Harman To Cut Up To 1,000 Jobs

The Associated Press

STAMFORD, Conn. (AP) — Harman International Industries Inc. said Thursday it plans to cut about 1,000 jobs, or about 4 percent of its work force, to reduce operating expenses.

The announcement came in the heels of fiscal second-quarter results that fell below Wall Street's expectations amid a slowdown in the automotive sector and economic challenges, especially in Europe.

The automotive electronics and audio equipment maker said it is cutting 500 jobs in "high-cost countries" that will save about $30 million to $35 million a year. It is also evaluating the sale or closure of a factory site in Europe, which would cut another 500 jobs.

The company has 11,366 employees, according to data provider FactSet.

Harman said it expects to record restructuring charges of about $30 million to $35 million in the second half of its fiscal year.

For the three months ended Dec. 31, Harman reported earnings of $47.5 million, or 68 cents per share. That's down 20 percent from $59.3 million, or 82 cents per share, in the same period a year earlier.

Adjusted earnings were 59 cents per share in the latest quarter.

Revenue declined 6 percent to $1.06 billion from $1.13 billion.

Analysts, on average, were expecting earnings of 86 cents per share on revenue of $1.09 billion, according to FactSet.

"Economic headwinds and the slow-down in the automotive sector in Europe created a difficult operating environment for Harman during the second quarter, and we expect these conditions to continue for the first half of calendar year 2013," said Dinesh C. Paliwal, chairman, president and CEO, in a statement.

Shares fell $7.23, or 14.7 percent, to $42.04 in late morning trading. The stock has traded in the 52-week range of $34.08 to $52.75.

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