

HARMAN INTERNATIONAL INDUSTRIES INC /DE/
Form 8-K
December 07, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): (December 1, 2010)

HARMAN INTERNATIONAL INDUSTRIES, INCORPORATED

(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

Delaware
(State or Other Jurisdiction

of Incorporation)

001-09764
(Commission

File Number)

11-2534306
(IRS Employer

Identification No.)

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400 Atlantic Street, Suite 1500

Stamford, CT 06901

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (203) 328-3500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Multi-Currency Credit Agreement and Guarantee and Collateral Agreement

On December 1, 2010, Harman International Industries, Incorporated (the Company) and its wholly-owned subsidiary, Harman Holding GmbH & Co. KG (Harman KG), entered into a Multi-Currency Credit Agreement (the Credit Agreement) with J.P. Morgan Securities LLC, HSBC Securities (USA), Inc. and Unicredit Bank AG, New York Branch, as joint lead arrangers, JPMorgan Chase Bank, N.A., as administrative agent, HSBC Bank USA, National Association and Unicredit Bank AG, New York Branch, as syndication agents, Bank of America, N.A., Wells Fargo Bank, N.A. and RBS Citizens, N.A., as documentation agents, and the other banks and financial institutions party thereto.

The Credit Agreement provides for a five-year secured revolving credit facility (the Revolving Credit Facility) in the amount of \$550 million (the Aggregate Commitment), of which up to \$60 million will be available for letters of credit. Subject to certain conditions set forth in the Credit Agreement, the Aggregate Commitment may be increased up to a maximum aggregate amount of \$700 million. The Company may select interest rates for the Revolving Credit Facility equal to (i) LIBOR plus an applicable margin or (ii) a base rate plus an applicable margin, which in each case is based on the Company's total leverage ratio, as defined in the Credit Agreement. The Company is obligated to pay a facility fee on the Aggregate Commitment, whether drawn or undrawn, which is based on the Company's total leverage ratio. Any proceeds from borrowings under the Revolving Credit Facility may be used for general corporate purposes.

The Credit Agreement includes certain financial condition covenants, including but not limited to covenants that do not permit the Company to allow (i) its ratio of consolidated EBITDA (less capital expenditures) to consolidated cash interest expense to be less than 3.25:1, (ii) its ratio of consolidated total debt to consolidated EBITDA to exceed 4:1, and (iii) its ratio of consolidated senior debt to consolidated EBITDA to exceed 3:1, each calculated as of the end of the applicable fiscal quarter on a rolling four-quarter basis. The terms consolidated EBITDA, capital expenditures, consolidated cash interest expense, consolidated total debt, and consolidated senior debt are defined in the Credit Agreement.

The Credit Agreement also contains certain negative covenants that limit, among other things, the Company's ability to pay dividends, make capital expenditures, incur debt and liens, make fundamental changes, sell assets, make investments and acquisitions, undertake transactions with affiliates, undertake sale and leaseback transactions, and modify or prepay certain debt (including the Company's senior convertible notes). The Revolving Credit Facility is subject to acceleration upon certain specified events of default, including failure to make timely payments, breaches of representations or covenants, or a change of control of the Company, as such term is defined in the Credit Agreement.

At December 1, 2010, there were no outstanding borrowings under the Revolving Credit Facility.

On December 1, 2010, in connection with the execution of the Credit Agreement, the Company, Harman KG, JPMorgan Chase Bank, N.A., as administrative agent, and certain subsidiaries of the Company party thereto, entered into a guarantee and collateral agreement (the Guarantee Agreement), that provides, among other things, that the obligations under the Revolving Credit Facility are guaranteed by the Company and each of the subsidiary guarantors named therein and that the obligations generally are secured by a first lien on substantially all of the assets of the Company and certain subsidiaries named therein, subject to certain exceptions.

A copy of the Credit Agreement and a copy of the Guarantee Agreement are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and are incorporated by reference into this Item 1.01. The foregoing summaries of the Credit Agreement and the Guarantee Agreement are qualified in their entirety by reference to the text of the Credit Agreement and the Guarantee Agreement filed herewith.

The Credit Agreement effectively replaces the Company's previous revolving credit facility, as evidenced by the Second Amended and Restated Multi-Currency, Multi-Option Credit Agreement dated as of March 31, 2009, a copy of which was filed as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended March 31, 2009 (the 2009 Facility). As a result of such replacement, the Company voluntarily terminated the 2009 Facility. There were no outstanding borrowings under the 2009 Facility as of December 1, 2010, and no early termination penalties were incurred by the Company as a result of the termination of the 2009 Facility.

Item 1.02. Termination of a Material Definitive Agreement.

The information set forth in the last paragraph of Item 1.01 is hereby incorporated by reference into this Item 1.02.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Multi-Currency Credit Agreement by and among Harman International Industries, Incorporated, Harman Holding GmbH & Co. KG, J.P. Morgan Securities LLC, HSBC Securities (USA), Inc. and Unicredit Bank AG, New York Branch, as Joint Lead Arrangers, JPMorgan Chase Bank, N.A., as Administrative Agent, HSBC Bank USA, National Association and Unicredit Bank AG, New York Branch, as Syndication Agents, Bank of America, N.A., Wells Fargo Bank, N.A. and RBS Citizens, N.A., as Documentation Agents, and the other banks and financial institutions party thereto, dated as of December 1, 2010.
- 10.2 Guarantee and Collateral Agreement by and among Harman International Industries, Incorporated, Harman Holding GmbH & Co. KG, the subsidiaries of Harman International Industries, Incorporated identified therein, and JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of December 1, 2010.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HARMAN INTERNATIONAL INDUSTRIES,
INCORPORATED

By: /s/ TODD A. SUKO
Todd A. Suko
Executive Vice President, General Counsel and
Secretary

Date: December 7, 2010

EXHIBIT INDEX

Exhibit No.	Description
10.1	Multi-Currency Credit Agreement by and among Harman International Industries, Incorporated, Harman Holding GmbH & Co. KG, J.P. Morgan Securities LLC, HSBC Securities (USA), Inc. and Unicredit Bank AG, New York Branch, as Joint Lead Arrangers, JPMorgan Chase Bank, N.A., as Administrative Agent, HSBC Bank USA, National Association and Unicredit Bank AG, New York Branch, as Syndication Agents, Bank of America, N.A., Wells Fargo Bank, N.A. and RBS Citizens, N.A., as Documentation Agents, and the other banks and financial institutions party thereto, dated as of December 1, 2010.
10.2	Guarantee and Collateral Agreement by and among Harman International Industries, Incorporated, Harman Holding GmbH & Co. KG, the subsidiaries of Harman International Industries, Incorporated identified therein, and JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of December 1, 2010.