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TOWER AUTOMOTIVE INC
Form 8-K
July 30, 2001

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): JULY 19, 2001

TOWER AUTOMOTIVE, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation)

1-12733
(Commission File Number)

41-1746238
(I.R.S. Employer Identification No.)

4508 IDS CENTER, MINNEAPOLIS, MINNESOTA 55402
(Address of Principal Executive Offices) (Zip Code)

(612) 342-2310
(Registrant's Telephone Number, Including Area Code)

NOT APPLICABLE
(Former Name or Former Address, if Changed Since Last Report)

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Item 9. Furnished Information

On July 19, 2001, the Registrant issued a press release disclosing its second quarter and six months operating results. A copy of this press release follows below:

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DATE: July 19, 2001

FROM:
Padilla Speer Beardsley Inc.
224 Franklin Avenue West
Minneapolis, Minnesota 55404

FOR:
Tower Automotive, Inc.
5211 Cascade Road S.E., Suite 300
Grand Rapids, Michigan 49546

John Mackay (612) 871-8877

Anthony Barone (616) 802-1600

FOR IMMEDIATE RELEASE

TOWER AUTOMOTIVE ANNOUNCES OPERATING RESULTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2001

GRAND RAPIDS, Mich., July 19-- Tower Automotive, Inc. (NYSE: TWR), today announced operating results for the second quarter and six months ended June 30, 2001.

For the second quarter of 2001, revenues were \$642 million, a six percent decrease, compared with \$681 million in the 2000 period. Operating income declined 42 percent to \$44 million from \$76 million reported last year. Net income for the second quarter of 2001 was \$17 million, or 35 cents per diluted share outstanding, versus \$39 million, or 68 cents per diluted share, in the comparable 2000 period.

For the six months ended June 30, 2001, revenues were \$1.3 billion, a seven percent decrease, compared with \$1.4 billion in the same period for 2000. Operating income declined 45 percent to \$82 million from \$148 million reported last year. Net income for the six months ended June 30, 2001 was \$30 million, or 63 cents per diluted share outstanding, versus \$76 million, or \$1.32 per diluted share, in the comparable 2000 period.

In commenting on second-quarter and six-month results, Dug Campbell, president and chief executive officer of Tower Automotive, said, "The first half of 2001 has been an especially trying period for Tower Automotive and the industry in general. However, this in no way has deterred us in our zeal to improve our long-term financial stability and invested capital positioning. Despite the sales and earnings shortfall relative to the same periods of 2000, we have successfully strengthened our balance sheet by tightening up our financial processes. We have aggressively managed working capital to provide significant positive cash flows for debt reduction of \$210 million during the second quarter 2001 and \$163 million during the first half

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of 2001. We have remained compliant with our debt covenants for the first half of 2001 and are managing the business to ensure no relief from these covenants will be required.

"As expected, we improved second quarter 2001 sales and net income by \$14 million and \$4 million, respectively, over first quarter 2001, with an increase in diluted earnings per share of seven cents per share (or 24 percent). We anticipate that our volumes for the balance of 2001 will continue to be stressed relative to 2000 and initial 2001 expectations; however, we will get through this period with our new programs successfully launching and the Enterprise being better equipped to grow and prosper in 2002 and beyond."

Tower Automotive, Inc., produces a broad range of assemblies and modules for vehicle structures and suspension systems for the automotive manufacturers, including Ford, DaimlerChrysler, GM, Honda, Toyota, Nissan, Auto Alliance, Fiat, Kia, Hyundai, BMW and Volkswagen. Products include body structural assemblies such as pillars and package trays, control arms, suspension links, engine cradles and full frame assemblies. The company is based in Grand Rapids, Mich., and has its corporate office in Minneapolis, Minn.

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This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the anticipated results as a consequence of certain risks and uncertainties, including but not limited to general economic conditions in the markets in which Tower Automotive operates, and other risks detailed from time to time in the company's Securities and Exchange Commission filings.

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TOWER AUTOMOTIVE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS - UNAUDITED)

| | Three Months Ended June 30, | | Six Month June |
|--------------------------------------------------------------------------|--------------------------------|------------|-------------------|
| | 2001 | 2000 | 2001 |
| Revenues | \$ 642,407 | \$ 681,020 | \$1,270,783 |
| Cost of sales | 557,146 | 566,649 | 1,106,251 |
| Gross profit | 85,261 | 114,371 | 164,532 |
| Selling, general and administrative expenses | 35,020 | 33,431 | 70,319 |
| Amortization expense | 6,130 | 5,118 | 12,208 |
| Operating income | 44,111 | 75,822 | 82,005 |
| Interest expense, net | 20,121 | 13,534 | 39,843 |
| Income before provision for income taxes | 23,990 | 62,288 | 42,162 |
| Provision for income taxes | 9,444 | 24,916 | 16,472 |
| Income before equity in earnings of joint ventures and minority interest | 14,546 | 37,372 | 25,690 |
| Equity in earnings of joint ventures | 4,790 | 4,540 | 9,171 |
| Minority interest - dividends on trust preferred securities, net | (2,664) | (2,619) | (5,328) |
| Net income | \$ 16,672 | \$ 39,293 | \$ 29,533 |
| Basic earnings per common share | \$ 0.38 | \$ 0.83 | \$ 0.67 |
| Basic shares outstanding | 44,416 | 47,250 | 44,263 |

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| | | | |
|-----------------------------------|---------|---------|---------|
| | ===== | ===== | ===== |
| Diluted earnings per common share | \$ 0.35 | \$ 0.68 | \$ 0.63 |
| | ===== | ===== | ===== |
| Diluted shares outstanding | 60,816 | 64,359 | 60,737 |
| | ===== | ===== | ===== |

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TOWER AUTOMOTIVE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS)

| Assets | June 30, 2001 (unaudited) | Decem 20 |
|--------------------------------------------------------------------|---------------------------------|----------------|
| ----- | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 11,185 | \$ |
| Accounts receivable | 295,892 | 2 |
| Subordinated interest in accounts receivable | 28,336 | |
| Inventories | 100,392 | 1 |
| Prepaid tooling and other | 211,144 | 2 |
| Total current assets | ----- 646,949 | ----- 6 |
| Property, plant and equipment, net | 1,149,877 | 1,1 |
| Investments in joint ventures | 306,525 | 2 |
| Goodwill and other assets, net | 854,715 | 8 |
| | ----- \$2,958,066 | ----- \$2,8 |
| | ===== | ===== |
| Liabilities and Stockholders' Investment | | |
| ----- | | |
| Current liabilities: | | |
| Current maturities of long-term debt and capital lease obligations | \$ 152,816 | \$ 1 |
| Accounts payable | 360,896 | 2 |
| Accrued liabilities | 267,037 | 1 |
| Total current liabilities | ----- 780,749 | ----- 5 |
| Long-term debt, net of current maturities | 768,891 | 9 |
| Obligations under capital leases, net of current maturities | 6,016 | |
| Convertible subordinated notes | 200,000 | 2 |
| Deferred income taxes | 38,120 | |
| Other noncurrent liabilities | 181,940 | 1 |
| Total noncurrent liabilities | ----- 1,194,967 | ----- 1,3 |
| | ----- | ----- |

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| | | |
|---------------------------------------------------------------|-------------|-------|
| Mandatorily redeemable trust convertible preferred securities | 258,750 | |
| Stockholders' investment: | | |
| Preferred stock | - | |
| Common stock | 481 | |
| Additional paid-in capital | 453,440 | |
| Retained earnings | 337,489 | |
| Deferred income stock plan | (10,219) | |
| Accumulated other comprehensive loss | (17,413) | |
| Treasury stock, at cost | (40,178) | |
| | ----- | ----- |
| Total stockholders' investment | 723,600 | 7 |
| | ----- | ----- |
| | \$2,958,066 | \$2,8 |
| | ===== | ===== |

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SIGNATURES

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

TOWER AUTOMOTIVE, INC.

Date: July 23, 2001

By: /s/ Anthony A. Barone

Name: Anthony A. Barone
Title: Vice President and Chief Financial Officer
(Principal Accounting and Financial Officer)