



Fourth Quarter 2014 Results & Preliminary Outlook for 2015

February 12, 2015



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.

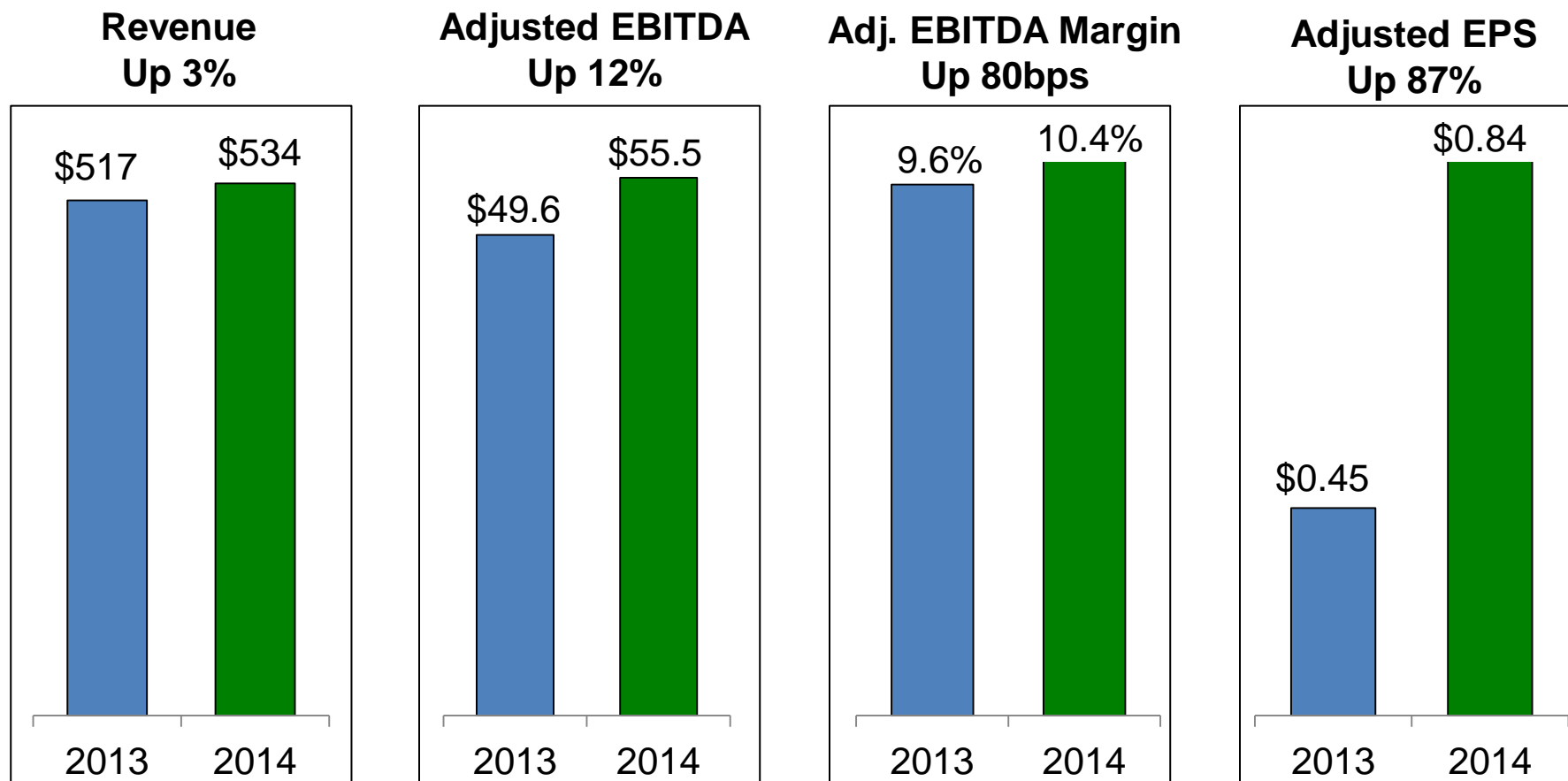
Key Take-Aways

- **Fourth Quarter 2014 financial results were solid.**
 - Revenue, earnings, and free cash flow all modestly exceeded our expectations.
 - Tower has now **met or beat the earnings consensus in all 18 quarters since our IPO in 2010.**
- **Tower plans to sell its interests in two consolidated China JVs in 2015.**
 - With anticipated benefits for shareholders and for Tower's future growth and margin outlook.
- **Tower is anticipating significant free cash flow in 2015.**
 - Tower's 2015 Plan **reduces net debt and leverage by one-third.**
- **The Euro debt swap we made in Q4 2014 provides a partial enterprise-value hedge against the weaker Euro.**
- **Tower has earned a major new-business award related to OEM outsourcing in the U.S.**
- **Organic revenue growth of 6% in 2014, 5% projected in 2015, and what we believe is a long-term secular tailwind for Tower's products.**

Total Company*

Fourth Quarter Financials - - 2014 vs. 2013

(in \$ millions, except EPS)

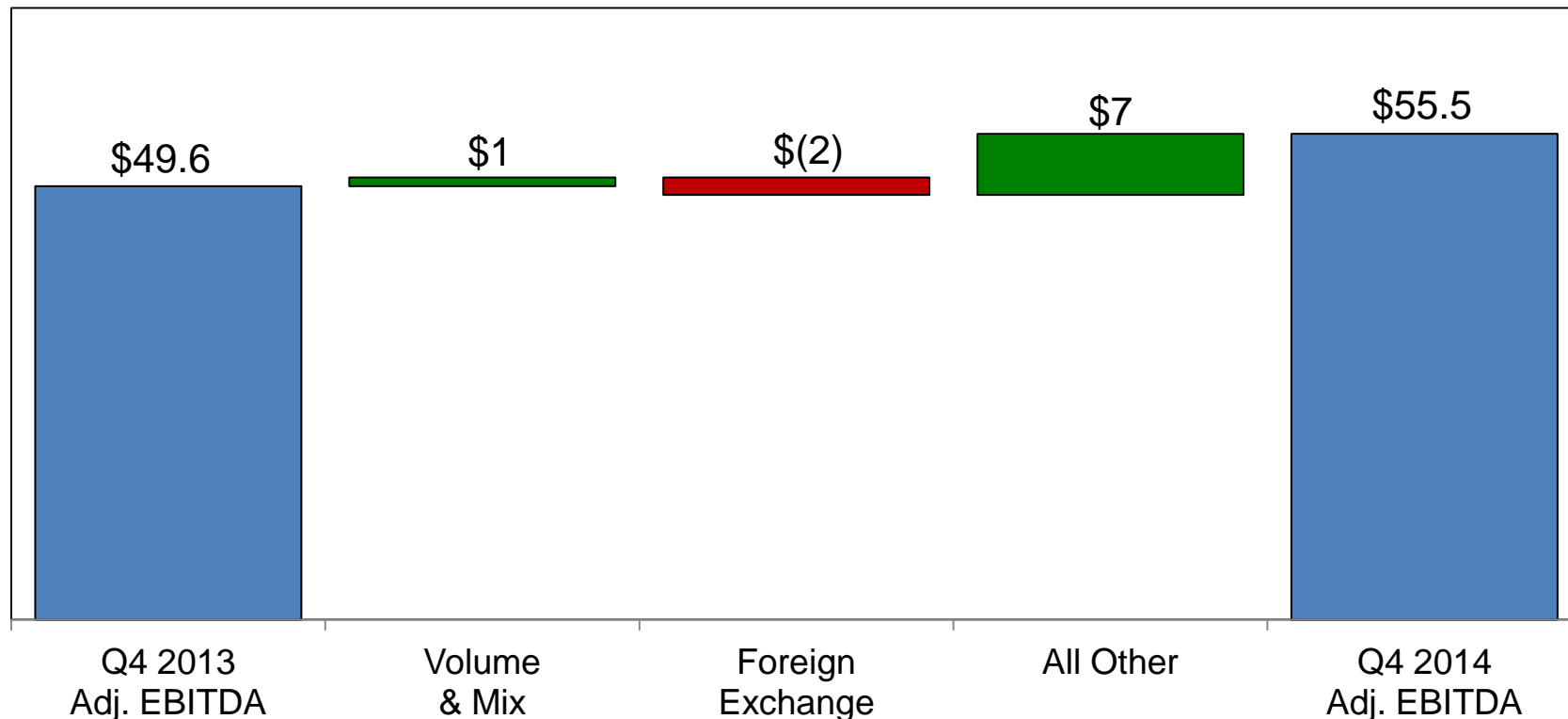


* Including China JVs held for sale at year-end 2014 (Non-GAAP)

Total Company

Q4 2014 Adjusted EBITDA Compared With 2013

(in \$ millions)

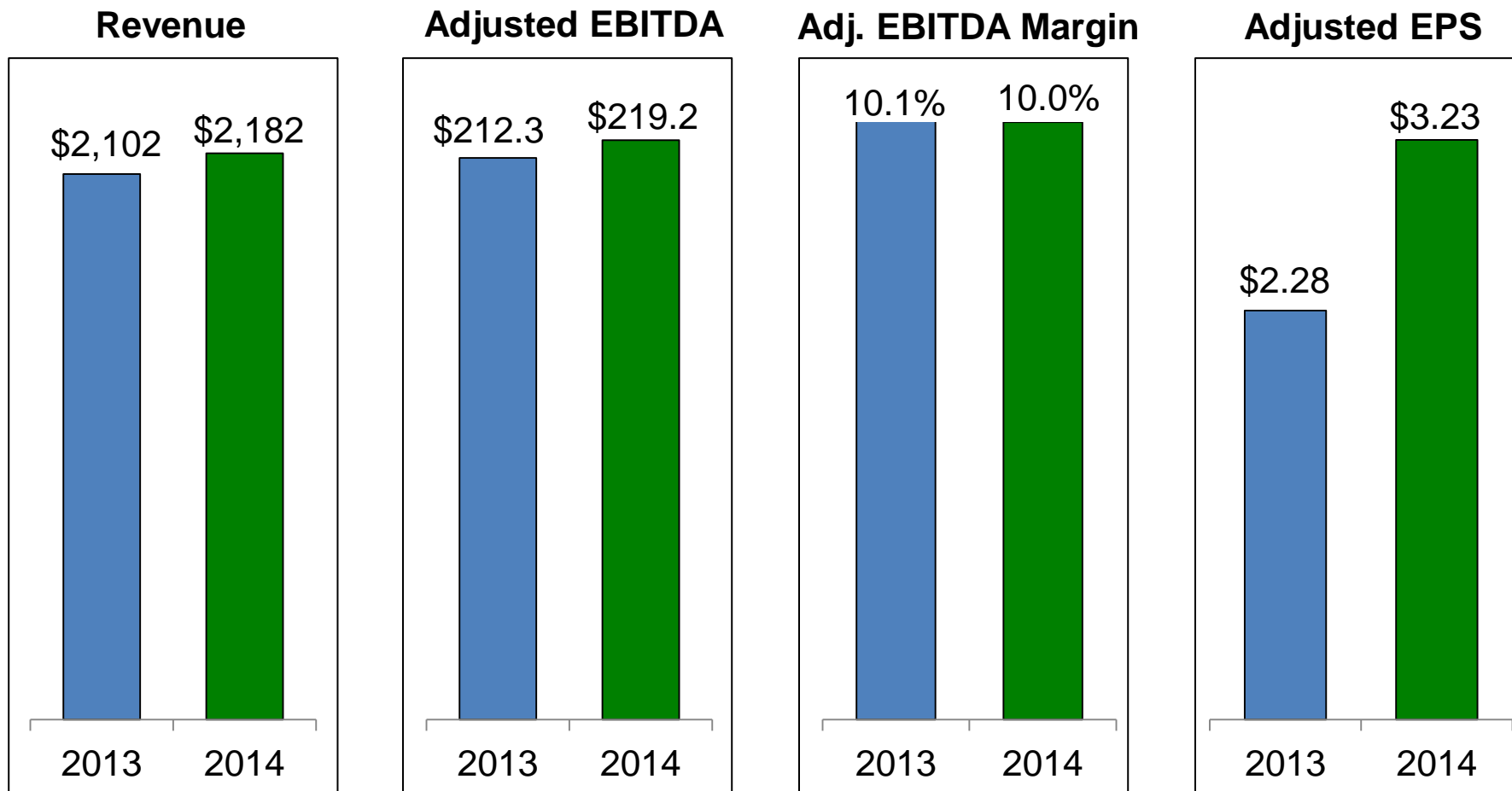


- **Volume and mix was slightly net favorable vs. a year ago, with good news in North America more than offsetting bad news in Europe and Brazil.**
- **Unfavorable foreign exchange translation reflected Europe and Brazil.**
- **Net cost performance was favorable by \$7M, as efficiencies more than offset economics and customer price reductions, in part reflecting favorable calendarization timing.**

Total Company*

Full Year Financials - - 2014 vs. 2013

(in \$ millions, except EPS)



* Including China JVs held for sale at year-end 2014 (Non-GAAP)

Q4 and Full Year 2014 Adjusted Free Cash Flow*

(in \$ millions)

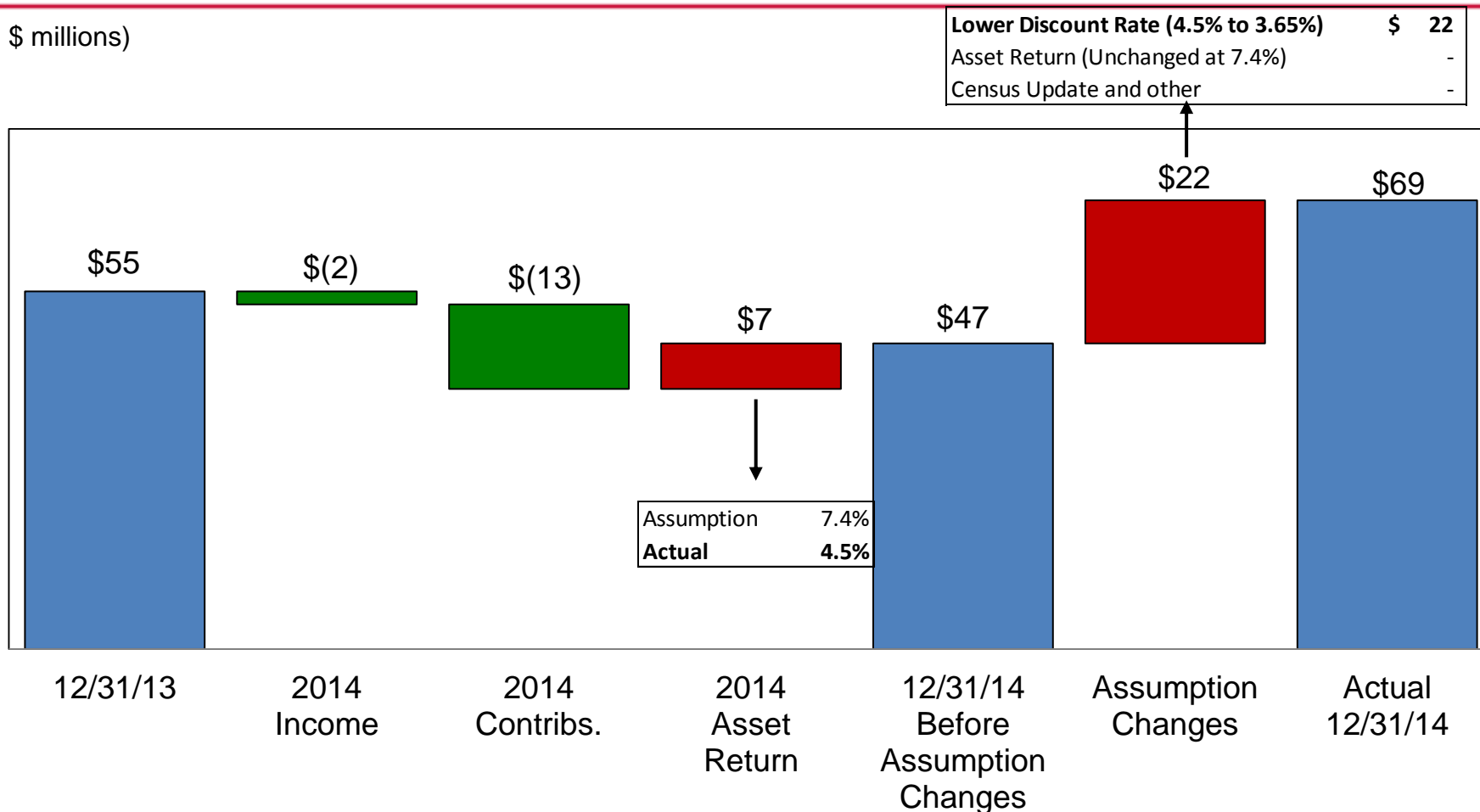
	Q4	Full	Better Than Oct.
	2014	Year	Mid-Pt. Guidance
	<u>2014</u>	<u>2014</u>	<u>Mid-Pt. Guidance</u>
Adjusted EBITDA	\$ 56	\$ 219	
Capital Expenditures	(38)	(107)	
Cash Interest	(4)	(25)	
Pension Contributions	(2)	(13)	
Cash Taxes	(9)	(12)	
W.C. & Other (ex-tooling)	<u>20</u>	<u>(28)</u>	
Adjusted Free Cash Flow	\$ 23	\$ 34	\$ 6
Customer Tooling**	<u>20</u>	<u>(6)</u>	
Total Free Cash Flow	<u>\$ 43</u>	<u>\$ 28</u>	

 * Includes China JVs held for sale at year-end 2014 (Non-GAAP).

**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.

Year-End 2014 GAAP Pension Net Liability

(in \$ millions)



Year-end 2014 pension net liability under GAAP is \$69M.

- Before assumption changes, the year-end net liability had declined to \$47M.
- The main assumption change was a lower discount rate (reflecting present interest rates being lower than a year ago).

China JVs Held for Sale at Year-End 2014

Consolidated JVs To Be Sold

- JV with affiliates of FAW (First Auto Works)
 - Factories in Changchun and Chengdu; 60% Tower
 - Main customer: FAW-VW
 - Sale status: Preliminary agreement reached with strategic buyer on price and terms, subject to Chinese government approval; anticipated closing mid-year 2015

- JV with DIT (private Chinese parts company)
 - 2 factories in Xiangtan (51% Tower)
 - Main customers: Geely, GAC-Fiat
 - Sale status: Early-stage discussions

- 2012-14 financials for consolidated JVs held for sale:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenue (Mils.)	\$ 159	\$ 136	\$ 114
Adj. EBITDA (Mils.)	20	18	15
Adj. EPS	0.52	0.32	0.21
Adj. Free Cash Flow (Mils.)	(21)	1	15

Consolidated JV Remaining After Planned Sales

- JV with affiliate of Chery
 - Factories in Wuhu and Dalian; 80% Tower; 2014 revenue ≈\$75M

Consolidated JVs held for sale are accounted for as discontinued operations.

Projected Total Transaction Multiple of $\approx 6.3X$

(\$ millions at RMB 6.25/\$)

Projected Cash to be Received from Buyers	$\approx \$$	58
Less: Consolidated Net Cash of JVs Held for Sale (12/31/14)		(10)
Plus: Elim. of Minority Interest in Tower Net Assets (12/31/14)		<u>47</u>
Projected Enterprise Value (EV)	$\approx \$$	95
Projected 2014 Adj. EBITDA of JVs Held for Sale		15
Projected Transaction Multiple (EV/EBITDA)		$\approx 6.3X$
Memo: Projected Non-Cash Write-Down (net after taxes)	$\approx \$$	(5)*

* Anticipated transaction book losses (\$23M) recognized immediately (Q4 2014); anticipated transaction book gain (\approx \$18M) deferred until transaction closes in 2015.

Benefits of Planned China JV Sales

✓ Value enhancing

- Transaction multiple significantly exceeds TOWER's trading multiple

✓ Further strengthens financial position

- Reduces net debt and leverage
- Transfers liquidity from China to U.S.

✓ Addresses businesses with declining growth and margin prospects

2015 Planning Assumptions*

Revenue

- Industry production approximates Jan. IHS forecast (see Appendix).
- **Euro at \$1.12**; Brazil real at 2.80/\$.
 - **Unfavorable currency translation reduces revenue by ≈\$150M vs. 2014.**
- Sale of Italy factory (previously disclosed) reduces revenue by ≈\$20M vs. 2014.
- **Net new business wins of about \$100 million** (net of ≈\$25M lost revenue from discontinuation of Ford Econoline).
- Normal customer pricing.

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

- Net \$0 to \$5 million unfavorable.
 - Q1 calendarization vs. year-ago anticipated to be ≈\$(5)M; balance of year projected neutral to slightly favorable.

U.S. Income Tax Accrual

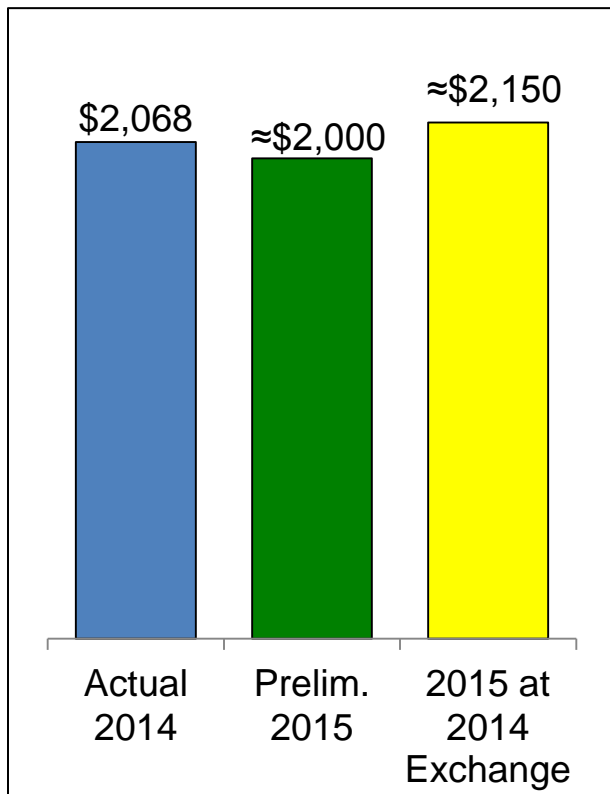
- Presently expect to resume accruing U.S. corporate tax in Q1 2016 (directional annual effect of about 75 cents per share).
 - The Company does not presently expect to pay cash taxes in the U.S. until 2018 or 2019.

* For continuing operations (excluding China JVs held for sale)

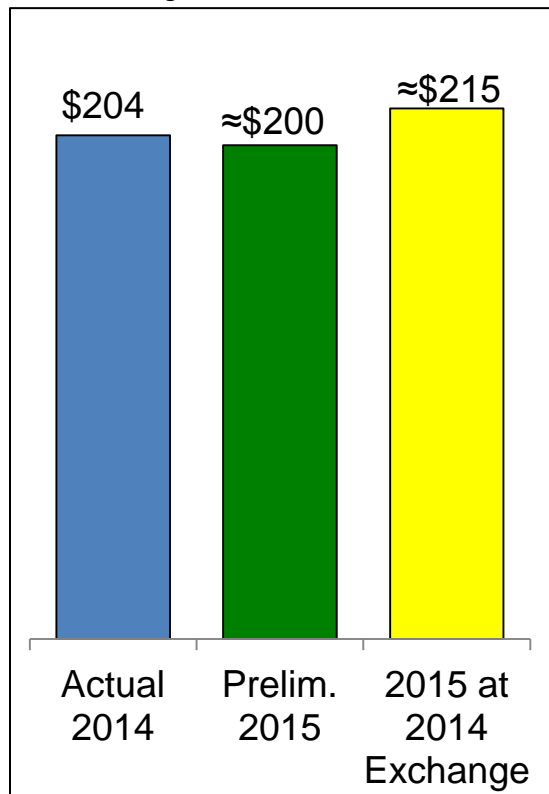
Preliminary 2015 Revenue and Earnings Outlook vs. 2014*

(in \$ millions)

Revenue



Adjusted EBITDA



Adjusted EPS



* From continuing operations (excluding China JVs held for sale)

**The anticipated decline in revenue in 2015 is more than explained by adverse currency translation.
– Adjusted EPS is projected to improve despite the currency translation headwind.**

Outlook for First Quarter 2015

(in \$ millions, except EPS)

	<u>Q1 2015 Outlook*</u>	<u>Memo: Actual Q1 2014*</u>
Revenue	\$ 510	\$ 519
Adjusted EBITDA	\$ 48	\$ 51.6
Adjusted EPS	\$0.60	\$ 0.69

* From continuing operations (excluding China JVs held for sale).

Q4 2014 Debt Swap Provided Enterprise-Value Hedge **TOWER** That Led to \$22M Cash Gain in Q1 2015

INTERNATIONAL

Oct. 2014 Issuance

- Debt Amount Swapped \$200M
- \$/Euro Rate \$ 1.27
- Debt Amount in Euros €157M
- Fixed Interest Rate 4.0%
- Maturity 2020



Jan. 2015 Re-coupon

- Debt Amount Swapped \$200M
- **\$/Euro Rate \$ 1.13**
- **Debt Amount in Euros €177M**
- **Fixed Interest Rate 3.7%**
- Maturity 2020

- **\$22M cash gain from debt swap re-coupon (because of weaker Euro).**
 - Proceeds used to pay down U.S. variable-rate debt.
- **Fixed interest rate also reduced by 30 bps, to 3.7%.**

Preliminary 2015 Adjusted Free Cash Flow*

(in \$ millions)

	Prelim. 2015 Outlook
Adjusted EBITDA	\$200
Capital Expenditures	(80)
Cash Interest	(20)
Pension Contributions	(10)
Cash Taxes	(10)
W.C. & Other (ex-tooling)	<u>(20)</u>
Adjusted Free Cash Flow	≈\$ 60
Customer Tooling**	≈ <u>(5)</u>
Total Free Cash Flow	≈\$ <u>55</u>

* From continuing operations (excluding China JVs held for sale)

** 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.

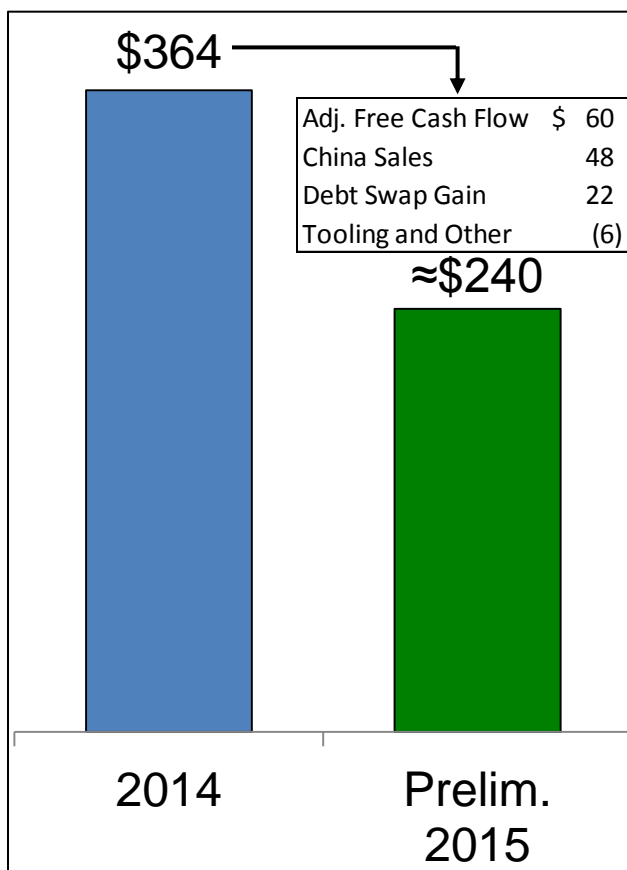
2015 Adjusted Free Cash Flow is projected at about \$60M.

–Equal to 3% of revenue (consistent with prior guidance);

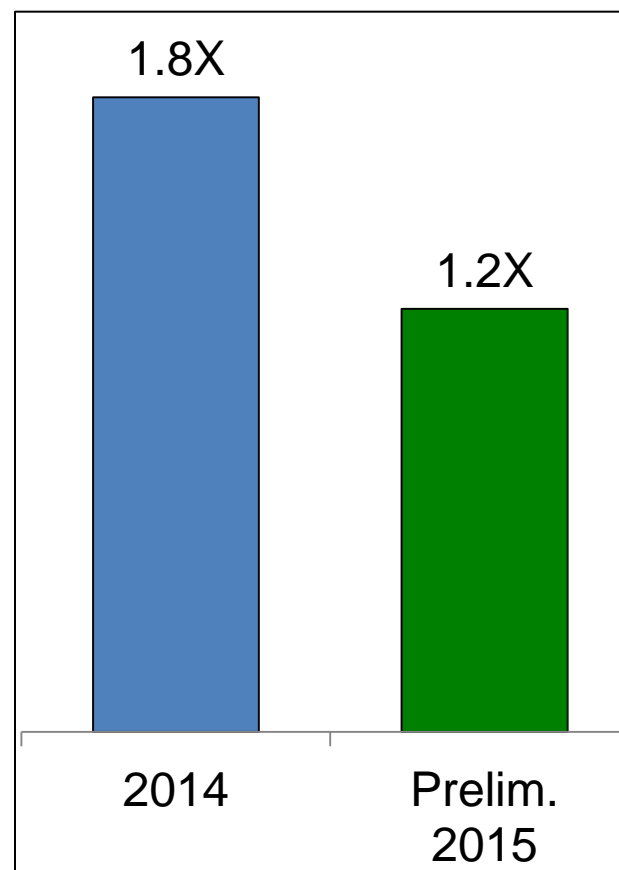
–Represents about 11% yield relative to TOWER's present market cap.

Reduces Net Debt & Leverage By One-Third*

Year-End Net Debt (Mils.)



Net Debt-to-LTM Adj. EBITDA

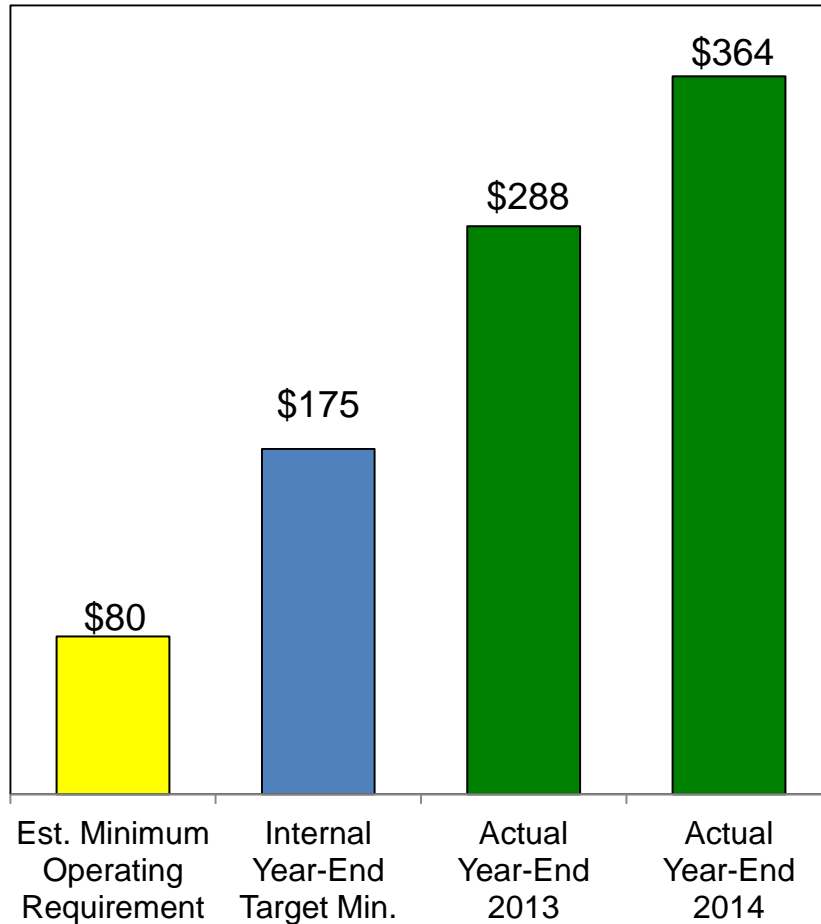


* For continuing operations (excluding China JVs held for sale).

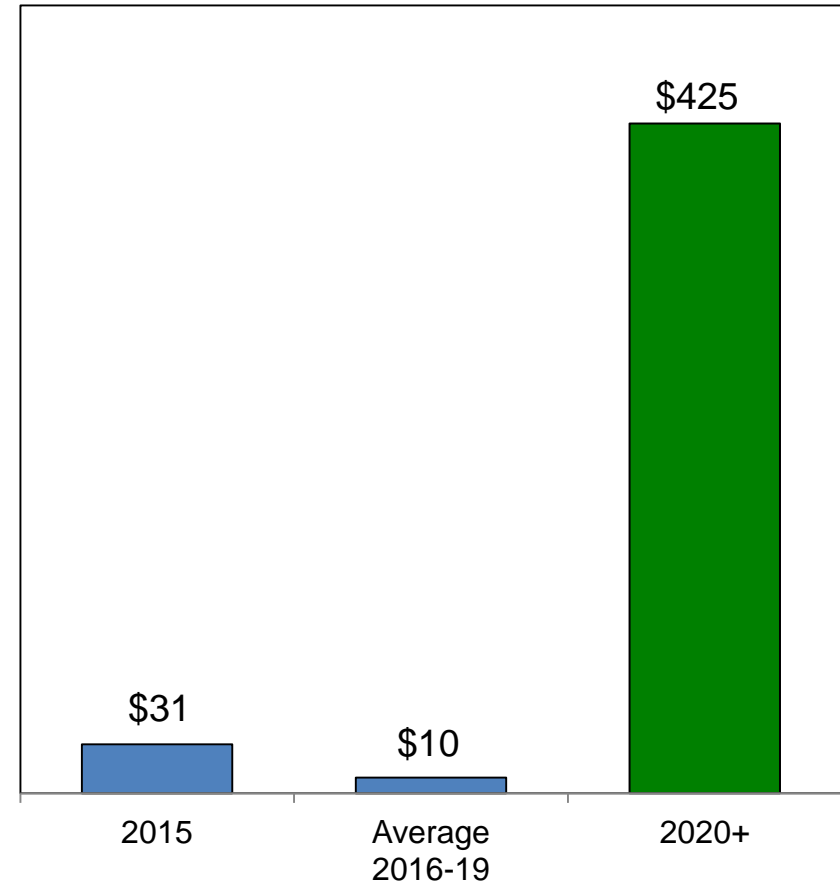
Record Year-End Liquidity and No Pressing Debt Maturities

(in \$ millions)

Liquidity*



Debt Maturities * (As of Dec. 31, 2014)

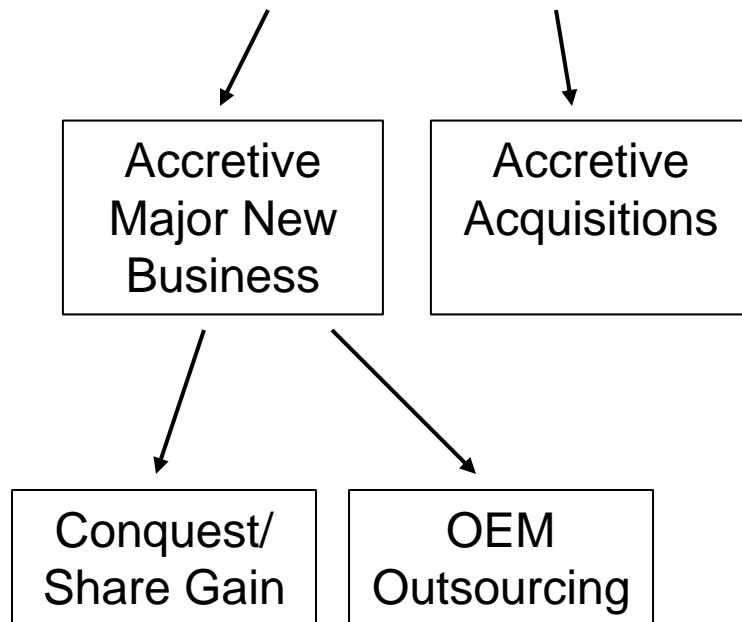


* From continuing operations (excluding China JVs held for sale)

Priorities for Deploying “Excess” Liquidity and Free Cash Flow Remain Unchanged

1A. Profitable Growth

Top priority, but patient,
disciplined, opportunistic



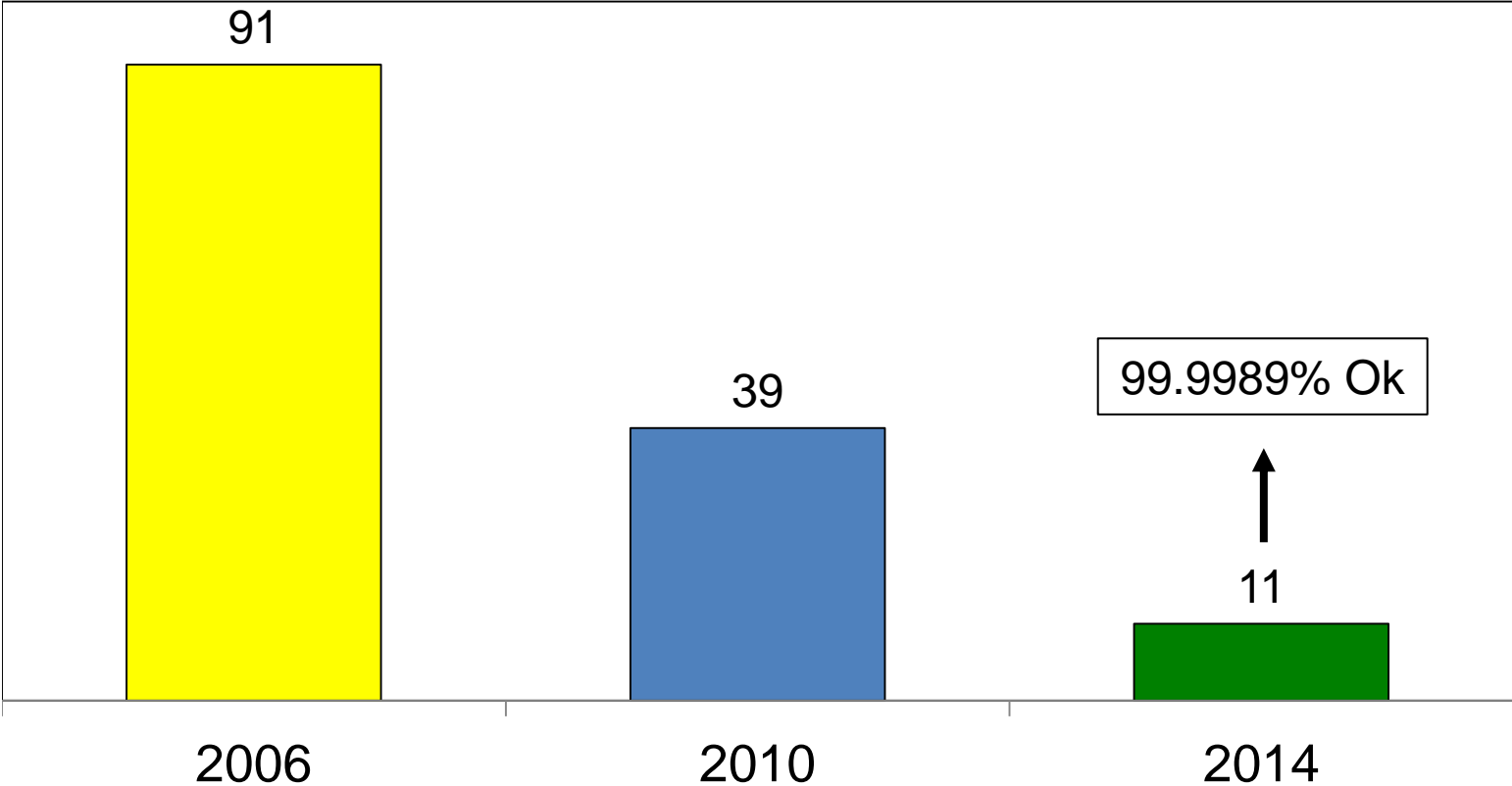
1B. Reduce Leverage

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.

Best-Ever (and World-Class) Quality Performance

(Customer-Reported Defects Per Million Parts)



Tower Wins Major Award To Support OEM Outsourcing in U.S.

Ongoing Annual Revenue (2019+)	≈ \$100M*
Primary Tower Content Start of Production	Floor pan assemblies 2017-19
Capex	
- 2015	\$0
- 2016-17	≈ \$35M
Launch (2016-18)	≈ \$10M

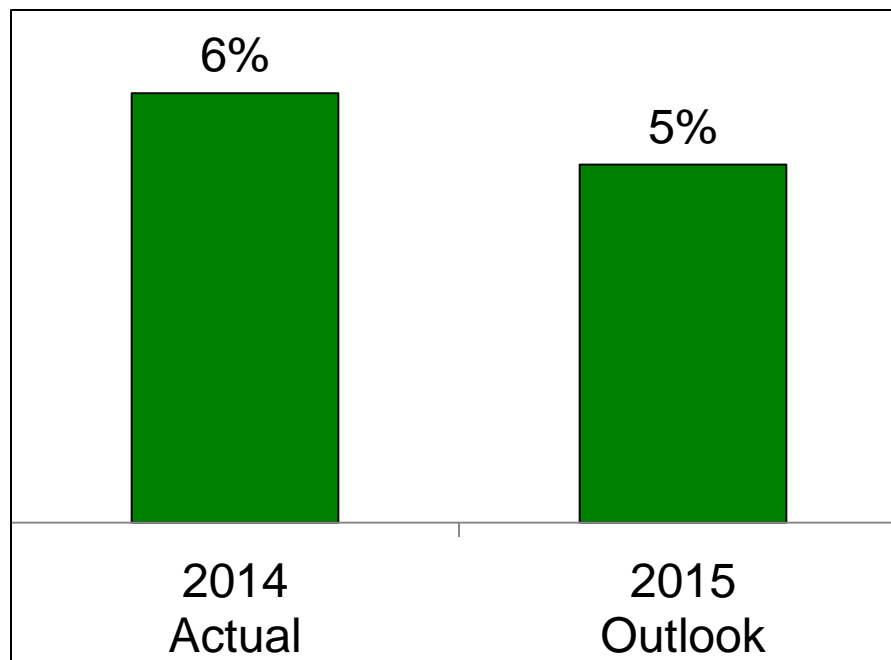
* Assumes award of planned future follow-on models not yet sourced by the customer.

We consider this significant award to be meaningful validation of anticipated OEM trend and a potential positive future indicator for Tower, reflecting:

- Significant OEM outsourcing in Tower’s core business; and**
- Tower’s strong competitive capabilities to win the award; which supports**
- Tower’s ability to achieve profitable long-term organic growth.**

5-6% Organic Revenue Growth in 2014 and Projected 2015 - - With Anticipated Long-Term Favorable Secular Tailwind

Organic Annual Revenue Growth



* From continuing operations at constant exchange rates;
excludes acquisitions and dispositions.

Tower's organic revenue growth well exceeded industry growth in 2014 and is projected to do so again in 2015.

–With demonstrated results and what we believe is a secular tailwind materializing from OEM outsourcing, we believe Tower has long-term average annual growth prospects in excess of industry growth.

Final Thoughts

- **2014 was another year of Tower delivering on its commitments.**
 - Despite Brazil and Europe markets not living up to initial expectations, our team found a way to get it done.
- In addition to further strengthening Tower's financial condition and go-forward portfolio, **we expect the planned China transactions to further demonstrate that the sum value of Tower's regional businesses far surpasses the Company's present stock price valuation.**
- For those focused mainly on the relative near-term, **Tower is presently projecting for 2015 what we believe is sector-leading, double-digit free cash flow yield.**
- And for those also focused on longer-term prospects, **our world-class quality and the OEM outsourcing award signal what we believe will be a bright future of profitable growth prospects for Tower.**

We will not waver in taking actions intended to strengthen Tower's business capabilities and outlook.

–We are confident that the near-term and longer-term fundamental value of Tower's business will eventually be much better recognized and rewarded.

APPENDIX

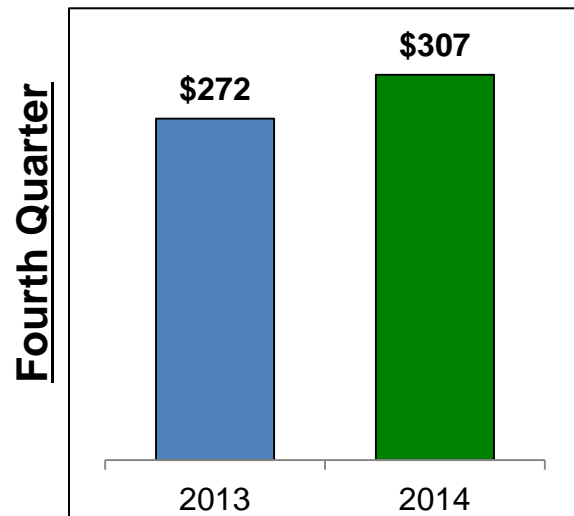
Non-GAAP Financial Measures

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. To facilitate comparisons with prior guidance, certain slides herein for the fourth quarter 2014 are presented on a non-GAAP basis to include two China joint ventures that were held for sale as of year-end 2014 and are being accounted for as discontinued operations; a reconciliation to results for continuing operations is provided in schedules attached to our earnings release. 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.

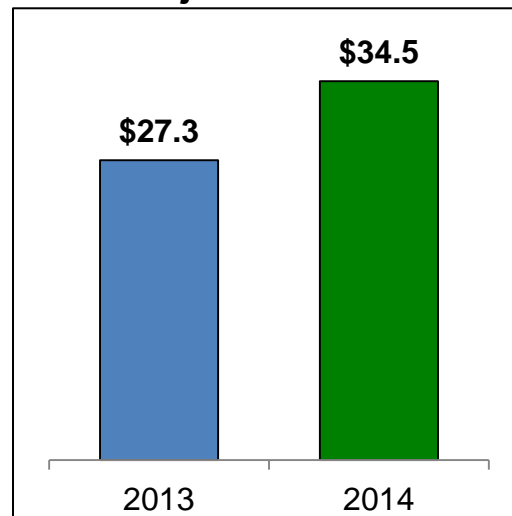
Americas Segment - - 2014 vs. 2013

(in \$ millions)

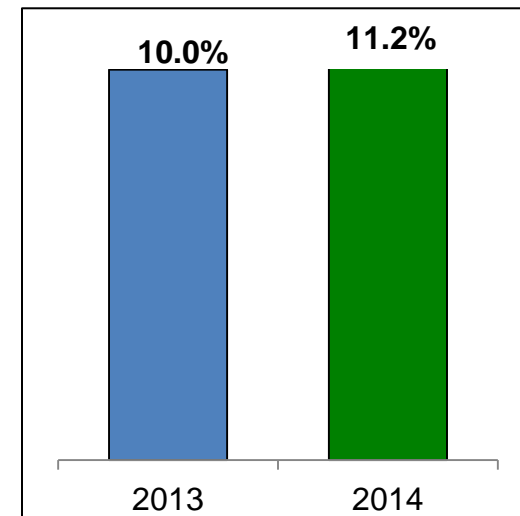
Revenue



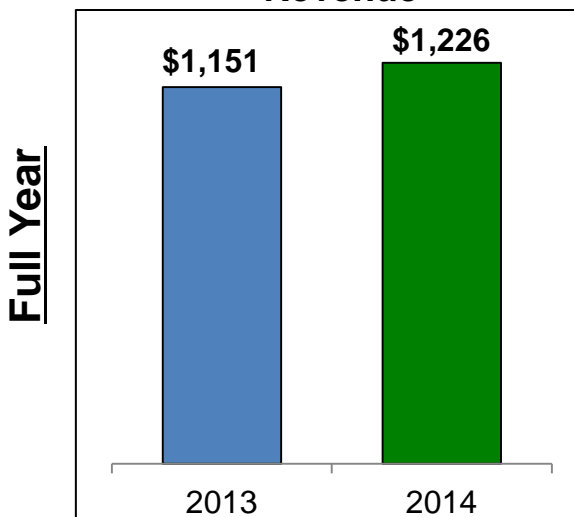
Adjusted EBITDA



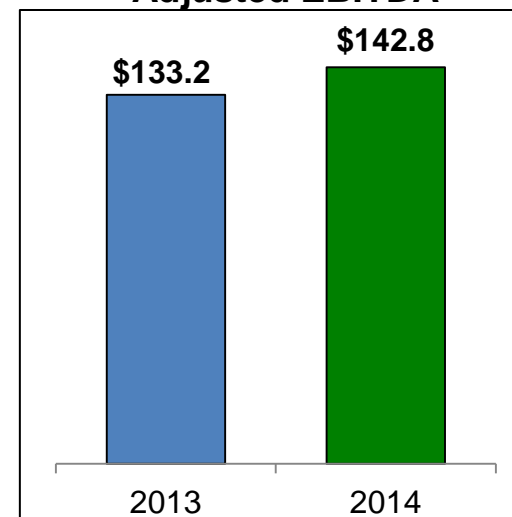
Adjusted EBITDA Margin



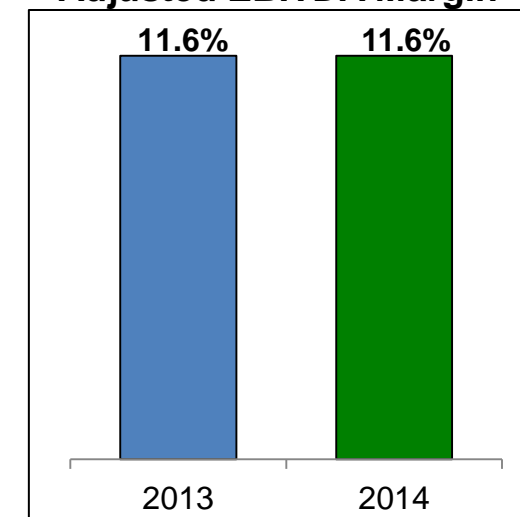
Revenue



Adjusted EBITDA



Adjusted EBITDA Margin



See slide 25 for comments regarding non-GAAP financial measures.

Q4 2014 Adjusted EBITDA Compared With Q4 2013

(in \$ millions)

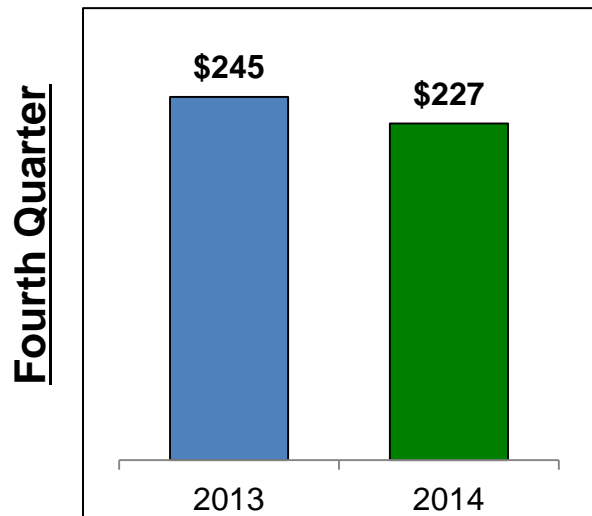


International Segment - - 2014 vs. 2013

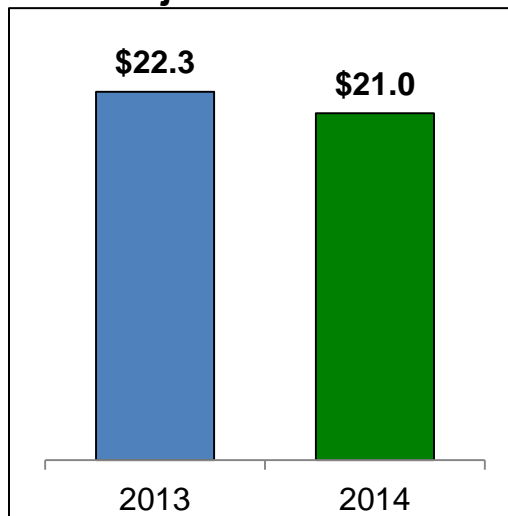
Including Discontinued Operations

(in \$ millions)

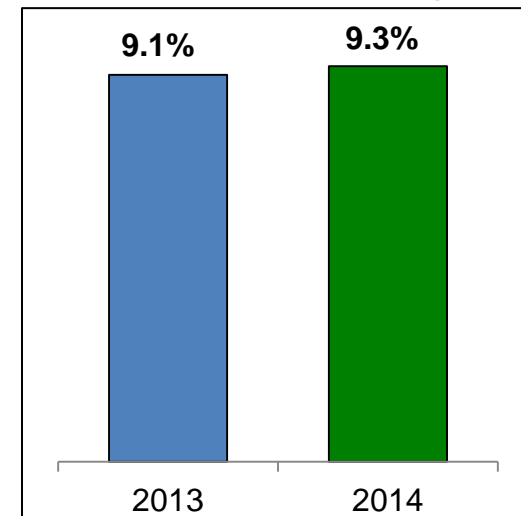
Revenue



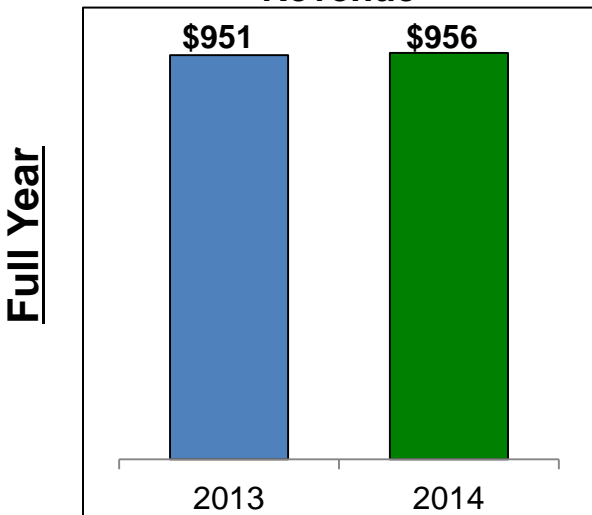
Adjusted EBITDA



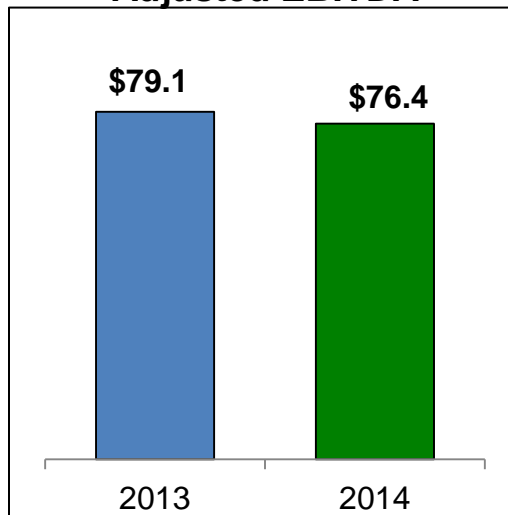
Adjusted EBITDA Margin



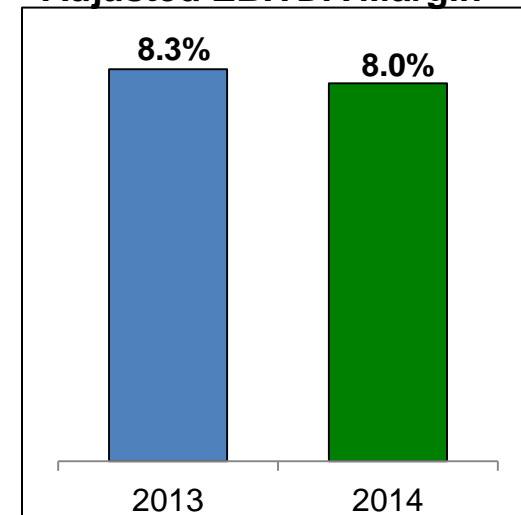
Revenue



Adjusted EBITDA



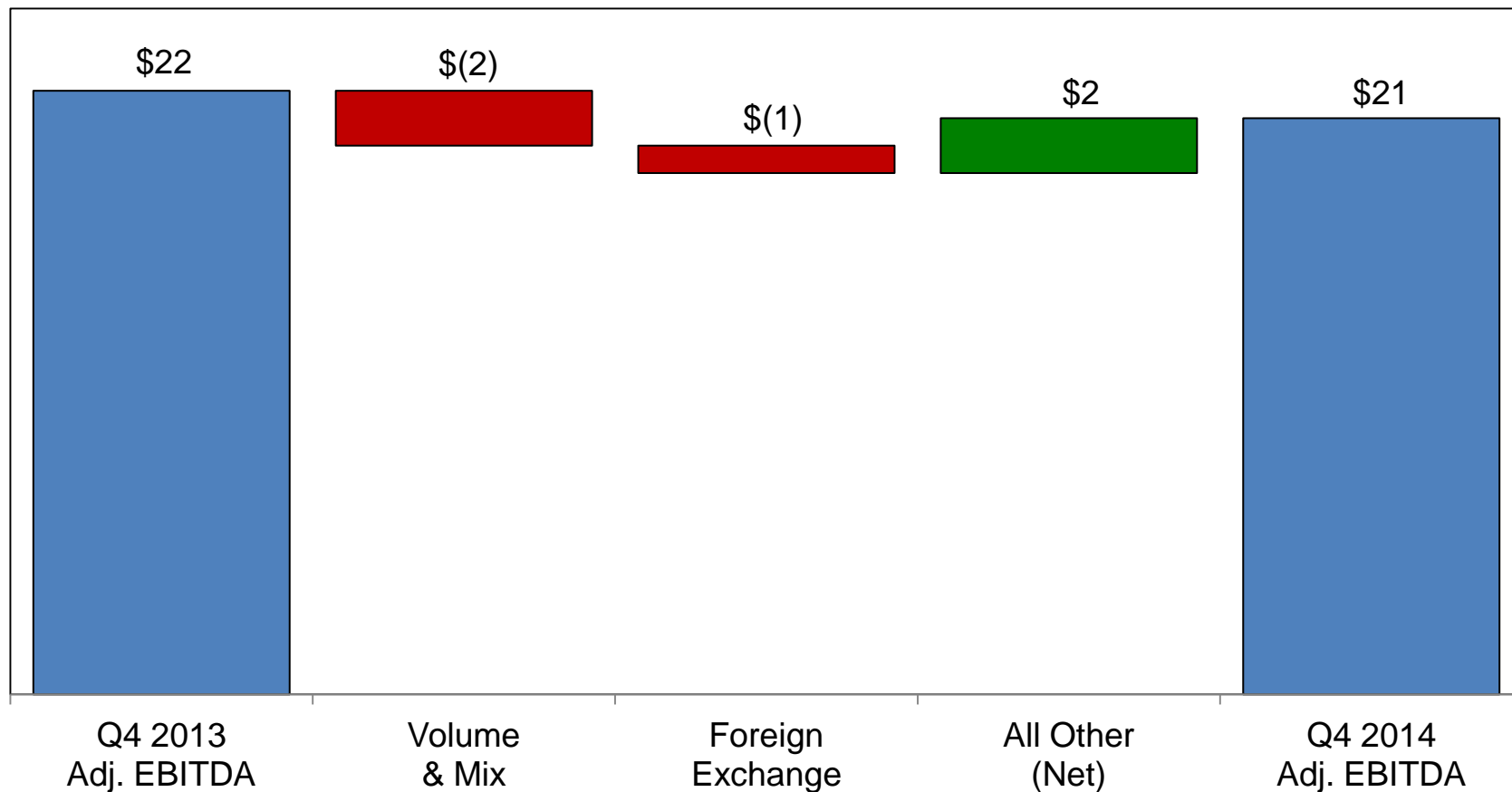
Adjusted EBITDA Margin



See slide 25 for comments regarding non-GAAP financial measures.

Q4 2014 Adjusted EBITDA Compared With Q4 2013 (Including Discontinued Operations)

(in \$ millions)



Income Statement (Including Discontinued Operations)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2014	2013	2014	2013
Revenues	\$ 533.9	\$ 516.8	\$ 2,181.5	\$ 2,102.0
Cost of sales	476.3	456.8	1,945.0	1,858.6
Gross profit	57.6	60.0	236.5	243.5
Selling, general, and administrative expenses	32.8	35.4	133.3	133.6
Amortization expense	-	0.7	1.5	2.8
Restructuring and asset impairment charges, net	26.6	2.3	34.1	21.2
Operating income / (loss)	(1.9)	21.7	67.5	85.9
Interest expense	13.0	7.7	35.0	52.1
Interest income	0.3	0.3	1.3	1.2
Other expense / (income)	-	-	(5.5)	48.4
Income / (loss) before provision / (benefit) for income taxes and equity in loss of joint venture	(14.5)	14.2	39.2	(13.4)
Provision / (benefit) for income taxes	3.5	(6.5)	11.5	2.1
Equity in loss of joint venture, net of tax	-	(0.2)	(0.7)	(0.6)
Income / (loss) from continuing operations	(18.0)	20.5	27.1	(16.1)
Less: Net income attributable to the noncontrolling interests	2.6	1.6	5.6	4.2
Net income / (loss) attributable to Tower International, Inc.	\$ (20.6)	\$ 19.0	\$ 21.5	\$ (20.3)

Certain Items Included in Net Income/(Loss) (Including Discontinued Operations)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2014	2013	2014	2013
Income / (expense) items included in net income / (loss), net of tax:				
<i>Cost of sales</i>				
Commercial settlement related to 2010-13 scrap	\$ -	\$ -	\$ (6.0)	\$ -
Pension actuarial loss	(4.2)	-	(4.2)	-
Closure of Tower Defense & Aerospace	-	-	-	(4.4)
<i>Selling, general, and administrative expenses</i>				
One-time CEO compensation awards	(0.7)	-	(1.6)	-
Acquisition costs and other	-	-	-	(0.3)
<i>Restructuring and asset impairment charges, net</i>				
One-time restructuring actions	(1.1)	(1.2)	(2.1)	(2.2)
Severance costs in Europe*	(0.1)	-	(0.4)	-
Lease buyout of previously closed facility	-	-	(3.4)	-
Loss on sale of None, Italy facility	(2.3)	-	(2.3)	-
Goodwill impairment charge in Brazil	(2.3)	-	(2.3)	-
Other asset impairment charges	(22.9)	(0.2)	(22.9)	(10.9)
Gain on sale of Chinese facility**	1.6	-	1.6	-
Facility closure	-	-	-	(3.6)
<i>Interest expense</i>				
Mark-to-market loss on derivative financial instruments	(5.8)	-	(5.8)	-
Debt issue costs	(1.0)	-	(1.0)	-
Acceleration of the amortization of debt issue costs and OID	-	-	-	(11.3)
<i>Other expense</i>				
Gain on sale of Chinese facility***	-	-	2.8	-
Premium and other fees for re-pricing of Term Loan	-	0.1	(0.1)	(4.4)
Secondary stock offering transaction costs	-	(0.2)	-	(1.0)
Premium on redemption of Senior Secured Notes	-	-	-	(42.5)
Breakage of Letter of Credit Facility	-	-	-	(0.6)
<i>Provision / (benefit) for income taxes</i>				
Foreign subsidiary tax audit	-	-	-	2.3
Non-cash income tax benefit on gain in other comprehensive income	-	10.8	-	10.8
Total items included in net income / (loss), net of tax	<u>\$ (38.8)</u>	<u>\$ 9.3</u>	<u>\$ (47.7)</u>	<u>\$ (68.1)</u>
Net income / (loss) attributable to Tower International, Inc.	\$ (20.6)	\$ 19.0	\$ 21.5	\$ (20.3)
Memo: Average shares outstanding (in millions)				
Basic	20.8	20.5	20.7	20.4
Diluted	20.8	21.2	21.4	20.4
Income / (loss) per common share (GAAP)				
Basic	\$ (0.99)	\$ 0.93	\$ 1.04	\$ (0.99)
Diluted	(0.99)	0.90	1.01	(0.99)
Diluted adjusted earnings per share (non-GAAP)****	\$ 0.84	\$ 0.45	\$ 3.23	\$ 2.28

* Amounts are net of tax of less than \$0.1 million and \$0.1 million, respectively.

** Amount is net of tax of \$0.5 million and noncontrolling interest of \$1.3 million.

*** Amount is net of tax of \$0.8 million and noncontrolling interest of \$1.9 million.

**** Excludes the certain items shown above. For the three months ended December 31, 2014 and the year ended December 31, 2013, diluted share counts of 21.5 million and 20.9 million, respectively, were used to calculate diluted adjusted earnings per share.

Adjusted EBITDA Reconciliation to Net Income (Including Discontinued Operations)

(in \$ millions)

	2013					2014				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Adjusted EBITDA	\$ 52.1	\$ 62.2	\$ 48.4	\$ 49.6	\$ 212.3	\$ 54.2	\$ 59.1	\$ 50.4	\$ 55.5	\$ 219.2
Restructuring and asset impairments charges, net	(2.7)	(14.6)	(1.6)	(2.3)	(21.2)	(1.4)	(4.7)	(1.4)	(26.5)	(34.0)
Depreciation and amortization	(25.2)	(23.5)	(22.3)	(23.8)	(94.8)	(24.7)	(24.9)	(23.0)	(23.0)	(95.6)
Acquisition costs and other	-	(0.5)	(0.4)	(0.1)	(1.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Long-term compensation expense	(1.4)	(1.8)	(1.7)	(1.7)	(6.6)	(2.6)	(2.2)	(3.1)	(3.4)	(11.3)
Interest expense, net	(13.2)	(21.2)	(9.1)	(7.4)	(50.9)	(7.0)	(7.0)	(7.1)	(12.7)	(33.8)
Other expense	-	(40.9)	(7.5)	-	(48.4)	-	-	(6.0)	-	(6.0)
Commercial settlement related to 2010-13 scrap	-	-	-	-	-	(0.1)	-	5.5	-	5.4
Closure of Tower Defense & Aerospace	(1.6)	(1.2)	-	-	(2.8)	-	-	-	-	-
(Provision) / benefit for income taxes	(3.5)	(3.6)	(1.4)	6.4	(2.1)	(2.9)	(3.0)	(2.1)	(3.5)	(11.5)
Equity in loss of joint venture	-	(0.2)	(0.2)	(0.2)	(0.6)	(0.1)	(0.2)	(0.2)	(0.2)	(0.7)
Pension actuarial loss	-	-	-	-	-	-	-	-	(4.2)	(4.2)
Net loss / (income) attributable to noncontrolling interest	(2.0)	0.2	(0.9)	(1.5)	(4.2)	(0.4)	(0.9)	(1.7)	(2.6)	(5.6)
Net income / (loss) attributable to Tower International, Inc.	\$ 2.5	\$ (45.1)	\$ 3.3	\$ 19.0	\$ (20.3)	\$ 14.9	\$ 16.1	\$ 11.2	\$ (20.7)	\$ 21.5

Adjusted Free Cash Flow (Including Discontinued Operations)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2014	2013	2014	2013
Net cash provided by continuing operating activities	\$ 79.5	\$ 103.6	\$ 121.2	\$ 153.4
Cash disbursed for purchases of PP&E, net	(36.8)	(49.6)	(106.9)	(96.8)
Proceeds received from sale of Chinese facility	-	-	13.8	-
Free cash flow	42.7	54.0	28.1	56.6
Net cash provided / (disbursed) for customer-owned tooling	20.1	31.0	(6.0)	21.1
Adjusted free cash flow	\$ 22.6	\$ 23.0	\$ 34.1	\$ 35.5

2013-2014 Select Quarterly Financial Information (Continuing Operations)

(in \$ millions except EPS)

	2013					2014				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue										
Consolidated	\$ 534.1	\$ 555.9	\$ 495.2	\$ 516.8	\$ 2,102.0	\$ 548.4	\$ 576.6	\$ 522.6	\$ 533.9	\$ 2,181.5
Discontinued operations	42.3	27.0	30.3	35.9	135.5	29.1	28.1	24.9	31.6	113.7
Continuing Operations	\$ 491.8	\$ 528.9	\$ 464.9	\$ 480.9	\$ 1,966.5	\$ 519.3	\$ 548.5	\$ 497.7	\$ 502.3	\$ 2,067.8
Adjusted EBITDA										
Consolidated	\$ 52.1	\$ 62.2	\$ 48.4	\$ 49.6	\$ 212.3	\$ 54.2	\$ 59.1	\$ 50.4	\$ 55.5	\$ 219.2
Discontinued operations	7.7	1.7	4.0	5.0	18.4	2.6	3.9	1.8	6.7	15.0
Continuing Operations	\$ 44.4	\$ 60.5	\$ 44.4	\$ 44.6	\$ 193.9	\$ 51.6	\$ 55.2	\$ 48.6	\$ 48.8	\$ 204.2
Adjusted EPS										
Consolidated	\$ 0.32	\$ 1.03	\$ 0.48	\$ 0.45	\$ 2.28	\$ 0.72	\$ 0.93	\$ 0.73	\$ 0.84	\$ 3.23
Discontinued operations	0.15	0.03	0.06	0.08	0.32	0.03	0.05	0.03	0.10	0.21
Continuing Operations	\$ 0.17	\$ 1.00	\$ 0.42	\$ 0.37	\$ 1.96	\$ 0.69	\$ 0.88	\$ 0.70	\$ 0.74	\$ 3.02

Balance Sheet

(Continuing Operations)

(in \$ millions)

	Dec. 31, 2014	Dec. 31, 2013
ASSETS		
Cash and cash equivalents	\$ 148.6	\$ 134.9
Accounts receivable, net of allowance of \$1.2 and \$2.1	230.4	255.7
Inventories	69.8	81.3
Deferred tax asset - current	6.9	8.6
Assets held for sale	141.3	-
Prepaid tooling, notes receivable, and other	42.0	44.9
Total current assets	<u>638.9</u>	<u>525.4</u>
Property, plant, and equipment, net	451.1	549.6
Goodwill	56.7	67.0
Investment in joint venture	7.8	8.6
Deferred tax asset - non-current	3.6	3.7
Other assets, net	24.8	28.7
Total assets	<u>\$ 1,182.9</u>	<u>\$ 1,183.0</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of capital lease obligations	\$ 31.1	\$ 39.7
Accounts payable	257.0	262.4
Accrued liabilities	105.8	129.2
Liabilities held for sale	67.7	-
Total current liabilities	<u>461.6</u>	<u>431.3</u>
Long-term debt, net of current maturities	457.2	454.1
Obligations under capital leases, net of current maturities	7.7	10.0
Deferred tax liability - non-current	13.0	14.4
Pension liability	68.6	54.9
Other non-current liabilities	75.0	81.4
Total non-current liabilities	<u>621.5</u>	<u>614.8</u>
Total liabilities	<u>1,083.1</u>	<u>1,046.1</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 authorized and 0 issued and outstanding	-	-
Common stock, \$0.01 par value, 350,000,000 authorized, 21,393,592 issued and 20,752,226 outstanding at December 31, 2014 and 21,079,027 issued and 20,472,637 outstanding at December 31, 2013	0.2	0.2
Additional paid in capital	335.3	328.0
Treasury stock, at cost, 641,366 and 606,390 shares as of December 31, 2014 and December 31, 2013	(9.5)	(8.6)
Accumulated deficit	(236.0)	(257.5)
Accumulated other comprehensive income / (loss)	(46.9)	12.2
Total Tower International, Inc.'s stockholders' equity	<u>43.2</u>	<u>74.4</u>
Noncontrolling interests in subsidiaries	56.6	62.5
Total stockholders' equity	<u>99.8</u>	<u>136.9</u>
Total liabilities and stockholders' equity	<u>\$ 1,182.9</u>	<u>\$ 1,183.0</u>

Income Statement (Continuing Operations)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2014	2013	2014	2013
Revenues	\$ 502.3	\$ 480.8	\$ 2,067.8	\$ 1,966.5
Cost of sales	449.2	424.6	1,838.6	1,736.2
Gross profit	53.1	56.3	229.2	230.3
Selling, general, and administrative expenses	32.7	35.1	132.6	132.8
Amortization expense	-	0.7	1.5	2.8
Restructuring and asset impairment charges, net	6.8	2.3	14.2	21.2
Operating income	13.7	18.2	80.8	73.5
Interest expense	12.9	7.6	34.8	51.4
Interest income	0.1	0.2	0.5	0.7
Other expense	-	-	0.1	48.4
Income / (loss) before provision / (benefit) for income taxes and equity in loss of joint venture	0.9	10.8	46.4	(25.6)
Provision / (benefit) for income taxes	2.1	(7.2)	9.3	0.2
Equity in loss of joint venture, net of tax	-	(0.2)	(0.7)	(0.6)
Income / (loss) from continuing operations	(1.3)	17.8	36.5	(26.3)
Income / (loss) from discontinued operations, net of tax	(16.7)	2.8	(9.4)	10.3
Net income / (loss)	(18.0)	20.5	27.1	(16.1)
Less: Net income attributable to the noncontrolling interests	2.6	1.6	5.6	4.2
Net income / (loss) attributable to Tower International, Inc.	\$ (20.6)	\$ 19.0	\$ 21.5	\$ (20.3)

Certain Items Included in Net Income/(Loss) (Continuing Operations)

(in \$ millions)

	Three Months Ended		Year Ended	
	Dec. 31, 2014	2013	2014	2013
Income / (expense) items included in net income / (loss), net of tax:				
<i>Cost of sales</i>				
Commercial settlement related to 2010-13 scrap	\$ -	\$ -	\$ (6.0)	\$ -
Pension actuarial loss	(4.2)	-	(4.2)	-
Closure of Tower Defense & Aerospace	-	-	-	(4.4)
<i>Selling, general, and administrative expenses</i>				
One-time CEO compensation awards	(0.7)	-	(1.6)	-
Acquisition costs and other	-	-	-	(0.3)
<i>Restructuring and asset impairment charges, net</i>				
One-time restructuring actions	(1.1)	(1.2)	(2.1)	(2.2)
Severance costs in Europe*	(0.1)	-	(0.4)	-
Lease buyout of previously closed facility	-	-	(3.4)	-
Loss on sale of None, Italy facility	(2.3)	-	(2.3)	-
Goodwill impairment charge in Brazil	(2.3)	-	(2.3)	-
Other asset impairment charges	-	(0.2)	-	(10.9)
Facility closure	-	-	-	(3.6)
<i>Interest expense</i>				
Mark-to-market loss on derivative financial instruments	(5.8)	-	(5.8)	-
Debt issue costs	(1.0)	-	(1.0)	-
Acceleration of the amortization of debt issue costs and OID	-	-	-	(11.3)
<i>Other expense</i>				
Premium and other fees for re-pricing of Term Loan	-	0.1	(0.1)	(4.4)
Secondary stock offering transaction costs	-	(0.2)	-	(1.0)
Premium on redemption of Senior Secured Notes	-	-	-	(42.5)
Breakage of Letter of Credit Facility	-	-	-	(0.6)
<i>Provision / (benefit) for income taxes</i>				
Foreign subsidiary tax audit	-	-	-	2.3
Non-cash income tax benefit on gain in other comprehensive income	-	10.8	-	10.8
<i>Discontinued operations</i>				
Income / (loss) from discontinued operations	(16.7)	2.8	(9.4)	10.3
<i>Noncontrolling interests</i>				
Net income attributable to noncontrolling interests**	(2.3)	(1.0)	(4.6)	(3.4)
Total items included in net income / (loss), net of tax	<u>\$ (36.5)</u>	<u>\$ 11.1</u>	<u>\$ (43.2)</u>	<u>\$ (61.2)</u>
Net income / (loss) attributable to Tower International, Inc.	\$ (20.6)	\$ 19.0	\$ 21.5	\$(20.3)
Memo: Average shares outstanding (in millions)				
Basic	20.8	20.5	20.7	20.4
Diluted	20.8	21.2	21.4	20.4
Income / (loss) per common share (GAAP)				
Basic	\$ (0.99)	\$ 0.93	\$ 1.04	\$(0.99)
Diluted	(0.99)	0.90	1.01	(0.99)
Diluted adjusted earnings per share (non-GAAP)***	\$ 0.74	\$ 0.37	\$ 3.02	\$ 1.96

* Amounts are net of tax of less than \$0.1 million and \$0.1 million, respectively.

** Amounts attributable to noncontrolling interests of discontinued operations.

*** Excludes the certain items shown above. For the three months ended December 31, 2014 and the year ended December 31, 2013, diluted share counts of 21.5 million and 20.9 million, respectively, were used to calculate diluted adjusted earnings per share.

Consolidated Statement of Cash Flows (Continuing Operations)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2014	2013	2014	2013
Cash flows - operating activities				
Net income / (loss)	\$ (18.0)	\$ 20.5	\$ 27.1	\$ (16.1)
Less: Income / (loss) from discontinued operations, net of tax	(16.7)	2.8	(9.4)	10.3
Income / (loss) from continuing operations	\$ (1.3)	\$ 17.8	\$ 36.5	\$ (26.3)
Asset impairment charges	4.6	0.2	4.6	11.2
Term Loan re-pricing fees	-	-	0.1	-
Premium on notes redemption and other fees	-	-	-	48.4
Deferred income tax benefit	(0.4)	(11.4)	(0.2)	(9.7)
Depreciation and amortization	20.7	22.3	87.2	88.8
Non-cash share-based compensation	1.1	1.1	4.7	4.7
Pension expense / (income), net of contributions	1.6	(3.8)	(11.3)	(17.1)
Change in working capital and other operating items	52.0	56.0	(9.1)	27.7
Net cash provided by continuing operating activities	\$ 78.3	\$ 82.3	\$ 112.6	\$ 127.8
Cash flows - investing activities				
Cash disbursed for purchases of property, plant, and equipment, net	\$ (36.1)	\$ (39.7)	\$ (98.4)	\$ (78.0)
Net proceeds from sale of property, plant, and equipment	-	-	-	12.0
Investment in joint venture	-	-	(0.8)	(6.3)
Net cash used in continuing investing activities	\$ (36.1)	\$ (39.7)	\$ (99.2)	\$ (72.3)
Cash flows - financing activities				
Proceeds from borrowings	\$ 34.2	\$ 101.2	\$ 131.3	\$ 547.9
Repayments of borrowings	(39.2)	(125.6)	(154.9)	(598.5)
Proceeds from borrowings on Term Loan Credit Facility	-	-	33.1	417.9
Debt financing costs	(1.0)	-	(3.6)	(10.9)
Redemption of notes	-	-	-	(362.0)
Premium paid on notes redemption and other fees	-	(1.4)	-	(43.1)
Premium paid on re-pricing of Term Loan Credit Facility and other fees	-	-	-	(4.3)
Secondary stock offering transaction costs	-	(0.8)	(0.1)	(0.8)
Proceeds from stock options exercised	-	0.2	2.6	2.2
Purchase of treasury stock	-	-	(0.9)	(0.3)
Noncontrolling interest dividends	(7.7)	(2.6)	(10.2)	(9.3)
Net cash used in continuing financing activities	\$ (13.7)	\$ (29.0)	\$ (2.6)	\$ (61.1)
Discontinued operations:				
Net cash from discontinued operating activities	\$ 1.1	\$ 21.3	\$ 8.6	\$ 25.6
Net cash from discontinued investing activities	(5.4)	(5.1)	0.6	1.7
Net cash from discontinued financing activities	0.1	(3.1)	(0.7)	(4.5)
Net cash from discontinued operations	\$ (4.3)	\$ 13.1	\$ 8.4	\$ 22.8
Net change in cash and cash equivalents	\$ 24.3	\$ 26.7	\$ 19.2	\$ 17.2
Cash and cash equivalents - beginning of period	126.4	106.3	134.9	113.9
Effect of exchange rate changes on cash and cash equivalents	(2.1)	1.9	(5.5)	3.7
Cash and cash equivalents - end of period	\$ 148.6	\$ 134.9	\$ 148.6	\$ 134.9

Adjusted EBITDA Reconciliation to Net Income (Continuing Operations)

(in \$ millions)

	2013					2014				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Adjusted EBITDA	\$ 44.4	\$ 60.5	\$ 44.4	\$ 44.6	\$ 193.9	\$ 51.6	\$ 55.2	\$ 48.6	\$ 48.8	\$ 204.2
Restructuring and asset impairments charges, net	(2.7)	(14.6)	(1.6)	(2.3)	(21.2)	(1.4)	(4.7)	(1.4)	(6.7)	(14.2)
Depreciation and amortization	(23.7)	(22.0)	(20.8)	(22.3)	(88.8)	(22.9)	(22.7)	(20.9)	(20.7)	(87.2)
Acquisition costs and other	-	(0.5)	(0.4)	(0.1)	(1.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Long-term compensation expense	(1.4)	(1.8)	(1.7)	(1.7)	(6.6)	(2.6)	(2.2)	(3.1)	(3.4)	(11.3)
Interest expense, net	(13.1)	(21.2)	(9.0)	(7.4)	(50.7)	(7.0)	(7.2)	(7.2)	(12.8)	(34.2)
Other expense	-	(40.9)	(7.5)	-	(48.4)	(0.1)	-	-	-	(0.1)
Commercial settlement related to 2010-13 scrap	-	-	-	-	-	-	-	(6.0)	-	(6.0)
Closure of Tower Defense & Aerospace	(1.6)	(1.2)	-	-	(2.8)	-	-	-	-	-
(Provision) / benefit for income taxes	(2.5)	(3.9)	(0.9)	7.1	(0.2)	(2.8)	(2.7)	(1.6)	(2.1)	(9.2)
Equity in loss of joint venture	-	(0.2)	(0.2)	(0.2)	(0.6)	(0.1)	(0.2)	(0.2)	(0.2)	(0.7)
Pension actuarial loss	-	-	-	-	-	-	-	-	(4.2)	(4.2)
Income / (loss) from discontinued operation	5.2	0.4	1.9	2.8	10.3	0.7	1.6	4.8	(16.7)	(9.6)
Net loss / (income) attributable to noncontrolling interest	(2.0)	0.2	(0.9)	(1.5)	(4.2)	(0.4)	(0.9)	(1.7)	(2.6)	(5.6)
Net income / (loss) attributable to Tower International, Inc.	\$ 2.6	\$ (45.2)	\$ 3.3	\$ 19.0	\$ (20.3)	\$ 14.9	\$ 16.1	\$ 11.2	\$ (20.7)	\$ 21.5

Adjusted Free Cash Flow Reconciliation to GAAP (Continuing Operations)

(in \$ millions)

	Three Months Ended Dec. 31,		Year Ended Dec. 31,	
	2014	2013	2014	2013
Net cash provided by continuing operating activities*	\$ 78.3	\$ 82.3	\$ 112.6	\$ 127.8
Cash disbursed for purchases of PP&E, net*	(36.1)	(39.7)	(98.4)	(78.0)
Free cash flow	42.2	42.6	14.2	49.8
Net cash provided / (disbursed) for customer-owned tooling	20.8	25.0	(5.3)	15.5
Adjusted free cash flow	<u>\$ 21.4</u>	<u>\$ 17.6</u>	<u>\$ 19.5</u>	<u>\$ 34.3</u>

*From GAAP Consolidated Statement of Cash Flows

2015 Industry Production Volume (January IHS)

(Vehicles in millions)

	2015 Forecast (January)				
	Q1	Q2	Q3	Q4	Full Year
<u>2015 Plan (Jan. IHS)</u>					
Europe	5.1	5.1	4.8	5.0	20.0
China	5.4	5.7	5.6	6.1	22.8
North America	4.4	4.5	4.3	4.2	17.4
Brazil	0.7	0.8	0.8	0.7	3.0
Total	<u>15.6</u>	<u>16.1</u>	<u>15.5</u>	<u>16.0</u>	<u>63.2</u>
<u>2015 Over / (Under) 2014</u>					
Europe	(2) %	(4) %	4 %	1 %	(1) %
China	6	9	12	3	8
North America	5	1	4	1	3
Brazil	(11)	8	8	1	2
Total	2 %	2 %	7 %	2 %	3 %