

HARMAN

THIRD QUARTER FY 2015 HIGHLIGHTS

DINESH C. PALIWAL – CHAIRMAN, PRESIDENT & CEO

SANDRA ROWLAND – CHIEF FINANCIAL OFFICER

APRIL 30, 2015

AKG

harman/kardon

 **Infinity**

 **JBL**

 **lexicon**

 **mark
levinson**

 **REVEL**

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, 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 in its infotainment division if there are delays in its 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) the Company's ability to successfully implement its global footprint initiative, including achieving cost reductions and other benefits in connection with the restructuring of its 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 the Company's suppliers to deliver products at the scheduled rate and disruptions arising in connection therewith; (7) the Company's ability to maintain a competitive technological advantage through innovation and leading product designs; (8) the Company's ability to integrate successfully its recently completed and future acquisitions (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, 2014 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 release 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 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. The Company updates the estimated awarded business quarterly by adding the value of new awards received and subtracting sales recorded during the quarter. These quarterly updates do not include any assumptions for increased take rates, revisions to product life cycle, or any other factors.

Q3 FY 2015 HIGHLIGHTS

- Q3 NET SALES UP 4% TO \$1.5B; UP 14% EXCLUDING FOREIGN EXCHANGE
- EPS INCREASES 9% TO \$1.22*; EBITDA* UP 8% TO \$150M
- SECURES \$3.2 BILLION OF NEW AUTOMOTIVE AWARDS; \$5.7 BILLION YTD
- ACQUIRED SYMPHONY TELECA AND REDBEND FOR CONNECTED SERVICES
- ANNOUNCED ACQUISITION OF BANG & OLUFSEN CAR AUDIO BUSINESS
- CLOSED \$1.2 BILLION CREDIT FACILITY

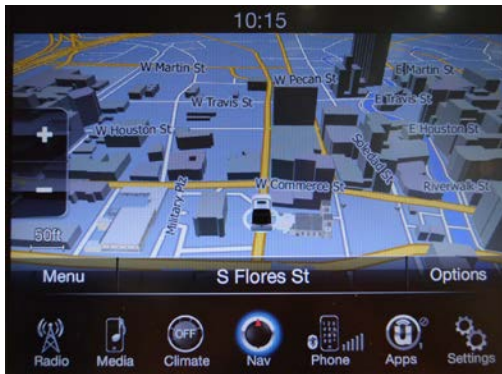
*A non-GAAP measure, see reconciliation of non-GAAP measures in the press release

NUMBER ONE IN ALL MARKETS

- LTM REV \$5.9B
- LTM EBITDA 11.2%
- ~18,200 FTEs

INFOTAINMENT

NAVIGATION, MULTIMEDIA, CONNECTIVITY, SAFETY & SECURITY SOLUTIONS



LTM REVENUE \$3,074M
LTM EBITDA 12.7%

LIFESTYLE

BRANDED AUDIO PRODUCTS FOR HOME, CAR, ON THE GO



LTM REVENUE \$1,832M
LTM EBITDA 14.2%

PROFESSIONAL

AUDIO, VIDEO, LIGHTING & ENTERPRISE AUTOMATION SOLUTIONS



LTM REVENUE \$1,012M
LTM EBITDA 15.2%

EBITDA is a non-GAAP measure. LTM = Last Twelve Months ending 31 March 2015

FINANCIAL PERFORMANCE

(\$ in millions, except EPS)	Quarter Year-Over-Year				YTD Year-Over-Year			
	Q3 FY15	Q3 FY14	Nominal	Local	Q3 FY15	Q3 FY14	Nominal	Local
HARMAN								
<i>Sales</i>	1,464	1,404	4%	14%	4,477	3,904	15%	20%
<i>EBITDA</i>	150	139	8%	15%	511	401	28%	33%
<i>% Margin</i>	10.2%	9.9%			11.4%	10.3%		
<i>EPS</i>	1.22	1.12	9%	15%	4.33	3.16	37%	43%
Infotainment								
<i>Sales</i>	779	736	6%	19%	2,302	2,066	11%	18%
<i>EBITDA</i>	99	78	27%	35%	303	223	36%	41%
<i>% Margin</i>	12.7%	10.6%			13.1%	10.8%		
Lifestyle								
<i>Sales</i>	441	468	-6%	2%	1,408	1,232	14%	20%
<i>EBITDA</i>	62	62	0%	6%	203	176	16%	20%
<i>% Margin</i>	14.1%	13.2%			14.4%	14.3%		
Professional								
<i>Sales</i>	242	200	21%	26%	764	605	26%	29%
<i>EBITDA</i>	30	31	-4%	-1%	108	95	13%	15%
<i>% Margin</i>	12.3%	15.5%			14.1%	15.7%		

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

INFOTAINMENT DIVISION

Q3 FY 2015 HIGHLIGHTS

HARMAN

NEW AWARDS IN Q3 - \$2.1 BILLION; YTD \$ 4.1 BILLION

- BMW
- DAIMLER



NEW INFOTAINMENT LAUNCHES / PLATFORM EXPANSIONS

- BMW (1-series)
- VOLKSWAGEN (Touran)
- LAND ROVER (Evoque)
- JAGUAR (F-Type)
- AUDI (Q7, R8)
- SKODA (Superb)
- SEAT (Leon)
- SSANGYONG (Tivoli)



SKODA



JAGUAR



LAND-ROVER



SEAT



SSANGYONG

TECHNOLOGY AND OTHER HIGHLIGHTS

- AUTONOMOUS CAR CONCEPT – RINSPEED “BUDI”
- UNIVERSITY OF MICHIGAN MOBILITY TRANSFORMATION CENTER
- EUROPEAN ‘FANCI’ RESEARCH PROJECT ON FACE RECOGNITION AND BODY ANALYSIS TECHNOLOGIES



LIFESTYLE DIVISION

Q3 FY 2015 HIGHLIGHTS

HARMAN

CAR AUDIO

- NEW AWARDS IN Q3 - \$1.1 BILLION; YTD \$1.6 BILLION
 - BMW NEXT-GENERATION BRANDED AUDIO (Harman Kardon & Bowers & Wilkins)
 - FIAT/CHRYSLER (HALOsonic and Microphones)
 - FORD LINCOLN NAVIGATOR (Revel)
 - DAIMLER (HALOsonic)
 - GEELY (Infinity)
 - KIA OPTIMA HYBRID (Infinity/JBL)
- NEW CAR LAUNCHES
 - LINCOLN MKX (Revel)
 - TOYOTA ALPHARD (JBL)
 - HYUNDAI SONATA HYBRID (Infinity)

SIGNED AGREEMENT TO ACQUIRE BANG & OLUFSEN CAR AUDIO BUSINESS

HOME & MULTIMEDIA

- 28 NEW PRODUCT & INNOVATION AWARDS – 13 Red Dot & 15 iF awards
- QUIRKY PARTNERSHIP TO DEVELOP NEXT GENERATION AUDIO PRODUCTS



BANG & OLUFSEN



PROFESSIONAL DIVISION

Q3 FY 2015 HIGHLIGHTS

MAJOR NEW VENUE INSTALLATIONS

- NATIONAL MUSEUM OF NATURAL HISTORY, PARIS
- COUNCIL OF EUROPEAN UNION, BRUSSELS
- HARD ROCK HOTEL, LAS VEGAS
- AUCKLAND AIRPORT

KEY EVENTS/TOURS

- 57TH ANNUAL GRAMMY AWARDS
- 48TH ANNUAL SUPER BOWL HALFTIME SHOW
- IHEART RADIO MUSIC FESTIVAL

56 NEW PRODUCTS LAUNCHED

AWARDS

- JBL LOUDSPEAKER - MUSIC & SOUND RETAILER BEST SPEAKER AND PROSOUND READER'S CHOICE
- SOUNDCRAFT- LIVE SOUND READERS AWARD
- JBL AND DIGITECH TRIO - "NAMM BEST IN SHOW"
- JBL CONTROL SPEAKER - ISE BEST OF SHOW

National Museum of History, Paris



Council of European Union



Super Bowl Halftime Show



Hard Rock Hotel

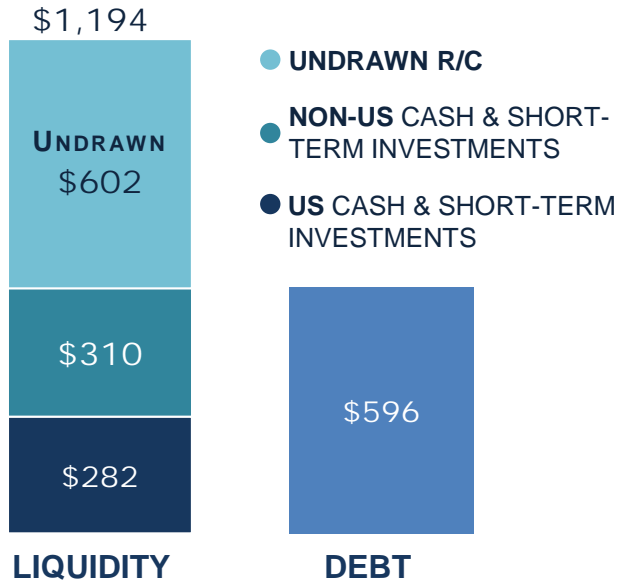


LIQUIDITY AND CAPITAL STRUCTURE

MOODY'S AND S&P RATINGS: INVESTMENT GRADE



MARCH 2015
(IN \$M)



CAPITAL ALLOCATION CONSIDERATIONS

- CAPEX PROJECTS TO DRIVE ORGANIC GROWTH
- STRATEGIC, ACCRETIVE ACQUISITIONS THAT ACCELERATE GROWTH
- CONTINUE DIVIDEND DISTRIBUTIONS
- SHARE BUYBACK
 - BOARD AUTHORIZED \$500M OUTSTANDING

FISCAL YEAR 2015 GUIDANCE UPDATE

	August 2014	January 2015 ¹	April 2015 ²
Revenue	~\$6.0 billion	~\$6.0 billion	~\$6.0 billion
EBITDA³	~\$685 million	~\$715 million	~\$695 million
EPS³	~\$5.25	~\$5.85	~\$5.65
<i>Interest & Misc.</i>	~\$27M	~\$23M	~\$17M
<i>Tax Rate</i>	~26%	~24%	~24%
<i>Share Count</i>	~71 M	~70.5 M	~71 M
<i>EUR/USD</i>	1.35	1.22 ⁴	1.19 ⁵

1. Excludes Redbend and Symphony Teleca.

2. Includes Redbend and Symphony Teleca.

3. Non-GAAP, excluding restructuring, non-recurring items, and purchase accounting expenses related to acquisitions

4. Assumed EUR/USD of 1.15 for the second half of fiscal 2015.

5. Assumes EUR/USD of 1.08 for the fourth quarter of fiscal 2015.

INVESTMENT THESIS

- **INDUSTRY-LEADING \$20.5B BACKLOG WITH DOUBLE-DIGIT OPERATING MARGINS**
- **DEMAND FOR CONNECTED CAR DRIVES TAKE RATES AND SOFTWARE SERVICES**
- **POWERFUL BRAND PORTFOLIO LIFTS AUDIO BUSINESS IN HOME, CAR AND STAGE**
- **CONNECTED SERVICES BUSINESS POISED TO CAPITALIZE ON GROWTH OF IOT**
- **STRONG BALANCE SHEET WITH \$1.2 BILLION IN LIQUIDITY**
- **SIGNIFICANT EMERGING MARKET GROWTH OPPORTUNITIES IN ALL 4 DIVISIONS**
- **SUSTAINABLE INNOVATION WITH ~5,600 PATENTS & PATENTS PENDING**
- **GLOBAL FOOTPRINT WITH COMPETITIVE COST STRUCTURE**

HARMAN