TOWER AUTOMOTIVE INC
Form S-3/A
December 14, 2004

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As filed with the Securities and Exchange Commission on December 14, 2004

No. 333-119156

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to
Form S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Tower Automotive, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**41-1746238**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

27175 Haggerty Road
Novi, Michigan 48377
(248) 675-6000
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

James A. Mallak
Chief Financial Officer and Treasurer
Tower Automotive, Inc.
27175 Haggerty Road
Novi, Michigan 48377
(248) 675-6000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Dennis M. Myers, Esq.

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. þ

If this Form is filed to registered additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer and sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 14, 2004

PROSPECTUS

$125,000,000

Tower Automotive, Inc.

5.75% Convertible Senior Debentures

and
Common Stock Issuable Upon Conversion of the Debentures

We issued $125,000,000 aggregate principal amount of 5.75% convertible senior debentures on May 24, 2004 in a private offering pursuant to Rule 144A under the Securities Act. The selling securityholders named in this prospectus or any prospectus supplements may offer and sell the debentures and the shares of our common stock issuable upon conversion of the debentures. We will not receive any proceeds from this offering.

We will pay interest on the debentures at a rate of 5.75% per annum semi-annually on May 15 and November 15 of each year, commencing on November 15, 2004. The debentures will mature on May 15, 2024, unless earlier converted by the holders or redeemed or repurchased by us. The debentures are general unsecured senior obligations of the issuer and rank equally with any present and future senior debt of the issuer. The debentures rank senior to any subordinated debt of the issuer and are effectively subordinated to any secured debt of the issuer, to the extent of the value of the assets securing such debt. The debentures are structurally subordinated to the present and future debt and other obligations of each subsidiary of the issuer.

You may convert your debentures into shares of our common stock at a conversion rate of 231.0002 shares per $1,000 principal amount (equal to a conversion price of approximately $4.33 per share), subject to adjustment upon certain events, only under the circumstances specified in this prospectus.

Upon conversion, we will have the right to deliver, in lieu of shares of our common stock, cash or a combination of cash and shares of our common stock in amounts described in this prospectus.

Prior to May 20, 2011, the debentures are not redeemable. On or after May 20, 2011, we may redeem the debentures, in whole or in part, at any time, for cash at a redemption price equal to 100% of principal amount, plus accrued and unpaid interest and additional interest, if any, to (but excluding) the redemption date.

You may require us to repurchase some or all of your debentures on May 15, 2011, May 15, 2014 or May 15, 2019, or if we experience a fundamental change, at a repurchase price equal to 100% of principal amount, plus accrued and unpaid interest (and additional interest, if any) to (but excluding) the repurchase date. We may, at our option, pay the repurchase price in cash, shares of our common stock or a combination thereof, except that we will pay accrued and unpaid interest (and additional interest, if any) in cash.

Our common stock is traded on the New York Stock Exchange, or NYSE, under the trading symbol TWR. On December 13, 2004, the last reported sale price of our common stock on the NYSE was $1.99 per share.

Investing in the debentures or our common stock involves risks.
Please carefully consider the Risk Factors beginning on page 15 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated , 2004.

We have not authorized anyone to provide you with information different from that contained in, or incorporated by reference in, this prospectus or any prospectus supplement. The securities are not being offered in any jurisdiction where the offer is not permitted.

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Tower Automotive, Inc. is a Delaware corporation. Our principal executive offices are located at 27175 Haggerty Road, Novi, Michigan 48377, and our telephone number at that address is (248) 675-6000. Our website is located at www.towerautomotive.com. The information on our website is not part of this prospectus.

In this prospectus, unless the context otherwise requires, Tower Automotive, Tower, we, us and our refer to Tower Automotive, Inc. and subsidiaries; Issuer refers to Tower Automotive, Inc., exclusive of its subsidiaries; and R.J. Tower refers to R.J. Tower Corporation, a direct, wholly-owned subsidiary of the Issuer, exclusive of its subsidiaries.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the SEC utilizing a shelf registration process. Under this shelf registration process, selling securityholders may, from time to time, offer and sell debentures and shares of our common stock issued upon conversion thereof pursuant to this prospectus.

We may, from time to time, provide a prospectus supplement to add, update or change information contained in this prospectus relating to the selling securityholders and the plan of distribution of their debentures and shares of our common stock issued upon conversion thereof. It is important for you to read and consider all of the information contained in this prospectus and any applicable prospectus supplement before making a decision whether to invest in debentures or shares of our common stock. You should also read and consider the information contained

in the documents that we have incorporated by reference as described in Where You Can Find More Information and Incorporation of Certain Documents by Reference in this prospectus.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus and in the documents incorporated by reference. This summary may not contain all of the information that you should consider before deciding to invest in the debentures or our common stock. We urge you to read carefully this entire prospectus, any applicable prospectus supplement and the documents incorporated by reference, including Risk Factors, Description of Financing Plan and Ranking of Debentures, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the notes to those statements included elsewhere or incorporated by reference in this prospectus and any applicable prospectus supplement.

Background

We are a leading global designer and producer of structural metal components and assemblies used by the major automotive original equipment manufacturers (OEMs), including Ford, DaimlerChrysler, General Motors (GM), Renault/Nissan, Volkswagen Group, Toyota, Honda, BMW, Fiat, Hyundai/Kia, Mazda and Isuzu. We provide technical design, engineering and program management capabilities covering a range of products that encompass the entire body structure of a vehicle. We are able to deliver products and services to our customers on a global basis from more than 50 production and engineering facilities operated by us or in which we have a significant ownership interest located in North America, South America, Europe and Asia. We believe we are the largest independent global supplier of structural components and assemblies to the automotive market (based on net revenues).

We are one of only a few companies that provides a broad array of structural metal products and services for the automotive industry. As OEMs reduce their supplier base in efforts to lower costs and improve quality, they are more frequently awarding sole-source contracts to broadly capable suppliers who are able to supply large and complex portions of a vehicle on a global basis rather than to suppliers that only provide individual component parts. OEMs criteria for supplier selection include cost, quality, responsiveness, full-service design, engineering and program management capabilities. In addition, OEMs are increasingly requiring their suppliers to have the capability to design and manufacture their products in multiple geographic markets. As a supplier with strong OEM relationships, broad capabilities and technologies, scale and global presence, we expect to continue to benefit from these trends going forward.

We have a new Chief Executive Officer and Chief Financial Officer who have redirected some of our strategies and established as our top priorities the launch of our new business, improved operating excellence and world class quality. New initiatives implemented by our management team include:

- In November 2003, we announced the consolidation of two product groups into a single North American regional business to streamline customer service interface and better align with OEM customers.
- We are implementing company-wide standards for equipment choices, tooling approaches, process development and facilities set-up in order to better leverage and control capital spending and reduce launch risk.
- We created a centralized Global Purchasing/ Manufacturing function with responsibility for material, services, capital equipment and manufacturing sourcing linked to regional leads to drive faster and more efficient implementations.
- We announced the consolidation of two technical centers and our headquarters location in Novi, Michigan to better connect our enterprise team with our customers and our largest technical center.
- We transferred certain of our operations among existing facilities to gain production efficiencies.

We believe these and other initiatives will accelerate reductions in operational costs and allow us to leverage economies of scale in regards to capacity utilization, purchasing and knowledge transfer.

Competitive strengths

We believe our position as the largest independent global supplier of automotive structural components and assemblies (based on net revenues) is primarily due to the following competitive strengths:

Design, engineering, manufacturing and program management capabilities. We work with OEMs throughout the product development process from vehicle concept and prototype fabrication through the design and implementation of manufacturing processes to produce and assemble structural metal components for our customers. We have made a significant investment in product and process engineering and program management capabilities that we believe afford us a competitive advantage.

Global presence. Through a combination of organic growth and acquisitions, we now operate or have significant ownership positions in over 50 production and engineering facilities in fifteen countries including the U.S., Canada, Mexico, Brazil, Germany, Belgium, Poland, Slovakia, Italy, France, Spain, Japan, China, Korea and India. In addition, our local relationships with customers in these countries often enhance our ability to win new business with them in North America.

Proven customer relationships. We have formed strong relationships with our major customers due to our ability to meet product and production requirements for quality, delivery, engineering, design and customer service and support.

Significant new business. As a result of these competitive strengths, we have been able to retain incumbent programs meeting our internal return on capital criteria, increase content on renewal programs, gain new customers, win new programs and capture incremental OEM outsourcing. We have been awarded programs that, based on independent estimates of expected program volumes and current expectations of program pricing, represent more than $1.4 billion in estimated new revenues. We expect these new programs will result in $600 million in net new business from 2003 to 2005.

Business and operating strategy

We created the global scale of Tower Automotive through a series of acquisitions of complementary businesses that have allowed us to become the largest independent global supplier of structural metal components and assemblies in the automotive supplier segment (based on net revenues). Our competitive strengths have allowed us to shift to an organic growth strategy over the last few years, and we are now in the final stages of launching our significant new business. We will continue to pursue organic growth and target business for which we have significant competitive advantage and where we can meet certain return on invested capital targets.

Our operating strategy has been refocused in order to successfully launch our significant new business and achieve improved operational excellence. We intend to more fully use our skills and manufacturing footprint to integrate our past acquisitions, leverage our scale, accelerate shared learning and achieve structural cost reductions. We believe these measures will enable us to achieve improved operating performance for both our customers and our stockholders.

Successful launch of new business. Since July 2003, we have launched seven new programs including the Volvo S40/V50, Nissan Titan and Armada, Cadillac SRX, BMW 1 and 3 Series, the DaimlerChrysler New Dakota, the Ford Five Hundred/Freestyle and Nissan Pathfinder/Xterra.

Focus on improved operational excellence. We have implemented manufacturing practices designed to improve product quality and timeliness of delivery, as well as reduce waste and enhance efficiency. We continue to upgrade our manufacturing equipment and processes through selective investment in new equipment, maintenance of existing equipment and efficient utilization of manufacturing engineering personnel. In order to improve return on invested capital, we increasingly employ flexible manufacturing processes that allow us to increase the utilization of existing equipment and reduce the need to purchase new equipment, while meeting customer expectations for product quality and timely delivery. Consistent with this strategy, we monitor existing manufacturing capacity relative to expected capacity, which is

determined primarily by current and expected business programs and by opportunities to source certain products to other Tower facilities or outsource to Tier II manufacturers.

Our new management team has further refined this strategy to include the following:

Plant level cost management/improve capacity utilization. Historically, many of our manufacturing facilities, particularly in North America, were operated as profit centers.

Standardized processes, technology and equipment. We believe that the adoption of best practices across our entire manufacturing platform will allow us to increase our efficiency, reduce launch risk and capital spending and, as a result, improve our profitability over the long run.

Leverage scale to realize structural cost reductions. We offer manufacturing and support services to our customers on a global basis through a combination of wholly-owned subsidiaries and joint ventures and partnerships with foreign suppliers.

Maintain participative and incentive-based culture. We believe our approach to managing our manufacturing facilities encourages transparency, commonality, shared learning and standardized processes and cadence across Tower Automotive.

Strengthen balance sheet. Once our new program launch activity is completed, we intend to focus on strengthening our balance sheet and reducing our indebtedness by maximizing cash flow. In March 2004, we sold our 30.76% stake in Yorozu for approximately $51.7 million to provide additional liquidity. The refinancing transactions eliminated near-term debt amortization requirements, extended the maturities of our debt and increased financial flexibility and liquidity.

Recent developments

Relocation of Dodge Ram frame assembly to Metalsa joint venture

In February 2004, we announced that a decision had been finalized by DaimlerChrysler to move the current production of the frame assembly for the Dodge Ram light truck from our Milwaukee, Wisconsin facility to our 40% owned joint venture partner, Metalsa, located in Monterrey, Mexico. The current Dodge Ram frame program produced in the Milwaukee facility was expected to run through 2009. The production move to Mexico is planned for mid-2005. The move was dictated by DaimlerChrysler economic pricing requirements given the lower cost structure in Mexico. We are in the process of determining the expected net economic impact of DaimlerChrysler s decision to move the Dodge Ram frame line on our future consolidated results. We are also currently in negotiations with DaimlerChrysler regarding a settlement pertaining to costs associated with the move. This relocation as well as our decision not to pursue the follow-on program of the next generation Ford Explorer frame has decreased our expected net new business from our previous estimate of $900 million to our current estimate of $600 million from 2003 to 2005.

Acquisition of remaining shares of Seojin Industrial Company

On February 27, 2004, we acquired all of the remaining outstanding shares of Seojin Industrial Company Ltd., or Seojin, of South Korea. Previously, we held a 66% equity interest in Seojin. Seojin is a supplier of frames, modules and structural components to the Korean automotive industry. The acquisition of the remaining shares was related to the settlement of an outstanding note from the minority interest partner and was financed by Seojin through additional borrowings of approximately $10.3 million from South Korean lenders. Seojin is headquartered in Kunpo City and has eight manufacturing facilities and 1,300 employees across South Korea. Seojin is a major supplier to Hyundai and Kia, two OEMs that have been gaining market share worldwide. We believe the acquisition of the remaining interest in Seojin will allow us to further leverage this relationship and improve Seojin s return on invested capital. Seojin has been consolidated in Tower Automotive s financial statements. Seojin had sales of approximately $300 million during 2003.

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Sale of equity interest in Yorozu Corporation

On March 11, 2004, we sold our 30.76% equity interest in Yorozu Corporation (Japan) back to Yorozu through a share buy-back transaction on the Tokyo Stock Exchange. We received proceeds of approximately $51.7 million from this transaction, and we used the net proceeds to finance tooling purchases and other capital expenditures. Tower Automotive had been a major shareholder in Yorozu since September 2000, when it purchased a 17% equity interest. Tower purchased an additional 13.76% equity interest in February 2001. Our divestiture of Yorozu was driven by an evaluation of our strategic focus and to improve our liquidity.

The refinancing transactions

On May 24, 2004, concurrent with the closing of the sale of the debentures, we entered into a new senior secured credit facility, consisting of a $50.0 million revolving credit facility, a $375.0 million term loan and a $155.0 million letter of credit facility, and repaid the old senior credit facility in the amount of $239.5 million from the net proceeds of the offering of the debentures and from a portion of the borrowings under the new senior credit facility. We used a portion of the borrowings under the new senior credit facility to redeem the $200.0 million of 5% convertible subordinated notes due August 1, 2004 at a redemption price of 100.714% of the aggregate principal amount plus accrued and unpaid interest through the redemption date. We refer to the offering of the debentures, the borrowings under new senior credit facility, the repayment of the old senior credit facility and the redemption of the 5% convertible notes, collectively, as the refinancing transactions.

The new senior credit facility provided us with increased liquidity and operating flexibility. As a result of the refinancing transactions, we have no material debt maturities until 2009. We borrowed the entire $50.0 million available under the new revolving credit facility at closing, and as of September 30, 2004, no amounts were available for borrowing under that facility. Due to collateral sharing arrangements under our 9.25% senior notes, we do not anticipate using the new revolving credit facility as a true revolver in the near future. As a result, all of our liquidity is in the form of cash on our balance sheet. For more information, see Description of Certain Indebtedness New senior credit facility.

Special meeting of stockholders

On September 20, 2004, we held a special meeting of our stockholders. At the special meeting, our stockholders ratified and approved the issuance of $125.0 million principal amount of the debentures and the related shares of common stock issuable upon conversion or repurchase of the debentures. Since we have received such stockholder approval, we have the option of issuing shares of our common stock in lieu of paying cash for the cash payment component of the conversion price or redemption price of the debentures.

Termination of OEM early payment plans

During the third quarter of 2004, certain of our OEM customers notified us that they were terminating their accelerated payments programs for all of their suppliers, including us. We are currently in discussions with these customers as to the timing of such terminations and believe, based on such discussions, that these programs will be phased out over the next few months. The termination of these programs will have a material adverse impact on our liquidity position. To offset this negative impact, we are in negotiations with third parties to establish an accounts receivable securitization facility. We are presently permitted by our new senior credit facility to securitize up to $50.0 million of accounts receivable, which will offset a portion (but not all) of the reduced liquidity as a result of the termination of the accelerated payment programs. We need an amendment to our new senior credit facility to increase the amount of the accounts receivable securitization to $150.0 million. We had previously submitted a proposed amendment to our lenders to increase the amount of the accounts receivable securitization to $200.0 million but withdrew it after receiving notice that more than 50% of the second lien lenders opposed it as written. Since then, we have been negotiating with our lender group and expect to make a

formal presentation to our lenders regarding the terms and expected benefits of the amendment in the near future.

Corporate structure

Tower Automotive, Inc. is a holding company that owns all of the outstanding capital stock of R.J. Tower and all of the common securities issued by Tower Automotive Capital Trust. R.J. Tower is a holding company that conducts all of its operations through domestic and foreign direct and indirect subsidiaries. R.J. Tower s subsidiaries conduct operations in the United States, Canada, Mexico, Germany, Belgium, Poland, Slovakia, Italy, France, Spain, Japan, China, Korea, Brazil and India. All of R.J. Tower s subsidiaries are wholly-owned other than two joint ventures in China and a minor German subsidiary acquired as part of the acquisition of Dr. Meleghy. R.J. Tower also owns a 40% equity interest in Metalsa S. de R.L., one of the largest suppliers of vehicle frames and structures in Mexico.

For more information on our corporate structure, see Description of Financing Plan and Ranking of Debentures Corporate and financing structure.

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THE OFFERING

The following summary contains basic information about the debentures and shares of our common stock issuable upon conversion thereof and may not contain all of the information that may be important to you. For a more complete description of the debentures and our common stock, see Description of Debentures and Description of Capital Stock.

Issuer	Tower Automotive, Inc., a Delaware corporation.
Selling Securityholders	See Selling Securityholders.
Securities offered	$125,000,000 principal amount of 5.75% Convertible Senior Debentures and shares of our common stock issuable upon conversion thereof.
Maturity date of the debentures	May 15, 2024, unless earlier converted, redeemed or repurchased.
Interest on the debentures and interest payment dates	5.75% per annum payable semi-annually in arrears in cash on May 15 and November 15 of each year, commencing on November 15, 2004.
Ranking of the debentures	The debentures are general unsecured senior obligations of the Issuer and rank equally with any present and future senior debt of the Issuer. The debentures rank senior to any subordinated debt of the Issuer and are effectively subordinated to any secured debt of the Issuer, to the extent of the value of the assets securing such debt.

The debentures are structurally subordinated to present and future debt and other obligations, including trade payables, lease obligations and preferred stock, if any, of the Issuer s subsidiaries. The debentures:

- rank equally in right of payment with all present or future senior indebtedness of the Issuer (including its unsecured guarantees of the 12% senior notes, the 9.25% senior notes and certain indebtedness of Seojin and its secured guarantee of the new senior credit facility);
- rank senior in right of payment to all present or future subordinated obligations of the Issuer (including its obligations under the 6 3/4% Convertible Subordinated Debentures and its subordinated unsecured guarantee of Tower Automotive Capital Trust s obligations under the Trust Preferred Securities);
- are effectively subordinated to all present or future secured indebtedness (including its secured guarantee of the new senior credit facility) of the Issuer to the extent of the value of the assets securing such indebtedness; and
- are effectively subordinated to claims of creditors (including trade creditors and preferred stockholders, if any) of the Issuer s subsidiaries (including the holders of the 12% senior notes and the 9.25% senior notes and the lenders under the new senior credit facility and the credit agreements of foreign subsidiaries).

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At September 30, 2004, there was outstanding:

- $125.0 million ($121.6 million carrying value as of September 30, 2004) of senior indebtedness of the Issuer, consisting of the debentures, but excluding guarantees of indebtedness of the Issuer s subsidiaries which was structurally senior to the debentures;
- $258.8 million of indebtedness which was subordinated to the debentures; and
- the Issuer s subsidiaries had $2,238.0 million of total liabilities (including trade payables), all of which was structurally senior to the debentures.

See the consolidated financial statements and the related notes thereto incorporated by reference in this prospectus for financial information regarding the Issuer.

Conversion rights of the debentures

You may convert your debentures into shares of our common stock at a conversion rate of 231.0002 shares per $1,000 principal amount of debentures (equal to a conversion price of approximately $4.33 per share), subject to adjustment upon certain events, only under the following circumstances:

- prior to May 15, 2019, in any fiscal quarter after the fiscal quarter ending June 30, 2004, if the last reported sale price of our common stock for at least 20 trading days during the 30 consecutive trading days ending on the first trading day of such fiscal quarter is greater than 125% of the conversion price per share on such trading day;
- on or after May 15, 2019, at any time after the last reported sale price of our common stock on any date is greater than 125% of the then current conversion price;
- during the five business days after any ten consecutive trading days in which the average of the trading prices per $1,000 principal amount of debentures during such ten trading-day period was less than 98% of the product of the average of the last reported sale price of our common stock for each day during such ten trading-day period and the then current conversion rate;
- if those debentures have been called for redemption by us;
- upon the occurrence of specified corporate transactions as described under Description of Debentures Conversion upon specified corporate transactions; or
- upon the occurrence of specified credit rating events described under Description of Debentures Conversion upon credit ratings event.

Upon conversion, we will have the right to deliver, in lieu of shares of common stock, cash or a combination of cash and shares of common stock in amounts described in this prospectus under Description of Debentures Conversion rights.

	Upon conversion, you will not receive any separate cash payment of interest (including additional interest, if any), except in limited circumstances. Instead, interest will be deemed paid by the shares of our common stock or cash issued to you upon conversion. We will not issue fractional shares of our common stock and will pay cash in lieu thereof. Debentures called for redemption may be surrendered for conversion only until the close of business on the second business day prior to the redemption date.
Sinking fund	None.
Optional redemption of the debentures by us	Prior to May 20, 2011, the debentures are not redeemable. On or after May 20, 2011, we may redeem the debentures, in whole or in part, at any time, for cash at a redemption price equal to 100% of principal amount, plus any accrued and unpaid interest (including additional interest, if any) to (but excluding) the redemption date.
Repurchase of the debentures by us at the option of the holder	You may require us to repurchase some or all of your debentures on May 15, 2011, May 15, 2014 or May 15, 2019 at a repurchase price equal to 100% of principal amount, plus any accrued and unpaid interest (including additional interest, if any) to (but excluding) the repurchase date. We may, at our option, pay the repurchase price in cash or shares of our common stock (valued using the method set forth in Description of Debentures Repurchase of debentures by us at the option of the holder) or a combination thereof, except that we will pay accrued and unpaid interest (including additional interest, if any) in cash.
Purchase of the debentures by us upon a fundamental change	If a fundamental change (as defined in Description of Debentures Repurchase of debentures by us at the option of the holder upon a fundamental change) occurs prior to maturity of the debentures, you will have the right, at your option, to require us to repurchase for cash some or all of your debentures at a repurchase price equal to 100% of principal amount, plus any accrued and unpaid interest (including additional interest, if any) to (but excluding) the repurchase date. We may, at our option, pay the repurchase price in cash or shares of our common stock (valued using the method set forth in Description of Debentures Repurchase of debentures by us at the option of the holder upon a fundamental change) or a combination thereof, except that we will pay any accrued and unpaid interest in cash.
Common stock outstanding	At October 31, 2004, 58,480,908 shares of our common stock were outstanding, excluding: 2,578,965 shares issuable upon exercise of options outstanding under our equity incentive plans, at a weighted average exercise price of $10.80;

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	8,424,908 shares issuable upon conversion of our 6 3/4% Trust Convertible Preferred Securities at a conversion price of $30.713;
	384,089 shares issuable under our Colleague Stock Discount Purchase Plan; and
	28,875,025 shares of common stock issuable upon conversion of the debentures at the initial conversion price.
	At October 31, 2004, 3,450,823 shares were available for future awards under our equity incentive plans. Since October 31, 2004, we have not issued any options or any shares except upon exercise of previously outstanding options.
NYSE symbol	TWR
Dividend policy	We have never paid cash dividends on our common stock, and we have no current plans to pay any cash dividends in the foreseeable future.
Trading	Upon effectiveness of the registration statement of which this prospectus is a part, the debentures offered hereby and the shares of our common stock issuable upon conversion thereof will be freely transferable by persons other than our affiliates. Upon such effectiveness, the debentures offered hereby will no longer be eligible for trading in the PORTAL market. We do not intend to list the debentures offered hereby on any national securities exchange or for quotation through any automated quotation system. The other debentures, if any, will continue to be eligible for trading in the PORTAL market and will otherwise continue to be subject to certain transfer restrictions.

Risk Factors

In evaluating an investment in the debentures, prospective investors should carefully consider, along with the other information set forth in or incorporated by reference into this prospectus, the specific factors set forth under Risk Factors for risks involved with an investment in the debentures.

Additional Information

Tower Automotive, Inc. was incorporated under the laws of the State of Delaware in April 1993. Our principal executive offices are located at 27175 Haggerty Road, Novi, Michigan 48377, and our telephone number is (248) 675-6000.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth our summary historical consolidated financial data for the periods ended and at the dates indicated below. We have derived the audited historical consolidated financial data as of and for the years ended December 31, 2001, 2002 and 2003 from our audited financial statements incorporated by reference into this prospectus. Our consolidated financial statements as of and for the years ended December 31, 2002 and 2003 have been audited by Deloitte & Touche LLP, and our consolidated financial statements as of and for the year ended December 31, 2001 have been audited by Arthur Andersen LLP. For more information, see Experts. The summary historical consolidated financial data as of and for the years ended December 31, 1999 and 2000 have been derived from Tower Automotive s audited consolidated financial statements for such years, which are not included or incorporated by reference into this prospectus. We have derived the unaudited historical consolidated financial data as of and for the nine month periods ended September 30, 2003 and September 30, 2004 from our unaudited consolidated financial statements incorporated by reference into this prospectus. The information furnished in our unaudited consolidated financial statements includes primarily normal recurring adjustments and reflects all adjustments, which are, in the opinion of management, necessary for a fair presentation of such financial statements. The results of operations for the nine month period ended September 30, 2004 are not necessarily indicative of the operating results to be expected for the full year.

The following summary consolidated financial information should be read in conjunction with Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements of Tower Automotive and the related notes thereto incorporated by reference in this prospectus.

	Years Ended December 31,					Nine Months Ended September 30,	
	1999	2000	2001	2002	2003	2003	2004
	(In thousands, except per share data)						
Statement of Operations Data:							
Revenues	$2,170,003	$2,531,953	$2,467,433	$2,754,464	$2,815,749	$2,098,770	$2,286,783
Cost of sales	1,823,103	2,160,359	2,190,248	2,456,380	2,560,689	1,909,952	2,125,040
Selling, general and administrative expense	105,950	141,984	139,203	143,822	155,500	115,581	102,798
Amortization expense	15,803	21,517	24,804				
Restructuring and asset impairment charge		141,326	383,739	61,125	157,532	147,621	(3,283)
Operating income (loss)	225,147	66,767	(270,561)	93,137	(57,972)	(74,384)	62,228
Interest expense, net	37,981	64,711	73,765	70,267	92,747	62,120	105,409
Unrealized gain on derivative							(3,860)
Provision (benefit) for income taxes	74,866	626	(73,312)	7,636	(50,811)	(46,412)	(14,418)
Cumulative effect of change in accounting principle, net of tax(1)				(112,786)			
Net income (loss)	$ 117,088	$ 13,434	$ (267,524)	$ (97,606)	$ (124,675)	$ (91,641)	$ (10,857)
Basic earnings (loss) per share	2.50	0.29	(5.87)	(1.70)	(2.20)	(1.62)	(0.19)
Diluted earnings (loss) per share	2.10	0.28	(5.87)	(1.70)	(2.20)	(1.62)	(0.19)

	Years Ended December 31,					Nine Months Ended September 30,	
	1999	2000	2001	2002	2003	2003	2004
	(In thousands, except per share data)						
Other Financial Data:							
Capital expenditures, net(2)	$ 197,315	$ 93,588	$ 193,955	$ 158,964	$ 230,126	$ 180,126	$ 176,848
Depreciation and amortization	111,611	144,805	159,893	136,698	151,198	119,639	114,354
Cash provided by (used in):							
Operating activities	212,003	92,648	513,815	130,952	184,798	140,142	40,307
Investing activities	(583,894)	(266,782)	(199,373)	(145,449)	(221,623)	(176,620)	(146,447)
Financing activities	372,074	173,890	(296,048)	6,429	184,025	158,036	90,221
EBITDA(3)	341,546	223,576	(107,178)	116,995	68,459	43,706	194,488

	At September 30, 2004
Balance Sheet Data:	
Cash and cash equivalents	$ 144,980
Working capital (deficiency)	(189,484)
Total assets	3,025,989
Total debt(4)	1,491,274
Stockholders investment	405,001

(1) We adopted SFAS No. 142 relating to the accounting for goodwill and other intangible assets as of January 1, 2002. Utilizing a combination of valuation techniques including the discounted cash flow approach and the market multiple approach, we recorded a transitional impairment loss of $112,786 in the first quarter of 2002.

(2) We lease certain equipment utilized in our operations under operating agreements. Net capital expenditures exclude all costs related to this leased equipment. Gross capital expenditures represent the amount of our capital expenditures had such equipment been purchased rather than leased. Gross capital expenditures for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 and for the nine months ended September 30, 2003 and 2004 were $215.2 million, $196.6 million, $265.7 million, $187.2 million, $262.9 million, $197.1 million and $176.8 million, respectively. Gross capital expenditures represent non-GAAP financial measures when these amounts do not equal net capital expenditures. A reconciliation of gross capital expenditures to net capital expenditures presented in accordance with GAAP follows:

	Years Ended December 31,					Nine Months Ended September 30,	
	1999	2000	2001	2002	2003	2003	2004
Gross capital expenditures	$215.2	$ 196.6	$265.7	$187.2	$262.9	$197.1	$(176.8)
GAAP adjustments	(17.9)	(103.0)	(71.7)	(28.2)	(32.8)	(17.0)	
Capital expenditures, net	$197.3	$ 93.6	$194.0	$159.0	$230.1	$180.1	$ 176.8

(3) EBITDA is net income plus interest, taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by generally accepted accounting principles, and our calculation thereof may not be comparable to that reported by other companies. EBITDA is included in this prospectus because it is a basis upon which we assess our liquidity position and because certain covenants in our borrowing arrangements are tied to similar measures. We also

believe that it is widely accepted that EBITDA provides useful information regarding a company s ability to service and/or incur indebtedness. This belief is based on our negotiations with our lenders who have indicated that the amount of indebtedness we will be permitted to incur will be based, in part, on our EBITDA. EBITDA does not take into account our working capital requirements, debt service requirements, tax payments, capital

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expenditures and other commitments and, accordingly, is not necessarily indicative of amounts that may be available for discretionary use.

EBITDA is calculated on a consolidated basis and includes the earnings of the Issuer s subsidiaries. Certain of the Issuer s subsidiaries are subject to significant restrictions on their ability to dividend or otherwise distribute cash to the Issuer. See Risk Factors The Issuer is a holding company and relies on the earnings and cash flows from operating or investing activities of its subsidiaries. The Issuer may not have sufficient assets or cash flows from its subsidiaries to fully repay the debentures and its other indebtedness. See Price Range of Common Stock and Dividend Policy Dividend policy and restrictions. EBITDA includes equity in earnings of our Metalsa joint venture and of Yorozu for periods prior to its sale on March 11, 2004. EBITDA for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 and for the nine months ended September 30, 2003 and 2004 included $0, $0, $2.9 million, $3.2 million, $5.6 million, $2.5 million and $1.4 million, respectively, of equity in earnings (loss) of joint ventures related to Yorozu.

The following table reconciles EBITDA with net income (loss) and cash flow from operations for the periods indicated:

	Years Ended December 31,					Nine Months Ended September 30,	
	1999	**2000**	**2001**	**2002**	**2003**	**2003**	**2004**
	(In thousands, except per share data)						
EBITDA	$ 341,546	$ 223,576	$(107,178)	$ 116,995	$ 68,459	$ 43,706	$ 194,488
Add (subtract):							
(Provision) benefit for income taxes	(74,866)	(626)	73,312	(7,636)	50,811	46,412	14,418
Interest expense, net	(37,981)	(64,711)	(73,765)	(70,267)	(92,747)	(62,120)	(105,409)
Depreciation and amortization expense	(111,611)	(144,805)	(159,893)	(136,698)	(151,198)	(119,639)	(114,354)
Net income (loss)	117,088	13,434	(267,524)	(97,606)	(124,675)	(91,641)	(10,857)
Add (subtract):							
Depreciation and amortization expense	111,611	144,805	159,893	136,698	151,198	119,639	114,354
Cumulative effect of change in accounting principles, net of tax				112,786			
Restructuring and asset impairment charge, net		141,326	383,739	61,125	155,750	145,724	(6,276)
Customer recovery related to program cancellation					15,600	15,600	
Unrealized gain on derivative							(3,860)
Deferred income tax expense (benefit)	45,528	(23,373)	(80,758)	2,107	(36,027)	(50,259)	(25,199)
Deferred compensation plans							856
Gain on sale of plant				(3,839)			
Write-down of joint venture investment to market value					27,436		
Gain on sale of joint venture investment							(9,732)
Extraordinary loss on extinguishment of debt, net		2,988					
Equity in earnings of joint ventures, net of tax	(15,268)	(22,480)	(17,250)	(16,822)	(13,298)	(8,181)	(9,093)
Changes in working capital and other operating items	(46,956)	(164,052)	335,715	(63,497)	8,814	9,260	(9,886)

Net cash provided by (used in) operating activities	$ 212,003	$ 92,648	$ 513,815	$ 130,952	$ 184,798	$ 140,142	$ 40,307

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Cash restructuring and non-cash asset impairment charges for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 and for the nine months ended September 30, 2003 and 2004 were $0, $37.6 million, $50.7 million, $15.8 million, $14.5 million, $6.2 and $1.8 million, respectively. The non-cash asset impairment charges recorded in 2003 were primarily associated with the write-down of assets at three of our frame assembly plants, which currently produce the Ford Explorer and Dodge Ram frames and related products. We expect to cease producing the Ford Explorer and Dodge Ram frames at these facilities in mid-2005, and, unless we replace those programs with new business or otherwise utilize these facilities in some other aspect of our business, we will incur significant cash restructuring charges. We are currently evaluating our options in this regard and are unable to predict with any degree of certainty the ultimate timing or size of any such cash restructuring charges.

EBITDA for certain periods presented includes restructuring and other non-recurring charges we incurred in these periods. Set forth below is a summary of these charges:

	Years Ended December 31,					Nine Months Ended September 30,	
	1999	2000	2001	2002	2003	2003	2004
	(In thousands, except per share data)						
Non-cash restructuring and asset impairment charges, net	$	$103,726	$333,039	$ 45,325	$142,969	$141,521	$
Restructuring and asset impairment charge				(12,400)			(6,276)(a)
Cumulative effect of change in accounting principle, net				112,786			(b)
Write-down of joint venture investment to market value					27,436(c)		
Gain on sale of joint venture investment							(9,732)(c)
Option mark to market							(3,860)(d)
Lawsuit settlement						2,212	
Production interruption cost						1,165	
Total	$	$103,726	$333,039	$145,711	$170,405	$144,898	$(19,868)

(a) We recorded a restructuring gain of $6.3 million for the reversal of the pension curtailment loss associated with our decision not to move the Ford Ranger frame assembly.

(b) See footnote (1).

(c) We recorded a $27.4 million write-down of our investment on Yorozu to its market value in the fourth quarter of 2003. We subsequently sold our 30.76% interest in Yorozu on March 11, 2004 for proceeds of approximately $51.7 million and recognized a gain on the sale of $9.7 million.

(d) Prior to September 20, 2004, when we obtained stockholder approval for the issuance of the debentures and the common stock issuable upon conversion or repurchase of the debentures, if we were required to issue in excess of 19,705,187 shares of common stock, we would have been required to pay cash in respect of all or a portion of converted or repurchased debentures in order to ensure that the shares issued on conversion or repurchase did not exceed 19,705,187 shares (the Embedded Conversion Option). The initial value associated with the Embedded Conversion Option was $12.6 million and was marked to market through our Statement of Operations. As of September 20, 2004, mark to market adjustments are no longer required. We recognized a gain of approximately $3.9 million for the nine months ended September 30, 2004, related to the change in fair value of the Embedded Conversion Option.

(4) Includes $258.8 million due to Tower Automotive Capital Trust, or Trust. In June 1998, the Trust sold $258.8 million in aggregate liquidation preference of 6 3/4% Trust Convertible Preferred Securities (the Trust Preferred Securities). The sole assets of the Trust are approximately $266.8 million in aggregate principal amount of the Issuer s 6 3/4% convertible subordinated debentures due June 30,

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2018, such amount being the sum of the stated liquidation preference of the Trust Preferred Securities and the capital contributed by the Issuer in exchange for the common securities of the Trust. During the third quarter of 2003, we elected to adopt the current provisions of FASB Interpretation Number (FIN) 46, Consolidation of Variable Interest Entities, an interpretation of ARB No. 51 as it relates to the Trust Preferred Securities prior to the required effective date. Under FIN 46, the Trust, which was previously consolidated by the Issuer, is no longer consolidated. As a result, we no longer present the Trust Preferred Securities as mezzanine financing, but instead record a debt obligation for the proceeds which are owed to the Trust by the Issuer. Interest is recorded at 6 3/4 percent on the amount owed by the Issuer to the Trust, which is equal to the amount that was previously presented as minority interest (net of tax) for the amounts paid on the Trust Preferred Securities. Interest expense increased by $8.8 million in 2003 (representing six months of interest) and by $8.8 million for the nine months ended September 30, 2004 related to this reclassification. Pursuant to the guidance in FIN 46, the Issuer has not reclassified the presentation in prior periods.

RISK FACTORS

An investment in the debentures or our common stock involves a high degree of risk. You should carefully consider the risks described below, or in any prospectus supplement or document incorporated by reference, before purchasing the debentures or our common stock. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our financial condition, results of operation, cash flows or business. If any of the following risks actually occur, our financial condition, results of operation, cash flows or business could be harmed. In that case, the trading price of the debentures and our common stock could decline, and you could lose part or all of your investment.

Risks relating to us

We are highly leveraged, and our substantial debt could limit our financial resources and ability to compete and may make us more vulnerable to adverse economic events.

We are highly leveraged. At September 30, 2004, we had $1,491.3 million ($1,498.0 million after giving effect to unamortized bond discount on the 12% senior notes) of outstanding indebtedness. See Capitalization.

Our high leverage has important consequences, including the following:

- it limits our ability to borrow money or sell stock to fund our working capital, capital expenditures, acquisitions and debt service requirements;
- our interest expense will increase if interest rates in general increase because a substantial portion of our indebtedness bears interest at floating rates;
- it limits our flexibility in planning for, or reacting to, changes in our business and future business opportunities;
- we are more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- it may make us more vulnerable to a downturn in our business or the economy;
- the debt service requirements of our other indebtedness may make it more difficult for us to make payments on the debentures;
- a substantial portion of our cash flow from operations is dedicated to the payment of interest or the repayment of our indebtedness, thereby reducing funds available for other corporate purposes; and
- there would be a material adverse effect on our business and financial condition if we were unable to service our indebtedness or obtain additional financing, as needed.

We have recorded significant restructuring and asset impairment charges in the last four consecutive years that have resulted in us reporting net losses in our last three fiscal years. Our earnings will be adversely affected in the event we incur additional restructuring or asset impairment charges in the future.

Beginning in late 2000, automotive production declined relative to prior periods, leading us to focus our efforts on reducing the excess capacity of our enterprise and improving the efficiency of our continuing operations. These efforts resulted in four significant restructurings that reduced excess capacity, eliminated redundant overhead costs and reorganized the management structure of our U.S. and Canadian operations. For the years ended December 31, 2000, 2001, 2002 and 2003, we recorded restructuring and asset impairment charges, net, of $141.3 million, $383.7 million, $61.1 million and $157.5 million, respectively. The income amount resulted from the reversal of pension and other post-retirement benefit plan curtailment costs of $6.3 million, which were recognized in the third quarter of 2003. The effect of the reversal of the curtailment costs was partially offset by $1.0 million of restructuring costs. Additionally, we adopted

Statement of Financial Accounting Standards (SFAS) No. 142 relating to the accounting for goodwill and other intangible assets in 2002, and, as a result, we recorded a transitional impairment loss net of tax of $112.8 million in the year ended December 31, 2002. During the fourth quarter of 2003, we also recorded an impairment charge of $27.4 million with respect to our investment in Yorozu. These restructuring and impairment charges and the adoption of SFAS No. 142 in 2002 have had a material adverse effect on our results of operations and financial condition. We reported net income (loss) of $13.4 million, $(267.5) million, $(97.6) million and $(124.7) million in 2000, 2001, 2002 and 2003, respectively.

We will continue to evaluate our existing operations and capacity and may incur additional restructuring and asset impairment charges in this regard. In addition, we carry a very significant amount of goodwill and other intangible assets, and SFAS No. 142 requires us to perform an annual assessment for possible impairment. At September 30, 2004, we had goodwill of approximately $497.1 million. The non-cash asset impairment charges recorded in 2003 were primarily associated with the write-down of assets at three of our frame assembly plants, which currently produce the Ford Explorer and Dodge Ram frames and related products. We expect to cease producing the Ford Explorer and Dodge Ram frames at these facilities in mid-2005, and, unless we replace those programs with new business or otherwise utilize these facilities in some other aspect of our business, we will incur significant cash restructuring charges. We are currently evaluating our options in this regard and are unable to predict with any degree of certainty the ultimate timing or size of any such cash restructuring charges. We may institute further restructuring initiatives and/or experience additional asset impairment charges in the future, and such charges could adversely affect our operating results and financial condition.

If our efforts to enter into an accounts receivable securitization facility to offset the liquidity impact of the termination of our customers early payment programs are unsuccessful, we may have not have sufficient liquidity to meet our needs.

During the third quarter of 2004, certain of our OEM customers notified us that they were terminating their accelerated payment programs for all of their suppliers, including us. We are currently in discussions with these customers as to the timing of such terminations and believe, based on such discussions, that these programs will be phased out over the next few months. The termination of these programs will have a material adverse impact on our liquidity position. To offset this negative impact, we are in negotiations with third parties to establish an accounts receivable securitization facility. We are presently permitted by the new senior credit facility to securitize up to $50.0 million of accounts receivable, which will offset a portion (but not all) of the reduced liquidity as a result of the termination of the accelerated payment programs. We need an amendment to our new senior credit facility to increase the amount of the accounts receivable securitization to $150.0 million. We had previously submitted a proposed amendment to our lenders to increase the amount of the accounts receivable securitization to $200.0 million but withdrew it after receiving notice that more than 50% of the second lien lenders opposed it as written. Since then, we have been negotiating with our lender group and expect to make a formal presentation to our lenders regarding the terms and expected benefits of the amendment in the near future. However, we cannot assure you that we will obtain the requisite consent and be able to enter into an accounts receivable securitization facility of up to $150.0 million.

As a contingency plan, we continue to pursue other alternatives permitted by the new senior credit facility to improve liquidity. These actions include, but are not limited to, a smaller accounts receivable securitization facility and an accounts receivable factoring agreement in our European operations, which will provide an additional $30.0 million of liquidity. On December 3, 2004, we announced that we deferred the dividend payment on the 6 3/4% Trust Convertible Preferred Securities that would have otherwise been paid on December 31, 2004. The terms of the Tower Automotive Capital Trust and the underlying 6 3/4% convertible subordinated debentures held by the Trust permits the deferral of dividends and the underlying interest payments for up to 20 consecutive quarters. The deferral of the approximately $4.4 million dividend on the 6 3/4% Trust Convertible Preferred Securities improves our short-term liquidity position and preserves our options until either the amendment approval for the new senior credit facility is achieved or the contingency plan is in

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place in 2005. We cannot assure you, however, that we will be able to enter into a smaller accounts receivable securitization facility or the factoring agreement on terms favorable to us, or at all.

In addition, we currently have trade accounts payable outstanding an average of 74 days. Our payment terms with our vendors average 60 days for purchases of productive material and other services. These amounts exclude amounts outstanding for tooling and capital purchases which have payment terms which are dependent on the tooling or capital meeting certain technical and performance requirements and generally require progress payments during construction. In the upcoming quarters, we intend to reduce the average amount of trade accounts payable outstanding from the 74 day average at September 30, 2004 to the extent we have sufficient liquidity to do so. We believe that such liquidity will be available if we are successful in negotiating the increase in our permitted accounts receivable securitization to $150.0 million as well as completing the additional liquidity actions discussed above. We can offer no assurances that these efforts will be successful. We would be unable to meet our liquidity needs if a substantial portion of our trade creditors ceased extending credit to us.

We have made significant capital expenditures and incurred significant launch costs over the last several years to implement our new program awards, which has had an adverse impact on our current liquidity position. We may not have sufficient liquidity to meet all of our objectives.

We have made significant capital expenditures and incurred significant launch costs over the last three years to implement our new program awards in advance of receiving any significant revenues from such new programs. Net capital expenditures were $194.0 million, $159.0 million and $230.1 million in 2001, 2002 and 2003, respectively. In 2004, we expect net capital expenditures will be approximately $230.0 million, of which $176.8 million was spent in the first nine months of 2004, and new program launch costs are expected to be approximately $45.0 to $50.0 million, of which $43.3 million was spent in the first nine months of 2004. Our business has significant liquidity requirements, and these capital expenditures and launch costs have had an adverse impact on our current liquidity position. Our recent sale of our equity interest in Yorozu was done in part to provide liquidity. We have had a significant amount of new product launch activity in 2004 that required significant cash resources. In 2004, our launch costs on one major launch have run slightly above plan. No assurance can be given that we will have sufficient liquidity to meet our future product launch activity or that our actual capital expenditures and launch costs will not exceed our expectations, and if adequate funds are not available, we may be required to cut back, limit or discontinue future launch activities or otherwise alter our business strategy.

When bidding on new programs, we are required to make an assessment of our capital expenditures needs, and to the extent these assessments are not accurate, we will utilize additional cash resources beyond those planned. For example, in 2003, we incurred approximately $40.0 million of unanticipated capital expenditures primarily related to a new program for Ford. These additional capital expenditures had a negative impact on our liquidity position in 2003. We may not have sufficient liquidity to fund unanticipated capital expenditures and launch costs, and the funding of unanticipated capital expenditures and launch costs may adversely affect our expected returns on new programs.

Increasing raw materials costs may adversely affect our financial results.

Our products are manufactured utilizing steel and various purchased assemblies. The price of steel has increased significantly during 2004 compared to recent historical periods due to a shortage of certain raw materials necessary to produce steel and increased global demand, primarily in China. We purchase a substantial portion of our steel from our customers through the customers repurchase programs. The purchases through customers repurchase programs have somewhat mitigated the severity of price increases associated with the procurement of steel. The remainder of our steel purchasing requirements is met through contracts with steel producers and market purchases, and, in some cases, we may be unable to either mitigate increases in steel prices under our existing purchase agreements or pass through any price increases to our customers.

Steel prices have increased rapidly in 2004 to historical highs as a result of a relatively low level of supply matched with a relatively high level of demand. This year, steel has increased in price, and, in certain circumstances, we have experienced difficulty in identifying steel for purchase. The increased steel prices have had an adverse impact on our results of operations in 2004, and we presently expect the effect of increased steel prices to continue to have an adverse impact on our results of operations for the foreseeable future. If we were unable to purchase steel for our operations for a significant period of time, our operations would be disrupted, and our results of operations would be adversely affected. Other raw materials that we purchase include dies, fasteners, tubing, springs, rivets and rubber products. Our agreements with our customers generally do not permit us to increase selling prices for increases in prices of raw material inputs. Therefore, a significant increase in the costs of these items, as well as for steel, could materially increase our operating costs and have a material adverse effect on our profit margins.

We are dependent on Ford, DaimlerChrysler and GM as our largest customers and on the success of the vehicle programs for which we provide components and sub-assemblies.

We are dependent on Ford, DaimlerChrysler and GM as our largest customers and on the success of the vehicle programs for which we provide components and sub-assemblies. Our revenues from Ford, DaimlerChrysler and GM represented approximately 35%, 19% and 10%, respectively, of our revenues in 2003. The contracts we typically enter into with our customers, including Ford, DaimlerChrysler and GM, provide for supplying the customer s requirements for a particular model, rather than for manufacturing a specific quantity of components. These contracts range from one year to the life of the platform or model, usually three to ten years, and do not require the purchase by the customer of any minimum number of components. Therefore, the loss of any one of these customers, significant reduction in demand for vehicles manufactured by Ford, DaimlerChrysler or GM for which we produce components and assemblies, and for certain other key vehicle models or a group of related vehicle models sold by any of our other major customers or unsuccessful launches of new models for which we produce components or assemblies would have a material adverse effect on our existing and future revenues and net income. In 2004, we have experienced lower vehicle production volumes in North America, which we expect will adversely affect our results of operations for the year.

In February 2004, we announced that a decision had been finalized by DaimlerChrysler to move the current production of the frame assembly for the Dodge Ram light truck from our Milwaukee, Wisconsin facility to our 40% owned joint venture partner, Metalsa, located in Monterrey, Mexico. The current Dodge Ram frame program produced in the Milwaukee facility was expected to run through 2009. The production move to Mexico is planned for mid-2005. The move was dictated by DaimlerChrysler s economic pricing requirements given the lower cost structure in Mexico. We are in the process of determining the expected net economic impact of DaimlerChrysler s decision to move the Dodge Ram frame line on our future consolidated results. We are also currently in negotiations with DaimlerChrysler regarding a settlement pertaining to costs associated with the move. Revenues related to the Dodge Ram light truck frame assembly amounted to $143.1 million in 2001, $169.6 million in 2002, $211.3 million in 2003 and $162.9 million in the nine months ended September 30, 2004. In December 2002, we announced our intention not to pursue the follow-on program of the next generation Ford Explorer frame. The current Ford Explorer frame program, expected to be ceased in mid-2005, is produced at our Corydon, Indiana facility. Our decision was based on the fact that the expected returns at targeted pricing levels did not meet our requirements. These two decisions have decreased our expected net new business from our previous estimate of $900 million to our current estimate of $600 million from 2003 to 2005.

We may not realize all of the revenues or achieve margin improvements expected from new program awards. We also may incur higher than anticipated launch costs, which would have a negative impact on our gross margins and profitability.

The realization of additional revenues from new program awards is inherently subject to a number of important risks and uncertainties, including the number of vehicles that our customers will actually produce as well as the timing of such production. In addition, our customers generally have the right to

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discontinue a program or replace us with another supplier at any time for a variety of reasons. As a result, all of the expected $600 million in annual net new program revenues between 2003 and 2005, resulting from business awarded to us in 2001 through 2003 and anticipated to be fully realized by 2006, may not actually result in firm orders from customers. While we attempt to establish the price of our products for variances in production volumes, we are unable to pass through unanticipated cost increases to our customers. We also make capital expenditures and incur launch costs for new program awards based upon certain estimates of production volumes for certain vehicles. If the actual production of certain vehicle models is significantly less than planned, our anticipated revenues and net income from such new programs will be adversely affected, and we may not have sufficient liquidity to fund new product launches. In 2004, we have experienced lower vehicle production volumes in North America which have adversely affected our results of operations. We cannot predict our customers demands for the products we supply either in the aggregate or for a particular reporting period.

We have had a significant amount of new product launch activity in 2004, which presented significant challenges for our management team due to the time and resources required to complete such launches. Unforeseen difficulties in managing these significant new launches resulted in higher than anticipated new program launch costs, which had an adverse effect on our gross margins and profitability. In the third quarter of 2003, we incurred unanticipated costs of approximately $3.3 million associated with an equipment failure on a recently launched new program that temporarily disrupted production at one of our facilities. In 2004, our launch costs on one major launch have run slightly above plan. In addition, the continuation of a significant number of new launches for which we do not have an operating history taken together with the roll-off of a number of established platforms that do have an established operating history may result in a degree of uncertainty with respect to our ability to achieve our targeted levels of profitability.

In the last three years, we have experienced declining gross margin, and we may not succeed in returning to historical gross margin levels.

Our gross margin has declined in each of the last three years and in the first nine months of 2004, from 14.7% in 2000 to 11.2% in 2001, 10.8% in 2002 and 9.1% in 2003 and from 9.0% for the first nine months of 2003 to 7.1% for the first nine months of 2004. This decline was a result of a number of factors including declines in North American automotive production levels from previous levels, reductions of selling prices of our products discussed below and, most recently, costs incurred by us to launch our new program awards. The number of new vehicle launches impacts our gross margins. Our operating costs are higher during a product launch period relative to when the vehicle has reached normal production volumes. In addition, our gross margins are impacted by the commercial success of the vehicles to which we are a supplier, general global economic conditions and automotive production volumes. During the first nine months of 2004, we were adversely impacted by the large number of new product launches in comparison to the corresponding period of 2003. These launches, which are significant both in terms of number and relative size, reduced gross profit by $16.6 million in the nine months ended September 30, 2004, in comparison to the corresponding period of 2003. We expect this impact to continue through the fourth quarter of 2004. General economic conditions, such as labor costs and health care, reduced gross profit by $38.2 million during the nine months ended September 30, 2004, compared to the nine months ended September 30, 2003. While we believe that our gross margin in periods subsequent to 2004 should increase from levels of the past several years as a result of, among other things, the substantial completion of the launch of our new program awards, we cannot assure you that our gross margin will improve or return to prior historical levels. For example, unforeseen difficulties in managing these new launches resulted in higher than anticipated new program launch costs which had an adverse effect on our gross margin. In addition, any reduction in customer demand for the products that we supply would also have an adverse effect on our gross margin. A lack of improvement in our future gross margin levels would harm our financial condition and adversely impact our business.

Gross margin and profitability will be adversely affected by our inability to reduce costs or increase prices.

Gross margin and profitability will continue to be affected by substantial and continuing pressure from the major OEMs to reduce the number of outside suppliers and to reduce costs. In addition, our business is very capital intensive, requiring us to maintain a large fixed cost base. Therefore, our profitability is dependent, in part, on our ability to spread fixed production costs over increasing product sales. If we are unable to generate sufficient production cost savings in the future to offset price reductions and any reduction in consumer demand for automobiles resulting in decreased sales, our gross margin and profitability will continue to be adversely affected. Generally, our customers require the reduction of selling prices of our products for each year during the respective lives of such product programs, generally five to seven years. Our ability to maintain or improve our profit margins is directly linked to our ability to offset these sales price reductions with reduced operating costs. For example, our gross profit in 2003 was reduced by $10.4 million as a result of annual price reductions to OEMs and cost economics, which were only partially offset by operating performance improvements in that period. During the nine months ended September 30, 2004, net selling price reductions reduced gross profit by $7.8 million in comparison to the comparable period of 2003. In addition, our customers often times require engineering, design or production changes. In some circumstances, we may not be able to pass the costs of these changes to our customers.

We are committed under certain existing agreements, some of which were assumed in connection with prior acquisitions, to supply product to our customers at selling prices that are not sufficient to cover the direct costs to produce those parts. We refer to these arrangements as loss contracts. We are obligated to supply these products for the life of the related vehicles, which is typically three to ten years. Accordingly, we recognize liabilities at the time these losses are probable and reasonably estimable at an amount equal to the minimum amount necessary to fulfill our obligations to our customers. The reserves established in connection with these recognized losses are reversed as the product is shipped to the customers. In the event price concessions are granted as a result of continued pressure from OEMs, we may be required to record OEM programs as a loss contract, which will adversely affect our net income and profitability.

Our ability to service our debt and meet our other obligations depends on certain factors beyond our control.

Our ability to service our debt and meet our other obligations as they come due is dependent on our future financial and operating performance. This performance is subject to various factors, including factors beyond our control such as changes in global and regional economic conditions, changes in the automotive industry, changes in interest or currency exchange rates and increases in prices of raw materials, such as steel, energy and other costs.

If our cash flow and capital resources are insufficient to enable us to service our debt and meet these obligations as they become due, we could be forced to:

- reduce or delay capital expenditures;
- sell assets or businesses;
- limit or discontinue, temporarily or permanently, business plans or operations;
- obtain additional debt or equity financing; or
- restructure or refinance debt.

For example, our recent sale of our stake in Yorozu was completed in part to provide liquidity. We cannot assure you as to the timing of such actions or the amount of proceeds that could be realized from such actions. Accordingly, we cannot assure you that we will be able to meet our debt service and other obligations as they become due or otherwise.

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We are subject to restrictive covenants under the new senior credit facility, the 12% senior notes and the 9.25% senior notes. These covenants could significantly affect the way in which we conduct our business. Our failure to comply with these covenants could lead to an acceleration of our debt.

The new senior credit facility and the 12% senior notes contain a number of covenants that significantly restrict our ability, among other things, to:

- incur additional indebtedness;
- issue preferred stock;
- pay dividends or make distributions in respect of our capital stock or make certain other restricted payments or investments;
- sell assets, including capital stock of certain subsidiaries;
- agree to payment restrictions affecting our certain subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into transactions with our affiliates;
- incur liens; and
- enter into new lines of businesses.

The 9.25% senior notes restrict our ability to incur liens and other encumbrances and engage in certain sale and lease-back transactions. The new senior credit facility also requires us to comply with specified financial covenants, including minimum interest coverage and maximum leverage ratios. Further, a significant portion of our assets are pledged to secure guarantees of the new senior credit facility by our domestic subsidiaries.

We are currently in compliance with the covenants contained in the new senior credit facility, the 12% senior notes and the 9.25% senior notes. However, our ability to continue to comply may be affected by events beyond our control. The breach of any of the covenants contained in the new senior credit facility, unless waived by the lenders, would be a default under the new senior credit facility. This would permit the lenders to terminate their commitments to extend credit under the new senior credit facility. This would have an immediate material adverse effect on our liquidity. In addition, our failure to comply with those financial covenants or to comply with the other restrictions contained in the new senior credit facility could result in an event of default which, if not cured or waived, could result in the acceleration of all our debts (by reason of the cross-acceleration provisions in the instruments governing such indebtedness). If we are unable to repay our debt to the lenders and holders of the 12% senior notes and the 9.25% senior notes or otherwise obtain a waiver from the lenders and holders, the lenders could proceed against the collateral securing the new senior credit facility, and the lenders and the holders of the 12% senior notes and the 9.25% senior notes could exercise all other rights available to them. We cannot assure you that we will have sufficient funds to make these accelerated payments or that we will be able to obtain any such waiver on acceptable terms or at all. Short of a default on our existing indebtedness, if we fail to comply with any of our financial covenants, our lenders and holders of the 12% senior notes and the 9.25% senior notes may be able to force us to accept amendments to the new senior credit facility and the indentures governing the senior notes that could make the terms of those debt instruments more onerous on us.

Cyclicality and seasonality in the automotive market could adversely affect our revenues, results of operations and cash flows.

The automotive market is highly cyclical and depends on general economic conditions and other factors, including consumer spending, preferences and the attractiveness of incentives offered by OEMs, if any. In addition, automotive production and sales can be affected by labor relations issues, regulatory requirements, trade agreements and other factors. Economic factors adversely affecting automotive

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production and consumer spending would adversely impact our revenues, results of operations and cash flows. The volume of automotive production in North America, Europe and rest of world has fluctuated, sometimes significantly from year-to-year, and such fluctuations give rise to fluctuations in demand for our products. In addition, because we have significant fixed production costs, relatively modest declines in our customers production levels can have a significant adverse impact on our profitability. Our gross margin has been negatively impacted in part over the last several years due to declines in North American production levels from prior periods.

Our business is somewhat seasonal. We typically experience decreased revenues and operating income during the third calendar quarter of each year due to the impact of scheduled OEM plant shutdowns in July and August for vacations and new model changeovers. In the last quarter of 2004, however, we expect higher revenues than experienced historically due to the launch of new programs in this period.

We are subject to certain risks associated with our foreign operations that could harm our revenues and profitability.

We have significant international operations, specifically in Europe, Asia and South America. Certain risks are inherent in international operations, including:

- difficulty in enforcing agreements and collecting receivables through certain foreign legal systems;
- foreign customers may have longer payment cycles than customers in the United States;
- tax rates in certain foreign countries may exceed those in the United States, and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;
- general economic and political conditions in countries where we operate may have an adverse effect on our operations in those countries;
- we may find it difficult to manage a large organization spread throughout various countries;
- we may find it difficult to comply with foreign laws and regulations; and
- unsettled political conditions and possible terrorist attacks against American interests may have an adverse effect on our foreign operations.

As we continue to expand our business globally, our success will depend, in part, on our ability to anticipate and effectively manage these and other risks. The occurrence of any of the foregoing risks could have a significant effect on our international operations and, as a result, our revenues and profitability.

Currency exchange rate fluctuations could have an adverse effect on our revenues and financial results.

We generate a significant portion of our revenues and incur a significant portion of our expenses in currencies other than U.S. dollars. To the extent that we are unable to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations in any such currency could have an adverse effect on our revenues and financial results. During times of a strengthening U.S. dollar, our reported sales and earnings from our international operations will be reduced because the applicable local currency will be translated into fewer U.S. dollars. The strengthening of the European and Asian currencies in relation to the U.S. dollar had a positive impact on our revenues and results of operations in 2003 and the first nine months of 2004, respectively.

Our business may be disrupted significantly by work stoppages and other labor matters.

Many OEMs and their suppliers have unionized work forces. Work stoppages or slow-downs experienced by OEMs or their suppliers could result in slow-downs or closures of assembly plants where our products are included in assembled vehicles. For example, we estimate that labor disruptions at Hyundai and Kia s production facilities in South Korea in 2003 had a negative impact of approximately

$12.9 million on our 2003 revenues. In the event that one or more of our customers experiences a material work stoppage, such a work stoppage could have a material adverse effect on our business.

In addition, approximately 7,300 of our colleagues are covered under collective bargaining agreements (representing approximately 58% of our colleagues as of September 30, 2004). We may encounter strikes, further unionization efforts or other types of conflicts with labor unions or our colleagues, any of which could have an adverse effect on our ability to produce our structural components and assemblies or may limit our flexibility in dealing with our workforce. On or about February 3, 2004, we entered into a neutrality agreement with the United Auto Workers Union (UAW) which covers six facilities. The neutrality agreement makes it easier for these facilities to become organized as it provides for expedited bargaining and requires that we take a neutral position in any organizing efforts by the UAW. We successfully renegotiated a collective bargaining agreement in June 2004, and another two were successfully negotiated in October 2004. Five collective bargaining agreements are expiring in 2005. We may be unable to negotiate new collective bargaining agreements without labor interruptions or on advantageous terms to us.

Our operating results may be adversely affected by the impact of environmental and safety regulations to which we are subject.

We are required to comply with foreign, federal, state and local laws and regulations governing the protection of the environment and occupational health and safety, including laws regulating the generation, storage, handling, use and transportation of hazardous materials; the emission and discharge of hazardous materials into soil, air or water; and the health and safety of our colleagues. We are also required to obtain and comply with environmental permits for certain operations. We cannot assure you that we are at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with the requirements, we could be fined or otherwise sanctioned by regulators. In some instances, such a fine or sanction could be material. In addition, these requirements may become more stringent over time and we cannot assure you that we will not incur material environmental costs or liabilities in the future.

We are also subject to laws imposing liability for the cleanup of contaminated property. Under these laws, we could be held liable for costs and damages relating to contamination at our past or present facilities and at third party sites to which these facilities sent waste containing hazardous substances. The amount of such liability could be material.

Our inability to compete effectively in the highly competitive automotive supply industry could result in the loss of customers, which would have an adverse effect on our revenues, operating results and cash flows.

The automotive component supply industry is highly competitive. Some of our competitors are companies, or divisions or subsidiaries of companies, that are larger and have greater financial and other resources than we do which could place us at a competitive disadvantage. In addition, with respect to certain of our products, we compete with divisions of our OEM customers. Quality, delivery and price, as well as technological innovation, are the primary elements of competition in our business. Our products may not be able to compete successfully with the products of these other companies, which could result in the loss of customers and, as a result, decreased revenues, profitability and cash flows.

We principally compete for new business both at the beginning of the development of new models and upon the redesign of existing models by our major customers. New model development generally begins two to five years prior to the marketing of such models to the public. The failure to obtain new business on new models or to retain or increase business on redesigned existing models could adversely affect our business, financial results and cash flows. In addition, as a result of the relatively long lead times required for many of our complex structural components, it may be difficult in the short-term for us to obtain new sales to replace any unexpected decline in the sale of existing products. We may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered.

We may incur material losses as a result of product liability and warranty and recall claims that may be brought against us.

Many of our products are critical to the structural integrity of a vehicle. We face an inherent business risk of exposure to product liability claims in the event that the failure of our products to perform to specifications results, or is alleged to result, in property damage, bodily injury and/or death. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend these claims. In addition, if any Tower-designed products are or are alleged to be defective, we may be required to participate in a recall involving those products. Each OEM has its own policy regarding product recalls and other product liability actions relating to its suppliers. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, OEMs are increasingly looking to their suppliers for contribution when faced with product recalls and product liability or warranty claims. We cannot assure you that the future costs associated with providing product warranties will not be material. A successful product liability claim brought against us in excess of available insurance coverage or a requirement to participate in any product recall may have a material adverse effect on our results of operations, financial condition and cash flows.

Our former independent public accountant, Arthur Andersen LLP, has ceased operations, and you may be unable to exercise effective remedies against it in any legal action.

Our former independent public accountant, Arthur Andersen LLP, provided us with auditing services for prior periods through December 31, 2001, including issuing an audit report with respect to our audited consolidated financial statements as of and for fiscal 2001 incorporated by reference into this prospectus. On June 15, 2002, a jury in Houston, Texas found Arthur Andersen LLP guilty of a Federal obstruction of justice charge arising from the Federal government s investigation of Enron Corp. On August 31, 2002, Arthur Andersen LLP ceased practicing before the SEC.

Arthur Andersen LLP has not reissued its audit report with respect to the audited consolidated financial statements included in, or incorporated by reference into, this prospectus covered by such report. Furthermore, Arthur Andersen LLP has not consented to the inclusion or incorporation by reference of its audit report in the registration statement of which this prospectus forms a part or in any other filings we may make with the SEC following this offering. As a result, you may not have an effective remedy against Arthur Andersen LLP in connection with a material misstatement or omission with respect to our audited consolidated financial statements that are included elsewhere in, or incorporated by reference into, this prospectus, the registration statement of which this prospectus forms a part or any other filing we may make with the SEC, including any claim under Sections 11 and 12 of the Securities Act. In addition, even if you were able to assert such a claim, as a result of its conviction and other lawsuits, Arthur Andersen LLP may fail or otherwise have insufficient assets to satisfy claims made by investors or by us that might arise under Federal securities laws or otherwise relate to any alleged material misstatement or omission with respect to our audited consolidated financial statements. In addition, in connection with any future capital markets transaction in which we are required to include or incorporate by reference financial statements that were audited by Arthur Andersen LLP, as a result of the foregoing, investors may elect not to participate in any such offering or, in the alternate, may require us to obtain a new audit with respect to previously audited financial statements. Consequently, our financing costs may increase or we may miss attractive capital market opportunities.

Risks relating to the debentures

The Issuer is the sole obligor of the debentures, and its subsidiaries do not guarantee the Issuer s obligations under the debentures and do not have any obligation with respect to the debentures. The debentures are structurally subordinated to all of the debt and liabilities of the Issuer s subsidiaries and are effectively subordinated to any of the Issuer s secured debt.

The Issuer has no operations of its own and derives all of its revenues and cash flow from its subsidiaries. The Issuer s subsidiaries are separate and distinct legal entities and have no obligation,

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contingent or otherwise, to pay amounts due under the debentures or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payments. The debentures are structurally subordinated to all debt and liabilities of the Issuer s subsidiaries, including R.J. Tower. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to the Issuer s subsidiaries, you will participate with all other holders of the Issuer s indebtedness in the assets remaining after the Issuer s subsidiaries have paid all of their debt and liabilities. In any of these cases, the Issuer s subsidiaries may not have sufficient funds to make payments to the Issuer, and you may receive less, ratably, than the holders of debt and other liabilities of the Issuer s subsidiaries.

As of September 30, 2004, there was $1,491.3 million of outstanding indebtedness of the Issuer and its subsidiaries, of which $1,110.9 was indebtedness of the Issuer s subsidiaries (excluding intercompany liabilities) to which the debentures are effectively subordinated. As of September 30, 2004, there was also outstanding $1,129.7 million of other liabilities of the Issuer and its subsidiaries, of which $1,127.2 million applies to the Issuer s subsidiaries, including $668.5 million of accounts payable (including trade payables) of the Issuer s subsidiaries (which amount excludes intercompany accounts payable to the Issuer or its subsidiaries) to which the debentures are also effectively subordinated. In addition, holders of the Issuer s secured debt have claims that are prior to your claims as holders of the debentures to the extent of the value of the assets securing that other debt. The Issuer guaranteed all of the obligations of R.J. Tower under the new senior credit facility and pledged all of its assets (consisting primarily of the capital stock of R.J. Tower) to secure its performance of such guarantee. If the Issuer becomes bankrupt or insolvent or is liquidated or if maturity of such debt obligations is accelerated, the lenders under the new senior credit facility will be entitled to exercise the remedies available to a secured party under applicable law and pursuant to the relevant agreements and instruments, including the ability to foreclose on and sell the assets securing such debt or obligations. If they exercise such remedies, it is possible that the Issuer s remaining assets could be insufficient to repay the debentures in full. See Description of Financing Plan and Ranking of the Debentures.

Our new senior credit facility includes a covenant that requires us to use commercially reasonable best efforts to complete the grant of collateral securing loans and other obligations with respect to that facility within certain specified periods. If we fail to use commercially reasonable best efforts, the interest rate with respect to our borrowings thereunder will be increased by 1% per quarter for each quarter we fail to comply, and we will be further restricted in our ability to, among other things, make investments, sell assets and incur additional debt.

The Issuer is a holding company and relies on the earnings and cash flow from operating or investing activities of its subsidiaries. The Issuer may not have sufficient assets or cash flows from its subsidiaries to fully repay the debentures and its other indebtedness.

The Issuer may not have access to the cash flow and other assets of its subsidiaries that may be needed to make payment on the debentures. The Issuer s operations are conducted through its subsidiaries, and its ability to make payment on the debentures is dependent on the earnings and the distribution of funds from its subsidiaries. However, none of its subsidiaries is obligated to make funds available to the Issuer for payment on the debentures. The Issuer s direct subsidiary, R.J. Tower, is restricted by the terms of its 12% senior notes from paying dividends to the Issuer, unless certain conditions are satisfied. Under the terms of the 12% senior notes indenture, R.J. Tower has the ability to pay dividends to the Issuer if there is a build-up under the restricted payments formula set forth in the 12% senior notes indenture and certain other conditions are met. As of November 30, 2004, R.J. Tower had a deficit of approximately $37.7 million under the restricted payment formula and would not have been able to pay any dividends to the Issuer. Notwithstanding this restriction, the 12% senior notes indenture permits R.J. Tower to make restricted payments to the Issuer in an aggregate amount of $25.0 million, whether or not the restricted payment formula or the conditions to its use are satisfied. As of November 30, 2004, R.J. Tower only had the current ability to pay an aggregate of $21.6 million in dividends to enable the Issuer to meet its obligations under the debentures. See Price Range of Common Stock and Dividend Policy Dividend policy and restrictions. Furthermore, some of R.J. Tower s foreign subsidiaries, which had indebtedness in

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the aggregate of $142.6 million as of September 30, 2004, are subject to financing arrangements that restrict them from paying dividends to R.J. Tower. These restrictions affect primarily our foreign subsidiaries, which have historically contributed significantly to our cash flows. For the nine months ended September 30, 2004, the results of our foreign subsidiaries represented 42.2% of our EBITDA and 77.9% of our operating income. See Price Range of Common Stock and Dividend Policy Dividend policy and restrictions.

The Issuer will require approximately $7.2 million annually from its subsidiaries to meet the Issuer s annual debt service obligations on the debentures. We borrowed the entire $50.0 million available under the new revolving credit facility at closing, and there is no availability thereunder to make payments on the debentures. Due to collateral sharing arrangements under the 9.25% senior notes, we do not anticipate using that facility as a true revolver in the near future. We cannot assure you that the agreements governing the current and future indebtedness of the Issuer s subsidiaries will permit the Issuer s subsidiaries to provide the Issuer with sufficient dividends, distributions or loans to fund scheduled interest and principal payments on these debentures when due. See Description of Certain Indebtedness. In the event such funds are not available to the Issuer, it would be required to raise additional equity capital or incur additional indebtedness to pay interest or to fulfill its obligations under the debentures. The Issuer may not be able to raise such additional equity capital or indebtedness on terms favorable to it, or at all.

The Issuer may incur additional indebtedness in the future. The indebtedness created by the offering of the debentures, and any future indebtedness, could adversely affect our business and the Issuer s ability to make full payment on the debentures and may restrict our operating flexibility.

At September 30, 2004, we had $1,491.3 million ($1,498.0 million after giving effect to unamortized bond discount on the 12% senior notes) of outstanding indebtedness. We used a portion of the proceeds from the offering of the debentures, together with a portion of the borrowings under the new senior credit facility, to repay outstanding indebtedness under the old senior credit facility. In the future, we may obtain additional long-term debt and working capital lines of credit to meet future financing needs, which would have the effect of increasing total leverage. The indentures governing the existing notes of R.J. Tower and the new senior credit facility permit us and/or our subsidiaries to incur additional indebtedness, including secured indebtedness, under certain circumstances. The Issuer is not restricted under the terms of the indenture governing the debentures from incurring additional debt, including secured debt, or repurchasing our securities. In addition, the limited covenants applicable to the debentures do not require the Issuer to achieve or maintain any minimum financial results relating to its financial position or results of operations. The Issuer s ability to incur additional debt and take a number of other actions that are not limited by the terms of the indenture could have the effect of diminishing its ability to make payments on the debentures when due.

The conditional conversion feature of the debentures could result in you receiving less than the value of the common stock into which a debenture is convertible.

The debentures are convertible into shares of our common stock only if specified conditions are met. If these conditions are not met, you will not be able to convert your debentures, and you may not be able to receive the value of our common stock into which the debentures would otherwise be convertible.

If you hold debentures, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock.

If you hold debentures, you will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), but you will be subject to all changes affecting our common stock. You will have the rights with respect to our common stock only if and when we deliver shares of our common stock to you upon conversion of your debentures and, in limited cases, under the conversion rate adjustments applicable to the debentures. For example, in the event that an amendment is proposed to the Issuer s amended and restated certificate of incorporation or amended and restated by-laws requiring stockholder approval and

the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the delivery of shares of our common stock to you, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

We have made only limited covenants in the indenture, which may not protect your investment if we experience significant adverse changes in our financial condition, results of operations and cash flows.

The indenture governing the debentures does not:

- require the Issuer to maintain any financial ratios or specified levels of net worth, revenues, income, cash flow or liquidity and, therefore, does not protect holders of the debentures in the event that the Issuer experiences significant adverse changes in its financial condition, results of operations and cash flows;
- limit the Issuer s ability or the ability of any of its subsidiaries to incur additional indebtedness, including indebtedness that is equal in right of payment to the debentures;
- restrict the Issuer s ability to pledge its assets or those of its subsidiaries;
- restrict the Issuer s ability to pay dividends or make other payments in respect of common stock or other securities ranking junior to the debentures or make investments; or
- restrict the Issuer s ability to issue new securities.

Such events may, however, result in an adjustment to the conversion rate as described under Description of Debentures Conversion rate adjustments. The indenture contains no covenants or other provisions to afford you protection in the event of a highly leveraged transaction, such as a leveraged recapitalization, that would increase the level of the Issuer s indebtedness, or a change in control except as described under Description of Debentures Repurchase of debentures by us at the option of the holder upon a fundamental change.

Changes in the Issuer s credit ratings or the financial and credit markets could adversely affect the market price of the debentures.

We expect that the market price of the debentures will be based on a number of factors, including:

- the Issuer s ratings with major credit rating agencies;
- the prevailing interest rates being paid by companies similar to us; and
- the overall condition of the financial and credit markets.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price of the debentures. In addition, credit rating agencies continually revise their ratings for companies that they follow, including the Issuer. We cannot assure you that credit rating agencies will rate the debentures, or if they do rate the debentures, that they will maintain their ratings on the debentures. A negative change in the Issuer s rating could have an adverse effect on the market price of the debentures.

We expect that the trading value of the debentures will be significantly affected by the market price of our common stock and other factors, and our stock price may be volatile due to the nature of our business as well as the nature of the securities markets, which could affect the value of your investment.

The trading value of the debentures is expected to be affected significantly by the market price of our common stock. This may result in greater volatility in the trading value of the debentures than there would be for nonconvertible debt securities we issue. The market price of our common stock has been volatile in the past and is likely to continue to be volatile and could be subject to wide fluctuations and could decline substantially.

Many factors may cause the market price for our common stock to decline or fluctuate, perhaps substantially, following this offering, including:

quarterly fluctuations in our results of operations;

failure of net sales, results of operations or cash flows from operations to meet the expectations of securities analysts or investors;

downward revisions in revenues, earnings or cash flow estimates of securities analysts;

downward revisions or announcements that indicate possible downward revisions in the Issuer s credit ratings by credit ratings agencies;

technological innovations or strategic actions by our competitors;

failure to meet product development and commercialization goals;

speculation in the press or investor perception concerning our industry or our prospects;

changes in general economic conditions; and

changes in general capital market conditions.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of our common stock.

In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. We could be involved in a securities class action litigation in the future. Such litigation could result in substantial costs and a diversion of management s attention and resources.

Adjustments to the conversion rate on the debentures may result in a taxable distribution to you.

The conversion ratio of the debentures will be adjusted if we distribute cash with respect to shares of our common stock and in certain other circumstances. Under Section 305(c) of the Internal Revenue Code, an increase in the conversion ratio as a result of our distribution of cash to common stockholders generally will result in a deemed distribution to you. Other adjustments in the conversion ratio (or failures to make such adjustments) that have the effect of increasing your proportionate interest in our assets or earnings may have the same result. Any deemed distribution to you will be taxable as a dividend to the extent of our current or accumulated earnings and profits. See Material United States Federal and Estate Income Tax Consequences.

We may not have the ability to raise the funds necessary to repurchase the debentures upon a fundamental change or on any other repurchase date, as required by the indenture governing the debentures.

On May 15, 2011, May 15, 2014 and May 15, 2019, or following a fundamental change as described under Description of Debentures Repurchase of debentures by us at the option of the holder upon a fundamental change, holders of debentures may require us to repurchase their debentures. A fundamental change may also constitute an event of default under, and result in the acceleration of the maturity of, our then existing indebtedness. We cannot assure you that we will have sufficient financial resources or that we will be able to arrange financing to pay the repurchase price in cash with respect to any debentures tendered by holders for repurchase on any of these dates or upon a fundamental change.

In addition, restrictions in our then existing credit facilities or other indebtedness may not allow us to repurchase the debentures. Our failure to repurchase the debentures when required would result in an event of default with respect to the debentures. Such an event of default could negatively affect the trading price of the debentures and our common stock because the event of default could lead to the principal and accrued and unpaid interest on the outstanding debentures becoming immediately due and payable.

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The value of the conversion right associated with the debentures may be substantially lessened or eliminated if the Issuer is party to a merger, consolidation or other similar transaction.

If the Issuer is party to a merger, consolidation or binding share exchange or transfer or lease of all or substantially all of our assets pursuant to which our common stock is converted into, or into the right to receive, cash, securities or other property, at the effective time of the transaction, the right to convert a debenture into our common stock will be changed into a right to convert it into the kind and amount of cash, securities or other property which the holder would have received if the holder had converted its debenture immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the debentures in the future. For example, if the Issuer was acquired in a cash merger, each debenture would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on our future prospects and other factors.

We cannot assure you that an active trading market will develop or continue for the debentures.

Prior to our private offering of the debentures, there was no trading market for the debentures. The debentures initially issued in the private offering have been eligible for trading in the PORTAL market. However, the debentures offered hereby will no longer be eligible for trading in the PORTAL market. We do not intend to list the debentures offered hereby for trading on any national securities exchange or for quotation through any automated quotation system.

The initial purchasers have informed us that they intend to make a market in the debentures. The initial purchasers are, however, not obligated to make a market in the debentures, and they may discontinue any market-making activities with respect to the debentures at any time without notice. In addition, such market-making activities will be subject to the limits imposed by the Securities Act and the Exchange Act.

As a result, we cannot assure you that an active trading market will develop or continue for the debentures. If a market does develop and continue, the price of the debentures may fluctuate and liquidity may be limited. If a market for the debentures does not develop or continue, you may be unable to resell the debentures for an extended period of time, if at all.

Moreover, even if you are able to sell your debentures, we cannot assure you as to the price at which any sales will be made. Future trading prices of the debentures will depend on many factors, including, among other things, prevailing interest rates, our operating results, the price of our common stock and the market for similar securities. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the debentures will be subject to disruptions which may have a negative effect on the holders of the debentures, regardless of our prospects or financial performance.

A new accounting standard pertaining to the effect of contingently convertible debt on diluted earnings per share may have an adverse impact on our diluted earnings per share.

In September 2004, the Emerging Issues Task Force (EITF) of the Financial Accounting Standards Board reached a consensus in relation to EITF No. 04-8, The Effect of Contingently Convertible Instruments on Diluted Earnings Per Share, which, upon our adoption commencing in the fourth quarter of 2004, will potentially require us to include the conversion effects of the debentures in our diluted earnings per share calculations, thereby decreasing diluted earnings per share.

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Upon conversion of the debentures, we may pay cash in lieu of issuing shares of our common stock or a combination of cash and shares of our common stock. Therefore, holders of the debentures may receive no shares of our common stock or fewer shares than the number into which their debentures are convertible.

We have the right to satisfy our conversion obligation to holders by issuing shares of common stock, by paying the cash value of the common stock into which the debentures are convertible or by a combination thereof. Accordingly, upon conversion of all or a portion of the debentures, holders may not receive any shares of our common stock, or they might receive fewer shares of common stock relative to the conversion value of the debentures. Further, our liquidity may be reduced to the extent that we choose to deliver cash rather than shares of common stock upon the conversion of the debentures.

If we elect to settle upon conversion in cash or a combination of cash and common stock, there will be a delay in settlement.

Upon conversion, if we elect to settle in cash or a combination of cash and our common stock, there will be a significant delay in settlement. In addition, because the amount of cash or common stock that a holder will receive in these circumstances will be based on the sales price of our common stock for an extended period between the conversion date and the settlement date, holders will bear the market risk with respect to the value of the common stock for such extended period. See Description of Debentures Conversion rights.

Under U.S. federal and state fraudulent transfer or conveyance statutes, a court could void the obligations of the Issuer or take other actions detrimental to holders of the debentures.

Under U.S. federal or state fraudulent transfer or conveyance laws, a court could take actions detrimental to a holder of debentures if it found that, at the time the debentures were issued:

- The Issuer issued the debentures with the intent of hindering, delaying or defrauding current or future creditors; or
- The Issuer received less than fair consideration or reasonably equivalent value for incurring the debt represented by the debentures; and

  (i) was insolvent or rendered insolvent by issuing the debentures;

  (ii) was engaged, or about to engage, in a business or transaction for which its remaining assets would constitute unreasonably small capital to carry on its business; or

  (iii) intended to incur, believed that it would incur or did incur, debt beyond its ability to pay.

If a court made such a finding, it could:

- void all or part of the Issuer s obligations to the holders of the debentures and direct the repayment of any amounts thereunder to the Issuer s other creditors;
- subordinate the Issuer s other debt; or
- take other actions detrimental to the holders of the debentures.

If this were to occur, we cannot assure you that the Issuer could pay amounts due on the debentures.

We cannot predict what standard a court would apply in order to determine whether the Issuer was insolvent as of the date on which the Issuer issued the debentures, or that, regardless of the method of valuation, a court would determine that the Issuer was not insolvent on that date, or whether a court would determine that any payments constituted fraudulent transfers or conveyances on other grounds.

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We will be required to repay the new senior credit facility and offer to repurchase the senior notes and the debentures upon a change in control. We may not have sufficient funds to do so.

The occurrence of certain events could constitute a change in control of the Issuer for purposes of the new senior credit facility or the senior notes, or both of them. Such events would constitute an event of default under the new senior credit facility, which could require us to repay the new senior credit facility, and would require us to offer to repurchase the outstanding senior notes at a repurchase price equal to 101% of the principal amount, plus accrued and unpaid interest. The occurrence of a fundamental change (including a change of control) involving the Issuer would require us to offer to repurchase the outstanding debentures at a repurchase price equal to 100% of principal amount, plus accrued and unpaid interest. We cannot assure you that we would have sufficient funds to make such repayment and to pay such repurchase price, and we expect that we would require third party financing to do so. We cannot assure you that we would be able to obtain this financing on favorable terms or at all. If we fail to make such repayment or such repurchases as required, this would constitute a default under the new senior credit facility, the senior notes or the debentures, as the case may be. In such event, we could experience the material adverse consequences described, and be forced to take the unfavorable actions referenced in the risk factor relating to restrictive covenants under the new senior credit facility and senior notes on page 21.

Risks relating to our common stock

There are provisions in some of our important documents that could have the effect of preventing a change in control.

The Issuer s amended and restated certificate of incorporation and amended and restated by-laws contain provisions concerning voting, issuance of preferred stock, removal of officers and other matters that may have the effect of discouraging, delaying or preventing a change in control of the Issuer. See Description of Capital Stock Anti-takeover effects of our certificate of incorporation and bylaws. Stockholders who might desire to participate in such a transaction or benefit from such a change may not have the opportunity to do so. In addition, these provisions could adversely impact the price that investors might be willing to pay in the future for our common stock. Further, the new senior credit facility and the 12% senior notes restrict certain events that would constitute a change of control and provide that certain events which would constitute a change in control would also constitute an event of default.

Future sales of our common stock in the public market or the issuance of securities senior to our common stock could adversely affect the trading price of our common stock and the value of the debentures and our ability to raise funds in new stock offerings.

At October 31, 2004, 58,480,908 shares of our common stock were outstanding, excluding:

- 2,578,965 shares issuable upon exercise of options outstanding under our equity incentive plans, at a weighted average exercise price of $10.80;
- 8,424,908 shares issuable upon conversion of our 6 3/4% Trust Convertible Preferred Securities at a conversion price of $30.713;
- 384,089 shares issuable under our Colleague Stock Discount Purchase Plan; and
- 28,875,025 shares of common stock issuable upon conversion of the debentures at the initial conversion price.

At October 31, 2004, 3,450,823 shares were available for future awards under our equity incentive plans. Since October 31, 2004, we have not issued any options or any shares except upon exercise of previously outstanding options.

All of the outstanding shares of our common stock, any shares of our common stock issued under our equity incentive and employee benefit plans, any shares issued upon the conversion of the Trust Preferred Securities and, following the effectiveness of the registration statement of which this prospectus is a part

(except to the extent that use thereof is suspended as described under Description of Debentures Registration rights and, if such registration statement is not then effective or use thereof has been suspended, to the extent that the exemption from registration afforded by Rule 144 under the Securities Act is available), the shares of our common stock to be issued upon conversion or repurchase of the debentures will be freely transferable by persons other than our affiliates. The outstanding shares of our common stock held by, and any shares of our common stock issued under our equity incentive and employee benefit plans to, our affiliates are restricted securities and may not be sold other than pursuant to an effective registration statement or Rule 144 or another exemption from registration under the Securities Act.

We have granted and intend to grant options to employees and directors annually in the ordinary course. We have filed and intend, consistent with past practice, to file with the SEC registration statements relating to the issuance of shares of common stock under our equity incentive and employee benefit plans and the resale of shares of our common stock held by our directors and executive officers.

No prediction can be made as to the effect, if any, that future sales of shares of our common stock or the availability of shares for future sales (in each case, including shares issued or issuable upon conversion or repurchase of the debentures) will have on the market price of our common stock prevailing from time to time. Sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and the value of the debentures and could impair our ability to raise capital through future offerings of equity or equity-related securities. No prediction can be made as to the effect, if any, that future sales of shares of common stock or the availability of shares of common stock for future sale, will have on the trading price of our common stock or the value of the debentures. The price of our common stock could be affected by possible sales of our common stock by investors who view the debentures as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that may develop involving our common stock. The hedging or arbitrage could, in turn, affect the trading price of the debentures.

Conversion or repurchase of debentures into or with our common stock will dilute the ownership interests of other stockholders. In addition, to the extent that outstanding options to purchase shares of our common stock are exercised, there will be further dilution.

Our ability to pay cash dividends and repurchase our common stock is restricted.

The new senior credit facility and the 12% senior notes substantially restrict the payment of cash dividends and repurchase of shares of our common stock by us. See Price Range of Common Stock and Dividend Policy Dividend policy and restrictions.

FORWARD LOOKING STATEMENTS

This prospectus contains forward looking statements that are subject to risks and uncertainties. You should not place undue reliance on those statements because they only speak as of the date of this prospectus. Forward looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as believe, expect, anticipate, intend, plan, estimate or similar expressions. These statements are based on assumptions that we have made in of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions. Although we believe that these forward looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward looking statements. These factors include:

- the degree to which we are leveraged;
- additional restructuring or asset impairment charges;

- unexpected capital expenditures or new program launch costs, which could negatively affect our liquidity position;
- increased costs of raw materials, particularly steel;
- our reliance on major customers and selected models;
- the cyclicality and seasonality of the automotive market;
- the failure to realize the benefits of recent acquisitions and joint ventures;
- obtaining new business on new and redesigned models;
- the ability to achieve the anticipated volume of production from new program awards;
- general economic or business conditions affecting the automotive industry (which is dependent on consumer spending), either nationally or regionally, being less favorable than expected;
- our failure to develop or successfully introduce new products;
- increased competition in the automotive components supply market;
- unforeseen problems associated with international sales, including gains and losses from foreign currency exchange;
- implementation of or changes in the laws, regulations or policies governing the automotive industry that could negatively affect the automotive components supply industry;
- changes in general economic conditions in the United States and other parts of the world in which we conduct business; and
- various other factors beyond our control.

We have included and incorporated by reference in this prospectus projections relating to gross and net revenues expected from our product launch schedule. We cannot assure you that we will attain the revenues projected as many factors, such as car build and the decline or loss of other programs, will impact the level of revenues we actually generate. For example, see Summary Recent developments Relocation of Dodge Ram frame assembly to Metalsa joint venture.

Occurrence of any of the events or circumstances described above could also have a material adverse effect on our business, financial condition, results of operations or cash flows.

All future written and oral forward looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any obligation or intention to release publicly any revisions to any forward looking statements to reflect events or circumstances in the future or to reflect the occurrence of unanticipated events.

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USE OF PROCEEDS

We will not receive any proceeds from the sale by the selling securityholders of the debentures or shares of our common stock issued upon conversion thereof offered hereby.

Our net proceeds from the offering of the debentures in May 2004, after deducting fees and discounts payable by us, were approximately $120.9 million. We used the net proceeds of the offering, together with a portion of the borrowings under the new senior credit facility, to repay outstanding indebtedness under our old senior credit facility in the amount of $239.5 million and for general corporate purposes, including capital expenditures and launch costs to support our new program launch activity. We used a portion of the borrowings under the new senior credit facility to redeem the $200.0 million of 5% convertible subordinated notes due August 1, 2004 at a redemption price of 100.714% of the aggregate principal amount plus accrued and unpaid interest through the redemption date.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges on a historical basis for each of the periods presented:

	Year Ended December 31,					Nine Months Ended September 30,
	1999	**2000**	**2001**	**2002**	**2003**	**2004**
Ratio of earnings to fixed charges(1)	3.3x					0.7x

(1) Calculated by dividing earnings by total fixed charges. Earnings consist of net income plus income taxes and fixed charges excluding capitalized interest and minority interest less undistributed earnings of less than 50%-owned affiliates. Fixed charges consist of interest expense, whether expensed or capitalized, amortization of debt expense and a portion of rental expense that can be demonstrated to be representative of the interest factor in the particular case. Earnings were inadequate to cover fixed charges by $23.3 million, $376.4 million, $1.6 million and $168.5 million, respectively, for the years ended December 31, 2000, 2001, 2002 and 2003.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is traded on the NYSE under the symbol TWR. The following table sets forth, for the periods indicated, the high and low closing sale prices for the common stock on the NYSE.

	Low	High
2002		
First quarter	$ 8.19	$14.00
Second quarter	10.85	15.21
Third quarter	6.15	13.00
Fourth quarter	4.25	7.13
2003		
First quarter	$ 2.10	$ 4.72
Second quarter	2.37	3.93
Third quarter	3.61	5.37
Fourth quarter	3.29	7.11
2004		
First quarter	$ 4.35	$ 7.53
Second quarter	3.33	5.83
Third quarter	2.08	3.72
Fourth quarter (through December 13, 2004)	1.20	2.40

The last reported sale price of the common stock on the NYSE as of a recent date is set forth on the cover page of this prospectus. As of October 31, 2004, there were 2,673 holders of record of our outstanding common stock.

Dividend policy and restrictions

Since our formation in April 1993, we have never paid any cash dividends. It is the current policy of our board of directors to retain earnings to fund operations and repay debt. Any declaration and payment of cash dividends or repurchases of common stock will be subject to the discretion of our board of directors and will be dependent upon our financial condition, results of operations, cash requirements and future prospects, the limitations contained in our new senior credit facility and our 12% senior notes and other factors deemed relevant by our board of directors. We have no current intention of paying any cash dividends in the foreseeable future.

The Issuer is a holding company that derives substantially all of its cash flow from R.J. Tower, which itself is a holding company with no operations or assets other than the capital stock of its subsidiaries. Substantially all of the Issuer s ability to pay dividends or repurchase common stock from earnings or cash flow from operating or investing activities is dependent upon the earnings and cash flow from operating or investing activities of R.J. Tower s subsidiaries and the distribution of those earnings and cash flows to the Issuer.

Under the new senior credit facility, our subsidiaries are restricted in their ability to dividend, loan or otherwise distribute assets, properties, cash, rights, obligations or securities to the Issuer. These restrictions are subject to a number of exceptions, including, but not limited to, the ability of the subsidiaries to:

(i) declare and pay dividends to the Issuer to be used to pay taxes and other expenses (not relating to interest, bank fees or other payments on indebtedness) of the Issuer and the subsidiaries on a consolidated basis; and

(ii) declare and pay dividends to the Issuer to enable the Issuer to make regularly scheduled interest payments or the payment of principal at maturity of certain unsecured indebtedness issued by the Issuer (including the debentures and the 6 3/4% Convertible Subordinated Debentures).

Under the indenture governing the 12% senior notes, R.J. Tower is restricted from paying dividends or making other distributions to the Issuer unless certain conditions are satisfied. Specifically, R.J. Tower is only permitted to pay dividends and make other distributions to the Issuer if: (i) no default has occurred and is

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continuing (or would result therefrom) under the 12% senior notes indenture, (ii) the consolidated fixed charge coverage ratio of R.J. Tower and its restricted subsidiaries (as such terms are defined in the 12% senior notes indenture) is at least 2.25 to 1 after giving effect to such dividend or distribution and (iii) the cumulative amount of such dividend or distribution and all other restricted payments (as defined in the 12% senior notes indenture) declared or made subsequent to June 6, 2003 does not exceed the sum of:

50% of consolidated net income of R.J. Tower and its restricted subsidiaries since April 1, 2003 (or, in the event such consolidated net income is a deficit, minus 100% of such deficit);

100% of the aggregate net proceeds received by R.J. Tower from the issue or sale of capital stock or net proceeds from capital contributions subsequent to June 6, 2003;

the amount by which indebtedness of R.J. Tower or its restricted subsidiaries is reduced by the conversion or exchange subsequent to June 6, 2003 of any indebtedness convertible or exchangeable for capital stock of R.J. Tower; and

the amount equal to net reduction in restricted investments made after June 2, 2003.

As of November 30, 2004, R.J. Tower had a deficit of approximately $37.7 million under the restricted payment formula outlined above, a consolidated fixed charge coverage ratio below 2.25 to 1 and would not be able to pay any dividends to the Issuer.

Notwithstanding this restriction, the 12% senior notes indenture permits R.J. Tower to make restricted payments in an aggregate amount of $25.0 million, whether or not the foregoing formula or the conditions to its use are satisfied. As of November 30, 2004, R.J. Tower had $21.6 million available to make restricted payments, including dividends and other distributions, to the Issuer.

In addition, whether or not the foregoing formula or conditions are satisfied, R.J. Tower is permitted to make cash dividends or loans to the Issuer in amounts equal to, in each case:

amounts required for the Issuer to pay franchise taxes and federal, state, local and foreign income taxes to the extent such income taxes are directly attributable to the income of R.J. Tower and its restricted subsidiaries (and, to the extent of amounts actually received from its unrestricted subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such unrestricted subsidiaries);

the amounts required for the Issuer to pay franchise taxes and other fees required to maintain its legal existence; and

an amount not to exceed $5.0 million in any fiscal year to permit the Issuer to pay its corporate overhead and operating expenses incurred in the ordinary course of business, and to pay salaries or other compensation of employees who perform services for both the Issuer and R.J. Tower.

So long as no default or event of default has occurred and is continuing under the indenture governing the 12% senior notes, R.J. Tower is also permitted to pay dividends to the Issuer to pay accrued interest with respect to the Issuer s 6 3/4% convertible subordinated debentures due June 18, 2018, whether or not the foregoing formula or conditions are satisfied.

Certain foreign subsidiaries of R.J. Tower are also subject to restrictions on their ability to dividend or otherwise distribute cash to R.J. Tower because they are subject to financing arrangements that restrict them from paying dividends. See Risk Factors The Issuer is a holding company and relies on the earnings and cash flow from operating or investing activities of its subsidiaries. The Issuer may not have sufficient assets or cash flows from its subsidiaries to fully repay the debentures or its other indebtedness.

The indenture governing the debentures does not contain any restrictions on the payment of dividends on common stock or repurchase of common stock. Such events may, however, result in an adjustment to the conversion rate as described under Description of Debentures Conversion rate adjustments.

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SELLING SECURITYHOLDERS

We originally issued the debentures in May 2004 in a private offering pursuant to Section 4(2) of the Securities Act. The debentures were immediately resold by the initial purchasers in transactions exempt from registration under Rule 144A under the Securities Act. The selling securityholders consist of transferees who purchased the debentures from the initial purchasers, and their subsequent transferees, pledgees, donees and successors. The selling securityholders may from time to time offer and sell debentures and shares of common stock issued upon conversion thereof pursuant to this prospectus or an applicable prospectus supplement.

The following table sets forth, as of December 13, 2004, certain information concerning the principal amount of debentures and number of shares of our common stock beneficially owned by the selling securityholders as well as the principal amount of debentures and number of shares of our common stock issuable on conversion thereof which may be offered from time to time under this prospectus by the selling securityholders. We prepared this table based solely on information provided to us by the selling securityholders, and we have not independently verified such information. Information concerning the selling securityholders may change from time to time. We will from time to time file prospectus supplements or amendments to the registration statement to change or update information regarding the selling securityholders and to include additional selling securityholders as required by the registration rights agreement.

Except as set forth below, none of the selling securityholders has held any position or office or has had any material relationship with us within the past three years.

	Securities Beneficially Owned and Offered Hereby(a)(b)		Percentage of Outstanding Securities	
Name	Principal Amount of Debentures(c)	Shares of Common Stock(d)	Principal Amount of Debentures(e)	Shares of Common Stock(f)
Amaranth LLC(g)(h)	9,500,000	2,194,502	7.6%	3.6%
Argent Classic Convertible Arbitrage Fund II, L.P.(i)	360,000	83,160	*	*
Argent Classic Convertible Arbitrage Fund, L.P.(i)	1,890,000	436,590	1.5%	*
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.(j)	8,650,000	1,998,152	6.9%	3.3%
Axis RDD Limited	175,000	40,425	*	*
Basso Multi-Strategy Holding Fund Ltd.(k)	2,250,000	519,750	1.8%	*
BNP Paribas Equity Strategies, SNC (g)(l)	611,000	141,141	*	*
Century National Insurance Company	500,000	115,500	*	*
Citigroup Global Markets Inc.(m)(n)	1,900,000	438,900	1.5%	*
Citigroup Global Markets Ltd(g)(n)	15,500,000	3,580,503	12.4%	5.8%
Context Convertible Arbitrage Fund, LP(o)	600,000	138,600	*	*
Context Convertible Arbitrage Offshore Ltd(o)	1,400,000	323,400	1.1%	*
CooperNeff Convertible Strategies (Cayman) Master Fund, LP(p)	505,000	116,655	*	*
Distressed Recovery Fund LP	90,000	20,790	*	*
DKR SoundShore Opportunity Holding Fund Ltd.(q)	375,000	86,625	*	*
DKR SoundShore Strategic Holding Fund Ltd.(q)	375,000	86,625	*	*
Fidelity Puritan Trust: Fidelity Balanced Fund(g)(r)	1,000,000	231,000	*	*

Name	Securities Beneficially Owned and Offered Hereby(a)(b)		Percentage of Outstanding Securities	
	Principal Amount of Debentures(c)	Shares of Common Stock(d)	Principal Amount of Debentures(e)	Shares of Common Stock(f)
Global Bermuda Limited Partnership(s)	1,800,000	415,800	1.4%	*
Hamilton Multi-Strategy Master Fund, LP(t)	2,572,000	594,133	2.1%	1.0%
HFR Performance Master Trust	207,000	47,817	*	*
Highbridge International LLC(g)(u)	5,000,000	1,155,001	4.0%	1.9%
Hourglass Master Fund, Ltd.	4,675,000	1,079,926	3.7%	1.8%
JMG Capital Partners, LP(v)	1,500,000	346,500	1.2%	*
JMG Triton Offshore Fund, Ltd.(w)	1,500,000	346,500	1.2%	*
J.P. Morgan Securities Inc.(m)(x)	650,000	150,150	*	*
Lakeshore International, Ltd.(s)	7,700,000	1,778,702	6.2%	3.0%
LDG Limited(y)	70,000	16,170	*	*
Lexington Vantage Fund c/o TQA Investors, LLC(y)	13,000	3,003	*	*
Lyxor/Convertible Arbitrage Fund Limited(l)	99,000	22,869	*	*
Lyxor/Mellon Rediscovered Opportunities Fund Ltd.(z)	288,000	66,528	*	*
Lyxor/PRS Convertible Fund Limited	75,000	17,325	*	*
Man Mac 2 Limited	2,428,000	560,868	1.9%	*
Mellon HBV Master Convertible Arbitrage Fund LP(g)(aa)	1,328,000	306,768	1.1%	*
Mellon HBV Master Leveraged Multi-Strategy Fund LP(g)(aa)	295,000	68,145	*	*
Mellon HBV Master Multi-Strategy Fund LP(g)(aa)	1,674,000	386,694	1.3%	*
Mellon HBV Master Rediscovered Opportunities Fund LP(g)(aa)	1,118,000	258,258	*	*
Morgan Stanley Convertible Securities Trust(g)	2,000,000	462,000	1.6%	*
Morgan Stanley & Co. Incorporated(m)(bb)	15,775,000	3,644,028	12.6%	5.9%
MSS Convertible Arbitrage 1 c/o TQA Investors, LLC(y)	4,000	924	*	*
The Northwestern Mutual Life Insurance Company General Account(g)(cc)	10,000,000	2,310,002	8.0%	3.8%
The Northwestern Mutual Life Insurance Company Group Annuity Separate Account(g)(cc)	1,000,000	231,000	*	*
PRS Convertible Arbitrage Master Fund LP(dd)	125,000	28,875	*	*
PRS Convertible Arbitrage Master Fund II L.P.(dd)	250,000	57,750	*	*
Ritchie Beech Trading, Ltd.	825,000	190,575	*	*
Sagamore Hill Hub Fund, Ltd.(ee)	15,000,000	3,465,003	12.0%	5.6%
San Diego County Employee Retirement Association(ff)	630,000	145,530	*	*
Singlehedge US Convertible Arbitrage Fund (l)	159,000	36,729	*	*
Sphinx Fund c/o TQA Investors, LLC(y)	80,000	18,480	*	*

Name	Securities Beneficially Owned and Offered Hereby(a)(b)		Percentage of Outstanding Securities	
	Principal Amount of Debentures(c)	Shares of Common Stock(d)	Principal Amount of Debentures(e)	Shares of Common Stock(f)
Sturgeon Limited(gg)	126,000	29,106	*	*
TQA Master Fund, Ltd.(y)	608,000	140,448	*	*
TQA Master Plus Fund Ltd.(y)	1,018,000	235,158	*	*
TQA Special Opportunities Master Fund Ltd.(y)	2,000,000	462,000	1.6%	*
UBS O Connor LLC f/b/o O Connor Global Convertible Arbitrage Master Ltd.(hh)	1,500,000	346,500	1.2%	*
Van Kampen Harbor Fund(m)(ii)	3,000,000	693,001	2.4%	1.2%
Vicis Capital Master Fund(jj)	750,000	173,250	*	*
Victus Capital, LP(g)(kk)	750,000	173,250	*	*
Wachovia Capital Markets LLC(m)	500,000	115,500	*	*
Xavex Convertible Arbitrage 8 Fund	50,000	11,550	*	*
Xavex Convertible Arbitrage 10 Fund(ll)	800,000	184,800	*	*
Xavex-Convertible Arbitrage 7 Fund c/o TQA Investors, LLC(x)	226,000	52,206	*	*
Zazove Convertible Securities Fund, Inc.(ff)	1,000,000	231,000	*	*
Zurich Institutional Benchmarks Master Fund Ltd. c/o TQA Investors, LLC(x)	122,000	28,182	*	*

* Less than 1%.

(a) Since the selling securityholders may offer all or some of their debentures or shares of our common stock issued upon conversion thereof pursuant to this prospectus, we have assumed for purposes of this table that the selling securityholders will sell all of their debentures and shares of our common stock issued upon conversion thereof pursuant to this prospectus.

(b) Except as set forth below, each selling stockholder has informed us that it does not beneficially own any debentures or shares of our common stock other than those represented in this table. We have assumed, for purposes of this table, that transferees, pledges, donees or successors of each such holder will not beneficially own any debentures or shares of our common stock other than those represented in this table.

(c) The total amount set forth in this column currently exceeds $125,000,000 because the selling securityholders listed in the above table may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their debentures since the date on which the information in the above table was provided to us. Information about the selling securityholders may change over time. We prepared this table based on the information supplied to us by the selling securityholders named in the table, and we have not sought to verify such information.

(d) Assumes conversion of all of the selling securityholder s debentures at an initial conversion rate of 231.0002 shares of our common stock per $1,000 principal amount of debentures. This conversion rate is subject to adjustment as described under Description of Debentures Conversion rate adjustments. As a result, the number of shares of our common stock issuable upon conversion may increase or decrease in the future. Fractional shares will not be issued upon conversion. Payment of cash will be made instead of issuance of fractional shares, if any.

(e) Based on $125,000,000 aggregate principal amount of debentures outstanding as of December 13, 2004.

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(f) Based on 58,480,908 shares of our common stock outstanding as of November 30, 2004. In calculating this percentage for a particular holder, we treated as outstanding the number of shares of our common stock issuable upon conversion of that particular holder s debentures and did not assume conversion of any other holder s debentures.

(g) This selling securityholder has informed us that it is affiliated with a broker-dealer.

(h) Amaranth Advisors, L.L.C., the Trading Advisor for Amaranth LLC, exercises voting and dispositive power over the securities held by Amaranth LLC.

(i) Argent Management Company, LLC is the general partner of Argent Classic Convertible Arbitrage Fund, L.P. and Argent Classic Convertible Arbitrage Fund II, L.P. Nathanial Brown and Robert Richardson have dispositive power over the debentures held by such funds.

(j) Argent Financial Group (Bermuda), Ltd. controls Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd. Henry J. Cox has dispositive power over the debentures held by such fund.

(k) Basso Asset Management, L.P. (Basso) is the Investment Manager to Basso Multi-Strategy Holding Fund Ltd. Howard Fischer is a managing member of Basso GP LLC, the General Partner of Basso.

(l) Christian Menestrier, CEO of CooperNeff Advisors, Inc., exercises dispositive power over the debentures held by these entities.

(m) This selling securityholder has informed us that it is a broker-dealer.

(n) Citigroup Global Markets Inc. is a wholly owned subsidiary of Citigroup Inc. Citigroup Inc. is the parent company of Citigroup Global Markets Ltd. Citigroup Inc. is a NYSE-listed company.

(o) Context Convertible Arbitrage Fund, LP and Context Convertible Arbitrage Offshore Ltd are controlled by Context Capital Management LLC. Michael Rosen and William Fertig are the owners of Context Capital Management LLC.

(p) CooperNeff Advisors, Inc. is the stockholder of CooperNeff (Cayman) Ltd., which is the general partner of CooperNeff Convertible Strategies (Cayman) Master Fund, LP. Christian Menestrier, CEO of CooperNeff Advisors, Inc. exercises dispositive power over the debentures held by this entity.

(q) DKR Capital Partners L.P. (DKR LP) is a registered investment adviser with the SEC and as such, is the investment manager to DKR SoundShore Opportunity Holding Fund Ltd. and DKR SoundShore Strategic Holding Fund Ltd. (the Funds). DKR LP has retained certain portfolio managers to act as the portfolio manager to the Funds managed by DKR LP. As such, DKR LP and certain portfolio managers have shared dispositive and voting power over the securities. For the debentures held by these funds, Howard Fischer is the portfolio manager.

(r) Fidelity Puritan Trust: Fidelity Balanced Fund is a registered investment fund advised by Fidelity Management & Research Company (FMR Co.). FMR Co., a wholly-owned subsidiary of FMR Corp. and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 5,578,400 shares of our outstanding common stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940.

(s) Global Capital Management, Inc. has dispositive power over these securities. Global Capital Management, Inc. is owned by Messrs. Brandenborg and Frey.

(t) Hamilton Investment Management GP, LLC is the general partner of Hamilton Multi-Strategy Master Fund, LP. Michael Knox, Neil Kennedy, Evan Zimmerman, Geoff Cragin, Jeff Sawyer, Bill Moore, James McNeil, Sandra Sutz and James Wohlmacher are members of Hamilton Investment Management GP, LLC.

(u) Highbridge Capital Management is the Trading Advisor to Highbridge International LLC. Glenn Dubin and Henry Swieca are Principals of Highbridge Capital Management.

(v) JMG Capital Partners, L.P. (JMG Partners) is a California limited partnership. Its general partner is JMG Capital Management, LLC (the Manager), a Delaware limited liability company

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and an investment adviser registered with the Securities and Exchange Commission. The Manager has voting and dispositive power over JMG Partners investments. The equity interests of the Manager are owned by JMG Capital Management, Inc., a Delaware corporation (JMG Capital), and Asset Alliance Holding Corp., a Delaware corporation. Jonathan M. Glaser is the Executive Officer and Director of JMG Capital and has sole investment discretion over JMG Partners portfolio holdings.

(w) JMG Triton Offshore Fund, Ltd. (the Fund) is an international business company under the laws of the British Virgin Islands. The Fund s investment manager is Pacific Assets Management LLC, a Delaware limited liability company (PAM). PAM is an investment adviser registered with the Securities and Exchange Commission and has voting and dispositive power over the Fund s investments. The equity interests of PAM are owned by Pacific Capital Management, Inc., a Delaware corporation (Pacific) and Asset Alliance Holding Corp., a Delaware corporation. The equity interests of Pacific are owned by Messrs. Roger Richter, Jonathan M. Glaser and Daniel A. David, and Messrs. Glaser and Richter have sole investment discretion over the Fund s portfolio holdings.

(x) J.P. Morgan Securities Inc. was an initial purchaser in our private offering of the debentures in May 2004 and an initial purchaser in our private offering of 12% senior notes in June 2003. J.P. Morgan Securities Inc. was syndication agent under our old senior credit facility and is a joint bookrunner and joint lead arranger under our new senior credit facility. JPMorgan Chase Bank, an affiliate of J.P. Morgan Securities Inc., was a lender under our old senior credit facility and is a lender under our new senior credit facility. Charlotte Chui on behalf of J.P. Morgan Securities Inc. has dispositive powers with respect to the debentures.

(y) TQA Investors, LLC has dispositive power over these securities. The principals of TQA Investors, LLC are Robert Butman, John Idone, George Esser, Paul Bucci and Bartholomew Tesoriero.

(z) Mellon HBV Alternative Strategies, a wholly owned subsidiary of Mellon Financial Corporation, controls Lyxor/Mellon Rediscovered Opportunities Fund Ltd.

(aa) Mellon HBV II LLC is the general partner of Mellon HBV Master Convertible Arbitrage Fund LP and is owned by Mellon Financial Corporation, a publicly held entity. Mellon HBV Company, Ltd is the general partner of Mellon HBV Master Leveraged Multi-Strategy Fund LP, Mellon HBV Master Multi-Strategy Fund LP and Mellon HBV Master Rediscovered Opportunities Fund LP. Mellon HBV Company, Ltd is a wholly owned indirect subsidiary of Mellon Financial Corporation.

(bb) Morgan Stanley & Co. Incorporated was an initial purchaser in our private offering of debentures in May 2004. Morgan Stanley Senior Funding Inc. is a lender under the new senior credit facility. During the past three years Morgan Stanley & Co. Incorporated and/or its affiliates have performed financial advisory and investment banking services for us. As of November 1, 2004, Morgan Stanley & Co. Incorporated beneficially owned 10,162 shares of our common stock (excluding options and convertibles).

(cc) Northwestern Management Investment Company, LLC (NIMC) is one of the investment advisors to The Northwestern Mutual Life Insurance Company General Account and The Northwestern Mutual Life Insurance Company Group Annuity Separate Account, and is the investment advisor for such entities with respect to the debentures held by them. NIMC therefore may be deemed to be an indirect beneficial owner with shared voting power/investment power with respect to such debentures. Jerome R. Baier is a portfolio manager for NIMC and manages the portfolio which holds the debentures.

(dd) The limited partner of PRS Convertible Arbitrage Master Fund LP and PRS Convertible Arbitrage Master Fund II L.P. is PRS Investment Partners (Cayman) III Ltd., which is owned by PRS International (Cayman) Limited.

(ee) Sagamore Hill Hub Fund, Ltd. is managed by Sagamore Hill Capital Management, L.P., its investment advisor. Sagamore Hill Capital Management, L.P. s general partner, Sagamore Hill Managers, LLC, is managed by Steven H. Bloom, as a manager.

(ff) Zazove Associates LLC is a registered investment advisor with discretionary authority over the debentures held by these entities.

(gg) CooperNeff Advisors Inc. has sole investment control and shared voting control. Christian Menestrier is the CEO of CooperNeff Advisors Inc.

(hh) UBS O Connor LLC is a wholly-owned subsidiary of UBS AG which is listed and traded on the NYSE. The selling securityholder is a fund which cedes investment control to UBS O Connor LLC.

(ii) Van Kampen Asset Management, as the investment advisor of Van Kampen Harbor Fund, has discretionary authority over its portfolio. Van Kampen Small Cap Value Fund owns 1,078,100 shares of our common stock.

(jj) Vicis Capital, LLC has dispositive power over the debentures held by Vicis Capital Master Fund. John Succo, Sky Lucas and Shad Stastney are the owners of Vicis Capital, LLC.

(kk) Victus Capital, LLC is the general partner of Victus Capital, LP. John Succo, Sky Lucas, Shad Stastney and Dr. Bryan Zwan have dispositive power over the debentures held by Victus Capital, LLC.

(ll) Xavex Convertible Arbitrage 10 Fund is controlled by Argent International Management Company, LLC. Nathanial Brown and Robert Richardson have dispositive power over the debentures held by such fund.

Each of Citigroup Global Markets Inc., J.P. Morgan Securities Inc., Morgan Stanley & Co. Incorporated, Van Kampen Harbor Fund and Wachovia Capital Markets LLC has informed us that it is a broker-dealer registered under Section 15(a) of the Exchange Act. Each of Amaranth LLC, BNP Paribas Equity Strategies, SNC, Citigroup Global Markets Ltd, Fidelity Puritan Trust: Fidelity Balanced Fund, Highbridge International LLC, Mellon HBV Master Convertible Arbitrage Fund LP, Mellon HBV Master Leveraged Multi-Strategy Fund LP, Mellon HBV Master Multi-Strategy Fund LP, Mellon HBV Rediscovered Opportunities Fund LP, Morgan Stanley Convertible Securities Trust, The Northwestern Mutual Life Insurance Company General Account, The Northwestern Mutual Life Insurance Company Group Annuity Separate Account and Victus Capital, LP has informed us that it is affiliated with a broker-dealer registered under Section 15(a) of the Exchange Act. As such, they are underwriters within the meaning of the Securities Act of the offering of debentures or shares of our common stock issued upon conversion thereof being registered hereby. For more information, see Plan of Distribution.

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CAPITALIZATION

The following table sets forth our actual consolidated capitalization as of September 30, 2004. This table should be read in conjunction with our consolidated financial statements and notes thereto incorporated by reference into this prospectus.

	At September 30, 2004
	(Dollars in millions)
Cash and cash equivalents	$ 145.0
Long-term debt, including current maturities:	
Subsidiary debt:	
New senior credit facility(1):	
Revolving credit facility(2)	46.5
Term loan	374.0
Industrial development revenue bonds(3)	43.8
12% senior notes (net of debt discount of $6.7)	251.3
9.25% senior notes(4)	186.5
Other foreign subsidiary indebtedness(5)	142.6
Other(6)	66.2
Total subsidiary debt	1,110.9
5.75% convertible senior debentures(7)	121.6
Due to Tower Automotive Capital Trust(8)	258.8
Total debt	$ 1,491.3
Stockholders investment:	
Preferred stock, par value $1; 5,000,000 shares authorized; no shares issued or outstanding	
Common stock, par value $.01; 200,000,000 shares authorized; 66,310,872 issued and 58,212,819 outstanding	$ 0.7
Additional paid-in capital	681.0
Retained deficit	(192.7)
Deferred compensation plans	(7.8)
Accumulated other comprehensive loss	(26.9)
Treasury stock, at cost (8,098,053 shares)	(49.3)
Total stockholders investment	405.0
Total capitalization	$ 1,896.3

(1) The new senior credit facility provides for a $50.0 million revolving credit facility, a term loan of $375.0 million and a letter of credit facility of up to $155.0 million. The term loan requires quarterly payments of $0.9 million for the period from September 30, 2004 through September 30, 2008, and a payment of $179.5 million on each of November 24, 2008 and May 24, 2009. As of September 30, 2004, we had available liquidity of $145.0 million. At closing, we borrowed $46.5 million under the new revolving credit facility, and we issued $3.5 million of letters of credit in relation to this facility. As of September 30, 2004, no amounts were available for borrowing under our new revolving credit facility. Due to collateral sharing arrangements under the 9.25% senior notes, we do not anticipate using the new revolving credit facility as a revolver in the near future. As a result, all of our liquidity is in the form of cash on our balance sheet. Under current accounting rules, the letter of credit facility will not be reflected as debt on our balance sheet unless and only to the extent there are outstanding payments by the facility in respect of letters of credit.

(2) After giving effect to $3.5 million of outstanding letters of credit.

(3) Reflects indebtedness from the issuance of industrial development revenue bonds to finance the construction of our Bardstown facility and the purchase of related equipment.

(4) In July 2000, R.J. Tower sold 150,000 of 9.25% senior notes due 2010. The Euro-denominated 9.25% senior notes have been translated into U.S. dollars using a rate of $1.2431 = 1.00, the buying rate on the interbank market at the close of business on September 30, 2004. On December 7, 2004 the buying rate on the interbank market at the close of business was $1.3429 = 1.00.

(5) Includes: (1) an aggregate of $113.2 million of indebtedness of Seojin; (2) $7.8 million of indebtedness of Dr. Meleghy; and (3) other foreign subsidiary indebtedness of $21.6 million.

(6) Includes: (1) capitalized lease obligations of $43.1 million and (2) other indebtedness under a synthetic lease of $23.0 million.

(7) Upon conversion of the debentures, we have the right to deliver, in lieu of shares of common stock, cash or a combination of cash and shares of common stock. Prior to September 20, 2004, we could not issue more than 19,705,187 shares of common stock upon the conversion or repurchase of the debentures unless and until we obtained stockholder approval for the issuance of the debentures and the common stock issuable upon conversion or repurchase. In circumstances under which we would have been required to issue in excess of 19,705,187 shares of common stock, we were required to pay cash in respect of all or a portion of converted or repurchased debentures in order to ensure that the shares issued on conversion or repurchase did not exceed 19,705,187 shares (the Embedded Conversion Option). The initial value associated with the Embedded Conversion Option was $12.6 million and was being marked to market through our statement of operations during the period of May 24, 2004 through September 19, 2004. We recognized income of approximately $3.9 million for the nine months ended September 30, 2004 in relation to the change in fair value of the Embedded Conversion Option which is included in Unrealized Gain on Derivative in the consolidated statements of operations incorporated by reference into this prospectus. The portion of the debentures, which was to be currently settled in cash, was reflected as a current liability in our consolidated balance sheet until September 20, 2004.

On September 20, 2004, our stockholders approved the issuance of the debentures and the common stock issuable upon conversion or repurchase. As of September 20, 2004, mark-to-market adjustments pertaining to the Embedded Conversion Option are no longer required, we are no longer required to settle any portion of the debentures in cash and the carrying amount of the debentures amounted to $121.6 million, consisting of the sum of the carrying amount of the debentures in the amount of $112.9 million and the fair value of the Embedded Conversion Option of $8.7 million. The difference between the carrying value and the principal amount of the debentures will be accreted to the carrying amount of the debentures through interest expense on the effective interest method to the earliest put date of the debentures, May 20, 2011.

(8) Represents amounts due to Tower Automotive Capital Trust, or Trust. In June 1998, the Trust sold $258.8 million in aggregate liquidation preference of 6 3/4% Trust Convertible Preferred Securities (the Trust Preferred Securities). The sole assets of the Trust are approximately $266.8 million in aggregate principal amount of the Issuer s 6 3/4% convertible subordinated debentures due June 30, 2018, such amount being the sum of the stated liquidation preference of the Trust Preferred Securities and the capital contributed by the Issuer in exchange for the common securities of the Trust. During the third quarter of 2003, we elected to adopt the current provisions of FASB Interpretation Number (FIN) 46, Consolidation of Variable Interest Entities, an interpretation of ARB No. 51 as it relates to the Trust Preferred Securities prior to the required effective date. Under FIN 46, the Trust, which was previously consolidated by the Issuer, is no longer consolidated. As a result, we no longer present the Trust Preferred Securities as mezzanine financing, but instead record a debt obligation for the proceeds which are owed to the Trust by the Issuer. Interest is recorded at 6 3/4 percent on the amount owed by the Issuer to the Trust, which is equal to the amount that was previously presented as minority interest (net of tax) for the amounts paid on the Trust Preferred Securities. Interest expense increased by $8.8 million in 2003 (representing six months of interest) and by $8.8 million for the nine months ended September 30, 2004 related to this reclassification. Pursuant to the guidance in FIN 46, the Issuer has not reclassified the presentation in prior periods.

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DESCRIPTION OF FINANCING PLAN AND RANKING OF DEBENTURES

Financing plan

We are in the final stages of launching new product platforms from the $1.4 billion in new business awarded to us over the last several years. While these launches, based on our estimates of OEM orders for these platforms, may result in net new business of $600 million between 2003 and 2005, the level of capital expenditures and program launch costs attendant to this launch program has imposed a significant burden on our liquidity and capital resources. Net capital expenditures were $230.1 million, $159.0 million and $194.0 million in 2003, 2002 and 2001, respectively. New program launch costs were $43.4 million, $13.0 million and $28.0 million in fiscal 2003, 2002 and 2001, respectively. We expect net capital expenditures and new program launch costs will be approximately $230.0 million and from $45.0 million to $50.0 million, respectively, in 2004. In part, we addressed our liquidity needs through the sale of $258.0 million aggregate principal amount of 12% senior notes in June 2003. We also satisfied a portion of our liquidity needs in the first quarter of 2004 through the sale of our equity investment in Yorozu which generated cash proceeds of $51.7 million. However, the ability to fund our launch program with cash flows from operations has been impacted by a decline in our operating performance in 2003 and prior years.

As compared to fiscal 2002, our operating results in 2003 were adversely affected by the following factors:

New program launch costs. In 2003, we incurred approximately $43.4 million of new program launch costs as compared to approximately $13.0 million in 2002. These launch costs have had a negative impact on our gross margin.

Capital expenditures. In 2003, we made net capital expenditures of approximately $230.1 million as compared to approximately $159.0 million in 2002. Our capital expenditures in 2003 were higher than previously budgeted as a result of approximately $40.0 million in additional costs related to a new Ford program that new management determined were not going to be reimbursed by Ford. These unanticipated capital expenditures had a negative impact on our liquidity position.

Unexpected costs and expenses. Our 2003 operating results were negatively impacted by several unexpected costs and expenses. We incurred costs of $3.3 million in the third quarter of 2003 associated with an equipment failure that temporarily disrupted production at our Plymouth, MI facility, which produces assemblies for the new Cadillac SRX. The use of non-standard equipment that resulted in this disruption has specifically been addressed by our new global technology function. We also incurred $4.4 million of costs in the third quarter of 2003 related to our executive management changes, as well as increased our litigation reserves during the same quarter by $1.2 million in anticipation of a potential legal settlement. The replacement of revenues from value-added platforms with low margin, non-value added module sales resulted in a $13.6 million decline in gross profit. Our gross profit in 2003 was also reduced by $10.4 million as a result of price concessions to OEMs, which were only partially offset by operating performance improvements.

Asset impairment charges. We recorded aggregate non-cash asset impairment charges of $128.8 million in the third and fourth quarters of 2003 primarily associated with the write-down of assets at three of our frame assembly plants based on new management s reevaluation of the expected cash flows from such plants. These plants currently produce the Ford Explorer and Dodge Ram frames and related products. Restructuring charges of $28.7 million, including approximately $8.0 million of cash charges, were also recorded in 2003, primarily related to the planned move of a production line and the consolidation of our technical and corporate office locations. We expect to cease producing the Ford Explorer and Dodge Ram frames at these facilities in mid-2005, and, unless we replace those programs with new business or otherwise utilize these facilities in some other aspect of our business, we will incur significant cash restructuring charges. We are currently evaluating our options in this regard and are unable to predict with any degree of certainty the ultimate timing or size of any such cash restructuring charges.

Yorozu write-down. We recorded a $27.4 million write-down of our investment in Yorozu to its market value in the fourth quarter of 2003, based on new management s reevaluation of our strategic intent with respect to Yorozu. We subsequently sold our 30.76% interest in Yorozu on March 11, 2004 for proceeds of approximately $51.7 million, which were used to finance tooling purchases and other capital expenditures.

Increased interest expense. Our interest expense increased by approximately $22.7 million in 2003 as compared to 2002. Approximately $17.2 million of such increase was attributable to our issuance in June 2003 of $258.0 million in aggregate principal amount at maturity of 12% senior notes and approximately $8.7 million of such increase was the result of the reclassification of the dividends paid on our $258.8 million 6 3/4% Trust Preferred Securities from minority interest to interest expense under new accounting requirements that became effective in 2003. These increases were only partially offset by a decrease in interest expense as a result of decreased borrowings under the existing revolving credit facility and increased capitalized interest on construction projects.

In the last half of 2003, we named a new Chief Executive Officer and Chief Financial Officer who are focused on successfully executing the remaining programs in our launch program and who bring significant expertise to the task of improving our operations and reducing our cost structure. Once we complete our 2004 launch program, we believe we will have a broader diversification in our customer base and a higher percentage of revenues from our body structure segment. We have already implemented a number of measures to gain operating efficiencies and create a stronger operating focus, including:

merging two product groups into a single North American business to streamline customer service and better align with OEM customers;

movement to a centralized business model with plants accounted for as cost centers to promote proper resource allocations;

implementation of company-wide standards for equipment choices, tooling approaches, process development and facilities set-up to better leverage capital expenditures and reduce launch risk;

creation of a Global Purchasing/Manufacturing function to improve operating efficiencies;

transferring certain of our operations among existing facilities to gain production efficiencies; and

consolidation of our two technical centers and our headquarters.

We used the net proceeds from the offering of the debentures, together with a portion of the borrowings under the new senior credit facility, to repay outstanding indebtedness under our old senior credit facility in the amount of $239.5 million and for general corporate purposes, including capital expenditures and launch costs to support our new program launch activity. After providing the requisite notice of redemption for the 5% convertible notes due August 1, 2004, we redeemed the 5% convertible notes. We used a portion of the borrowings under the new senior credit facility to fund such redemption. The refinancing transactions improved the overall profile of our capital structure so that we have no significant debt maturities until 2009. At closing, we borrowed $46.5 million under the new revolving credit facility, and we issued $3.5 million of letters of credit in relation to this facility. As of September 30, 2004, no amounts were available for borrowing under our new revolving credit facility. Due to collateral sharing arrangements under the 9.25% senior notes, we do not anticipate using the new revolving credit facility as a true revolver in the near future. As a result, all of our liquidity is in the form of cash on our balance sheet. We also incurred a non-cash charge of approximately $3.5 million in the second quarter of fiscal 2004 due to write-offs of deferred financing fees related to our old senior credit facility.

During the third quarter of 2004, certain of our OEM customers notified us that they were terminating their accelerated payment programs for all of their suppliers, including us. We are currently in discussions with these customers as to the timing of such terminations and believe, based on such discussions, that these programs will be phased out over the next few months. The termination of these

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programs will have a material adverse impact on our liquidity position. To offset this negative impact, we are in negotiations with third parties to establish an accounts receivable securitization facility. We are presently permitted by the new senior credit facility to securitize up to $50.0 million of accounts receivable, which will offset a portion (but not all) of the reduced liquidity as a result of the termination of the accelerated payment programs. We need an amendment to our new senior credit facility to increase the amount of the accounts receivable securitization to $150.0 million. We had previously submitted a proposed amendment to our lenders to increase the amount of the accounts receivable securitization to $200.0 million but withdrew it after receiving notice that more than 50% of the second lien lenders opposed it as written. Since then, we have been negotiating with our lender group and expect to make a formal presentation to our lenders regard