



Second Quarter 2012 Results

August 7, 2012



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, outlook for revenue, Adjusted EBITDA and free cash flow, industry volume, 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 cause our actual 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;
- 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; 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.

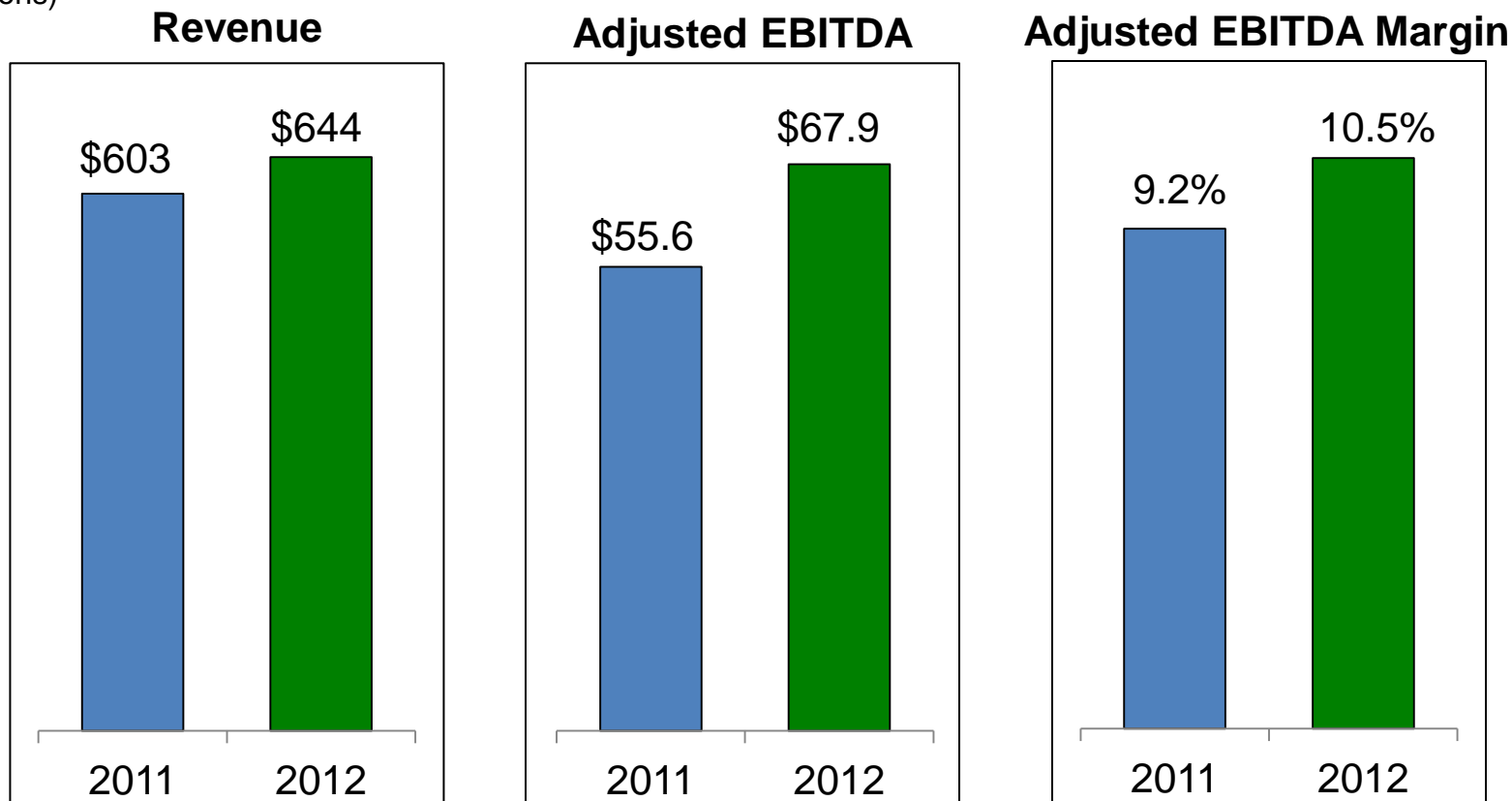
Key Take-Aways

- Good Second Quarter results, highlighted by **strong operational performance**.
- **Full year 2012 guidance re-affirmed** for revenue, Adjusted EBITDA, and free cash flow.
- **Outlook for 2013 remains positive** at latest industry projections, customer plans, and prevailing exchange rates.

Total Company

Second Quarter Financials - - 2012 vs. 2011

(in \$ millions)

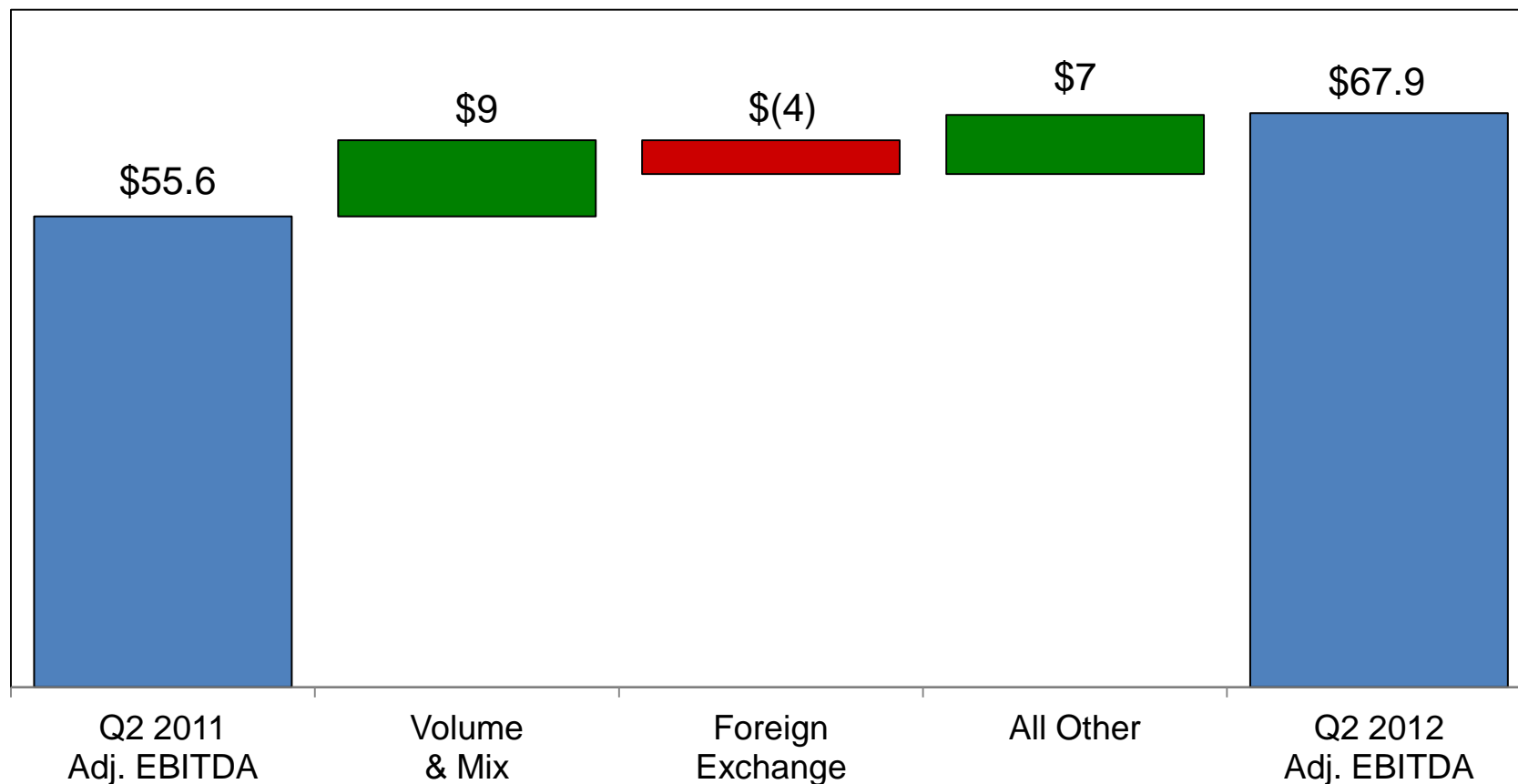


- Q2 2012 revenue was \$644M, up \$41M or 7% from Q2 2011.
- Adjusted EBITDA was \$67.9M, up \$12.3M or 22%, for an Adjusted EBITDA margin of 10.5%.

Total Company

Q2 2012 Adjusted EBITDA Compared With 2011

(in \$ millions)

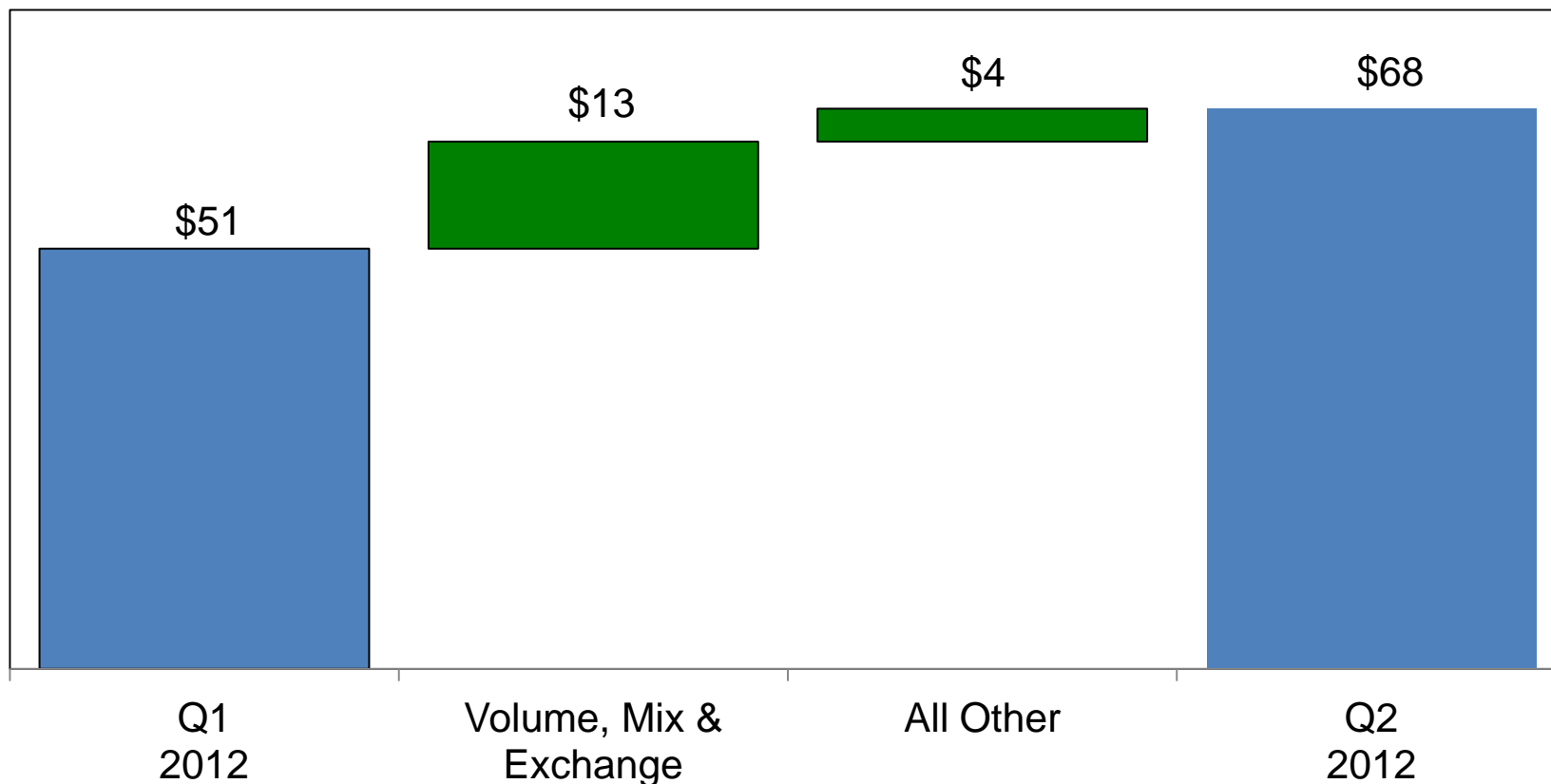


The improvement in Q2 Adjusted EBITDA from a year ago reflected favorable volume (more than explained by North America) and strong net cost performance, offset partially by unfavorable foreign-exchange translation.

Total Company

Q2 2012 Adjusted EBITDA Compared With Q1 2012

(in \$ millions)



The sequential quarterly change in Adjusted EBITDA further demonstrates the good net cost performance in Q2.

Second Quarter 2012 Free Cash Flow

(in \$ millions)

	Q2 2012
Adjusted EBITDA	\$ 68
Capital Expenditures	(40)
Cash Interest	(5)
Cash Taxes	(3)
Working Capital & Other	<u>(43)</u>
Free Cash Flow	<u><u>\$ (23)</u></u>

Free cash flow was negative \$23M in Q2, somewhat better than our guidance.
– The adverse change in working capital & other primarily reflected annual incentive compensation payments (for 2011) and normal seasonality.

Quarter-End Net Debt, Leverage, & Liquidity

(in \$ millions)

	<u>June 30, 2012</u>
<u>Net Debt</u>	
Cash	\$ 123
Gross Debt	<u>(626)</u>
Net Debt	<u><u>\$(503)</u></u>
<u>Debt-to-LTM Adj. EBITDA</u>	
Gross	2.8X
Net	<u>2.2X</u>
<u>Liquidity</u>	<u>\$ 232</u>

Quarter-end net debt leverage was 2.2X, with continued good liquidity.

Shelf Registration Statement (S-3) Summary

- Following release of our Second Quarter results, we are filing an S-3 shelf registration statement with the SEC.
- The following will be registered:
 - 100% of Cerberus’s shares (12.5 million) for potential future secondary offerings; and
 - Up to \$100 million for potential future primary share issuances (e.g., to reduce leverage and to increase float).
- The shelf registration is valid for 3 years after it is declared effective by the SEC. **It does not commit the company or Cerberus to take any action, and no actions are presently planned.**

This filing is a prudent step intended to maximize future flexibility.

Full Year Guidance Re-Affirmed

(in \$ millions)

	<u>Present Outlook</u>	<u>Present B/(W) Than Prior</u>
<u>Third Quarter</u>		
Revenue	≈ \$550	N/A
Adjusted EBITDA	\$40-\$45	N/A
Adjusted EPS	≈ \$(0.30)	N/A
Free Cash Flow	\$(20)-\$(30)	N/A
<u>Full Year</u>		
Revenue	≈ \$2,400	\$0
Adjusted EBITDA	\$210-\$220	\$0
Adjusted EPS	≈ \$0.90	N/A
Free Cash Flow	\$(15)-\$(25)	\$0
- Capex	\$150	\$0

Tower is re-affirming its full year guidance, as good Second Quarter results and continuing good cost performance are presently projected to offset overseas industry and currency headwinds.

2013 Updates

- **Backlog vs. 2012 reduced by \$75 million (to \$125 million).**
 - Reflects new plan by Chinese customer to end production of vehicle line.
- Based on present production estimates by IHS and prevailing exchange rates, **we re-affirm expectations for higher earnings and positive free cash flow in 2013.**

Game Plan to Build Shareholder Value Over Time

- 1. Consistently deliver solid and predictable results.**
 - Appropriate financial results for whatever volume scenario unfolds.

- 2. Capitalize over time on opportunities beyond “industry recovery”.**
 - Above-average secular growth in China and Brazil

 - Further reductions in leverage

 - Opportunistic, accretive acquisitions

 - Opportunities in adjacent markets

We cannot control the macro environment, so we focus on what we can execute and influence, as reflected in the fundamentally sound game plan we have consistently followed since our IPO in 2010.

APPENDIX

Income Statement

(in \$ millions)

	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2012	2011	2012	2011
Revenues	\$ 643.9	\$ 602.7	\$ 1,261.4	\$ 1,202.4
Cost of sales	568.7	544.0	1,126.1	1,074.1
Gross profit	75.2	58.7	135.3	128.3
Selling, general and administrative expenses	34.1	39.4	72.2	77.1
Amortization expense	1.1	1.3	2.3	2.2
Restructuring and asset impairment charges, net	2.8	1.2	4.8	1.7
Operating income	37.1	16.9	56.0	47.4
Interest expense, net	15.8	16.1	31.5	28.6
Interest income	0.2	0.2	0.6	0.4
Other expense	-	-	-	0.9
Income before provision for income taxes	21.5	1.0	25.1	18.4
Provision for income taxes	13.0	2.6	15.3	9.2
Net income / (loss)	8.5	(1.6)	9.8	9.2
Less: Net income attributable to the noncontrolling interests	1.6	1.2	3.0	3.0
Net income / (loss) attributable to Tower International, Inc.	\$ 6.9	\$ (2.8)	\$ 6.7	\$ 6.2

Balance Sheet

(in \$ millions)

	Jun. 30, 2012	Dec. 31, 2011
ASSETS		
Cash and cash equivalents	\$ 123.4	\$ 135.0
Accounts receivable, net of allowance of \$4.4 and \$3.6	372.4	328.0
Inventories	99.6	85.1
Deferred tax asset - current	8.4	13.0
Assets held for sale	4.1	4.0
Prepaid tooling and other	<u>64.8</u>	<u>56.2</u>
Total current assets	<u>672.8</u>	<u>621.3</u>
Property, plant and equipment, net	681.0	667.7
Goodwill	62.3	64.0
Deferred tax asset - non-current	11.3	14.5
Other assets, net	<u>27.2</u>	<u>30.0</u>
Total assets	<u>\$1,454.7</u>	<u>\$1,397.4</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of capital lease obligations	\$ 113.3	\$ 109.4
Accounts payable	399.9	395.3
Accrued liabilities	<u>126.7</u>	<u>126.4</u>
Total current liabilities	<u>640.0</u>	<u>631.2</u>
Long-term debt, net of current maturities	502.2	461.8
Obligations under capital leases, net of current maturities	10.9	12.2
Deferred tax liability - non-current	13.4	11.2
Pension liability	89.2	96.2
Other non-current liabilities	<u>94.9</u>	<u>87.3</u>
Total non-current liabilities	<u>710.6</u>	<u>668.8</u>
Total liabilities	<u>1,350.6</u>	<u>1,299.9</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Common stock, \$0.01 par value, 350,000,000 authorized, 20,829,429 issued and 20,246,445 outstanding at June 30, 2012, and 19,983,403 issued and 19,683,032 outstanding at December 31, 2011	0.2	0.2
Additional paid in capital	318.8	311.4
Treasury stock, at cost, 582,984 shares as of June 30, 2012 and 300,371 shares as of December 31, 2011	(8.3)	(5.1)
Accumulated deficit	(177.8)	(184.5)
Accumulated other comprehensive loss	<u>(89.0)</u>	<u>(82.0)</u>
Total Tower International, Inc.'s stockholders' equity	<u>44.0</u>	<u>40.0</u>
Noncontrolling interests in subsidiaries	<u>60.1</u>	<u>57.5</u>
Total stockholders' equity	<u>104.1</u>	<u>97.5</u>
Total liabilities and stockholders' equity	<u>\$1,454.7</u>	<u>\$1,397.4</u>

Consolidated Statement of Cash Flows

(in \$ millions)

	Three Months Ended Jun. 30,		Six Months Ended June. 30,	
	2012	2011	2012	2011
Cash flows - operating activities				
Net income / (loss)	\$ 8.5	\$ (1.6)	\$ 9.8	\$ 9.2
Deferred income tax provision	10.8	(2.2)	10.9	(0.9)
Depreciation and amortization	25.7	31.6	51.4	61.7
Non-cash share-based compensation	3.0	3.8	7.4	7.5
Pension expense, net of contributions	(3.2)	(2.4)	(5.5)	(3.8)
Change in working capital and other operating items	(28.4)	(8.4)	(51.8)	(66.9)
Net cash provided by operating activities	\$ 16.4	\$ 20.8	\$ 22.1	\$ 6.9
Cash flows - investing activities				
Cash disbursed for purchases of property, plant and equipment, net	\$ (39.6)	\$ (25.9)	\$ (75.5)	\$ (52.6)
Net assets acquired, net of cash acquired	-	(11.0)	-	(22.3)
Net cash used in investing activities	\$ (39.6)	\$ (36.9)	\$ (75.5)	\$ (74.9)
Cash flows - financing activities				
Retirement of senior secured notes	\$ -	\$ -	\$ -	\$ (17.0)
Purchase of treasury stock	(3.1)	-	(3.2)	-
Proceeds from borrowings	178.0	175.9	361.7	315.2
Repayments of borrowings	(160.1)	(168.8)	(317.2)	(257.6)
Net cash provided by financing activities	\$ 14.8	\$ 7.1	\$ 41.3	\$ 40.6
Net change in cash and cash equivalents	\$ (8.4)	\$ (9.0)	\$ (12.1)	\$ (27.4)
Cash and cash equivalents - beginning of period	134.0	134.5	135.0	150.3
Effect of exchange rate changes on cash and cash equivalents	(2.2)	2.5	0.6	5.0
Cash and cash equivalents - end of period	\$ 123.4	\$ 128.0	\$ 123.4	\$ 128.0

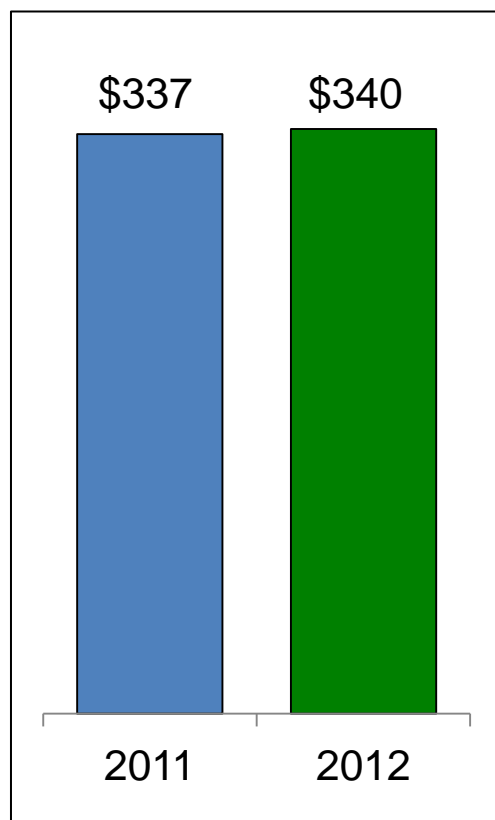
Non-GAAP Financial Measures

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.

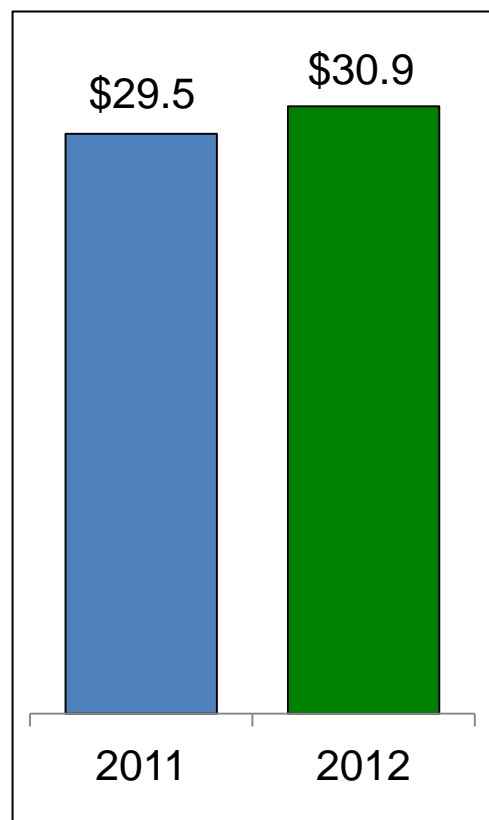
International Segment - - Q2 2012 vs. Q2 2011

(in \$ millions)

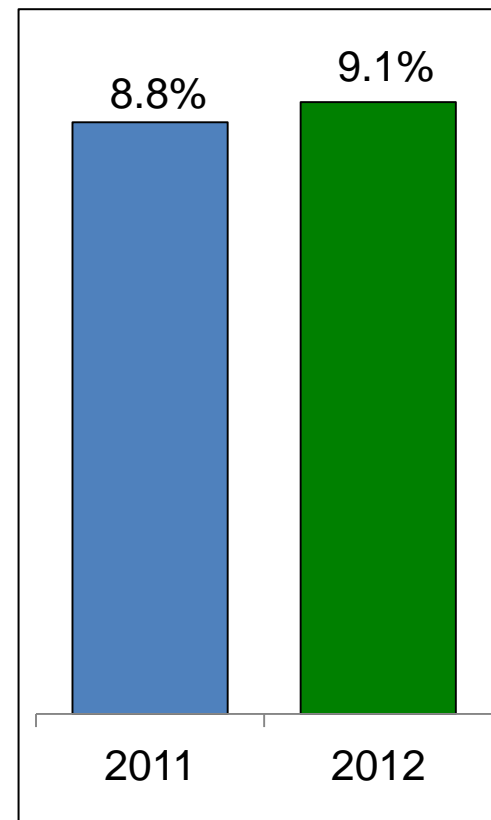
Revenue



Adjusted EBITDA



Adjusted EBITDA Margin



International

Q2 2012 Adjusted EBITDA Compared With Q2 2011

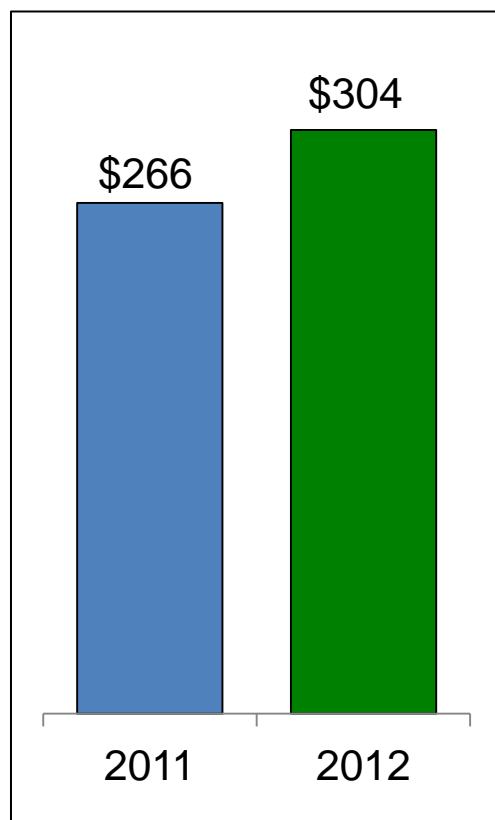
(in \$ millions)



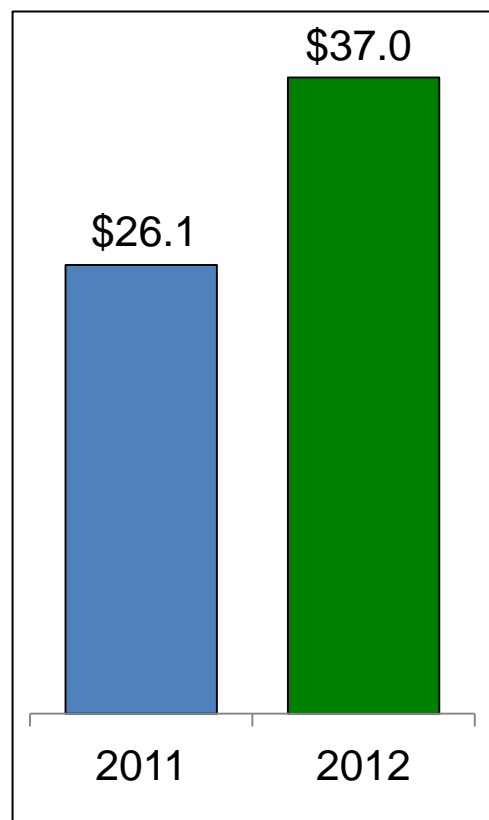
Americas Segment - - Q2 2012 vs. Q2 2011

(in \$ millions)

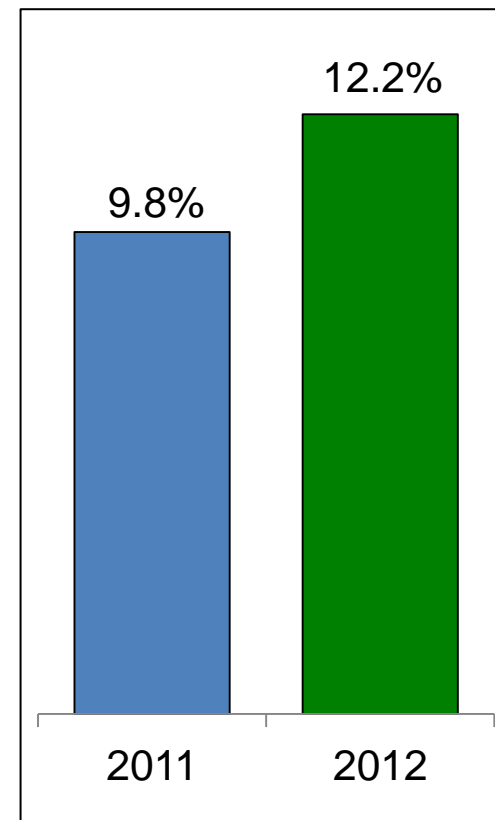
Revenue



Adjusted EBITDA

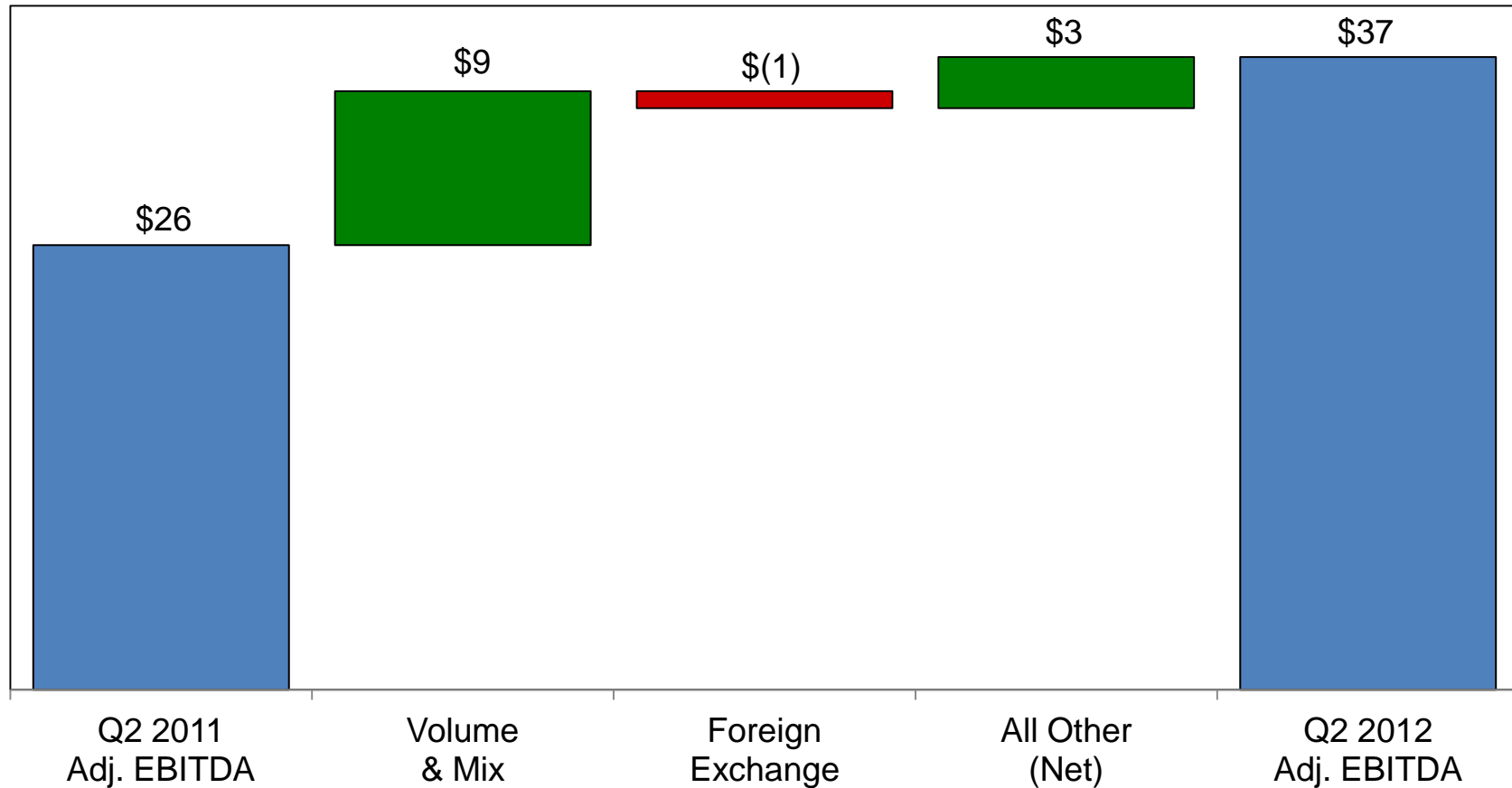


Adjusted EBITDA Margin



Q2 2012 Adjusted EBITDA Compared With Q2 2011

(in \$ millions)



Adjusted EBITDA

(in \$ millions)

	2011				2012	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter
Adjusted EBITDA	\$ 65.7	\$ 55.6	\$ 48.9	\$ 57.4	\$ 50.8	\$ 67.9
Restructuring and asset impairments	(0.5)	(1.2)	(0.5)	(0.5)	(1.9)	(2.9)
Depreciation & amortization	(30.1)	(31.6)	(27.8)	(25.0)	(25.7)	(25.8)
Acquisition costs and other	(0.1)	(1.2)	-	(0.1)	-	(0.1)
Incentive compensation related to funding events	(4.5)	(4.7)	(4.7)	(4.5)	(4.2)	(2.1)
Premium on retirement of senior secured notes	(0.9)	-	(0.4)	(0.1)	-	-
Interest expense, net	(12.3)	(15.9)	(16.7)	(16.3)	(15.4)	(15.6)
Provision for income taxes	(6.6)	(2.6)	(2.5)	(3.1)	(2.4)	(12.9)
Noncontrolling interest, net of tax	(1.7)	(1.2)	(1.1)	(1.1)	(1.4)	(1.6)
Net income / (loss) attributable to Tower International, Inc.	\$ 9.0	\$ (2.8)	\$ (4.8)	\$ 6.7	\$ (0.2)	\$ 6.9

Free Cash Flow

(in \$ millions)

	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2012	2011	2012	2011
Net cash provided by operating activities*	\$ 16.4	\$ 20.8	\$ 22.1	\$ 6.9
Cash disbursed for purchases of PP&E, net*	(39.6)	(25.9)	(75.5)	(52.6)
Free cash flow	\$ (23.2)	\$ (5.0)	\$ (53.4)	\$ (45.7)

*From GAAP Consolidated Statement of Cash Flow s

Certain Items Included in Net Income/(Loss)

(in \$ millions)

	Three Months Ended		Six Months Ended	
	Jun. 30,		Jun. 30,	
	2012	2011	2012	2011
Income / (expense) items included in net income / (loss), net of tax:				
<i>Selling, general and administrative expenses</i>				
Incentive compensation related to funding events	\$ (2.1)	\$ (4.5)	\$ (6.1)	\$ (8.8)
Acquisition costs	-	(1.1)	-	(1.1)
<i>Interest expense</i>				
Acceleration of the amortization of debt issue costs and OID	-	-	-	(0.8)
Settlement of value added tax audit in Brazil	-	-	-	2.8
<i>Restructuring expense</i>				
Severance costs in Europe	(0.5)	-	(1.2)	-
Plant relocation costs	(1.2)	-	(1.2)	-
Adjustment of lease liability	-	-	-	0.8
<i>Other income</i>				
Retirement of senior secured notes	-	-	-	(0.9)
<i>Provision for income taxes</i>				
Valuation allowance in Brazil	(6.5)	-	(6.5)	-
Tax law and tax election changes	-	1.4	-	1.4
Total items included in net income / (loss)	<u>\$ (10.3)</u>	<u>\$ (4.2)</u>	<u>\$ (15.0)</u>	<u>\$ (6.6)</u>
Net income / (loss) attributable to Tower International, Inc.	\$ 6.9	\$ (2.8)	\$ 6.7	\$ 6.2
Memo: Average shares outstanding (Mils.)				
Basic	20.1	19.1	19.9	19.1
Diluted	20.3	19.1	20.5	20.0
Income / (loss) per share (GAAP)				
Basic	\$ 0.34	\$ (0.15)	\$ 0.34	\$ 0.33
Diluted	0.34	(0.15)	0.33	0.31
Diluted adjusted income / (loss) per share (non-GAAP)*	0.84	0.07	1.06	0.64

* Excludes the certain items shown above

Industry Production Volume (July IHS)

(Vehicles in millions)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>
<u>2012</u>					
Europe	5.2	4.9	4.2	4.6	18.9
Korea	1.1	1.2	1.1	1.2	4.5
China	4.1	4.2	4.1	4.5	16.9
North America	4.0	4.0	3.4	3.6	15.0
Brazil	<u>0.7</u>	<u>0.7</u>	<u>0.9</u>	<u>0.9</u>	<u>3.2</u>
Total	<u><u>15.1</u></u>	<u><u>15.0</u></u>	<u><u>13.7</u></u>	<u><u>14.8</u></u>	<u><u>58.6</u></u>
<u>2012 Over/(Under) 2011</u>					
Europe	(2) %	(8) %	(8) %	(7) %	(6) %
Korea	8	(3)	2	(4)	0
China	(1)	13	7	3	5
North America	18	27	8	3	14
Brazil	(9)	(5)	9	20	3
Total	3 %	6 %	2 %	0 %	3 %