

HARMAN INTERNATIONAL INDUSTRIES INC /DE/

Form 425

May 02, 2007

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harman international

**Harman International Industries,  
Incorporated**

**8500 Balboa Blvd., Northridge, CA  
91329**

**(818) 893-8411**

Date: May 2, 2007  
To: All Stock Option Plan Participants  
From: Ed Summers  
Subject: Proposed Transaction

This is an update to my memorandum of April 26<sup>th</sup>. Set forth below is some information about the Company's stock option plans that should answer your questions regarding the Harman International transaction announced last week.

The stock option plans continue as normal until the closing.

The window for exercising options will open as scheduled on May 1<sup>st</sup>.

If you have vested options at that time, you may exercise them, subject to our existing trading policy (*i.e.*, so long as you are not in possession of material non-public information).

If you are a director or Section 16 SEC-reporting officer of the Company, you should clear any sales with Dr. Harman in advance.

At the closing, all unexercised options (both vested and unvested) will vest and be cashed out for an amount equal to \$120 less the exercise price.

We anticipate that closing will take place in the third calendar quarter of this year. After the closing we expect that a new option or other equity incentive plan will be adopted.

You will also have an opportunity to roll over some or all of your investment in Company stock into shares of the merged company, on terms that will be announced later. You should review carefully the information the Company has and will file with the SEC, and consult your tax or other financial advisor before making any decision. The Company is not making any recommendation to its employees regarding whether or when to exercise options or to purchase, sell or hold any Harman shares.

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## REQUIRED LEGAL DISCLOSURES

### **Additional Information and Where To Find It**

The parties to the acquisition agreement intend to file a registration statement that will include a joint proxy statement/prospectus and other relevant documents in connection with the proposed transaction. HARMAN INVESTORS ARE URGED TO READ THESE DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors may obtain a free copy of the joint proxy statement/prospectus (when it becomes available) and other filings containing information about Harman and the merger, when available, from the SEC at the SEC's website at <http://www.sec.gov>. In addition, copies of the proxy statement/prospectus and other filings containing information about the Company and the merger can be obtained, when available, without charge, by directing a request to Harman International Industries, Incorporated: Attention: Investor Relations, 1101 Pennsylvania Avenue, NW, Suite 1010, Washington, DC 20004, or by telephone at (202) 393-1101 or on Harman's website, <http://www.harman.com>.

### **Interests of Participants**

The Company and its directors and executive officers and certain other members of management and employees may be deemed to be participants in the solicitation of proxies from Harman's stockholders in favor of the proposed transaction. Additional information regarding the interests of potential participants in the proxy solicitation will be included in the definitive proxy statement/prospectus and other relevant documents that Harman intends to file with the SEC in connection with the scheduled special meeting of its stockholders.

### **Forward Looking Information**

This communication may contain "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 fact. 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 occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement; (2) the outcome of any legal proceedings that may be instituted against Harman and others following the announcement of the merger agreement; (3) the inability to complete the merger due to the failure to obtain stockholder approval or the failure to satisfy other conditions to the merger; (4) the failure to obtain the necessary financing arrangements set forth in the commitment letter received in connection with the merger; (5) risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger; and (6) other factors described in Harman's filings with the Securities and Exchange Commission, 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.