



Third Quarter 2012 Results

November 1, 2012



Forward-Looking Statements and Risk Factors

This presentation contains statements which constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements regarding near-term and longer-term prospects, outlook for revenue, Adjusted EBITDA and free cash flow, industry volume, and the Company's game plan to build shareholder value. The forward-looking statements can be identified by words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "project," "target," and other similar expressions. Forward-looking statements are made as of the date of this presentation and are based upon management's current expectations and beliefs concerning future developments and their potential effects on us. Such forward-looking statements are not guarantees of future performance. The following important factors, as well as risk factors described in our reports filed with the SEC, could cause our actual results to differ materially from estimates or expectations reflected in such forward-looking statements:

- automobile production volumes;
- the financial condition of our customers and suppliers;
- our ability to make scheduled payments on our indebtedness and comply with the covenants and restrictions contained in the instruments governing our indebtedness;
- our ability to refinance our indebtedness;
- our ability to generate non-automotive revenues;
- risks associated with our non-U.S. operations, including foreign exchange risks and economic uncertainty in some regions;
- any increase in the expense and funding requirements of our pension and other postretirement benefits;
- our customers' ability to obtain equity and debt financing for their businesses;
- our dependence on our largest customers;
- pricing pressure from our customers;
- work stoppages or other labor issues affecting us or our customers or suppliers; and
- costs or liabilities relating to environmental and safety regulations

We do not assume any obligation to update or revise the forward-looking statements contained in this presentation.

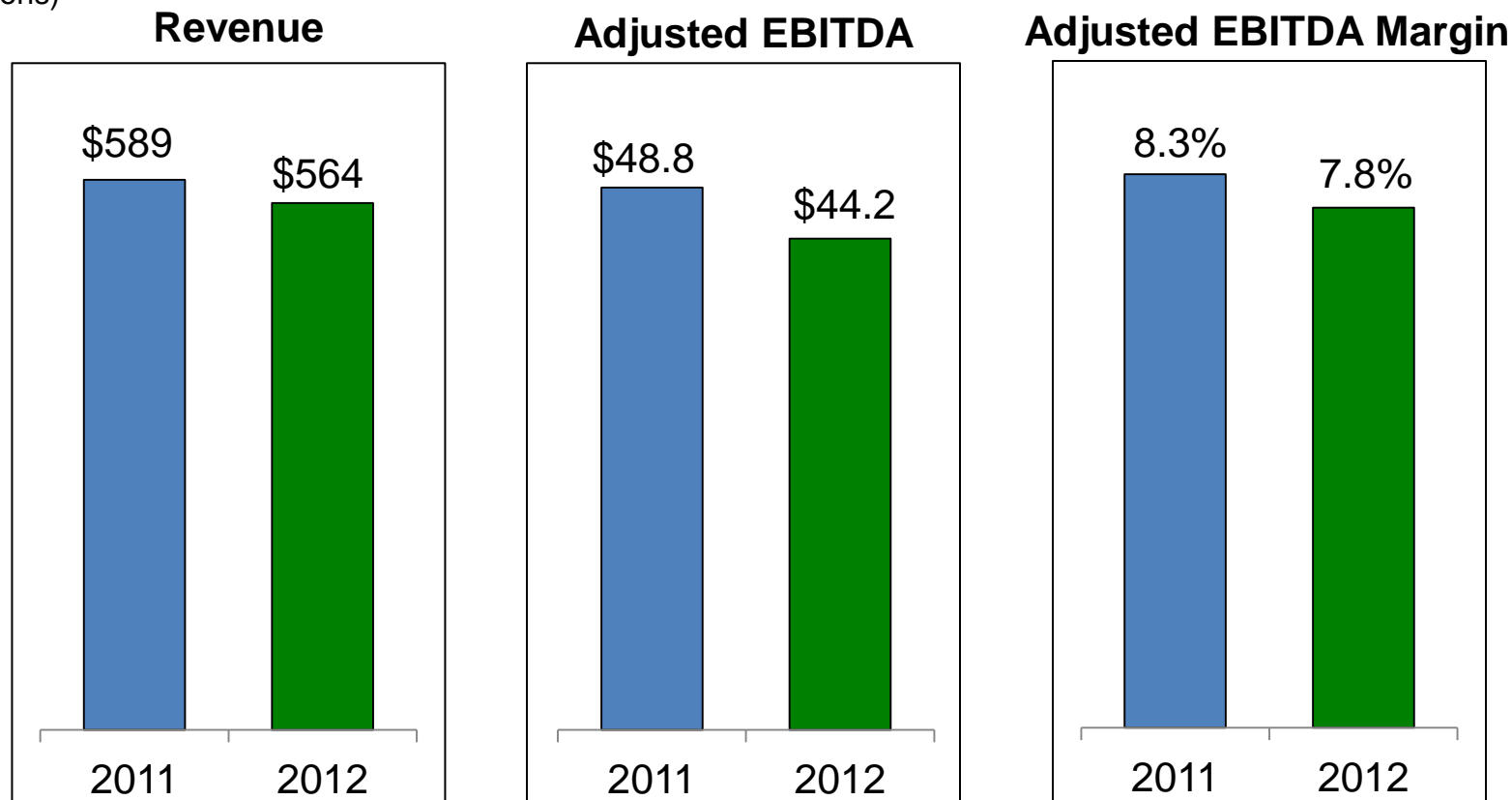
Key Take-Aways

- **Third Quarter financial results in line** with Company expectations.
- Despite increased regional volatility and select cutbacks in customer production schedules, we are **re-affirming prior mid-point earnings guidance for the full year.**

Total Company

Third Quarter Financials - - 2012 vs. 2011

(in \$ millions)

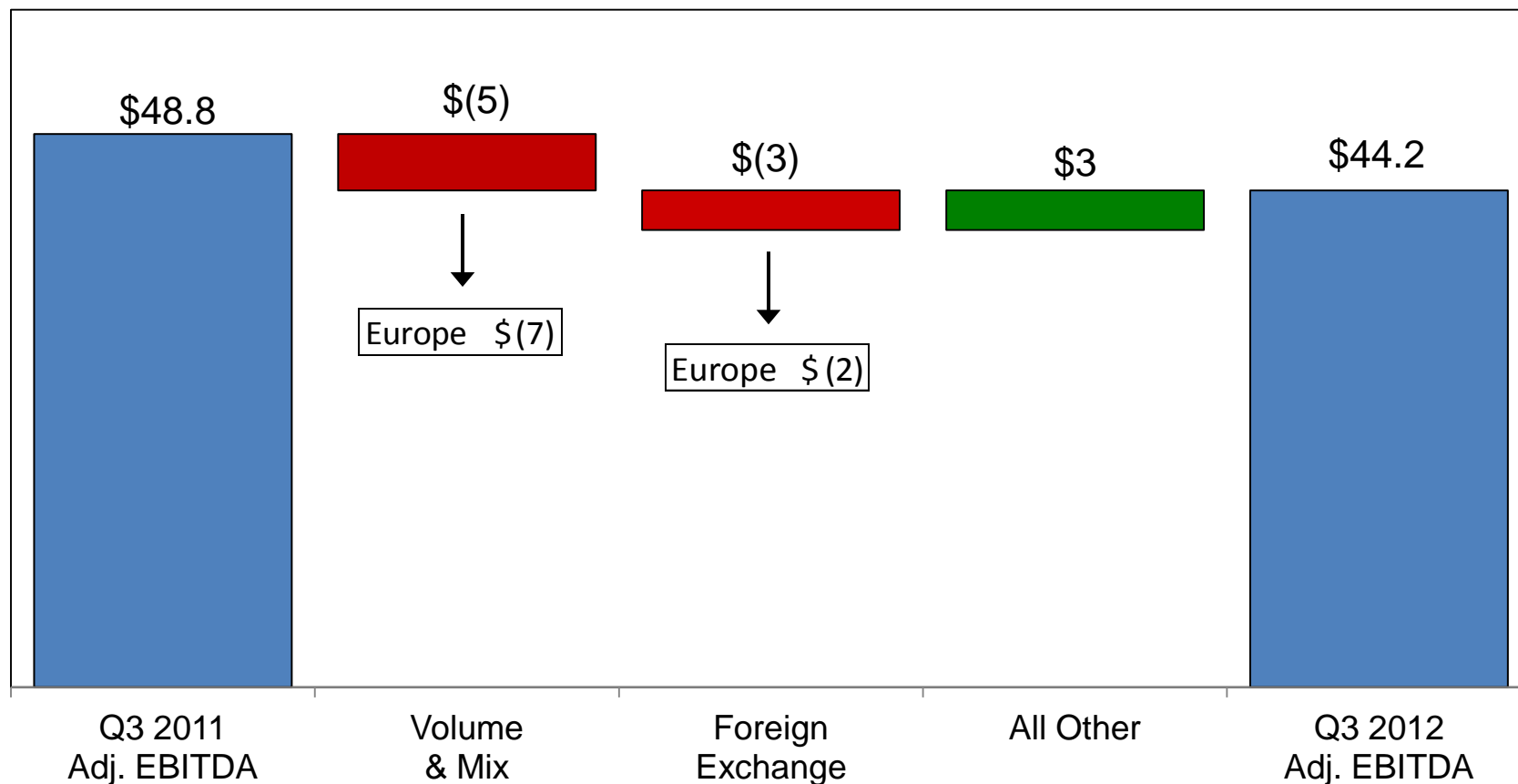


- Q3 2012 revenue was \$564M, down \$25M or 4% from Q3 2011.
- Adjusted EBITDA was \$44.2M, compared with Company guidance of \$40-\$45 million. It was down \$4.6M from a year ago, for an Adjusted EBITDA margin of 7.8%.

Total Company

Q3 2012 Adjusted EBITDA Compared With 2011

(in \$ millions)



- The decline in Q3 Adjusted EBITDA from a year ago was more than explained by unfavorable volume and mix and foreign-exchange translation in Europe.
- This unfavorable macro environment was partially offset by efficiencies that exceeded price-downs and economics.

Third Quarter 2012 Free Cash Flow

(in \$ millions)

	Q3 2012
Adjusted EBITDA	\$ 44
Capital Expenditures	(31)
Cash Interest	(25)
Cash Taxes	-
Working Capital & Other	<u>(15)</u>
Free Cash Flow	<u><u>\$(27)</u></u>

Free cash flow was negative \$27M in Q3, consistent with prior guidance.
– **The adverse change in working capital & other reflected payment vs. collection timing for customer-reimbursed tooling.**

Quarter-End Net Debt, Leverage, & Liquidity

(in \$ millions)

	<u>Sept. 30, 2012</u>
<u>Net Debt</u>	
Cash	\$ 119
Gross Debt	<u>(651)</u>
Net Debt	<u><u>\$(532)</u></u>
<u>Debt-to-LTM Adj. EBITDA</u>	
Gross	3.0X
Net	<u>2.4X</u>
<u>Liquidity</u>	<u>\$ 206</u>

Net debt leverage at September 30 was 2.4X, with liquidity remaining above \$200 million at our quarter-end seasonal low point.

Earnings Guidance Essentially Re-Affirmed

(in \$ millions, except EPS)

	<u>Prior Guidance</u>	<u>Present Guidance*</u>
Revenue	≈ \$2,400	\$2,425
Adjusted EBITDA	\$210-\$220	\$215
Adjusted EPS	≈ \$0.90	\$0.95
Free Cash Flow	\$(15)-\$(25)	\$(25)-\$(35)
- Capex	\$150	\$150

* With Euro at \$1.30 and present customer production schedules for Q4

Game Plan to Build Shareholder Value Over Time

- 1. Consistently deliver solid and predictable results.**
 - Appropriate financial results for whatever volume scenario unfolds.

- 2. Capitalize over time on opportunities beyond “industry recovery”.**
 - Above-average secular growth in China and Brazil

 - Further reductions in leverage

 - Opportunistic, accretive acquisitions

 - Opportunities in adjacent markets

We cannot control the macro environment, so we focus on what we can execute and influence. This game plan has worked for Tower during challenging industry conditions and we are confident that a fundamentally sound approach and good execution will be rewarded over time with a significant increase in shareholder value.

APPENDIX

Income Statement

(in \$ millions)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2012	2011	2012	2011
Revenues	\$ 563.8	\$ 589.0	\$ 1,825.3	\$ 1,791.3
Cost of sales	511.6	529.3	1,637.7	1,603.4
Gross profit	52.3	59.7	187.6	187.9
Selling, general and administrative expenses	34.0	42.1	106.2	119.2
Amortization expense	1.1	1.2	3.4	3.4
Restructuring and asset impairment charges, net	3.2	0.5	8.0	2.1
Operating income	14.0	15.8	70.0	63.2
Interest expense, net	15.4	17.0	46.9	45.6
Interest income	0.4	0.3	1.0	0.8
Other expense	-	0.4	-	1.2
Income / (loss) before provision for income taxes	(1.0)	(1.2)	24.1	17.2
Provision for income taxes	2.2	2.5	17.6	11.7
Net income / (loss)	(3.2)	(3.8)	6.5	5.4
Less: Net income attributable to the noncontrolling interests	1.6	1.1	4.6	4.0
Net income / (loss) attributable to Tower International, Inc.	\$ (4.8)	\$ (4.8)	\$ 1.9	\$ 1.4

Balance Sheet

(in \$ millions)

	Sept. 30, 2012	Dec. 31, 2011
ASSETS		
Cash and cash equivalents	\$ 119.0	\$ 135.0
Accounts receivable, net of allowance of \$4.3 and \$3.6	345.5	328.0
Inventories	104.5	85.1
Deferred tax asset - current	7.7	13.0
Assets held for sale	4.2	4.0
Prepaid tooling and other	76.6	56.2
Total current assets	<u>657.5</u>	<u>621.3</u>
Property, plant and equipment, net	699.3	667.7
Goodwill	63.3	64.0
Deferred tax asset - non-current	11.5	14.5
Other assets, net	28.9	30.0
Total assets	<u>\$1,460.5</u>	<u>\$1,397.4</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of capital lease obligations	\$ 158.4	\$ 109.4
Accounts payable	371.7	395.3
Accrued liabilities	132.3	126.4
Total current liabilities	<u>662.4</u>	<u>631.2</u>
Long-term debt, net of current maturities	482.1	461.8
Obligations under capital leases, net of current maturities	10.8	12.2
Deferred tax liability - non-current	14.3	11.2
Pension liability	80.3	96.2
Other non-current liabilities	90.2	87.3
Total non-current liabilities	<u>677.7</u>	<u>668.8</u>
Total liabilities	<u>1,340.1</u>	<u>1,299.9</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Common stock, \$0.01 par value, 350,000,000 authorized, 20,830,425 issued and 20,247,134 outstanding at September 30, 2012, and 19,983,403 issued and 19,683,032 outstanding at December 31, 2011	0.2	0.2
Additional paid in capital	319.9	311.4
Treasury stock, at cost, 583,291 shares as of September 30, 2012 and 300,371 shares as of December 31, 2011	(8.3)	(5.1)
Accumulated deficit	(182.6)	(184.5)
Accumulated other comprehensive loss	(83.1)	(82.0)
Total Tower International, Inc.'s stockholders' equity	<u>46.1</u>	<u>40.0</u>
Noncontrolling interests in subsidiaries	74.3	57.5
Total stockholders' equity	<u>120.4</u>	<u>97.5</u>
Total liabilities and stockholders' equity	<u>\$1,460.5</u>	<u>\$1,397.4</u>

Consolidated Statement of Cash Flows

(in \$ millions)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2012	2011	2012	2011
Cash flows - operating activities				
Net income / (loss)	\$ (3.2)	\$ (3.8)	\$ 6.5	\$ 5.4
Deferred income tax provision	1.7	-	12.6	(0.9)
Depreciation and amortization	26.9	27.8	78.3	89.5
Non-cash share-based compensation	1.1	3.8	8.5	11.3
Pension expense, net of contributions	(8.1)	(7.0)	(13.6)	(10.8)
Change in working capital and other operating items	(14.8)	(26.7)	(66.6)	(93.6)
Net cash provided by / (used in) operating activities	\$ 3.7	\$ (5.9)	\$ 25.8	\$ 1.0
Cash flows - investing activities				
Cash disbursed for purchases of property, plant and equipment, net	\$ (31.0)	\$ (30.4)	\$ (106.6)	\$ (82.9)
Net assets acquired, net of cash acquired	-	-	-	(22.3)
Net cash used in investing activities	\$ (31.0)	\$ (30.4)	\$ (106.6)	\$ (105.2)
Cash flows - financing activities				
Retirement of senior secured notes	\$ -	\$ (17.5)	\$ -	\$ (34.5)
Purchase of treasury stock	(0.0)	(5.1)	(3.2)	(5.1)
Proceeds from borrowings	133.0	188.8	494.6	504.0
Repayments of borrowings	(111.6)	(157.2)	(428.8)	(414.7)
Net cash provided by financing activities	\$ 21.4	\$ 9.0	\$ 62.6	\$ 49.7
Net change in cash and cash equivalents	\$ (6.0)	\$ (27.2)	\$ (18.1)	\$ (54.6)
Cash and cash equivalents - beginning of period	123.4	128.0	135.0	150.3
Effect of exchange rate changes on cash and cash equivalents	1.5	(4.0)	2.1	0.9
Cash and cash equivalents - end of period	\$ 119.0	\$ 96.7	\$ 119.0	\$ 96.7

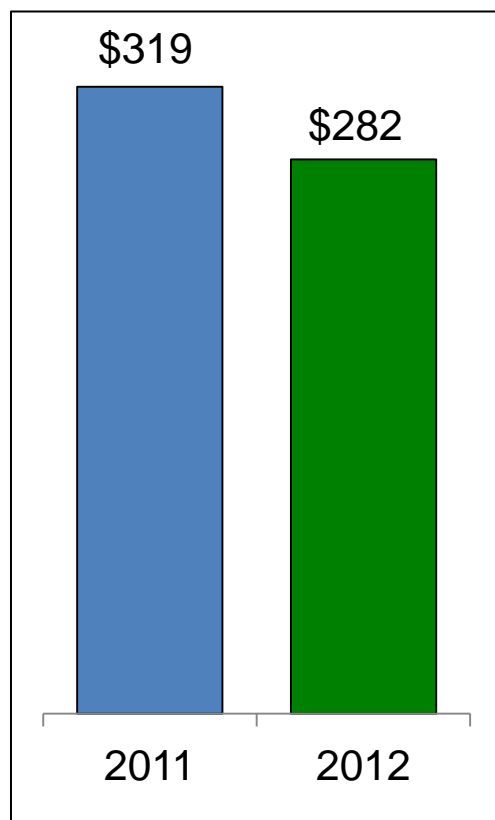
Non-GAAP Financial Measures

This presentation includes the following non-GAAP financial measures: “Adjusted EBITDA”, “Adjusted EBITDA margin”, “free cash flow” and “net debt.” We define Adjusted EBITDA as net income / (loss) before interest, taxes, depreciation, amortization, restructuring items and other adjustments described in the reconciliations provided in this presentation. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenues. Free cash flow is defined as cash provided by operating activities less cash disbursed for purchases of property, plant and equipment. Net debt represents total debt less cash and cash equivalents. We use Adjusted EBITDA, Adjusted EBITDA margin, free cash flow and net debt as supplements to information provided in accordance with generally accepted accounting principles (“GAAP”) in evaluating our business and they are included in this presentation because they are four of the principal factors upon which our management assesses performance. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP are set forth below. The non-GAAP measures presented above are not measures of performance under GAAP. These measures should not be considered as alternatives for the most directly comparable financial measures calculated in accordance with GAAP. Other companies in our industry may define these non-GAAP measures differently than we do and, as a result, these non-GAAP measures may not be comparable to similarly titled measures used by other companies in our industry; and (ii) certain of our non-GAAP financial measures exclude financial information that some may consider important in evaluating our performance. Given the inherent uncertainty regarding special items and other expense in any future period, a reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not feasible. The magnitude of these items, however, may be significant.

International Segment - - Q3 2012 vs. Q3 2011

(in \$ millions)

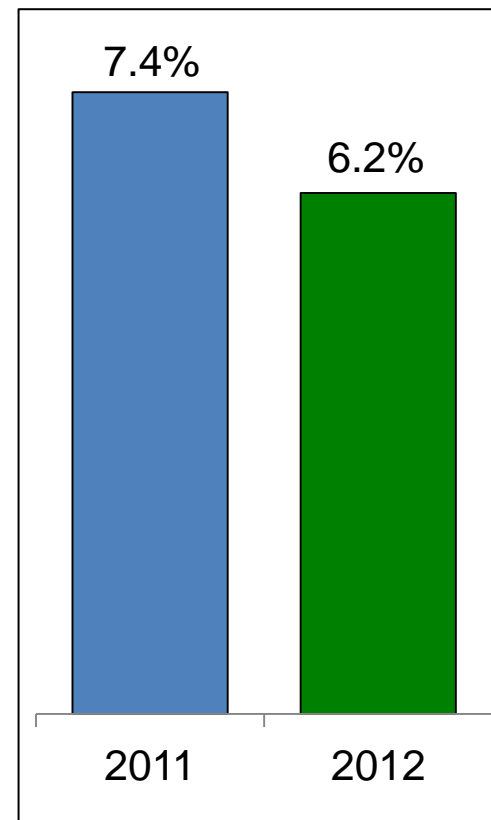
Revenue



Adjusted EBITDA



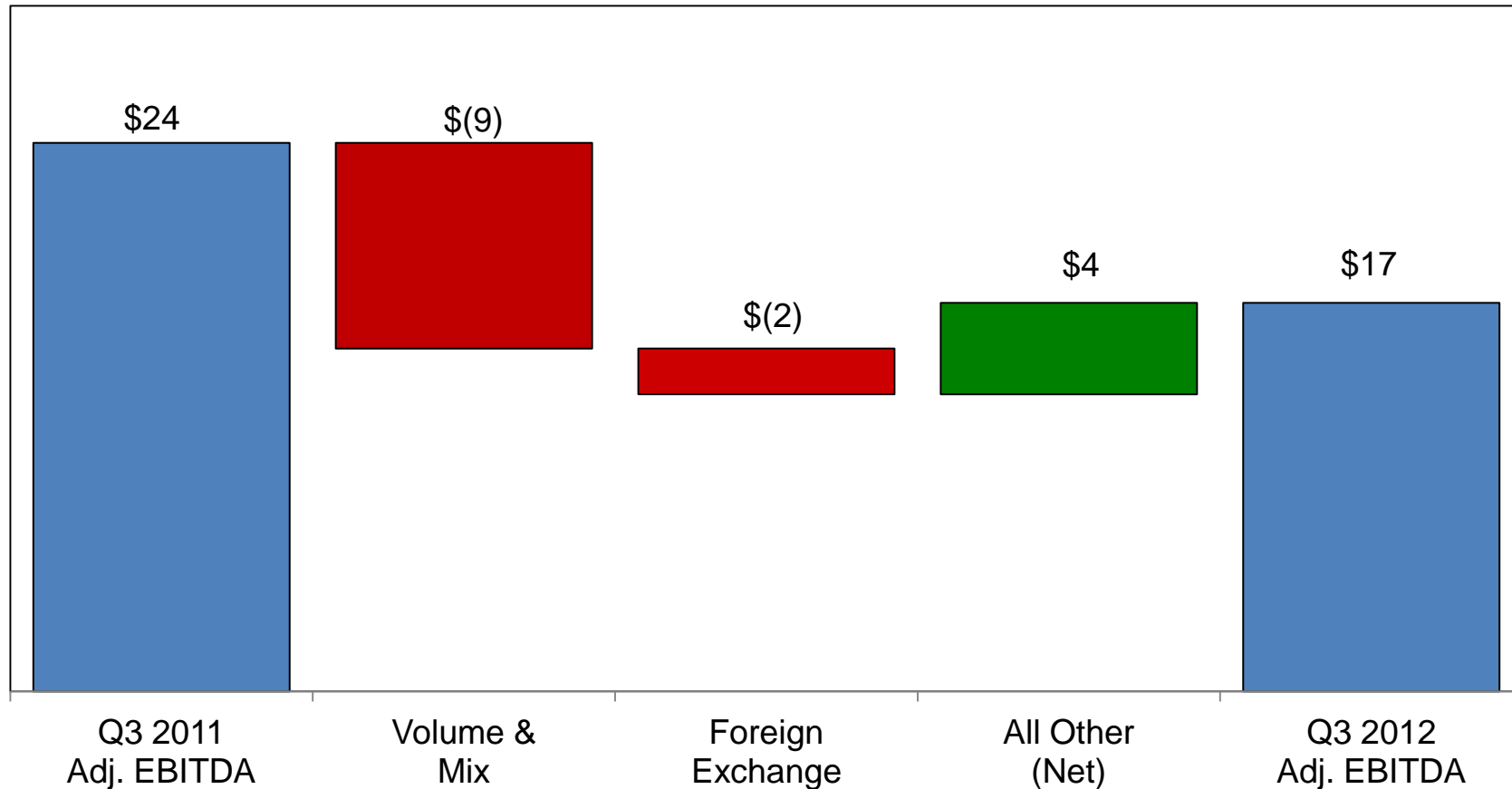
Adjusted EBITDA Margin



International

Q3 2012 Adjusted EBITDA Compared With Q3 2011

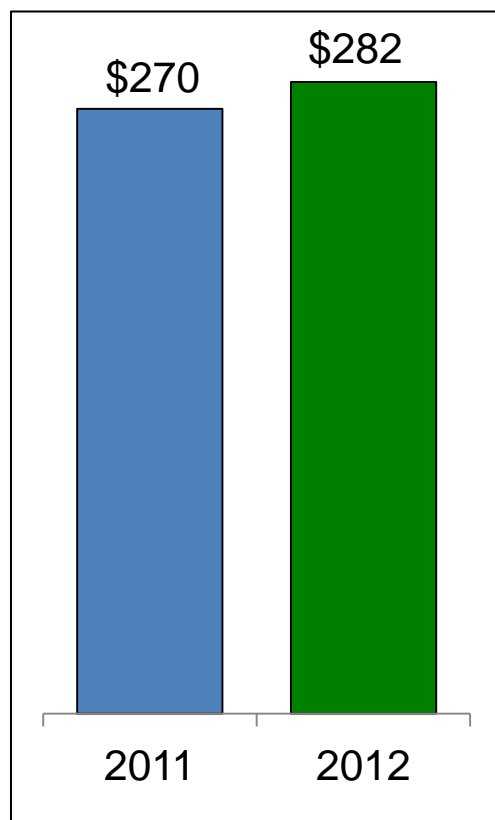
(in \$ millions)



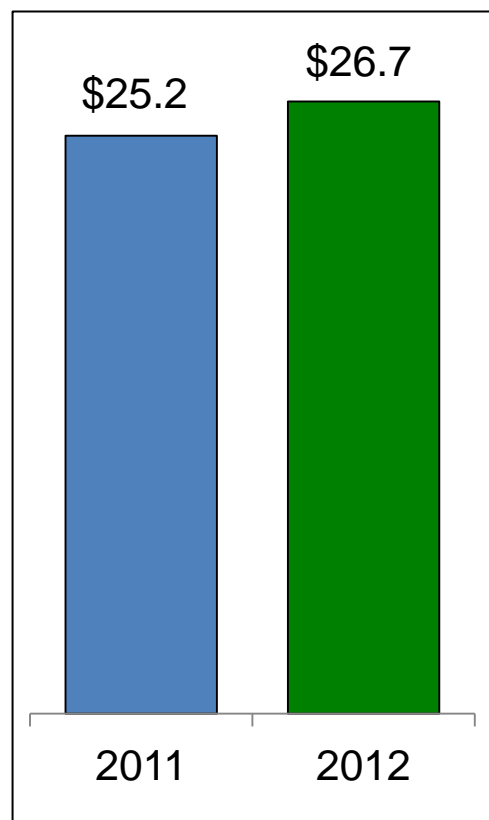
Americas Segment - - Q3 2012 vs. Q3 2011

(in \$ millions)

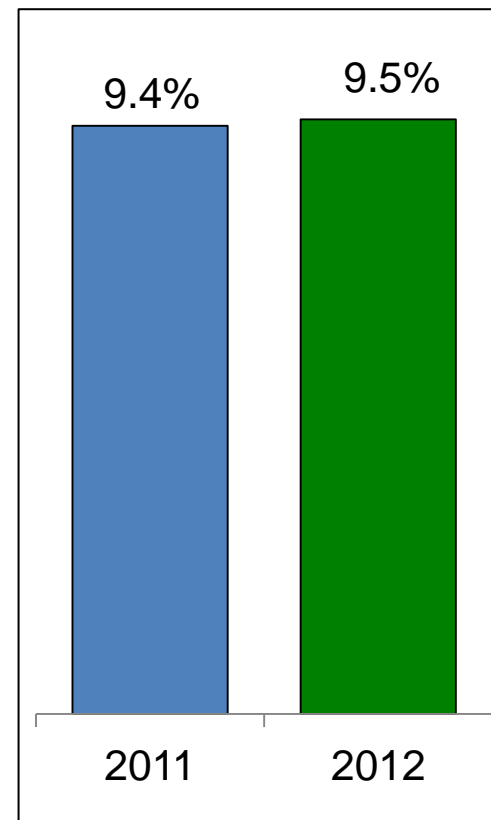
Revenue



Adjusted EBITDA

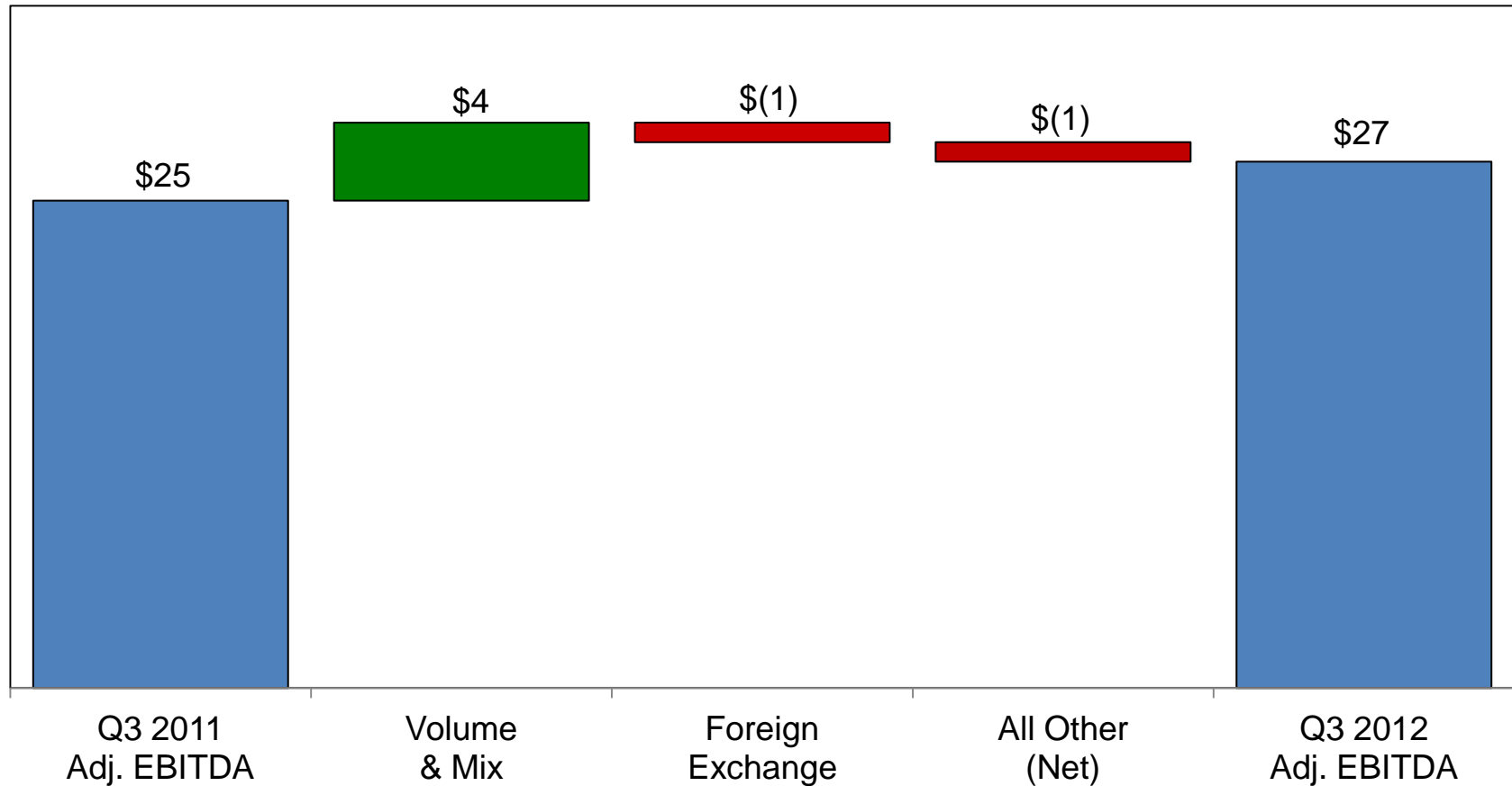


Adjusted EBITDA Margin



Q3 2012 Adjusted EBITDA Compared With Q3 2011

(in \$ millions)



Adjusted EBITDA

(in \$ millions)

	2011				2012		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Adjusted EBITDA	\$ 65.7	\$ 55.6	\$ 48.9	\$ 57.4	\$ 50.8	\$ 67.9	\$ 44.2
Restructuring and asset impairments	(0.5)	(1.2)	(0.5)	(0.5)	(1.9)	(2.9)	(3.2)
Depreciation & amortization	(30.1)	(31.6)	(27.8)	(25.0)	(25.7)	(25.8)	(26.8)
Acquisition costs and other	(0.1)	(1.2)	-	(0.1)	-	(0.1)	(0.2)
Incentive compensation related to funding events	(4.5)	(4.7)	(4.7)	(4.5)	(4.2)	(2.1)	-
Premium on retirement of senior secured notes	(0.9)	-	(0.4)	(0.1)	-	-	-
Interest expense, net	(12.3)	(15.9)	(16.7)	(16.3)	(15.4)	(15.6)	(14.9)
Provision for income taxes	(6.6)	(2.6)	(2.5)	(3.1)	(2.4)	(12.9)	(2.3)
Noncontrolling interest, net of tax	(1.7)	(1.2)	(1.1)	(1.1)	(1.4)	(1.6)	(1.6)
Net income / (loss) attributable to Tower International, Inc.	\$ 9.0	\$ (2.8)	\$ (4.8)	\$ 6.7	\$ (0.2)	\$ 6.9	\$ (4.8)

Free Cash Flow

(in \$ millions)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2012	2011	2012	2011
Net cash provided by operating activities*	\$ 3.7	\$ (5.9)	\$ 25.8	\$ 1.0
Cash disbursed for purchases of PP&E, net*	(31.0)	(30.4)	(106.6)	(82.9)
Free cash flow	<u>\$ (27.3)</u>	<u>\$ (36.3)</u>	<u>\$ (80.7)</u>	<u>\$ (82.0)</u>

*From GAAP Consolidated Statement of Cash Flow s

Certain Items Included in Net Income/(Loss)

(in \$ millions)

	Three Months Ended		Nine Months Ended	
	Sept. 30,		Sept. 30,	
	2012	2011	2012	2011
Income / (expense) items included in net income / (loss), net of tax:				
<i>Selling, general and administrative expenses</i>				
Incentive compensation related to funding events	\$ -	\$ (4.4)	\$ (6.1)	\$ (13.2)
Acquisition costs	-	-	-	(1.1)
<i>Interest expense</i>				
Acceleration of the amortization of debt issue costs and OID	-	(0.7)	-	(1.5)
Settlement of value added tax audit in Brazil	-	-	-	2.8
<i>Restructuring expense</i>				
Severance costs in Europe	-	-	(1.2)	-
Plant relocation costs	(1.7)	-	(2.9)	-
Asset impairments	(0.6)	-	(0.6)	-
Adjustment of lease liability	-	-	-	0.8
<i>Other income</i>				
Retirement of senior secured notes	-	(0.3)	-	(1.2)
<i>Provision for income taxes</i>				
German tax audit	1.1	-	1.1	-
Valuation allowance in Brazil	-	-	(6.5)	-
Tax law and tax election changes	-	-	-	1.4
Total items included in net income / (loss)	<u>\$ (1.2)</u>	<u>\$ (5.4)</u>	<u>\$ (16.2)</u>	<u>\$ (12.0)</u>
Net income / (loss) attributable to Tower International, Inc.	\$ (4.8)	\$ (4.8)	\$ 1.9	\$ 1.4
Memo: Average shares outstanding (Mils.)				
Basic	20.2	19.6	20.1	19.3
Diluted	20.2	19.6	20.5	20.0
Income / (loss) per share (GAAP)				
Basic	\$ (0.24)	\$ (0.25)	\$ 0.10	\$ 0.07
Diluted	(0.24)	(0.25)	0.09	0.07
Diluted adjusted income / (loss) per share (non-GAAP)*	(0.18)	0.03	0.88	0.67

* Excludes the certain items shown above

Industry Production Volume (Oct. IHS)

(Vehicles in millions)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>
<u>2012</u>					
Europe	5.2	5.0	4.2	4.5	18.9
Korea	1.2	1.2	0.9	1.2	4.5
China	4.1	4.2	4.1	4.6	17.0
North America	4.0	4.0	3.6	3.6	15.2
Brazil	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>0.8</u>	<u>3.2</u>
Total	<u>15.2</u>	<u>15.2</u>	<u>13.7</u>	<u>14.7</u>	<u>58.8</u>
<u>2012 Over/(Under) 2011</u>					
Europe	(1) %	(6) %	(6) %	(10) %	(6) %
Korea	8	(1)	(14)	(2)	(2)
China	1	16	8	6	8
North America	17	28	14	5	16
Brazil	(9)	(5)	5	21	3
Total	4 %	8 %	3 %	0 %	4 %