



Citi Global Industrials Conference

Boston

September 22, 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 expected 2011 full year revenues and Adjusted EBITDA, the existence of a recovery cycle in the automotive sector and future goals relating to the delivery of solid and predictable results, and opportunities beyond industry recovery, projected revenue, capital expenditures and future growth in China, expected closing and start of production dates and potential plant openings. 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 press release 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.

- 1. About Tower**
- 2. Game Plan - - and how we're tracking since IPO**
- 3. Value perspective**

Brief Chronology

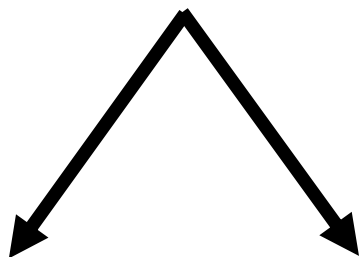
- **1990's - 2005** Numerous premium-multiple acquisitions, not well integrated, focused heavily on trucks and SUVs
- **February 2005** U.S. Operations enter Chapter 11
- Note: International Ops consistently profitable
- **Feb. 2005 - Aug. 2007** North American Operations closed 11 plants (48% reduction); U.S. hourly all-in cost reduced 15%; pension frozen; retiree health care capped; \$500M loss/low-return contracts returned to customers
- **August 2007** Exit Chapter 11; acquired by Cerberus; new senior management
- **Since August 2007** Global best-practice standardization; major further improvements (e.g., \$195M ongoing annual savings achieved in 2008-09)
- **Second Half 2008-2009** Competitiveness demonstrated as Tower survived "Auto Depression"
- **October 15, 2010** IPO (100% primary)
- Ownership: Cerberus ≈60%, management 5+%, public ≈1/3

Tower's 2010 IPO was the first by an auto supplier in the U.S. since 2005.

The Sector and Our Competitors

Our Industry Sector

Auto Stamping



OEMs
(est. 60%)

Suppliers
(est. 40%)

Potential above-market growth from increased outsourcing.

Our Supplier Competitors

Magna

Gestamp (Private, Spanish)

Tower

Benteler (Private, German)

Magnetto (Private, Italian)

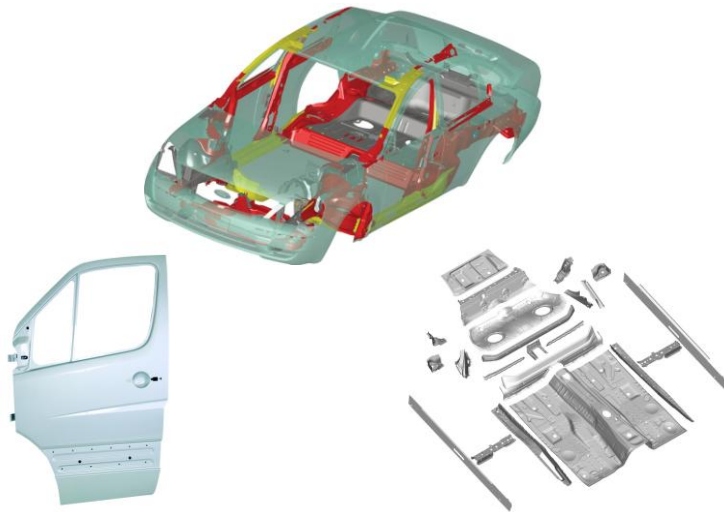
Martinrea

Hundreds of medium and smaller regional competitors

Potential above-market growth from increased global vehicle programs and supplier rationalization.

Body Structure and Assemblies

- Basic upper large body structures of the vehicle such as body pillars, roof rails, side sills and IP Beams.
- Class A surfaces - exposed sheet metal components such as body sides, pick-up box sides, door and roof panels.



Chassis

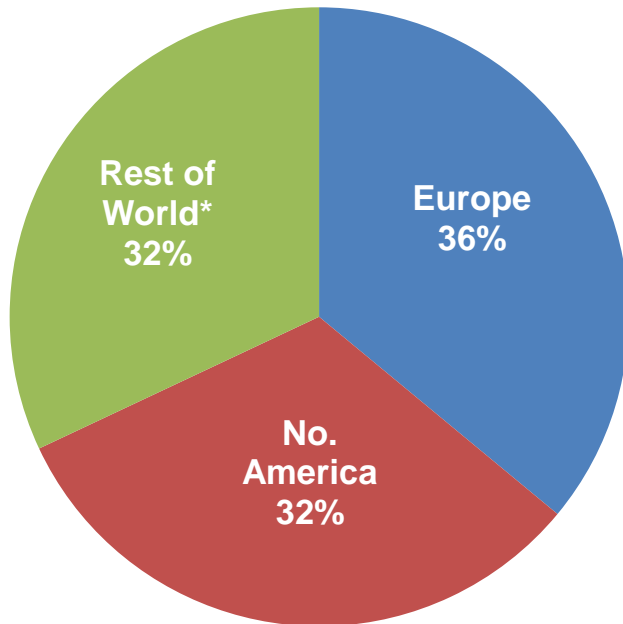
- Lower structure of vehicle including full frames (pick-up and SUV).
- Sub frames, cradles, cross members and trailing axles.



Excellent Geographic Diversification

Regional Sales Mix

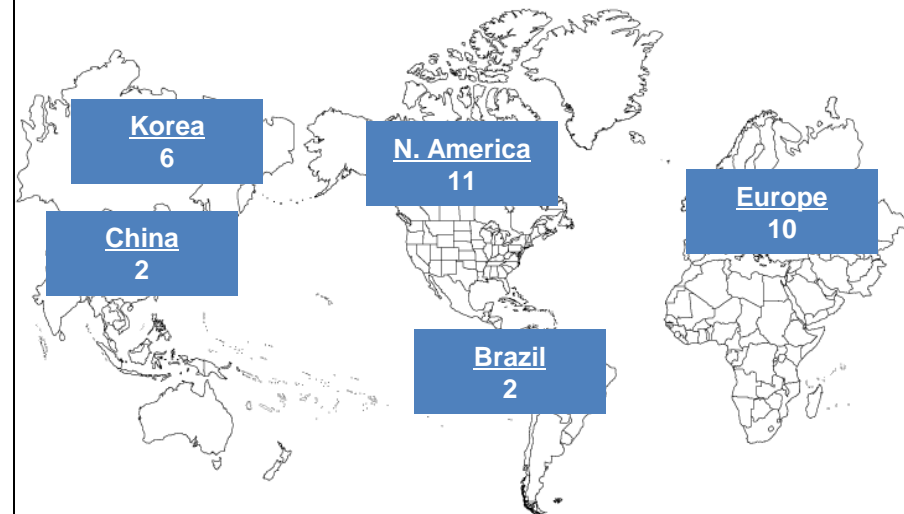
(2010 Percent of Vehicle Revenue)



*Korea 14%, **Brazil 10%, China 8%**

Tower's Footprint

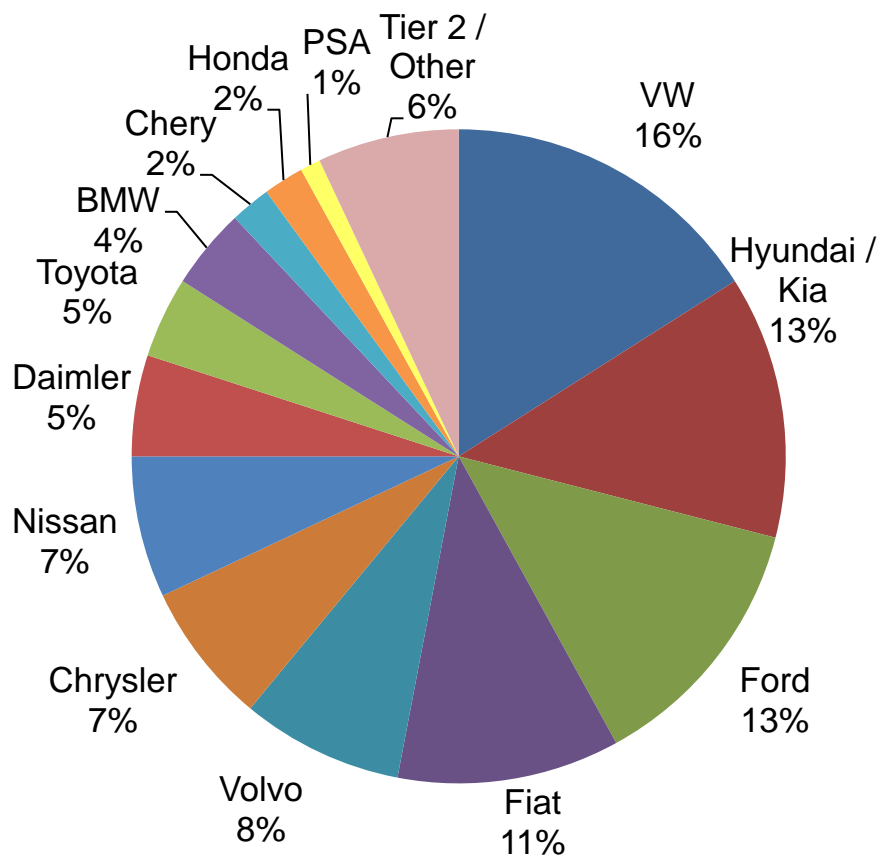
(Manufacturing Locations – Year End 2010)



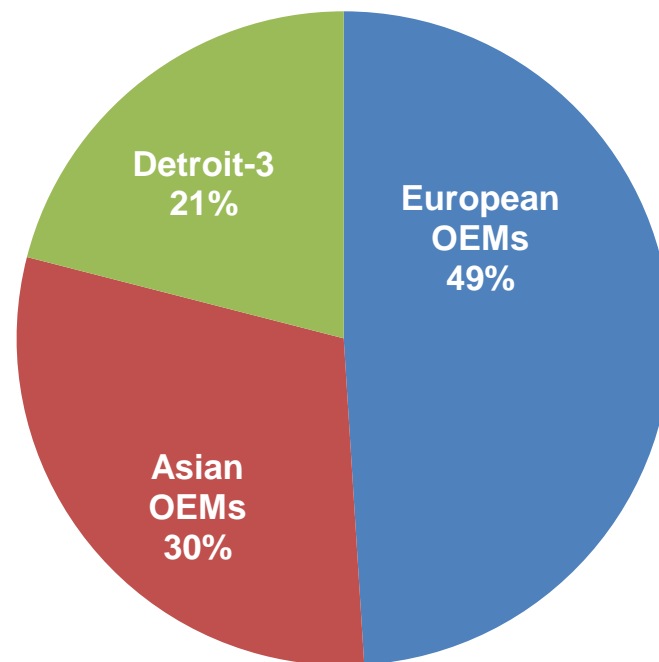
Excellent Customer Diversification

(2010 percent of revenue)

By Company



By Customer Group



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”.**

- A. Further reductions in leverage;
- B. Above-average secular growth in China and Brazil;
- C. Opportunistic, accretive acquisitions (“cheap and patient”);
- D. Opportunities in adjacent markets (e.g., defense and aero, solar).

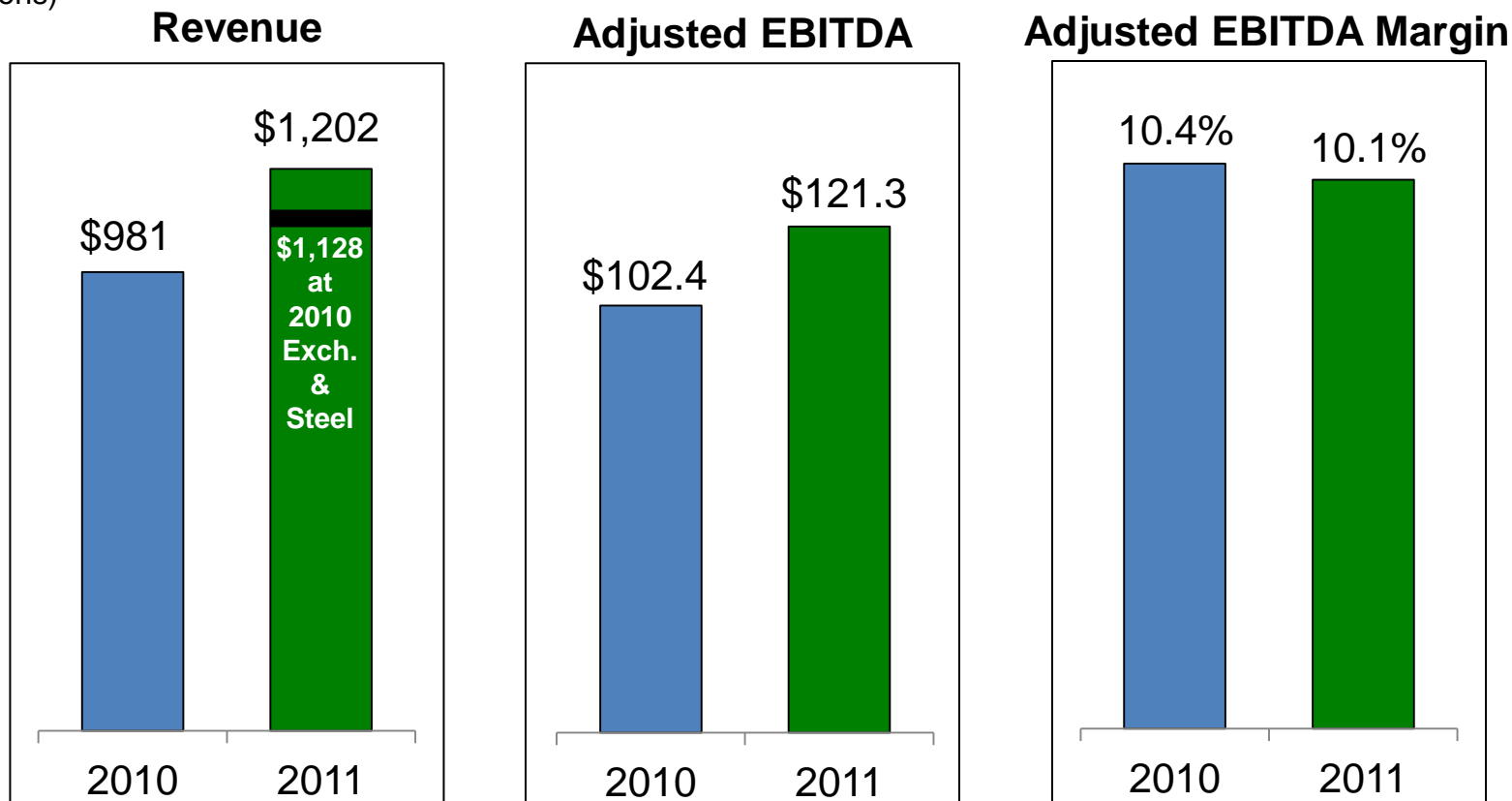
Game Plan:

- 1. Consistently deliver solid and predictable results.**

Total Company

First Half Financials - - 2011 vs. 2010

(in \$ millions)

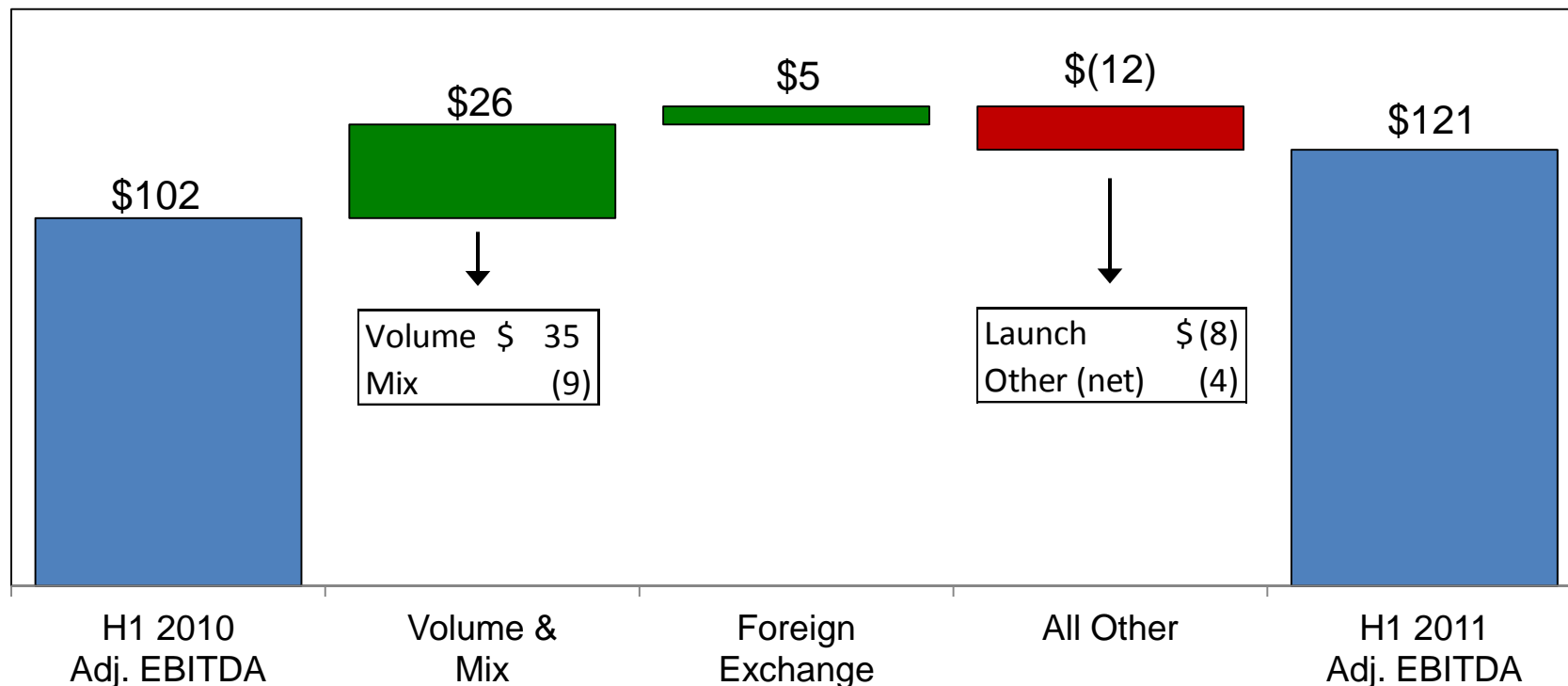


- H1 2011 revenue was \$1,202M. Excluding changes in exchange rates and steel pricing, revenue was up 15% from H1 2010.
- Adjusted EBITDA was \$121.3M, up about \$19M or 18%, for an Adjusted EBITDA margin of 10.1%.
 - Absolute margin is appropriately strong. The decline vs. a year ago reflected in large part the quarterly timing of cost factors, as explained on the next slide.

Total Company

H1 2011 Adjusted EBITDA Compared With 2010

(in \$ millions)



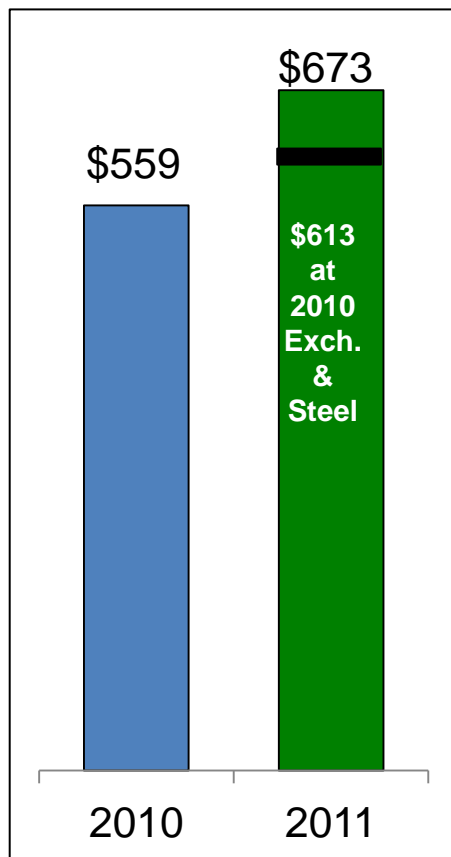
- **Compared with H1 2010, volume, mix, and exchange improved H1 2011 Adjusted EBITDA by \$31M.**
 - Higher volume was partially offset by less-favorable mix (e.g., frame vehicles and “2nd generation” new models).
- **The change in other factors was unfavorable by \$12M, mainly explained by launch costs to support the timing of customers’ new products.**

International Segment

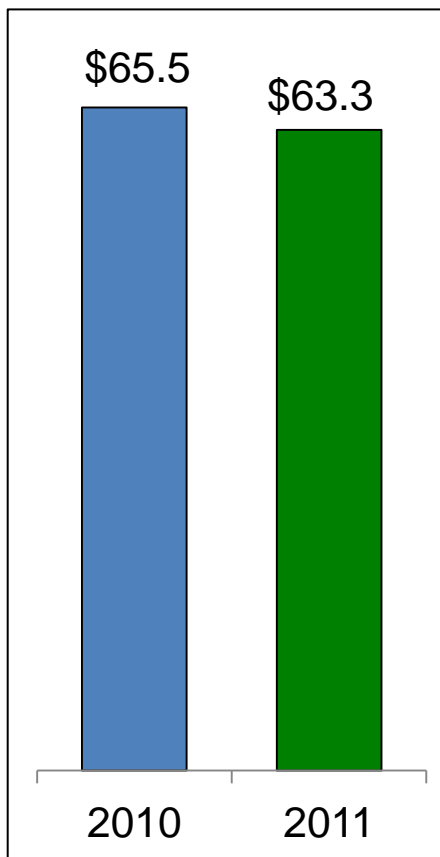
First Half Financials - - 2011 vs. 2010

(in \$ millions)

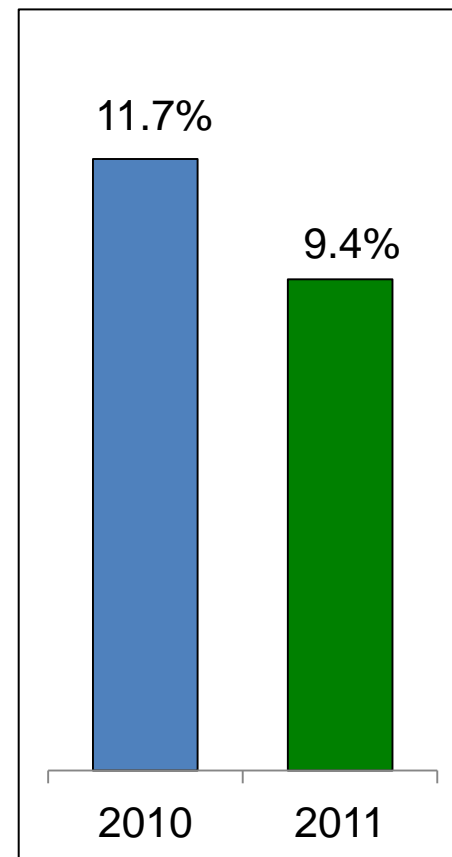
Revenue



Adjusted EBITDA



Adjusted EBITDA Margin

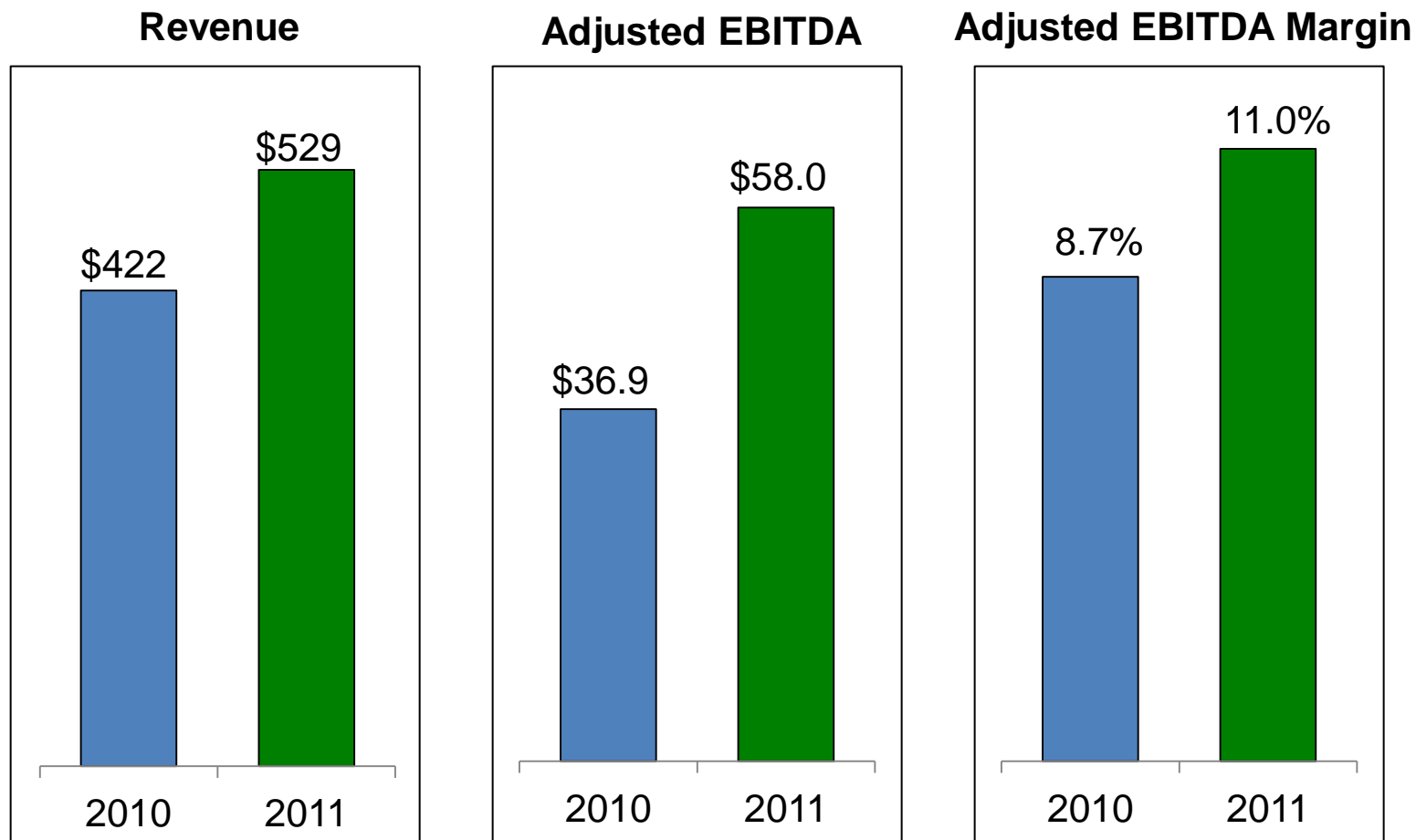


Margin in the International segment (Europe and Asia) is still relatively strong.
– The decline from a year ago includes launch timing and also the anticipated ongoing decline in previous above-norm margins in China.

Americas Segment

First Half Financials - - 2011 vs. 2010

(in \$ millions)



With the industry partial recovery, our Americas profitability has recovered, and Tower is now demonstrating good global earnings balance.

Industry Production Outlook (August IHS)

(unit millions)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>
<u>2011</u>					
Europe	5.3	5.2	4.4	5.1	20.0
Korea	1.1	1.2	1.1	1.2	4.6
China	3.9	3.5	3.8	4.3	15.5
North America	3.4	3.1	3.1	3.3	12.9
Brazil	<u>0.8</u>	<u>0.8</u>	<u>0.9</u>	<u>0.8</u>	<u>3.3</u>
Total Tower Markets	<u>14.5</u>	<u>13.8</u>	<u>13.3</u>	<u>14.7</u>	<u>56.3</u>

2011 B/(W) Than 2010

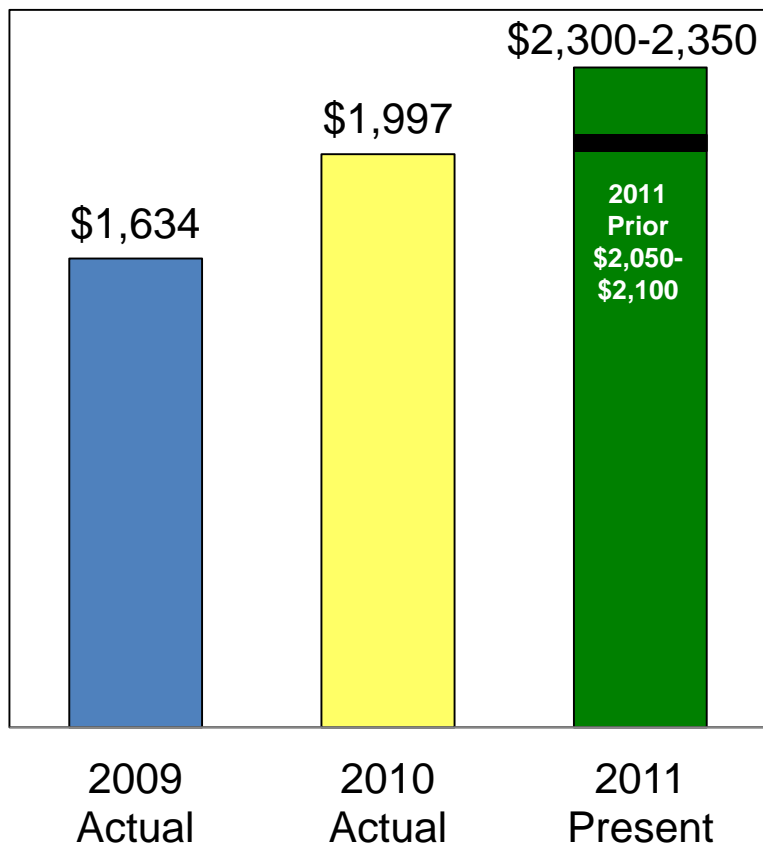
Europe	12 %	4 %	4 %	5 %	6 %
Korea	15	9	15	0	9
China	8	2	11	3	6
North America	16	1	4	11	8
Brazil	4	2	5	4	4
Total Tower Markets	12 %	3 %	7 %	5 %	7 %

- **IHS presently projects industry production increases in the Second Half of 5-7% in Tower's markets.**
 - **While there is risk (e.g., the magnitude of the projected Q4 increase in North America), we believe the full year volume outlook remains overall positive vs. 2010.**

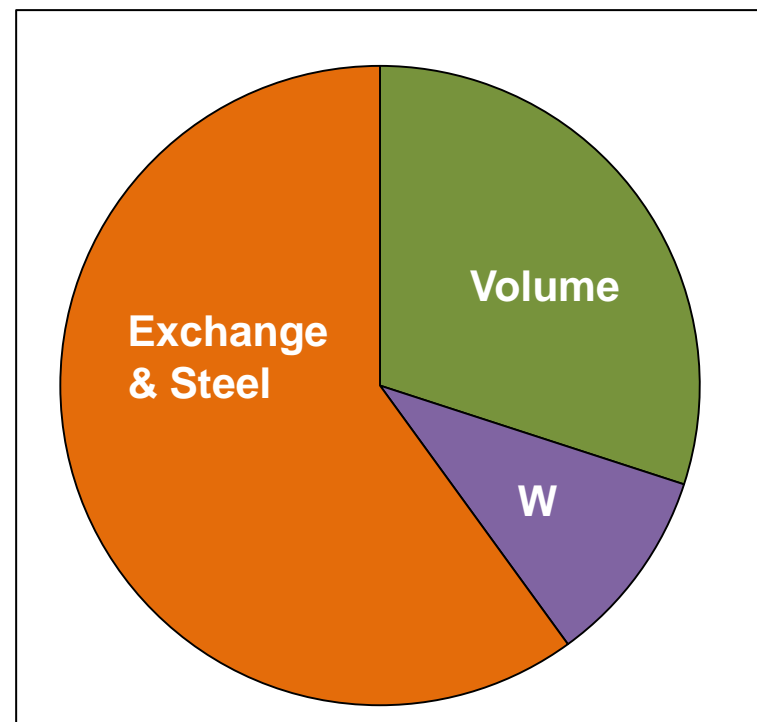
Revenue Outlook for 2011

(in \$ millions)

Revenue Outlook



≈1/3 of Increase is from Volume

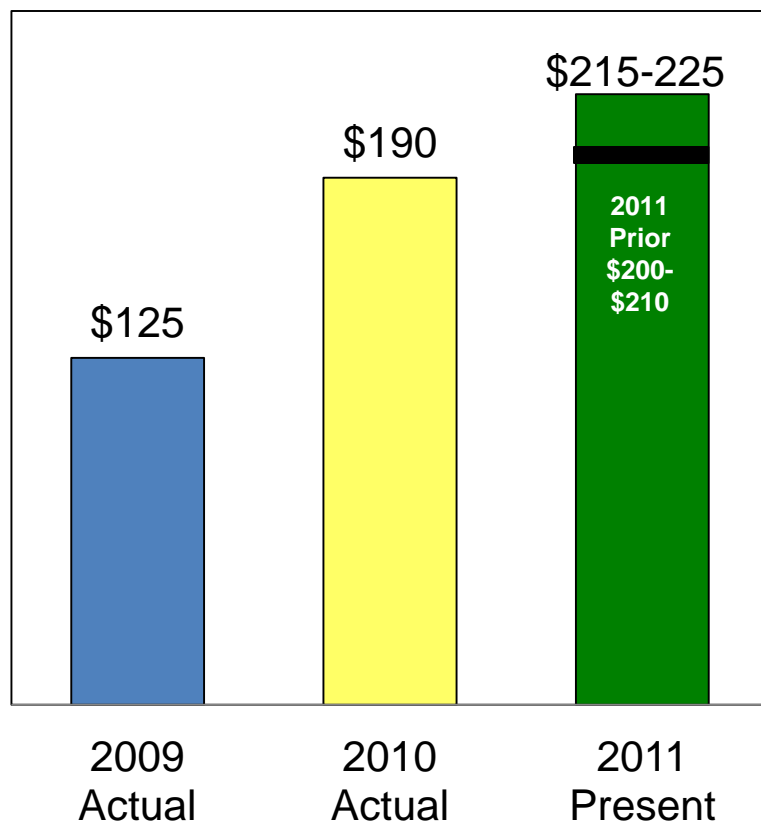


Following Q2 results, we increased our external guidance for 2011 revenue, largely explained by exchange rates and higher steel-related pricing, although volume is also projected to be net favorable vs. Plan.

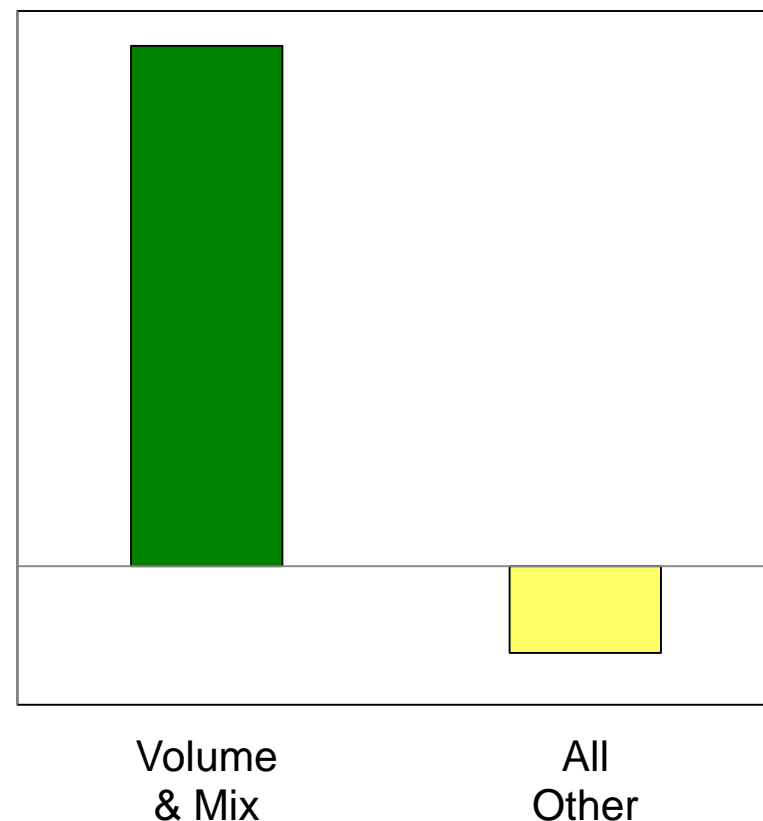
Adjusted EBITDA Outlook for 2011

(in \$ millions)

Adjusted EBITDA Outlook



Directional Explanation of Increase

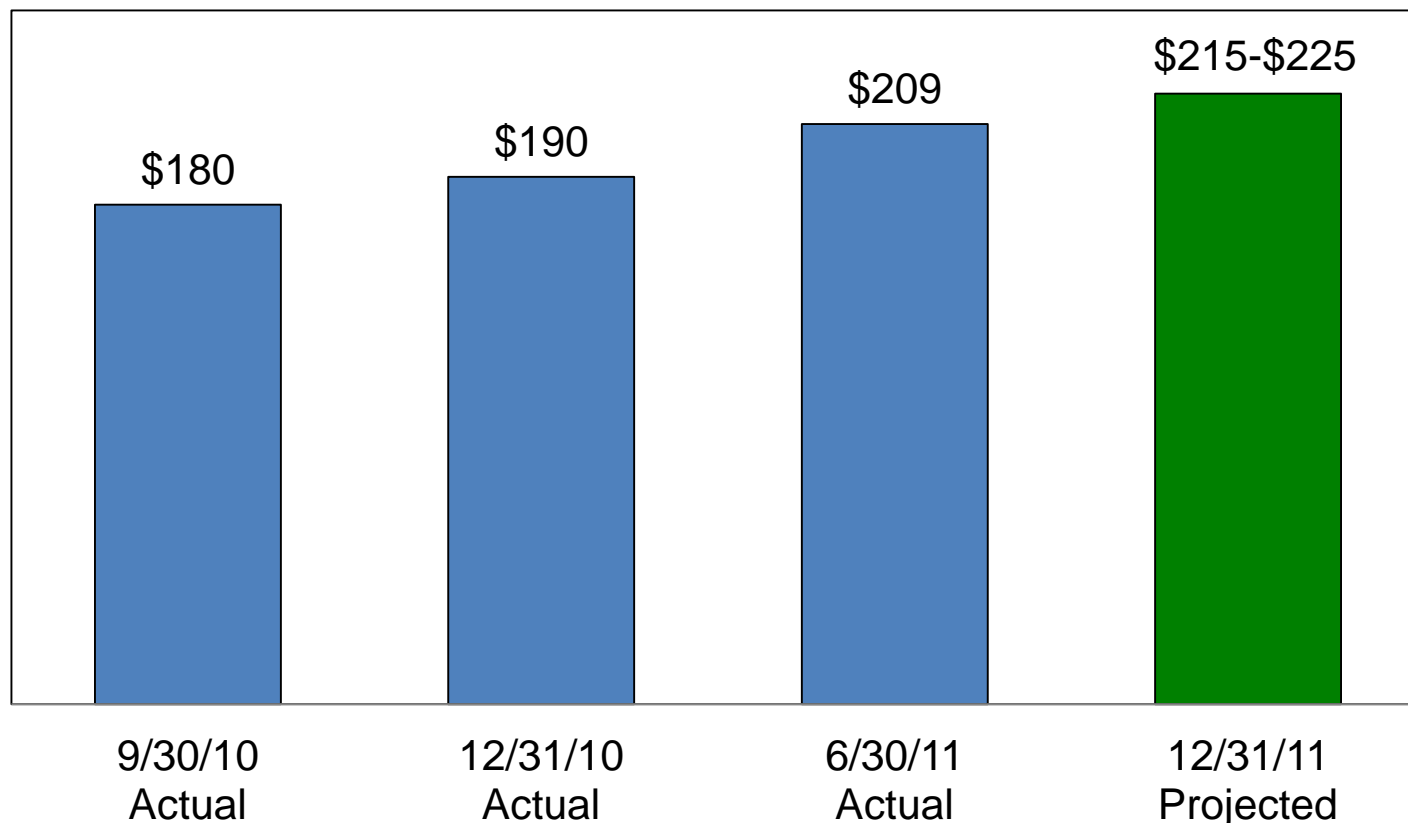


The outlook for Adjusted EBITDA was also improved, reflecting increased confidence in volume and a present expectation that all other non-volume changes (e.g., launch cost) will largely net out as a relatively minor negative vs. Plan.

- **If achieved, the present outlook for 2011 Adjusted EBITDA would represent a 13-18% increase from 2010.**

Continuing Momentum in Adjusted EBITDA

(Last 12 months in \$ millions)



Our increased guidance for full year 2011 Adjusted EBITDA includes projected further year-over-year improvement in the Second Half, continuing the meaningful positive trend since Tower's IPO last fall.

Game Plan:

2A. Reduce leverage over time.

Improved and Manageable Net Debt and Leverage

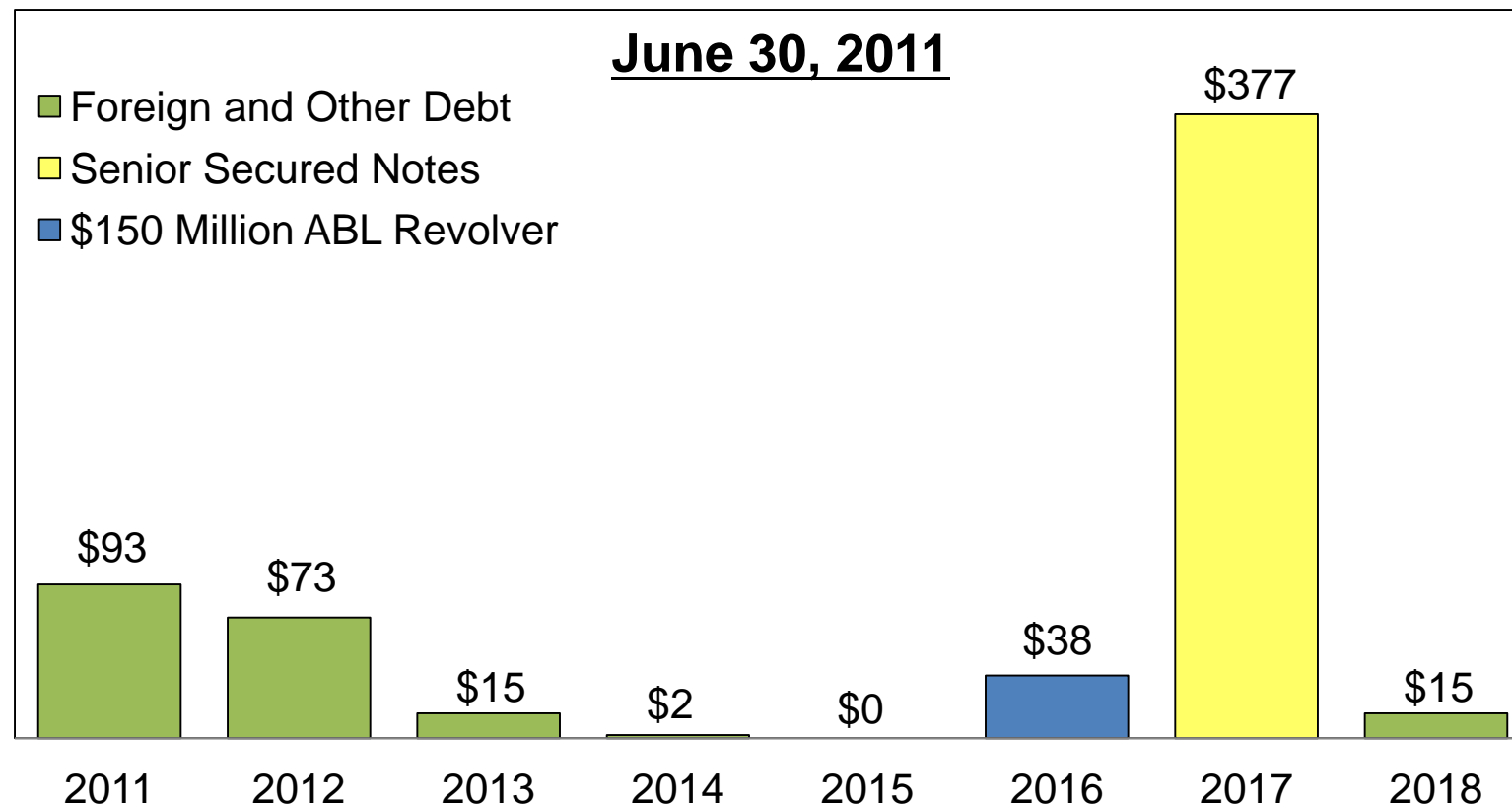
(in \$ millions)

	<u>Sept. 30,</u> <u>2010</u>	<u>June 30,</u> <u>2011</u>	<u>Memo:</u> <u>Target</u> <u>Leverage</u>
<u>Net Debt</u>			
Cash	\$ 115	\$ 128	
Gross Debt	<u>(643)</u>	<u>(613)</u>	
Net Debt	<u><u>\$ (528)</u></u>	<u><u>\$ (485)</u></u>	
<u>Debt-to-LTM Adj. EBITDA</u>			
Gross	3.6X	2.9X	1.5X
Net	2.9	2.3	1.0

Net debt and leverage have improved significantly since last fall's IPO.

No Pressing Debt Maturities

(in \$ millions)

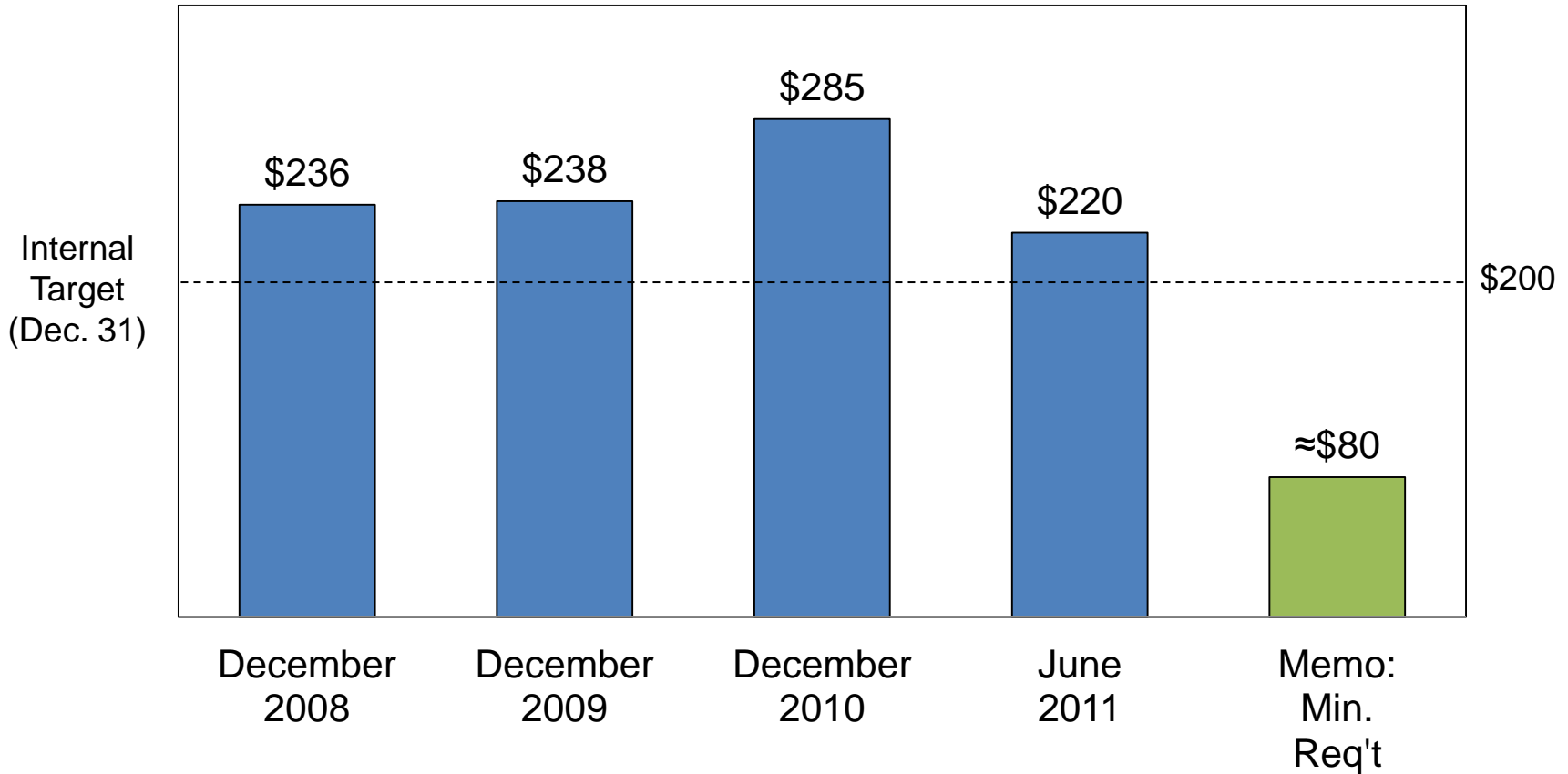


We have no significant debt maturities for the next several years.

- Foreign debt is generally one-year, asset-backed, and has consistently been renewed.
- A new asset-backed revolver (thru 2016) was agreed in Q2 2011, following the senior secured notes issued last September.

Good Liquidity

(in \$ millions)



Liquidity remains strong, well in excess of our minimum operating requirements and our internal target.
– Liquidity held up well during the 2008-2009 major auto recession.

Game Plan:

2B. Capitalize on above-average secular growth in China and Brazil.

Aggressively Building Our Positions In China and Brazil

As of 2010:

Additions:

China:

Factories:	Changchun Wuhu	Dalian Chengdu Changchun (Expansion) Xiangtan DIT JV
Customers:	FAW/VW Chery	Fiat / Chrysler Geely

Brazil:

Factories:	Arujá Betim	Contagem
Customers:	Fiat VW, Honda	

Game Plan:

**2C. Opportunistic, accretive acquisitions
("cheap and patient").**

Acquisition of Assets of W Industries - - Tower Defense & Aerospace

- Bolt-on acquisition of assets of financially-distressed but operationally proven supplier of heavy-gauge complex components, structures, and tooling fixtures for the defense, aerospace, and industrial markets.
 - Complementary skills create uniquely capable supplier.
- **Select existing customers:**
 - Defense: AM General, General Dynamics
 - Aerospace: Spirit Aerosystems, Pacifica Engineering
 - Industrial: Tenneco

- **Preliminary financial outlook (in \$ millions):**

	2011 Q2-Q4	2012	Potential 2014
Revenue	\$25-\$40	\$50-\$100	\$150-\$250
Adj. EBITDA	≈ 0	5-10	15-35
Free Cash Flow	≈ 0	Positive	10-30

- **Acquisition cost:** Est. \$29M (includes \$7M working capital)
 - Q1 2011 \$11M, Q2 \$12M, Q3+ \$6M
- **Assets acquired:** Working capital \$5-\$10M, PP&E \$30M (NBV - - prior to purchase accounting)
 - Existing assets can support est. annual revenue of \$200-\$250M.
- **Leadership:** Mike Rajkovic, Tower COO, adds duties as President, Tower Defense & Aerospace.
 - Support includes Nick Chabraja, Tower Chairman and former Chmn. & CEO, General Dynamics.

The bolt-on acquisition fits Tower's game plan.

- **Modest acquisition cost and decent value - - exclusive of synergies.**
- **With big potential upside: revenue growth with good margins and good free cash flow conversion in a market adjacent to auto.**

Game Plan:

**2D. Opportunities in adjacent markets
(defense and aero; solar)**

Solar Status

- It appears it may take until later this year to reach a definitive outcome with prospective customers on potential solar revenue.
- No additional capital has been committed to solar.
 - If/when we do make a material investment, it will be for program(s) that have secured customer funding.
- We are not “counting on” the addition of solar business.
 - It could, however, provide a further boost to 2013+ revenue (\approx \$100M).

Game Plan

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”.**

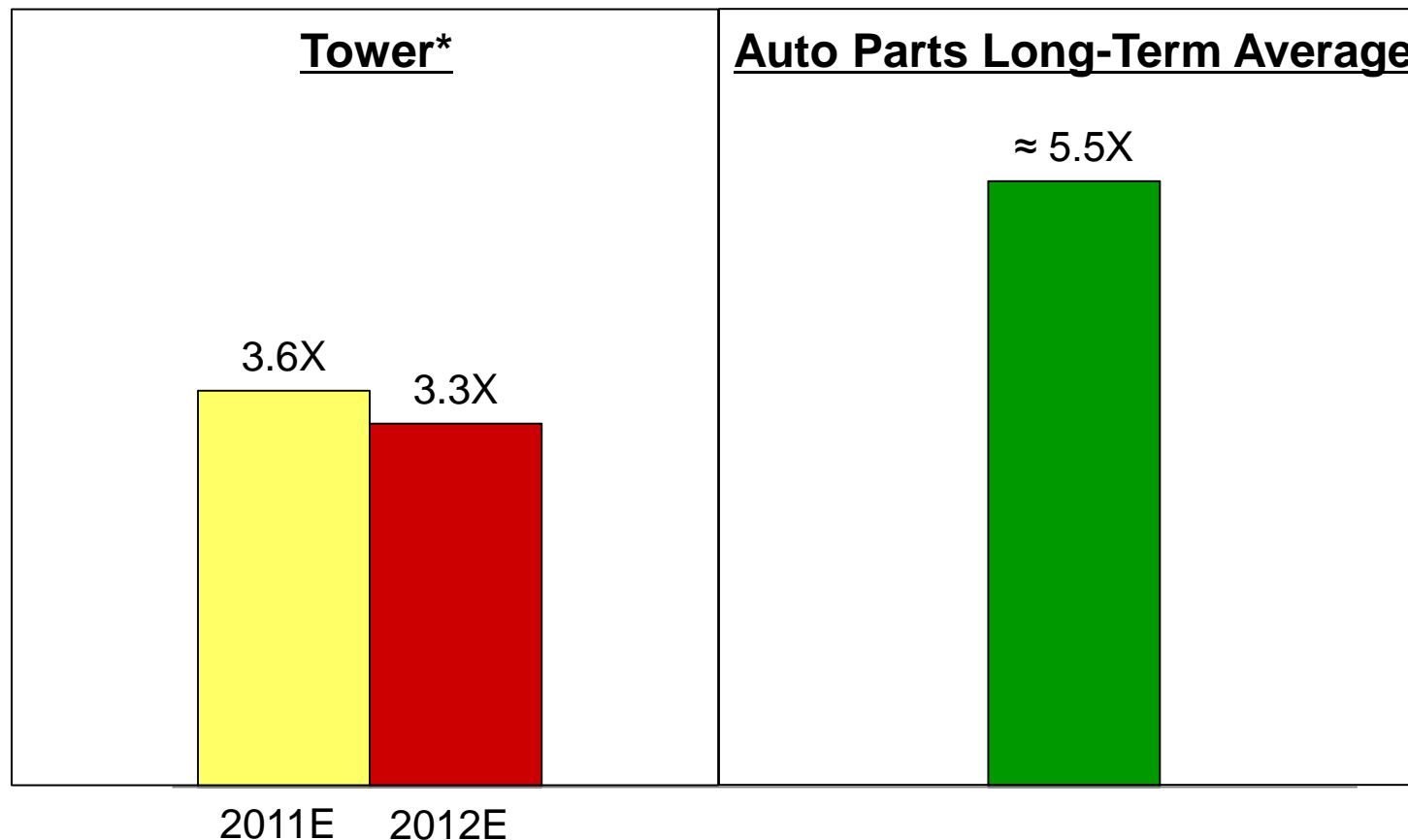
- Further reductions in leverage;
- Above-average secular growth in China and Brazil;
- Opportunistic, accretive acquisitions (“cheap and patient”);
- Opportunities in adjacent markets (e.g., defense and aero, solar).

Tower’s game plan is balanced and executable.

- **Growth is achievable, our customer and geographic diversification provide ongoing risk protection, and we have good liquidity and an absence of pressing debt maturities.**
- **Cash flow and the balance sheet are of equal ongoing importance to Tower’s leadership, and we have demonstrated (e.g., during the 2008-2009 major recession and since our 2010 IPO) that we are focused and disciplined and will not “bet the Company”.**

Value Perspective

(Enterprise Value / EBITDA Multiple)



* Source: Itay Michaeli, Citibank

For Tower, each 1X EBITDA multiple represents about \$10 per share of stock price.



Appendix



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.

Income Statement

(in \$ millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues	\$ 602.7	\$ 501.7	\$ 1,202.4	\$ 980.8
Cost of sales	544.0	446.1	1,074.1	872.0
Gross profit	58.7	55.5	128.3	108.8
Selling, general and administrative expenses	39.4	31.9	77.1	65.0
Amortization expense	1.3	0.8	2.2	1.5
Restructuring and asset impairment charges, net	1.2	0.6	1.7	4.7
Operating income	16.9	22.2	47.4	37.6
Interest expense	16.1	14.0	28.6	27.8
Interest income	0.2	0.4	0.4	0.6
Other expense	-	-	0.9	-
Income before provision for income taxes	1.0	8.5	18.4	10.3
Provision for income taxes	2.6	4.2	9.2	8.4
Net income / (loss)	(1.6)	4.3	9.2	2.0
Less: Net income attributable to the noncontrolling interests	1.2	2.4	3.0	4.5
Net income / (loss) attributable to Tower International, Inc.	<u>\$ (2.8)</u>	<u>\$ 1.9</u>	<u>\$ 6.2</u>	<u>\$ (2.6)</u>
Less: Preferred unit dividends	\$ -	\$ (4.4)	\$ -	\$ (8.6)
Income / (loss) available to common shareholders	<u>\$ (2.8)</u>	<u>\$ (2.5)</u>	<u>\$ 6.2</u>	<u>\$ (11.2)</u>

Balance Sheet

(in \$ millions)

	<u>June 30,</u> <u>2011</u>	<u>Dec. 31,</u> <u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 128.0	\$ 150.3
Accounts receivable, net of allowance of \$3.9 and \$1.7	372.7	297.1
Inventories	90.7	73.2
Deferred tax asset - current	12.4	12.4
Assets held for sale	8.7	8.2
Prepaid tooling and other	70.6	57.8
Total current assets	<u>683.1</u>	<u>599.0</u>
Property, plant and equipment, net	670.7	627.5
Goodwill	71.8	66.3
Deferred tax asset - non-current	15.9	17.4
Other assets, net	32.5	30.0
Total assets	<u>\$1,473.9</u>	<u>\$1,340.2</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current maturities of long-term debt and capital lease obligations	\$ 170.3	\$ 109.8
Accounts payable	407.1	366.8
Accrued liabilities	131.8	132.6
Total current liabilities	<u>709.2</u>	<u>609.2</u>
Long-term debt, net of current maturities	426.9	432.7
Obligations under capital leases, net of current maturities	15.3	15.6
Deferred tax liability - non-current	10.3	12.7
Pension liability	71.8	76.4
Other non-current liabilities	82.8	81.9
Total non-current liabilities	<u>607.0</u>	<u>619.3</u>
Total liabilities	<u>1,316.2</u>	<u>1,228.6</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Common stock, \$0.01 par value, 350,000,000 authorized, 19,101,588 issued and outstanding	0.2	0.2
Additional paid in capital	303.8	296.3
Accumulated deficit	(186.3)	(192.6)
Accumulated other comprehensive loss	(8.1)	(36.5)
Total Tower International, Inc.'s stockholders' equity	<u>109.6</u>	<u>67.4</u>
Noncontrolling interests in subsidiaries	48.1	44.3
Total stockholders' equity	<u>157.7</u>	<u>111.6</u>
Total liabilities and stockholders' equity	<u>\$1,473.9</u>	<u>\$1,340.2</u>

Adjusted EBITDA Reconciliation to GAAP

(in \$ millions)

	2010				2011		LTM		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Sept. 30, 2010	Dec. 31, 2010	June 30, 2011
Adjusted EBITDA	\$ 50.7	\$ 51.7	\$ 39.1	\$ 48.7	\$ 65.7	\$ 55.6	\$ 179.6	\$ 190.2	\$ 209.1
Restructuring and asset impairments	(4.1)	(0.6)	(0.3)	(9.3)	(0.5)	(1.2)	(17.5)	(14.3)	(11.3)
Depreciation & amortization	(30.3)	(28.4)	(27.5)	(28.5)	(30.1)	(31.6)	(118.2)	(114.7)	(117.7)
Receivable factoring charges and other	-	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.4)	(0.4)
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)	(6.1)	(11.1)	(19.8)
Premium on redemption of senior secured notes	-	-	-	(1.3)	(0.9)	-	-	(1.3)	(2.2)
Gain on Letter of Credit Facility reduction	-	-	-	-	-	-	-	-	-
Interest expense, net	(13.6)	(13.7)	(20.3)	(18.3)	(12.3)	(15.9)	(64.0)	(65.9)	(66.8)
(Provision) / benefit for income taxes	(4.1)	(4.3)	3.7	(5.6)	(6.6)	(2.6)	1.8	(10.3)	(11.1)
Noncontrolling interest, net of tax	(2.2)	(2.3)	(2.0)	(1.9)	(1.7)	(1.2)	(8.9)	(8.4)	(6.8)
Net income / (loss) attributable to Tower International, Inc.	\$ (4.5)	\$ 1.9	\$ (13.0)	\$ (21.3)	\$ 9.0	\$ (2.8)	\$ (34.5)	\$ (36.9)	\$ (28.1)