

HARMAN INTERNATIONAL INDUSTRIES INC /DE/  
Form 11-K  
June 27, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended: December  
31, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to  
\_\_\_\_\_

Commission file  
number: 001-09764

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Harman International Industries, Incorporated  
Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Harman International Industries, Incorporated  
1101 Pennsylvania Avenue, NW  
Washington, DC 20004

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HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 31, 2007 and 2006

(With Report of Independent Registered Public Accounting Firm Thereon)

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HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Table of Contents

	Page
Report of Independent Registered Public Accounting Firm	1
Statements of Net Assets Available for Plan Benefits – December 31, 2007 and 2006	2
Statements of Changes in Net Assets Available for Plan Benefits – Years ended December 31, 2007 and 2006	3
Notes to Financial Statements	4
Schedule	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) – December 31, 2007	9

All other supplemental schedules omitted are not applicable or are not required based on disclosure requirements of the Employee Retirement Income Security Act of 1974 and regulations issued by the Department of Labor.

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Report of Independent Registered Public Accounting Firm

The Plan Administrator  
Harman International Industries, Incorporated  
Retirement Savings Plan:

We have audited the accompanying statements of net assets available for plan benefits of the Harman International Industries, Incorporated Retirement Savings Plan (the Plan) as of December 31, 2007 and 2006, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2007 and 2006, and the changes in net assets available for plan benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Los Angeles, California  
June 27, 2008

HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Plan Benefits

December 31, 2007 and 2006

	2007	2006
Assets:		
Investments, at fair value:		
Money market fund	\$ 440,573	454,483
Mutual funds	170,540,455	157,539,655
Collective trusts	73,464,997	66,595,934
Common stock	35,890,874	56,794,767
Total investments	280,336,899	281,384,839
Contributions receivable:		
Participant	27,885	436,285
Employer	6,644,112	6,434,712
Total contributions receivable	6,671,997	6,870,997
Cash	136,790	77,309
 Total assets	 287,145,686	 288,333,145
Liabilities:		
Accrued expenses	34,000	—
Total liabilities	34,000	—
Net assets available for plan benefits at fair value	287,111,686	288,333,145
 Adjustment from fair value to contract value for fully benefit-responsive investment contracts	 (1,295,593)	 74,424
Net assets available for plan benefits	\$ 285,816,093	288,407,569
See accompanying notes to financial statements.		

HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Statements of Changes in Net Assets Available for Plan Benefits  
Years ended December 31, 2007 and 2006

	2007	2006
Additions to net assets attributed to:		
Investment income (loss):		
Net (depreciation) appreciation in fair value of investments	\$ (17,606,053)	12,131,879
Interest and dividends	18,727,739	12,819,070
Total investment income	1,121,686	24,950,949
Contributions:		
Employer	13,305,209	13,718,502
Participant	13,236,145	12,720,937
Rollovers	720,304	788,721
Total contributions	27,261,658	27,228,160
Total additions	28,383,344	52,179,109
Deductions from net assets attributed to:		
Benefit payments	30,932,387	19,643,767
Administrative expenses	42,433	36,205
Total deductions	30,974,820	19,679,972
Net (decrease) increase	(2,591,476)	32,499,137
Net assets available for Plan benefits:		
Beginning of year	288,407,569	255,908,432
End of year	\$ 285,816,093	288,407,569
See accompanying notes to financial statements.		

HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2007 and 2006

(1) Description of the Plan

The following description of the Harman International Industries, Incorporated (the Company) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution savings and profit-sharing plan sponsored by the Company. The Plan covers all eligible employees, as defined by the Plan, provided they have completed six months of consecutive service and have worked 500 hours. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions

Participants in the Plan may contribute on a tax-deferred basis from 1% to 50% of their compensation, as defined by the Plan. Participants may change their deferral percentage as of the first payroll period following receipt of notice to the Plan Administrator. The Company has made annual basic contributions equal to 3% of the compensation paid to all eligible participants, and a matching contribution equal to 50% of the eligible participant's tax-deferred contribution percentage for each payroll period up to a maximum election of 6% per payroll period. In addition, the Company may make discretionary profit-sharing contributions to the Plan in an amount determined by the Company's board of directors. For the years ended December 31, 2007 and 2006, the Board of Directors approved a profit-sharing contribution of 2% of each eligible participant's compensation.

(c) Participant Account Balances

Separate accounts are maintained for each participant's salary deferral, rollover, employer profit sharing, basic, and matching contribution balances. Earnings or losses of the Plan are allocated to participant account balances by investment fund on a daily basis according to the number of shares in the participant account balances. Company profit-sharing and basic contributions are allocated based on participant compensation. Company matching contributions are allocated based upon each participant's tax-deferred contribution percentage.

(d) Vesting

Participants are 100% vested in their salary deferral contribution, employer's basic contribution, and rollover contribution accounts, and become vested in profit-sharing and matching contributions at the rate of 25% per year after the completion of two years of service, or 100% after reaching age 65, death, or disability.

(e) Investment Options

Plan participants direct contributions in any increment in any of the investment options. The options consist of the Company's common stock, the Putnam Stable Value Fund, the Putnam S&P 500 Index Fund, the Putnam Money Market Fund, and 13 mutual funds.



HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2007 and 2006

(f) Benefits

On separation from service or termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum distribution.

(g) Forfeitures

All distributions from the Plan shall commence as soon as practicable after the participant's termination date, and all unvested amounts shall be forfeited as of the date of distribution. Amounts provisionally forfeited will be restored if the participant returns to service prior to the occurrence of a 60-consecutive-month period of separation. Amounts forfeited by Plan participants are used to reduce employer match contributions and pay expenses of the Plan. At December 31, 2007 and 2006, forfeited nonvested accounts totaled \$440,573 and \$454,483, respectively. During 2007 and 2006, employer contributions were reduced by \$1,398,769 and \$271,103, respectively, from forfeited nonvested accounts. During 2006, administrative expenses were reduced by \$35,000 from forfeited nonvested accounts.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements of the Plan have been presented on an accrual basis and present the net assets available for Plan benefits as of December 31, 2007 and 2006, and changes in those net assets for the years then ended.

(b) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. The Company stock is valued at its quoted market price. The S&P 500 Index Fund, a collective trust, is valued by the issuer based on quoted prices of the underlying securities, if available.

The Putnam Stable Value Fund invests in a variety of investment contracts such as traditional guaranteed investment contracts (GICs) issued by insurance companies and other financial institutions and other investment products with similar characteristics. As described in Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and Statement of Position No. 94-4-1, Reporting of Fully Benefit - Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (FSP), investment contracts held in a defined-contribution plan are required to be reported

at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under terms of the Plan. The Plan invests in fully benefit-responsive investment contracts held in the Putnam Stable Value Fund. The statement of net assets available for plan benefits presents the fair value of these

HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2007 and 2006

investment contracts as well as their adjustment from fair value to contract value. The statement of changes in net assets available for plan benefits is prepared on a contract value basis.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the statements of net assets available for plan benefits and the additions and deductions in the statements of changes in net assets available for plan benefits, as well as the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(d) Payment of Benefits

Benefits are recorded when paid.

(e) Administrative Expenses

Administrative expenses are paid by the Plan, unless paid by Harman International Industries, Incorporated, the Plan Sponsor.

(f) Risks and Uncertainties

The Plan provides for various investment options in a money market fund, mutual funds, common stock, and collective trusts. Investment securities are exposed to various risk factors such as interest rate, market, and credit risks. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term, could materially affect participants' account balances and the amounts reported in the financial statements.

(g) Concentration of Credit Risk

Investment in the common stock of Harman International Industries, Incorporated comprises approximately 13% and 20% of the Plan's investments as of December 31, 2007 and 2006, respectively. Subsequent to December 31, 2007, the value of the Harman International Industries, Incorporated common stock declined in value from \$73.71 per share with 468,920 shares held at December 31, 2007 to \$43.87 per share with 540,273 shares held at June 25, 2008.

6

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HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2007 and 2006

(3) Investments

Investments that represent 5% or more of the fair value of the Plan's net assets are as follows:

Description	2007	2006
Putnam Stable Value Fund	\$ 63,824,199	58,380,923
Harman International Industries, Incorporated common stock	35,890,874	56,794,767
Putnam Voyager Fund	28,189,246	29,279,405
The Putnam Fund for Growth and Income	23,777,727	27,732,356
Putnam International Equity Fund	16,858,169	15,035,032
Lord Abbett Small Cap Value Fund	16,624,484	14,805,505
American Europacific Growth Fund	17,520,486	12,467,048 *
All other investments less than 5%	77,651,714	66,889,803
	\$ 280,336,899	281,384,839

\* Less than 5%, included for comparative purposes.

During the years ended December 31, 2007 and 2006, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2007	2006
Mutual funds	\$ (7,017,064)	8,279,498
Common stock	(11,028,518)	2,806,833
Collective trusts	439,529	1,045,548
Net (depreciation) appreciation in fair value of investments	\$ (17,606,053)	12,131,879

(4) Related-Party Transactions

Certain Plan investments are shares of mutual funds managed by Mercer Trust Company. Mercer Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

(5) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan

termination, participants would become 100% vested in their employer profit-sharing and matching contributions.

7

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HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2007 and 2006

(6) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated August 14, 2003 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

(7) Reconciliation of Financial Statements to Form 5500

Reconciliation of net assets available for plan benefits reported in the financial statements to the net assets reported on line 1(l) of Form 5500 Schedule H, Part I, as of December 31, 2007 and 2006, is presented below:

	2007	2006
Net assets available for plan benefits reported in the financial statements	\$ 285,816,093	288,407,569
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	1,295,593	(74,424 )
Net assets available for plan benefits reported on Form 5500	\$ 287,111,686	288,333,145

Reconciliation of total investment income reported in the financial statements to earnings on investments reported on line 2(b) of Form 5500 Schedule H, Part II, as of December 31, 2007, is presented below:

	2007	2006
Total investment income reported in the financial statements	\$ 1,121,686	24,950,949
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	1,295,593	(74,424)
Total investment income reported on Form 5500	\$ 2,417,279	24,876,525





Schedule

HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED  
RETIREMENT SAVINGS PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2007

Identity of issuer, borrower, or similar party	Description of investment, including maturity date, rate of interest, par, or maturity value	Current value
Putnam Management Company, Inc.*	Cash	\$ 136,790
Putnam Management Company, Inc.*	Money Market Fund (440,573 shares)	440,573
	Mutual funds:	
Putnam Management Company, Inc.*	AIM Small Cap Growth Fund (425,213 shares)	12,331,168
Putnam Management Company, Inc.*	American Europacific Growth Fund (344,417 shares)	17,520,486
Putnam Management Company, Inc.*	Lord Abbett Small Cap Value Fund (596,073 shares)	16,624,484
Putnam Management Company, Inc.*	Pimco Total Return Fund (742,454 shares)	7,936,837
Putnam Management Company, Inc.*	T. Rowe Price Blue Chip Growth Fund (196,145 shares)	7,890,908
Putnam Management Company, Inc.*	Vanguard Windsor II Fund (302,362 shares)	9,451,850
Putnam Management Company, Inc.*	The George Putnam Fund of Boston (645,467 shares)	10,398,473
Putnam Management Company, Inc.*	The Putnam Fund for Growth and Income (1,510,656 shares)	23,777,727
Putnam Management Company, Inc.*	Putnam Voyager Fund (1,410,167 shares)	28,189,246
Putnam Management Company, Inc.*	Putnam Asset Allocation Growth Portfolio (776,087 shares)	11,237,743
Putnam Management Company, Inc.*	Putnam Asset Allocation Balanced Portfolio (485,429 shares)	6,009,609
Putnam Management Company, Inc.*	Putnam Asset Allocation Conservative Portfolio (238,531 shares)	2,313,755
Putnam Management Company, Inc.*	Putnam International Equity Fund (607,721 shares)	16,858,169
	Collective trusts:	
Putnam Management Company, Inc.*	Putnam S & P 500 Index Fund (246,379 shares)	9,640,798

	Putnam Stable Value Fund – invested in contracts with various companies, with various maturity dates and interest rates	
Putnam Management Company, Inc.*	ranging from 4.14% to 6.23% (65,528,606 units)	63,824,199
Harman International Industries, Incorporated*	Common stock (468,920 shares)	35,890,874
		\$ 280,473,689

\* Party-in-interest investment.

See accompanying report of independent registered public accounting firm.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Harman International Industries, Incorporated  
Retirement Savings Plan

Date: June 27, 2008

By: /s/ Sandra S. Buchanan

Sandra S. Buchanan  
Vice-President Compensation & Benefits

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