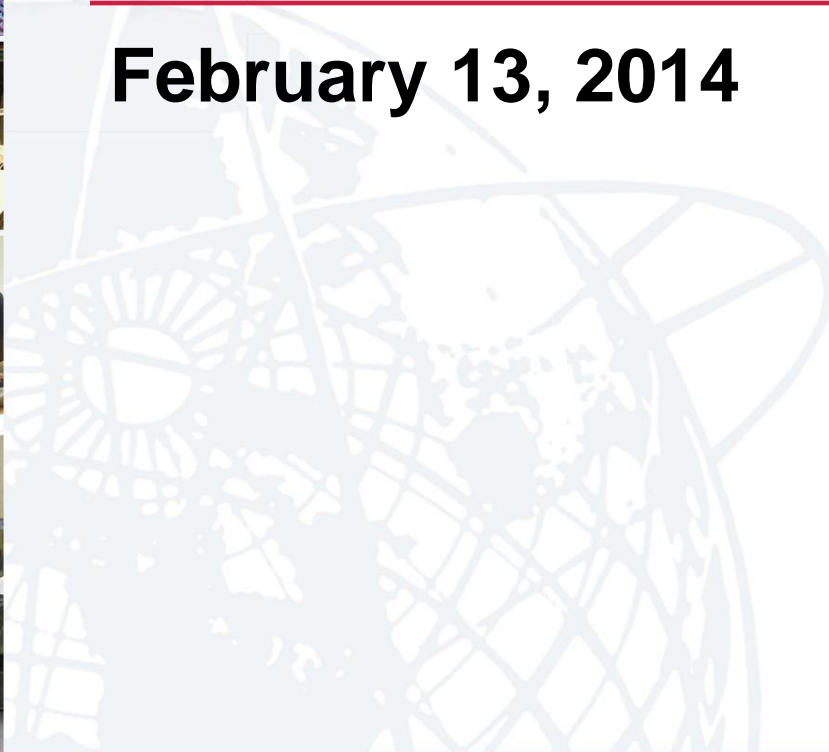




# Fourth Quarter 2013 Results & Preliminary Outlooks for 2014-2015

February 13, 2014



# 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 Adjusted 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 affecting us or our customers or suppliers;
- our ability to integrate acquired businesses;
- risks associated with business divestitures; 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

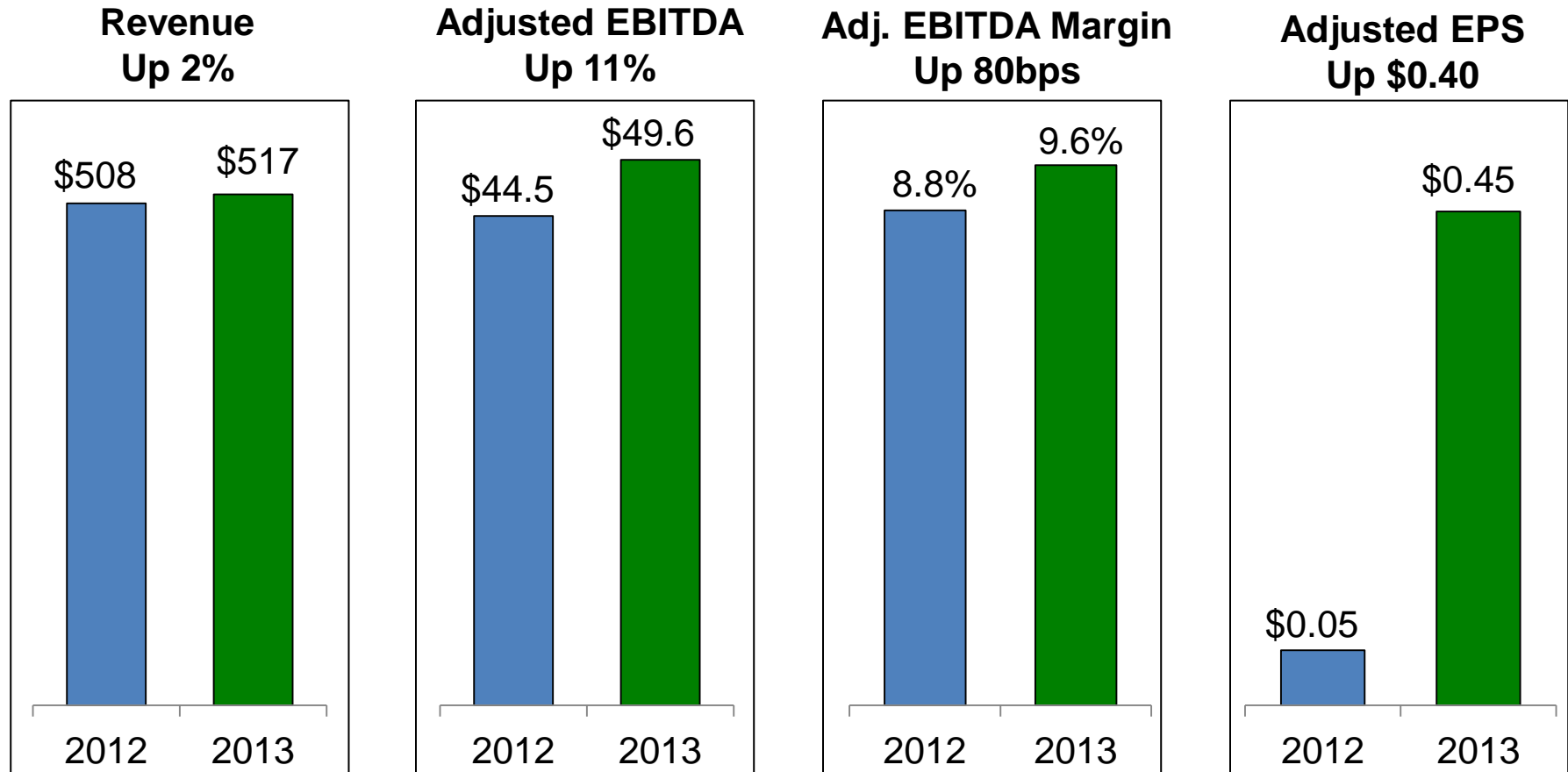
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- Fourth Quarter financial results were solid.
  - Revenue was in line with our expectation, and earnings and adjusted free cash flow surpassed our expectations.
  - Tower has now met or beat the earnings consensus in all 14 quarters since our 2010 IPO.
- Cerberus sold its remaining stake in Tower in December.
  - That stock over-hang has been eliminated, and trading liquidity is significantly improved.
- Tower is positioned for higher expected revenue and Adjusted Earnings Per Share in 2014.
- Two meaningful new sources of profitable growth lined up for 2015.
  - **Tower is on track to achieve its business model objective of Adjusted Free Cash Flow equal to 3% of revenue in 2015.**

# Total Company

## Fourth Quarter Financials - - 2013 vs. 2012

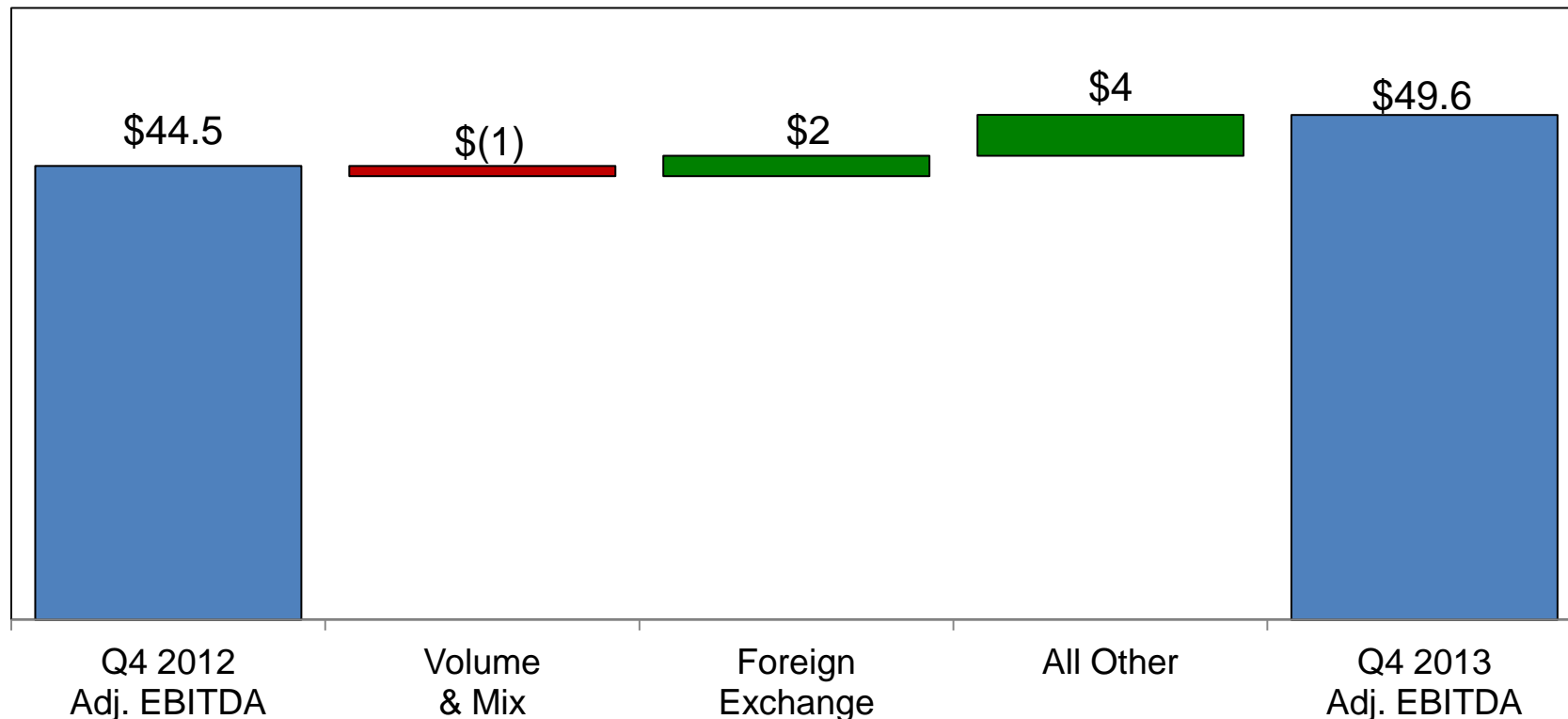
(in \$ millions, except EPS)



# Total Company

## Q4 2013 Adjusted EBITDA Compared With 2012

(in \$ millions)

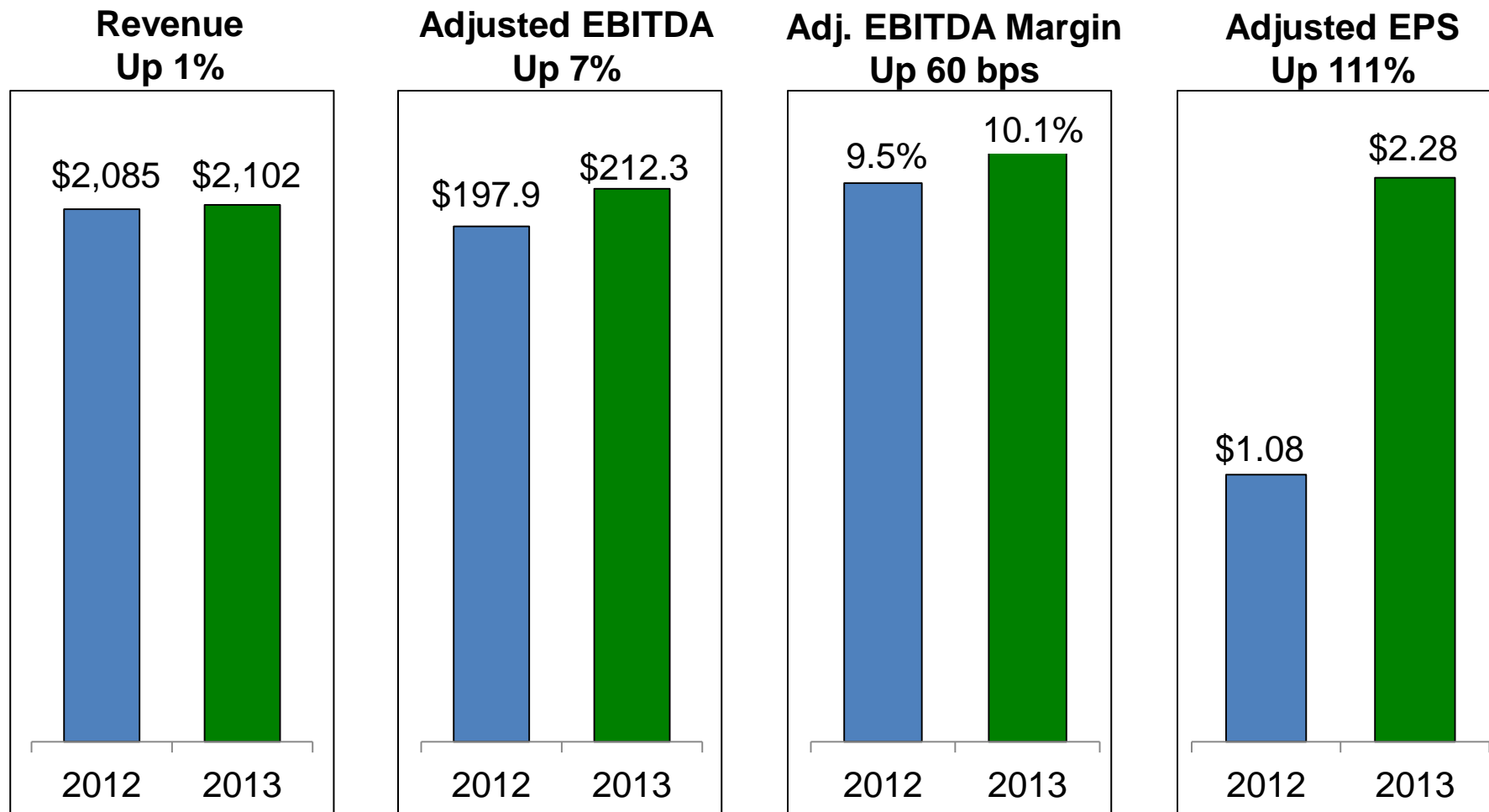


- **Volume and mix was slightly net unfavorable vs. a year ago. Brazil and China were down, North America and Europe were up.**
- **Favorable foreign exchange translation mainly reflected the Euro.**
- **Net cost performance was favorable by \$4M, as efficiencies more than offset economics and customer price reductions.**

# Total Company

## Full Year Financials - - 2013 vs. 2012

(in \$ millions, except EPS)



# Q4 and Full Year 2013 Adjusted Free Cash Flow

(in \$ millions)

	<b>Q4</b>	<b>Full</b>	<b>Better Than</b>
	<b>2013</b>	<b>Year</b>	<b>Oct. Guidance</b>
	<u>2013</u>	<u>2013</u>	<u>Oct. Guidance</u>
Adjusted EBITDA	\$ 50	\$ 212	
Capital Expenditures	(50)	(97)*	
Cash Interest	(6)	(46)	
Pension Contributions	(3)	(15)	
Cash Taxes	(3)	(11)	
W.C. & Other (ex-tooling)	<u>35</u>	<u>(8)*</u>	
<b>Adjusted Free Cash Flow</b>	<b>\$ 23</b>	<b>\$ 35</b>	<b>\$5-\$10</b>
Customer Tooling**	<u>31</u>	<u>21</u>	
<b>Total Free Cash Flow</b>	<b><u>\$ 54</u></b>	<b><u>\$ 56</u></b>	

\* Includes \$(7)M of Capex and offsetting \$7M in Working Capital & Other related to the in-progress relocation of China JV factory that is being funded by the customer.

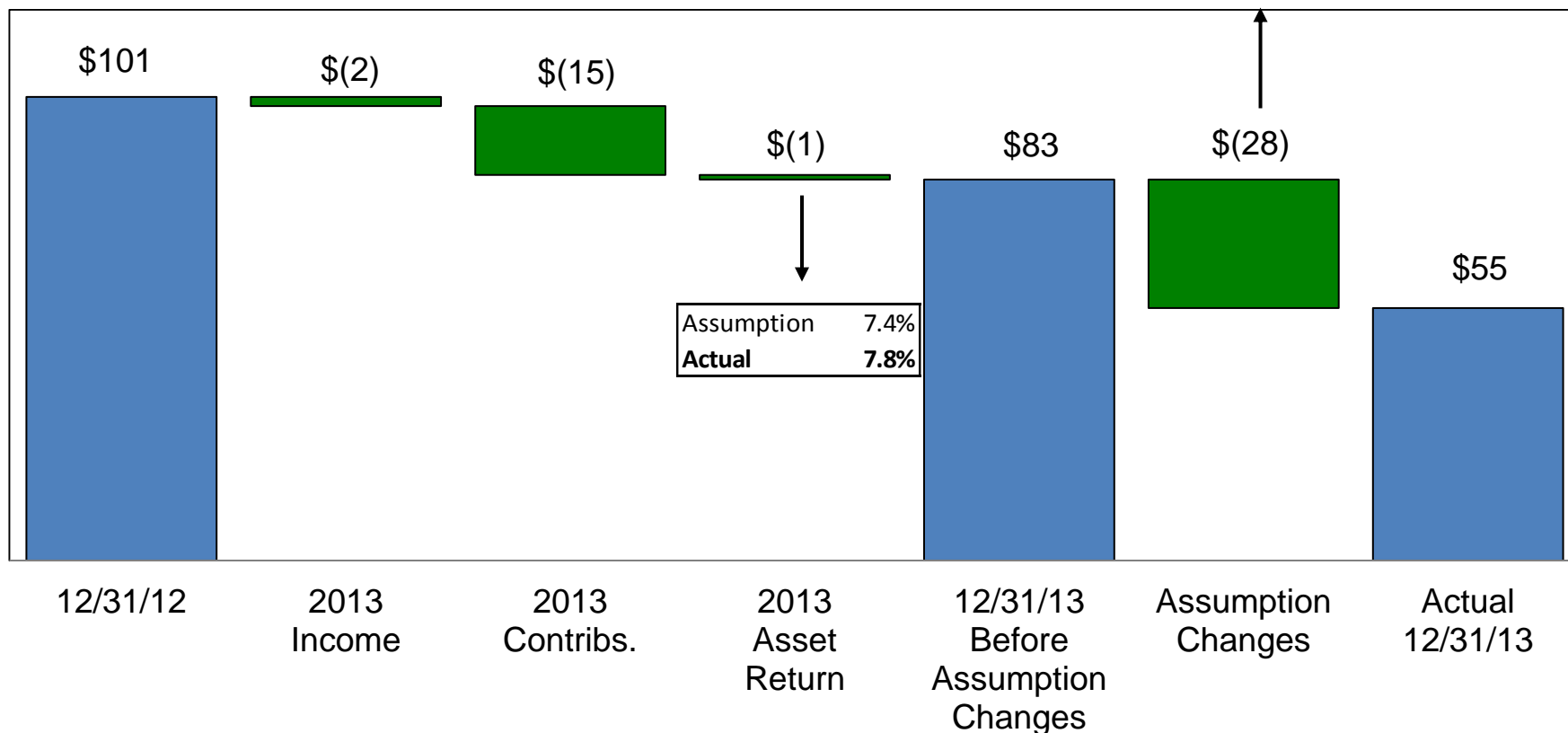
\*\*Customer tooling is excluded from Adjusted Free Cash Flow because it nets to zero for each program, but fluctuates during quarters and years based on timing of company outlays and customer reimbursements.

**Adjusted free cash flow was solidly positive in both Q4 and full year, surpassing our prior outlook.**

# Year-End 2013 GAAP Pension Net Liability

(in \$ millions)

Higher Discount Rate (3.65% to 4.5%)	\$ (25)
Asset Return (Unchanged at 7.4%)	-
Census Update and other	(3)



**The year-end pension net liability under GAAP declined by \$46M during 2013, to \$55M.**

- The reduction in liability included \$25M from increasing the discount rate to 4.5%; this assumption change does not affect Tower’s cash contribution for 2014.
- Tower’s defined benefit pension plan is frozen.



# Year-End Net Debt, Leverage, & Interest Coverage

(in \$ millions)

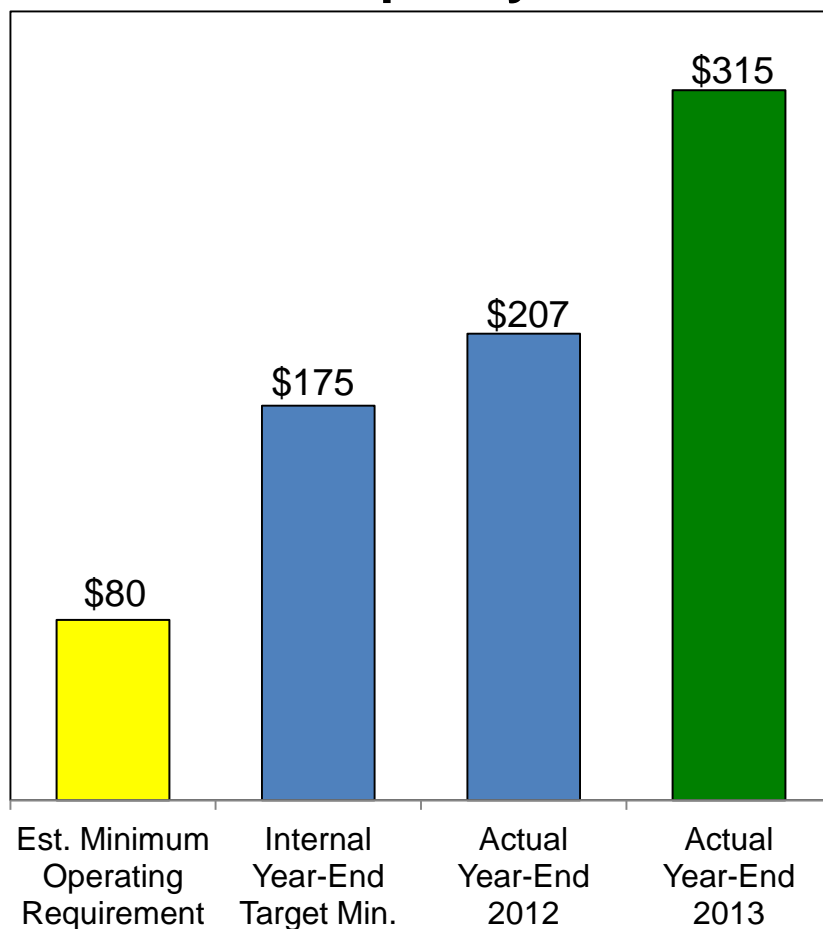
	<u>Dec. 31, 2013</u>	<u>B/(W) Than Dec. 31, 2012</u>
<b><u>Net Debt</u></b>		
Cash	\$ 135	
Gross Debt	<u>(504)</u>	
Net Debt	<u>\$ (369)</u>	
<b><u>Debt-to-LTM Adj. EBITDA</u></b>		
Gross	2.4X	0.1X
Net	1.7X	<b>0.2X</b>
<b><u>LTM Adj. EBITDA-to-LTM Interest Exp.</u></b>	5.4X	<b>1.7X</b>

**Net debt leverage declined to 1.7X, and interest coverage increased to 5.4X, both significantly improved from a year-ago.**

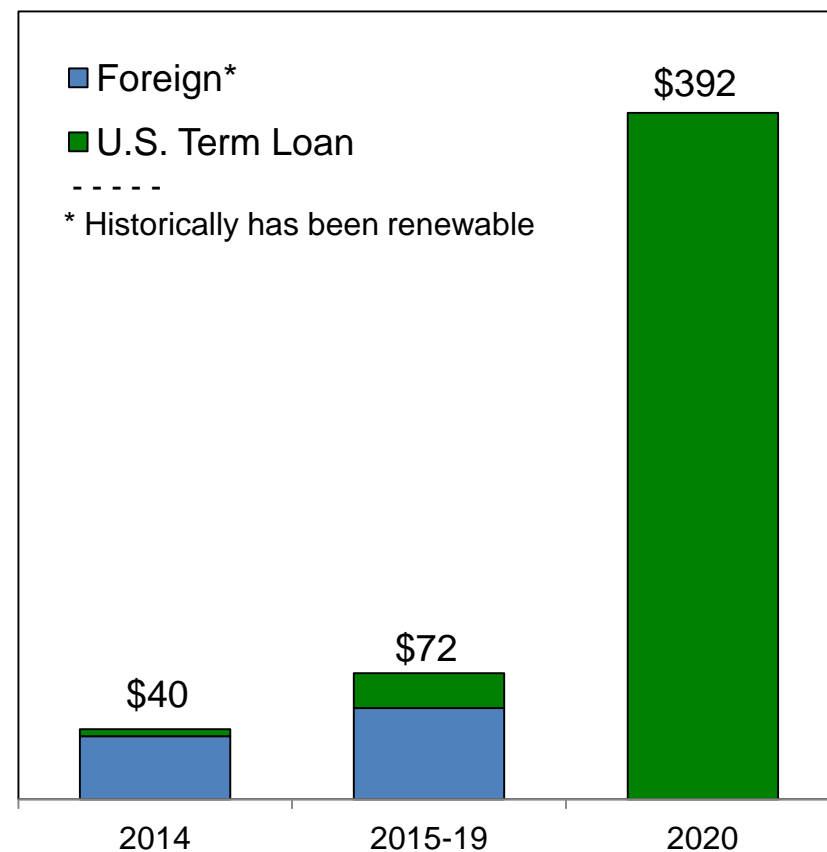
# Record Year-End Liquidity and No Pressing Debt Maturities

(in \$ millions)

## Liquidity



## Debt Maturities (As of Dec. 31, 2013)



# Recent Term Loan Re-Pricing and Up-sizing

(in \$ millions)

	<u>Old Term Loan</u>	<u>New Term Loan</u>	<u>Change</u>
<b>Loan Amount*</b>	\$417M	\$450M	<b>+\$33M</b>
<b>Interest Rate</b>			
- Libor Floor	1%	1%	
- Spread	375bps	300bps	
- Present All-in Rate	4.75%	4.00%	<b>-75bps</b>
<b>Annual Interest Expense</b>	\$19.8M	\$18.0M	<b>-\$1.8M</b>
<b>Maturity</b>	Apr. 2020	Apr. 2020	No Change
-----			
*Issued at par			

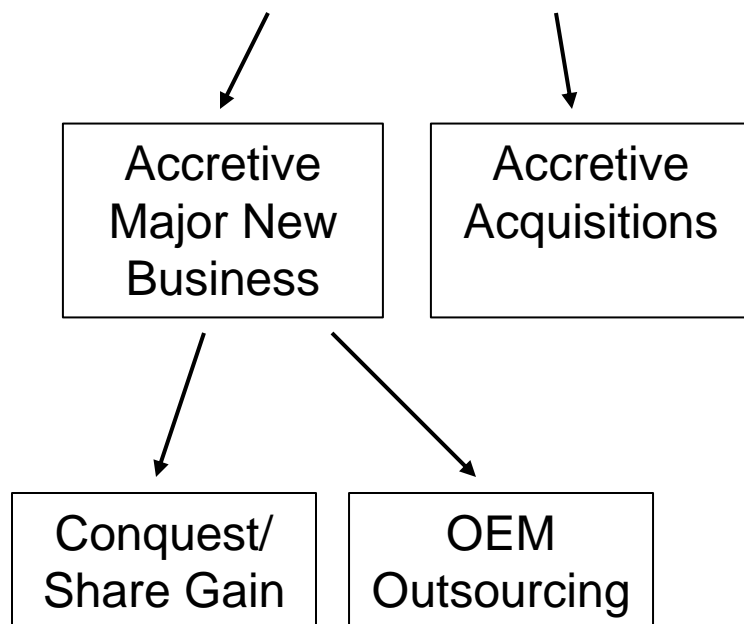
**A re-pricing of our term loan on Jan. 31 reduced annual interest by \$1.8M, while adding \$33M of liquidity.**

**– Adding relatively low-cost liquidity was intended as a prudent move to take advantage of favorable credit market conditions.**

# Present Priorities for Deploying “Excess” Liquidity and Free Cash Flow

## 1A. Profitable Growth

Top priority, but patient,  
disciplined, opportunistic



## 1B. Reduce Leverage

Best present use when good  
growth opps. not available

- Increases free cash flow and EPS.
- Increases equity portion of enterprise value.
- Strengthens financial position and provides “dry powder” for growth opps.

# Two Major New Sources of Profitable Growth for 2015

(in \$ millions)

	<u>New Conquest Award<sup>(1)</sup></u>	<u>Pending Mexico LOI<sup>(2)</sup></u>	<u>Combined</u>
<b><u>Proj. Revenue</u></b>			
2014	\$5-10	\$ 0- 5	≈ \$ 10
2015	≈ \$ 40	≈ \$ 40	≈ \$ 80
2016			≈ \$ 100
<b><u>Proj. Adjusted EBITDA</u></b>			
2014 (Primarily launch cost)			≈ \$ (5)
2015			≈ \$ 12
2016			≈ \$ 15
<b><u>Capital Expenditures</u> (2014)</b>			≈ \$ 20
<b><u>"Acquisition" Multiple</u></b>			
Capex plus Launch-to-2015 Adj. EBITDA			≈ 2X
<b><u>Adjusted Free Cash Flow</u></b>			
2014			≈ \$ (35)
2015			≈ \$ 10
2016			≈ \$ 15
-----			

(1) Assemblies for floor and apron (customer/vehicle confidential); start of production (SOP) Q4 2014.

(2) Customer and other details confidential until contract finalized (anticipated by early Q2 2014); SOP Q4 2014.

# 2014 Planning Assumptions

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## Revenue

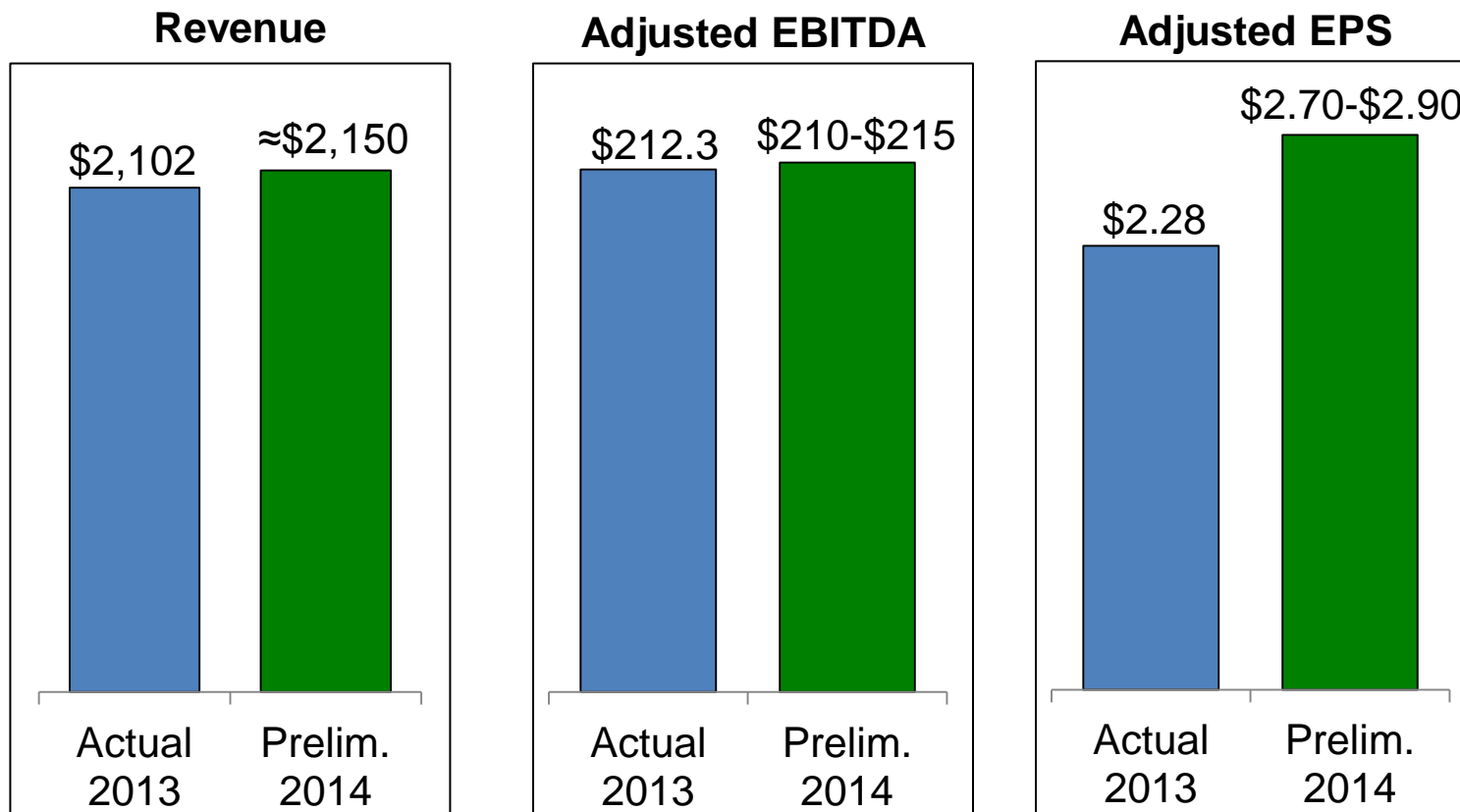
- Industry production approximates Jan. IHS forecast (see Appendix).
- Net new business wins of about \$100-\$125 million.
- Adverse customer mix (vs. industry) of about \$75-\$100 million.
- Elimination of TDA (-\$14M vs. 2013).
- Normal customer pricing.
- Euro at \$1.35; Brazil real at 2.40/\$.
  - Brazil devaluation reduces revenue by about \$20M vs. prior outlook.

## Net Cost Performance (i.e., Year-over-year ex-volume, mix, exchange)

- Higher launch-related costs vs. 2013 (≈\$10M), reflecting:
  - Opportunistic conquest award and Mexico growth opportunities (≈\$5M), and
  - Other customer program timing (≈\$5M).
- All other about net \$0 vs. 2013 (i.e., efficiencies offset customer price reductions and labor and overhead economics).

# Preliminary 2014 Revenue and Earnings Outlook

(in \$ millions)



**Tower is positioned for higher revenue and Adjusted EPS in 2014.**  
 – The outlook for Adjusted EBITDA primarily reflects higher revenue, offset by higher launch cost.

# Preliminary 2014 Adjusted Free Cash Flow

(in \$ millions)

	<b>Prelim. 2014 Outlook</b>	<b>Memo: Excluding Conquest/Mexico</b>
Adjusted EBITDA	\$210-\$215	
Capital Expenditures		
- Conquest Award/Mexico	\$(20)	
- Other	<u>(85)-(90)*</u>	
- Total Capex	\$(105)-\$(110)*	
Cash Interest	(30)	
Pension Contributions	(17)	
Cash Taxes	(10)	
W.C. & Other (ex-tooling)	<u>(35)*</u>	
<b>Adjusted Free Cash Flow</b>	<b>≈ \$15*</b>	<b>≈ \$50</b>
Customer Tooling**	<u>(20)</u>	
Total Free Cash Flow	<u>≈ \$(5)</u>	

\* Excluding China JV plant relocation that is being funded by the customer.

\*\*Customer tooling is excluded from Adjusted Free Cash Flow because it nets to zero for each program, but fluctuates during quarters and years based on timing of company outlays and customer reimbursements.

**We are presently projecting Adjusted Free Cash Flow of about \$15M in 2014, which represents \$50M of “ongoing” cash flow, net of deploying \$35 million for the opportunistic conquest award and Mexico growth investments.**



# Outlook for First Quarter 2014

(in \$ millions, except EPS)

	<b>Present Q1 2014 Outlook</b>
<b>Revenue</b>	\$540-\$550
<b>Adjusted EBITDA</b>	\$50-\$52
<b>Adjusted EPS</b>	\$0.60-\$0.67

# Directional 2015 Outlook: Meaningful Further Progress

(in \$ millions)

	<b>Excluding M&amp;A or Opportunistic <u>Growth Capex</u></b>
<b>Revenue</b>	≈ \$2,300
<b>Adjusted EBITDA</b>	≈ \$235
<b>Adjusted Free Cash Flow</b>	≈ \$70 (3% of Revenue)
- Capital Expenditures	≈ \$90
<b>Net Debt Leverage (year-end)</b>	≈1.3X (On path to achieve target 1X in 2016)
<b>Adjusted Earnings Per Share</b>	
- If U.S. GAAP tax deferral continues	≈ \$3.75
- If U.S. GAAP tax deferral ends	≈ \$3.00*

-----  
\* If U.S. profitability continues as presently projected, Tower expects to resume accruing U.S. corporate tax in 2015 (directional annual effect of 75 cents per share); Tower does not presently expect to pay cash corporate tax in the U.S. until 2017 or 2018.

# Final Thoughts

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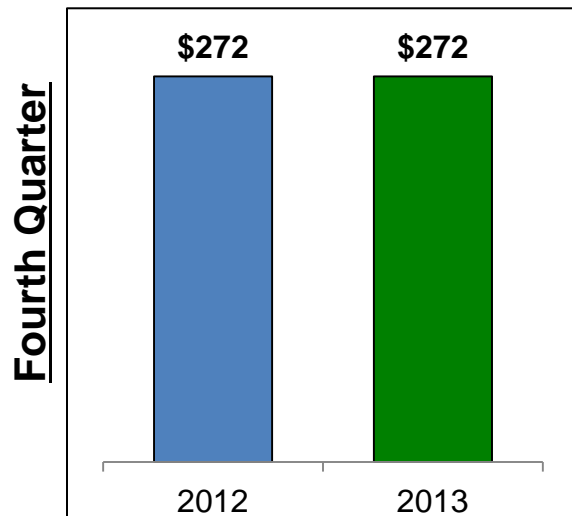
- Tower delivered on several promised break-throughs in financial results in 2013, including:
  - Double-digit Adjusted EBITDA margin;
  - Adjusted Earnings Per Share more than doubled;
  - Significant positive free cash flow; and
  - Significant improvements in leverage, interest coverage, and liquidity.
- We expect 2014 to be a “follow through” year, further building financial strength and momentum, and setting the stage for a potentially higher growth trajectory for Tower in 2015 and beyond.

# APPENDIX

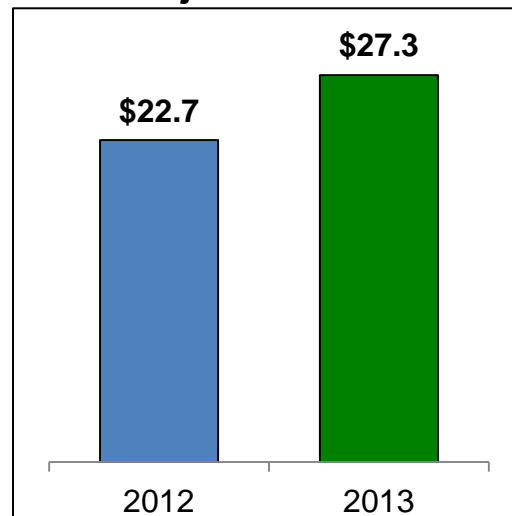
# Americas Segment - - 2013 vs. 2012

(in \$ millions)

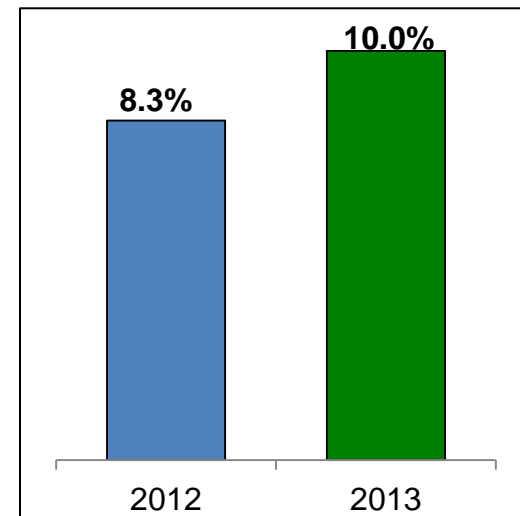
**Revenue**



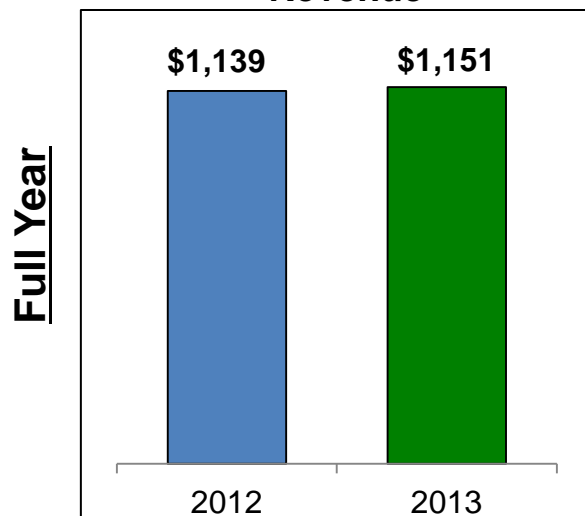
**Adjusted EBITDA**



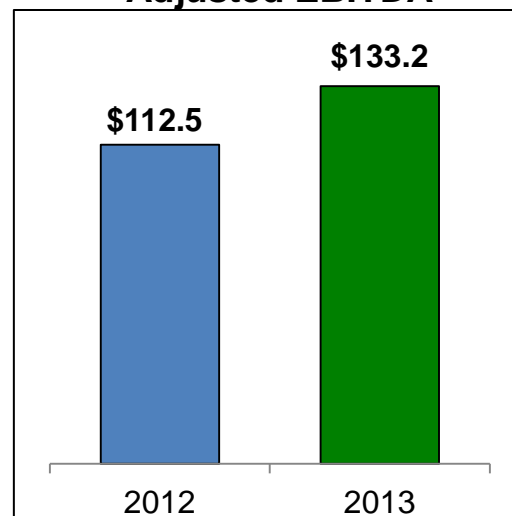
**Adjusted EBITDA Margin**



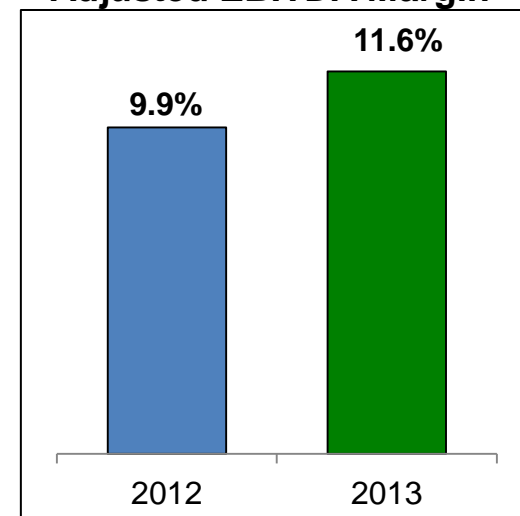
**Revenue**



**Adjusted EBITDA**



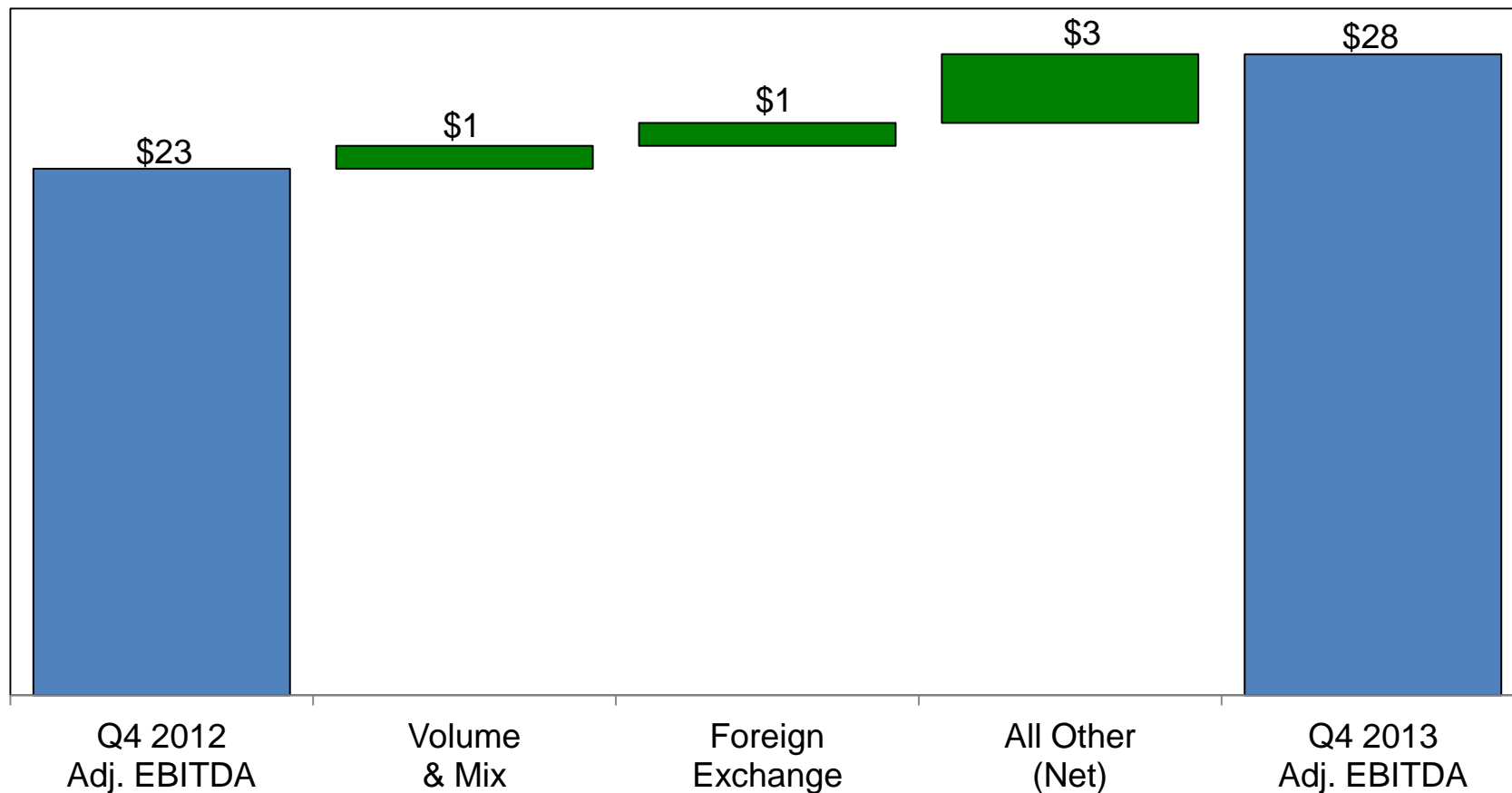
**Adjusted EBITDA Margin**



See slide 28 for comments regarding non-GAAP financial measures.

## Q4 2013 Adjusted EBITDA Compared With Q4 2012

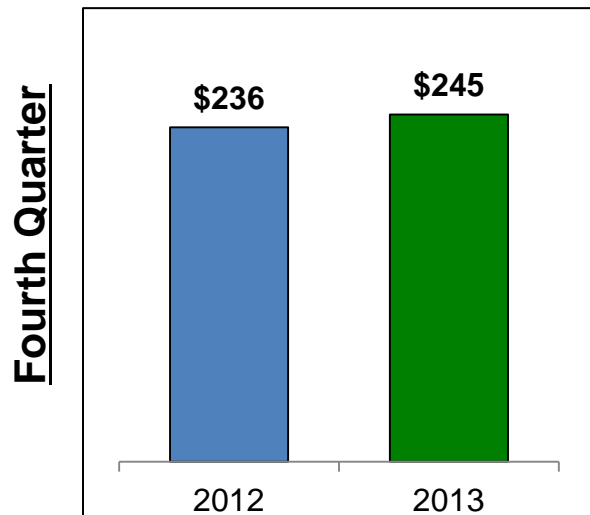
(in \$ millions)



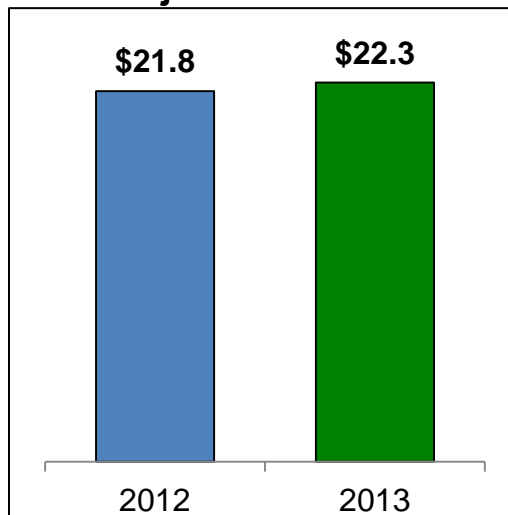
# International Segment - - 2013 vs. 2012

(in \$ millions)

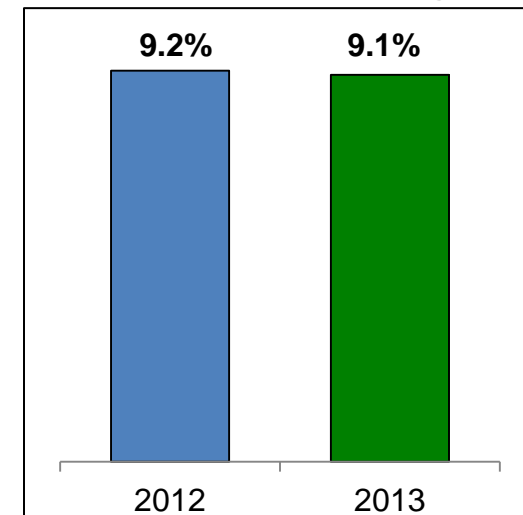
**Revenue**



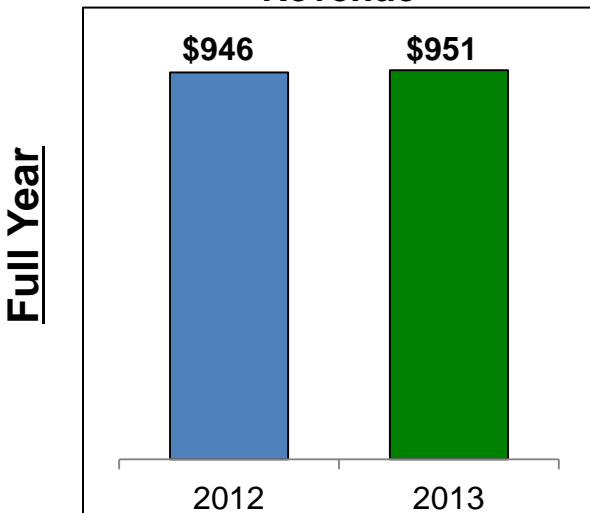
**Adjusted EBITDA**



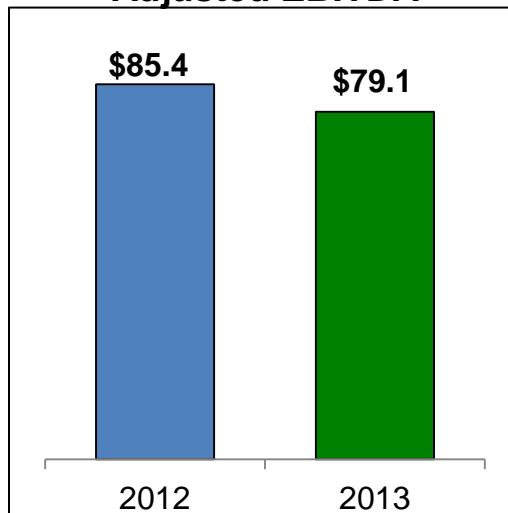
**Adjusted EBITDA Margin**



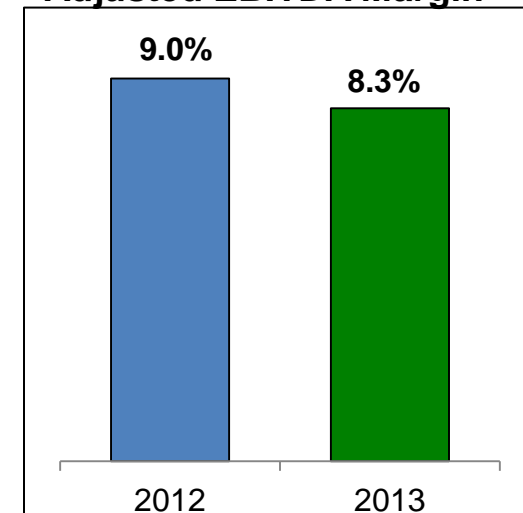
**Revenue**



**Adjusted EBITDA**



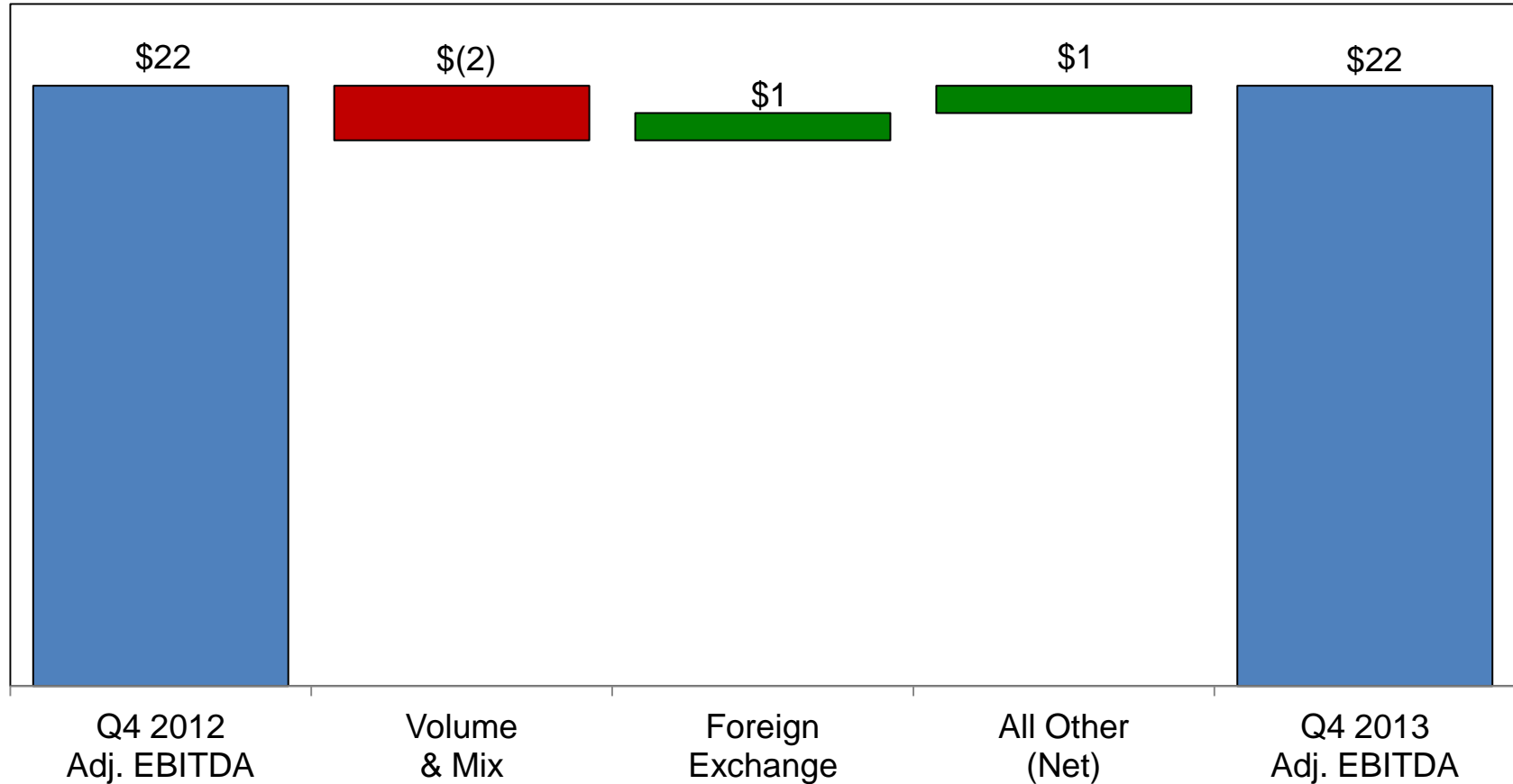
**Adjusted EBITDA Margin**



See slide 28 for comments regarding non-GAAP financial measures.

## Q4 2013 Adjusted EBITDA Compared With Q4 2012

(in \$ millions)





# Income Statement

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2013	2012	2013	2012
Revenues	\$ 516.8	\$ 508.1	\$ 2,102.0	\$ 2,084.9
Cost of sales	456.8	474.8	1,858.6	1,871.3
Gross profit	60.0	33.3	243.5	213.6
Selling, general, and administrative expenses	35.4	32.8	133.6	134.0
Amortization expense	0.7	1.1	2.8	4.6
Restructuring and asset impairment charges, net	2.3	2.8	21.2	10.7
Operating income / (loss)	21.7	(3.4)	85.9	64.3
Interest expense	7.7	13.5	52.1	54.8
Interest income	0.3	0.1	1.2	0.9
Other expense	-	-	48.4	-
Income / (loss) before provision for income taxes and equity in loss of joint venture	14.2	(16.8)	(13.4)	10.5
Provision / (benefit) for income taxes	(6.5)	(2.5)	2.1	15.3
Equity in loss of joint venture, net of tax	(0.2)	-	(0.6)	-
Income / (loss) from continuing operations	20.5	(14.3)	(16.1)	(4.8)
Income from discontinued operations, net of tax	-	30.4	-	29.8
Net income / (loss)	20.5	16.1	(16.1)	25.0
Less: Net income attributable to the noncontrolling interests	1.6	2.3	4.2	7.0
Net income / (loss) attributable to Tower International, Inc.	\$ 19.0	\$ 13.7	\$ (20.3)	\$ 18.0

# Balance Sheet

(in \$ millions)

	Dec. 31, 2013	Dec. 31, 2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 134.9	\$ 113.9
Accounts receivable, net of allowance of \$2.1 and \$4.1	255.7	266.1
Inventories	81.3	81.3
Deferred tax asset - current	8.6	10.4
Prepaid tooling, notes receivable, and other	44.9	96.3
Total current assets	<u>525.4</u>	<u>568.2</u>
Property, plant, and equipment, net	549.6	573.1
Goodwill	67.0	64.8
Investment in joint venture	8.6	-
Deferred tax asset - non-current	3.7	3.1
Other assets, net	28.7	28.8
Total assets	<u>\$ 1,183.0</u>	<u>\$ 1,238.1</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Short-term debt and current maturities of capital lease obligations	\$ 39.7	\$ 74.6
Accounts payable	262.4	264.9
Accrued liabilities	129.2	134.7
Total current liabilities	<u>431.3</u>	<u>474.2</u>
Long-term debt, net of current maturities	454.1	411.6
Obligations under capital leases, net of current maturities	10.0	10.8
Deferred tax liability - non-current	14.4	13.0
Pension liability	54.9	100.8
Other non-current liabilities	81.4	86.9
Total non-current liabilities	<u>614.8</u>	<u>623.1</u>
Total liabilities	<u>1,046.1</u>	<u>1,097.2</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 authorized, 0 issued, and 0 outstanding	-	-
Common stock, \$0.01 par value, 350,000,000 authorized, 21,079,027 issued and 20,472,637 outstanding at December 31, 2013 and 20,830,425 issued and 20,247,134 outstanding at December 31, 2012	0.2	0.2
Additional paid in capital	328.0	321.0
Treasury stock, at cost, 606,390 and 583,291 shares as of December 31, 2013 and December 31, 2012	(8.6)	(8.3)
Accumulated deficit	(257.5)	(237.2)
Accumulated other comprehensive income / (loss)	12.2	(12.5)
Total Tower International, Inc.'s stockholders' equity	<u>74.4</u>	<u>63.2</u>
Noncontrolling interests in subsidiaries	62.5	77.6
Total stockholders' equity	<u>136.9</u>	<u>140.9</u>
Total liabilities and stockholders' equity	<u>\$ 1,183.0</u>	<u>\$ 1,238.1</u>

# Consolidated Statement of Cash Flows

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2013	2012	2013	2012
<b>Cash flows - operating activities</b>				
Net income / (loss)	\$ 20.5	\$ 16.1	\$ (16.1)	\$ 25.0
Less: Income from discontinued operations, net of tax	-	30.4	-	29.8
Income / (loss) from continuing operations	\$ 20.5	\$ (14.3)	\$ (16.1)	\$ (4.8)
Non-cash restructuring and asset impairments charges, net	0.2	0.6	11.2	0.6
Premium on notes redemption and other fees	-	-	48.4	-
Deferred income tax provision	(10.8)	(3.5)	(10.5)	9.1
Depreciation and amortization	23.9	24.6	94.8	92.9
Non-cash share-based compensation	1.1	1.1	4.7	9.6
Pension expense / (income), net of contributions	(3.8)	18.5	(17.1)	2.6
Change in working capital and other operating items	72.4	36.6	37.7	(8.5)
<b>Net cash provided by continuing operating activities</b>	<b>\$ 103.6</b>	<b>\$ 63.6</b>	<b>\$ 153.4</b>	<b>\$ 101.4</b>
<b>Cash flows - investing activities</b>				
Cash disbursed for purchases of property, plant, and equipment, net	\$ (49.6)	\$ (35.1)	\$ (96.8)	\$ (119.8)
Net proceeds from sale of property, plant, and equipment	-	-	12.0	-
Investment in joint venture	-	-	(6.3)	-
<b>Net cash used in continuing investing activities</b>	<b>\$ (49.6)</b>	<b>\$ (35.1)</b>	<b>\$ (91.0)</b>	<b>\$ (119.8)</b>
<b>Cash flows - financing activities</b>				
Proceeds from borrowings	\$ 102.9	\$ 186.5	\$ 560.3	\$ 651.8
Repayments of borrowings	(130.4)	(227.8)	(615.3)	(638.8)
Proceeds from borrowings on Term Loan Credit Facility	-	-	417.9	-
Redemption of notes	-	-	(362.0)	-
Premium paid on notes redemption and other fees	-	-	(43.1)	-
Debt financing costs	-	-	(4.3)	-
Premium paid on re-pricing of Term Loan Credit Facility and other fees	(1.4)	-	(10.9)	-
Secondary stock offering transaction costs	(0.8)	-	(0.8)	-
Proceeds from stock options exercised	0.2	-	2.2	-
Purchase of treasury stock	-	-	(0.3)	(3.2)
Noncontrolling interest dividends	(2.6)	-	(9.3)	-
<b>Net cash provided by / (used in) continuing financing activities</b>	<b>\$ (32.1)</b>	<b>\$ (41.2)</b>	<b>\$ (65.6)</b>	<b>\$ 9.8</b>
Discontinued operations:				
Net cash from discontinued operating activities	\$ -	\$ 9.3	\$ -	\$ (10.6)
Net cash from discontinued investing activities	4.8	(29.5)	20.5	(51.4)
Net cash from discontinued financing activities	-	25.8	-	45.4
Net cash from discontinued operations	\$ 4.8	\$ 5.6	\$ 20.5	\$ (16.6)
<b>Net change in cash and cash equivalents</b>	<b>\$ 26.7</b>	<b>\$ (7.1)</b>	<b>\$ 17.2</b>	<b>\$ (25.2)</b>
Cash and cash equivalents - beginning of period	106.3	119.0	113.9	135.0
Effect of exchange rate changes on cash and cash equivalents	1.9	2.0	3.7	4.1
<b>Cash and cash equivalents - end of period</b>	<b>\$ 134.9</b>	<b>\$ 113.9</b>	<b>\$ 134.9</b>	<b>\$ 113.9</b>

# Non-GAAP Financial Measures

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This presentation includes the following non-GAAP financial measures: “Adjusted EBITDA”, “Adjusted EBITDA margin”, “Adjusted Earnings Per Share (EPS)”, “free cash flow”, “adjusted 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. Adjusted Earnings Per Share exclude certain income and expense items described in the reconciliation provided in this presentation. Free cash flow is defined as cash provided by operating activities less cash disbursed for purchases of property, plant and equipment. Adjusted free cash flow is free cash flow excluding cash received or disbursed for customer tooling. Net debt represents total debt less cash and cash equivalents. We use Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Earnings Per Share, free cash flow, adjusted 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 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 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	Full Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>Adjusted EBITDA</b>	\$ 46.3	\$ 62.4	\$ 44.7	\$ 44.5	\$ 197.9	\$ 52.1	\$ 62.2	\$ 48.4	\$ 49.6	\$ 212.3
Restructuring and asset impairments charges, net	(1.9)	(2.8)	(3.2)	(2.8)	(10.7)	(2.7)	(14.6)	(1.6)	(2.3)	(21.2)
Depreciation and amortization	(22.3)	(22.4)	(23.4)	(24.8)	(92.9)	(25.2)	(23.5)	(22.3)	(23.8)	(94.8)
Acquisition costs and other	(0.2)	(0.2)	(0.2)	0.2	(0.4)	-	(0.5)	(0.4)	(0.1)	(1.0)
Long-term compensation expense	(5.0)	(3.1)	(1.1)	(1.2)	(10.4)	(1.4)	(1.8)	(1.7)	(1.7)	(6.6)
Other expense	-	-	-	-	-	-	(40.9)	(7.5)	-	(48.4)
Interest expense, net	(13.5)	(13.8)	(13.2)	(13.3)	(53.8)	(13.2)	(21.2)	(9.1)	(7.4)	(50.9)
Closure of Tower Defense & Aerospace	-	-	-	-	-	(1.6)	(1.2)	-	-	(2.8)
(Provision) / benefit for income taxes	(2.1)	(12.5)	(3.1)	2.4	(15.3)	(3.5)	(3.6)	(1.4)	6.4	(2.1)
Equity in loss of joint venture	-	-	-	-	-	-	(0.2)	(0.2)	(0.2)	(0.6)
Net loss / (income) attributable to noncontrolling interest	(1.4)	(1.5)	(1.6)	(2.5)	(7.0)	(2.0)	0.2	(0.9)	(1.5)	(4.2)
Pension actuarial loss	-	-	-	(19.2)	(19.2)	-	-	-	-	-
Income / (loss) from discontinued operation	0.7	1.6	(2.9)	30.4	29.8	-	-	-	-	-
<b>Net income / (loss) attributable to Tower International, Inc.</b>	<b>\$ 0.6</b>	<b>\$ 7.7</b>	<b>\$ (4.0)</b>	<b>\$ 13.7</b>	<b>\$ 18.0</b>	<b>\$ 2.5</b>	<b>\$ (45.1)</b>	<b>\$ 3.3</b>	<b>\$ 19.0</b>	<b>\$ (20.3)</b>

# Adjusted Free Cash Flow Reconciliation to GAAP

(in \$ millions)

	<b>Three Months Ended Dec. 31,</b>		<b>Year Ended Dec. 31,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net cash provided by continuing operating activities*	\$ 103.6	\$ 63.6	\$ 153.4	\$ 101.4
Cash disbursed for purchases of PP&E, net*	(49.6)	(35.1)	(96.8)	(119.8)
Free cash flow	54.0	28.5	56.6	(18.4)
Net cash provided / (disbursed) for customer-owned tooling	31.0	(2.2)	21.1	3.6
Adjusted free cash flow	<u>\$ 23.0</u>	<u>\$ 30.7</u>	<u>\$ 35.5</u>	<u>\$ (22.0)</u>

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\*From GAAP Consolidated Statement of Cash Flows

# Certain Items Included in Net Income/(Loss)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2013	2012	2013	2012
Income / (expense) items included in net income / (loss), net of tax				
<i>Cost of sales</i>				
Closure of Tower Defense & Aerospace	\$ -	\$ -	\$ (4.4)	\$ -
Pension actuarial loss	-	(19.2)	-	(19.2)
<i>Selling, general, and administrative expenses</i>				
Incentive compensation related to funding events	-	-	-	(6.1)
Acquisition costs and other	-	-	(0.3)	-
<i>Restructuring expense</i>				
One-time restructuring actions	(1.2)	(1.5)	(2.2)	(2.7)
Plant relocation	-	(0.2)	-	(3.0)
Facility closure	-	-	(3.6)	-
Asset impairment charges	(0.2)	-	(10.9)	(0.6)
<i>Interest expense</i>				
Acceleration of the amortization of debt issue costs and OID	-	-	(11.3)	-
<i>Other expense</i>				
Premium on redemption of Senior Secured Notes	-	-	(42.5)	-
Premium and other fees for re-pricing of Term Loan	0.1	-	(4.4)	-
Secondary stock offering transaction costs	(0.2)	-	(1.0)	-
Breakage of Letter of Credit Facility	-	-	(0.6)	-
<i>Provision for income taxes</i>				
Foreign subsidiary tax audit	-	3.2	2.3	4.3
Non-cash income tax benefit on gain in other comprehensive income	10.8	-	10.8	-
Valuation allowance in Brazil	-	-	-	(6.5)
<i>Discontinued operations</i>				
Income from discontinued operations	-	30.4	-	29.8
Total items included in net income	<u>\$ 9.3</u>	<u>\$ 12.7</u>	<u>\$ (68.1)</u>	<u>\$ (4.0)</u>
Net income / (loss) attributable to Tower International, Inc.	\$ 19.0	\$ 13.7	\$ (20.3)	\$ 18.0
Memo: Average shares outstanding (in millions)				
Basic	20.5	20.2	20.4	20.1
Diluted	21.2	20.4	20.4	20.5
Income / (loss) per common share (GAAP)				
Basic	\$ 0.93	\$ 0.68	\$ (0.99)	\$ 0.90
Diluted	0.90	0.67	(0.99)	0.88
Diluted adjusted earnings per share (non-GAAP)*	\$ 0.45	\$ 0.05	\$ 2.28	\$ 1.08

\* Excludes the certain items shown above. For the year ended December 31, 2013, a diluted share count of 20.9 million was used to calculate diluted adjusted income per share.

# 2014 Industry Production Volume (January IHS)

(Vehicles in millions)

	2014 Forecast (January IHS)				
	Q1	Q2	Q3	Q4	Full Year
<b><u>By Region</u></b>					
Europe	5.0	5.1	4.5	4.9	19.5
China	5.3	5.1	5.0	5.7	21.1
North America	4.3	4.3	4.2	4.0	16.8
Brazil	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>	<u>3.5</u>
Total Tower Markets	<u>15.4</u>	<u>15.4</u>	<u>14.6</u>	<u>15.5</u>	<u>60.9</u>

## **2014 Over/(Under) 2013**

Europe	4 %	(1) %	(1) %	3 %	1 %
China	13	11	10	6	10
North America	6	2	9	(1)	4
Brazil	0	(4)	2	10	2
Total Tower Markets	8 %	3 %	6 %	4 %	5 %