First Quarter 2013 Results

May 2, 2013

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 and the outlook for revenue, Adjusted EBITDA , Adjusted EPS, and free cash flow. 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:

- global automobile production volumes;
- the financial condition of our customers and suppliers;
- our ability to make scheduled payments of principal or interest on our indebtedness and comply with the covenants and restrictions contained in the instruments governing our indebtedness;
- our ability to refinance our indebtedness;
- 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 at our facilities or at the facilities of our customers or suppliers;
- our ability to integrate acquired businesses;
- risks associated with business divestures; 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

- **First Quarter earnings and free cash flow significantly exceeded our expectations.**
  - A favorable combination of strong execution (including pull-ahead of previously anticipated Second Quarter actions) and customer production slightly better than expected (mainly in Europe).
- **We have decided to sell Tower Defense & Aerospace (TDA).**
  - Based on an anticipated longer-term challenging macro outlook for TDA's defense customers.
- **An opportunistic, accretive debt tender and re-financing was achieved in late April.**
  - Significantly strengthening Tower's ongoing free cash flow and EPS.
- **Full year financial guidance has been updated with meaningful improvements in the outlook for Adjusted EPS and free cash flow.**

See Appendix for comments regarding non-GAAP financial measures.

Planned Sale of TDA

- Tower Defense & Aerospace (TDA) was established in April 2011 through an acquisition.
  - The objective was to supplement automotive growth by leveraging our core skills in this adjacent industry involving structural metal components.
  - Existing assets had potential annual revenue capacity of about $200 million (vs. the then run-rate of about $50 million), with anticipated margins at or above automotive and good cash conversion because of relatively low capex.

- As anticipated, Tower significantly upgraded the capabilities and performance of TDA, receiving positive feedback from existing and several potential new customers.

- Rather than growing, however, revenue has declined to less than half the original rate, mainly reflecting macro issues resulting in a lack of business for TDA's defense customers.
  - We believe the severely depressed business conditions are likely to continue for the foreseeable future.

- We are selling TDA to avoid losses and to recognize that potential business recovery involves considerable risk in timing and amount.
  - We anticipate being able to sell TDA this year to a strategic buyer or an "asset liquidator".
  - The preliminary estimate is a non-cash write-down of up to $12 million in the Second Quarter.

- We plan to exclude this year's operating loss and write-down at TDA from Tower's 2013 Adjusted EBITDA and Adjusted EPS.

See Appendix for comments regarding non-GAAP financial measures.

Debt Tender and Re-Financing

	Prior Sr. Secured Notes	New Sr. Secured Loan	Change	Memo: Estimated 2013 Effects
Amount				
- Balance Sheet (ex-OID)	$355M	$418M		
- Face Value (at par)	$362M	$420M	+$58M [1]	
Maturity Date	9/17	4/20	+2.6 Yrs.	
- 100% Call Date	9/14			
Interest Rate (ex-OID)	10.625%	5.75% [2]	-4.875%	
Annual Interest Expense	$40M	$24M	$16M	+$8M
Annual Free Cash Flow			**+$14M**	$0 [3]
Annual Earnings Per Share			**+$0.75**	**$0.40**

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1. Reflects tender/call premiums, plus fees, expenses, and accrued interest.
2. LIBOR (floor of 1.25%) plus 450 bps.
3. Ongoing cash benefit will be approximately offset in 2013 by switch from semi-annual interest payments on prior notes to quarterly payment on new loan.

The successful debt tender and re-financing (which closed April 23) accelerated significant ongoing improvements in free cash flow and EPS, while eliminating the market risk of waiting until the first 100% call date in Sept. 2014.

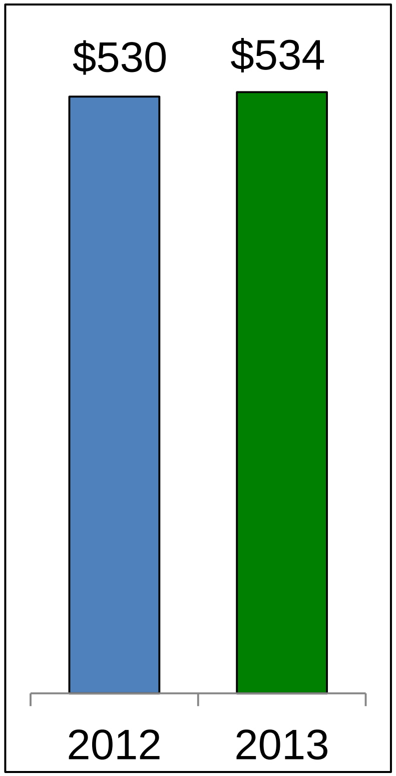
– **There will be approximately no net cost from the early tender vs. waiting until the 100% call date, as the added up-front costs will be offset by the cash interest savings realized by Sept. 2014.**

See Appendix for comments regarding non-GAAP financial measures.

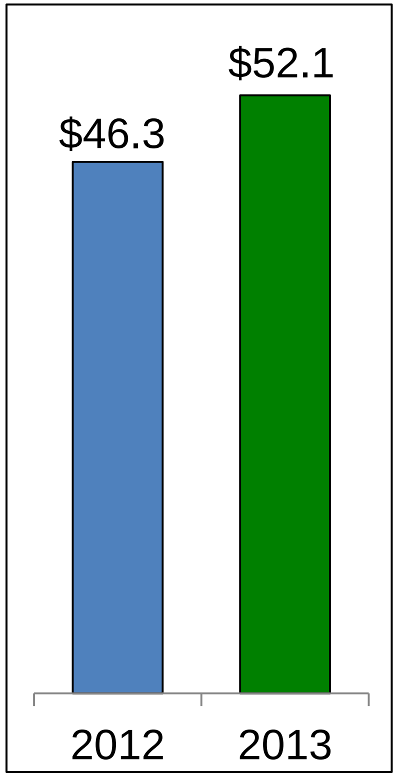
Total Company
First Quarter Financials - - 2013 vs. 2012

(in $ millions)

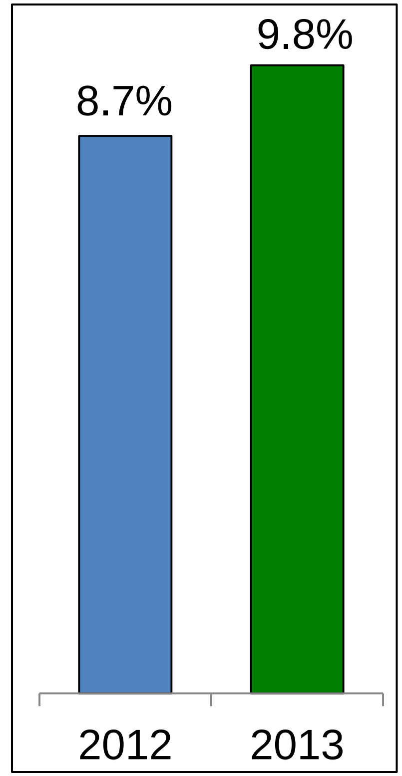
Revenue



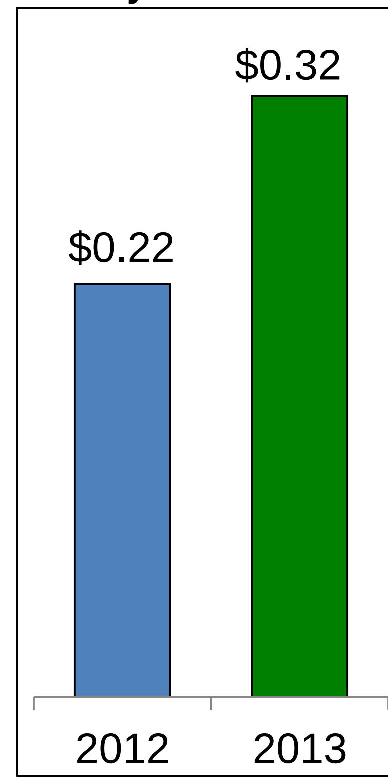
Adjusted EBITDA



Adj. EBITDA Margin



Adjusted EPS

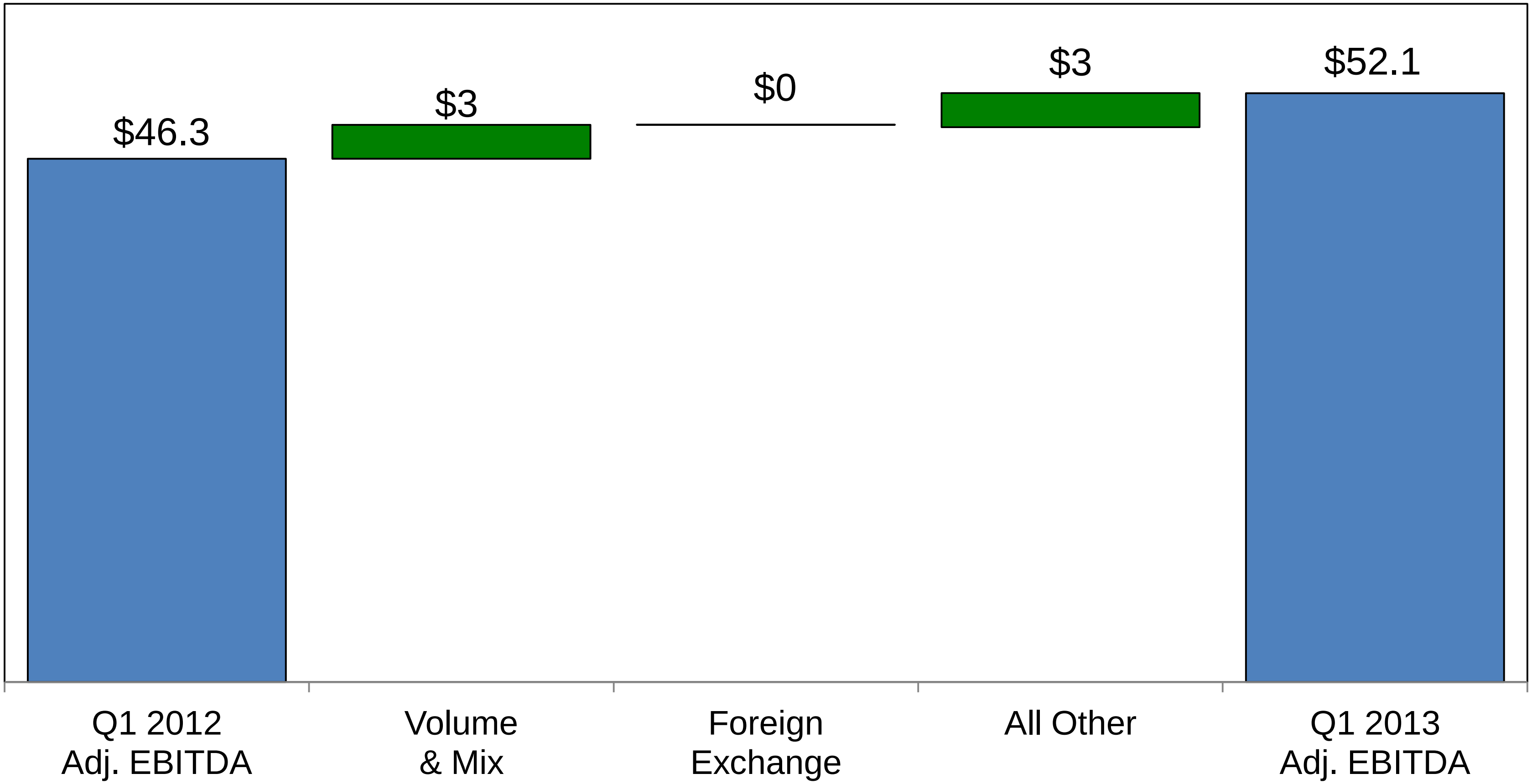


- **Q1 2013 revenue was $534M, up $4M or 1% from Q1 2012.**
- **Adjusted EBITDA was $52.1M, up $5.8M or 13%.**
- **Adjusted EBITDA margin improved to 9.8%.**
- **Adjusted EPS was up 45% from a year ago, to 32 cents.**

See Appendix for comments regarding non-GAAP financial measures.

Total Company
Q1 2013 Adjusted EBITDA Compared With 2012

(in $ millions)



- **Volume and mix was net favorable vs. a year ago. Lower customer production in Europe was more than offset by higher production in all other Tower markets.**
- **All other non-volume factors (i.e., cost and pricing) were also net favorable, in part reflecting lower launch cost and non-recurrence of TDA's inefficiencies a year ago. Manufacturing and Purchasing efficiencies fully offset customer price reductions and labor and overhead economics.**

See Appendix for comments regarding non-GAAP financial measures.

First Quarter 2013 Free Cash Flow

(in $ millions)

	Q1 2013
Adjusted EBITDA	$ 52
Capital Expenditures	(15)
Cash Interest	(22)
Cash Taxes	(4)
Working Capital & Other	(24)
Free Cash Flow	**$ (13)***
- Better Than Guidance	$17-$27

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*Excludes net proceeds of $16M received in January from second payment on Korea sale.

Although seasonally negative, free cash flow in Q1 was much better than expected, reflecting capex timing and higher Adjusted EBITDA.

See Appendix for comments regarding non-GAAP financial measures.

Quarter-End Net Debt, Leverage, & Liquidity

(in $ millions)

	March 31, 2013	Pro Forma New Term Loan
Net Debt		
Cash	$ 111	$ 111
Gross Debt	(491)	(554)
Net Debt	**$(380)**	$ (443)
Debt-to-LTM Adj. EBITDA		
Gross	2.4X	2.7X
Net	**1.9X**	**2.2X**
Liquidity	**$ 209**	$ 209

- **Quarter-end actual net debt leverage was 1.9X, with good liquidity of $209 million.**
- **Pro forma for the new term loan, liquidity is maintained and net debt leverage increases to 2.2X. The 0.3X increase in leverage will be "naturally addressed" by the ongoing free cash flow benefit of the significantly lower interest rate.**

See Appendix for comments regarding non-GAAP financial measures.

Guidance Updates

(in $ millions, except EPS)

	Full Year		Second Quarter	
	Prior	Present	Prior	Present
• **Revenue**	$2,100-$2,150	$ 2,125	NA	$ 540
• **Adjusted EBITDA**	$ 200-$210	$205-$210	$ 57-$62	$ 55-$58
- First Half			$ 99-$109	$107-$110
• **Adjusted EPS**	$ 1.10-$1.40	$ 1.65	NA	$ 0.55
• **Free Cash Flow**	$ 15-$25	$ 25	$0	$ (10)
- First Half			**$(30)-$(40)**	**$ (23)**

- **Based on strong First Quarter execution, present customer production schedules for the Second Quarter, and the successful debt re-financing, we have selectively increased key financial targets for the full year.**
- **The anticipated improvement in First Half Adjusted EBITDA and free cash flow vs. prior guidance provides a more-confident framework for achieving projected full year results (i.e., less dependent on industry improvements in the Second Half, especially in Europe).**

See Appendix for comments regarding non-GAAP financial measures.

Demonstrated Free Cash Flow Capability Increased to 2% of Revenue

TOWER INTERNATIONAL

Trend Business Model (% of Rev.)

	Demonstrated Capability	Better Than Prior	Achievable Improvement by 2015
Adjusted EBITDA	9-10%		
Capex	(4)-(5)		
EBITDA less Capex	≈ 5%		+1%
Customer Tooling	0		
Interest	≈ (1.5)	+1%	
All Other*	≈ (1.5)		
Free Cash Flow	≈ 2%		

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* Cash taxes, pension contributions, working capital & other

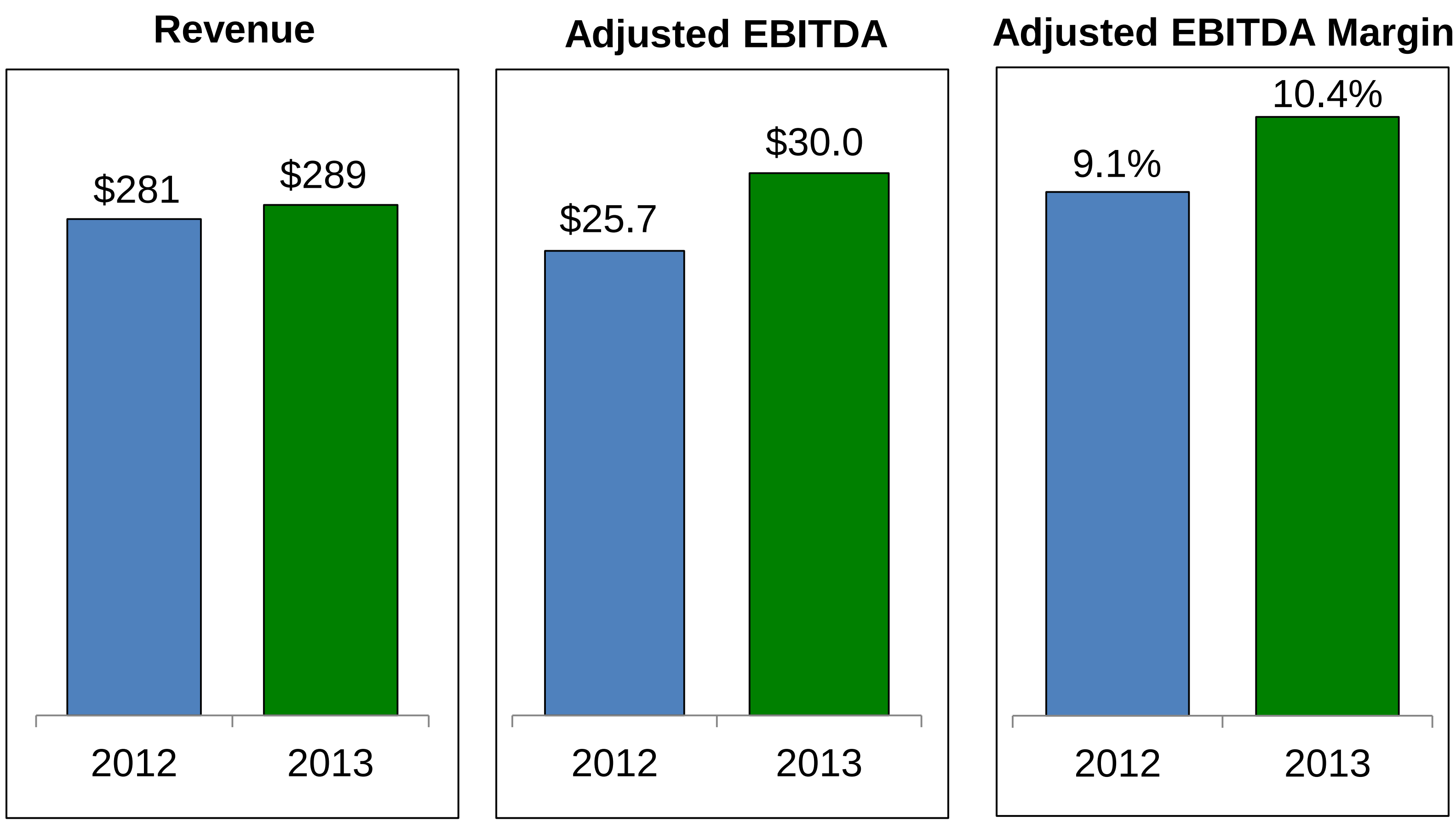
- **We now estimate that the demonstrated capability of Tower's business model (at normalized conditions) will generate ongoing free cash flow averaging about 2% of revenue.**
  - **This includes the ongoing interest benefit of the new loan.**
- **Free cash flow at 2% of revenue would be a yield of about 13% of TOWR's present market cap.**
  - **With realistically achievable and planned improvements, we believe free cash flow can grow to about 3% of revenue by about 2015.**
- **Focusing on free cash flow keeps us disciplined regarding product pricing and margins, as well as determining and prioritizing affordable capital expenditures.**

See Appendix for comments regarding non-GAAP financial measures.

APPENDIX

Americas Segment - - Q1 2013 vs. Q1 2012

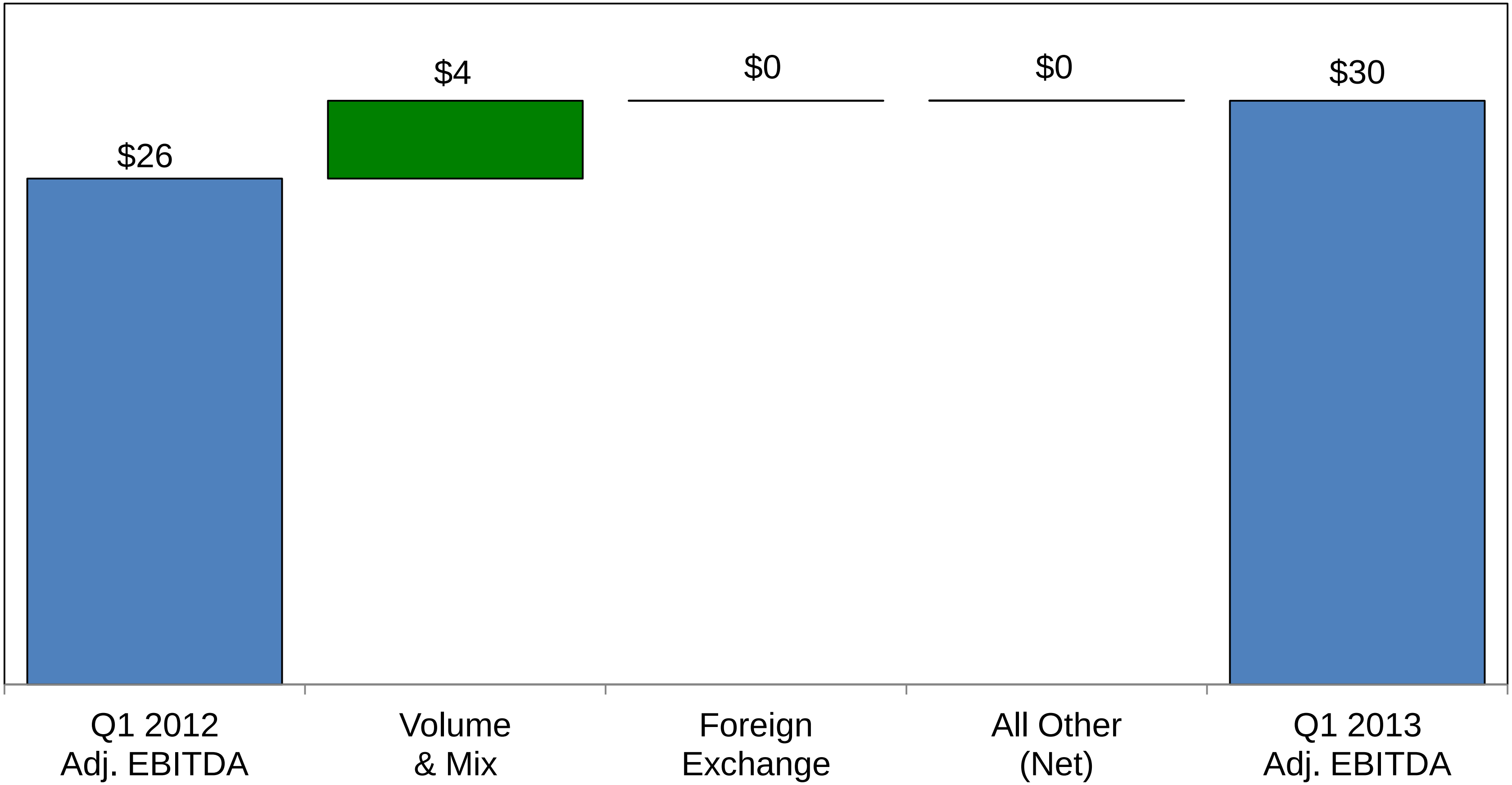
(in $ millions)



See slide 20 for comments regarding non-GAAP financial measures.

Americas
Q1 2013 Adjusted EBITDA Compared With Q1 2012

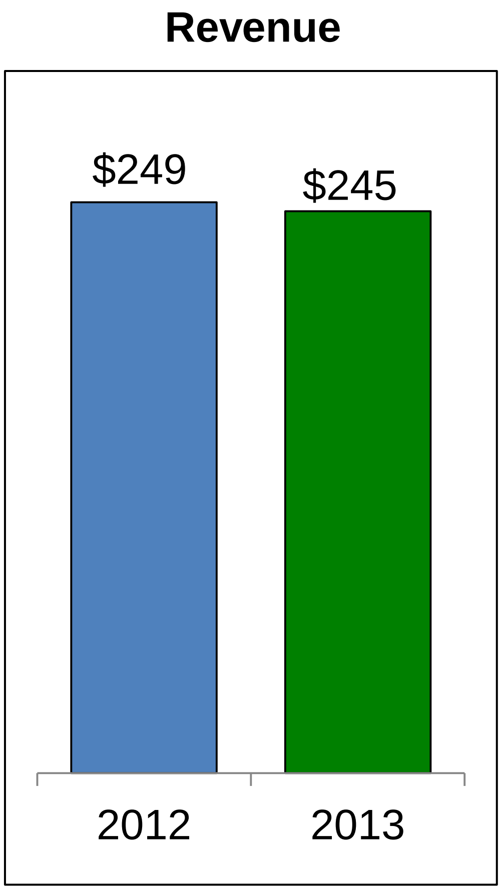
(in $ millions)

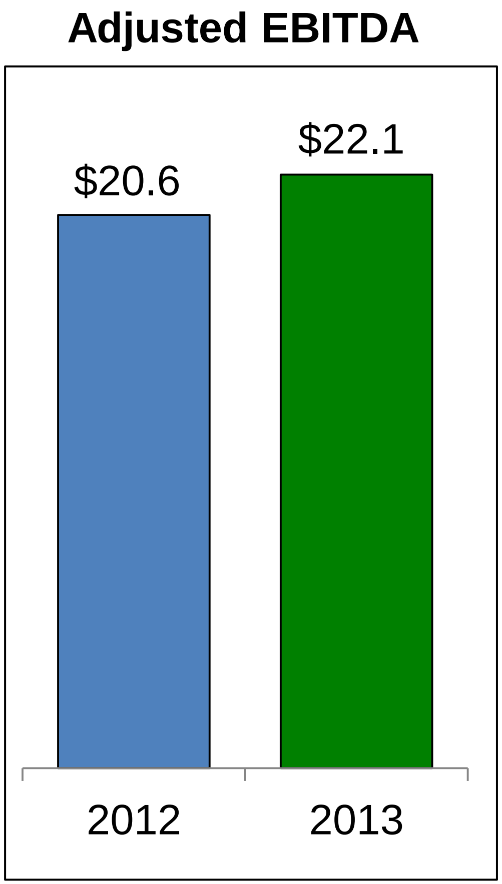


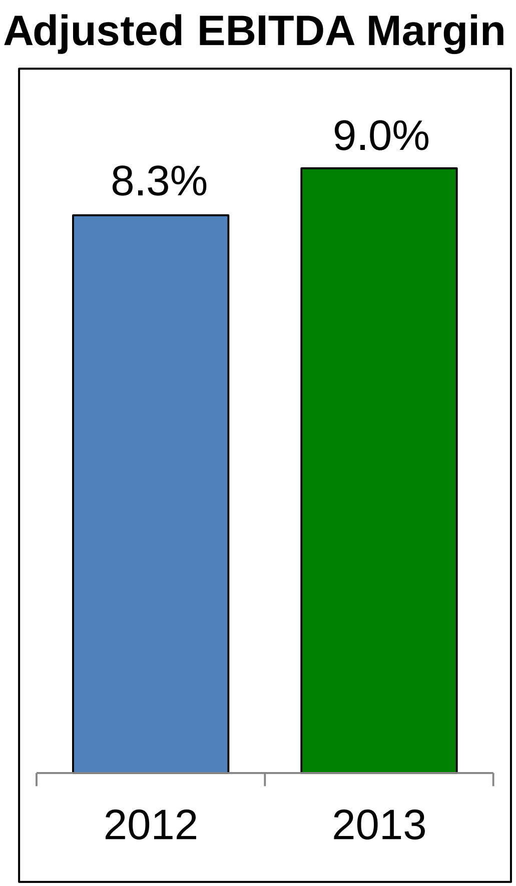
See slide 20 for comments regarding non-GAAP financial measures.

International Segment - - Q1 2013 vs. Q1 2012

(in $ millions)



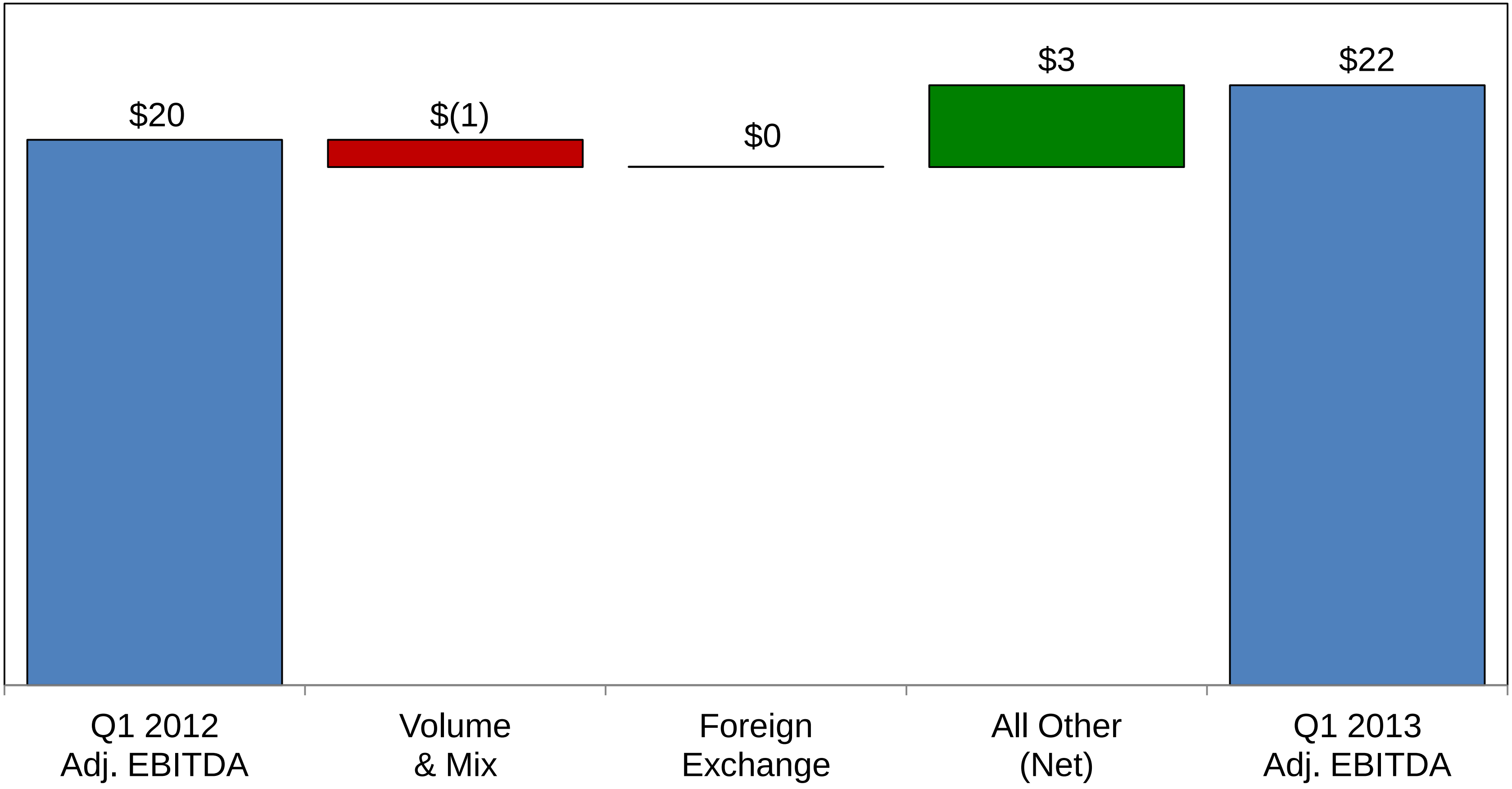




See slide 20 for comments regarding non-GAAP financial measures.

International
Q1 2013 Adjusted EBITDA Compared With Q1 2012

(in $ millions)



See slide 20 for comments regarding non-GAAP financial measures.

Income Statement

(in $ millions)

	Three Months Ended Mar. 31, 2013		Three Months Ended Mar. 31, 2012	
Revenues	$	534.1	$	529.7
Cost of sales		476.1		473.2
Gross profit		58.1		56.5
Selling, general and administrative expenses		33.4		36.5
Amortization expense		0.8		1.2
Restructuring and asset impairment charges, net		2.7		1.9
Operating income		21.2		16.9
Interest expense		13.4		13.8
Interest income		0.3		0.3
Income before provision for income taxes		8.0		3.5
Provision for income taxes		3.5		2.1
Income from continuing operations		4.5		1.3
Income from discontinued operations, net of tax		-		0.7
Net income		4.5		2.1
Less: Net income attributable to the noncontrolling interests		2.0		1.4
Net income attributable to Tower International, Inc.	$	2.5	$	0.6

Balance Sheet

TOWER INTERNATIONAL

(in $ millions)

	Mar. 31, 2013	Dec. 31, 2012
ASSETS		
Cash and cash equivalents	$ 111.1	$ 113.9
Accounts receivable, net of allowance of $2.9 and $4.1	329.0	266.1
Inventories	87.3	81.3
Deferred tax asset - current	8.2	10.4
Prepaid tooling, notes receivable, and other	78.4	96.3
Total current assets	614.1	568.2
Property, plant and equipment, net	558.7	573.1
Goodwill	63.1	64.8
Deferred tax asset - non-current	3.1	3.1
Other assets, net	26.7	28.8
Total assets	$ 1,265.6	$ 1,238.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of capital lease obligations	$ 70.2	$ 74.6
Accounts payable	306.2	264.9
Accrued liabilities	135.3	134.7
Total current liabilities	511.7	474.2
Long-term debt, net of current maturities	411.1	411.6
Obligations under capital leases, net of current maturities	10.2	10.8
Deferred tax liability - non-current	10.7	13.0
Pension liability	97.2	100.8
Other non-current liabilities	86.0	86.9
Total non-current liabilities	615.1	623.1
Total liabilities	1,126.9	1,097.2
Stockholders' Equity:		
Tower International, Inc.'s stockholders' equity		
Common stock, $0.01 par value, 350,000,000 authorized, 20,898,098 issued and 20,292,763 outstanding at March 31, 2013 and 20,830,425 issued and 20,247,134 outstanding at December 31, 2012	0.2	0.2
Additional paid in capital	322.2	321.0
Treasury stock, at cost, 605,335 shares as of March 31, 2013 and 583,291 shares as of December 31, 2012	(8.6)	(8.3)
Accumulated deficit	(234.7)	(237.2)
Accumulated other comprehensive loss	(20.3)	(12.5)
Total Tower International, Inc.'s stockholders' equity	58.9	63.2
Noncontrolling interests in subsidiaries	79.9	77.6
Total stockholders' equity	138.7	140.9
Total liabilities and stockholders' equity	$ 1,265.6	$ 1,238.1

Consolidated Statement of Cash Flows

(in $ millions)

	Three Months Ended Mar. 31, 2013	Three Months Ended Mar. 31, 2012
Cash flows - operating activities		
Net income	$ 4.5	$ 2.1
Less: Income from discontinued operations, net of tax	-	0.7
Income from continuing operations	4.5	1.3
Non-cash restructuring and asset impairments, net	1.0	-
Deferred income tax provision / (benefit)	0.1	(0.3)
Depreciation and amortization	25.2	22.3
Non-cash share-based compensation	1.2	4.3
Pension expense, net of contributions	(3.6)	(3.0)
Change in working capital and other operating items	(27.1)	(10.6)
Net cash provided by continuing operating activities	$ 1.3	$ 14.1
Cash flows - investing activities		
Cash disbursed for purchases of property, plant and equipment, net	$ (14.6)	$ (28.7)
Net cash used in continuing investing activities	$ (14.6)	$ (28.7)
Cash flows - financing activities		
Purchase of treasury stock	(0.3)	(0.1)
Proceeds from borrowings	154.2	168.7
Repayments of borrowings	(158.5)	(156.3)
Net cash provided by / (used in) continuing financing activities	$ (4.6)	$ 12.4
Cash flows - discontinued operations		
Net cash from discontinued operating activities	-	(8.4)
Net cash from discontinued investing activities	15.8	(7.2)
Net cash from discontinued financing activities	-	14.0
Net cash from discontinued operations	$ 15.8	$ (1.5)
Net change in cash and cash equivalents	$ (2.0)	$ (3.8)
Cash and cash equivalents - beginning of period	113.9	135.0
Effect of exchange rate changes on cash and cash equivalents	(0.8)	2.8
Cash and cash equivalents - end of period	$ 111.1	$ 134.0

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.

Adjusted EBITDA Reconciliation to GAAP

(in $ millions)

	2012				2013
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Adjusted EBITDA	**$ 46.3**	**$ 62.5**	**$ 44.6**	**$ 44.5**	**$ 52.1**
Restructuring and asset impairments	(1.9)	(2.8)	(3.2)	(2.8)	(2.7)
Depreciation & amortization	(22.3)	(22.4)	(23.5)	(24.7)	(25.2)
Other	(0.2)	(0.1)	(0.1)	-	-
Long-term compensation	(5.0)	(3.2)	(1.1)	(1.1)	(1.4)
Interest expense, net	(13.5)	(13.8)	(13.2)	(13.3)	(13.2)
Closure of Tower Defense & Aerospace	-	-	-	-	(1.6)
(Provision) / benefit for income taxes	(2.1)	(12.5)	(3.0)	2.3	(3.5)
Noncontrolling interest, net of tax	(1.4)	(1.6)	(1.6)	(2.4)	(2.0)
Pension actuarial loss	-	-	-	(19.2)	-
Income / (loss) from discontinued operation, net of tax	0.7	1.6	(2.9)	30.4	-
Net income / (loss) attributable to Tower International, Inc.	**$ 0.6**	**$ 7.7**	**$ (4.0)**	**$ 13.7**	**$ 2.5**

Free Cash Flow Reconciliation to GAAP

(in $ millions)

	Three Months Ended Mar. 31, 2013	Three Months Ended Mar. 31, 2012
Net cash provided by continuing operating activities*	$ 1.3	$ 14.1
Cash disbursed for purchases of PP&E, net*	(14.6)	(28.7)
Free cash flow	$ (13.3)	$ (14.6)

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*From GAAP Consolidated Statement of Cash Flows

Certain Items Included in Net Income/(Loss)

(in $ millions)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Expense items included in net income, net of tax:		
Cost of sales		
Closure of Tower Defense & Aerospace	$ (2.6)	$ -
Selling, general and administrative expenses		
Incentive compensation related to funding events	-	(4.0)
Restructuring expense		
Severance costs in Europe	-	(0.7)
Facility closure	(1.2)	-
One-time restructuring actions	(0.3)	
Discontinued operations		
Income from discontinued operations	-	0.7
Total items included in net income	$ (4.1)	$ (4.0)
Net income attributable to Tower International, Inc.	$ 2.5	$ 0.6
Memo: Average shares outstanding (Mils.)		
Basic	20.3	19.7
Diluted	20.6	20.7
Income per share (GAAP)		
Basic	$ 0.13	$ 0.03
Diluted	0.12	0.03
Diluted adjusted income per share (non-GAAP)*	0.32	0.22

* Excludes the certain items shown above

Industry Production Volume (April IHS)

(Vehicles in millions)

	Q1	Q2	Q3	Q4	Full Year
By Region					
Europe	4.8	4.8	4.3	4.7	18.6
China	4.6	4.6	4.5	5.0	18.7
North America	4.0	4.2	3.9	4.0	16.1
Brazil	0.8	0.8	0.9	0.8	3.3
Total Tower Markets	14.2	14.4	13.6	14.5	56.7
2013 Over/(Under) 2012					
Europe	(8) %	(3) %	(2) %	1 %	(3) %
China	12	9	11	12	11
North America	1	4	7	5	4
Brazil	11	10	1	(2)	4
Total Tower Markets	1 %	3 %	5 %	6 %	4 %