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Harman International Industries Inc. F3Q09 (Qtr End 03/31/09) Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). We will take our first question from the line of Chris Ceraso from Credit Suisse. Please go ahead.

Chris Ceraso - Credit Suisse

You are ahead of schedule on the cost savings. Is it because you've accelerated the plan that you've laid out, i.e., you'll achieve the \$400 million sooner or have you broadened what you're doing so that the number will be greater than 400 by the time we get there? How should we think about the trajectory or the cost save in total?

Dinesh Paliwal

First of all, you are absolutely right. We have expedited and we'll continue to expedite achieving the \$400 million savings goal. But at this point, I'm not moving the goal post. It is the same goal post. It's a timing issue. Some of the activities were able to push through faster, and some of the activities we get stalled because we are operating in an environment where some of the works council in the world can be real iron curtain, believe it or not. And they force you to slowdown. So it's a combination.

I'm very pleased that in net-net, we were able to move forward faster in some areas. Can I guarantee that will continue that same pace? I don't know. I hope so.

Chris Ceraso - Credit Suisse

Okay. So some of it is you've achieved it faster. You are not going to change the \$400 million right now.

Dinesh Paliwal

That is correct.

Chris Ceraso - Credit Suisse

A product question. I noticed that there is a competitor that is now in the market with what they would call a semi-embedded device with Toyota. It's one of these net deal that you can kind of pop out when you get to where you're going with Toyota.

And I wonder if this is particularly troubling or disappointing to you given that you've had such a long relationship with Toyota, but have never really cracked into the Toyota business for navigation. What's your view on that?

Dinesh Paliwal

I'm aware of what you're saying and I won't actually get into the development and the progress we've made with Toyota. I personally have visited them few weeks ago and I'm very pleased with the progress we have made across the work. Toyota is a colossal large organization and they work with multiple mass suppliers as you that, not just one.

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