Tower International, Inc.
Form 10-Q
November 01, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-Q

R QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2012
OR
£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________________ to_____________________

Commission file number 001-34903

TOWER INTERNATIONAL, INC.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	27-3679414 (I.R.S. Employer Identification No.)
17672 Laurel Park Drive North	
Suite 400 E Livonia, Michigan (Address of principal executive offices)	**48152** (Zip Code)

(248) 675-6000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes R No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files).

Yes R No £

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12(b)-2 of the Securities and Exchange Act.

Large Accelerated Filer £ Accelerated Filer R Non-Accelerated Filer £ Smaller Reporting Company £

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12(b)-2 of the Securities and Exchange Act).

Yes £ No R

As of October 30, 2012, there were 20,247,134 shares of the registrant’s common stock, $0.01 par value per share, outstanding.

Tower International, Inc. and Subsidiaries

Form 10-Q

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32.1	Section 1350 Certification of the Chief Executive Officer
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101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Scheme Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

PART 1 — FINANCIAL INFORMATION

ITEM 1. Financial Statements.

TOWER INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except share data - unaudited)

	September 30, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	$ 118,970	$ 134,984
Accounts receivable, net of allowance of $4,265 and $3,612	345,525	327,992
Inventories (Note 3)	104,548	85,100
Deferred tax asset - current	7,680	12,966
Assets held for sale (Note 4)	4,197	4,027
Prepaid tooling, notes receivable, and other	76,593	56,189
Total current assets	657,513	621,258
Property, plant and equipment, net	699,327	667,686
Goodwill (Note 6)	63,251	63,983
Deferred tax asset - non-current	11,532	14,450
Other assets, net	28,887	30,001
Total assets	$ 1,460,510	$ 1,397,378
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt and current maturities of capital lease obligations (Note 8)	$ 158,438	$ 109,447
Accounts payable	371,664	395,287
Accrued liabilities	132,313	126,416
Total current liabilities	662,415	631,150
Long-term debt, net of current maturities (Note 8)	482,131	461,838
Obligations under capital leases, net of current maturities (Note 8)	10,794	12,213
Deferred tax liability - non-current	14,292	11,229
Pension liability (Note 11)	80,304	96,223
Other non-current liabilities	90,186	87,265
Total non-current liabilities	677,707	668,768
Total liabilities	1,340,122	1,299,918

Commitments and contingencies (Note 18)

Stockholders' Equity:		
Tower International, Inc.'s stockholders' equity		
Common stock, $0.01 par value, 350,000,000 authorized, 20,830,425 issued and 20,247,134 outstanding at September 30, 2012, and 19,983,403 issued and 19,683,032 outstanding at December 31, 2011	208	200
Additional paid in capital	319,904	311,427
Treasury stock, at cost, 583,291 shares as of September 30, 2012 and 300,371 shares as of December 31, 2011	(8,297)	(5,130)
Accumulated deficit	(182,580)	(184,492)
Accumulated other comprehensive loss (Note 12)	(83,148)	(82,002)
Total Tower International, Inc.'s stockholders' equity	46,087	40,003
Noncontrolling interests in subsidiaries	74,301	57,457
Total stockholders' equity	120,388	97,460
Total liabilities and stockholders' equity	$ 1,460,510	$ 1,397,378

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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TOWER INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except share and per share amounts - unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues	$563,849	$588,991	$1,825,269	$1,791,344
Cost of sales	511,577	529,335	1,637,682	1,603,419
Gross profit	52,272	59,656	187,587	187,925
Selling, general and administrative expenses (Note 9)	33,962	42,106	106,153	119,193
Amortization expense (Note 6)	1,120	1,244	3,439	3,398
Restructuring and asset impairment charges, net (Note 7)	3,186	494	7,953	2,146
Operating income	14,004	15,812	70,042	63,188
Interest expense, net	15,372	17,021	46,890	45,600
Interest income	397	340	957	779
Other expense	-	350	-	1,200
Income / (loss) before provision for income taxes	(971)	(1,219)	24,109	17,167
Provision for income taxes (Note 10)	2,240	2,547	17,570	11,730
Net income / (loss)	(3,211)	(3,766)	6,539	5,437
Less: Net income attributable to the noncontrolling interests	1,593	1,082	4,627	4,037
Net income / (loss) attributable to Tower International, Inc.	$(4,804)	$(4,848)	$1,912	$1,400
Weighted average common shares outstanding				
Basic	20,246,797	19,562,951	20,098,355	19,257,066
Diluted	20,246,797	19,562,951	20,533,788	20,012,418
Net income / (loss) per share attributable to Tower International, Inc. (Note 13):				
Basic	$(0.24)	$(0.25)	$0.10	$0.07
Diluted	(0.24)	(0.25)	0.09	0.07

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

TOWER INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands - unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income / (loss)	$(3,211)	$(3,766)	$6,539	$5,437
Other comprehensive income / (loss), net of tax:				
Foreign currency translation adjustments	5,426	(29,957)	(3,444)	(1,756)
Amortization of net losses of defined benefit plan	829	511	2,397	1,385
Unrealized gain on qualifying cash flow hedge, net	10	(161)	21	152
Other comprehensive income / (loss)	6,265	(29,607)	(1,026)	(219)
Comprehensive income / (loss)	3,054	(33,373)	5,513	5,218
Less: Comprehensive income attributable to the noncontrolling interests	2,055	1,581	4,747	5,444
Comprehensive income / (loss) attributable to Tower International, Inc.	$999	$(34,954)	$766	$(226)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

TOWER INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands - unaudited)

	Nine Months Ended September 30,	
	2012	2011
OPERATING ACTIVITIES:		
Net income	$ 6,539	$ 5,437
Adjustments required to reconcile net income to net cash provided by operating activities:		
Deferred income tax provision	12,590	(869)
Depreciation and amortization	78,344	89,515
Non-cash share-based compensation	8,485	11,300
Pension expense, net of contributions	(13,552)	(10,788)
Change in working capital and other operating items	(66,565)	(93,623)
Net cash provided by operating activities	$ 25,841	$ 972
INVESTING ACTIVITIES:		
Cash disbursed for purchases of property, plant and equipment, net	$ (106,581)	$ (82,925)
Net assets acquired, net of cash acquired	-	(22,300)
Net cash used in investing activities	$ (106,581)	$ (105,225)
FINANCING ACTIVITIES:		
Retirement of senior secured notes	$ -	(34,508)
Purchase of treasury stock	(3,167)	(5,130)
Proceeds from borrowings	494,644	504,049
Repayments of borrowings	(428,834)	(414,749)
Net cash provided by financing activities	$ 62,643	$ 49,662
Effect of exchange rate changes on cash and cash equivalents	$ 2,083	$ 946
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ (16,014)	$ (53,645)
CASH AND CASH EQUIVALENTS:		
Beginning of period	$ 134,984	$ 150,345
End of period	$ 118,970	$ 96,700
Supplemental Cash Flow Information:		
Interest paid, net of amounts capitalized	$ 54,561	$ 59,543
Income taxes paid	6,791	10,525
Non-cash Activities:		

Capital expenditures in liabilities for purchases of property, plant and equipment	$ 26,216	$ 20,621

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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TOWER INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

Note 1. Organization and Basis of Presentation

Tower International, Inc. and its subsidiaries (collectively referred to as the “Company” or “Tower International”) is a leading integrated global manufacturer of engineered structural metal components and assemblies primarily serving automotive original equipment manufacturers, or OEMs, including Ford, Volkswagen Group, Hyundai/Kia, Fiat, Chrysler, Volvo, Nissan, Daimler, BMW, Toyota, PSA, Chery, Honda, and Geely. Products include body-structure stampings, frame and other chassis structures, as well as complex welded assemblies, for small and large cars, crossovers, pickups, and sport utility vehicles, or SUVs. Including both wholly owned subsidiaries and majority owned subsidiaries, the Company has strategically located production facilities in the United States, Germany, Belgium, Italy, Slovakia, Poland, Brazil, South Korea, and China, supported by engineering and sales locations in the United States, Germany, Italy, Brazil, South Korea, Japan, China, and India.

The accompanying Condensed Consolidated Financial Statements have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). The information furnished in the Condensed Consolidated Financial Statements includes normal recurring adjustments and reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of such financial statements. Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted pursuant to the rules and regulations of the SEC. Although the Company believes that the disclosures are adequate to make the information presented not misleading, these Condensed Consolidated Financial Statements should be read in conjunction with the audited year end financial statements and the notes thereto included in the most recent Annual Report on Form 10-K filed by the Company with the SEC. The interim results for the periods presented may not be indicative of the Company’s actual annual results.

On October 14, 2010, the Company completed its initial public offering (the “IPO”), whereby Tower Automotive, LLC was converted to a Delaware corporation named Tower International, Inc.

Principles of Consolidation

The Condensed Consolidated Financial Statements include the accounts of the Company and all subsidiaries over which the Company exercises control. All intercompany transactions and balances have been eliminated upon consolidation.

Adoption of New Accounting Pronouncements

Fair Value

On May 12, 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2011-04 which amended Accounting Standards Codification (“ASC”) No. 820, *Fair Value Measurements and Disclosures*. The ASU is the result of joint efforts by the FASB and the International Accounting Standards Board (“IASB”) to develop a single, converged fair value framework that provides guidance on how to measure fair value and on what disclosures to provide about fair value measurements. The ASU expands ASC No. 820’s existing disclosure requirements for fair value measurements and makes other amendments. Many of these amendments eliminate unnecessary wording differences between U.S. GAAP and International Financial Reporting Standards (“IFRS”). The ASU is effective for interim and annual periods beginning after December 15, 2011 for public entities. The Company’s adoption of the revised guidance on January 1, 2012 did not have a material impact on the Company's Condensed Consolidated Financial Statements.

Other Comprehensive Income

On June 16, 2011, the FASB issued ASU 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income," which improves the comparability, consistency and transparency of financial reporting and increases the prominence of items reported in other comprehensive income. This ASU is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2011, although early adoption is permitted. In December 2011, the FASB issued ASU 2011-12 "Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05," which defers certain aspects of ASU 2011-05 related to the presentation of reclassification adjustments. The Company revised the presentation of its Condensed Consolidated Financial Statements to comply with the adoption of the revised guidance on January 1, 2012. The Company elected to report components of comprehensive income in two separate but consecutive statements.

Note 2. New Accounting Pronouncements Not Yet Adopted

As of September 30, 2012, the Company has adopted all accounting pronouncements affecting the Company.

Note 3. Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out ("FIFO") method. In addition, the Company uses a valuation account for inventory obsolescence, which has not been material for any periods presented. Maintenance, repair and non-productive inventory, which are considered consumables, are expensed when acquired in cost of sales. Inventories consist of the following (in thousands):

	September 30, 2012	December 31, 2011
Raw materials	$ 48,723	$ 37,401
Work in process	27,581	23,372
Finished goods	28,244	24,327
Total	$ 104,548	$ 85,100

Note 4. Assets Held for Sale

The Company has one location that is considered held for sale in accordance with FASB ASC No. 360, *Property, Plant, and Equipment*, which is a facility in Gunpo, South Korea. The Gunpo facility was classified as held for sale in 2009. The Company's management has demonstrated intent to sell this location by listing the property with local real estate agencies at a price deemed reasonable in comparison to its fair value and has continued efforts to sell the property; thus, the Company expects to sell the location within one year. Accordingly, the Company has ceased depreciation on it and classified it as held for sale. The change in balances relates to foreign exchange fluctuations. The following table summarizes assets held for sale by category (in thousands):

	September 30, 2012	December 31, 2011
Land	$ 2,433	$ 2,335
Building	1,764	1,692
Total	$ 4,197	$ 4,027

Note 5. Tooling

Tooling represents costs incurred by the Company in the development of new tooling used in the manufacture of the Company's products. All pre-production tooling costs, incurred for tools that the Company will not own and that will be used in producing products supplied under long-term supply agreements, are expensed as incurred unless the supply agreement provides the Company with the non-cancellable right to use the tools or the reimbursement of such costs is contractually guaranteed by the customer. Generally, the customer agrees to reimburse the Company for certain of its tooling costs at the time the customer awards a contract to the Company.

When the part for which tooling has been developed reaches a production-ready status, the Company is reimbursed by its customer for the cost of the tooling, at which time the tooling becomes the property of the customer. The Company has certain other tooling costs, which are capitalized and amortized over the life of the related product program, related to tools which the Company has the contractual right to use during the life of the supply arrangement. Customer-owned tooling is included in prepaid tooling, notes receivable, and other, and company-owned tooling is included in other assets, net in the Condensed Consolidated Balance Sheet.

The components of capitalized tooling costs are as follows (in thousands):

	September 30, 2012	December 31, 2011
Customer-owned tooling, net	$ 33,708	$ 20,212
Company-owned tooling	1,090	1,595
Total tooling, net	$ 34,798	$ 21,807

Any gain recognized, which is defined as the excess of reimbursement over cost, is amortized over the life of the program. If estimated costs are expected to be in excess of reimbursement, a loss is recorded in the period when the loss is estimated.

Note 6. Goodwill and Other Intangible Assets

Goodwill

The change in the carrying amount of goodwill is set forth below on a reportable segment and consolidated basis (in thousands):

	International	Americas	Consolidated
Balance at December 31, 2011	$ 60,725	$ 3,258	$ 63,983
Currency translation adjustment	(473)	(259)	(732)
Balance at September 30, 2012	$ 60,252	$ 2,999	$ 63,251

During the second quarter of 2012, the Company performed an interim goodwill impairment analysis on the goodwill recorded in the Americas segment because the Company deemed the recording of a valuation allowance on its deferred tax assets in Brazil (see note 10) to be a triggering event. The impairment test indicated that the carrying value of the South America reporting unit was less than the fair value; thus, no impairment existed.

Intangibles

The Company has certain intangible assets that are related to customer relationships in Europe and Brazil and a covenant not to compete agreement in North America. These intangible assets have definite lives and are amortized on a straight-line basis, which approximates the recognition of related revenue, over the estimated lives of the related assets. The intangible assets are recorded in other assets, net. The Company anticipates amortization expense of $4.7 million, $2.8 million, and $1.5 million for the years ended December 31, 2012, 2013, and 2014, respectively, at which time no further amortization expense will be incurred. The Company has incurred amortization expense of $1.1 million and $3.4 million, respectively, for the three and nine months ended September 30, 2012. The Company has incurred amortization expense of $1.2 million and $3.4 million, respectively, for the three and nine months ended September 30, 2011. The following table presents information about the intangible assets of the Company at September 30, 2012 and December 31, 2011 (in thousands):

		As of September 30, 2012		As of December 31, 2011	
	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible:					
Europe	6 years	$15,890	$ 12,123	$15,939	$ 10,236
Brazil	7 years	5,548	4,213	5,677	3,634
North America	2 years	2,271	1,946	2,271	973
Total		$23,709	$ 18,282	$23,887	$ 14,843

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Note 7. Restructuring and Asset Impairment Charges

The Company has executed various restructuring plans and may execute additional plans in the future to realign manufacturing capacity to prevailing global automotive production and to improve the utilization of remaining facilities. Estimates of restructuring charges are based on information available at the time such charges are recorded. Due to the inherent uncertainty involved in estimating restructuring expenses, actual amounts paid for such activities may differ from amounts initially recorded. Accordingly, the Company may record revisions of previous estimates by adjusting previously established reserves.

Restructuring Charges

Restructuring charges and asset impairments for each of the Company's reportable segments include the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
International	$ -	$ -	$ 1,753	$ -
Americas	3,186	494	6,200	2,146
Total	$ 3,186	$ 494	$ 7,953	$ 2,146

The following table sets forth the Company's net restructuring expense by type for the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Employee termination costs	$ 639	$ -	$ 2,497	$ 1,217
Other exit costs	2,547	494	5,456	929
Total	$ 3,186	$ 494	$ 7,953	$ 2,146

The charges incurred during 2012 and 2011 related primarily to the following actions:

2012 Actions

During the three and nine months ended September 30, 2012, the charges incurred in the Americas segment related to the ongoing maintenance expense of facilities closed as a result of prior actions and the costs incurred to close two manufacturing facilities and relocate the operations to two of the Company's existing manufacturing facilities. The charges incurred in the International segment related to severance costs in Europe to reduce fixed costs.

2011 Actions

During the three and nine months ended September 30, 2011, the charges incurred in the Americas segment related to the ongoing maintenance of facilities closed as a result of prior actions and severance costs in Brazil related to improved manufacturing efficiencies, which were offset partially by the favorable adjustment of a liability pertaining to closed facilities.

Restructuring Reserve

The table below summarizes the activity in the accrual by reportable segment, reflected in accrued liabilities, for the above-mentioned actions through September 30, 2012 (in thousands):

	International	Americas	Consolidated
Balance at December 31, 2010	$ 821	$ 887	$ 1,708
Payments	(501)	(1,496)	(1,997)
Increase in liability	-	937	937
Adjustment to liability	(179)	(62)	(241)
Balance at December 31, 2011	141	266	407
Payments	(1,204)	(154)	(1,358)
Increase in liability	1,761	444	2,205
Adjustment to liability	-	1,358	1,358
Balance at September 30, 2012	$ 698	$ 1,914	$ 2,612

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Except as disclosed in the table above, the Company does not anticipate incurring additional material cash charges associated with the actions described above. The increase in the liability above does not agree with the restructuring charges in the table above as certain items are expensed as incurred related to the actions described. The liability primarily relates to severance, with the exception of costs accrued resulting from the ceased use of a facility in North America.

The liability increased during the first nine months of 2012 primarily due to an adjustment of the liability and severance accruals in Europe. The adjustment to the liability relates primarily to deferred rent credits pertaining to the Company's facility located in Goodyear, Arizona that the Company ceased using during the first quarter of 2012. The majority of the $2.6 million restructuring reserve accrued as of September 30, 2012 is expected to be paid in 2012. The liability decreased during the year ended December 31, 2011 primarily due to payments made relating to prior accruals.

During the nine months ended September 30, 2012, the Company incurred payments related to prior accruals in Europe of $1.2 million and in North America of $0.2 million. During the year ended December 31, 2011, the Company incurred payments related to prior accruals in Europe of $0.5 million and in North America of $1.5 million.

Note 8. Debt

Senior Secured Notes

On August 24, 2010, the Company's subsidiaries, Tower Automotive Holdings USA, LLC and TA Holdings Finance, Inc. (collectively, the "Issuers"), issued $430 million in senior secured notes (the "notes offering"). The senior secured notes (the "notes") were issued at an original issue discount of $12.8 million and bear an annual interest rate of 10.625%. The original issue discount will be amortized on a straight-line basis, which approximates the effective interest method, through interest expense over the term of the notes which increases the effective annual interest rate to 11.25%. The notes mature on September 1, 2017. The notes are jointly and severally and unconditionally guaranteed by the Company on a senior unsecured basis and by the existing domestic subsidiaries of the Company, other than the Issuers, that are guarantors under Tower Automotive Holdings USA, LLC's existing revolving credit facility (the "Amended ABL revolver") and existing letter of credit facility (the "Letter of Credit Facility") (such domestic subsidiaries, the "Subsidiary Guarantors") on a senior secured basis. The notes are senior secured obligations of the Issuers that, subject to certain permitted liens and exceptions, and subject to certain limitations with respect to enforcement, rank equally in right of payment to any existing and future senior indebtedness of the Issuers and are effectively junior to the extent of the collateral securing the Issuers' and the Subsidiary Guarantors' obligations on a first priority basis under the Amended ABL revolver. The notes and the subsidiary guarantees are effectively junior to any existing and future indebtedness of the Company's subsidiaries that are not guaranteeing the notes. The notes also have formulary limitations on the Company's ability to pay cash dividends on its common stock.

The notes are secured, on a pari passu basis with the obligations under the Letter of Credit Facility, by (i) a first priority security interest in the assets of the Issuers and the Subsidiary Guarantors which have been pledged on a first priority basis to the agent for the benefit of the lenders under the Letter of Credit Facility and (ii) on a second priority basis to all other assets of the Issuers and the Subsidiary Guarantors which have been pledged on a first priority basis to the agent for the benefit of the lenders under the Amended ABL revolver.

Upon the occurrence of certain specified changes of control, the holders of the notes will have the right to require the Issuers to purchase all or a part of their notes at a repurchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest.

At any time prior to September 1, 2014, the Issuers may redeem some or all of the notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus a “make-whole” premium and accrued and unpaid interest. Additionally, prior to September 1, 2014, during any 12-month period, the Issuers may redeem up to 10% of the principal amount of the notes at a redemption price equal to 105% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest. Further, the Issuers may redeem some or all of the notes at any time on or after September 1, 2014 at a redemption price equal to 105.313% of the principal amount of the notes to be redeemed through September 1, 2015, at any time on or after September 1, 2015 at a redemption price equal to 102.656% of the principal amount of the notes to be redeemed through September 1, 2016, and at 100% of the principal amount thereafter, plus accrued and unpaid interest. In addition, prior to September 1, 2013, the Issuers may redeem up to 35% of the original principal amount of the notes from the proceeds of certain equity offerings at a price of 110.625% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest. The Company has concluded that bifurcation is not required for the embedded derivative related to the redemption provisions of the notes as it is clearly and closely related to the debt instrument or is not material.

On March 30, 2011, the Issuers redeemed $17 million of the notes at 105% which resulted in a premium paid of $0.9 million that was recognized as other expense. In connection with the redemption, the Issuers accelerated the amortization of the original issue discount and associated debt issue costs by $0.8 million in the first quarter of 2011.

On September 30, 2011, the Company reduced its outstanding debt by purchasing $17.5 million of the notes in the open market at 102%, which resulted in a premium paid of $0.4 million that was recognized as other expense. The notes purchased were immediately retired by the Company. In connection with the retirement, the Company accelerated the amortization of the original issue discount and associated debt issue costs by $0.7 million in the third quarter of 2011.

On October 6, 2011, the Company reduced its outstanding debt by purchasing $7.5 million of the notes in the open market at 101.75%, which resulted in a premium paid of $0.1 million that was recognized as other expense. The notes purchased were immediately retired by the Company. In connection with the retirement, the Company accelerated the amortization of the original issue discount and associated debt issue costs by $0.3 million in the fourth quarter of 2011.

As of September 30, 2012, the outstanding principal balance on the notes was $354.5 million (net of a remaining $7.5 million original issue discount).

Amended Revolving Credit Facility

On June 13, 2011, the Company entered into an Amended and Restated Revolving Credit and Guaranty Agreement (the “Amended Revolving Credit Facility Agreement”) by and among Tower Automotive Holdings USA, LLC (the “Borrower”), the Company, Tower Automotive Holdings I, LLC (“Holdco”), Tower Automotive Holdings II(a), LLC, Tower Automotive Holdings II(b), LLC, the subsidiary guarantors named therein, JPMorgan Chase Bank, N.A., Wells Fargo Capital Finance, LLC and each of the other financial institutions from time to time party thereto, as Lenders and JPMorgan Chase Bank, N.A., as Issuing Lender, as Swing Line Lender and as Administrative Agent (in such capacity, the “Agent”) for the Lenders.

The Amended Revolving Credit Facility Agreement amends and restates in its entirety the Revolving Credit and Guaranty Agreement dated as of July 31, 2007, by and among the Borrower, its domestic affiliate and domestic subsidiary guarantors named therein and the lenders party thereto and the Agent. The Amended Revolving Credit Facility Agreement provides for an asset-based revolving credit facility (the “Amended ABL Revolver”) in the aggregate amount of up to $150 million, subject to a borrowing base limitation. The maturity date for the Amended ABL Revolver is June 13, 2016.

The Revolving Credit and Guaranty Agreement dated as of July 31, 2007 provided for a revolving credit facility in the aggregate amount of $150 million, subject to a borrowing base limitation. Advances under the ABL revolver bore interest at a base rate or LIBOR, plus a margin, which was 0.75% for base rate borrowings and 1.75% for LIBOR-based borrowings prior to the amendment. The applicable margins were determined by the average availability under the ABL revolver during the preceding three months. The ABL revolver was scheduled to mature on July 31, 2012 prior to the Amended Revolving Credit Facility Agreement.

Advances under the Amended ABL Revolver will bear interest at an alternate base rate (which is the highest of the Prime Rate, the Federal Funds Rate plus 1/2% and the Adjusted LIBOR (as each such term is defined in the Amended Revolving Credit Facility Agreement) for a one month interest period plus 1%) plus a base rate margin, or LIBOR plus a Eurodollar margin. The applicable margins are determined by the average availability under the Amended ABL Revolver over the preceding three consecutive full calendar months and as of the date of the Amended Revolving Credit Facility Agreement were 2.25% per annum and 3.25% per annum for base rate and LIBOR based borrowings, respectively.

The Amended Revolving Credit Facility is guaranteed by the Company, on an unsecured basis, and certain of the Company's direct and indirect domestic subsidiaries, on a secured basis (the "Subsidiary Guarantors"). The Amended Revolving Credit Facility is secured by the same assets of the Borrower and the Subsidiary Guarantors that secured the obligations under the ABL revolver.

The Amended Revolving Credit Facility Agreement includes customary events of default and amounts due thereunder may be accelerated upon the occurrence of an event of default.

As of September 30, 2012, there was $145.8 million of borrowing availability under the Amended ABL Revolver, of which $77.5 million of borrowings were outstanding. As of September 30, 2012, the applicable margins were 2.25% per annum and 3.25% per annum for base rate and LIBOR based borrowings, respectively, resulting in a weighted average interest rate of 3.95% per annum.

Detroit Investment Fund

The Company assumed an unsecured debt instrument of $1 million owed to the Detroit Investment Fund, L.P. ("DIF") upon the acquisition of substantially all of the assets of W Industries (see note 17). The debt instrument requires monthly principal and interest payments with an annual interest rate of 8.5%. The instrument is scheduled to mature in April 2014. As of September 30, 2012, the outstanding principal balance was $0.6 million.

Letter of Credit Facility

On June 13, 2011, the Company entered into a Letter of Credit Facility Agreement dated as of June 13, 2011 (the "Letter of Credit Facility Agreement") by and among Tower Automotive Holdings USA, LLC (the "L/C Borrower"), the Company, JPMorgan Chase Bank, N.A., in its capacity as participant in respect of letters of credit issued thereunder, and JPMorgan Chase Bank, N.A., as Administrative Agent and Issuing Lender.

The Letter of Credit Facility Agreement provides for a letter of credit facility (the "Letter of Credit Facility") for the issuance of up to $38 million of letters of credit with a sublimit for Euro dominated letters of credit (with an option to increase the Letter of Credit Facility to $44.5 million in the future). Upon a third party drawing on letters of credit issued under the Letter of Credit Facility, the L/C Borrower will become obligated to pay to the lenders the amounts so drawn. The maturity date of the Letter of Credit Facility is June 13, 2014.

On August 5, 2011, the Company amended the Letter of Credit Facility Agreement to reduce the Letter of Credit Facility from $38 million to $30 million (with an option to increase the Letter of Credit Facility to $44.5 million in the future). The remaining terms of the Letter of Credit Facility Agreement remained the same.

On January 9, 2012, the Company amended the Letter of Credit Facility Agreement to reduce the Letter of Credit Facility from $30 million to $28 million (with an option to increase the Letter of Credit Facility to $44.5 million in the future). The remaining terms of the Letter of Credit Facility Agreement remained the same.

On June 7, 2012, the Company amended the Letter of Credit Facility Agreement to reduce the Letter of Credit Facility from $28 million to $25.5 million (with an option to increase the Letter of Credit Facility to $44.5 million in the future). The remaining terms of the Letter of Credit Facility Agreement remained the same.

As of September 30, 2012, the outstanding letters of credit under the Letter of Credit Facility were $24.1 million. As of September 30, 2012, an 8.5% per annum fee was due on the total amount of the facility. This fee is subject to change in the future based upon then current market conditions.

The Letter of Credit Facility is guaranteed by the Company and certain of the Company’s direct and indirect domestic subsidiaries on an unsecured basis pursuant to a Guaranty entered into and made as of June 13, 2011.

The Letter of Credit Facility is unsecured. The Letter of Credit Facility Agreement contains customary covenants applicable to certain of the Company's subsidiaries. The Letter of Credit Facility Agreement includes customary events of default and amounts due thereunder may be accelerated upon the occurrence of an event of default.

$27.5 million Letter of Credit Facility

The $27.5 million letter of credit facility (the “$27.5 million Letter of Credit Facility”) was fully cash collateralized by third party deposit lenders for purposes of replacing or backstopping letters of credit outstanding. The $27.5 million Letter of Credit Facility was part of the First Lien Term Loan and Guaranty Agreement (the “First Lien Agreement”), dated as of July 31, 2007, by and among Tower Automotive Holdings USA, LLC, Tower Automotive Holding Europe B.V., the guarantors named therein, the lenders, named therein and JPMorgan Chase Bank, N.A., as agent, but remained outstanding as it was not terminated when the first lien term loan was paid off in August 2010. The cash collateral was deposited by such third party deposit lenders in a deposit account, and the Company had no right, title or interest in the deposit account.

On June 13, 2011, the Company terminated the First Lien Agreement. At termination, Cerberus owned all of the $27.5 million Letter of Credit Facility. In connection with the termination of the First Lien Agreement, a $27.5 million deposit was returned to Cerberus in its capacity as a deposit lender.

Debt Issue Costs

The Company incurred interest expense related to the amortization of debt issue costs of $0.4 million and $1.4 million, respectively, during the three and nine months ended September 30, 2012. The Company incurred interest expense related to the amortization of debt issue costs of $0.8 million and $1.7 million, respectively, during the three and nine months ended September 30, 2011.

Other Foreign Subsidiary Indebtedness

As of September 30, 2012, other foreign subsidiary indebtedness of $206 million consisted primarily of borrowings in South Korea of $122.6 million, borrowings in Brazil of $30.2 million, receivables factoring in Europe of $22.5 million, other indebtedness in Europe of $21.5 million, and borrowings in China of $9.2 million.

The change in foreign subsidiary indebtedness from September 30, 2012 to December 31, 2011 was explained by the following:

	South Korea	Brazil	Europe	China
Balance as of December 31, 2011	$ 98,605	$ 30,459	$ 31,202	$ -
Maturities of indebtedness	(44,831)	(15,371)	(11,416)	-

New / renewed indebtedness	47,579	17,481	21,484	9,245
Change in borrowings on credit facilities	17,061	-	2,989	-
Foreign exchange impact	4,157	(2,413)	(243)	-
Balance as of September 30, 2012	$ 122,571	$30,156	$44,016	$9,245

Generally, borrowings of foreign subsidiaries are made under credit agreements with commercial lenders and are used to fund working capital and other operating requirements.

South Korea

As of September 30, 2012, the Company's South Korean subsidiary had borrowings of $122.6 million (KRW 136.5 billion), consisting of secured indebtedness of $59.2 million (KRW 65.9 billion), unsecured indebtedness of $27.5 million (KRW 30.6 billion), secured bonds of $22.4 million (KRW 25 billion), unsecured corporate bonds of $9 million (KRW 10 billion) issued in connection with a government sponsored collateralized bond program, and unsecured bonds of $4.5 million (KRW 5 billion) which have annual interest rates ranging from 4.6% to 8.32% and maturity dates ranging from November 2012 to August 2014. As of September 30, 2012, the weighted average interest rate on the borrowings in South Korea was 6.38% per annum. The majority of these borrowings are subject to renewal. Substantially all of the assets of the Company's South Korean subsidiary serve as collateral for the secured indebtedness and secured bonds.

During the third quarter of 2012, the Company renewed $18.7 million (KRW 20.8 billion) of maturing unsecured indebtedness for an additional year and obtained new secured indebtedness of $0.5 million (KRW 0.5 billion), which has a maturity date of August 2013. The interest rates of the new loans are substantially the same as the other portfolio loans.

Brazil

As of September 30, 2012, the Company's Brazilian subsidiary had borrowings of \$30.2 million (R\$61.1 million) which have annual interest rates ranging from 5.5% to 15.39% and maturity dates ranging from October 2012 to July 2022. As of September 30, 2012, the weighted average interest rate on the borrowings in Brazil was 11.87% per annum. This credit is provided through bilateral agreements with four local banks. Periodic interest and principal payments are required. The loans are secured by certain fixed and current assets.

During the third quarter of 2012, one of the local banks provided the Company with a \$4.9 million (R\$10 million) new term loan with a maturity date of September 2013 that bears an interest rate of 13.48% per annum. In addition, another local bank provided the Company with a term loan of \$1.1 million (R\$2.2 million). This loan has a maturity date of July 2022 and bears an interest rate of 5.5%, which is below the weighted average interest rate of the other portfolio loans.

Europe

As of September 30, 2012, the receivables factoring facilities available to the Company were \$22.5 million (€17.5 million), of which the entire amount was outstanding. These are uncommitted, demand facilities which are subject to termination at the discretion of the banks, and bear interest rates based on the average three month EURIBOR plus a spread ranging from 2.15% to 4.13%. The effective annual interest rates as of September 30, 2012 ranged from 2.4% to 4.37%, with a weighted average interest rate of 3.15% per annum. Any receivables factoring under these facilities is with recourse, and is secured by the accounts receivable factored. These receivables factoring transactions are recorded in the Company's Condensed Consolidated Balance Sheet in short-term debt and current maturities of capital lease obligations.

As of September 30, 2012, the secured line of credit available to the Company was \$11.3 million (€8.8 million), of which the entire amount was outstanding. The facility bears an interest rate based on the one month EURIBOR plus 4% and has a maturity date of May 2014. The effective annual interest rate as of September 30, 2012 was 4.12% per annum. This facility is secured by certain accounts receivable related to customer funded tooling.

As of September 30, 2012, an additional secured line of credit available to the Company was \$10.2 million (€8 million), of which the entire amount was outstanding. The facility bears an interest rate based on the three month EURIBOR plus 4% and has a maturity date of March 2014. The effective annual interest rate as of September 30, 2012 was 4.47% per annum. This facility is secured by mortgages over the land, certain buildings, and other assets and is subject to negotiated prepayments upon the receipt of funds from completed customer projects.

China

As of September 30, 2012, the amount outstanding on the Company's fixed rate secured line of credit was $2.1 million (RMB 13.3 million). The credit line matures in February 2013 and bears an interest rate of 7.54%. As of September 30, 2012, the additional secured line of credit available to the Company was $5.5 million (RMB 35 million), of which the entire amount was outstanding. The credit line matures in June 2015 and bears a variable interest rate. The effective annual interest rate as of September 30, 2012 was 7.68%. These facilities are secured by machinery, equipment, and land rights.

During the third quarter of 2012, the Company obtained an additional secured line of credit of $1.6 million (RMB 10 million), of which the entire amount was outstanding. The credit line matures in July 2013 and bears an interest rate of 7.2%. This facility is secured by machinery and equipment.

Covenants

As of September 30, 2012, the Company was in compliance with the financial covenants that govern its credit agreements.

Capital Leases

The Company had capital lease obligations of $12.9 million and $15.1 million, respectively, as of September 30, 2012 and December 31, 2011 which expire between March 2013 and March 2018. Of these amounts, $2.1 million and $3 million, respectively, represents the current maturities as of September 30, 2012 and December 31, 2011.

Note 9. Selling, General, and Administrative Expenses

The Company's selling, general and administrative ("SG&A") expenses include costs associated with the Company's sales efforts; engineering; centralized finance, human resources, purchasing, and information technology services; and other administrative functions. During 2010, the Company implemented one-time compensation programs that resulted in compensation charges against earnings in 2012 and 2011. See notes 14 and 18 for further description of each program. SG&A expenses include the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
SG&A (excluding items below)	$ 33,962	$ 37,413	$ 99,894	$ 104,244
Supplemental value creation plan	-	1,078	721	3,355
Restricted stock units granted in connection with the IPO	-	3,615	5,538	10,494
Acquisition costs	-	-	-	1,100
Total	$ 33,962	$ 42,106	$ 106,153	$ 119,193

Note 10. Income Taxes

During the three and nine months ended September 30, 2012, the Company recognized income tax expense of $2.2 million and $17.6 million, respectively, in relation to a loss before provision for income taxes of $1 million and income before provision for income taxes of $24.1 million, respectively. The income tax expense in the third quarter included a tax benefit of $1.1 million for the favorable conclusion of a tax audit in the International segment. The income tax expense during the nine months ended September 30, 2012 included a non-cash charge of $6.5 million, which was recorded in the second quarter, for the recording of a valuation allowance on the Company's deferred tax assets in Brazil. In accordance with FASB ASC No. 740, *Income Taxes*, the Company continually monitors the realizability of its deferred tax assets on a jurisdiction by jurisdiction basis. FASB ASC No. 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence, both positive and negative, using "more likely than not" criteria. In making such judgments, significant weight is given to evidence that can be objectively verified, such as cumulative losses in recent years.

The Company's analysis for the second quarter of 2012 showed that a three-year historical cumulative loss existed in Brazil. The Company looked to near-term projections and coupled them with recent historical results to analyze its cumulative income / (loss) position in Brazil. During the second quarter of 2012, the deterioration in short-term macroeconomic conditions, which included further declines in production volumes from the Company's key customers, was worse than anticipated, resulting in lower projected earnings in the near-term. Based on the guidance in FASB ASC No. 740, the Company determined that it was unable to overcome the negative evidence of a three-year cumulative operating loss, in light of these deteriorating conditions. As a result, at June 30, 2012, the Company could no longer assert it was more likely than not that it will realize its deferred tax assets in Brazil. If the Company's operations in Brazil generate sufficient profitability in the future, the valuation allowance could be reversed in whole or in part in a future period.

The consolidated income tax expense varies each period depending on the level and mix of income and losses generated in the various jurisdictions in which the Company does business. The actual income tax expense is higher than the expected income tax expense based on statutory rates primarily because the Company has not recorded tax benefits on net losses incurred in certain jurisdictions. The jurisdictions that have had historical cumulative losses are primarily the U.S., Brazil, and the Netherlands. The Company continually evaluates its net deferred tax asset positions and valuation allowances in all jurisdictions. The Company records valuation allowances when a history of cumulative losses exists and there is significant uncertainty related to the future realization of the deferred tax assets. In certain circumstances, the Company may release some or all of a valuation allowance on deferred tax assets if a jurisdiction that has experienced historical losses returns to sustained profitability.

During the three and nine months ended September 30, 2011, the Company recognized income tax expense of $2.5 million and $11.7 million, respectively, in relation to loss before provision for income taxes of $1.2 million and income before provision for income taxes of $17.2 million. The income tax expense resulted primarily from the recognition of foreign income taxes, withholding taxes, and certain state taxes. The income tax expense is higher than the expected income tax expense based on statutory rates primarily because the Company did not record tax benefits on net losses during the periods presented in certain jurisdictions, primarily the U.S. and the Netherlands, that have had historical cumulative losses. The Company did not record an income tax benefit on these losses due to the uncertainty of the future realization of the deferred tax assets generated by the cumulative losses. In the first quarter of 2011, the income tax expense recorded included a $1.3 million deferred income tax expense on the favorable settlement of a value added tax audit in Brazil. In the second quarter of 2011, the income tax expense recorded included a $1.4 million deferred income tax benefit from the elimination of two deferred income tax liabilities primarily due to the election made which eliminated the need to maintain a $1 million deferred income tax liability on the potential payment of dividends.

Note 11. Retirement Plans

The Company sponsors various pension and other postretirement benefit plans for its employees.

In accordance with FASB ASC No. 805, *Business Combinations*, on August 1, 2007, the Company recorded a liability for the total projected benefit obligation in excess of plan assets for the pension plans and a liability for the total accumulated postretirement benefit obligation in excess of the fair value of plan assets for other postretirement benefit plans and for postretirement benefit settlement agreements, which were approved by the Bankruptcy Court and assumed by the Company.

The Tower Automotive Consolidated Pension Plan (the “Pension Plan”) provides benefits for certain current and former U.S. employees. Benefits under the Pension Plan are based on years of service, compensation, and other factors. Effective October 1, 2006, the plan was frozen and ceased accruing any additional benefits. Contributions by the Company are intended to fund benefits that accrued through October 1, 2006.

The Company sponsors various qualified defined contribution retirement plans. Each plan serves a defined group of employees and has varying levels of Company contributions. The Company’s contributions to certain plans may be required by the terms of the Company’s collective bargaining agreements.

The following tables provide the components of net periodic pension benefit cost and other post-retirement benefit cost (in thousands):

	Pension Benefits Three Months Ended September 30,		Other Benefits Three Months Ended September 30,	
	2012	2011	2012	2011
Service cost	$ 11	$ 6	$ -	$ -
Interest cost	2,909	3,180	164	236
Expected return on plan assets (a)	(2,804)	(2,807)	-	-
Amortization of net losses	829	511	-	-
Net periodic benefit cost	$ 945	$ 890	$ 164	$ 236

	Pension Benefits Nine Months Ended September 30,		Other Benefits Nine Months Ended September 30,	
	2012	2011	2012	2011
Service cost	$ 29	$ 24	$ -	$ -
Interest cost	8,731	9,420	492	708
Expected return on plan assets (a)	(8,438)	(8,451)	-	-
Amortization of net losses	2,397	1,385	-	-
Net periodic benefit cost	$ 2,719	$ 2,378	$ 492	$ 708

(a) Expected rate of return on plan assets for 2012 is 7.4% and was 7.4% for 2011

The Company originally expected its minimum pension funding requirements to be $20.4 million during 2012. On June 29, 2012, the United States Congress passed the Moving Ahead for Progress in the 21st Century Act ("MAP-21"), which provides funding relief for defined benefit pension plan sponsors. MAP-21 was signed into law on July 6, 2012, and based on the new law, the Company now estimates its minimum pension funding requirements to be approximately $17.1 million during 2012. The Company made contributions of $9.1 million and $16.3 million, respectively, during the three and nine months ended September 30, 2012.

The Company contributed $1.1 million and $3.3 million, respectively, during the three and nine months ended September 30, 2012 to its defined contribution employee savings plans.

As of July 31, 2007, the Company assumed the liabilities associated with a Voluntary Employee Benefit Association (“VEBA”) trust and future post-retirement benefit payments were capped at specified amounts to be paid through April 2011. The Company made contributions of $0.6 million during the nine months ended September 30, 2011, to the VEBA trust that administers medical insurance benefits. As of December 31, 2011, the Company had no remaining obligations to the VEBA trusts.

Note 12. Stockholders’ Equity and Noncontrolling Interests

The table below provides a reconciliation of the carrying amount of total stockholders’ equity, including stockholders’ equity attributable to Tower International, Inc. (“Tower”) and equity attributable to the noncontrolling interests (“NCI”) (in thousands):

	Nine Months Ended September 30,					
	2012			2011		
	Tower	NCI	Total	Tower	NCI	Total
Stockholders' equity beginning balance	$40,003	$57,457	$97,460	$67,367	$44,259	$111,626
Net income	1,912	4,627	6,539	1,400	4,037	5,437
Other comprehensive income / (loss):						
Change in cumulative translation adjustment	(3,564)	120	(3,444)	(3,163)	1,407	(1,756)
Amortization of actuarial loss	2,397	-	2,397	1,385	-	1,385
Unrealized gain on qualifying cash flow hedge, net	21	-	21	152	-	152
Total comprehensive income / (loss)	766	4,747	5,513	(226)	5,444	5,218
Chinese joint ventures	-	12,097	12,097	-	-	-
Treasury stock	(3,167)	-	(3,167)	(5,130)	-	(5,130)
Share based compensation expense	8,485	-	8,485	11,300	-	11,300
Stockholders' equity ending balance	$46,087	$74,301	$120,388	$73,311	$49,703	$123,014

The following tables present the components of accumulated other comprehensive income / (loss) (in thousands):

	As of September 30, 2012	As of December 31, 2011	Other Comprehensive Income / (Loss) Attributable to Tower
Foreign currency translation	$ 14,149	$ 17,713	$ (3,564)
Defined benefit plans, net	(97,330)	(99,727)	2,397
Unrealized gain on qualifying cash flow hedge, net	33	12	21
Accumulated other comprehensive loss	$ (83,148)	$ (82,002)	$ (1,146)

Note 13. Earnings per Share ("EPS")

Basic earnings / (loss) per share is calculated by dividing the net income / (loss) attributable to Tower International, Inc. by the weighted-average number of common shares outstanding.

The share count for diluted earnings / (loss) per share is computed on the basis of the weighted-average number of common shares outstanding plus the effects of dilutive common stock equivalents ("CSEs") outstanding during the period. CSEs, which are securities that may entitle the holder to obtain common stock, include outstanding stock options and restricted stock units. When the average price of the common stock during the period exceeds the exercise price of a stock option, the options are considered potentially dilutive CSEs. To the extent these CSEs are anti-dilutive they are excluded from the calculation of diluted earnings per share. Also, when there is a loss from continuing operations, potentially dilutive shares are excluded from the computation of earnings per share as their effect would be anti-dilutive.

The Company excluded 1.7 million and 1 million, respectively, of potentially anti-dilutive shares for the three and nine months ended September 30, 2012. The Company excluded 1.4 million and 0.4 million, respectively, of potentially anti-dilutive shares for the three and nine months ended September 30, 2011.

A summary of information used to compute basic and diluted net income / (loss) per share attributable to Tower International, Inc. is shown below (in thousands – except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income / (loss) attributable to Tower International, Inc.	$ (4,804)	$ (4,848)	$ 1,912	$ 1,400
Weighted average common shares outstanding				
Basic	20,246,797	19,562,951	20,098,355	19,257,066
Diluted	20,246,797	19,562,951	20,533,788	20,012,418
Net income / (loss) per share attributable to Tower International, Inc.				
Basic	$ (0.24)	$ (0.25)	$ 0.10	$ 0.07
Diluted	(0.24)	(0.25)	0.09	0.07

Note 14. Share Based Compensation

2010 Equity Incentive Plan

The Company adopted a new equity incentive plan in connection with the IPO that allows for the grants of stock options, restricted stock awards, and other equity-based awards to be made pursuant to the plan. The eligibility requirements and terms governing the allocation of any common stock and the receipt of other consideration under the 2010 Equity Incentive Plan are determined by the Board of Directors and/or its Compensation Committee. The number of shares of common stock that may be issued or delivered may not exceed in the aggregate 4.6 million shares. Cash settled awards do not count against the maximum aggregate number.

At September 30, 2012, there were 1,184,769 shares available for future grants of options and other types of awards under the 2010 Equity Incentive Plan. Forfeited shares may be re-issued under the plan up to the maximum amount to be issued as defined by the plan.

The following table summarizes the Company's award activity during 2012 and 2011:

	Options		Restricted Stock Units	
Outstanding at:	Shares	Weighted Average Exercise Price	Shares	Weighted Average Grant Date Fair Value
December 31, 2010	457,098	$ 13.00	1,763,625	$ 13.00
Granted	22,805	15.63	600,894	11.30
Exercised or vested	-	-	(881,815)	13.00
Forfeited	(50,463)	13.00	(76,680)	13.42
December 31, 2011	429,440	13.14	1,406,024	12.25
Granted	615,804	11.75	135,911	11.75
Exercised or vested	-	-	(847,022)	13.14
Forfeited	(46,290)	12.81	(7,473)	15.63
September 30, 2012	998,954	$ 12.30	687,440	$ 11.02

Stock options — The exercise price of each stock option equals the market price of the Company's common stock on the date of grant. Compensation expense is recorded based on the fair value at the grant date and is recognized on a straight-line basis over the applicable vesting periods. The Company's stock options generally vest over three years with a maximum term of ten years.

The Company calculated the weighted-average fair value of each option at the date of the grant using a Black-Scholes valuation model. The weighted-average per share fair value at grant date of the options issued during the period was $6.03. The weighted-average key assumptions used in the model for options granted in 2012 are an expected term of 6.5 years, expected volatility of 52%, and a risk free rate of 1%. The dividend yield is assumed to be zero since there are no current plans to pay common stock dividends. The Company used the simplified method to calculate the expected term because the Company has insufficient historical exercise data due to the limited period of time the Company's common stock has been publicly traded and based on vesting periods. During the three and nine months ended September 30, 2012, the Company recognized an expense of $0.5 million and $1.2 million, respectively, relating to the options. During the three and nine months ended September 30, 2011, the Company recognized an expense of $0.2 million and $0.7 million, respectively, relating to the options. The Company did not recognize any tax benefit related to this compensation expense. As of September 30, 2012, the Company has $3.9 million of unrecognized compensation expense associated with these stock options that will be amortized on a straight-line basis over the next 24 months on a weighted average basis.

As of September 30, 2012, the Company has an aggregate of 998,954 stock options that have been granted but have not yet been exercised. As of September 30, 2012, the remaining average contractual life for the options is approximately 9 years and the options have no intrinsic value because the market price of the Company's common stock is not in excess of the exercise price of the options granted. No stock options were exercised and 46,290 stock options were forfeited during the nine months ended September 30, 2012.

Restricted stock units (“RSUs”) — The grant date fair value of each RSU equals the market price of the Company’s common stock on the date of grant. Compensation expense is recorded based on the fair value at the grant date, less an estimated forfeiture amount, and is recognized on a straight-line basis over the applicable vesting periods.

During the three and nine months ended September 30, 2012, the Company recognized an expense of $0 million and $5.5 million, respectively, relating to the RSUs granted in connection with the Company’s IPO (see note 18). During the three and nine months ended September 30, 2011, the Company recognized an expense of $3.6 million and $10.5 million, respectively, relating to these RSUs. The Company did not recognize any tax benefit related to this compensation expense. As of April 30, 2012, all compensation expense associated with these RSUs had been recorded.

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During the three and nine months ended September 30, 2012, the Company recognized an expense of $0.6 million and $1.9 million relating to all of the RSUs granted thus far, excluding the RSUs granted in connection with the IPO. During the three and nine months ended September 30, 2011, the Company recognized an expense of $0.1 million and $0.3 million relating to these RSUs. The Company did not recognize any tax benefit related to this compensation expense. As of September 30, 2012, the Company has $5.5 million of unrecognized compensation expense associated with these RSUs that will be amortized on a straight-line basis over the next 27 months on a weighted average basis. The Company's RSUs generally vest over a three year period.

As of September 30, 2012, the Company has an aggregate of 687,440 RSUs that have been granted but have not yet vested. In addition, 7,473 RSUs were forfeited during the nine months ended September 30, 2012.

On July 20, 2011, one half of the RSUs granted at the time of the Company's IPO vested, resulting in the issuance of 881,815 shares at a fair value of $15.1 million. After offsets for withholding taxes, a total of 581,444 shares of common stock were issued in connection with this initial vesting. This total is net of shares repurchased to provide payment for the employee's minimum statutory withholding tax. The Company paid $5.1 million to acquire 300,371 vested shares to cover the minimum statutory withholding taxes. Compensation expense associated with the unvested RSUs was recognized through the final vesting on April 20, 2012.

On March 1, 2012, one third of the RSUs granted on March 3, 2011 vested, resulting in the issuance of 31,878 shares at a fair value of $0.4 million. After offsets for withholding taxes, a total of 25,384 shares of common stock were issued in connection with this initial vesting. This total is net of shares repurchased to provide payment for certain executive's minimum statutory withholding tax. The Company paid $0.1 million to acquire 6,494 vested shares to cover the minimum statutory withholding taxes.

On April 20, 2012, the second half of the RSUs granted at the time of the Company's IPO vested, resulting in the issuance of 814,035 shares at a fair value of $9.1 million. After offsets for withholding taxes, a total of 537,970 shares of common stock were issued in connection with this vesting. This total is net of shares repurchased to provide payment for the employee's minimum statutory withholding tax. The Company paid $3.1 million to acquire 276,065 vested shares to cover the minimum statutory withholding taxes.

Note 15. Segment Information

The Company defines its operating segments as components of its business where separate financial information is available and is routinely evaluated by management. The Company's chief operating decision maker (CODM) is the Chief Executive Officer.

The Company produces engineered structural metal components and assemblies primarily serving the global automotive industry. The Company's operations have similar economic characteristics, and share fundamental characteristics including the nature of the products, production processes, customers, and distribution channels. The Company's products include body structures stampings, chassis structures (including frames), and complex welded assemblies for small and large cars, crossovers, pickups and SUVs. The Company is comprised of four operating segments: Europe, Asia, North America, and South America. These operating segments are aggregated into two reportable segments. The International segment consists of Europe and Asia while the Americas segment consists of North and South America.

The Company measures segment operating performance based on Adjusted EBITDA. The Company uses segment Adjusted EBITDA as the basis for the CODM to evaluate the performance of each of the Company's reportable segments.

The following is a summary of selected data for each of the Company's reportable segments (in thousands):

	International	Americas	Total
Three Months Ended September 30, 2012			
Revenues	$ 281,570	$282,279	$563,849
Adjusted EBITDA	17,577	26,633	44,210
Capital Expenditures	20,920	6,779	27,699
Total assets	964,847	495,663	1,460,510
Three Months Ended September 30, 2011			
Revenues	$ 319,298	$269,693	$588,991
Adjusted EBITDA	23,662	25,219	48,881
Capital Expenditures	14,541	14,301	28,842
Nine Months Ended September 30, 2012			
Revenues	$ 958,516	$866,753	$1,825,269
Adjusted EBITDA	73,730	89,154	162,884
Capital Expenditures	65,333	31,049	96,382
Nine Months Ended September 30, 2011			
Revenues	$ 992,582	$798,762	$1,791,344
Adjusted EBITDA	86,935	83,207	170,142
Capital Expenditures	44,874	31,963	76,837

Inter-segment sales are not significant for any period presented. Capital expenditures do not equal cash disbursed for purchases of property, plant, and equipment as presented in the accompanying Condensed Consolidated Statements of Cash Flows, as capital expenditures above include amounts paid and accrued during the periods presented.

The following is a reconciliation of Adjusted EBITDA to income before provision for income taxes (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Adjusted EBITDA	$ 44,210	$ 48,881	$ 162,884	$ 170,142
Restructuring	(3,186)	(494)	(7,953)	(2,146)
Depreciation and amortization	(26,919)	(27,807)	(78,344)	(89,515)
Receivable factoring charges and other	(101)	(75)	(274)	(344)
Acquisition costs	-	-	-	(1,100)
Incentive compensation related to funding events	-	(4,693)	(6,271)	(13,849)
Interest expense, net	(14,975)	(16,681)	(45,933)	(44,821)

Other expense	-	(350)	-	(1,200)
Income before provision for income taxes	$ (971)	$ (1,219)	$ 24,109	$ 17,167

Note 16. Fair Value of Financial Instruments

Fair value is generally determined based on quoted market prices in active markets for identical assets or liabilities. If quoted market prices are not available, the Company uses valuation techniques that place greater reliance on observable inputs and less reliance on unobservable inputs. In measuring fair value, the Company may make adjustments for risks and uncertainties, if a market participant would include such an adjustment in its pricing.

FASB ASC No. 820, *Fair Value Measurements and Disclosures,* establishes a fair value hierarchy that distinguishes between assumptions based on market data, referred to as observable inputs, and the Company's assumptions, referred to as unobservable inputs. Determining where an asset or liability falls within that hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. An adjustment to the pricing method used within either Level 1 or Level 2 inputs could generate a fair value measurement that effectively falls in a lower level in the hierarchy. The hierarchy consists of three broad levels as follows:

Level 1: Quoted market prices in active markets for identical assets and liabilities;

Level 2: Inputs other than level 1 inputs that are either directly or indirectly observable; and

Level 3: Unobservable inputs developed using internal estimates and assumptions, which reflect those that market participants would use.

At September 30, 2012, the carrying value and estimated fair value of the Company's total debt was $638.5 million and $678 million, respectively. At December 31, 2011, the carrying value and estimated fair value of the Company's total debt was $568.4 million and $582.9 million, respectively. The majority of the Company's debt at September 30, 2012 and December 31, 2011 is traded in the market and is classified as a Level 2 measurement based on the pricing methodology and the limited trading of the securities. The fair value was determined based on the quoted market values. The remainder of the Company's debt, primarily consisting of foreign subsidiaries' debt, is asset-backed and is classified as Level 3. As this debt carries variable rates and minimal credit risk, the book value approximates the fair value for this debt.

The Company is party to certain derivative financial instruments, which are all classified as Level 2 measurements determined using significant other observable inputs. The Company also has certain assets that have been classified as held for sale. The fair value of the long-lived assets held for sale was determined using third-party appraisals. The third-party appraisals use current market conditions adjusted for asset specific characteristics, such as comparable sales within proximity of the location, to determine the fair market value; therefore, they are classified as Level 3.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accruals approximate fair value because of the short maturity of these instruments.

The Company did not have any assets or liabilities that were measured at fair value on a nonrecurring basis during the nine months ended September 30, 2012.

Note 17. Acquisitions and Joint Ventures

Ningbo Joint Venture

In February 2012, a foreign subsidiary of the Company reached an agreement with Ningbo Beilun Ditong Auto Parts Co., Ltd. (a subsidiary of Ditong Automotive Products Co., Ltd) and Zhejiang Jirun Automobile Co. Ltd. (a subsidiary of Geely Automobile Co., Ltd) to form a joint venture located in Ningbo, China.

At inception, the joint venture partners contributed a facility and associated land rights located in Ningbo, China in exchange for 64% ownership, which resulted in a $12.1 million noncontrolling interest for the Company. Pending approval by the Chinese government, which is expected in the fourth quarter of 2012, the Company will acquire an additional 15% of the equity interest from the joint venture partners. As of September 30, 2012, the joint venture is included in the Company's Condensed Consolidated Financial Statements because the Company exercises control.

Xiangtan Joint Venture

In July 2011, a foreign subsidiary of the Company reached an agreement with Xiangtan Ditong Automotive Industrial Machinery Co., Ltd. (DIT) to form a joint venture in which the Company exercises control that was approved by the Chinese government in September 2011. At inception, the joint venture partner contributed its facility located in Xiangtan, Hunan Province, China in exchange for 50% ownership, which resulted in a $5.9 million noncontrolling interest. As part of the original transaction, the Company contributed additional capital to the joint venture in March 2012 in exchange for 51% ownership. The joint venture is included in the Company's Condensed Consolidated Financial Statements because the Company exercises control.

W Industries

On April 11, 2011, Tower Defense and Aerospace, a wholly owned subsidiary of the Company, acquired substantially all of the assets of W Industries located in Detroit, Michigan. The Company exchanged its ownership in the W Industries secured debt acquired during the first quarter of 2011 (fair value of $11.3 million) and cash for substantially all of the assets of W Industries and agreed to assume certain liabilities. The acquisition was accounted for as a purchase under the acquisition method in accordance with FASB ASC No. 805, *Business Combinations*. The total purchase price was approximately $22.3 million, which did not include direct acquisition costs of approximately $1.1 million. The acquisition was recorded by allocating the purchase price to the assets acquired, including identifiable intangible assets and liabilities assumed, based on their estimated fair values at the date of acquisition. There was no goodwill recorded in connection with the acquisition. Supplemental pro forma disclosures are not included as the amounts are deemed immaterial. Revenues and earnings of the acquiree since the acquisition date included in the Company's Condensed Consolidated Statement of Operations are immaterial for all periods presented.

In accordance with FASB ASC No. 805, the preliminary purchase price allocation was subject to additional adjustment within one year after the acquisition. As of September 30, 2012, the purchase price allocation period has passed; thus, no further adjustments will be recorded. The final allocation of the purchase price for the acquisition was made to the following major opening balance sheet categories (in millions):

Assets Acquired	
Current assets	$4.2
Property, plant and equipment, net	25.9
Intangibles	2.3
Total assets acquired	32.4
Total liabilities assumed	10.1
Net assets acquired	$22.3

Note 18. Commitments and Contingencies

Compensation Programs

The primary objectives of the Company's compensation programs are to (i) attract, motivate and retain the best executive officers with the skills necessary to successfully manage the business, and (ii) align the interests of the executive officers with stockholders by rewarding them for strong Company performance.

Supplemental Value Creation Program

The Supplemental Value Creation Program was created on February 19, 2010. The Supplemental Value Creation Program provided for a $7.5 million cash bonus to be paid to approximately 70 executives, subject to vesting requirements of nine and 18 months, if a Qualifying Liquidation Event were to occur. A Qualifying Liquidation Event was initially defined to have occurred if the Preferred Unit holders received a cash distribution in an amount equal to the full value of their preferred investment in the Company. On July 22, 2010, the Supplemental Value Creation Program was modified to include the retirement of the existing first lien term loan in full or consummation of an initial public offering as Qualifying Liquidation Events. As the Company retired its first lien term loan on August 24, 2010, the Company began recording a liability in August 2010 related to this Program. The Company did not record an expense related to this program during the three months ended September 30, 2012; however, the Company recorded an expense of $0.7 million during the nine months ended September 30, 2012. The Company recorded an expense of $1.1 million and $3.4 million, respectively, during the three and nine months ended September 30, 2011. The Company paid $3.3 million upon the nine month vesting of this Program during the second quarter of 2011 and paid an additional $3.1 million upon the eighteen month vesting of this Program during the first quarter of 2012.

Long Term Incentive Program

The Board established the Long Term Incentive Program on February 19, 2010. Participants were entitled to receive special cash bonuses if a Qualifying Transaction occurred. For this program, a “Qualifying Transaction” was defined as a distribution to the Company’s Preferred Unit holders in excess of $50 million. In the event of an IPO, the special bonuses were expected to be paid in the form of restricted stock units (“RSUs”), the number of which was to be determined on the basis of the amount of value attributable to the Preferred Unit holders. A Qualifying Transaction was not a prerequisite to such award of RSUs. In connection with the Company’s IPO, the special bonuses were paid in the form of RSUs under the 2010 Equity Incentive Plan (see note 14); therefore, no cash bonuses were paid under this Program.

Environmental Matters

The Company owns properties which have been impacted by environmental releases. The Company is actively involved in investigation and/or remediation at several of these locations. Total costs and liabilities associated with environmental contamination could be substantial and may have a significant impact on the Company’s financial condition, results of operations or cash flows.

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. The established liability for environmental matters is based upon management’s best estimates of expected investigation/remediation costs related to environmental contamination. It is possible that actual costs associated with these matters will exceed the environmental reserves established by the Company. Inherent uncertainties exist in the estimates, primarily due to unknown environmental conditions, changing governmental regulations and legal standards regarding liability and evolving technologies for handling site remediation and restoration. At September 30, 2012 and December 31, 2011, the Company had accrued $2.5 million for environmental matters.

Contingent Matters

The Company will establish reserves for matters in which losses are probable and can be reasonably estimated. These types of matters may involve additional claims that, if granted, could require the Company to pay penalties or make other expenditures in amounts that will not be estimable at the time of discovery of the matter. In these cases, a liability will be recorded at the low end of the range if no amount within the range is a better estimate in accordance with FASB ASC No. 450, *Accounting for Contingencies*.

In connection with the bankruptcy of Tower Automotive, Inc., all of the assets not acquired by Tower Automotive, LLC were transferred to a Post-Consummation Trust (the “Post-Consummation Trust”). The Company agreed to pay up to $70 million to the Post-Consummation Trust to relinquish certain defined liabilities to date. The Company has made payments of $57.5 million and remains contingently liable to pay an additional $12.5 million. As of September 30, 2012, the Company has not recorded a liability for the $12.5 million since it does not believe it is probable that any additional payments to the trust will be required; therefore, these amounts were eliminated as part of the final purchase accounting adjustments. To the extent that future payments are required, the payments will be expensed.

The Company has been subject to various governmental audits in Brazil. During the first quarter of 2011, the Company received a favorable court ruling on one of these matters and was able to reduce its liability by $7 million. As of September 30, 2012, the Company has a remaining liability recorded of $2.1 million and may be required to pay up to $7 million. To the extent that future payments are required above the amount recorded as a liability, the payments will be expensed.

Litigation

The Company is subject to various legal actions and claims incidental to its business, including potential lawsuits with customers or suppliers. Litigation is subject to many uncertainties and the outcome of individual litigated matters is not probable or estimable. After discussions with counsel litigating these matters, it is the opinion of management that the outcome of such matters will not have a material impact on the Company’s financial position, results of operations or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Company Overview

We are a leading integrated global manufacturer of engineered structural metal components and assemblies primarily serving automotive original equipment manufacturers, or OEMs. We offer our automotive customers a broad product portfolio, supplying body-structure stampings, frame and other chassis structures, as well as complex welded assemblies, for small and large cars, crossovers, pickups and sport utility vehicles, or SUVs. Our products are manufactured at 35 production facilities strategically located near our customers in North America, South America, Europe and Asia. We support our manufacturing operations through nine engineering and sales locations around the world. Our products are offered on a diverse mix of vehicle platforms, reflecting the balanced portfolio approach of our business model and the breadth of our product capabilities. We supply products to approximately 175 vehicle models globally to 13 of the 15 largest OEMs based on 2011 production volumes.

Recent Trends

During the third quarter of 2012, industry production volumes increased from 2011 in North America, China, and Brazil while decreasing in Europe and South Korea. IHS Automotive® expects production volumes for full year 2012 to increase in all regions in which we operate when compared to 2011, with the exception of Europe and South Korea. According to IHS Automotive®, Europe volume is expected to decrease slightly in 2013, but recover in 2014 and beyond.

Factors Affecting our Industry, Revenues and Expenses

For information regarding factors that affect our industry, our revenues and our expenses, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2011.

Adjusted EBITDA

We use the term Adjusted EBITDA throughout this report. 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 report. Adjusted EBITDA is not a measure of performance defined in accordance with U.S. GAAP ("GAAP"). We use Adjusted EBITDA as a supplement to our GAAP results in evaluating our business.

Adjusted EBITDA is included in this report because it is one of the principal factors upon which our management assesses performance. Our Chief Executive Officer measures the performance of our segments on the basis of Adjusted EBITDA. As an analytical tool, Adjusted EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it excludes items that we do not believe reflect our core operating performance.

We believe that Adjusted EBITDA is useful in evaluating our performance because Adjusted EBITDA is a commonly used financial metric for measuring and comparing the operating performance of companies in our industry. We believe that the disclosure of Adjusted EBITDA offers an additional financial metric that, when coupled with the GAAP results and the reconciliation to GAAP results, provides a more complete understanding of our results of operations and the factors and trends affecting our business.

Adjusted EBITDA should not be considered as an alternative to net income / (loss) as an indicator of our performance, as an alternative to net cash provided by operating activities as a measure of liquidity, or as an alternative to any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted EBITDA. Although we believe that Adjusted EBITDA may make an evaluation of our operating performance more consistent because it removes items that do not reflect our core operations, (i) other companies in our industry may define Adjusted EBITDA differently than we do and, as a result, it may not be comparable to similarly titled measures used by other companies in our industry; and (ii) Adjusted EBITDA excludes certain financial information that some may consider important in evaluating our performance.

We compensate for these limitations by providing disclosure of the differences between Adjusted EBITDA and GAAP results, including providing a reconciliation of Adjusted EBITDA to GAAP results, to enable investors to perform their own analysis of our operating results. For a reconciliation of consolidated Adjusted EBITDA to its most directly comparable GAAP measure, net income / (loss), see Results of Operations below.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income generated by our business or discretionary cash available to us to invest in the growth of our business. Our management compensates for these limitations by analyzing both our GAAP results and Adjusted EBITDA.

Results of Operations—Three Months Ended September 30, 2012 Compared with the Three Months Ended September 30, 2011

The following table presents production volumes in specified regions according to October IHS Automotive®, for the three months ended September 30, 2012 compared to the three months ended September 30, 2011 (in millions of units produced):

	Europe	**Korea**	**China**	**North America**	**Brazil**
Three Months Ended September 30, 2012	4.2	0.9	4.1	3.6	0.9
Three Months Ended September 30, 2011	4.5	1.1	3.8	3.2	0.8
Increase / (decrease)	(0.3)	(0.2)	0.3	0.4	0.1
Percentage change	(6)%	(14)%	8%	14%	5%

The following table presents selected financial information for the three months ended September 30, 2012 and 2011 (in millions):

	International Three Months Ended September 30,		Americas Three Months Ended September 30,		Consolidated Three Months Ended September 30,	
	2012	2011	2012	2011	2012	2011
Revenues	$ 281.6	$ 319.3	$ 282.3	$ 269.6	$ 563.9	$ 588.9
Cost of sales	260.0	290.8	251.6	238.5	511.6	529.3
Gross profit	21.6	28.5	30.7	31.1	52.3	59.6
Selling, general, and administrative expenses	13.3	16.4	20.7	25.7	34.0	42.1
Amortization	0.6	0.7	0.5	0.6	1.1	1.3
Restructuring and asset impairments	-	-	3.2	0.4	3.2	0.4
Operating income	$ 7.7	$ 11.4	$ 6.3	$ 4.4	14.0	15.8
Interest expense, net					14.9	16.7
Other expense					-	0.3
Provision for income taxes					2.3	2.5
Noncontrolling interest, net of tax					1.6	1.1
Net loss attributable to Tower International, Inc.					$ (4.8)	$ (4.8)

Comparison of Periods – GAAP Analysis of Consolidated Results

Revenues

Total revenues decreased during the three months ended September 30, 2012 by $25 million or 4% from the three months ended September 30, 2011, reflecting primarily the strengthening of the U.S. dollar against foreign currencies in our International segment, primarily the Euro ($25.2 million) and in our Americas segment, primarily the Brazilian Real ($13.3 million) as well as lower volume in our International segment ($9 million). Revenues were positively impacted by higher volume in our Americas segment ($27.6 million). Revenues were also adversely impacted by unfavorable pricing ($5.1 million).

Gross Profit

When we analyze our total gross profit, we separately categorize external factors—volume, product mix and foreign exchange—and all other factors which impact gross profit, which we refer to as “other factors”. When we refer to “mix,” we are referring to the relative composition of revenues and profitability of the products we sell in any given period. When we refer to “pricing and economics,” we are referring to (i) the impact of adjustments in the pricing of particular products, which we refer to as product pricing; (ii) the impact of steel price changes, taking into account the component of our product pricing attributable to steel, the cost of steel included in our cost of sales and the amounts recovered on the sale of offal, which in total we refer to as the net steel impact; and (iii) the impact of inflation and changes in operating costs such as labor, utilities and fuel, which we refer to as economics.

Total gross profit decreased by $7.3 million or 12% from the three months ended September 30, 2011 to the three months ended September 30, 2012, and our gross profit margin decreased from 10.1% during the 2011 period to 9.3% in the 2012 period. The decrease in total gross profit reflects an unfavorable product mix ($7.3 million) and unfavorable foreign exchange ($5.2 million), offset partially by higher volumes ($2.1 million). All other factors were net favorable by $3.2 million. Cost of sales was positively impacted by favorable efficiencies ($9.9 million) offset in part by unfavorable pricing and economics ($6.3 million).

Total gross profit was positively impacted by a reduction in the depreciation included in cost of sales from $25.4 million during the three months ended September 30, 2011 to $24.7 million during the three months ended September 30, 2012.

Selling, General, and Administrative Expenses ("SG&A")

Total SG&A decreased $8.1 million or 19% from the three months ended September 30, 2011, reflecting primarily lower compensation expense related to the IPO and senior notes offering ($4.7 million) and the strengthening of the U.S. dollar against foreign currencies, offset partially by higher compensation expense associated with stock options and RSUs ($0.8 million).

Amortization Expense

Total amortization expense decreased $0.2 million or 15% from the three months ended September 30, 2011, reflecting primarily the strengthening of the U.S. dollar against foreign currencies. Our amortization expense consists of the charges we incur to amortize certain intangible assets.

Restructuring and Asset Impairment Expense

Total restructuring expense increased $2.8 million from the three months ended September 30, 2011. During 2012, we incurred charges of $3.2 million which consisted of the recurring costs for maintaining our North American closed plants and the costs incurred to close two manufacturing facilities and relocate the operations to two of our existing manufacturing facilities in the Americas segment. During 2011, we incurred charges of $0.4 million which consisted of the recurring costs for maintaining our North American closed plants.

Interest Expense, net

Interest expense, net, decreased $1.8 million or 11% from the three months ended September 30, 2011 reflecting primarily the lower interest expense on our senior secured notes due to the repurchases made during 2011 ($1.5 million) and the strengthening of the U.S dollar against foreign currencies, offset partially by additional interest on increased borrowings at our foreign locations ($0.7 million).

Provision for Income Taxes

Income tax expense for the three months ended September 30, 2012 was $2.3 million compared to $2.5 million for the three months ended September 30, 2011. During the third quarter of 2012, we recorded a tax benefit of $1.1 million for the favorable conclusion of a tax audit in our International segment. This tax benefit was offset by higher tax expense based on the level and mix of income and losses generated in the various jurisdictions in which we do business. The actual income tax expense is higher than the expected income tax expense based on statutory rates primarily because we have not recorded tax benefits on net losses incurred in certain jurisdictions. The jurisdictions that have had historical cumulative losses are primarily the U.S., Brazil, and the Netherlands. We have not recorded income tax benefits on current year losses in the Netherlands and Brazil due to the uncertainty of the future realization of the deferred tax assets generated by the losses. The U.S. still has a full valuation allowance and the U.S. tax expense is expected to be zero for 2012 despite current year profitability. We continually evaluate our net deferred tax asset positions and valuation allowances in all jurisdictions. We record valuation allowances when a history of cumulative losses exists and there is significant uncertainty related to the future realization of the deferred tax assets. In certain circumstances, we may release some or all of a valuation allowance on deferred tax assets if a jurisdiction that has experienced historical losses returns to sustained profitability.

Noncontrolling Interest, Net of Tax

The adjustment to our earnings required to give effect to the allocation of noncontrolling interests increased by $0.5 million or 45% from the three months ended September 30, 2011, reflecting higher earnings in our Chinese joint ventures.

Comparison of Periods—Non-GAAP Analysis of Adjusted EBITDA

A reconciliation of Adjusted EBITDA to net income / (loss) attributable to Tower International, Inc. for the periods presented is set forth below (in millions):

	International Three Months Ended September 30,		Americas Three Months Ended September 30,		Consolidated Three Months Ended September 30,	
	2012	2011	2012	2011	2012	2011
Adjusted EBITDA	$ 17.6	$ 23.6	$ 26.6	$ 25.2	$ 44.2	$ 48.8
Intercompany charges	3.7	1.9	(3.7)	(1.9)	-	-
Restructuring and asset impairments	-	-	(3.2)	(0.4)	(3.2)	(0.4)
Depreciation and amortization	(13.4)	(13.7)	(13.4)	(14.1)	(26.8)	(27.8)
Receivable factoring charges and other	(0.2)	-	-	(0.2)	(0.2)	(0.2)
Incentive compensation related to funding events (a)	-	(0.4)	-	(4.2)	-	(4.6)
Operating income	$ 7.7	$ 11.4	$ 6.3	$ 4.4	14.0	15.8
Interest expense, net					(14.9)	(16.7)
Other expense (b)					-	(0.3)
Provision for income taxes					(2.3)	(2.5)
Noncontrolling interest, net of tax					(1.6)	(1.1)
Net loss attributable to Tower International, Inc.					$ (4.8)	$ (4.8)

(a) Represents the one-time compensation programs triggered by the closing of the senior secured notes offering and the closing of the initial public offering in 2010. The compensation charges are incurred during the applicable vesting periods of each program.

The following table presents revenues (a GAAP measure) and Adjusted EBITDA (a non-GAAP measure) for the three months ended September 30, 2012 and 2011 (in millions) as well as an explanation of variances:

	International		**Americas**		**Consolidated**	
	Revenues	**Adjusted EBITDA(b)**	**Revenues**	**Adjusted EBITDA(b)**	**Revenues**	**Adjusted EBITDA(b)**
Three Months Ended September 30, 2012 results	$281.6	$ 17.6	$282.3	$ 26.6	$563.9	$ 44.2
Three Months Ended September 30, 2011 results	319.3	23.6	269.6	25.2	588.9	48.8
Variance	$(37.7)	$ (6.0)	$12.7	$ 1.4	$(25.0)	$ (4.6)
Variance attributable to:						
Volume and mix	$(9.0)	$ (8.6)	$27.6	$ 3.4	$18.6	$ (5.2)
Foreign exchange	(25.2)	(1.9)	(13.3)	(1.0)	(38.5)	(2.9)
Pricing and economics	(3.5)	(4.5)	(1.6)	(2.3)	(5.1)	(6.8)
Efficiencies	—	9.0	—	0.9	—	9.9
Selling, general and administrative expenses and other items (c)	—	—	—	0.4	—	0.4
Total	$(37.7)	$ (6.0)	$12.7	$ 1.4	$(25.0)	$ (4.6)

(b) We have presented a reconciliation of Adjusted EBITDA to net income / (loss) attributable to Tower International, Inc. above.

(c) When we refer to “selling, general and administrative expenses (“SG&A”) and other items”, the “other items” refer to (i) savings which we generate after implementing restructuring actions, (ii) the costs associated with launching new products, and (iii) one-time items which may include reimbursement of costs.

Adjusted EBITDA

When we analyze Adjusted EBITDA, we separately categorize external factors—volume, product mix and foreign exchange—and all other factors which impact Adjusted EBITDA, which we refer to as "other factors."

Consolidated Company: Consolidated Adjusted EBITDA decreased by $4.6 million or 9% from the three months ended September 30, 2011, reflecting unfavorable product mix ($7.3 million) and unfavorable foreign exchange ($2.9 million), offset partially by higher volumes ($2.1 million). All other factors were net favorable by $3.5 million, reflecting favorable efficiencies ($9.9 million) and favorable SG&A expenses and other items ($0.4 million), offset partially by unfavorable pricing and economics ($6.8 million).

International Segment: In our International segment, Adjusted EBITDA decreased by $6 million or 25% from the three months ended September 30, 2011, reflecting unfavorable product mix ($5.2 million), lower volumes ($3.4 million), and unfavorable foreign exchange ($1.9 million). All other factors were net favorable by $4.5 million, reflecting favorable efficiencies ($9 million) offset partially by unfavorable pricing and economics ($4.5 million), principally product pricing and labor costs.

Americas Segment: In our Americas segment, Adjusted EBITDA improved by $1.4 million or 6% from the three months ended September 30, 2011, reflecting primarily higher volumes ($5.5 million), offset partially by unfavorable product mix ($2.1 million) and unfavorable foreign exchange ($1 million). All other factors were net unfavorable by $1 million, reflecting unfavorable pricing and economics ($2.3 million), offset partially by favorable efficiencies ($0.9 million) and favorable SG&A expenses and other items ($0.4 million). SG&A spending and other items reflect primarily lower launch costs ($0.9 million) offset partially by higher compensation expense associated with stock options and RSUs ($0.8 million).

Nine Months Ended September 30, 2012 Compared with the Nine Months Ended September 30, 2011

The following table presents production volumes in specified regions according to October IHS Automotive®, for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 (in millions of units produced):

	Europe	Korea	China	North America	Brazil
Nine Months Ended September 30, 2012	14.5	3.3	12.4	11.6	2.3
Nine Months Ended September 30, 2011	15.1	3.3	11.5	9.7	2.4

Increase / (decrease)	(0.6)	—	0.9	1.9	(0.1)
Percentage change	(6)%	(4)%	12%	29%	(5)%

According to October IHS Automotive®, full year vehicle production is expected to increase by 16% in North America and decrease by 6% in Europe during 2012 as compared to 2011.

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The following table presents selected financial information for the nine months ended September 30, 2012 and 2011 (in millions):

	International Nine Months Ended September 30,		Americas Nine Months Ended September 30,		Consolidated Nine Months Ended September 30,	
	2012	2011	2012	2011	2012	2011
Revenues	$ 958.6	$ 992.6	$ 866.7	$ 798.7	$ 1,825.3	$ 1,791.3
Cost of sales	872.6	898.5	765.1	704.9	1,637.7	1,603.4
Gross profit	86.0	94.1	101.6	93.8	187.6	187.9
Selling, general, and administrative expenses	40.0	47.4	66.2	71.8	106.2	119.2
Amortization	1.9	2.1	1.5	1.3	3.4	3.4
Restructuring and asset impairments	1.8	-	6.2	2.1	8.0	2.1
Operating income	$ 42.3	$ 44.6	$ 27.7	$ 18.6	70.0	63.2
Interest expense, net					45.9	44.8
Other expense					-	1.2
Provision for income taxes					17.6	11.7
Noncontrolling interest, net of tax					4.6	4.1
Net income attributable to Tower International, Inc.					$ 1.9	$ 1.4

Comparison of Periods – GAAP Analysis of Consolidated Results

Revenues

Total revenues increased during the nine months ended September 30, 2012 by $34 million or 2% from the nine months ended September 30, 2011, reflecting primarily higher volume in both our Americas segment ($101.7 million) and our International segment ($32.1 million). Revenues were adversely impacted by the strengthening of the U.S. dollar against foreign currencies in our International segment, primarily the Euro ($60.2 million) and in our Americas segment, primarily the Brazilian Real ($27.8 million). Revenues were also adversely impacted by unfavorable pricing ($11.8 million).

Gross Profit

Total gross profit decreased by $0.3 million from the nine months ended September 30, 2011 to the nine months ended September 30, 2012, and our gross profit margin decreased from 10.5% during the 2011 period to 10.3% in the

2012 period. The decrease in total gross profit reflects unfavorable product mix ($12.7 million) and unfavorable foreign exchange ($11.7 million), offset partially by higher volumes ($13.6 million). All other factors were net favorable by $10.6 million. Cost of sales was positively impacted by favorable efficiencies ($26.9 million) offset in part by unfavorable pricing and economics ($25.1 million). Gross profit was also adversely impacted by the non-recurrence of customer cost recoveries in 2012 ($4.3 million) and the non-recurrence of a favorable settlement associated with a value added tax audit in Brazil ($2.7 million), offset partially by lower launch costs ($5.1 million) and favorable customer cost recoveries in our International segment ($1.6 million).

Total gross profit was positively impacted by a reduction in the depreciation included in cost of sales from $82.8 million during the nine months ended September 30, 2011 to $71.4 million during the nine months ended September 30, 2012. The decrease reflected primarily a portion of our assets becoming fully depreciated in 2011 and the strengthening of the U.S. dollar against foreign currencies, offset partially by the depreciation at Tower Defense & Aerospace that was acquired in April 2011.

Selling, General, and Administrative Expenses ("SG&A")

Total SG&A decreased $13 million or 11% from the nine months ended September 30, 2011, reflecting primarily lower compensation expense related to the IPO and senior notes offering ($7.6 million), the costs incurred during the second quarter of 2011 related to the acquisition of substantially all of the assets of W Industries ($1.1 million), and the strengthening of the U.S. dollar against foreign currencies, offset partially by higher compensation expense associated with stock options and RSUs ($2.1 million).

Amortization Expense

Total amortization expense remained consistent with the nine months ended September 30, 2011. Our amortization expense consists of the charges we incur to amortize certain intangible assets.

Restructuring and Asset Impairment Expense

Total restructuring expense increased $5.9 million from the nine months ended September 30, 2011. During 2012, we incurred charges of $8 million which consisted of the recurring costs for maintaining our North American closed plants, severance costs in Europe to reduce fixed costs, and the costs incurred to close two manufacturing facilities and relocate the operations to two of our existing manufacturing facilities in the Americas segment. During 2011, we incurred charges of $2.1 million which consisted of the recurring costs for maintaining our North American closed plants and severance costs in Brazil related to improved manufacturing efficiencies, which were offset partially by the favorable adjustment of a liability pertaining to our North American closed facilities.

Interest Expense, net

Interest expense, net, increased $1.1 million or 2% from the nine months ended September 30, 2011 reflecting primarily the non-recurrence of a favorable settlement relating to the interest associated with a value added tax audit in Brazil in 2011 ($4.3 million), additional interest on increased borrowings at our foreign locations ($1.8 million), and the higher interest expense associated with our Amended ABL Revolver and new Letter of Credit Facility ($1.4 million). These factors were offset partially by the lower interest expense on our senior secured notes due to the repurchases made during 2011 ($3.9 million) and the strengthening of the U.S dollar against foreign currencies.

Provision for Income Taxes

Income tax expense for the nine months ended September 30, 2012 was $17.6 million compared to $11.7 million for the nine months ended September 30, 2011. The income tax expense increased primarily because of a non-cash charge of $6.5 million for the recording of a valuation allowance on our deferred tax assets in Brazil during the second quarter of 2012. In accordance with FASB ASC No. 740, *Income Taxes*, we continually monitor the realizability of our deferred tax assets on a jurisdiction by jurisdiction basis. FASB ASC No. 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on the consideration of all available evidence, both positive and negative, using “more likely than not” criteria. In making such judgments, significant weight is given to evidence that can be objectively verified, such as cumulative losses in recent years.

Our analysis for the second quarter of 2012 showed that a three-year historical cumulative loss existed in Brazil. We looked to near-term projections and coupled them with recent historical results to analyze our cumulative income / (loss) position in Brazil. During the second quarter of 2012, the deterioration in short-term macroeconomic conditions, which included further declines in production volumes from our key customers, was worse than anticipated, resulting in lower projected earnings in the near-term. Based on the guidance in FASB ASC No. 740, we determined that we were unable to overcome the negative evidence of a three-year cumulative operating loss, in light of these deteriorating conditions. As a result, at June 30, 2012, we could no longer assert it was more likely than not that we would realize our deferred tax assets in Brazil. If our operations in Brazil generate sufficient profitability in the future, the valuation allowance could be reversed in whole or in part in a future period.

During the third quarter of 2012, we recorded a tax benefit of $1.1 million for the favorable conclusion of a tax audit in our International segment. Our consolidated income tax expense varies each period depending on the level and mix of income and losses generated in the various jurisdictions in which we do business. The actual income tax expense is higher than the expected income tax expense based on statutory rates primarily because we have not recorded tax benefits on net losses incurred in certain jurisdictions. The jurisdictions that have had historical cumulative losses are primarily the U.S., Brazil, and the Netherlands. We have not recorded income tax benefits on current year losses in the Netherlands and Brazil due to the uncertainty of the future realization of the deferred tax assets generated by the losses. The U.S. still has a full valuation allowance and the U.S. tax expense is expected to be zero for 2012 despite current year profitability. We continually evaluate our net deferred tax asset positions and valuation allowances in all jurisdictions. We record valuation allowances when a history of cumulative losses exists and there is significant uncertainty related to the future realization of the deferred tax assets. In certain circumstances, we may release some or all of a valuation allowance on deferred tax assets if a jurisdiction that has experienced historical losses returns to sustained profitability.

Noncontrolling Interest, Net of Tax

The adjustment to our earnings required to give effect to the allocation of noncontrolling interests increased by $0.5 million or 12% from the nine months ended September 30, 2011, reflecting increased earnings in our Chinese joint ventures.

Comparison of Periods—Non-GAAP Analysis of Adjusted EBITDA

A reconciliation of Adjusted EBITDA to net income attributable to Tower International, Inc. for the periods presented is set forth below (in millions):

	International Nine Months Ended September 30,		Americas Nine Months Ended September 30,		Consolidated Nine Months Ended September 30,	
	2012	2011	2012	2011	2012	2011
Adjusted EBITDA	$ 73.8	$ 86.9	$ 89.1	$ 83.2	$ 162.9	$ 170.1
Intercompany charges	9.7	5.7	(9.7)	(5.7)	-	-
Restructuring and asset impairments	(1.8)	-	(6.2)	(2.1)	(8.0)	(2.1)
Depreciation and amortization	(38.7)	(46.3)	(39.6)	(43.2)	(78.3)	(89.5)
Receivable factoring charges and other	(0.4)	(0.3)	0.1	(1.2)	(0.3)	(1.5)
Incentive compensation related to funding events (a)	(0.3)	(1.4)	(6.0)	(12.4)	(6.3)	(13.8)
Operating income	$ 42.3	$ 44.6	$ 27.7	$ 18.6	70.0	63.2
Interest expense, net					(45.9)	(44.8)
Other expense (b)					-	(1.2)
Provision for income taxes					(17.6)	(11.7)
Noncontrolling interest, net of tax					(4.6)	(4.1)
Net income attributable to Tower International, Inc.					$ 1.9	$ 1.4

(a) Represents the one-time compensation programs triggered by the closing of the senior secured notes offering and the closing of the initial public offering in 2010. The compensation charges are incurred during the applicable vesting periods of each program.

(b) Represents the premium paid in connection with the retirement of our senior secured notes.

The following table presents revenues (a GAAP measure) and Adjusted EBITDA (a non-GAAP measure) for the nine months ended September 30, 2012 and 2011 (in millions) as well as an explanation of variances:

	International		**Americas**		**Consolidated**	
	Revenues	**Adjusted EBITDA(c)**	**Revenues**	**Adjusted EBITDA(c)**	**Revenues**	**Adjusted EBITDA(c)**
Nine Months Ended September 30, 2012 results	$958.6	$ 73.8	$866.7	$ 89.1	$1,825.3	$ 162.9
Nine Months Ended September 30, 2011 results	992.6	86.9	798.7	83.2	1,791.3	170.1
Variance	$(34.0)	$ (13.1)	$68.0	$ 5.9	$34.0	$ (7.2)
Variance attributable to:						
Volume and mix	$32.1	$ (9.7)	$101.7	$ 10.6	$133.8	$ 0.9
Foreign exchange	(60.2)	(6.2)	(27.8)	(2.0)	(88.0)	(8.2)
Pricing and economics	(5.9)	(13.9)	(5.9)	(12.7)	(11.8)	(26.6)
Efficiencies	—	16.5	—	10.4	—	26.9
Selling, general and administrative expenses and other items (d)	—	0.2	—	(0.4)	—	(0.2)
Total	$(34.0)	$ (13.1)	$68.0	$ 5.9	$34.0	$ (7.2)

(c) We have presented a reconciliation of Adjusted EBITDA to net income / (loss) attributable to Tower International, Inc. above.

(d) When we refer to “selling, general and administrative expenses (“SG&A”) and other items”, the “other items” refer to (i) savings which we generate after implementing restructuring actions, (ii) the costs associated with launching new products, and (iii) one-time items which may include reimbursement of costs.

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Adjusted EBITDA

When we analyze Adjusted EBITDA, we separately categorize external factors—volume, product mix and foreign exchange—and all other factors which impact Adjusted EBITDA, which we refer to as "other factors."

Consolidated Company: Consolidated Adjusted EBITDA decreased by $7.2 million or 4% from the nine months ended September 30, 2011, reflecting primarily unfavorable product mix ($12.7 million) and unfavorable foreign exchange ($8.2 million), offset partially by higher volumes ($13.6 million). All other factors were net favorable by $0.1 million, reflecting favorable efficiencies ($26.9 million), offset partially by unfavorable pricing and economics ($26.6 million) and unfavorable SG&A expenses and other items ($0.2 million).

International Segment: In our International segment, Adjusted EBITDA decreased by $13.1 million or 15% from the nine months ended September 30, 2011, reflecting primarily unfavorable product mix ($10.7 million) and unfavorable foreign exchange ($6.2 million), offset partially by higher volumes ($1 million). All other factors were net favorable by $2.8 million, reflecting favorable efficiencies ($16.5 million) and favorable SG&A expenses and other items ($0.2 million), offset partially by unfavorable pricing and economics ($13.9 million), principally product pricing and labor costs. Efficiencies were negatively impacted by the costs incurred associated with several press break downs ($2.3 million). SG&A spending and other items reflect primarily the non-recurrence of customer cost recoveries in 2012 ($4.3 million) which were offset by favorable customer cost recoveries ($1.6 million) and lower launch costs ($0.8 million).

Americas Segment: In our Americas segment, Adjusted EBITDA improved by $5.9 million or 7% from the nine months ended September 30, 2011, reflecting primarily higher volumes ($12.6 million) offset partially by unfavorable product mix ($2 million) and unfavorable foreign exchange ($2 million). All other factors were net unfavorable by $2.7 million, reflecting unfavorable pricing and economics ($12.7 million), principally product pricing and labor costs, and unfavorable SG&A expenses and other items ($0.4 million), offset partially by favorable efficiencies ($10.4 million). SG&A spending and other items reflect primarily the non-recurrence of a favorable settlement associated with a value added tax audit in Brazil ($2.7 million) and higher compensation expense associated with stock options and RSUs ($2.1 million), offset partially by lower launch costs ($4.3 million).

Restructuring

The following table sets forth our net restructuring expense by type for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011

Employee termination costs	$ 0.6	$ -	$ 2.5	$ 1.2
Other exit costs	2.6	0.5	5.5	0.9
Total	$ 3.2	$ 0.5	$ 8.0	$ 2.1

We restructure our global operations in an effort to align our capacity with demand and to reduce our costs. Restructuring costs include employee termination benefits and other incremental costs resulting from restructuring activities. These incremental costs principally include equipment and personnel relocation costs. Restructuring costs are recognized in our Condensed Consolidated Financial Statements in accordance with FASB ASC No. 420 and appear in our statement of operations under a line item entitled “restructuring and asset impairment charges, net.” We believe the restructuring actions discussed below will help our efficiency and results of operations on a going forward basis.

The charges incurred during the three and nine months ended September 30, 2012 related to the ongoing maintenance of facilities closed in our Americas segment as a result of prior actions, severance costs in our International segment to reduce fixed costs in Europe, and the costs incurred to close a manufacturing facility and relocate the operations to one of our existing manufacturing facilities in the Americas segment.

The charges incurred during the three and nine months ended September 30, 2011 related to the ongoing maintenance of facilities closed in our Americas segment as a result of prior actions and severance costs in Brazil to improve manufacturing efficiencies, which were offset partially by the favorable adjustment of a liability pertaining to closed facilities in our Americas segment.

We expect to continue to incur additional restructuring expense in 2012 primarily related to previously announced restructuring actions and may engage in new actions if business conditions warrant further actions. We do not anticipate that any additional expense will be significant with respect to previously announced actions.

Liquidity and Capital Resources

General

We generally expect to fund expenditures for operations, administrative expenses, capital expenditures and debt service obligations with internally generated funds from operations, and satisfy working capital needs from time-to-time with borrowings under our revolving credit facility or use of cash on hand. As of September 30, 2012, we had available liquidity (the components of which are described below under "—Sources and Uses of Liquidity") of $206.3 million, which we believe is adequate to fund our working capital requirements for at least the next 12 months. We believe that we will be able to meet our debt service obligations and fund our short-term and long-term operating requirements for at least the next 12 months with cash flow from operations, cash on hand, and borrowings under our revolving credit facility.

Cash Flows and Working Capital

The following table shows the components of our cash flows for the periods presented (in millions):

	Nine Months Ended September 30,	
	2012	2011
Net cash provided by / (used in):		
Operating activities	$ 25.8	$ 1.0
Investing activities	(106.6)	(105.2)
Financing activities	62.6	49.7

Net Cash Provided by Operating Activities. During the nine months ended September 30, 2012, we generated $25.8 million of cash flow from operations compared to $1 million during the nine months ended September 30, 2011. The primary reason for this increase was the fluctuation in working capital items. During the nine months ended

September 30, 2012, we utilized $66.6 million of cash through working capital items, reflecting primarily higher net trade accounts receivable offset partially by higher trade accounts payable (net $41.8 million) due to the timing of customer payments and increased inventory of $19.5 million.

Net Cash Used in Investing Activities. Net cash utilized in investing activities was $106.6 million during the nine months ended September 30, 2012 compared to $105.2 million during the nine months ended September 30, 2011. The $1.4 million change reflects the increase in capital expenditures related primarily to the timing of program launches and expansion in China which were offset partially by the acquisition of substantially all of the assets of W Industries in the second quarter of 2011.

Net Cash Provided by Financing Activities. Net cash provided by financing activities was $62.6 million during the nine months ended September 30, 2012 compared to $49.7 million during the nine months ended September 30, 2011. The $12.9 million change was attributable primarily to the repurchase of $34.5 million of our senior secured notes in 2011, the purchase of treasury stock to cover minimum withholding tax payments for certain vested participants, and decreased borrowings.

Working Capital

We manage our working capital by monitoring key metrics principally associated with inventory, accounts receivable and accounts payable. During the third quarter of 2012, our quarterly average days on hand increased to 17 days, from 15 days during the fourth quarter of 2011, and our inventory levels increased from $85.1 million at December 31, 2011 to $104.5 million at September 30, 2012. The increased inventory is due to erratic OEM production schedules, production of inventory builds in South Korea and to support the transfer of facilities in North America, and the inventory at our new joint venture in Xiangtan, China. We anticipate that a majority of these factors will reverse by year end and that quarterly average days on hand will be closer to the levels experienced during 2011.

We have continued our efforts to match the terms on which we pay our suppliers with the payment terms we receive from our customers in an effort to remain cash flow neutral with respect to our trade payables and receivables. Our accounts receivable balance increased from $328 million as of December 31, 2011 to $345.5 million as of September 30, 2012. The increase reflects primarily the timing of customer payments consistent with normal seasonality, offset partially by the decrease of accounts receivable related to customer funded tooling which resulted from the timing of customer programs.

Our accounts payable balance decreased from $395.3 million as of December 31, 2011 to $371.7 million as of September 30, 2012, reflecting primarily the decrease of accounts payable related to customer funded tooling which resulted from the timing of customer programs.

On September 30, 2012 and December 31, 2011, we had working capital balances of $(4.9) million and $(9.9) million, respectively. We negotiate our payment terms to our vendors to either match or exceed the payment terms that we receive from our customers on our accounts receivable and our pre-paid tooling. In addition, we actively manage our inventory balances to minimize the inventory on hand which is facilitated by our customers' just-in-time manufacturing process. We also have a substantial portion of our foreign subsidiary debt subject to renewal. Historically, we have been successful in renewing this debt as it becomes due.

Our working capital usage is seasonal in nature. During the first half of the year, production and sales typically increase substantially, which causes our working capital to increase because our accounts receivable and inventory increase. In the second half of the year, production and sales typically decline as a result of scheduled customer shutdowns, which results in lower sales. The lower production and sales generally results in a reduction of accounts receivable and inventory which decreases our working capital.

Our working capital is also affected by our net position in respect to customer funded tooling with our customers. Tooling costs represent costs incurred by us in the development of new tooling used in the manufacture of our products. All pre-production tooling costs, incurred for tools that we will not own and that will be used in producing products supplied under long-term supply agreements, are expensed as incurred unless the supply agreement provides us with the non-cancellable right to use the tools or the reimbursement of such costs is contractually guaranteed by the customer. Generally, when the customer awards a contract to us, the customer agrees to reimburse us for certain of our tooling costs. As the tooling is developed, we experience cash outflows because we bear the costs, and we typically do not receive reimbursement from our customers until the manufacture of the particular program commences. This timing delay causes our working capital to fluctuate between periods due to the timing of the cash inflows and outflows.

Sources and Uses of Liquidity

At September 30, 2012, we had available liquidity in the amount of $206.3 million, which consisted of $119 million of cash on hand and unutilized borrowing availability of $68.3 million and $19 million, respectively, under our U.S. and foreign credit facilities. A significant portion of our cash balance is located at foreign subsidiaries and our ability to efficiently access cash in certain subsidiaries and foreign jurisdictions is subject to the business needs of the operations. As of December 31, 2011 and September 30, 2011, we had available liquidity in the amount of $258.4 million and $183.6 million, respectively.

As of September 30, 2012, we had short-term debt of $156.4 million, of which $100.6 million related to debt in South Korea, $22.8 million related to debt in Brazil, $22.5 million related to receivable factoring in Europe, $6.5 million related to other indebtedness in Europe, $3.7 million related to debt in China, and $0.3 million of other debt. The majority of our South Korean and Brazilian debt is subject to renewal. Historically, we have been successful in renewing this debt on an annual basis, but we cannot assure you that this debt will continue to be renewed or, if renewed, that this debt will continue to be renewed under the same terms. The receivable factoring in Europe consists of uncommitted, demand facilities which are subject to termination at the discretion of the banks, although we have not experienced any terminations by the banks at any time since the 2007 acquisition. We believe that we will be able to continue to renew the majority of our South Korean and Brazilian debt and to continue the receivable factoring in Europe.

During the third quarter of 2012:

- in South Korea, we renewed $18.7 million (KRW 20.8 billion) of maturing unsecured indebtedness for an additional year and obtained new secured indebtedness of $0.5 million (KRW 0.5 billion), which has a maturity date of August 2013. The interest rates of the new loans are substantially the same as the other portfolio loans.
- in Brazil, one of the local banks provided us with a $4.9 million (R$10 million) new term loan with a maturity date of September 2013 that bears an interest rate of 13.48% per annum. In addition, another local bank provided us with a term loan of $1.1 million (R$2.2 million). This loan has a maturity date of July 2022 and bears an interest rate of 5.5%, which is below the weighted average interest rate of the other portfolio loans.
- in China, we obtained an additional secured line of credit of $1.6 million (RMB 10 million), of which the entire amount was outstanding. The credit line matures in July 2013 and bears an interest rate of 7.2%.

Debt

As of September 30, 2012, we had outstanding indebtedness, excluding capital leases, of approximately $638.5 million, which consisted of the following:

- $77.5 million indebtedness outstanding under our asset-based lending revolving credit facility;
- $354.5 million (net of a $7.5 million discount) of indebtedness outstanding on our senior secured notes;
- $205.9 million of foreign subsidiary indebtedness; and
- $0.6 million of indebtedness owed to the Detroit Investment Fund.

Our asset-based revolving credit facility, which we refer to as our Amended ABL Revolver, provides for a revolving credit facility in the aggregate amount of $150 million, subject to a borrowing base limitation. Our Amended ABL revolver provides for the issuance of letters of credit in an aggregate amount not to exceed $50 million, provided that the total amount of credit (inclusive of revolving loans and letters of credit) extended under our Amended ABL Revolver is subject to an overall cap, on any date, equal to the lesser of $150 million or the amount of the borrowing base on such date. The borrowing base is based upon the value of certain of our assets, including certain of our accounts receivable, inventory and PP&E, and thus changes from time to time depending on the value of the assets included within the borrowing base. The administrative agent for this facility causes to be performed an appraisal of the assets (other than the accounts receivable) included in the calculation of the borrowing base either on an annual basis or, if our availability under the facility is less than the greater of (i) 15% of the total commitment (which is currently $150 million) or (ii) $22.5 million during any twelve month period, as frequently as on a semi-annual basis. In addition, if certain material defaults under the facility have occurred and are continuing, the administrative agent has the right to perform any such appraisal as often as it deems necessary in its sole discretion. Our administrative agent may make adjustments to our borrowing base pursuant to these appraisals. These adjustments may negatively impact our ability to obtain revolving loans or support our letters of credit needs under our Amended ABL Revolver. Based on the value of our assets at September 30, 2012, we were entitled to borrow $145.8 million under our Amended ABL Revolver at September 30, 2012. On that date, we had $77.5 million of borrowings under the Amended ABL Revolver and no letters of credit outstanding under the Amended ABL Revolver. Thus, we could have borrowed an additional $68.3 million under the Amended ABL Revolver as of September 30, 2012, calculated as follows (in millions):

Revolver borrowing base	$145.8
Borrowings on revolver	77.5
Letters of credit outstanding on revolver	-
Availability	$68.3

Our Amended ABL Revolver bears interest at a base rate plus a margin or at LIBOR plus a margin. The applicable margin is determined by reference to the average availability under the Amended ABL Revolver over the preceding three months. The applicable margins as of September 30, 2012 were 2.25% and 3.25% for base rate and LIBOR based borrowings, respectively. Borrowings outstanding under our Amended ABL Revolver may vary significantly from time to time depending on our cash needs at any given time. Our Amended ABL Revolver matures in June 2016.

Our Amended ABL Revolver contains customary covenants applicable to certain of our subsidiaries, including a financial maintenance covenant ratio (the “Fixed Charge Coverage Ratio”) based on the ratio of consolidated Adjusted EBITDA to consolidated fixed charges, each as defined in the agreement. If less than 12.5 percent of the total commitment is available under the facility for more than two consecutive days, we are required to maintain a consolidated Fixed Charge Coverage Ratio of not less than 1.00 to 1.00 on a rolling four quarter basis. If we are required at any time to maintain the consolidated Fixed Charge Coverage Ratio, such requirement will end if more than 12.5 percent of the total commitment is available (provided that such number cannot be less than $12.5 million) for twenty consecutive days. Our Letter of Credit Facility contains the same Fixed Charge Coverage Ratio as set forth in the Amended ABL Revolver (as such covenant is only applicable under the Letter of Credit Facility Agreement to the same extent, and at the same times, that it is applicable under the Amended Revolving Credit Facility Agreement). During the first nine months of 2012, we were in compliance with our covenants and were not required to maintain the Fixed Charge Coverage Ratio. Our financial condition and liquidity would be adversely impacted by the violation of any of our covenants.

On August 24, 2010, we consummated the sale of $430 million aggregate principal amount of our 10.625% senior secured notes (the “notes”) due 2017. The indenture governing the notes contains a provision that gives each holder of notes the right, upon a change of control, to require the Issuers to purchase all or any part of such holder’s notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest. We may also redeem some or all of the notes on the terms and subject to the conditions set forth in the indenture. On March 30, 2011, we redeemed $17 million of the senior secured notes which resulted in a premium paid of $0.9 million. On October 6, 2011 and September 30, 2011, we reduced our outstanding debt by purchasing $7.5 million and $17.5 million, respectively, of our senior secured notes in the open market and immediately retired them which resulted in a premium paid of $0.1 million and $0.4 million, respectively.

The indenture governing the notes contains customary covenants applicable to our subsidiaries and places some restrictions on Tower Automotive, LLC which became restrictions on Tower International, Inc. after the Corporate Conversion. The indenture governing the notes contains certain restrictions on, among other things, our subsidiaries’ ability to: incur debt; incur liens; declare or make distributions to us or our equity holders; repay debt; enter into mergers, acquisitions and other business combinations; engage in asset and equity sales; enter into sale and lease-back transactions; enter into restrictive agreements; and enter into transactions with affiliates. The indenture governing the notes includes customary events of default, including, but not limited to, in respect of payment defaults; breaches of covenants; bankruptcy; material judgments; failure to have perfected liens on substantially all or all the collateral securing the notes; and cross-acceleration to material indebtedness.

Our other foreign subsidiary indebtedness consists primarily of borrowings in South Korea, borrowings in Brazil, factoring and a credit line in Europe, and a credit line in China, which are described above.

Capital and Operating Leases

We maintain capital leases mainly for a manufacturing facility and certain manufacturing equipment. We have several operating leases, including leases for office and manufacturing facilities and certain equipment, with lease terms expiring between the years 2012 and 2021. As of December 31, 2011, our total future operating lease payments amounted to $130.9 million and the present value of minimum lease payments under our capital leases amounted to $15.1 million. As of December 31, 2011, we were committed to making lease payments of not less than $21.2 million on our operating leases and not less than $3.8 million on our capital leases during 2012.

Off-Balance Sheet Obligations

Our only off-balance sheet obligations consist of obligations under our Letter of Credit Facility. As of September 30, 2012, letters of credit outstanding were $24.1 million under such facility.

Our Letter of Credit Facility initially provided for the issuance of up to $38 million of letters of credit with a sublimit for Euro denominated letters of credit (with an option to increase the Letter of Credit Facility to $44.5 million in the future). On August 5, 2011, we amended our Letter of Credit Facility Agreement to reduce it from $38 million to $30 million. On January 9, 2012, we amended our Letter of Credit Facility Agreement to reduce it from $30 million to $28 million. On June 7, 2012, we amended our Letter of Credit Facility Agreement to reduce it from $28 million to $25.5 million. Upon a third party drawing on letters of credit issued under the Letter of Credit Facility, we will become obligated to pay to the lenders the amounts so drawn. The expiration date of the Letter of Credit Facility is June 13, 2014. Applicable fees are 8.5% on the total amount of the facility.

Disclosure Regarding Forward-Looking Statements

This report 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 relating to trends in the operations, financial results, business and products of our Company and anticipated production trends. The forward-looking statements can be identified by words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "project," and oth similar expressions. Forward-looking statements are made as of the date of this report 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 any risk factors described elsewhere in this report or in our Annual Report on Form 10-K for the year ended December 31, 2011, could cause 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 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;
- our ability to generate non-automotive revenues;
- our ability to operate non-automotive businesses;
- risks associated with 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 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;

Ÿwork stoppages or other labor issues at our facilities or at the facilities of our customers or suppliers;

Ÿour ability to integrate acquired businesses; and

Ÿcosts or liabilities relating to environmental and safety regulations.

Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

This report also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified the statistical and other industry data generated by independent parties that is contained in this report and, accordingly, we cannot assure you of its accuracy or completeness. In addition, projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the potential loss arising from adverse changes in market rates and prices. We are exposed to market risk in the normal course of our business operations due to our purchases of steel, our sales of scrap steel, our ongoing investing and financing activities and our exposure to foreign currency exchange rates. We have established policies and procedures to govern our management of market risks.

Commodity Pricing Risk

Steel is the primary raw material that we use. We purchase a portion of our steel from certain of our customers through various OEM resale programs. The purchases through customer resale programs have buffered the impact of price swings associated with the procurement of steel. The remainder of our steel purchasing requirements are met through contracts with steel mills. At times, we may be unable to either avoid increases in steel prices or pass through any price increases to our customers. We refer to the “net steel impact” as the combination of the change in steel prices that are reflected in product pricing, the change in the cost to procure steel from the mill, and the change in our recovery of scrap steel, which we refer to as offal. Our strategy is to be economically indifferent to steel pricing by having these factors offset each other. While we strive to achieve a neutral net steel impact, we are not always successful in achieving that goal, in large part due to timing differences. Depending upon when a steel price change or offal price change occurs, that change may have a disproportionate effect, within any particular fiscal period, on our product pricing, our steel costs and the results of our sales of scrap steel. Net imbalances in any one particular fiscal period may be reversed in a subsequent fiscal period, although we cannot provide assurance that, or when, these reversals will occur.

Interest Rate Risk

At September 30, 2012, we had total debt of $638.5 million (net of a $7.5 million discount), consisting of fixed rate debt of $408.9 million (64%) and floating rate debt of $229.6 million (36%). Assuming no changes in the monthly average variable-rate debt levels of $198.7 million and $156.8 million for the nine months ended September 30, 2012 and 2011, respectively, we estimate that a hypothetical change of 100 basis points in the LIBOR and alternate base rate interest rates would have impacted interest expense for each of the nine months ended September 30, 2012 and 2011 by $1.5 million and $1.2 million, respectively. A 100 basis point increase in interest rates would not materially impact the fair value of our fixed rate debt.

Foreign Currency Exchange Rate Risk

A significant portion of our revenues is derived from manufacturing operations in Europe, Asia and South America. The results of operations and financial condition of our non-United States businesses are principally measured in their respective local currency and translated into U.S. dollars. The effects on us of foreign currency fluctuations in Europe, Asia and South America are mitigated by the fact that expenses are generally incurred in the same currency in which revenues are generated, since we strive to manufacture our products in close proximity to our customers. Nevertheless, the reported income of our foreign subsidiaries will be higher or lower depending on a weakening or strengthening of the U.S. dollar against the respective foreign currencies.

Assets located in our foreign facilities are translated into U.S. dollars at foreign currency exchange rates in effect as of the end of each reporting period. The effect of such translations is reflected as a separate component of consolidated stockholders' equity. As a result, our consolidated stockholders' equity will fluctuate depending upon the weakening or strengthening of the U.S. dollar against the respective foreign currencies.

Our strategy for managing currency risk relies primarily upon conducting business in a foreign country in that country's currency. We may, from time to time, also participate in hedging programs intended to reduce our exposure to currency fluctuations. We believe that the effect of a 100 basis point movement in foreign currency rates against the U.S. dollar would not have materially affected our results of operations or cash flows for the three months ended September 30, 2012 and 2011. However, we believe that the effect of a 100 basis point movement in the Euro to the U.S. dollar has the potential to materially affect our stockholders' equity whereas we do not believe a 100 basis point movement in other foreign currencies would have a material impact. As of September 30, 2012, we estimated that a hypothetical change of 100 basis points in the Euro to the U.S. dollar exchange rate would have impacted stockholders' equity by approximately $2.6 million.

Inflation

We have experienced a continued rise in inflationary pressures impacting certain commodities, such as petroleum-based products, resins, yarns, ferrous metals, base metals and certain chemicals. Additionally, because we purchase various types of equipment, raw materials and component parts from our suppliers, we may be adversely affected by their inability to adequately mitigate inflationary, industry, or economic pressures. These pressures have proven to be insurmountable to some of our suppliers and we have seen the number of bankruptcies and insolvencies in our industry increase. The overall condition of our supply base may possibly lead to delivery delays, production issues or delivery of non-conforming products by our suppliers in the future. As such, we continue to monitor our vendor base for the best sources of supply and work with those vendors and customers to attempt to mitigate the impact of the pressures mentioned above.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the “Exchange Act”), management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2012. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of September 30, 2012, our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There was no change in our internal control over financial reporting that occurred during the quarter ended September 30, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1A. Risk Factors.

There have been no material changes in our risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities

On August 15, 2012, one-third of the restricted stock units ("RSUs") granted on August 15, 2011 vested. We reduced the number of shares issuable upon vesting by 307 shares, valued at a price of $8.37 per share, to cover the minimum statutory withholding taxes for the vested participant. This information is reflected in the table below:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs (1)
July 1 through July 31, 2012	-	$ -		
August 1 through August 31, 2012	307	8.37		
September 1 through September 30, 2012	-	-		
Total	307	$ 8.37		

(1) We have not announced a general plan or program to purchase shares.

Item 6. Exhibits.

31.1 Rule 13a-14(a) Certification of the Chief Executive Officer

31.2	Rule 13a-14(a) Certification of the Chief Financial Officer
32.1	Section 1350 Certification of the Chief Executive Officer *
32.2	Section 1350 Certification of the Chief Financial Officer *
101.INS	XBRL Instance Document **
101.SCH	XBRL Taxonomy Extension Scheme Document **
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document **
101.LAB	XBRL Taxonomy Extension Label Linkbase Document **
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document **
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document **

* Furnished, not filed

** Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Exchange Act and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Tower International, Inc.
Date: November 1, 2012	/s/ James C. Gouin
	James C. Gouin
	Chief Financial Officer

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Index to Exhibits

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