



KKR and GS Capital Partners to Invest in Harman International

October 22, 2007

Parties Agree to Terminate Merger Agreement Without Litigation or Payment of Termination Fee

Proceeds of \$400 Million Investment To Be Used For Accelerated Share Repurchase

WASHINGTON, D.C. October 22, 2007 – Harman International Industries, Incorporated (NYSE: HAR) announced today that it has entered into an agreement with affiliates of Kohlberg Kravis Roberts & Co. L.P. (“KKR”) and GS Capital Partners (“GSCP”) relating to the parties’ previously announced Merger Agreement. Terms of the new agreement include the following:

- KKR and GSCP will purchase \$400 million of 1.25% senior notes convertible under certain circumstances into Harman common stock, convertible at a price of \$104 per share. KKR and GSCP have agreed to not sell or hedge their position for at least one year.
- The parties have agreed to terminate their Merger Agreement dated April 26, 2007 without litigation or payment of a termination fee.

The Company also announced that Brian F. Carroll, Member of KKR, will join Harman’s Board of Directors. The Company will use the proceeds from the KKR/GSCP investment to repurchase Harman common stock through an accelerated share repurchase (ASR) program.

Dr. Sidney Harman, Executive Chairman of Harman, said, “We are pleased to have reached an understanding with KKR and GSCP. Although we do not agree with the reasons for cancellation of the original merger agreement, we view this \$400 million investment as a vote of confidence in our business and its prospects for continued growth. Our company benefits from excellent customer relationships built on world-class products, brands and technology, and we are well positioned to capitalize on market opportunities in the automotive, consumer and professional sectors.”

Dinesh Paliwal, Harman Chief Executive Officer, added, “The significant stock repurchase we announced today underscores our Board’s confidence in Harman’s financial outlook. This settlement enables us to move forward in a decisive manner to implement our initiatives to ensure the long-term growth of the Company and avoid the time, cost and distraction of litigation. We welcome Brian Carroll and expect that he will make an active contribution to our business through his service on the Board.”

Henry R. Kravis, Co-Founding Member of KKR, said, “Harman is a leader in audio and infotainment systems, and enjoys strong leadership in Chairman Sidney Harman and CEO Dinesh Paliwal. The merger unfortunately could not be completed, but we are pleased to make this investment in the Company. We believe this investment and our representation on the Board is an outstanding way to support Harman and its management team in the future.”

About Harman International

Harman International (www.harman.com) designs, manufactures and markets a wide range of audio and infotainment products for the automotive, consumer and professional markets. Its brands include Harman Kardon®, JBL®, Revel®, Mark Levinson®, Infinity®, Lexicon®, Soundcraft-Studer®, AKG®, Becker® and QNX®. The company maintains a strong presence in the Americas, Europe and Asia and employs more than 10,500 people. The company’s stock is traded on the New York Stock Exchange under the Symbol: HAR.

About KKR

Established in 1976, KKR is a leading global alternative asset manager. The core of the Firm’s franchise is sponsoring and managing funds that make private equity investments in North America, Europe, and Asia. Throughout its history, KKR has brought a long-term investment approach to portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. Additional funds that KKR sponsors include KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE), a permanent capital fund that invests in KKR-identified investments; and two credit strategy funds, KKR Financial (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions. KKR has offices in New York, Menlo Park, San Francisco, London, Paris, Hong Kong, and Tokyo.

About GS Capital Partners

Founded in 1869, Goldman Sachs is one of the oldest and largest investment banking firms. Goldman Sachs is also a global leader in private

corporate equity and mezzanine investing. Established in 1992, the GS Capital Partners family of funds is part of the firm's Principal Investment Area in the Merchant Banking Division. Goldman Sachs' Principal Investment Area has formed 13 investment vehicles aggregating \$56 billion of capital raised. GS Capital Partners VI is the current primary investment vehicle for Goldman Sachs to make large, privately negotiated equity investments.

Forward Looking Information

This communication contains “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward looking statements include all statements other than those made solely with respect to historical facts. Numerous risks, uncertainties and other factors may cause actual results to differ materially from those expressed in any forward-looking statements.

These factors include, but are not limited to, (1) the satisfaction of the closing conditions for the investment by KKR/GSCP; (2) the satisfaction of the requirements for the appointment of an additional director to Harman’s Board of Directors; (3) finalization of definitive terms and conditions to the proposed ASR program; (4) changes in prevailing interest rates; (5) the outcome of any legal proceedings that may be instituted against Harman or others; (6) changes in the relationship between Harman and KKR/GSCP; and (7) other factors described in Harman’s filings with the SEC, including its reports on Forms 10-K, 10-Q and 8-K. Many of the factors that will determine the outcome of the subject matter of this communication are beyond Harman’s ability to control or predict. Harman undertakes no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future results or otherwise.

Unregistered Offering

The notes and the common stock issuable upon conversion of the notes have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities.

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