

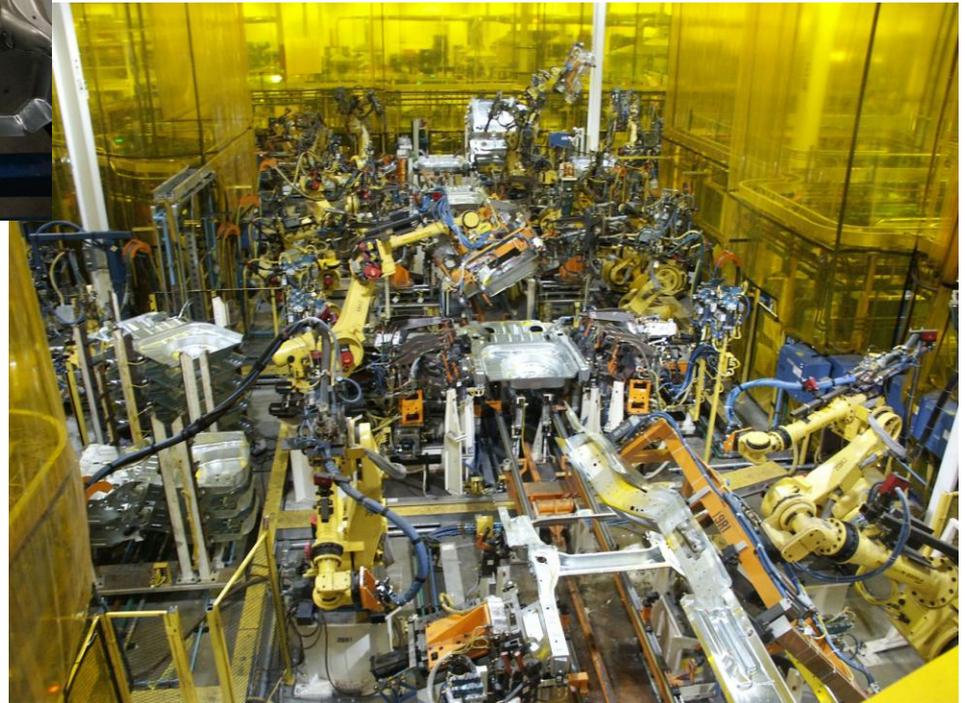


# Deutsche Bank Global Automotive Conference

## January 12, 2016

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 and the outlook for revenue, Adjusted EBITDA, capital expenditures, Free Cash Flow, operating cash flow, and divestitures. 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. 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. We do not assume any obligation to update or revise the forward-looking statements contained in this presentation.

# Complex Assemblies



# Some Developments Since Last Year's Conference

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- Sold facility in Italy to rationalize capacity and increase Europe margin
- Re-priced Euro Debt Swaps – lowered interest rate and collected \$32M
- Awarded major new business in North America (\$240M ongoing annual revenue)
- Completed accretive acquisition of Mexican supplier
- Initiated quarterly dividend
- Announced plans to investigate the sale of Tower Europe
- Sold two China JVs
- Sold one of our two operations in Brazil
- Ranked #1 on Forbes' 2015 list of “Most Trusted Companies”
- Extended streak to 21 successive quarters since Tower's IPO that we met or beat earnings consensus

# Significant New Business Wins in North America

(in approximate \$ millions)

<u>Date Announced</u>	<u>Projected Ongoing Annual Revenue</u>	<u>Capex Plus Launch</u>	<u>Projected Ongoing Annual Adj. EBITDA</u>
Feb. 2015	\$ 100	\$ 45	
May/July 2015*	\$ 140	\$ 60	
<b>Total 2015 Major Awards</b>	<b>\$ 240</b>	<b>\$ 105</b>	<b>\$ 35</b>
<b>Memo: Percent of Revenue</b>		<b>44%</b>	<b>15%</b>
<b>"Acquisition Multiple"***</b>		<b>3X</b>	

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\*About \$5 million of projected revenue in 2015 and \$75-\$100 million in 2016

\*\*Capex plus launch vs. ongoing adjusted EBITDA

**Wins demonstrate strong competitive position and will provide significant profitable organic growth.**

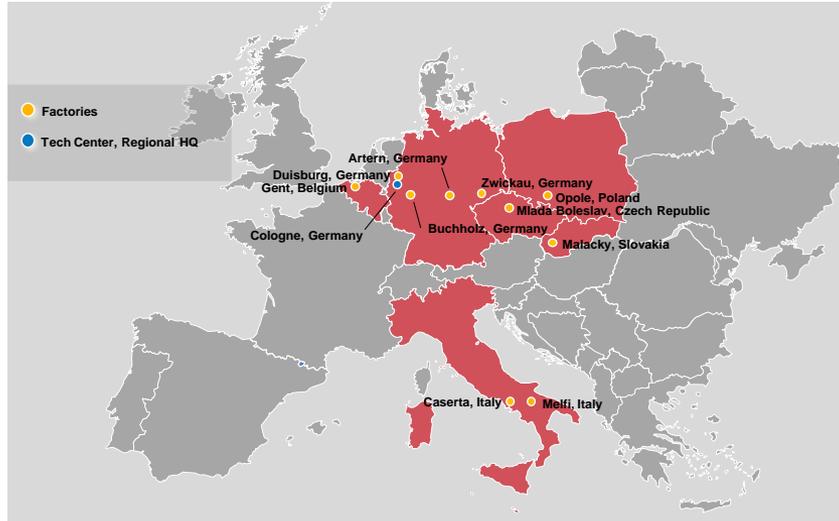
# Potential Sale of Tower Europe: How This Can Benefit Shareholders

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- Demonstrate through sum-of-the-parts valuation what we believe is a major disconnect between TOWR's present stock price and the Company's intrinsic value.
- Focus shareholders on a Tower North America business with strong growth, profit margin, and cash flow comparable to or better than other auto parts companies that have significantly higher valuation multiples.
- Result in a very strong Tower balance sheet.
- Provide Tower the financial flexibility to invest in additional accretive growth and/or to buy back stock.

# Overview of Tower Europe

## Locations



## Key Vehicle Platforms

- Volvo V40
- Mercedes Sprinter
- Porsche Cayenne
- VW Up
- Fiat 500/500X
- Fiat Jeep Renegade
- Skoda Octavia
- Porsche Macan
- VW Caddy Van
- BMW 3-Series

## Modern Technology

Hot Forming?	Yes
Aluminum Forming & Joining?	Yes
Servo Transfer Press?	Yes

## Directional Financial Data

(in \$ millions with €=\$1.10)

Proj. 2015

- Revenue ~ \$650
- Adj. EBITDA\* ~ \$70  
 - Margin ~ 10.5-11%
- Free Cash Flow\*\*  
 - Pct. of Revenue ~ 5%

\* Excluding allocated U.S. corporate cost

\*\* Unlevered and excluding customer tooling

# Status of Potential Sale of European Operations

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- Multiple strategic bidders invited into next phase based on indicative, non-binding offers received before year-end.
- On track to reach go / no-go decision by about late First Quarter 2016.
- No assurance that a sale will be completed.
  - Tower Europe will be sold only if we receive a satisfactory binding offer.

## China

- **Two JVs sold on terms consistent with prior projections.**
  - Cash proceeds received: Q4 \$48 million, Full Year \$58 million.
  - Total enterprise value received (mainly also including elimination of noncontrolling interests in Tower's net assets): \$88 million.
  - As a reminder, no revenue or income from these JVs have been included in Tower's reported results from continuing operations in 2015, as they were accounted for as discontinued operations.

## Brazil

- **Tower sold one of its two operations in Brazil in the Fourth Quarter;** this divestiture had not previously been discussed by the Company.
  - Net cash proceeds and enterprise value received: \$9 million.
  - 2015 financial results for sold business: Revenue ~\$30 million, minor Adjusted EBITDA loss.

## Remaining China and Brazil Business

- Following these divestitures, Tower projects 2016 revenue in China and Brazil combined of about \$100 million.

# Compellingly Strong Growth Outlook For Tower North America

(in \$ millions)

	Projected 2015	Directional 2017	Proj. 2015-17 Growth	
			Average Annual	2-Year Total
Revenue	~\$1,135	~\$1,350	~9%	~19%
Adjusted EBITDA	~\$135	~\$165-170	~11%	~24%
- Margin	~11.5-12%	~12-12.5%	+25bps	+50bps
Free Cash Flow*				
- Percent of Revenue	~1%	~5%		
- With Normalized Capex	~4.5%	~5.5%		

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\* Unlevered and excluding customer tooling (which nets to \$0 over program life)

# 2015 Capital Deployment (From Oct. 30 Earnings Call)

(in \$ millions)

## Projected Net Capital In-Flows

Operating Cash Flow	\$ 140 *
Capital Expenditures	<u>(85)*</u>
Subtotal	\$ 55
Debt Swap Cash Gains	32
China JV Sales (after-tax)	58
Customer Tooling	<u>(25)**</u>
Proj. Capital In-Flows	<u>\$ 120</u>

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\* Excluding customer tooling and capex and up-front expenses related to major new business awards.

\*\* Nets to \$0 over time

## Projected Capital Deployment

• Accretive Organic Growth (Major new business awards)	\$ 55
• Accretive Acquisition (Mexico)	21
• Cash Dividends	2
• De-leveraging	<u>42</u>
Proj. Capital Deployment	<u>\$ 120</u>

• **We are delivering operating cash flow and deploying capital consistent with our priorities to add shareholder value:**

- **Accretive growth (both organic major new business and the acquisition in Mexico), plus**
- **Return to shareholders (initiating regular dividend), with**
- **Remainder used to continue de-leveraging.**