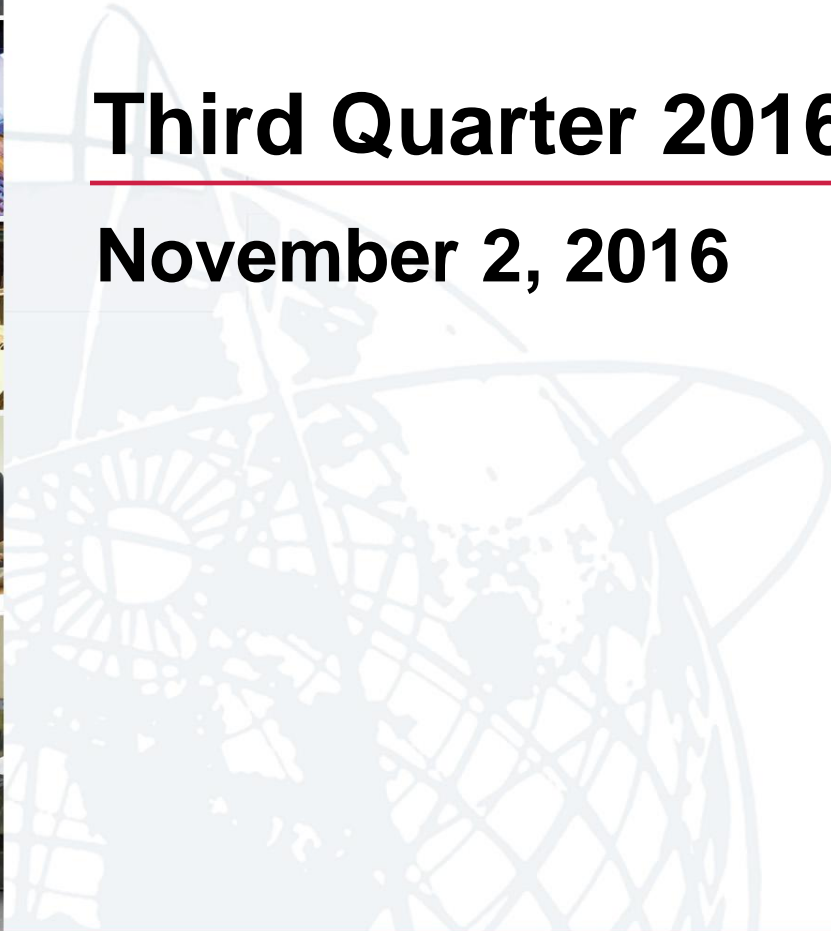




Third Quarter 2016 Results

November 2, 2016



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 EBITDA margin, adjusted EPS and 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 ;
- 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;
- risks associated with business divestures; 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

- **It was a strong quarter for Tower, in some ways our best ever.**
 - Revenue was modestly below guidance (reflecting select customer production adjustments), but nonetheless up from a year ago (+3%), reflecting increased Tower average content per industry vehicle.
 - **Double-digit earnings growth (Adjusted EBITDA +14%; Adjusted EPS +20%).**
 - **Adjusted EBITDA margin of 11%, a Third Quarter record.**
 - The 25th consecutive quarter that Tower met or beat the earnings consensus.
- **More earnings records are projected for the Fourth Quarter.**
 - Industry production adjustments have reduced the revenue outlook, but the combination of still-strong industry volume and higher Tower content are expected to result in continued organic revenue growth.
 - Add in the compounding benefit of additional margin improvement anticipated at this stage of our new-business phase-in, and **Tower's Adjusted EBITDA is projected to grow by about 20% in the Fourth Quarter (with Adjusted EPS up about 25%).**

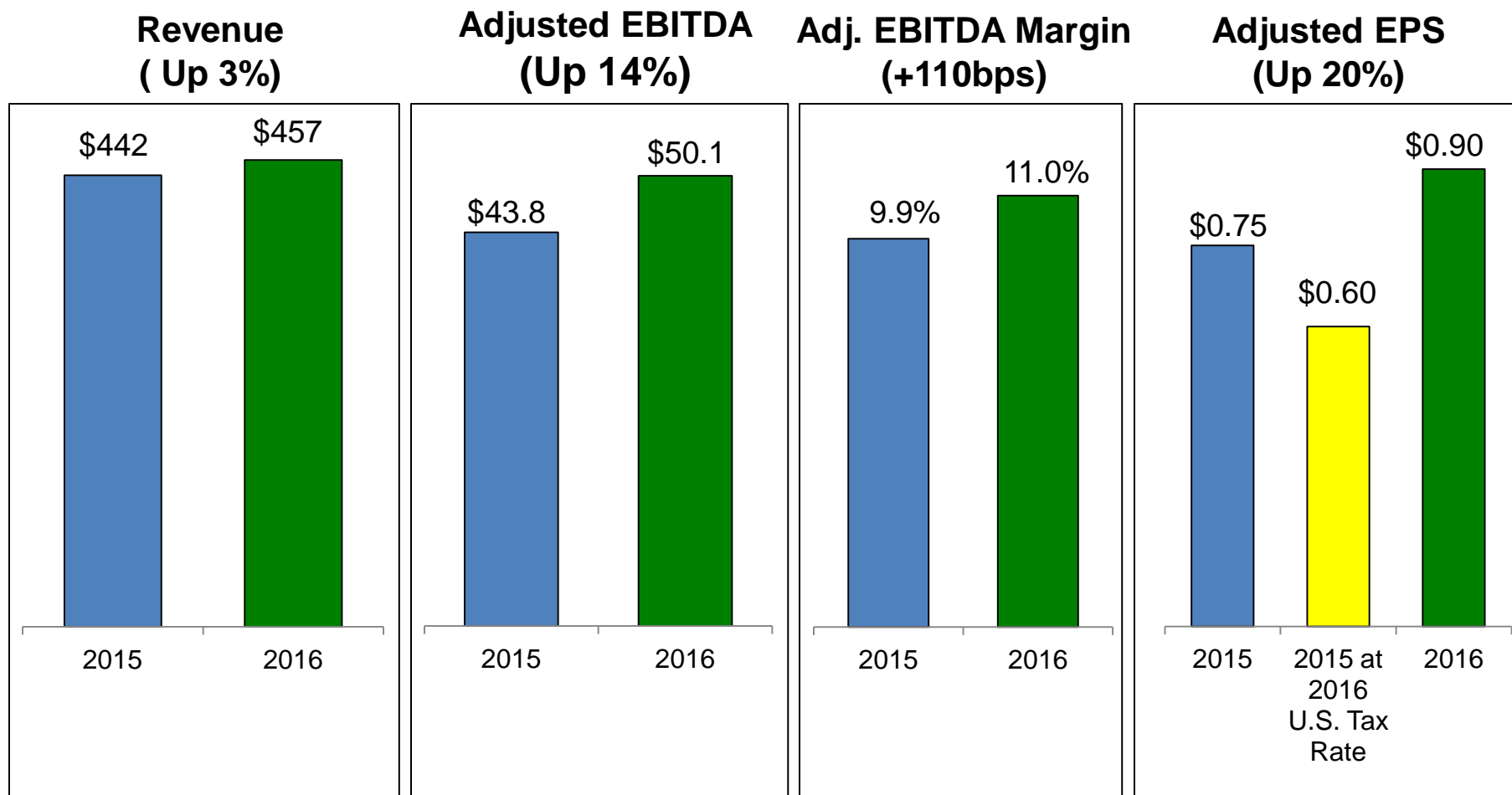
Key Take-Aways (continued)

- **Consistent with our positive business/cash-flow outlook, the quarterly dividend was increased by 10% and 4% of outstanding shares have been repurchased.**
 - More than 80% of our stock buyback authorization remains.
- **Other things equal, our Adjusted EPS outlook is improved by about 10-15 cents per year for the next few years because of expected R&D tax credits.**
 - Latest projection is that Tower will not become a U.S. cash taxpayer until **2020 (one year later than prior estimate).**
- **We believe that industry volume in 2017 will be roughly the same as 2016. Tower is, however, relatively well-positioned regardless of your volume outlook.**
 - This reflects **underlying strength/tailwinds at Tower from higher-margin new business coming on board over the next few years that (absent lower industry volume) is expected to drive increasing overall margin and best-ever free cash flow.**

Total Company

Third Quarter Financials - - 2016 vs. 2015

(in \$ millions, except EPS)



Third Quarter 2016 Free Cash Flow

(in \$ millions)

	<u>Amount</u>
Adjusted EBITDA	\$ 50
Capital Expenditures	(13)
Cash Interest	(4)
Cash Taxes	(1)
Working Capital & Other (ex-tooling)	(4)
Customer Tooling*	<u>(31)</u>
Total Free Cash Flow	<u><u>\$ (3)</u></u>

*Nets to zero over time

Quarter-End Net Debt and Leverage

(in \$ millions)

	<u>Sept. 30, 2016</u>	<u>B/(W) Than Dec. 31, 2015</u>
<u>Net Debt</u>		
Cash	\$ 47	\$ (66)*
Gross Debt	<u>(440)</u>	<u>5</u>
Net Debt	<u>\$ (393)</u>	<u>\$ (61)</u>
<u>Debt-to-LTM Adj. EBITDA</u>		
Gross	2.3X	0.1X
Net	2.1X	(0.3)X

* Excludes cash attributable to discontinued operations.

Pending Sales of Remaining China Operations

(in \$ millions at RMB 6.75/\$)

- **Agreements reached to sell both remaining businesses.**
 - 80% interest in Wuhu/Dalian JV.
 - 42% interest in Ningbo JV.

- **Anticipated summary financials (approximate):**

<u>After-Tax</u>	<u>Total</u>
Cash Proceeds*	\$ 25 **
Gain/(Loss)	0

 * Including dividend distribution

** Expected to mainly be received by mid-2017

Stock Buyback Through September 30

Shares Purchased (000)	786
Average Price Per Share	\$ 22.78
Total Spent (Mils.)	\$ 17.9
Remaining Authorization (Mils.)	\$ 82.1

Present 2016 Outlook

(in \$ millions, except EPS)

	Fourth Quarter		Full Year
	Amount	B/(W) 2015	
Revenue	\$ ~460	1%	\$ 1,915
Adjusted EBITDA	\$54.5-56.5	~ 20%	\$ 200-202*
Adj. EBITDA Margin	~12%	~ 2 Pts.	~10.5%
Adjusted EPS	\$ ~0.95	~ 25%	\$ 3.30
Free Cash Flow	\$ ~60	\$ 61	\$ ~ 20

* Change vs. prior projection of \$205M primarily reflects lower customer volume (negative \$6-8M), offset partially by additional net cost reduction (\$3M).

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”, 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. Net debt represents total debt less cash and cash equivalents. We use Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Earnings Per Share, 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 mark to market adjustments of financial instruments, fair value adjustments to our pension plan, potential gain or loss on our discontinued operations, potential restructuring expenses, and expenses related to our long-term incentive compensation programs 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. Consequently, any attempt to disclose such reconciliations would imply a degree of precision that could be confusing or misleading to investors. The magnitude of these items, however, may be significant.

Income Statement

(in \$ millions)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues	\$ 457.0	\$ 442.2	\$ 1,451.4	\$ 1,341.2
Cost of sales	396.8	389.0	1,271.9	1,171.7
Gross profit	60.2	53.2	179.5	169.5
Selling, general, and administrative expenses	31.2	30.9	96.1	90.6
Amortization expense	0.1	0.2	0.3	0.2
Restructuring and asset impairment charges, net	1.2	0.8	2.8	7.0
Operating income	27.7	21.3	80.2	80.8
Interest expense	5.6	6.2	18.2	17.8
Interest income	-	-	0.1	-
Other expense	-	-	6.5	-
Income before provision for income taxes and income / (loss) from discontinued operations	22.1	15.1	55.7	53.9
Provision for income taxes	4.2	1.5	13.8	5.3
Income from continuing operations	17.9	13.6	41.9	48.6
Income / (loss) from discontinued operations, net of tax	0.4	3.2	(20.0)	1.6
Net income	18.3	16.9	21.9	50.1
Less: Net income attributable to the noncontrolling interests	0.1	0.6	0.2	1.2
Net income attributable to Tower International, Inc.	\$ 18.2	\$ 16.3	\$ 21.7	\$ 49.0

Balance Sheet

(in \$ millions)

	September 30, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	\$ 47.2	\$ 121.6
Accounts receivable, net of allowance of \$797 and \$1,277	242.3	223.7
Inventories	77.4	66.6
Assets held for sale	104.5	113.7
Prepaid tooling, notes receivable, and other	134.1	68.2
Total current assets	605.5	593.9
Property, plant, and equipment, net	\$ 452.5	\$ 427.9
Goodwill	60.2	59.3
Deferred tax asset	119.6	127.2
Other assets, net	8.9	7.2
Total assets	1,246.7	1,215.5
LIABILITIES AND EQUITY		
Short-term debt and current maturities of capital lease obligations	\$ 35.4	\$ 29.5
Accounts payable	292.2	268.0
Accrued liabilities	110.9	100.5
Liabilities held for sale	51.4	44.2
Total current liabilities	489.9	442.2
Long-term debt, net of current maturities	\$ 399.1	\$ 409.1
Obligations under capital leases, net of current maturities	5.4	6.0
Deferred tax liability	6.6	6.2
Pension liability	57.8	65.6
Other non-current liabilities	78.4	79.7
Total non-current liabilities	547.3	566.6
Total liabilities	1,037.2	1,008.8
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Common stock	\$ 0.2	\$ 0.2
Additional paid in capital	339.5	337.9
Treasury stock	(34.6)	(16.1)
Accumulated deficit	(28.7)	(44.0)
Accumulated other comprehensive loss	(73.9)	(80.5)
Total Tower International, Inc.'s stockholders' equity	202.5	197.5
Noncontrolling interests in subsidiaries	7.1	9.2
Total stockholders' equity	209.6	206.7
Total liabilities and stockholders' equity	\$ 1,246.7	\$ 1,215.5

Consolidated Statement of Cash Flows

(in \$ millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
OPERATING ACTIVITIES:				
Net income	\$ 18.3	\$ 16.9	\$ 21.9	\$ 50.1
Less: Income from discontinued operations, net of tax	0.4	3.2	(20.0)	1.6
Income from continuing operations	17.9	13.6	41.9	48.6
Adjustments required to reconcile income from continuing operations to net cash provided by continuing operating activities:				
Deferred income tax provision	\$ 2.1	\$ (0.3)	\$ 10.3	\$ (0.2)
Depreciation and amortization	17.9	18.4	53.4	54.2
Non-cash share-based compensation	0.5	0.5	1.5	1.8
Pension income, net of contributions	(3.4)	(4.0)	(7.9)	(10.3)
Change in working capital and other operating items	(25.1)	(1.6)	(66.9)	(55.6)
Net cash provided by continuing operating activities	\$ 10.0	\$ 26.6	\$ 32.4	\$ 38.5
INVESTING ACTIVITIES:				
Cash disbursed for purchases of property, plant, and equipment, net	\$ (12.6)	\$ (28.2)	\$ (73.5)	\$ (56.4)
Proceeds from disposition of China JVs, net	-	9.9	-	9.9
Acquisition, net of cash	-	(21.7)	-	(21.7)
Net cash used in continuing investing activities	\$ (12.6)	\$ (40.0)	\$ (73.5)	\$ (68.2)
FINANCING ACTIVITIES:				
Proceeds from borrowings	\$ 162.8	\$ 30.6	\$ 458.8	\$ 94.0
Repayments of borrowings	(145.2)	(33.4)	(417.7)	(95.8)
Repayments on Term Loan Credit Facility	-	-	(50.0)	(25.0)
Proceeds from termination of cross currency swaps	-	-	-	32.4
Dividend payment to Tower shareholders	(2.1)	-	(6.3)	-
Proceeds from stock options exercised	-	-	0.1	0.2
Purchase of treasury stock	(17.9)	-	(18.5)	(6.6)
Net cash provided / (used) in continuing financing activities	\$ (2.4)	\$ (2.8)	\$ (33.7)	\$ (0.9)
Discontinued operations:				
Net cash from discontinued operating activities	\$ 0.6	\$ 14.1	\$ 3.7	\$ 21.6
Net cash used in discontinued investing activities	(0.2)	(6.2)	(2.1)	(9.0)
Net cash used in discontinued financing activities	(0.3)	(6.7)	(2.9)	(9.7)
Net cash from / (used in) discontinued operations	\$ 0.2	\$ 1.3	\$ (1.3)	\$ 2.9
Effect of exchange rate changes on continuing cash and cash equivalents	\$ 0.3	\$ (1.2)	\$ 1.8	\$ (3.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (4.5)	\$ (16.1)	\$ (74.3)	\$ (31.4)
CASH AND CASH EQUIVALENTS:				
Beginning of period	\$ 51.8	\$ 117.4	\$ 121.6	\$ 132.7
End of period	\$ 47.2	\$ 101.3	\$ 47.2	\$ 101.3

Adjusted EBITDA Reconciliation to GAAP

(in \$ millions)

	2015					2016		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter	Second Quarter	Third Quarter
Adjusted EBITDA	\$ 47.1	\$ 51.5	\$ 43.8	\$ 45.9	\$ 188.3	\$ 45.1	\$ 50.4	\$ 50.1
Restructuring and asset impairments charges, net	(0.9)	(5.3)	(0.8)	(0.8)	(7.8)	(0.7)	(0.8)	(1.2)
Depreciation and amortization	(18.0)	(17.8)	(18.4)	(18.3)	(72.5)	(17.3)	(18.2)	(17.9)
Acquisition costs and other	-	(0.2)	(0.5)	0.5	(0.2)	(0.1)	(0.4)	0.1
Long-term compensation expense	(2.2)	(2.0)	(2.0)	(3.5)	(9.7)	(3.0)	(2.1)	(2.6)
One-time CEO compensation awards	(0.9)	(0.9)	(0.9)	(0.3)	(3.0)	(0.6)	0.2	(0.7)
Loss from sale of Brazil facility	-	-	-	(0.7)	(0.7)	-	-	-
Interest expense, net	(7.7)	(3.9)	(6.2)	(5.9)	(23.7)	(7.6)	(5.0)	(5.6)
Other expense	-	-	-	-	-	(3.6)	(2.9)	-
Provision for income taxes	(1.9)	(2.0)	(1.5)	129.1	123.8	(3.5)	(6.0)	(4.2)
Pension actuarial loss	-	-	-	(9.1)	(9.1)	-	-	-
Income / (loss) from discontinued operation	(1.3)	(0.4)	3.2	8.8	10.4	(0.3)	(20.0)	0.4
Net income attributable to noncontrolling interest	(0.1)	(0.5)	(0.6)	(0.6)	(1.7)	-	(0.1)	(0.1)
Net income / (loss) attributable to Tower International, Inc.	\$ 14.0	\$ 18.6	\$ 16.3	\$ 145.1	\$ 194.1	\$ 8.4	\$ (4.8)	\$ 18.2

Free Cash Flow Reconciliation to GAAP

(in \$ millions)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net cash provided by continuing operating activities*	\$ 10.0	\$ 26.6	\$ 32.4	\$ 38.5
Cash disbursed for purchases of PP&E, net*	<u>(12.6)</u>	<u>(28.2)</u>	<u>(73.5)</u>	<u>(56.4)</u>
Free cash flow	(2.6)	(1.6)	(41.1)	(17.9)
Net cash received / (disbursed) for customer-owned tooling	<u>(31.3)</u>	<u>(19.3)</u>	<u>(52.1)</u>	<u>(39.8)</u>
Adjusted free cash flow	<u>\$ 28.7</u>	<u>\$ 17.7</u>	<u>\$ 11.0</u>	<u>\$ 21.9</u>

*From GAAP Consolidated Statement of Cash Flows

Certain Items Included in Third Quarter Net Income

(in \$ millions)

	After tax		Before tax	
	Three Months Ended		Three Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Income / (expense) items included in net income, net of tax:				
<i>Selling, general, and administrative expenses</i>				
One-time CEO compensation awards	\$ (0.7)	\$ (0.9)	\$ (1.0)	\$ (0.9)
Acquisition costs	-	(0.4)	-	(0.4)
<i>Restructuring and asset impairment charges, net</i>				
One-time restructuring actions	-	(0.2)	-	(0.2)
<i>Interest expense</i>				
Mark-to-market loss on derivative financial instruments	(0.4)	(1.0)	(0.6)	(1.0)
<i>Other expense</i>				
<i>Discontinued operations</i>				
Income from discontinued operations	0.4	3.2	0.4	3.2
<i>Noncontrolling interests</i>				
Net income attributable to noncontrolling interests*	(0.1)	(0.6)	(0.1)	(0.6)
Total items included in net income, net of tax	<u>\$ (0.8)</u>	<u>\$ 0.1</u>		
Net income attributable to Tower International, Inc.	\$ 18.2	\$ 16.3		
Memo: Average shares outstanding (in thousands)				
Basic	20,830	21,107		
Diluted	21,182	21,423		
Income per common share (GAAP)				
Basic	\$ 0.87	\$ 0.77		
Diluted	0.86	0.76		
Diluted adjusted earnings per share (non-GAAP)	\$ 0.90	\$ 0.75		

* Amounts attributable to noncontrolling interests of discontinued operations

Certain Items Included in Nine Months Net Income

(in \$ millions)

	After tax		Before tax	
	Nine Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Income / (expense) items included in net income, net of tax:				
<i>Selling, general, and administrative expenses</i>				
One-time CEO compensation awards	\$ (1.2)	\$ (2.8)	\$ (1.7)	\$ (2.8)
Acquisition costs	-	(0.4)	-	(0.4)
<i>Restructuring and asset impairment charges, net</i>				
One-time restructuring actions	-	(0.2)	-	(0.2)
Change in estimated future rent	-	(4.8)	-	(4.8)
<i>Interest expense</i>				
Mark-to-market gain / (loss) on derivative financial instruments	(2.3)	(1.3)	(3.4)	(1.3)
Acceleration of the amortization of debt issue costs and OID	(0.5)	(0.4)	(0.7)	(0.4)
<i>Other expense</i>				
European divestiture expenses	(4.5)	-	(6.5)	-
<i>Discontinued operations</i>				
Income / (loss) from discontinued operations	(20.0)	1.6	(20.0)	1.6
<i>Noncontrolling interests</i>				
Net income attributable to noncontrolling interests*	(0.2)	(1.2)	(0.2)	(1.2)
Total items included in net income, net of tax	<u>\$ (28.7)</u>	<u>\$ (9.5)</u>		
Net income attributable to Tower International, Inc.	\$ 21.7	\$ 49.0		
Memo: Average shares outstanding (in thousands)				
Basic	21,039	21,088		
Diluted	21,373	21,396		
Income / (loss) per common share (GAAP)				
Basic	\$ 1.03	\$ 2.32		
Diluted	1.02	2.29		
Diluted adjusted earnings per share (non-GAAP)	\$ 2.36	\$ 2.73		

* Amounts attributable to noncontrolling interests of discontinued operations

Industry Production Volume (October IHS)

(Vehicles in millions)

	2016					2017
	Q1	Q2	Q3	Q4	Full Year	Year
<u>Forecast</u>						
North America	4.5	4.6	4.4	4.4	17.9	18.0
Europe	5.5	5.9	4.7	5.3	21.4	21.8
Total	10.0	10.5	9.1	9.7	39.3	39.8
<u>Over / (Under) Prior Year</u>						
North America	5 %	2 %	2 %	1 %	2 %	0 %
Europe	1	8	(2)	1	2	2
Total	3 %	5 %	0 %	1 %	2 %	1 %
<u>Over/ (Under) June IHS</u>						
North America	-	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Europe	-	0.1	(0.2)	(0.1)	(0.2)	(0.3)
Total	-	-	(0.3)	(0.2)	(0.5)	(0.6)