# Third Quarter 2011 Results

## November 3, 2011

# 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, forecasted 2011 revenue, Adjusted EBITDA and free cash flow, new business in the pipeline, industry volume, net steel recovery in the fourth quarter of 2011, outlook for select key drivers in 2012, potential profitable growth in 2013, directional outlook for 2013 with respect to revenues, Adjusted EBITDA and free cash flow 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 affect (and in some cases have affected) our actual results and could cause such 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;
- our ability to operate non-automotive businesses;
- our ability to integrate acquired businesses;
- our customers’ ability to obtain equity and debt financing for their businesses;
- our dependence on our largest customers;
- significant recalls experienced by our customers;
- pricing pressure from our customers;
- potential operating inefficiencies resulting from OEM production volatility;
- work stoppages or other labor issues affecting us or our customers or suppliers;
- risks associated with our non-U.S. operations, including foreign exchange risks and economic uncertainty;
- our ability to integrate acquired businesses;
- costs or liabilities relating to environmental and safety regulations; and
- any increase in the expense and funding requirements of our pension and other postretirement benefits.

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

# Key Take-Aways on Third Quarter

- Third Quarter financial results were solid and better than we had expected.
  - Revenue up 16% from a year-ago (at constant exchange and steel);
  - Adjusted EBITDA up 25%.

- We are confident about near-term prospects, as evidenced by:
  - A further increase in forecasted 2011 Adjusted EBITDA; and
  - Additional pay-down of senior debt.

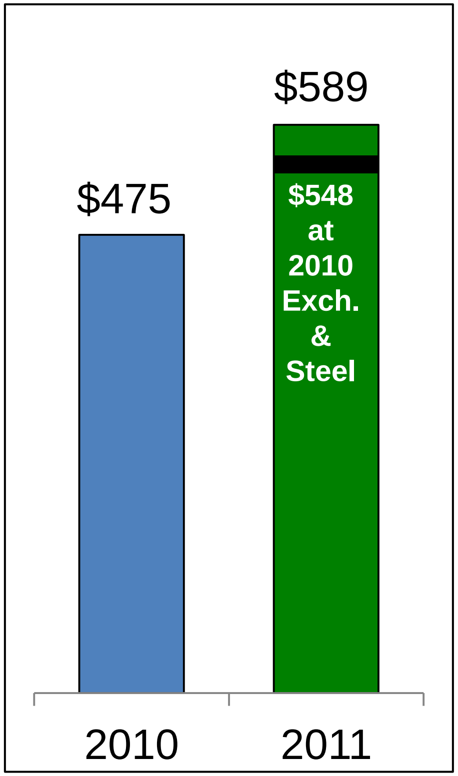
- Longer-term:
  - For 2012, no one can assure that global economies will support continued industry volume recovery, but we are financially and operationally prepared.
  - In 2013, we now have significant new business in the pipeline.
  - And whether the industry recovery resumes in 2012 or 2013, industry volume <u>will</u> recover and grow over time.

*See Appendix for comments regarding non-GAAP financial measures.*

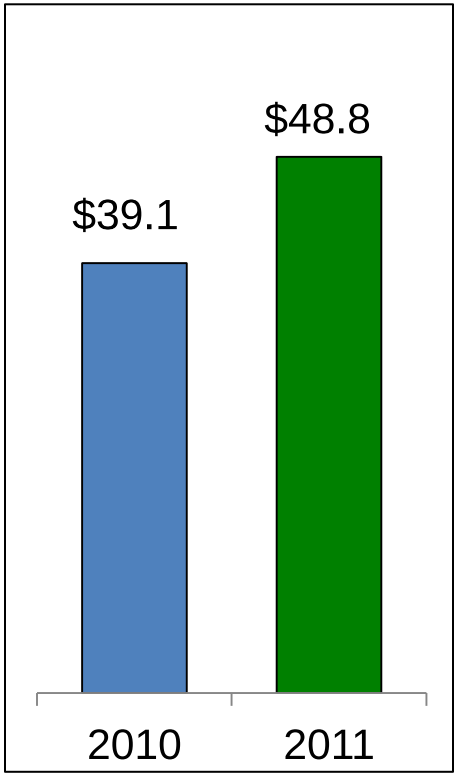
# Total Company
# Third Quarter Financials - - 2011 vs. 2010

(in $ millions)

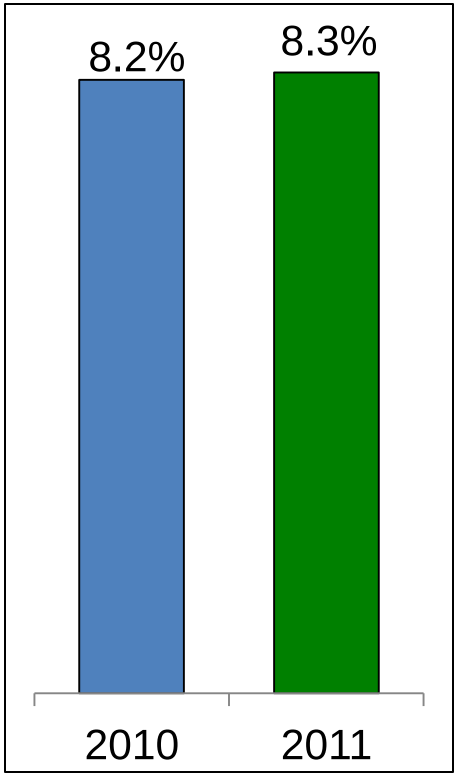
### Revenue




### Adjusted EBITDA




### Adjusted EBITDA Margin

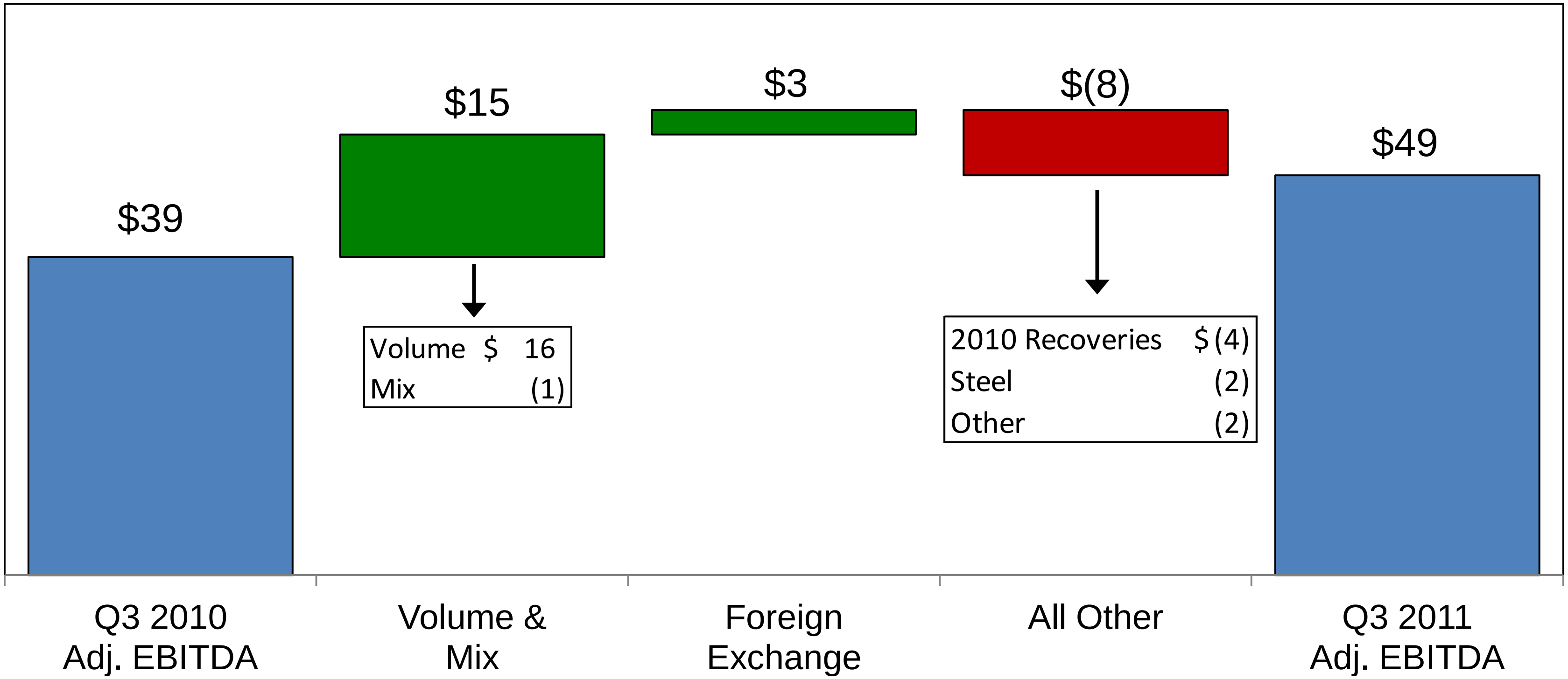



- **Q3 2011 revenue was $589M. Excluding changes in exchange rates and steel pricing revenue was up about $73M or 16% from Q3 2010.**
- **Adjusted EBITDA was $48.8M, up $9.7M or 25%, for an adjusted EBITDA margin of 8.3%.**

*See Appendix for comments regarding non-GAAP financial measures.*

# Total Company
# Q3 2011 Adjusted EBITDA Compared With 2010

(in $ millions)

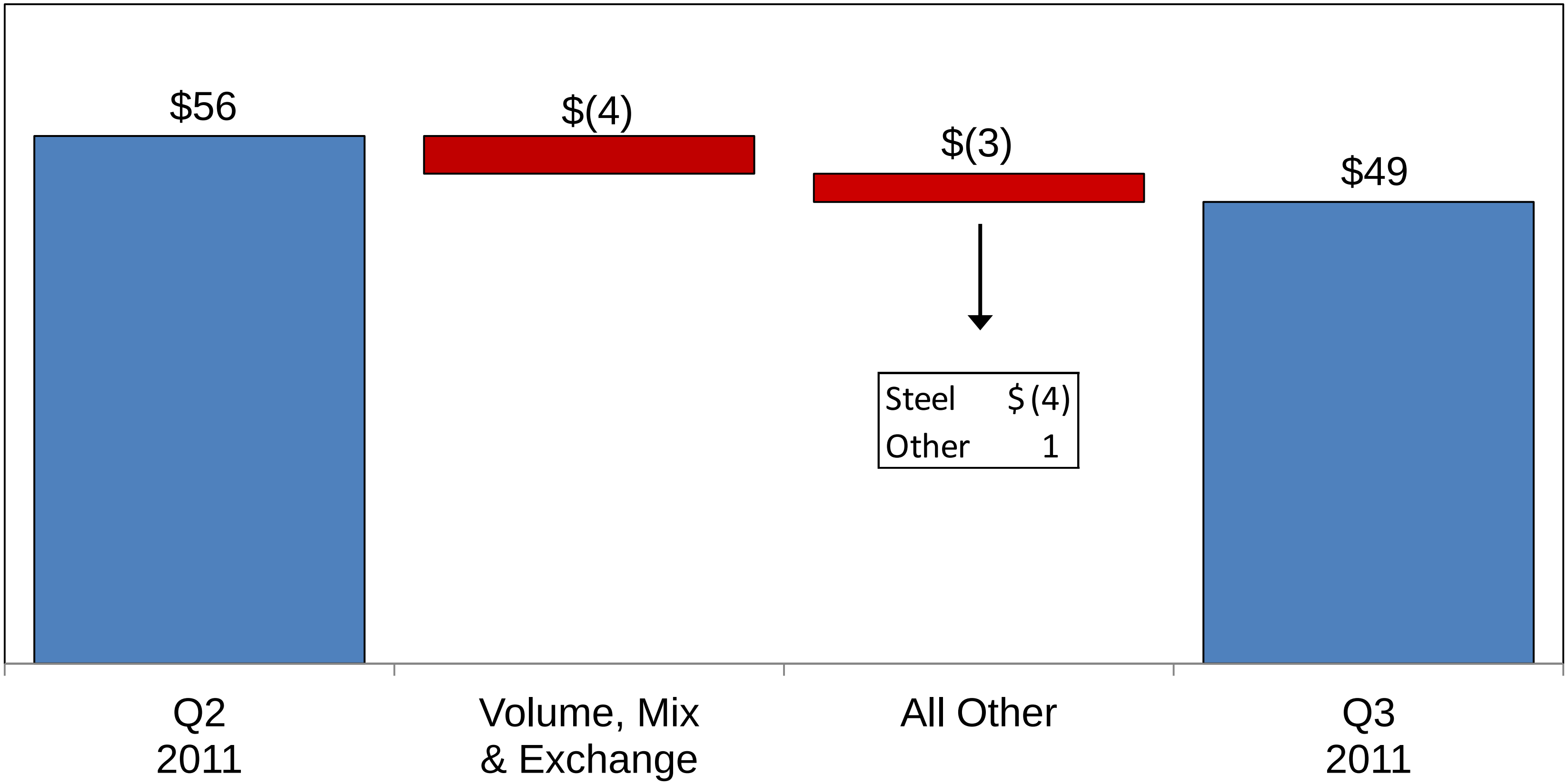



- **Compared with Q3 2010, volume, mix and exchange improved Q3 2011 Adjusted EBITDA by $18M.**
- **The change in other factors was unfavorable by $8M, mainly reflecting non-recurring recoveries in Q3 2010 and the net steel impact.**

*See Appendix for comments regarding non-GAAP financial measures.*

# Total Company
# Q3 2011 Adjusted EBITDA Compared With Q2 2011

(in $ millions)




**Other than changes in volume, mix, and exchange, the sequential quarterly change in Adjusted EBITDA was mainly explained by net steel under-recovery in Q3 (which we believe could partly reverse in Q4).**

*See Appendix for comments regarding non-GAAP financial measures.*

# Third Quarter 2011 Free Cash Flow

(in $ millions)

| | Q3 2011 |
|---|---|
| EBITDA | $ 49 |
| Capital Expenditures | (30) |
| Cash Interest | (25) |
| Cash Taxes | (2) |
| Working Capital & Other | (28) |
| **Free Cash Flow** | **$ (36)** |

**Free cash flow was negative $36M in Q3.**
- **Cash interest included semi-annual payment of $21M on the senior notes.**
- **The adverse change in working capital and other primarily reflected timing for customer-owned tooling ($10M), pension contributions in excess of expense ($7M), and working capital seasonality.**

*See Appendix for comments regarding non-GAAP financial measures.*

# September 30, 2011 Net Debt and Leverage

(in $ millions)

| | Sept. 30 | Memo: June 30 |
|---|---|---|
| **Net Debt** | | |
| Cash | $ 97 | $ 128 |
| Gross Debt | (607) | (613) |
| Net Debt | $ (510) | $ (485) |
| **Debt-to-LTM Adj. EBITDA** | | |
| Net | 2.3X | 2.3X |
| Gross | **2.8** | **2.9** |
| Memo: LTM Adj. EBITDA | $ 219 | $ 209 |

- **Gross debt-to-LTM Adjusted EBITDA improved to 2.8X at September 30.**
- **The Company repurchased $17.5M of senior debt in Q3 (and a further $7.5M in October).**

*See Appendix for comments regarding non-GAAP financial measures.*

# Updated / Improved Outlook for 2011

(in $ millions)

| | Prior | Present |
|---|---|---|
| • Adjusted EBITDA | $215 - $225 | $225 - $230 |
| • Revenue | $2,300 - $2,350 | $2,350 - $2,400 |
| • Free Cash Flow | | |
| – Excluding customer tooling | N/A | ≈ Breakeven |
| – Including customer tooling | N/A | $ (30) |

**We are further increasing our outlook for 2011 Adjusted EBITDA, to $225-$230 million (up about 20% from $190 million in 2010).**

*See Appendix for comments regarding non-GAAP financial measures.*

# Preliminary Outlook for Select 2012 Key Drivers

| | Compared with 2011 | | |
|---|---|---|---|
| | Favorable | Unfavorable | Preliminary Overall Assessment |
| **Revenue** | | | |
| • Industry Production | No. America | Europe? | Flat to slightly positive |
| • Sales Backlog | Business wins | Customer phase-outs (e.g., Ranger, Dakota) | |
| • Other | Defense & Aero | Forex translation? | |
| **Other Key EBITDA Drivers** | Launch cost | Vehicle mix (e.g., NoAm frames, Europe off-load?)<br>2011 end of customer vol. reimbursement ($7M)<br>Forex translation? | Negative |
| **Other Key Cash Flow Drivers** | Customer tooling | Capex (e.g., China)<br>Pension (up $5-$10M) | ≈ Flat |

**Based on a preliminary planning view of roughly net neutral volume vs. 2011 (e.g., industry up in NoAm, down in Europe), Tower's 2012 results could be roughly consistent with 2011.**

– **If volumes turn out to be about flat in 2012, we would consider this a manageable "transition year" to further profitable growth in 2013+.**

# Present Directional Outlook for 2013

| | Outlook | Remarks |
|---|---|---|
| Revenue | **Up** | Net backlog ≈ $200M (plus industry recovery?) |
| Adjusted EBITDA | **Up** | Volume-driven (including backlog) |
| Free Cash Flow | **Significantly Positive** | Return to normal capex (≈ $100M) |

**At this point in time, the Company believes that strong business wins since the IPO and growth-oriented investment in 2011 and 2012 set the stage for significant pay-off in 2013 revenue, Adjusted EBITDA, and free cash flow.**

*See Appendix for comments regarding non-GAAP financial measures.*

# Game Plan to Build Shareholder Value Over Time

1. **Consistently deliver solid and predictable results.**
   – Adjusted EBITDA and free cash flow that are appropriate for whatever volume scenario unfolds.
     - - Growing Adjusted EBITDA as volume recovers.

2. **Capitalize over time on opportunities beyond "industry recovery".**
   – Above-average secular growth in China and Brazil;
   – Further reductions in leverage;
   – Opportunistic, accretive acquisitions; and
   – Opportunities in adjacent markets (e.g., defense and aero, solar).

**By executing all elements of our game plan in a balanced fashion, we believe Tower is well-positioned to build significant shareholder value over time.**

*See Appendix for comments regarding non-GAAP financial measures.*

# APPENDIX

# Income Statement

(in $ millions)

| | Three Months Ended Sept. 30, 2011 | Three Months Ended Sept. 30, 2010 | Nine Months Ended Sept. 30, 2011 | Nine Months Ended Sept. 30, 2010 |
|---|---|---|---|---|
| Revenues | $ 589.0 | $ 474.6 | $ 1,791.3 | $ 1,455.5 |
| Cost of sales | 529.3 | 429.8 | 1,603.4 | 1,301.8 |
| Gross profit | 59.7 | 44.9 | 187.9 | 153.6 |
| Selling, general and administrative expenses | 42.1 | 38.1 | 119.2 | 103.1 |
| Amortization expense | 1.2 | 0.8 | 3.4 | 2.4 |
| Restructuring and asset impairment charges, net | 0.5 | 0.3 | 2.1 | 5.0 |
| Operating income | 15.8 | 5.6 | 63.2 | 43.2 |
| Interest expense | 17.0 | 20.6 | 45.6 | 48.4 |
| Interest income | 0.3 | 0.3 | 0.8 | 0.9 |
| Other expense | 0.4 | - | 1.2 | - |
| Income / (loss) before provision for income taxes | (1.2) | (14.7) | 17.2 | (4.4) |
| Provision / (benefit) for income taxes | 2.5 | (3.7) | 11.7 | 4.6 |
| Net income / (loss) | (3.8) | (11.0) | 5.4 | (9.0) |
| Less: Net income attributable to the noncontrolling interests | 1.1 | 2.0 | 4.0 | 6.5 |
| Net income / (loss) attributable to Tower International, Inc. | $ (4.8) | $ (13.0) | $ 1.4 | $ (15.6) |
| Less: Preferred unit dividends | $ - | $ (2.1) | $ - | $ (10.7) |
| Income / (loss) available to common shareholders | $ (4.8) | $ (15.1) | $ 1.4 | $ (26.3) |

# Balance Sheet

(in $ millions)

| | Sept. 30, 2011 | Dec. 31, 2010 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 96.7 | $ 150.3 |
| Accounts receivable, net of allowance of $4.6 and $1.7 | 362.3 | 297.1 |
| Inventories | 91.3 | 73.2 |
| Deferred tax asset - current | 11.4 | 12.4 |
| Assets held for sale | 8.0 | 8.2 |
| Prepaid tooling and other | 71.8 | 57.8 |
| Total current assets | 641.5 | 599.0 |
| Property, plant and equipment, net | 632.9 | 627.5 |
| Goodwill | 66.1 | 66.3 |
| Deferred tax asset - non-current | 15.3 | 17.4 |
| Other assets, net | 29.3 | 30.0 |
| Total assets | $1,385.1 | $1,340.2 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Short-term debt and current maturities of capital lease obligations | $ 113.7 | $ 109.8 |
| Accounts payable | 372.9 | 366.8 |
| Accrued liabilities | 124.5 | 132.6 |
| Total current liabilities | 611.0 | 609.2 |
| Long-term debt, net of current maturities | 479.9 | 432.7 |
| Obligations under capital leases, net of current maturities | 13.4 | 15.6 |
| Deferred tax liability - non-current | 9.7 | 12.7 |
| Pension liability | 64.2 | 76.4 |
| Other non-current liabilities | 83.8 | 81.9 |
| Total non-current liabilities | 651.0 | 619.3 |
| Total liabilities | 1,262.1 | 1,228.6 |
| Stockholders' equity: | | |
| Tower International, Inc.'s stockholders' equity | | |
| Common stock, $0.01 par value, 350,000,000 authorized, 19,983,403 issued and 19,683,032 outstanding at September 30, 2011 and 19,101,588 issued and outstanding at December 31, 2010 | 0.2 | 0.2 |
| Additional paid in capital | 307.6 | 296.3 |
| Treasury stock | (5.1) | - |
| Accumulated deficit | (191.2) | (192.6) |
| Accumulated other comprehensive loss | (38.2) | (36.5) |
| Total Tower International, Inc.'s stockholders' equity | 73.3 | 67.4 |
| Noncontrolling interests in subsidiaries | 49.7 | 44.3 |
| Total stockholders' equity | 123.0 | 111.6 |
| Total liabilities and stockholders' equity | $1,385.1 | $1,340.2 |

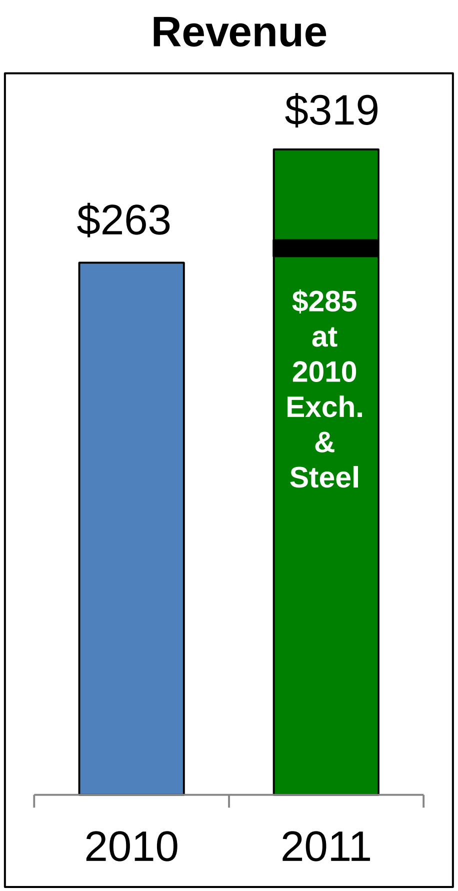
# Consolidated Statement of Cash Flows

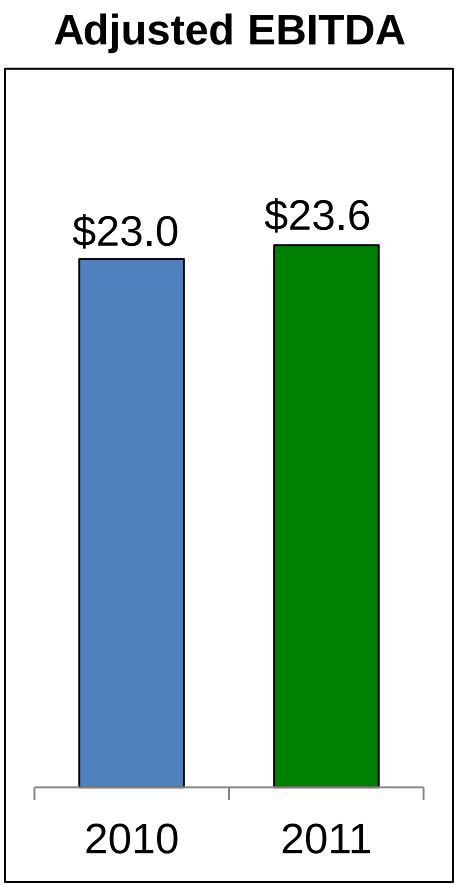
(in $ millions)

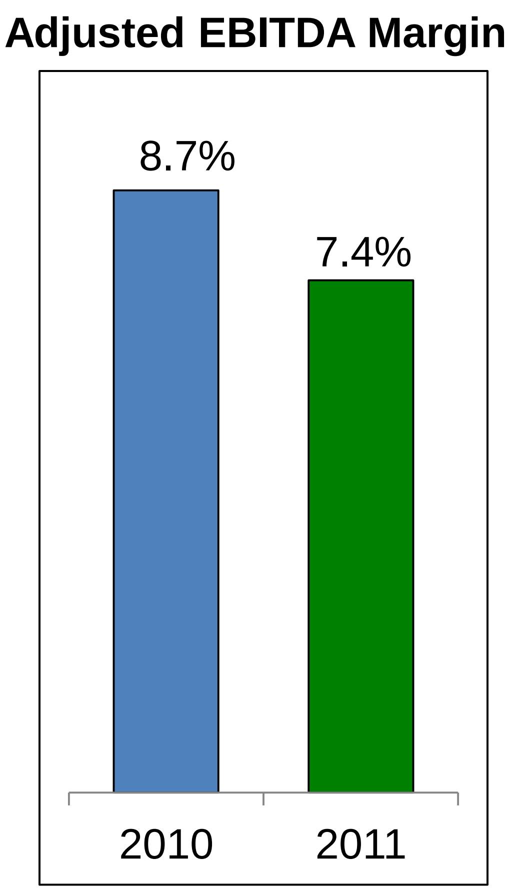
| | Three Months Ended Sept. 30, 2011 | Three Months Ended Sept. 30, 2010 | Nine Months Ended Sept. 30, 2011 | Nine Months Ended Sept. 30, 2010 |
|---|---|---|---|---|
| **Cash flows - operating activities** | | | | |
| Net income / (loss) | $ (3.8) | $ (11.0) | $ 5.4 | $ (9.0) |
| Non-cash restructuring and asset impairment charges | - | - | - | 2.7 |
| Deferred income tax provision | - | (9.1) | (0.9) | (9.1) |
| Depreciation and amortization | 27.8 | 27.5 | 89.5 | 86.2 |
| Non-cash share-based compensation | 3.8 | - | 11.3 | - |
| Pension expense, net of contributions | (7.0) | (2.6) | (10.8) | (4.4) |
| Change in working capital and other operating items | (26.7) | (0.6) | (93.6) | (35.0) |
| **Net cash provided by / (used in) operating activities** | $ (5.9) | $ 4.3 | $ 1.0 | $ 31.4 |
| **Cash flows - investing activities** | | | | |
| Cash disbursed for purchases of property, plant and equipment, net | $ (30.4) | $ (15.8) | $ (82.9) | $ (55.9) |
| Net assets acquired, net of cash acquired | - | - | (22.3) | (16.7) |
| **Net cash used in investing activities** | $ (30.4) | $ (15.8) | $ (105.2) | $ (72.6) |
| **Cash flows - financing activities** | | | | |
| Repayments of term debt | $ - | $ (1.1) | $ - | $ (3.5) |
| Repayment of first lien term loan | - | (414.2) | - | (414.2) |
| Preferred unit dividends | - | - | - | (0.1) |
| Noncontrolling interest dividends | - | (5.3) | - | (5.3) |
| Issuance of senior secured notes | - | 417.2 | - | 417.2 |
| Retirement of senior secured notes | (17.5) | - | (34.5) | - |
| Proceeds from borrowings | 188.8 | 111.9 | 504.0 | 388.3 |
| Repayments of borrowings | (157.2) | (124.8) | (414.7) | (362.4) |
| Purchase of treasury stock | (5.1) | - | (5.1) | - |
| Financing costs | - | (7.8) | - | (7.8) |
| Costs associated with initial public offering | - | (2.5) | - | (2.5) |
| **Net cash provided by / (used in) financing activities** | $ 9.0 | $ (26.6) | $ 49.7 | $ 9.7 |
| **Net change in cash and cash equivalents** | $ (27.2) | $ (38.1) | $ (54.6) | $ (31.5) |
| Cash and cash equivalents - beginning of period | 128.0 | 149.6 | 150.3 | 149.8 |
| Effect of exchange rate changes on cash and cash equivalents | (4.0) | 3.5 | 0.9 | (3.3) |
| **Cash and cash equivalents - end of period** | $ 96.7 | $ 115.0 | $ 96.7 | $ 115.0 |

# International Segment - - Q3 2011 vs. Q3 2010

(in $ millions)



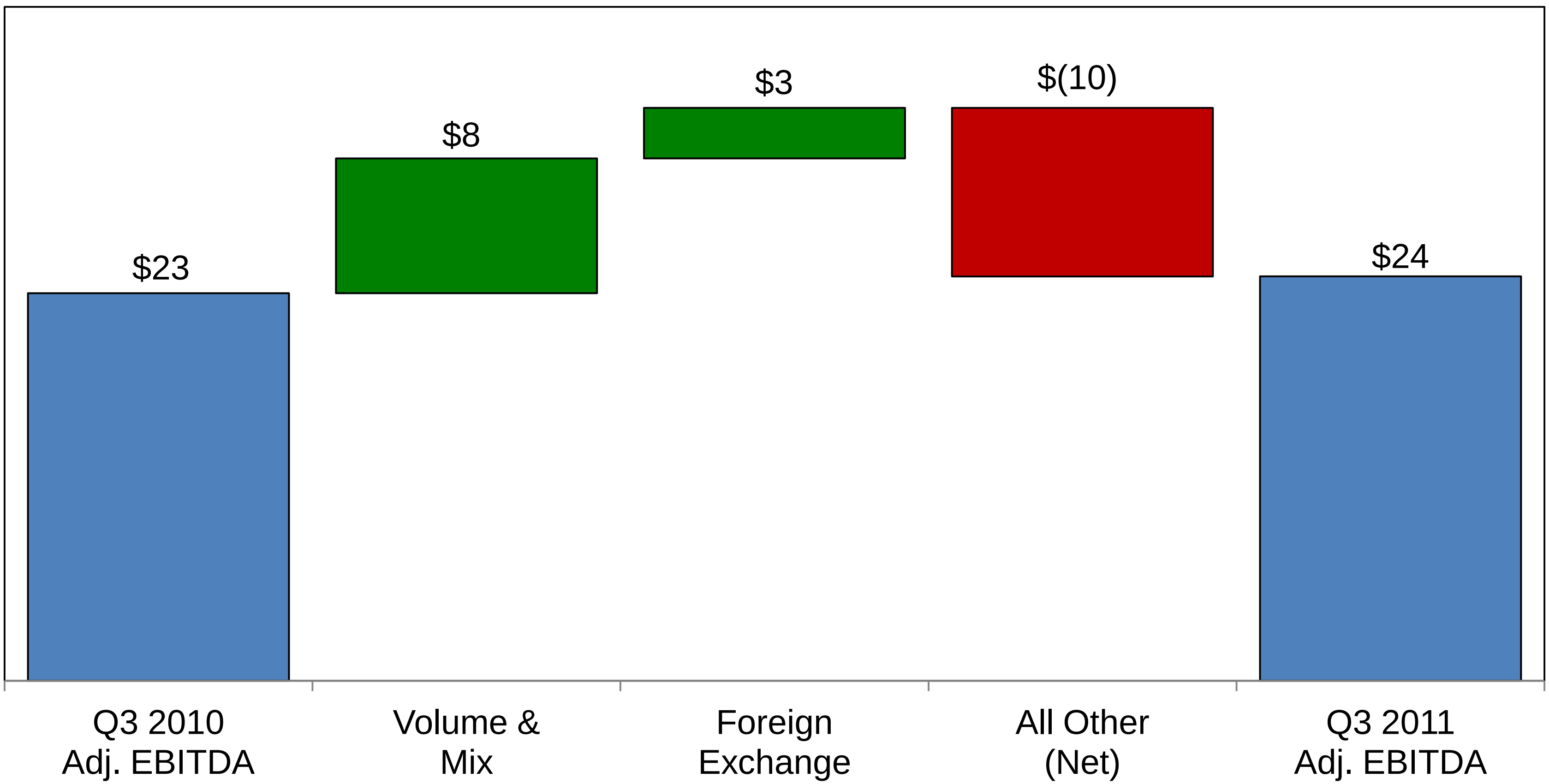




*See slide 21 for comments regarding non-GAAP financial measures.*

# International
# Q3 2011 Adjusted EBITDA Compared With Q3 2010

(in $ millions)

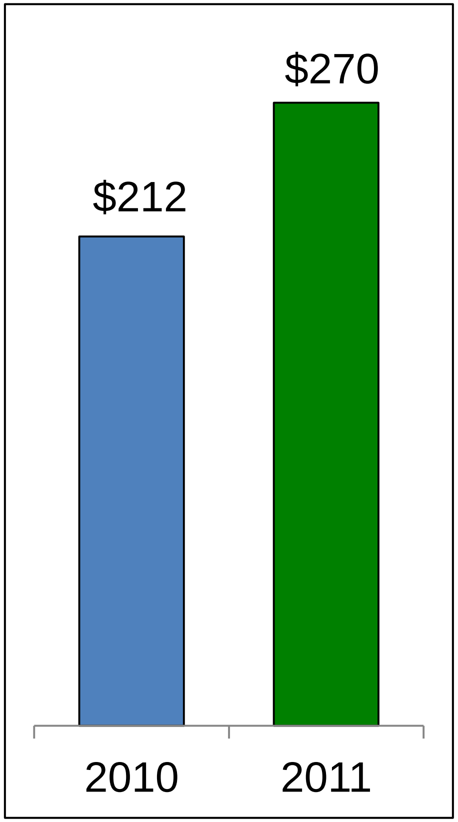



*See slide 21 for comments regarding non-GAAP financial measures.*

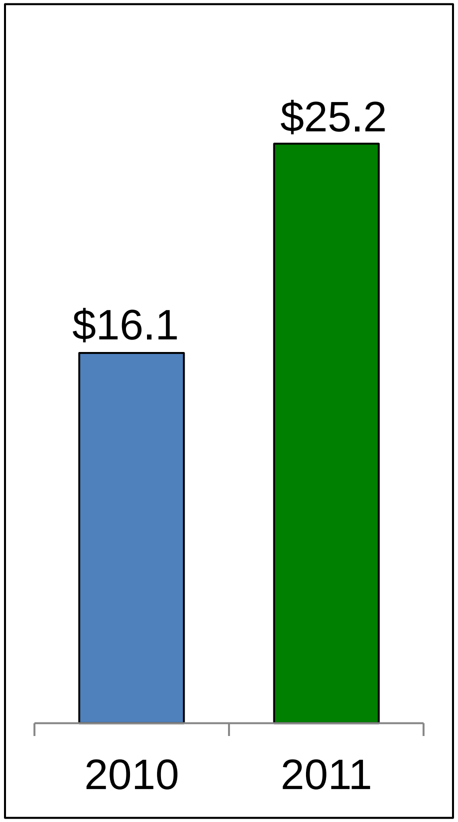
# Americas Segment - - Q3 2011 vs. Q3 2010

(in $ millions)

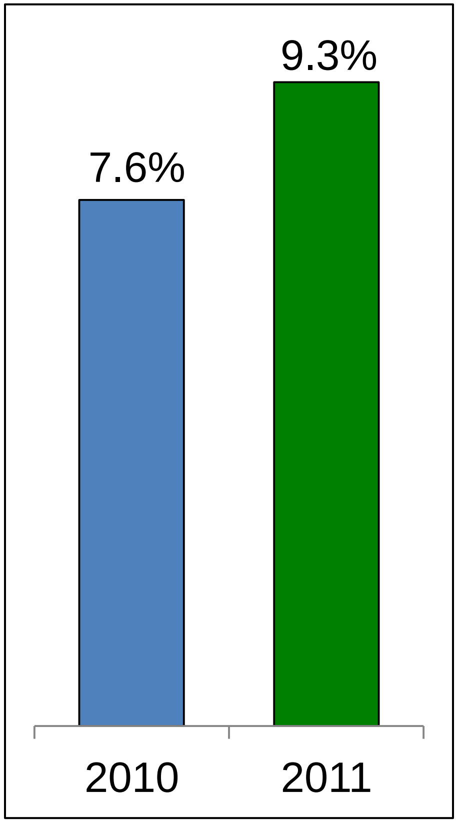
**Revenue**




**Adjusted EBITDA**




**Adjusted EBITDA Margin**

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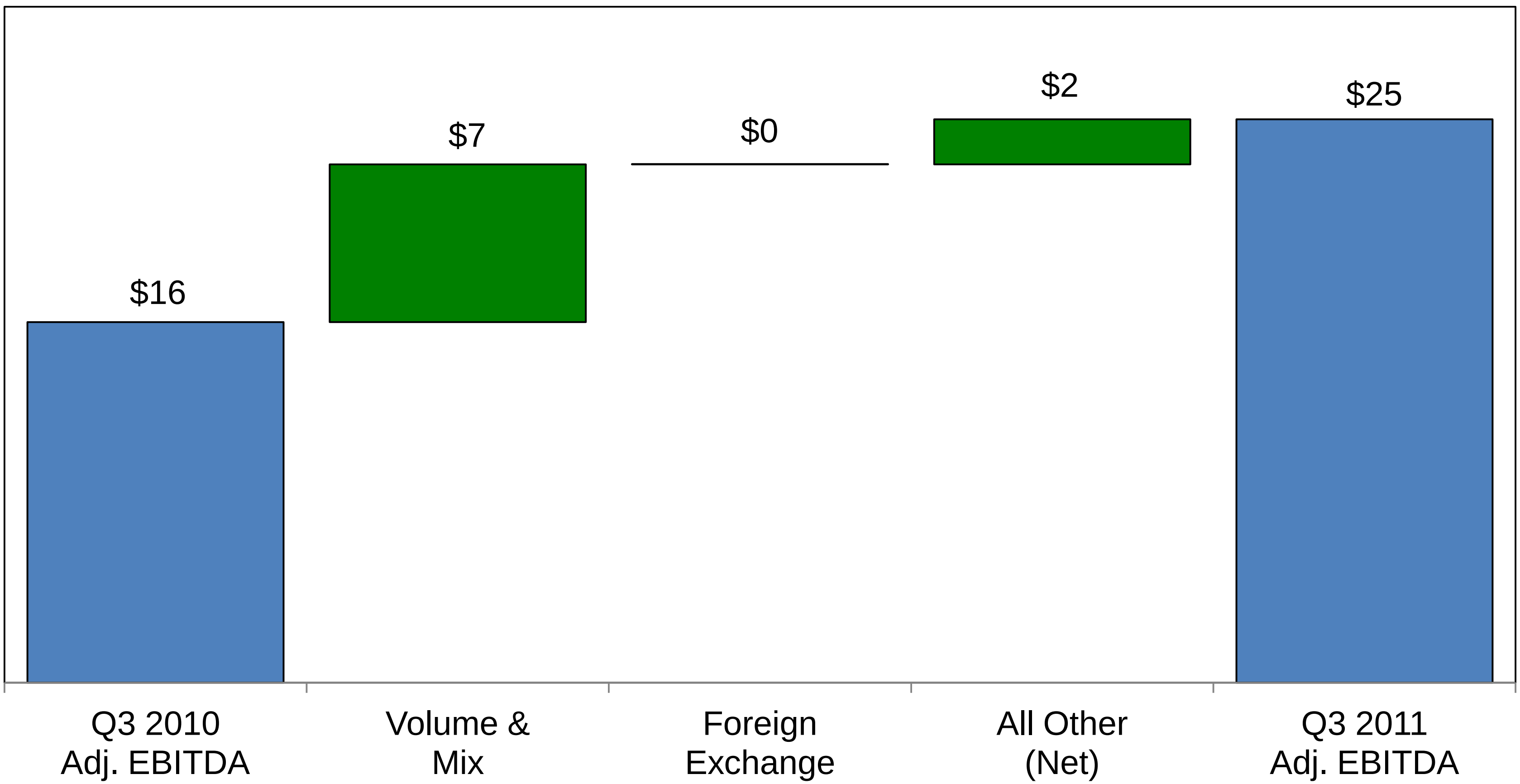
# Americas
# Q3 2011 Adjusted EBITDA Compared With Q3 2010

(in $ millions)




*See slide 21 for comments regarding non-GAAP financial measures.*

# 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 net cash provided by or used in 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. In addition, certain of our non-GAAP financial measures exclude financial information that some may consider important in evaluating our performance.

# Adjusted EBITDA Reconciliation to GAAP

(in $ millions)

| | 2010 | | | | 2011 | | | LTM | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter | Sept. 30, 2010 | Dec. 31, 2010 | Sept. 30, 2011 |
| **Adjusted EBITDA** | **$ 50.7** | **$ 51.7** | **$ 39.1** | **$ 48.7** | **$ 65.7** | **$ 55.6** | **$ 48.9** | **$ 179.6** | **$ 190.2** | **$ 218.9** |
| Restructuring and asset impairments | (4.1) | (0.6) | (0.3) | (9.3) | (0.5) | (1.2) | (0.5) | (17.5) | (14.3) | (11.5) |
| Depreciation & amortization | (30.3) | (28.4) | (27.5) | (28.5) | (30.1) | (31.6) | (27.8) | (118.2) | (114.7) | (118.0) |
| Receivable factoring charges and other | - | (0.2) | (0.1) | (0.1) | (0.1) | (0.1) | - | (0.5) | (0.4) | (0.3) |
| Acquisition costs | (0.7) | - | - | - | - | (1.1) | - | (0.7) | (0.7) | (1.1) |
| Incentive compensation related to funding events | (0.2) | (0.3) | (5.6) | (5.0) | (4.5) | (4.7) | (4.7) | (6.1) | (11.1) | (18.9) |
| Premium on retirement of senior secured notes | - | - | - | (1.3) | (0.9) | - | (0.4) | - | (1.3) | (2.6) |
| Interest expense, net | (13.6) | (13.7) | (20.3) | (18.3) | (12.3) | (15.9) | (16.7) | (64.0) | (65.9) | (63.2) |
| (Provision) / benefit for income taxes | (4.1) | (4.3) | 3.7 | (5.6) | (6.6) | (2.6) | (2.5) | 1.8 | (10.3) | (17.3) |
| Noncontrolling interest, net of tax | (2.2) | (2.3) | (2.0) | (1.9) | (1.7) | (1.2) | (1.1) | (8.9) | (8.4) | (5.9) |
| **Net income / (loss) attributable to Tower International, Inc.** | **$ (4.5)** | **$ 1.9** | **$ (13.0)** | **$ (21.3)** | **$ 9.0** | **$ (2.8)** | **$ (4.8)** | **$ (34.5)** | **$ (36.9)** | **$ (19.9)** |

# Free Cash Flow Reconciliation to GAAP

(in $ millions)

| | Three Months Ended Sept. 30, | | Nine Months Ended Sept. 30, | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| Net cash provided by operating activities* | $ (5.9) | $ 4.3 | $ 1.0 | $ 31.4 |
| Cash disbursed for purchases of PP&E, net* | (30.4) | (15.8) | (82.9) | (55.9) |
| Free cash flow | $ (36.3) | $ (11.5) | $ (81.9) | $ (24.5) |

\- - - - -

*From GAAP Consolidated Statement of Cash Flows

# Certain Items Included in Net Income / (Loss)

(in $ millions)

| | Three Months Ended Sept. 30, 2011 | Three Months Ended Sept. 30, 2010 | Nine Months Ended Sept. 30, 2011 | Nine Months Ended Sept. 30, 2010 |
|---|---|---|---|---|
| Income / (expense) items included in net income / (loss), net of tax: | | | | |
| *Selling, general and administrative expenses* | | | | |
| Incentive compensation related to funding events | $ (4.3) | $ (5.5) | $ (13.2) | $ (6.1) |
| Acquisition costs | - | - | (1.1) | (0.7) |
| *Interest expense* | | | | |
| Acceleration of the amortization of debt issue costs and OID | (0.7) | (5.3) | (1.5) | (5.3) |
| Settlement of value added tax audit in Brazil | - | - | 2.8 | - |
| *Restructuring expense* | | | | |
| Asset impairments | - | - | - | (1.8) |
| Adjustment of lease liability | - | - | 0.8 | - |
| Sale of closed facilities | - | 0.6 | - | 0.6 |
| *Other income* | | | | |
| Debt repurchase | (0.4) | - | (1.2) | - |
| *Provision for income taxes* | | | | |
| Reversal of South Korean valuation allowance | - | 7.8 | - | 7.8 |
| Tax effect for termination of interest rate swaps | - | (2.0) | - | (2.0) |
| Tax law and tax election changes | - | - | 1.4 | - |
| Total items included in net income / (loss) | $ (5.4) | $ (4.4) | $ (12.0) | $ (7.5) |
| | | | | |
| Net income / (loss) attributable to Tower International, Inc. | $ (4.8) | $ (13.0) | $ 1.4 | $ (15.6) |
| Less: Preferred unit dividends | - | (2.1) | - | (10.7) |
| Income / (loss) available to common shareholders | $ (4.8) | $ (15.1) | $ 1.4 | $ (26.3) |
| | | | | |
| Memo: Average shares outstanding (Mils.) | | | | |
| Basic | 19.6 | 12.5 | 19.3 | 12.5 |
| Diluted | 19.6 | 12.5 | 20.0 | 12.5 |
| Income / (loss) per share (GAAP) | | | | |
| Basic | $ (0.25) | $ (1.21) | $ 0.07 | $ (2.11) |
| Diluted | (0.25) | (1.21) | 0.07 | (2.11) |
| | | | | |
| Diluted adjusted income / (loss) per share (non-GAAP)* | 0.03 | (0.85) | 0.67 | (1.51) |

* Excludes the certain items shown above