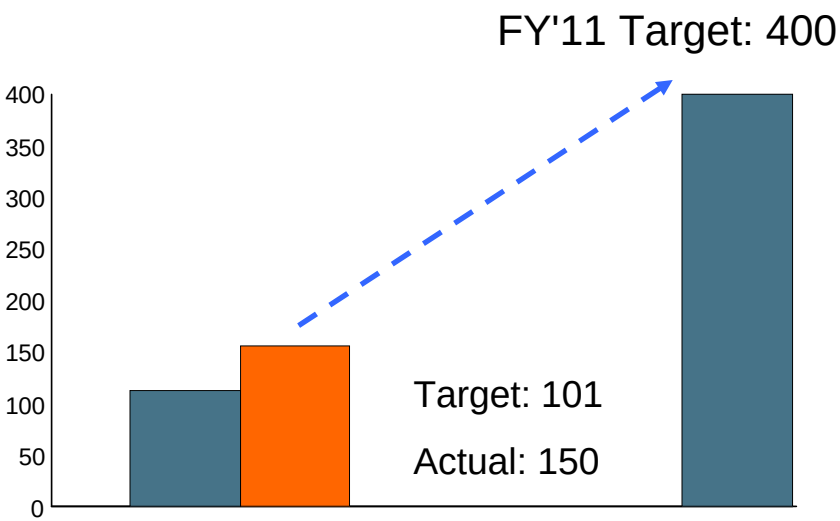
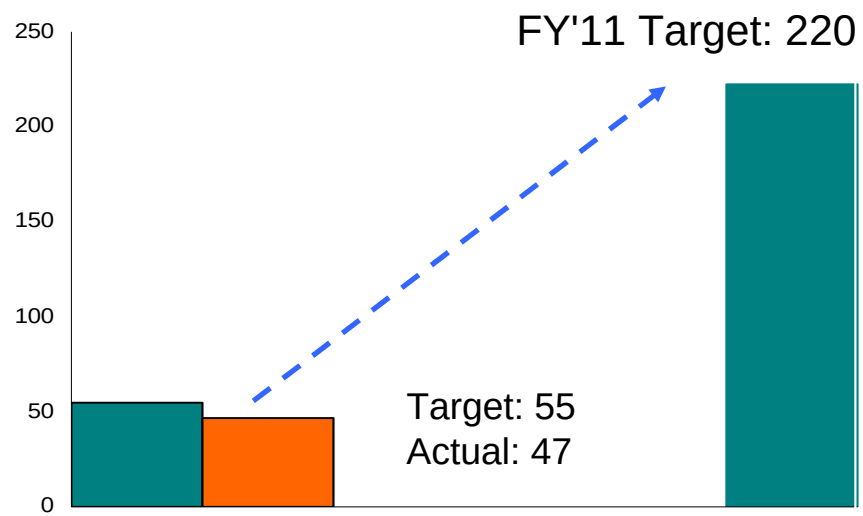
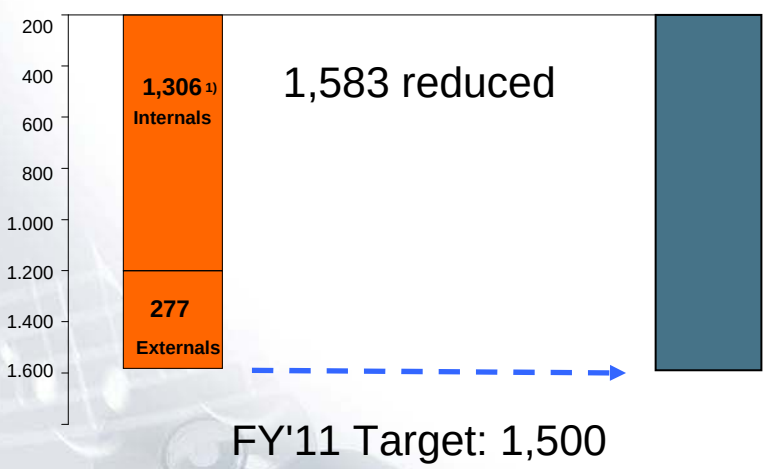
Savings (USD M)



One-time Investments(1) (USD M)



Headcount Reduction



Target Actual

(1) Total one-time investments = restructuring costs + depreciation of CAPEX

1) Gross reductions in HCC only

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Aggressive headcount reduction

1,889 job reductions in high-cost countries (June 2008 – March 2009)

US: 1,097
- Closure of five sites announced
- Rightsizing several facilities in the US

France: 134
- Rightsizing facility

United Kingdom: 223
- Rightsizing facilities

Germany: 299
- Rightsizing several facilities

Sweden: 35
- Closing site

Other: 101
- Closing site in South Africa
- Rightsizing facilities in Austria and Switzerland

Reducing 174 additional jobs in Germany (March – June 2009)

Total: 2,063 FY 2009

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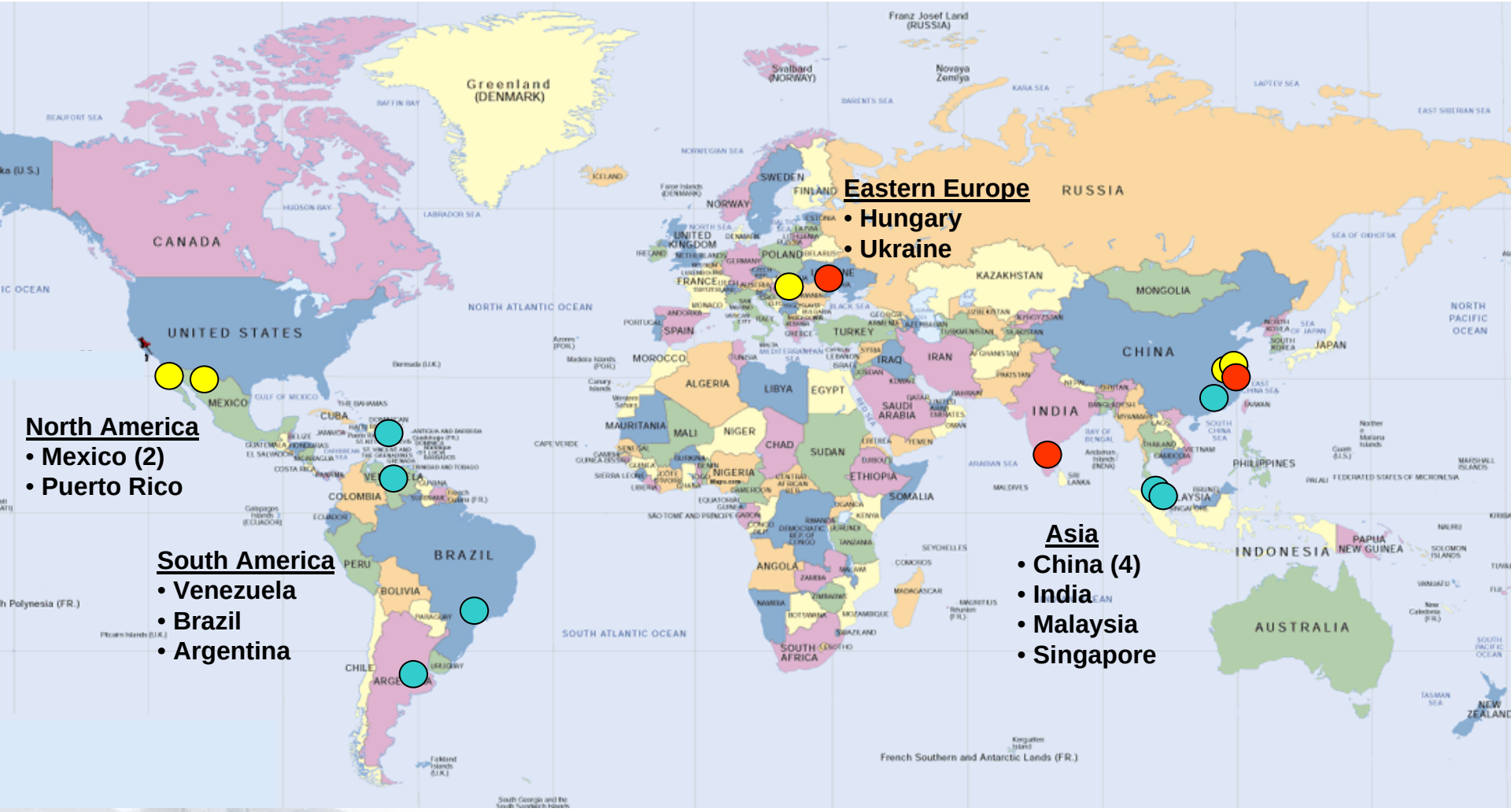
Building Significant Capabilities in Emerging Markets

- Manufacturing & Assembly (5)
- Sales/Service Facilities (7)
- Engineering & Technology (3)



Strong Foundation For Sustainable and Profitable Growth

Adequate liquidity to execute our plans

- Cash and cash equivalents $334M as of March 31, 2009
- No debt maturity until December 31, 2011.

STEP Change program ahead of target

- $150 million savings
- 1,900 jobs reduced

Focus on Operational Excellence to drive growth

- Launched 12 of 13 new automotive infotainment platforms since beginning of FY '08
- Continued investment in R&D and innovation (e.g., GreenEdge Technology, Noise Mgt.)
- Taking market share with dozens of award winning new product introductions
- Committed to best-in-class cost structure and optimum global footprint
- Mid-Infotainment system launch ahead of target: penetrating new markets

Strengthening position in emerging markets

- Harman's China growth strategy under implementation: capacity doubled with new plant
- Appointed Country Managers for China and India
- New R&D and Engineering Centers established in Bangalore and Shanghai

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DigiTech

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Infinity

lexicon

mark levinson

Soundcraft
STUDER

Harman International

Premium Solutions for Audio and Infotainment