

HARMAN

FOURTH QUARTER & FY 2014 HIGHLIGHTS

DINESH C. PALIWAL – CHAIRMAN, PRESIDENT & CEO
HERBERT K. PARKER – CHIEF FINANCIAL OFFICER

AUGUST 7, 2014

AKG

harman/kardon

 Infinity

 JBL

mark
levinson

lexicon

 REVEL

FORWARD LOOKING INFORMATION

Except for historical information contained herein, the matters discussed in this presentation 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 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, 2013 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, 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.

Q4 & FULL YEAR 2014 HIGHLIGHTS

- **Q4 NET SALES UP 22% TO \$1.4B; FULL YEAR NET SALES UP 24% TO \$5.3B**
- **Q4 OPERATIONAL EPS* UP 38% TO \$1.25, FULL YEAR UP 43% TO \$4.41**
- **ISSUES FY15 GUIDANCE; RAISES FY16 REVENUE OUTLOOK \$800M TO \$6.85B**
- **AUTOMOTIVE BACKLOG EXPANDS TO RECORD HIGH \$20.5 BILLION**
- **ADDS ENTERPRISE AUTOMATION & CONTROL VIA AMX ACQUISITION**

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

NUMBER ONE IN ALL MARKETS

- LTM REV \$5.3B
- LTM EBITDA 10.4%
- ~16,000 FTEs

INFOTAINMENT

NAVIGATION, MULTIMEDIA,
CONNECTIVITY, SAFETY &
SECURITY SOLUTIONS



LTM REVENUE \$2,839M
LTM EBITDA 10.9%

LIFESTYLE

BRANDED AUDIO PRODUCTS
FOR HOME, CAR, ON THE GO



LTM REVENUE \$1,656M
LTM EBITDA 14.0%

PROFESSIONAL

AUDIO, VIDEO, LIGHTING &
ENTERPRISE AUTOMATION
SOLUTIONS



LTM REVENUE \$853M
LTM EBITDA 16.6%

LTM = Last Twelve Months, ending Jun. 30, 2014, and excludes non-recurring expense

Q4 & FULL YEAR 2014 FINANCIAL PERFORMANCE

(\$ in millions, except EPS)	Quarter Year-Over-Year				Twelve Months Year-Over-Year			
	Q4 FY14	Q4 FY13	Nominal	Local	FY14	FY13	Nominal	Local
HARMAN								
<i>Sales</i>	1,444	1,182	22%	20%	5,348	4,298	24%	22%
<i>EBITDA</i>	154	121	28%	27%	555	413	35%	33%
<i>% Margin</i>	10.7%	10.2%			10.4%	9.6%		
<i>EPS</i>	1.25	0.91	38%	38%	4.41	3.07	43%	41%
Infotainment								
<i>Sales</i>	773	614	26%	22%	2,839	2,283	24%	20%
<i>EBITDA</i>	87	59	47%	45%	310	213	46%	42%
<i>% Margin</i>	11.2%	9.6%			10.9%	9.3%		
Lifestyle								
<i>Sales</i>	424	348	22%	21%	1,656	1,338	24%	22%
<i>EBITDA</i>	56	50	11%	11%	232	189	22%	22%
<i>% Margin</i>	13.2%	14.5%			14.0%	14.2%		
Professional								
<i>Sales</i>	248	220	13%	12%	853	673	27%	27%
<i>EBITDA</i>	46	39	18%	18%	141	112	27%	28%
<i>% Margin</i>	18.7%	17.9%			16.6%	16.6%		

EBITDA AND EPS ARE NON-GAAP MEASURES AND EXCLUDE NON-RECURRING ITEMS

INFOTAINMENT DIVISION

Q4 FY2014 HIGHLIGHTS

NEW INFOTAINMENT AWARDS

- Bentley – for new SUV lineup
- Maserati – across car lines
- Scania / MAN – first award for commercial vehicles
- Ssangyong – eCall solution

NEW UPDATES – JULY:

- Subaru – global across car lines; base, mid & high
- European customer – follow-on award

TECHNOLOGY / INNOVATIONS

- Named Google Open Automotive Alliance partner



BENTLEY



LIFESTYLE DIVISION

Q4 FY2014 HIGHLIGHTS

CAR AUDIO

- **NEW BUSINESS AWARDS**

- Alfa Romeo (Harman Kardon)
- Toyota Next Gen Camry (JBL)
- Hyundai Equus (Lexicon)
- Kia Sorento & Sportage (Infinity)
- Ford (hands-free microphones)

- **NEW CAR LAUNCHES**

- Hyundai Sonata (Infinity)
- Kia Sedona (Infinity)
- Toyota Camry (JBL)
- Subaru Outback (Harman Kardon)
- Dodge Challenger (Harman Kardon)
- Lexus NX (Mark Levinson with Clari-Fi)

HOME & MULTIMEDIA

- Acquired Yurbuds, the US market leader in Sports Headphones



PROFESSIONAL DIVISION

Q4 FY2014 HIGHLIGHTS

MAJOR NEW VENUES

- San Diego Petco Park baseball stadium
- Grand Mosque (Mecca, Saudi Arabia)

KEY EVENTS, FESTIVALS & TOURS

- World Cup Opening & Closing Ceremonies (Sao Paulo, Brazil)
- Rock and Roll Hall of Fame Induction Ceremony (NYC)

44 NEW SOUND/LIGHTING PRODUCTS

- Soundcraft Vi3000 – Pro Sound Best of Show, NAB
- JBL VTX V20 – Rental & Staging Awards, Best Loudspeaker
- Martin Viper Quadray – Live Design’s Lighting Product of the Year

EXPANDS PORTFOLIO

- Acquired AMX – enterprise automation & control solutions
– audio & video switching & distribution



LIVE DESIGN
PRODUCTS
2013-2014 OF THE YEAR



rental & STAGING
SYSTEMS award
by Comm



PRO SOUND
BEST SHOW

AMX
by HARMAN

HARMAN

AUTOMOTIVE BACKLOG

AKG

harman/kardon

 **Infinity**

 **JBL**

mark
Levinson

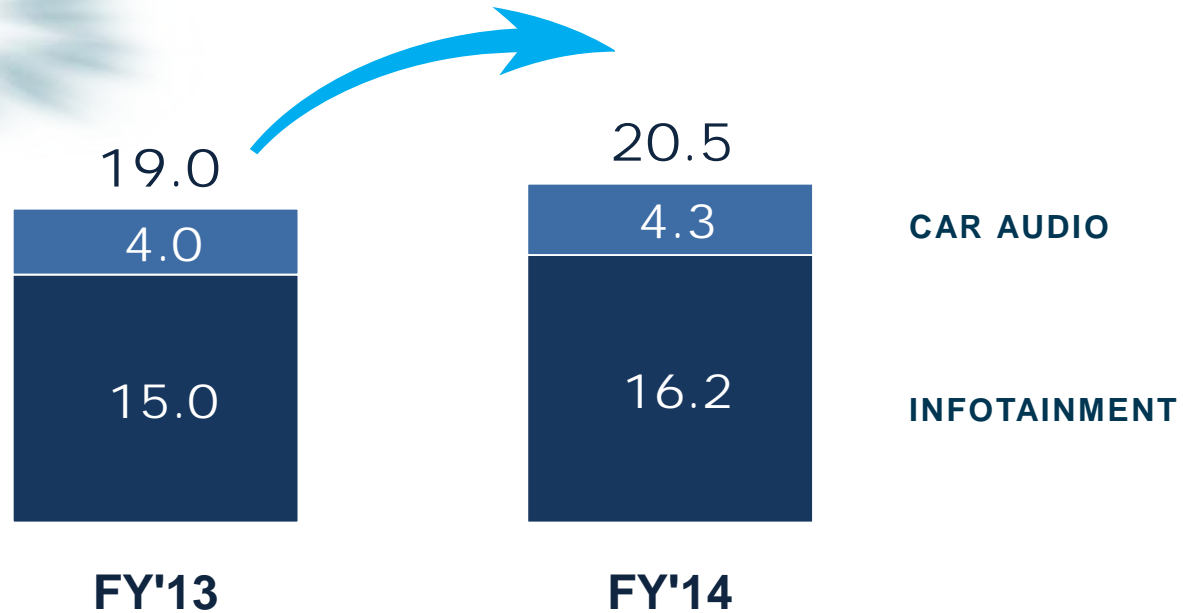
lexicon

 **REVEL**

AWARDED AUTOMOTIVE BUSINESS

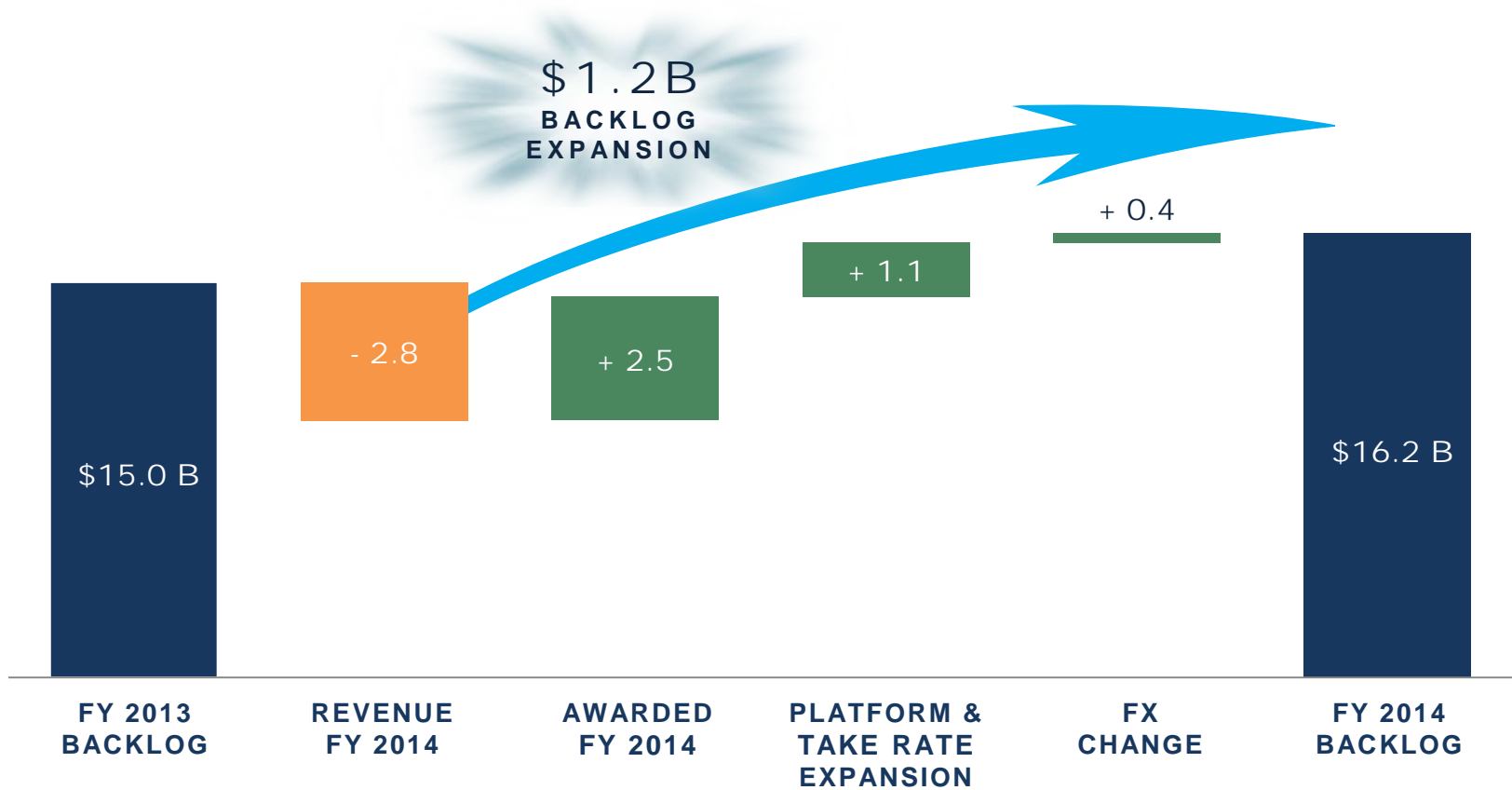
AUTOMOTIVE AWARDED BUSINESS BACKLOG (IN \$B)

INDUSTRY-LEADING BACKLOG



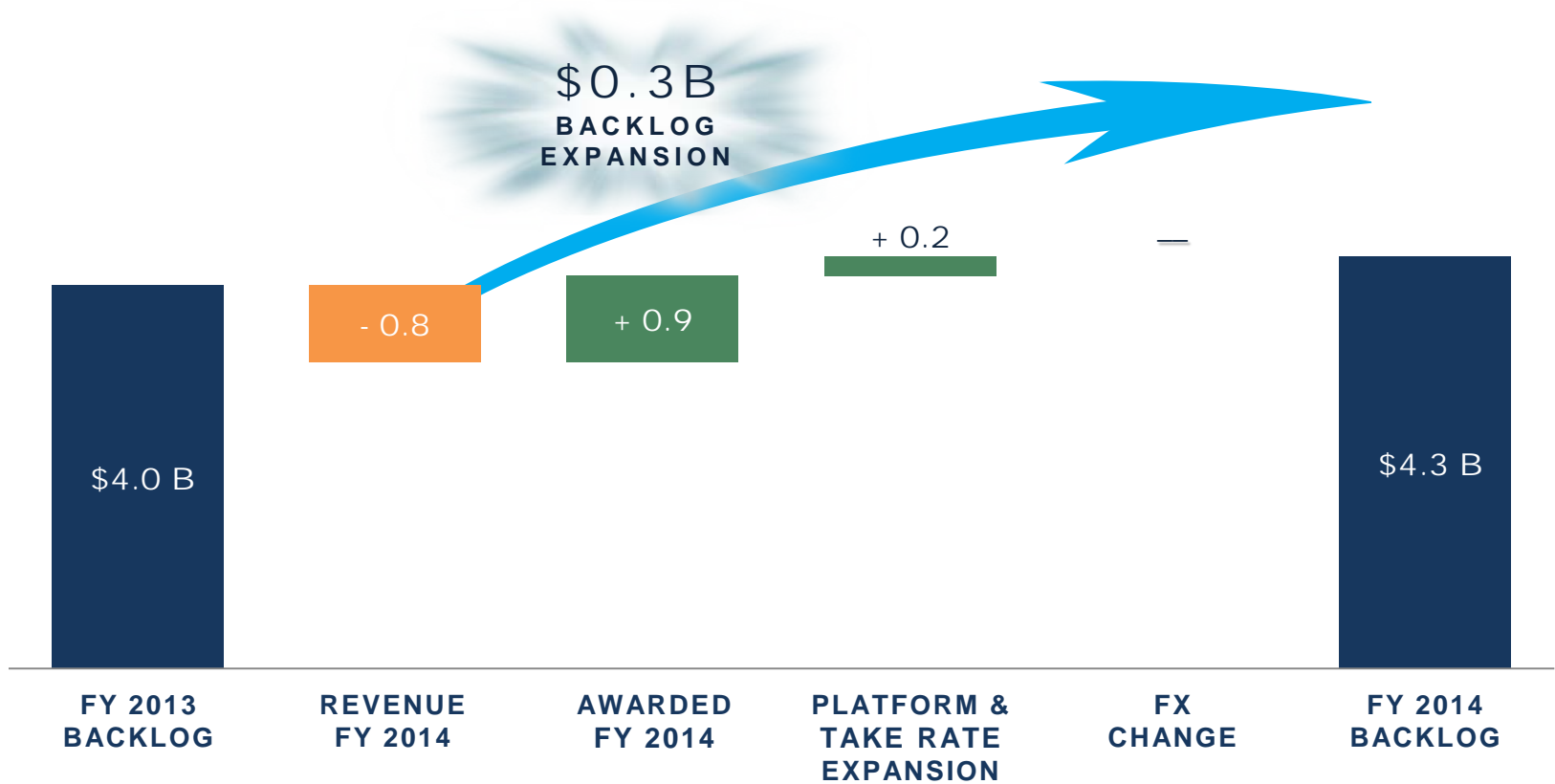
INFOTAINMENT BACKLOG BRIDGE

COMPANY
RECORD &
INDUSTRY
LEADING



CAR AUDIO BACKLOG BRIDGE

COMPANY
RECORD &
INDUSTRY
LEADING



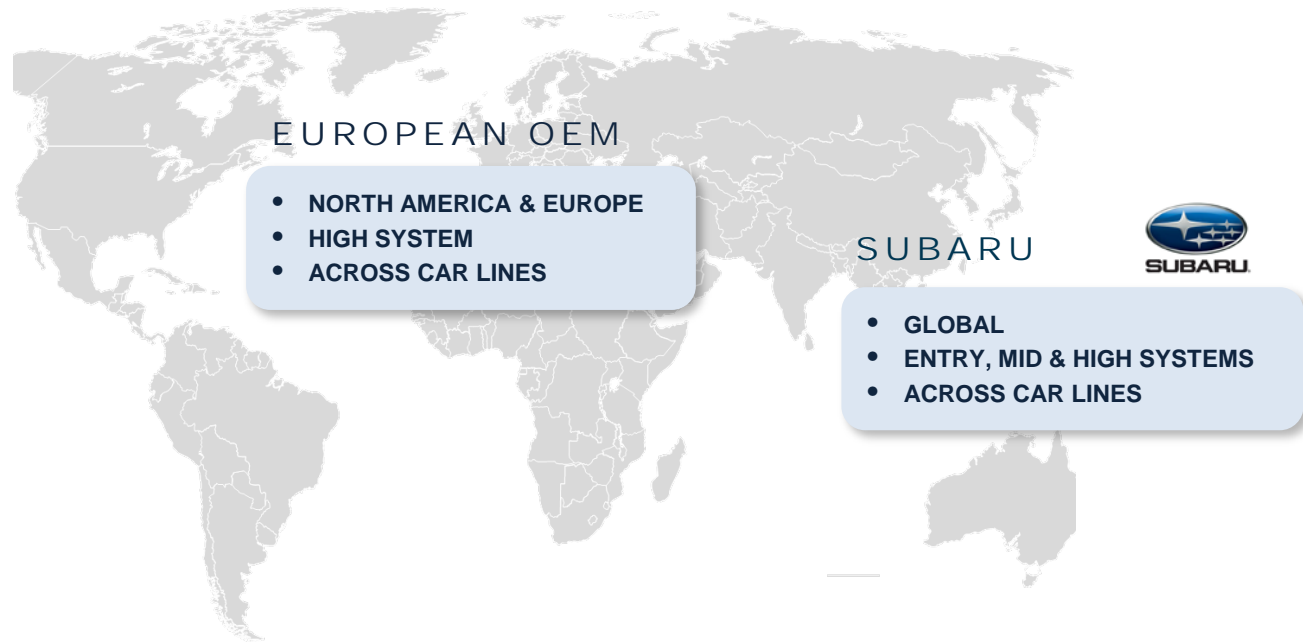
NEW INFOTAINMENT AWARDS

TWO NEW WINS REPRESENTING ~\$1.3B SINCE JULY 1, 2014
(NOT INCLUDED IN THE FISCAL 2014 ORDER BACKLOG)

\$16.2B



BACKLOG
(as of 30-Jun-14)



BACKLOG AT ALL TIME HIGH

HARMAN

GUIDANCE

AKG

harman/kardon

 **Infinity**

 **JBL**

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 **REVEL**

FISCAL YEAR 2015 KEY PLANNING ASSUMPTIONS

	ECONOMIC GROWTH	PASSENGER VEHICLE PRODUCTION	INFOTAINMENT PENETRATION RATES
NORTH AMERICA	+2.0 TO +3.0%	+3.5 TO +4.5%	~30 TO 31%
EUROPE	+1.0 TO +2.0%	+2.0 TO +3.0%	~30 TO 31%
CHINA	+7.0 TO +7.5%	+9.5 TO +10.5%	~24 TO 25%
ROW	+1.0 TO +2.0%	+2.0 TO +3.0%	~14 TO 15%
GLOBAL	+2.0 TO +3.0%	+4.0 TO +5.0%	~23 TO 24%

- **SHARE COUNT: ~71M**
- **TAX RATE: ~26%**
- **EUR/USD: 1.35**
- **INTEREST & MISC: ~\$27M**

SOURCES: HARMAN RESEARCH, IMF, WORLD BANK, OECD, LMC, IHS

FISCAL YEAR 2015 GUIDANCE

	INFOTAINMENT	LIFESTYLE	PROFESSIONAL	TOTAL
SALES	~\$3.1 billion	~\$1.8 billion	~\$1.1 billion	~\$6.0 billion
EBITDA*	~\$375 million	~\$265 million	~\$175 million	~\$685 million
EPS*				~\$5.25

- SHARE COUNT: ~71M
- TAX RATE: ~26%
- EUR/USD: 1.35
- INTEREST & MISC: ~\$27M

*NON-GAAP, EXCLUDING RESTRUCTURING AND NON-RECURRING ITEMS

FISCAL YEAR 2016

KEY PLANNING ASSUMPTIONS

	ECONOMIC GROWTH FY '15-'16	PASSENGER VEHICLE PRODUCTION FY '15-'16	INFOTAINMENT PENETRATION RATES
NORTH AMERICA	+2.0 TO +3.0%	+3.0 TO +4.0%	~34 TO 35%
EUROPE	+2.0 TO +3.0%	+2.0 TO +3.0%	~34 TO 35%
CHINA	+7.0 TO +7.5%	+9.5 TO +10.5%	~28 TO 29%
ROW	+1.0 TO +2.0%	+2.0 TO +3.0%	~18 TO 19%
GLOBAL	+2.0 TO +3.0%	+4.0 TO +5.0%	~27 TO 28%

SOURCES: HARMAN RESEARCH, IMF, WORLD BANK, OECD, LMC, IHS

FISCAL YEAR 2016 GUIDANCE

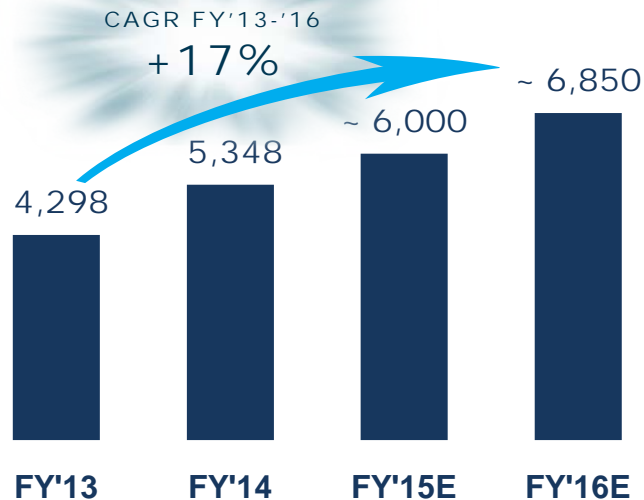
DIVISION	REVENUE	CAGR FY '13-'16	EBITDA*	CAGR FY '13-'16
INFOTAINMENT	~\$3.7 B	~17%	~\$490 M	~32%
LIFESTYLE	~\$1.95 B	~13%	~\$310 M	~18%
PROFESSIONAL	~\$1.2 B	~21%	~\$215 M	~24%
TOTAL COMPANY	~\$6.85 B	~17%	~\$880 M	~29%

*NON-GAAP, EXCLUDING RESTRUCTURING AND NON-RECURRING ITEMS

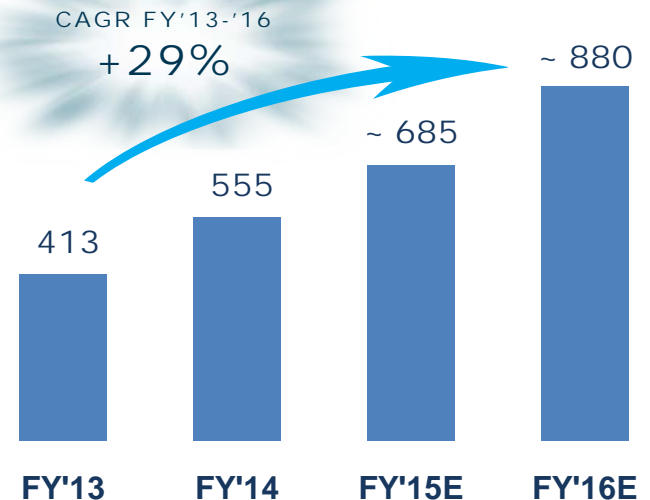
DRIVING LONG-TERM GROWTH

SUSTAINABLE
TOP AND
BOTTOM LINE
GROWTH

REVENUE GROWTH (IN \$M)



EBITDA* GROWTH (IN \$M)

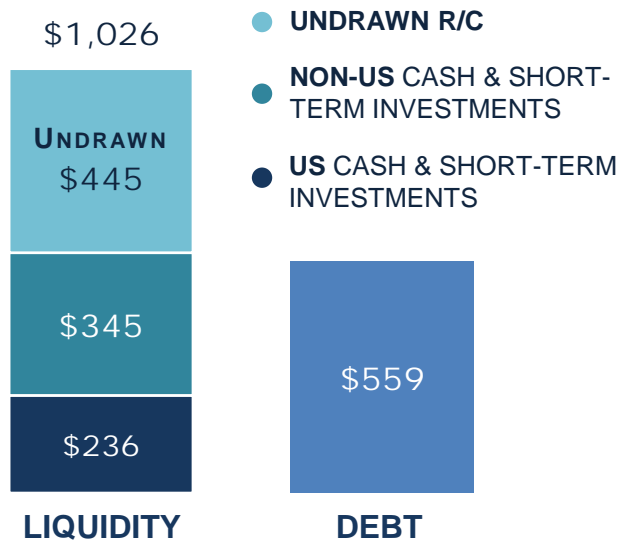


*NON-GAAP, EXCLUDING RESTRUCTURING AND NON-RECURRING ITEMS

LIQUIDITY & CAPITAL STRUCTURE

MOODY'S AND S&P RATINGS: INVESTMENT GRADE

JUNE 2014
(IN \$M)



CAPITAL ALLOCATION CONSIDERATIONS

- CAPEX PROJECTS TO DRIVE ORGANIC GROWTH
- STRATEGIC, ACCRETIVE ACQUISITIONS THAT ACCELERATE GROWTH
- CONTINUE DIVIDEND DISTRIBUTIONS
- SHARE BUYBACK

INVESTMENT THESIS

- **INDUSTRY-LEADING \$20.5B BACKLOG WITH DOUBLE-DIGIT OPERATING MARGINS**
- **CONNECTED CAR DRIVES INFOTAINMENT AND AUDIO TAKE RATES AND SERVICES**
- **POWERFUL BRAND PORTFOLIO LIFTS AUDIO BUSINESS IN HOME, CAR AND STAGE**
- **STRONG BALANCE SHEET WITH \$1.0 BILLION IN LIQUIDITY**
- **SIGNIFICANT EMERGING MARKET GROWTH OPPORTUNITIES IN ALL 3 DIVISIONS**
- **SUSTAINABLE INNOVATION WITH ~5,650 PATENTS & PATENTS PENDING**
- **GLOBAL FOOTPRINT WITH COMPETITIVE COST STRUCTURE**

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