UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

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

Date of Report (Date of earliest event reported): August 29, 2014

NN, INC.
(Exact name of registrant as specified in its charter)

Delaware	**0-23486**	**62-1096725**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

2000 Waters Edge Drive, Johnson City, Tennessee	**37604**
(Address of principal executive offices)	**(Zip Code)**

(423) 743-9151
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d- 2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e- 4(c))

EXPLANATORY NOTE

On August 29, 2014, NN, Inc., a Delaware corporation ("NN"), completed the previously announced merger contemplated by that certain Agreement and Plan of Merger (the "Merger Agreement") by and among NN, PMC Global Acquisition Corporation, a Michigan corporation and a wholly owned subsidiary of NN ("Merger Sub"), Autocam Corporation, a Michigan corporation ("Autocam"), Newport Global Advisors, L.P., a Delaware limited partnership, solely in its capacity as a shareholder representative, and John C. Kennedy.

This Amendment to Current Report on Form 8-K (this "Amendment") amends NN's Current Report on Form 8-K filed on September 2, 2014. This Amendment files the financial statements for Autocam and furnishes NN's and Autocam's unaudited pro forma combined condensed consolidated financial statements and related notes thereto, both of which are in connection with NN's acquisition of Autocam.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired.

Autocam's audited consolidated balance sheets at December 31, 2013, 2012 and 2011, and Autocam's audited consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for the years ended December 31, 2013, 2012 and 2011, the notes and independent auditors' report of Deloitte & Touche LLP related thereto are filed as Exhibit 99.1 hereto and are incorporated in this report by reference.

Autocam's unaudited condensed consolidated balance sheets at June 30, 2014, and Autocam's unaudited condensed consolidated statements of operations and comprehensive income (loss), cash flows and shareholders' equity for the six months ended June 30, 2014 and the notes related thereto are filed as Exhibit 99.2 hereto and are incorporated in this report by reference.

(b) Pro Forma Financial Information.

NN's and Autocam's unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2014, and the unaudited pro forma condensed combined consolidated statements of income for the year ended December 31, 2013 and the six months ended June 30, 2014 and the notes related thereto are furnished as Exhibit 99.3 hereto and are incorporated in this report by reference.

(d) Exhibits.

23.1 Consent of Deloitte & Touche LLP, independent auditors.

99.1 Audited consolidated balance sheets at December 31, 2013, 2012 and 2011, and audited consolidated statements of operations and comprehensive income, shareholders' equity and cash flows of Autocam Corporation for the years ended December 31, 2013, 2012 and 2011, the notes and independent auditors' report of Deloitte & Touche LLP related thereto.

99.2 Unaudited condensed consolidated balance sheets at June 30, 2014, and unaudited condensed consolidated statements of operations and comprehensive income (loss), cash flows and shareholders' equity of Autocam Corporation for the six months ended June 30, 2014 and the notes related thereto.

99.3 Unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2014, and the unaudited pro forma condensed combined consolidated statements of income of NN, Inc. and Autocam Corporation for the year ended December 31, 2013 and the six months ended June 30, 2014, and the notes related thereto.

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 hereunto duly authorized.

Date: October 27, 2014

NN, INC.

By: /s/ William C. Kelly, Jr.
Name: William C. Kelly, Jr.
Title: Vice President and Chief Administrative Officer

EXHIBIT INDEX

Exhibit No.	Description
23.1	Consent of Deloitte & Touche LLP, independent auditors.
99.1	Audited consolidated balance sheets at December 31, 2013, 2012 and 2011, and audited consolidated statements of operations and comprehensive income, shareholders' equity and cash flows of Autocam Corporation for the years ended December 31, 2013, 2012 and 2011, the notes and independent auditors' report of Deloitte & Touche LLP related thereto.
99.2	Unaudited condensed consolidated balance sheets at June 30, 2014, and unaudited condensed consolidated statements of operations and comprehensive income (loss), cash flows and shareholders' equity of Autocam Corporation for the six months ended June 30, 2014 and the notes related thereto.
99.3	Unaudited pro forma condensed combined consolidated balance sheet as of June 30, 2014, and the unaudited pro forma condensed combined consolidated statements of income of NN, Inc. and Autocam Corporation for the year ended December 31, 2013 and the six months ended June 30, 2014, and the notes related thereto.

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-174519, No. 333-130395, No. 333-69588, and No. 333-50934) of NN, Inc. of our report dated March 28, 2014 relating to the consolidated financial statements of Autocam Corporation for the years ended December 31, 2013, 2012 and 2011 appearing in the Amendment to the Current Report on Form 8-K of NN, Inc., dated October 27, 2014.

/S/ DELOITTE & TOUCHE LLP
Grand Rapids, Michigan
October 27, 2014

Exhibit 99.1

AUTOCAM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2013

AUTOCAM CORPORATION
INDEX TO FINANCIAL INFORMATION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Autocam Corporation
Kentwood, Michigan

We have audited the accompanying consolidated financial statements of Autocam Corporation and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2013, 2012, and 2011, and the related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Autocam Corporation and subsidiaries as of December 31, 2013, 2012, and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/S/ DELOITTE & TOUCHE LLP
Grand Rapids, Michigan
March 28, 2014

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AUTOCAM CORPORATION
CONSOLIDATED BALANCE SHEETS

Amounts in thousands, except share information	December 31, 2012	December 31, 2013
Assets		
Current assets:		
Cash and equivalents	$ 9,492	$ 9,974
Accounts receivable, net of allowances of $275 and $324, respectively	28,387	33,683
Inventories	24,795	24,472
Prepaid expenses and other current assets	5,889	4,640
Total current assets	68,563	72,769
Property, plant and equipment, net	121,862	136,390
Investment in joint venture	9,744	11,657
Other long-term assets	7,518	4,129
Total assets	$207,687	$224,945
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term obligations	$ 14,269	$ 18,537
Accounts payable	17,708	16,436
Accrued liabilities:		
Compensation	6,944	7,821
Other	903	671
Total current liabilities	39,824	43,465
Long-term obligations, net of current maturities	36,025	40,571
Note payable to affiliate		5,000
Deferred taxes	23,228	28,238
Other long-term liabilities	5,252	4,990
Shareholders' equity:		
Common stock – no par value; 10,200,000 shares authorized; 106,550 issued and outstanding as of December 31, 2012 and 96,550 issued and outstanding as of December 31, 2013		
Additional paid-in capital	194,890	182,890
Accumulated other comprehensive income (loss)	559	(985)
Accumulated deficit	(92,091)	(79,224)
Total shareholders' equity	103,358	102,681
Total liabilities and shareholders' equity	$207,687	$224,945

See notes to consolidated financial statements.

AUTOCAM CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Amounts in thousands	Year Ended December 31, 2012	Year Ended December 31, 2013
Sales	$ 181,568	$ 233,484
Cost of sales	(163,809)	(203,749)
Gross profit	17,759	29,735
Selling, general and administrative expenses	(12,323)	(13,790)
Income from operations before stock-based compensation income (expense)	5,436	15,945
Stock-based compensation income (expense)	128	(38)
Income from operations	5,564	15,907
Interest expense, net	(2,040)	(2,741)
Other expenses, net	(332)	(453)
Income before taxes and joint venture income	3,192	12,713
Taxes	(596)	(3,504)
Share of net income from joint venture	2,109	3,658
Net income	$ 4,705	$ 12,867
Statements of Comprehensive Income:		
Net income	$ 4,705	$ 12,867
Other comprehensive income (losses):		
Foreign currency translation adjustments	(1,296)	(1,641)
Change in fair value of interest rate hedge	29	97
Comprehensive income	$ 3,438	$ 11,323

See notes to consolidated financial statements.

AUTOCAM CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Amounts in thousands	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
Balance, January 1, 2012	$194,890	$ 1,826	($ 88,421)	$108,295
Net income			4,705	4,705
Cash dividends paid to non-Manager Shareholders [1]			(8,375)	(8,375)
Foreign currency translation adjustments		(1,296)		(1,296)
Change in fair value of interest rate hedge		29		29
Balance, December 31, 2012	194,890	559	(92,091)	103,358
Net income			12,867	12,867
Repurchase of common shares	(12,000)			(12,000)
Foreign currency translation adjustments		(1,641)		(1,641)
Change in fair value of interest rate hedge		97		97
Balance, December 31, 2013	$182,890	($ 985)	($ 79,224)	$102,681

1 Payments of $46.25 per share were made in January, 2012 and $37.55 per share in August, 2012.

See notes to consolidated financial statements.

AUTOCAM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in thousands	Year Ended December 31, 2012	2013
Cash flows from operating activities:		
Cash received from customers	$ 178,735	$ 228,273
Cash paid to suppliers and employees	(163,555)	(201,600)
Cash received from joint venture operations	2,040	2,055
Income taxes paid	(279)	(694)
Income taxes refunded	1,065	1,668
Interest paid	(1,918)	(2,809)
Net cash provided by operating activities	16,088	26,893
Cash flows from investing activities:		
Capital expenditures	(36,246)	(29,770)
Proceeds from sales of fixed assets	316	522
Increases in restricted cash deposits	(62)	(287)
Other	(19)	(7)
Net cash used in investing activities	(36,011)	(29,542)
Cash flows from financing activities:		
Borrowings under lines of credit	66,458	65,973
Repayments on lines of credit	(54,654)	(70,789)
Proceeds from issuance of long-term obligations	22,156	29,800
Proceeds from issuance of note payable to affiliate		5,000
Principal payments of long-term obligations	(7,694)	(14,987)
Repurchase of common shares		(12,000)
Dividends paid	(8,375)	
Debt issue costs	(30)	(152)
Net cash provided by financing activities	17,861	2,845
Effect of exchange rate changes on cash and equivalents	278	286
Increase (decrease) in cash and equivalents	(1,784)	482
Cash and equivalents at beginning of period	11,276	9,492
Cash and equivalents at end of period	$ 9,492	$ 9,974

See notes to consolidated financial statements.

1. Operations and Summary of Significant Accounting Policies

In these notes, unless the context otherwise requires, “we,” “our” or “us” refer to Autocam Corporation together with its consolidated subsidiaries (“Autocam”). All currency figures, except per share data, referenced in these notes are reflected in thousands of U.S. dollars.

Principles of Consolidation – Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S.”). All of our significant intercompany accounts and transactions have been eliminated in consolidation.

Nature of Operations – We design and manufacture close-tolerance, specialty metal alloy components for mechanical and electromechanical systems using turning, grinding and milling processes. Currently, we manufacture components for use on fuel delivery, electromechanical motor, steering and braking systems for the transportation industry. We have three manufacturing locations in the U.S., two in Brazil and one each in France, Poland and China. Our customers are located in virtually all areas of the world, with the exception of the continent of Africa.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although our management believes the estimates are reasonable, actual results could differ from those estimates.

Financial Instruments consist principally of cash and equivalents, accounts receivable and payable and indebtedness. We have determined the estimated fair value amounts for indebtedness using available market information and valuation methodologies (see Note 4). We have determined the estimated fair value of accounts receivable and payable as approximating their book values given their possessing short-term maturities.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Set forth below is information about the fair value of our financial assets and liabilities at December 31, 2012 and December 31, 2013, according to the valuation techniques we used to determine their fair values:

	Level 1 [1]		Level 2 [2]	
	2012	2013	2012	2013
Asset -				
Cash and equivalents	$9,492	$9,974		
Liability -				
Interest rate swap arrangements			$280	$131

1 Quoted prices in active markets for identical assets or liabilities.
2 Observable inputs other than quoted prices in active markets for identical assets and liabilities.

Cash equivalents consist of highly-liquid investments with original maturities of three months or less at the date of purchase, including money market accounts with an active market valuation Level 1 estimate.

Inventories are stated at the lower of actual cost, on a first-in, first-out (FIFO) basis, or market.

Property, Plant and Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	31 years
Leasehold improvements	3 to 12 years
Machinery and equipment	3 to 12 years
Furniture and fixtures	5 to 10 years

Maintenance and repairs that do not improve or extend the lives of the respective assets are charged to expense. When properties are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss on disposition is recognized in the results of operations. Gains arising from sale and leaseback transactions are deferred for amortization to income over the lives of the related operating leases. Leasehold improvements are amortized over the lesser of their useful lives or the lease term.

Other Long-Term Assets consists of the following as of December 31:

	2012	2013
Equipment deposits	$5,844	$1,702
Restricted cash	855	927
Value-added taxes receivable		673
Employee receivables	303	312
Unamortized debt issue costs	102	197
Revenue bonds	176	135
Rent deposits	50	100
Other	188	83
	$7,518	$4,129

Equipment deposits – Represents deposits paid on purchase commitments for machinery and equipment totaling $9,546 as of December 31, 2013, some of which may be assigned to financing companies under lease agreements. In accordance with terms of the purchase agreements, final acceptance of the equipment is contingent upon the equipment demonstrating certain capabilities as documented in our purchase orders.

Restricted cash – Represents funds held in escrow by Brazilian courts as compensating balances against certain potential judgments against us in connection with benefits that may be due terminated Brazilian employees.

Unamortized debt issue costs – Debt issue costs paid are amortized over the terms of the debt instruments. Debt issue cost amortization expense was $35 in 2012 and $57 in 2013.

Set forth below is expected debt issue cost amortization expense to be recorded by us in the years following 2013:

2014	$ 67
2015	51
2016	33
2017	29
2018	17
Total	$197

Revenue bonds – Represents Michigan New Jobs Training Program bonds we purchased in 2011 and 2012 to fund new machinist apprenticeship program training costs at Grand Rapids Community College. The underlying agreement between us and the State of Michigan (the "State") contemplates our receiving repayment of the bonds over a 20-year period expiring in July 2030 through remittance to us by the State of payroll taxes withheld from employees that participate in the program.

Accounts Payable includes the reclassification from Cash and Equivalents of outstanding checks, net of related cash balances, totaling $2,600 as of December 31, 2012 and $2,283 as of December 31, 2013.

Revenue Recognition – Sales are recognized at the time product is shipped to the customer, at which time title and risk of ownership transfer to the purchaser.

Income taxes – Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates applicable to periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities (see Note 6).

Derivative and Hedging Activities – From time to time, we manage interest rate risk through the use of interest rate swap agreements. The following such agreements were in effect as of December 31, 2012 and 2013 and were intended to hedge our interest rate risk on the term notes subject to our senior credit facilities agreement and certain of the equipment term notes with bank (see Note 4):

Dates		Notional Amounts as of December 31,		LIBOR Component Fixed Interest	Other Comprehensive Income (Loss) Recorded [1]		Derivative Instrument Liability Recorded as of December 31,	
Effective	**Maturity**	**2012**	**2013**	**Rate**	**2012**	**2013**	**2012**	**2013**
June 2010	June 2015	$ 4,750	$ 2,850	2.17%	$ 46	$ 46	$ 110	$ 40
January 2011	December 2015	2,100	1,400	1.90%	13	19	52	23
June 2011	July 2016	2,764	1,986	1.58%	5	20	63	32
August 2012	August 2016	7,333	5,333	0.75%	(35)	19	55	26
November 2013	October 2018		7,900	1.06%		(7)		10

1 Net of related income tax

Stock-Based Compensation – In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 718 "Stock Compensation," compensation costs related to share-based payment transactions are recognized in our financial statements. Compensation cost is measured based on the grant date fair value of the equity or liability instruments issued and is recognized over the period that an employee provides services in exchange for the award.

Autocam's Board of Directors has reserved 8,650 shares of its common stock for issuance to employees under the 2010 Stock Option Plan (the "Option Plan"). In 2010, our Board of Directors granted to certain key employees and entities controlled by certain non-shareholder members of our Board of Directors (together, the "Manager Shareholders") options to purchase 6,650 shares exercisable at $40 per share. As of December 31, 2013, all such options have been exercised and no other options have been granted. In 2012, 100 shares were repurchased from a former Manager Shareholder. As defined in ASC 718, these awards are classified as liability awards as the shareholders and we can require repayment under certain circumstances based on a formula of earnings before interest, depreciation and amortization expense. The awards are recorded at their intrinsic value, and the expense is recognized over each employee's expected future service until an expected retirement date. We recognized stock-based compensation income of $128 in 2012 and stock-based compensation expense of $38 in 2013 related to these awards.

French Safeguard Restructuring – In 2008, we filed "Procedure de Sauvegarde" ("Safeguard") on behalf of each of our French subsidiaries, Autocam France, SARL and Bouverat Industries, SAS ("Bouverat"). We reached agreement with our creditors with claims subject to Safeguard protection in 2009. Provisions of the agreements allowed, at each creditor's option, for the payment of a portion of the obligation in January 2010, or the entire obligation over a 10-year period. Amounts due as of December 31, 2013 from those creditors opting to be paid over a 10-year period totaled $3,235 and are included in Current Maturities of Long-Term Obligations ($285) and Long-Term Obligations ($2,950).

Dividends Paid – On January 24, 2012, our Board of Directors declared a $4,928 cash dividend, which was distributed on January 30, 2012. The portion of this amount granted to the Manager Shareholders, and therefore recorded as Stock-based Compensation Expense in our Consolidated Statement of Operations, was $303. On May 1, 2012, our Board of Directors declared a cash dividend of not more than $12,000 to be distributed in one or more installments as determined by our majority shareholder between July 1, 2012 and January 31, 2013. On August 10, 2012, a $3,998 cash dividend was distributed, and no further distributions were made. The portion of this amount granted to the Manager Shareholders, and therefore recorded as stock-based compensation expense in our Consolidated Statement of Operations, was $246. All 2012 cash payments were funded with cash on hand, revolving line of credit borrowings and proceeds from the issuance of a term note to our bank. No dividends were declared or paid in 2013.

2. Inventories

Set forth below are the components of Inventories as of December 31:

	2012	2013
Raw materials	$10,464	$10,407
Production supplies	4,538	4,166
Work in-process	7,159	7,085
Finished goods	2,634	2,814
Total inventories	$24,795	$24,472

3. Property, Plant and Equipment

Set forth below are the components of Property, Plant and Equipment, Net as of December 31:

	2012	2013
Buildings and land	$ 20,227	$ 22,940
Machinery and equipment	147,712	173,930
Furniture and fixtures	5,362	6,182
Total	173,301	203,052
Accumulated depreciation	(51,439)	(66,662)
Total property, plant and equipment, net	$121,862	$136,390

4. Long-Term Obligations

Set forth below are the components of Long-Term Obligations as of December 31 (percentages represent interest rates as of December 31, 2013):

	2012	2013
Senior credit facilities:		
Term notes with bank:		
August 2012—*Interest payable monthly at a variable rate based on LIBOR plus 2% (2.1875% per annum); principal due monthly through August 2015*	$ 7,333	$ 5,333
October 2013—*Interest payable monthly at a variable rate based on LIBOR plus 2.5% (2.6875% per annum); principal due monthly through October 2018*		16,184
June 2010—refinanced in October 2013	4,592	
January 2011—refinanced in October 2013	2,100	
Revolving line of credit with bank—*Principal due August 2016; Interest payable monthly at a variable rate based on the bank's prime rate minus 0.25% (3% per annum)*	6,525	2,201
Equipment term notes with bank:		
July 2011—*Interest payable monthly at LIBOR plus 2% (2.1875% per annum); principal due monthly through July 2016*	1,048	756
February 2012—*Interest payable monthly at LIBOR plus 2.1% (2.2875% per annum); principal due monthly through February 2017*	2,018	1,534
Note payable to affiliate		5,000
Capital leases obligations—*Payable in monthly installments, including interest imputed at rates ranging from 1.7% to 5.78%; due through September 2019*	12,879	20,431
French Safeguard obligations (Note 1)	3,289	3,235
Other	10,510	9,434
Total long-term obligations	50,294	64,108
Current portion	(14,269)	(18,537)
Long-term portion	$ 36,025	$ 45,571

Based on the borrowing rates currently available to us for bank loans with similar terms and average maturities, the fair value of long-term debt approximated its carrying value as of December 31, 2012 and December 31, 2013.

Our senior credit facilities include the above referenced term notes and a revolving credit commitment from a bank equal to the lesser of $23,500 and a borrowing base. Borrowing availability under this commitment based on the borrowing base calculation, as defined in our senior credit facilities agreement, as amended (the "Credit Agreement"), was $15,989 as of December 31, 2013 with the maximum availability being reduced by $450 representing the amount of an outstanding letter of credit associated with our self-funded workers' compensation program.

Significant terms of the Credit Agreement are as follows:

Financial and Restrictive Covenants – The Credit Agreement requires us to maintain the following, measured on a trailing-twelve-month basis with a quarterly reporting requirement:

- Maximum consolidated leverage ratios for our domestic and global operations; and
- Minimum fixed charge coverage ratio for our global operations.

Collateral – Borrowings under the Credit Agreement are secured by substantially all North American machinery and equipment and capital stock of certain of our domestic subsidiaries.

Note Payable to Affiliate – In March 2013, we issued an unsecured $5,000 promissory note payable to Autocam Medical Devices, LLC ("AMD"), an affiliate through common ownership, which is subordinate in priority to borrowings under the Credit Agreement. This promissory note bears interest at 3.35% per annum, payable monthly. Monthly principal repayments of $147 are to begin in May 2015 and continue through March 2018.

Set forth below are the annual aggregate maturities of our long-term obligations at December 31, 2013:

Years Ending December 31,

2014	$18,537
2015	13,820
2016	14,560
2017	9,304
2018	6,416
Thereafter	1,471
Total	$64,108

5. Commitments

We lease certain buildings and equipment under capital leases. The cost of assets purchased subject to capital leases was $10,065 in 2012 and $11,518 in 2013. The cost of the assets subject to capital lease obligations as reflected in Net Property, Plant and Equipment in our Consolidated Balance Sheet was $22,646 as of December 31, 2012 and $34,278 as of December 31, 2013. The accumulated amortization of such assets as reflected in Net Property, Plant and Equipment in our Consolidated Balance Sheet was $3,847 as of December 31, 2012 and $5,737 as of December 31, 2013.

We lease buildings and equipment under non-cancelable operating leases, which generally contain renewal and purchase options at fair market value at the end of the lease terms. Set forth below are minimum future lease payments under all capital and operating leases as of December 31, 2013:

Years Ending December 31,

	Capital Leases	Operating Leases
2014	$ 5,767	$ 1,816
2015	5,641	1,818
2016	4,380	1,707
2017	3,313	1,347
2018	2,381	794
Thereafter	721	1,210
Subtotal	22,203	$ 8,692
Less imputed interest	(1,772)	
Total	$20,431	

Rent expense under operating leases was $2,131 in 2012 and $2,055 in 2013. Rent expense includes building and equipment lease payments made to a company owned by our majority shareholder of $131 in 2012 and $9 in 2013. We also recorded $7 in rent income related to certain equipment leased to a company owned by our majority shareholder.

6. Income Taxes

Set forth below is our Income Before Taxes and Joint Venture Income as disclosed in our Consolidated Statements of Operations and Comprehensive Income separated between those generated by our U.S. operations and those generated by our foreign operations:

	Year Ended December 31, 2012	Year Ended December 31, 2013
United States	$ 838	$ 6,249
Foreign	2,354	6,464
Total	$ 3,192	$ 12,713

Set forth below is our Taxes Expense as disclosed in our Consolidated Statements of Operations and Comprehensive Income separated by current and deferred taxes generated within the United States and within our foreign operations:

	Year Ended December 31, 2012	Year Ended December 31, 2013
Current:		
United States	($12)	($2,236)
Foreign	(633)	866
Total current	(645)	(1,370)
Deferred:		
United States	755	4,833
Foreign	486	41
Total deferred	1,241	4,874
Total taxes	$ 596	$ 3,504

We have not provided for federal income tax on the remaining undistributed earnings of foreign subsidiaries, except for specific amounts related to our Chinese joint venture and Brazilian subsidiary where provision has been made for book versus tax basis differences with respect to certain distributable earnings. Other than the specific foreign earnings mentioned, recording of deferred income taxes on these undistributed foreign earnings is not required because they are expected to be permanently invested in the foreign subsidiaries. It is not practicable to estimate the amount of additional taxes in the event that foreign subsidiaries' earnings are distributed.

Our gross unrecognized tax liabilities were increased by $199 in 2012 and increased by $413 in 2013, which relates to the impacts of foreign currency translation. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2010. We recognize interest and penalties accrued related to unrecognized tax benefits in Taxes Expense. We had no amounts accrued for the payment of interest and penalties as of December 31, 2012 or 2013.

Set forth below are reconciliations of the differences between Taxes Expense as disclosed in our Statements of Operations and Comprehensive Income and income tax expense computed at the U.S. Federal statutory tax rate:

	Year Ended December 31, 2012	2013
Tax provision at United States Federal statutory rate	$ 1,117	$ 4,450
Effect of:		
Foreign operations, net of related tax credits	(971)	(1,355)
Refundable tax credits	(134)	(687)
Foreign dividends	634	904
Other	(50)	192
Tax provision as reported	$ 596	$ 3,504

Deferred income tax assets and liabilities as of December 31, 2012 and December 31, 2013 reflect the effect of temporary differences between amounts of assets, liabilities and equity for financial reporting purposes and the bases of such assets, liabilities, and equity as measured by tax laws, as well as tax loss and tax credit carryforwards.

Set forth below are temporary differences that gave rise to deferred tax assets and liabilities as of December 31:

	2012 Deferred Tax		2013 Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
Accrued expenses	$ 3,215	$ 279	$ 3,835	$ 286
Foreign tax and other credits	428		838	
Net operating loss carryforward	11,133		9,619	
Depreciation and other		34,892		39,141
Total deferred taxes	$14,776	$ 35,171	$14,292	$ 39,427

Set forth below is the deferred tax detail above as reflected in our Consolidated Balance Sheets as of December 31:

	2012	2013
Short-term deferred tax assets	($2,735)	($3,058)
Long-term deferred tax assets	(98)	(45)
Long-term deferred tax liabilities	23,228	28,238
Net deferred tax liabilities	$ 20,395	$ 25,135

We had net foreign operating loss carryforwards available to offset future taxable income of $27,152 as of December 31, 2013, which have no expiration dates. In addition, we have U.S. net operating losses of $1,627, which can be carried forward through 2033.

7. Significant Customers

Set forth below are sales to customers that exceeded 10% of consolidated sales:

	2012	2013
Customer A	$33,609	$45,432
Customer B	*	25,783

* Less than 10% during this period.

8. Other Related Party Transactions

We provide certain supervisory and support services to AMD. Our Selling, General and Administrative expenses included income of $1,764 pertaining to such services in 2012 and $1,813 in 2013.

From time to time, we produce and sell precision-machined components to AMD, and conversely, it produces and sells such components to us. During 2012, we sold $4 of such components to AMD, while during 2012 AMD sold $40 of such components to us. During 2013, we sold $1 of such components to AMD, while during 2012 AMD sold $13 of such components to us.

We paid management fees and expense reimbursements of $237 in 2012 and $228 in 2013 to our Shareholders.

We are the lessee of a private aircraft under an operating lease agreement. We recorded sublease income from our majority shareholder for his personal use of the aircraft of $68 in 2012 and $55 in 2013.

9. Employee Benefit Plans

We maintain a self-funded medical and dental plan for the majority of our North American full-time employees. A third-party administrator makes benefit payments, and an estimate of our liability for unpaid and incurred but not reported claims is included in Other Accrued Liabilities. Certain employees of our other subsidiaries are enrolled in various insured group or governmental health plans.

We sponsor a 401(k) savings plan (the "401k Plan") for all qualified full-time employees resident in the U.S. The 401k Plan provides for an annual discretionary employer matching contribution that has historically been dollar-for-dollar up to two thousand dollars. Expense incurred in connection with the 401k Plan was $553 in 2012 and $752 in 2013.

We sponsor a defined benefit pension plan for substantially all employees of Bouverat (the "Pension Plan"). These benefits are calculated based on each employee's years of credited service and most recent monthly compensation and service category. Employees become vested in accordance with governmental regulations in place at the time of retirement.

For the purpose of calculating the actuarial present value of the benefit obligation under the Pension Plan, the discount rates assumed were 3.3% for all periods presented. The compensation growth rate was assumed at 3% for all periods presented. The measurement date was December 31 of each year.

Set forth below is projected benefit obligation information for the Pension Plan:

	2012	2013
Accumulated benefit obligation at measurement date	$ 777	$ 849
Effect of salary increases	442	469
Projected benefit obligation at measurement date	$1,219	$1,318
Projected benefit obligation at beginning of year	$ 835	$1,219
Service and interest costs	91	110
Actuarial gains (losses)	298	(23)
Benefits paid	(32)	(40)
Effect of foreign currency translation gains and other	27	52
Projected benefit obligation at measurement date	$1,219	$1,318

Set forth below is net periodic benefit cost information for the Pension Plan:

	2012	2013
Service and interest costs	$ 91	$110
Expected return on plan assets	(23)	(25)
Amortization of prior service costs	9	9
Net periodic benefit cost	$ 77	$ 94

We expect benefit payments under the Pension Plan to be $18 for 2016, $9 in 2018 and $494 from 2019-2023.

Set forth below is plan asset information for the Pension Plan:

	2012	2013
Plan assets at fair value at measurement date	$ 658	$ 699
Projected benefit obligations at measurement date	(1,219)	(1,318)
Funded status	($561)	($619)
Plan assets at fair value at beginning of year	$ 600	$ 658
Actual return on plan assets	49	13
Benefits paid	(4)	
Effect of foreign currency translation gains	13	28
Plan assets at fair value at measurement date	$ 658	$ 699

The assumed rate of return on assets of the Pension Plan was 3.8% in 2012 and 2.0% in 2013. We have a targeted goal of allocating plan assets one-third to equity and two-thirds to fixed income securities. Actual allocations of Pension Plan assets between equity and fixed income securities were 19% and 81%, respectively, as of December 31, 2012 and 2013. We do not expect to have any funding obligations under the Pension Plan in 2014.

10. Investment in Non-Consolidated Joint Venture

We and an unrelated entity jointly own and operate Wuxi Weifu Autocam Precision Machinery Company, Ltd. (“JV”), a Chinese company located in the city of Wuxi, China. The JV sold fuel delivery systems components for a customer’s Asian operations totaling $26,189 in 2012 and $40,651 in 2013. During 2013, we sold to our joint venture partner 1% of the JV for $205, but control of the board of directors remained split evenly between our partner and us. Our remaining 49% investment in JV is being accounted for under the equity method. Set forth below are the components of our JV investment balance as of December 31:

	2012	2013
Investments	$ 5,000	$ 4,795
Our share of cumulative earnings	10,627	14,455
Dividends received	(5,883)	(7,593)
	$ 9,744	$11,657

Set forth below is summarized balance sheet information for JV:

	December 31, 2012	December 31, 2013
Current assets	$15,609	$21,488
Non-current assets	14,272	18,864
Total assets	$29,881	$40,352
Current liabilities	$ 7,834	$13,477
Non-current liabilities	(4)	(242)
Total liabilities	$ 7,830	$13,235

Dividends declared by JV were $3,894 in 2012 and $3,421 in 2013. Our ownership portion of these amounts (50% in both years) was received by us net of a 10% withholding tax levied by the Chinese government. We had sales to JV of $40 in 2012 and $291 in 2013. Amounts due to us from JV were $279 as of December 31, 2012 and $308 as of December 31, 2013.

11. Supplemental Cash Flow Information

Set forth below is a reconciliation of net income to net cash provided by operating activities:

	Year Ended December 31, 2012	Year Ended December 31, 2013
Net income	$ 4,705	$ 12,867
Joint venture net income in excess of cash received	(263)	(1,773)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	13,555	16,663
Deferred taxes	883	4,847
Other	(286)	114
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	(1,599)	(5,832)
Inventories	(4,696)	1,536
Prepaid expenses and other current assets	(1,085)	682
Other long-term assets	(185)	(195)
Accounts payable	4,210	(3,250)
Accrued liabilities	306	1,115
Deferred credits and other	543	119
Net cash provided by operating activities	$ 16,088	$ 26,893

13. Subsequent Events

Events or transactions occurring after the Consolidated Balance Sheet date have been evaluated through March 28, 2014, the date the financial statements were issued. The financial statements do not reflect events or transactions after this date.

AUTOCAM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2012

AUTOCAM CORPORATION
INDEX TO FINANCIAL INFORMATION

[FOR INDEPENDENT AUDITORS' REPORT, PLEASE SEE PAGE 3 OF AUTOCAM CORPORATION'S CONSOLIDATED FINANCIAL STATEMENTS FOR DECEMBER 31, 2012 AND 2013]

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AUTOCAM CORPORATION
CONSOLIDATED BALANCE SHEETS

Amounts in thousands, except share information	December 31, 2011	December 31, 2012
Assets		
Current assets:		
Cash and equivalents	$ 11,276	$ 9,492
Accounts receivable, net of allowances of $213 and $275, respectively	26,715	28,387
Inventories	20,051	24,795
Prepaid expenses and other current assets	4,388	5,889
Total current assets	62,430	68,563
Property, plant and equipment, net	104,546	121,862
Investment in joint venture	9,390	9,744
Other long-term assets	5,434	7,518
Total assets	$181,800	$207,687
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term obligations	$ 8,554	$ 14,269
Accounts payable	13,527	17,708
Accrued liabilities:		
Compensation	6,968	6,944
Other	1,117	903
Total current liabilities	30,166	39,824
Long-term obligations, net of current maturities	15,833	36,025
Deferred taxes	21,514	23,228
Other long-term liabilities	5,992	5,252
Shareholders' equity:		
Common stock – no par value; 10,200,000 shares authorized; 106,550 issued and outstanding as of December 31, 2011 and 2012		
Additional paid-in capital	194,890	194,890
Accumulated other comprehensive income	1,826	559
Accumulated deficit	(88,421)	(92,091)
Total shareholders' equity	108,295	103,358
Total liabilities and shareholders' equity	$181,800	$207,687

See notes to consolidated financial statements.

AUTOCAM CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Amounts in thousands	Year Ended December 31, 2011	2012
Sales	$ 182,064	$ 181,568
Cost of sales	(152,529)	(163,809)
Gross profit	29,535	17,759
Selling, general and administrative expenses	(13,158)	(12,323)
Income from operations before stock-based compensation income (expense)	16,377	5,436
Stock-based compensation income (expense)	(3,305)	128
Income from operations	13,072	5,564
Interest expense, net	(1,817)	(2,040)
Other expenses, net	(25)	(332)
Income before taxes	11,230	3,192
Taxes	(4,712)	(596)
Share of net income from joint venture	1,856	2,109
Net income	$ 8,374	$ 4,705
Statements of Comprehensive Income:		
Net income	$ 8,374	$ 4,705
Other comprehensive income (losses):		
Foreign currency translation adjustments	(4,030)	(1,296)
Change in fair value of interest rate hedge	(88)	29
Comprehensive income	$ 4,256	$ 3,438

See notes to consolidated financial statements.

AUTOCAM CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Amounts in thousands	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance, January 1, 2011	$194,890	$ 5,944	($ 73,688)	$127,146
Net income			8,374	8,374
Dividends paid to non-Manager Shareholders in the form of:				
Cash [1]			(15,000)	(15,000)
Note receivable [2]			(8,107)	(8,107)
Foreign currency translation adjustments		(4,030)		(4,030)
Change in fair value of interest rate hedge		(88)		(88)
Balance, December 31, 2011	194,890	1,826	(88,421)	108,295
Net income			4,705	4,705
Cash dividends paid to non-Manager Shareholders [3]			(8,375)	(8,375)
Foreign currency translation adjustments		(1,296)		(1,296)
Change in fair value of interest rate hedge		29		29
Balance, December 31, 2012	$194,890	$ 559	($ 92,091)	$103,358

1 $151.75 per share.

2 $79.32 per share.

3 Payments of $46.25 per share were made in January, 2012 and $37.55 per share in August, 2012.

See notes to consolidated financial statements.

AUTOCAM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in thousands	Year Ended December 31, 2011	2012
Cash flows from operating activities:		
Cash received from customers	$ 179,495	$ 178,735
Cash paid to suppliers and employees	(158,218)	(163,555)
Cash received from joint venture operations	1,790	2,040
Income taxes paid	(1,263)	(279)
Income taxes refunded		1,065
Interest paid	(1,954)	(1,918)
Interest received	965	
Net cash provided by operating activities	20,815	16,088
Cash flows from investing activities:		
Capital expenditures	(24,844)	(36,246)
Proceeds from sales of fixed assets	88	316
Proceeds from notes receivable repayments	3,540	
Restricted cash deposits	(325)	(62)
Other	54	(19)
Net cash used in investing activities	(21,487)	(36,011)
Cash flows from financing activities:		
Borrowings under lines of credit	44,957	66,458
Repayments on lines of credit	(46,088)	(54,654)
Proceeds from issuance of long-term obligations	8,904	22,156
Principal payments of long-term obligations	(4,303)	(7,694)
Dividends paid	(15,000)	(8,375)
Debt issue costs	(19)	(30)
Net cash provided by (used) in financing activities	(11,549)	17,861
Effect of exchange rate changes on cash and equivalents	(207)	278
Decreases in cash and equivalents	(12,428)	(1,784)
Cash and equivalents at beginning of period	23,704	11,276
Cash and equivalents at end of period	$ 11,276	$ 9,492

See notes to consolidated financial statements.

1. Operations and Summary of Significant Accounting Policies

In these notes, unless the context otherwise requires, “we,” “our” or “us” refer to Autocam Corporation together with its consolidated subsidiaries (“Autocam”). All currency figures, except per share data, referenced in these notes are reflected in thousands of U.S. dollars.

Principles of Consolidation – Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S.”). All of our significant intercompany accounts and transactions have been eliminated in consolidation.

Nature of Operations – We design and manufacture close-tolerance, specialty metal alloy components for mechanical and electromechanical systems using turning, grinding and milling processes. Currently, we manufacture components for use on fuel delivery, electromechanical motor, steering and braking systems for the transportation industry. We have three manufacturing locations in the U.S., two in Brazil and one each in France, Poland and China. Our customers are located in virtually all areas of the world, with the exception of the continent of Africa.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although our management believes the estimates are reasonable, actual results could differ from those estimates.

Financial Instruments consist principally of cash and equivalents, accounts receivable and payable and indebtedness. We have determined the estimated fair value amounts for indebtedness using available market information and valuation methodologies (see Note 4). We have determined the estimated fair value of accounts receivable and payable as approximating their book values given their possessing short-term maturities.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Set forth below is information about the fair value of our financial assets and liabilities at December 31, 2011 and December 31, 2012, according to the valuation techniques we used to determine their fair values:

	Level 1 [1]		Level 2 [2]	
	2011	2012	2011	2012
Asset -				
Cash equivalents	$11,276	$9,492		
Liability -				
Interest rate swap arrangements			$324	$280

1 Quoted prices in active markets for identical assets or liabilities.
2 Observable inputs other than quoted prices in active markets for identical assets and liabilities.

Cash equivalents consist of highly-liquid investments with original maturities of three months or less at the date of purchase, including money market accounts with an active market valuation Level 1 estimate.

Inventories are stated at the lower of actual cost, on a first-in, first-out (FIFO) basis, or market.

Property, Plant and Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	31 years
Leasehold improvements	3 to 12 years
Machinery and equipment	3 to 12 years
Furniture and fixtures	5 to 10 years

Maintenance and repairs that do not improve or extend the lives of the respective assets are charged to expense. When properties are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss on disposition is recognized in the results of operations. Gains arising from sale and leaseback transactions are deferred for amortization to income over the lives of the related operating leases. Leasehold improvements are amortized over the lesser of their useful lives or the lease term.

Other Long-Term Assets consists of the following as of December 31:

	2011	2012
Equipment deposits	$3,815	$5,844
Restricted cash	756	855
Employee receivables	276	303
Unamortized debt issue costs	109	102
Revenue bonds	111	176
Other	367	238
	$5,434	$7,518

Equipment deposits – Represents deposits paid on purchase commitments for machinery and equipment totaling $15,549 as of December 31, 2012, some of which may be assigned to financing companies under lease agreements. In accordance with terms of the purchase agreements, final acceptance of the equipment is contingent upon the equipment demonstrating certain capabilities as documented in our purchase orders.

Restricted cash – Represents funds held in escrow by Brazilian courts as compensating balances against certain potential judgments against us in connection with benefits that may be due terminated employees.

Unamortized debt issue costs – Debt issue costs paid are amortized over the terms of the debt instruments. Debt issue cost amortization expense was $33 in 2011 and $35 in 2012.

Set forth below is expected debt issue cost amortization expense to be recorded by us in the years following 2012:

2013	$ 42
2014	36
2015	20
2016	4
Total	$102

Revenue bonds – Represents Michigan New Jobs Training Program bonds we purchased in 2011 and 2012 to fund new machinist apprenticeship program training costs at Grand Rapids Community College. The underlying agreement between us and the State of Michigan (the “State”) contemplates repayment of the bonds over a 20-year period expiring in July 2030 through remittance to us by the State of payroll taxes withheld from employees that participate in the program.

Accounts Payable includes the reclassification from Cash and Equivalents of outstanding checks, net of related cash balances, totaling $1,433 as of December 31, 2011 and $2,600 as of December 31, 2012.

Revenue Recognition – Sales are recognized at the time product is shipped to the customer, at which time title and risk of ownership transfer to the purchaser.

Income taxes – Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates applicable to periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities (see Note 6).

Derivative and Hedging Activities – From time to time, we manage interest rate risk through the use of interest rate swap agreements. The following such agreements were in effect as of December 31, 2011 and 2012 and were intended to hedge our interest rate risk on the term notes subject to our senior credit facilities agreement and certain of the equipment term notes with bank (see Note 4):

Dates		Notional Amounts as of December 31,		LIBOR Component Fixed Interest	Other Comprehensive Income (Loss) Recorded [1]		Derivative Instrument Liability Recorded as of December 31,	
Effective	Maturity	2011	2012	Rate	2011	2012	2011	2012
June 2010	June 2015	$ 6,650	$ 4,750	2.17%	$ 5	$ 46	$ 181	$ 110
January 2011	December 2015	2,800	2,100	1.90%	(47)	13	72	52
June 2011	July 2016	3,542	2,764	1.58%	(46)	5	71	63
August 2012	August 2016		7,333	0.75%		(35)		55

1 Net of related income tax

Stock-Based Compensation – In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 718 "Stock Compensation," compensation costs related to share-based payment transactions are recognized in our financial statements. Compensation cost is measured based on the grant date fair value of the equity or liability instruments issued and is recognized over the period that an employee provides services in exchange for the award.

Autocam's Board of Directors has reserved 8,650 shares of its common stock for issuance to employees under the 2010 Stock Option Plan (the "Option Plan"). In 2010, our Board of Directors granted to certain key employees and entities controlled by certain non-shareholder members of our Board of Directors (together, the "Manager Shareholders") options to purchase 6,650 shares exercisable at $40 per share. As of December 31, 2012, all such options have been exercised and no other options have been granted. As defined in ASC 718, these awards are classified as liability awards as the shareholders and we can require repayment under certain circumstances based on a formula of earnings before interest, depreciation and amortization expense. The awards are recorded at their intrinsic value, and the expense is recognized over each employee's expected future service until an expected retirement date. We recognized stock-based compensation expense of $1,768 in 2011 and stock-based compensation income of $677 in 2012 related to these awards. In addition, we recognized stock-based compensation expense of $1,537 in 2011 and $549 in 2012 related to portions of the dividend paid to the Manager Shareholders during those respective years (see Dividends Paid below).

French Safeguard Restructuring – In 2008, we filed "Procedure de Sauvegarde" ("Safeguard") on behalf of each of our French subsidiaries, Autocam France, SARL and Bouverat Industries, SAS ("Bouverat"). We reached agreement with our creditors with claims subject to Safeguard protection in 2009. Provisions of the agreements allowed, at each creditor's option, for the payment of a portion of the obligation in January 2010, or the entire obligation over a 10-year period. Amounts due as of December 31, 2012 from those creditors opting to be paid over a 10-year period totaled $3,289 and are included in Current Maturities of Long-Term Obligations ($183) and Long-Term Obligations ($3,106).

Dividends Paid – On January 3, 2011, our Board of Directors declared a $16,184 cash dividend and a dividend in-kind through the distribution of an $8,460 note receivable due from Autocam Medical Devices, LLC ("AMD"), an affiliate of ours through common ownership. The portions of these amounts granted to the Manager Shareholders, and therefore recorded as stock-based compensation expense in our Consolidated Statement of Operations, were $1,184 and $353, respectively. The cash payments and note receivable distributions occurred on January 4, 2011. The cash payment was funded with cash on hand, proceeds from the issuance of a term note to our bank, and proceeds from the early repayment of $3,540 of the note receivable from AMD.

On January 24, 2012, our Board of Directors declared a $4,928 cash dividend, which was distributed on January 30, 2012. The portion of this amount granted to the Manager Shareholders, and therefore recorded as Stock-based Compensation Expense in our Consolidated Statement of Operations, was $303. On May 1, 2012, our Board of Directors declared a cash dividend of not more than $12,000 to be distributed in one or more installments as determined by our majority shareholder between July 1, 2012 and January 31, 2013. On August 10, 2012, a $3,998 cash dividend was distributed, and no further distributions are contemplated pursuant to the May 1 Board of Directors resolution. The portion of this amount granted to the Manager Shareholders, and therefore recorded as stock-based compensation expense in our Consolidated Statement of Operations, was $246. All 2012 cash payments were funded with cash on hand, revolving line of credit borrowings and proceeds from the issuance of a term note to our bank.

2. Inventories

Set forth below are the components of Inventories as of December 31:

	2011	2012
Raw materials	$ 8,761	$10,464
Production supplies	3,495	4,538
Work in-process	5,823	7,159
Finished goods	1,972	2,634
Total inventories	$20,051	$24,795

3. Property, Plant and Equipment

Set forth below are the components of Property, Plant and Equipment, Net as of December 31:

	2011	2012
Buildings and land	$ 17,257	$ 20,227
Machinery and equipment	122,355	147,712
Furniture and fixtures	4,901	5,362
Total	144,513	173,301
Accumulated depreciation	(39,967)	(51,439)
Total property, plant and equipment, net	$104,546	$121,862

4. Long-Term Obligations

Set forth below are the components of Long-Term Obligations as of December 31 (percentages represent interest rates as of December 31, 2012):

	2011	2012
Senior credit facilities:		
Term notes with bank:		
June 2010—*Interest payable monthly at a variable rate based on LIBOR plus 2% (2.209% per annum); principal due monthly through June 2015*	$ 6,492	$ 4,592
January 2011—*Interest payable monthly at a variable rate based on LIBOR plus 2% (2.209% per annum); principal due monthly through December 2015*	2,858	2,100
August 2012—*Interest payable monthly at a variable rate based on the bank's prime rate minus 0.75% (2.5% per annum); principal due monthly through June 2015*		7,333
Revolving line of credit with bank—*Principal due August 2014; Interest payable monthly at a variable rate based on the bank's prime rate minus 0.75% (2.5% per annum)*		6,525
Equipment term notes with bank:		
July 2011—*Interest payable monthly at LIBOR plus 2% (2.209% per annum); principal due monthly through July 2016*	1,341	1,048
February 2012—*Interest payable monthly at LIBOR plus 2.1% (2.309% per annum); principal due monthly through February 2017*		2,018
Capital leases obligations—*Payable in monthly installments, including interest imputed at rates ranging from 1.7% to 19.26%; due through November 2018*	5,724	12,879
French Safeguard obligations (Note 1)	3,401	3,289
Other	4,571	10,510
Total long-term obligations	24,387	50,294
Current portion	(8,554)	(14,269)
Long-term portion	$15,833	$ 36,025

Based on the borrowing rates currently available to us for bank loans with similar terms and average maturities, the fair value of long-term debt approximated its carrying value as of December 31, 2011 and December 31, 2012.

Our senior credit facilities include the above referenced term notes and a revolving credit commitment of $18,000 from a bank. Borrowing availability under this commitment based on the borrowing base calculation, as defined in the credit agreement, was $8,701 as of December 31, 2012 with the maximum availability being reduced by $300 representing the amount of an outstanding letter of credit associated with our self-funded workers' compensation program. We were in violation of the domestic leverage and fixed charge ratios. On March 8, 2013, such violations were waived in connection with the execution of the eighth amendment to our senior credit facilities agreement (the "Amended Agreement").

Significant terms of the Amended Agreement are as follows:

Financial and Restrictive Covenants – The Amended Agreement requires us to maintain the following, measured on a trailing-twelve-month basis with a quarterly reporting requirement:

- Maximum consolidated leverage ratios for our domestic and global operations; and
- Minimum global earnings, before interest, taxes, depreciation and amortization.

Collateral – The repayment of borrowings under the Amended Agreement are secured by substantially all North American machinery and equipment and capital stock of certain of our domestic subsidiaries.

Subordinated Promissory Note – In connection with the execution of the Amended Agreement, we issued a $5,000 promissory note payable to AMD, which is subordinate in priority to borrowings under the Amended Agreement.

Set forth below are the annual aggregate maturities of our long-term obligations at December 31, 2012:

Years Ending December 31,

2013	$14,269
2014	18,827
2015	8,359
2016	4,984
2017	1,844
Thereafter	2,011
Total	$50,294

5. Commitments

We lease certain buildings and equipment under capital leases. The cost of assets purchased subject to capital leases was $4,373 in 2011 and $10,065 in 2012. The cost of the assets subject to capital lease obligations as reflected in Net Property, Plant and Equipment in our Consolidated Balance Sheet was $12,443 as of December 31, 2011 and $22,646 as of December 31, 2012. The accumulated amortization of such assets as reflected in Net Property, Plant and Equipment in our Consolidated Balance Sheet was $2,657 as of December 31, 2011 and $3,847 as of December 31, 2012.

We lease buildings and equipment under non-cancelable operating leases, which generally contain renewal and purchase options at fair market value at the end of the lease terms. Set forth below are minimum future lease payments under all capital and operating leases as of December 31, 2012:

Years Ending December 31,

	Capital Leases	Operating Leases
2013	$ 3,562	$ 1,914
2014	3,379	1,309
2015	3,259	1,315
2016	2,115	1,320
2017	1,073	1,347
Thereafter	649	1,942
Subtotal	14,037	$ 9,147
Less imputed interest	(1,158)	
Total	$12,879	

Rent expense under operating leases was $2,705 in 2011 and $2,131 in 2012. Expense reported in 2011 includes $87 in building lease payments made to a company owned by our majority shareholder. Expense reported in 2012 includes $131 in building lease payments made to a company owned by our majority shareholder.

6. Income Taxes

Set forth below is our Income Before Taxes as disclosed in our Consolidated Statements of Operations and Comprehensive Income separated between those generated by our U.S. operations and those generated by our foreign operations:

	Year Ended December 31, 2011	Year Ended December 31, 2012
United States	$ 3,763	$ 838
Foreign	7,467	2,354
Total	$ 11,230	$ 3,192

Set forth below is our Taxes Expense as disclosed in our Consolidated Statements of Operations and Comprehensive Income separated by current and deferred taxes generated within the United States and within our foreign operations:

	Year Ended December 31, 2011	Year Ended December 31, 2012
Current:		
United States	($1,366)	($12)
Foreign	912	(633)
Total current	(454)	(645)
Deferred:		
United States	3,735	755
Foreign	1,431	486
Total deferred	5,166	1,241
Total taxes	$ 4,712	$ 596

We have not provided for federal income tax on the remaining undistributed earnings of foreign subsidiaries, except for specific amounts related to our Chinese joint venture and Brazilian subsidiary where provision has been made for book versus tax basis differences with respect to certain distributable earnings. Other than the specific foreign earnings mentioned, recording of deferred income taxes on these undistributed foreign earnings is not required because they are expected to be permanently invested in the foreign subsidiaries. It is not practicable to estimate the amount of additional taxes in the event that foreign subsidiaries' earnings are distributed.

Our gross unrecognized tax liabilities were reduced by $322 during 2011 and increased by $199 in 2012, the majority of which relates to the impacts of foreign currency translation and the reversal of $496 of unrecognized tax benefits in the U.S as of December 31, 2011. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2009. We recognize interest and penalties accrued related to unrecognized tax benefits in Taxes Expense. We had no amounts accrued for the payment of interest and penalties as of December 31, 2011 or 2012.

Set forth below are reconciliations of the differences between Taxes Expense as disclosed in our Statements of Operations and Comprehensive Income and income tax expense computed at the U.S. Federal statutory tax rate:

	Year Ended December 31, 2011	2012
Tax provision at United States Federal statutory rate	$ 3,931	$ 1,117
Effect of:		
Foreign operations, net of related tax credits	454	(971)
Stock-based compensation	1,157	(45)
Refundable tax credits	(322)	(134)
Foreign dividends	1,296	634
Valuation allowances and asset bases reductions	(1,659)	
Other	(145)	(5)
Tax provision as reported	$ 4,712	$ 596

Deferred income tax assets and liabilities as of December 31, 2011 and December 31, 2012 reflect the effect of temporary differences between amounts of assets, liabilities and equity for financial reporting purposes and the bases of such assets, liabilities, and equity as measured by tax laws, as well as tax loss and tax credit carryforwards.

Set forth below are temporary differences that gave rise to deferred tax assets and liabilities as of December 31:

	2011 Deferred Tax		2012 Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
Accrued expenses	$ 2,266	$ 275	$ 3,215	$ 279
Foreign tax and other credits	468		428	
Net operating loss carryforward	9,801		11,133	
Depreciation and other		31,421		34,892
Subtotal	12,534	31,696	14,776	35,171
Less valuation allowance	(174)			
Total deferred taxes	$12,360	$ 31,696	$14,776	$ 35,171

Set forth below is the deferred tax detail above as reflected in our Consolidated Balance Sheets as of December 31:

	2011	2012
Short-term deferred tax assets	($2,065)	($2,735)
Long-term deferred tax assets	(113)	(98)
Long-term deferred tax liabilities	21,514	23,228
Net deferred tax liabilities	$ 19,336	$ 20,395

We had net foreign operating loss carryforwards available to offset future taxable income of $27,357 as of December 31, 2012, which have no expiration dates. In addition, we have U.S. net operating losses of $5,758 that are expected to be fully utilized in the 2009 and 2010 tax years. Any remaining U.S. net operating losses can be carried forward for up to twenty years.

7. Significant Customers

Set forth below are sales to customers that exceeded 10% of consolidated sales:

	2011	2012
Customer A	$28,377	$33,609
Customer B	20,370	*

* Less than 10% during this period.

8. Related Party Transactions

We provide certain supervisory and support services to AMD. Our Selling, General and Administrative expenses included income of $1,232 pertaining to such services in 2011 and $1,764 in 2012.

From time to time, we produce and sell precision-machined components to AMD, and conversely, it produces and sells such components to us. During 2011, we sold $135 of such components to AMD, while during 2011 AMD sold $144 of such components to us. During 2012, we sold $4 of such components to AMD, while during 2012 AMD sold $40 of such components to us.

We paid management fees and expense reimbursements of $243 in 2011 and $237 in 2012 to our Shareholders.

We are the lessee of a private aircraft under an operating lease agreement. We recorded sublease income from our majority shareholder for his personal use of the aircraft of $58 in 2011 and $68 in 2012.

9. Employee Benefit Plans

We maintain a self-funded medical and dental plan for the majority of our North American full-time employees. A third-party administrator makes benefit payments, and an estimate of our liability for unpaid and incurred but not reported claims is included in Other Accrued Liabilities. Certain employees of our other subsidiaries are enrolled in various insured group or governmental health plans.

We sponsor a 401(k) savings plan (the "401k Plan") for all qualified full-time employees resident in the U.S. The 401k Plan provides for an annual discretionary employer matching contribution that has historically been dollar-for-dollar up to two thousand dollars. Expense incurred in connection with the 401k Plan was $472 in 2011 and $553 in 2012.

We sponsor a defined benefit pension plan for substantially all employees of Bouverat (the "Pension Plan"). These benefits are calculated based on each employee's years of credited service and most recent monthly compensation and service category. Employees become vested in accordance with governmental regulations in place at the time of retirement.

For the purpose of calculating the actuarial present value of the benefit obligation under the Pension Plan, the discount rates assumed were 5.3% in 2011 and 3.3% in 2012. The compensation growth rate was assumed at 3% for all periods presented. The measurement date was December 31 of each year.

Set forth below is projected benefit obligation information for the Pension Plan:

	2011	2012
Accumulated benefit obligation at measurement date	$541	$ 777
Effect of salary increases	294	442
Projected benefit obligation at measurement date	$835	$1,219
Projected benefit obligation at beginning of year	$789	$ 835
Service and interest costs	93	91
Actuarial gains (losses)	(8)	298
Benefits paid	(17)	(32)
Effect of foreign currency translation gains and other	(22)	27
Projected benefit obligation at measurement date	$835	$1,219

Set forth below is net periodic benefit cost information for the Pension Plan:

	2011	2012
Service and interest costs	$ 93	$ 91
Expected return on plan assets	(25)	(23)
Amortization of prior service costs	10	9
Net periodic benefit cost	$ 78	$ 77

We expect benefit payments under the Pension Plan to be $20 for 2015, $18 in 2016, $21 in 2017 and $427 from 2018-2022.

Set forth below is plan asset information for the Pension Plan:

	2011	2012
Plan assets at fair value at measurement date	$ 600	$ 658
Projected benefit obligations at measurement date	(835)	(1,219)
Funded status	($235)	($561)
Plan assets at fair value at beginning of year	$ 626	$ 600
Actual return on plan assets	49	49
Benefits paid	(61)	(4)
Effect of foreign currency translation gains	(14)	13
Plan assets at fair value at measurement date	$ 600	$ 658

The assumed rates of return on assets of the Pension Plan were 3.8% for 2011 and 2012, which is consistent with historical long-term rates of return experienced for each asset class.

We have a targeted goal of allocating plan assets one-third to equity and two-thirds to fixed income securities. Set forth below are actual allocations of Pension Plan assets between equity and fixed income securities as of December 31:

	2011	2012
Equity	19%	19%
Fixed income	81%	81%
	100%	100%

We have no expected funding obligations under the Pension Plan in 2013.

10. Investment in Non-Consolidated Joint Venture

We and an unrelated entity jointly own and operate Wuxi Weifu Autocam Precision Machinery Company, Ltd. ("JV"), a Chinese company located in the city of Wuxi, China. The JV sold fuel delivery systems components for a customer's Asian operations totaling $25,346 in 2011 and $26,189 in 2012. Our 50% investment in JV is being accounted for under the equity method. Set forth below are the components of our JV investment balance as of December 31:

	2011	2012
Investments	$ 5,000	$ 5,000
Our share of cumulative earnings	8,325	10,627
Dividends received	(3,935)	(5,883)
	$ 9,390	$ 9,744

Set forth below is summarized balance sheet information for JV:

	December 31,	
	2011	2012
Current assets	$12,957	$15,609
Non-current assets	13,440	14,272
Total assets	$26,397	$29,881
Current liabilities	$ 4,999	$ 7,834
Non-current liabilities	224	(4)
Total liabilities	$ 5,223	$ 7,830

Dividends declared by JV were $3,770 in 2011 and $3,894 in 2012. Our 50% portion of these amounts was received by us in net of a 10% withholding tax levied by the Chinese government. We had sales to JV of $61 in 2011 and $40 in 2012. Amounts due to us from JV were $353 as of December 31, 2011 and $279 as of December 31, 2012.

11. Supplemental Cash Flow Information

Set forth below is a reconciliation of net income to net cash provided by operating activities:

	Year Ended December 31,	
	2011	2012
Net income	$ 8,374	$ 4,705
Joint venture net income in excess of cash received	(66)	(263)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	11,806	13,555
Deferred taxes	2,060	883
Other	468	(286)
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	(2,392)	(1,599)
Inventories	(2,667)	(4,696)
Prepaid expenses and other current assets	(576)	(1,085)
Other long-term assets	87	(185)
Accounts payable	1,007	4,210
Accrued liabilities	98	306
Deferred credits and other	2,616	543
Net cash provided by operating activities	$ 20,815	$ 16,088

13. Subsequent Events

Events or transactions occurring after the Consolidated Balance Sheet date have been evaluated through March 27, 2013, the date the financial statements were issued. The financial statements do not reflect events or transactions after this date.

Exhibit 99.2

AUTOCAM CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2014

AUTOCAM CORPORATION
INDEX TO FINANCIAL INFORMATION

AUTOCAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

Amounts in thousands, except share information	December 31, 2013	June 30, 2014
Assets		
Current assets:		
Cash and equivalents	$ 9,974	$ 10,755
Accounts receivable, net of allowances of $324 and $246, respectively	33,683	41,910
Inventories	24,472	26,853
Prepaid expenses and other current assets	4,640	5,333
Total current assets	72,769	84,851
Property, plant and equipment, net	136,390	135,218
Investment in joint venture	11,657	14,242
Equipment deposits and other long-term assets	4,129	6,855
Total Assets	$ 224,945	$241,166
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities of long-term obligations	$ 18,537	$ 18,427
Accounts payable	16,436	18,190
Accrued liabilities:		
Compensation	7,821	8,335
Other	671	2,969
Total current liabilities	43,465	47,921
Long-term obligations, net of current maturities	45,571	46,382
Deferred taxes	28,238	28,619
Other long-term liabilities	4,990	6,277
Shareholders' equity:		
Common stock – no par value; 10,200,000 shares authorized; 96,550 issued and outstanding at December 31, 2013 and June 30, 2014		
Additional paid-in capital	182,890	182,890
Accumulated other comprehensive losses	(985)	(188)
Accumulated deficit	(79,224)	(70,735)
Total shareholders' equity	102,681	111,967
Total Liabilities and Shareholders' Equity	$ 224,945	$241,166

See notes to condensed consolidated financial statements.

AUTOCAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(unaudited)

Amounts in thousands	Three Months Ended June 30, 2013	Three Months Ended June 30, 2014	Six Months Ended June 30, 2013	Six Months Ended June 30, 2014
Sales	$ 59,717	$ 65,438	$ 114,656	$ 129,704
Cost of sales	(51,898)	(55,220)	(101,455)	(110,702)
Gross profit	7,819	10,218	13,201	19,002
Selling, general and administrative expenses	(3,445)	(3,831)	(7,036)	(7,353)
Income from operations before stock-based compensation expense	4,374	6,387	6,165	11,649
Stock-based compensation expense	(18)	(288)	(36)	(576)
Income from operations after stock-based compensation expense	4,356	6,099	6,129	11,073
Interest expense, net	(736)	(745)	(1,339)	(1,495)
Other expense, net	(193)	(50)	(343)	(95)
Income before taxes and equity in net income of joint venture	3,427	5,304	4,447	9,483
Taxes	(894)	(1,486)	(1,293)	(2,680)
Equity in net income of joint venture	904	733	1,654	1,686
Net Income	$ 3,437	$ 4,551	$ 4,808	$ 8,489
Statements of Comprehensive Income (Loss):				
Net income	$ 3,437	$ 4,551	$ 4,808	$ 8,489
Other comprehensive income (losses):				
Foreign currency translation adjustments	(1,942)	(61)	(2,452)	814
Change in fair value of interest rate hedge	37	1	68	(17)
Comprehensive Income (Loss)	$ 1,532	$ 4,491	$ 2,424	$ 9,286

See notes to condensed consolidated financial statements.

AUTOCAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

Amounts in thousands	Six Months Ended June 30, 2013	Six Months Ended June 30, 2014
Net cash provided by operating activities	$ 3,340	$ 10,962
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(15,687)	(10,390)
Other	183	(133)
Net cash used in investing activities	(15,504)	(10,523)
Cash flows from financing activities:		
Borrowings under lines of credit	38,718	36,526
Repayments on lines of credit	(33,844)	(31,326)
Proceeds from issuance of long-term obligations	10,562	1,001
Principal payments of long-term obligations	(4,447)	(5,989)
Other	151	212
Net cash provided by financing activities	11,140	424
Effect of exchange rate changes on cash and equivalents	(140)	(82)
Increase (decrease) in cash and equivalents	(1,164)	781
Cash and equivalents at beginning of period	9,492	9,974
Cash and Equivalents at End of Period	$ 8,328	$ 10,755

See notes to condensed consolidated financial statements.

AUTOCAM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(unaudited)

Amounts in thousands	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
Balance, January 1, 2014	$182,890	($985)	($79,224)	$102,681
Net income			8,489	8,489
Foreign currency translation adjustments		814		814
Change in fair value of interest rate hedge		(17)		(17)
Balance, June 30, 2014	$182,890	($188)	($70,735)	$111,967

See notes to condensed consolidated financial statements.

1. Basis of Presentation and Significant Accounting Policies

Interim Financial Statements– The accompanying condensed consolidated financial statements of Autocam have not been audited, except that the condensed consolidated balance sheet at December 31, 2013 was derived from our audited consolidated financial statements. In our opinion, these financial statements reflect all adjustments necessary to fairly state the results of operations for the three and six month periods ended June 30, 2014 and 2013, our financial position at June 30, 2014 and December 31, 2013, and the cash flows for the six month periods ended June 30, 2014 and 2013 on a basis consistent with our audited financial statements. These adjustments are of a normal recurring nature and are, in the opinion of management, necessary for fair statement of the financial position and operating results for the interim periods.

Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted from the interim financial statements. These unaudited, condensed and consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto. The results for the three and six month periods ended June 30, 2014 are not necessarily indicative of results for the year ending December 31, 2014 or any other future periods. In these notes, unless the context otherwise requires, “we,” “our” or “us” refer to Autocam Corporation together with its consolidated subsidiaries (“Autocam”). All currency figures referenced in these notes are reflected in thousands of U.S. dollars, unless otherwise noted.

Pension Plans – We sponsor a defined benefit pension plan for substantially all employees of our Bouverat plant in France. Set forth below are the components of net periodic benefit cost for the plan:

	Six Months Ended June 30,	
	2013	2014
Service and interest costs	$ 46	$ 55
Expected return on plan assets	(12)	(13)
Amortization of prior service costs	5	5
Net periodic benefit cost	$ 39	$ 47

Financial Instruments consist principally of cash and equivalents, accounts receivable and payable and indebtedness. We have determined the estimated fair value amounts for indebtedness using available market information and valuation methodologies (see Note 4). We have determined the estimated fair value of accounts receivable and payable as approximating their book values given their possessing short-term maturities.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Set forth below is information about the fair value of our financial assets and liabilities at December 31, 2013 and June 30, 2014, according to the valuation techniques we used to determine their fair values:

	Level 1 [1]		Level 2 [2]	
	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014
Asset -				
Cash and equivalents	$ 9,974	$ 10,755		
Liability -				
Interest rate swap arrangements			$ 131	$ 105

1 Quoted prices in active markets for identical assets or liabilities.
2 Observable inputs other than quoted prices in active markets for identical assets and liabilities.

Cash equivalents consist of highly-liquid investments with original maturities of three months or less at the date of purchase, including money market accounts with an active market valuation Level 1 estimate.

Derivative and hedging activity- We are exposed to interest rate risk on approximately one-half of our outstanding indebtedness. All indebtedness to to our senior lender bears interest at variable rates.

From time to time, we manage interest rate risk through the use of interest rate swap agreements. Set forth below are our interest rate swaps outstanding as of June 30, 2014:

Dates		Notional	Monthly	Rate Amounts	
Effective	Maturity	Amount	Amortization	Fixed	Float
6/3/10	6/3/15	$ 1,900,000.00	$ 158,333.00	2.17%	1 Mo LIBOR
1/4/11	12/31/15	1,050,000.00	58,333.00	1.90%	1 Mo LIBOR
6/30/11	7/31/16	1,596,641.00	64,845.00	1.58%	1 Mo LIBOR
8/31/12	8/31/16	4,333,333.00	166,667.00	0.75%	1 Mo LIBOR
11/30/13	10/31/18	7,600,000.00	279,033.00	1.06%	1 Mo LIBOR

2. Inventories

Set forth below are the components of Inventories:

	December 31, 2013	June 30, 2014
Raw materials	$ 10,407	$11,514
Production supplies	4,166	4,693
Work in-process	7,085	7,670
Finished goods	2,814	2,976
Total Inventories	$ 24,472	$26,853

Inventories are stated at the lower of cost or market on a first-in, first-out (FIFO) basis.

3. Property, Plant and Equipment, Net

Set forth below are the components of Property, Plant and Equipment, Net:

	December 31, 2013	June 30, 2014
Buildings and land	$ 22,940	$ 24,296
Machinery and equipment	173,930	179,390
Furniture and fixtures	6,182	6,489
Total	203,052	210,175
Accumulated depreciation	(66,662)	(74,957)
Total Property, Plant and Equipment, Net	$ 136,390	$ 135,218

4. Long-Term Obligations

Set forth below are the components of Long-Term Obligations (percentages represent interest rates as of June 30, 2014):

	December 31, 2013	June 30, 2014
Senior indebtedness:		
Term notes:		
August 2012 (2.18%)	$ 5,333	$ 4,333
October 2013 (3.21%)	16,184	14,510
Equipment term notes:		
July 2011 (3.95%)	756	609
February 2012 (3.78%)	1,534	1,292
Mortgage payable (3.25%)	300	260
Revolving line of credit (2.5%)	2,201	8,842
Capital lease obligations	20,431	18,001
Subordinated affiliate note	5,000	5,000
French Safeguard obligations	3,235	3,206
Brazilian lines of credit	6,451	5,564
Other	2,683	3,192
Total long-term obligations	64,108	64,809
Current portion	(18,537)	(18,427)
Long-term portion	$ 45,571	$ 46,382

5. Supplemental Cash Flow Information

Set forth below is a reconciliation of net income to net cash provided by operating activities:

	Six Months Ended June 30,	
	2013	2014
Net income	$ 4,808	$ 8,489
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,995	9,357
Deferred taxes	(264)	370
Other, net	205	892
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	(11,878)	(7,945)
Inventories	(1,013)	(1,218)
Prepaid expenses and other current assets	929	(675)
Other long-term assets	(1,925)	(1,897)
Accounts payable	(527)	530
Accrued liabilities	5,193	2,759
Deferred taxes and other	(183)	300
Net Cash Provided by Operating Activities	$ 3,340	$10,962

6. Income Taxes

For the six month periods ended June 30, 2014 and 2013, our effective tax rates were 28% and 29%, respectively. The difference between the U.S. federal statutory tax rate of 35% and our effective tax rates for the six months ended June 30, 2014 was primarily due to the effective tax rate being impacted by non-U.S. based earnings being taxed at lower rates.

As of June 30, 2014, we do not foresee any significant changes to our unrecognized tax benefits within the next twelve months.

7. Investment in Non-Consolidated Joint Venture

We and an unrelated entity jointly own and operate Wuxi Weifu Autocam Precision Machinery Company, Ltd. (“JV”), a Chinese company located in the city of Wuxi, China. During 2013, we sold to our joint venture partner 1% of the JV for $205, but control of the board of directors remained split evenly between our partner and us. Our remaining 49% investment in JV is being accounted for under the equity method.

Set forth below are JV fuel delivery systems components sales to a customer’s Asian operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
Amounts in thousands	2013	2014	2013	2014
Sales	$10,615	$12,271	$19,106	$24,217

Set forth below are the components of the change in our JV investment balance:

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2014
Beginning Balance	$ 9,744	$11,657
Investments		500
Sale of 1% ownership interest	(205)	
Our share of cumulative earnings	1,689	2,085
	$11,228	$14,242

Set forth below is summarized balance sheet information for JV:

	December 31, 2013	June 30, 2014
Current assets	$ 21,488	$29,539
Non-current assets	18,864	19,777
Total assets	$ 40,352	$49,316
Current liabilities	$ 13,477	$17,392
Non-current liabilities	(242)	(250)
Total liabilities	$ 13,235	$17,142

Set forth below are sales of product we made to the JV:

	Three Months Ended June 30,		Six Months Ended June 30,	
Amounts in thousands	2013	2014	2013	2014
Sales	$ 51	$ 62	$ 150	$ 126

Amounts due to us from JV were $308 as of December 31, 2013 and $197 as of June 30, 2014.

8. Subsequent Events

On July 21, 2014, we announced the signing of a definitive agreement to merge with NN, Inc. (“NN”). On August 29, 2014, we completed our merger with NN for $259,089 in cash, $29,830 in assumed debt and $31,707 in stock. This acquisition will leverage NN’s and Autocam’s complementary core strengths and values and will position NN’s Precision Metal Components business segment to take advantage of global market trends in fuel efficient technologies such as gasoline direct injection systems, high-pressure diesel injection systems and variable valve timing.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

The Unaudited Pro Forma Condensed Combined Consolidated Financial Statements (referred to as the "pro forma financial statements") have been primarily derived from the historical consolidated financial statements of NN, Inc. ("NN") and Autocam Corporation ("Autocam").

On July 18, 2014, NN entered into a merger agreement with Autocam. On August 29, 2014, NN and Autocam completed the merger (referred to as the "Merger") whereby a wholly owned subsidiary of NN merged with and into Autocam. As a result of the Merger, Autocam became a wholly owned subsidiary of NN.

The Unaudited Pro Forma Condensed Combined Consolidated Statements of Income (referred to as the "pro forma statements of income") for the six months ended June 30, 2014 and the year ended December 31, 2013, give effect to the Merger as if it was consummated on January 1, 2013. The Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet (referred to as the "pro forma balance sheet") as of June 30, 2014, gives effect to the Merger as if it was consummated on June 30, 2014.

The historical consolidated financial information of NN has been adjusted in the pro forma financial statements to give effect to pro forma events that are: (i) directly attributable to the Merger; (ii) factually supportable; and (iii) with respect to the pro forma statements of income, expected to have a continuing impact on the combined results of NN and Autocam.

Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in connection with the pro forma financial statements.

In accordance with ASC 805, *Business Combinations* ("ASC 805"), the Merger is being accounted for under the acquisition method with NN as the acquirer of Autocam. As of the date hereof, NN has not completed the detailed valuation work necessary to arrive at the required estimates of the fair value of the Autocam assets to be acquired and the liabilities to be assumed and the related allocation of purchase price; however, for purposes of these pro forma financial statements, preliminary allocation estimates based on information known to us as of the date of this report have been included. The final fair values of the assets acquired and liabilities assumed as of the date of the Merger may differ materially from the information presented.

The pro forma financial statements have been presented for illustrative purposes only and do not reflect the impact of synergies resulting from the Merger. NN expects to incur significant costs and achieve significant synergies in connection with integrating the operations of NN and Autocam. The pro forma financial statements do not reflect the costs of any integration activities or benefits that may result from realization of future cost savings from operating efficiencies, or any revenue, tax, or other synergies expected to result from the Merger. In addition, certain nonrecurring items, such as estimated transaction costs directly attributable to the Merger, have been excluded from the pro forma statements of income. The pro forma financial statements do reflect NN's new $350 million term loan facility obtained in connection with the closing of the Merger, and the use of such proceeds.

These pro forma financial statements are for informational purposes only. They do not purport to indicate the results of operations and financial position that would have been achieved had the pro forma events taken place on the dates indicated, or the future consolidated results of operations or financial position of the combined company.

The pro forma financial statements should be read in conjunction with:

- the accompanying notes to the pro forma financial statements;
- the separate historical consolidated financial statements of NN as of and for the year ended December 31, 2013, included in NN's Form 10-K filed with the SEC on March 14, 2014;

- the separate historical unaudited condensed consolidated interim financial statements of NN as of and for the quarter and six months ended June 30, 2014, included in NN's Form 10-Q filed with the SEC on August 8, 2014;
- the separate historical consolidated financial statements of Autocam as of and for the year ended December 31, 2013, included as Exhibit 99.1 to NN's Amendment to Current Report on Form 8-K/A filed herewith; and
- the separate historical unaudited condensed consolidated interim financial statements of Autocam as of and for the quarter and six months ended June 30, 2014, included as Exhibit 99.2 to NN's Amendment to Current Report on Form 8-K/A filed herewith.

NN, INC. AND AUTOCAM CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF INCOME
For the Year Ended December 31, 2013
(In thousands, except share and per share data)

	NN	Autocam	Reclassification to Presentation of Historical Autocam (Note 1)	Pro Forma Adjustments	Notes	Pro Forma Combined
Net sales	$373,206	$233,484	$ —	$ —		$606,690
Cost of products sold (exclusive of depreciation and amortization shown separately below)	295,136	203,749	(16,318)			482,567
Selling, general and administrative	33,281	13,790	(260)			46,811
Depreciation and amortization	16,957	—	16,603	1,259	3(a)	34,819
Loss on disposal of assets	5	—	13	—		18
Income from operations	27,827	15,945	(38)	(1,259)		42,475
Stock-based compensation expense	—	38	(38)			—
Interest expense	2,374	2,741	—	19,744	3(c)	24,859
Other expense, net	275	453	—	—		728
Income before provision (benefit) for income taxes	25,178	12,713	—	(21,003)		16,888
Provision (benefit) for income taxes	8,000	3,504	—	(7,455)	3(d)	4,049
Share of income from joint venture	—	(3,658)	—	—		(3,658)
Net income	17,178	12,867	—	(13,548)		16,497
Basic income per share:						
Net income	$ 1.00					$ 0.90
Weighted average shares outstanding	17,176			1,087	3(e)	18,263
Diluted income per share:						
Net income	$ 1.00					$ 0.90
Weighted average shares outstanding	17,260			1,087	3(e)	18,347
Cash dividends per common share	$ 0.18					$ 0.18

NN, INC. AND AUTOCAM CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF INCOME
For the Six Months Ended June 30, 2014
(In thousands, except share and per share data)

	NN	Autocam	Reclassification to Presentation of Historical Autocam (Note 1)	Pro Forma Adjustments	Notes	Pro Forma Combined
Net sales	$209,208	$129,704	$ —	$ —		$338,912
Cost of products sold (exclusive of depreciation and amortization shown separately below)	164,569	110,702	(9,272)	—		265,999
Selling, general and administrative	20,104	7,353	411	(744)	3(b)	27,124
Depreciation and amortization	7,961	—	9,321	(391)	3(a)	16,891
Loss on disposal of assets	0	—	116	0		116
Income from operations	16,574	11,649	(576)	1,135		28,782
Stock-based compensation expense	—	576	(576)	—		—
Interest expense	1,115	1,495	—	9,968	3(c)	12,578
Other expense, net	212	95	—	—		307
Income before provision (benefit) for income taxes	15,247	9,483	—	(8,833)		15,897
Provision (benefit) for income taxes	4,809	2,680	—	(3,210)	3(d)	4,279
Share of income from joint venture	—	(1,686)	—	—		(1,686)
Net income	10,438	8,489	—	(5,623)		13,304
Basic income per share:						
Net income	$ 0.59					$ 0.71
Weighted average shares outstanding	17,700			1,087	3(e)	18,787
Diluted income per share:						
Net income	$ 0.58					$ 0.70
Weighted average shares outstanding	18,054			1,087	3(e)	19,141
Cash dividends per common share	$ 0.14					$ 0.14

NN, INC. AND AUTOCAM CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET
For the Six Months Ended June 30, 2014
(In thousands, except share and per share data)

	NN	Autocam	Reclassification to Presentation of Historical Autocam (Note 1)	Pro Forma Adjustment	Notes	Pro Forma Combined
Assets						
Current assets:						
Cash	$ 5,812	$ 10,755	$ —	$ 11,670	3(f)	$ 28,237
Accounts receivable, net of allowance for doubtful accounts	80,740	41,910	(1,005)	—		121,645
Inventories	61,541	26,853	—	1,596	3(g)	89,990
Other current assets	9,934	5,333	2,449	—		17,716
Total current assets	158,027	84,851	1,444	13,266		257,588
Property, plant and equipment, net	132,681	135,218	4,488	8,781	3(h)	281,168
Goodwill, net	9,384	—	—	86,194	3(k)	95,578
Intangible assets, net	2,724	—	—	40,198	3(i)	42,922
Non-current deferred tax assets	1,235	—	—	—		1,235
Investment in joint venture	—	14,242	—	21,353	3(j)	35,595
Other non-current assets	3,369	6,855	(4,488)	7,906	3(l)	13,642
Total assets	$307,420	$241,166	$ 1,444	$ 177,698		$727,728
Liabilities and Stockholders' Equity						
Current liabilities:						
Accounts payable	$ 48,540	$ 18,190	$ —	$ —		$ 66,730
Accrued salaries, wages and benefits	13,408	8,335	—	—		21,743
Current maturities of long-term debt	4,000	18,427	—	(4,000)	3(n)	18,427
Income taxes payable	3,300	—	—	(3,032)	3(q)	268
Other current liabilities	6,088	2,969	1,444	575	3(m)	11,076
Total current liabilities	75,336	47,921	1,444	(6,457)		118,244
Non-current deferred tax liabilities	3,962	28,619	—	17,633	3(m)	50,214
Long-term debt, net of current portion	53,500	46,382	—	256,404	3(n)	356,286
Other non-current liabilities	10,783	6,277	—	(105)	3(o)	
				(4,136)	3(o)	12,819
Total liabilities	143,581	129,199	1,444	263,339		537,563
Total stockholders' equity	163,839	111,967	—	(85,641)	3(p)	190,165
Total liabilities and stockholders' equity	$307,420	$241,166	$ 1,444	$ 177,698		$727,728

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF TRANSACTION AND BASIS OF PRESENTATION

As previously disclosed, on July 18, 2014, NN entered into a merger agreement with Autocam. On August 29, 2014, NN and Autocam completed the Merger whereby a wholly owned subsidiary of NN merged with and into Autocam. As a result of the Merger, Autocam became a wholly owned subsidiary of NN. The aggregate consideration paid by NN in connection with the Merger was approximately $290,806, consisting of $259,089 million in cash and $31,717 in equity. Autocam designs and manufactures close-tolerance, specialty metal alloy components. Currently, Autocam manufactures components for use on fuel delivery, electromechanical motor, steering and braking systems for the transportation industry. Autocam has three manufacturing locations in the U.S., three in Brazil and one each in France, Poland and China and owns a 49% interest in a Chinese joint venture.

The pro forma financial statements have been derived from the historical consolidated financial statements of NN and Autocam. Additionally, certain financial statement line items included in Autocam's historical presentation have been disaggregated or condensed to conform to corresponding financial statement line items included in NN's historical presentation. These reclassifications are reported in the pro forma financial statements under the column titled "Reclassification to Presentation of Historical Autocam" and as discussed in the follow two paragraphs.

Within the pro forma statements of income we have made certain changes in presentation to conform Autocam's financial presentation to NN's financial statement presentation. Depreciation expense and loss (gain) on disposal of fixed assets which were historically reflected in cost of products sold in Autocam's historical financial statements have been reclassified and presented within the captions depreciation and amortization and loss on disposal of assets, respectively. Depreciation expense which was historically reflected in selling, general and administrative expense in Autocam's historical financial statements has been reclassified and presented within the caption depreciation and amortization.

Within the pro forma balance sheet we have made the following reclassifications to conform Autocam's financial statement presentation to NN's financial statement presentation: other receivables have been reclassified from the caption accounts receivable to other current assets; equipment deposits reported by Autocam under other long-term assets have been reclassified to property, plant and equipment, net; and income taxes payable reported by Autocam under accrued liabilities, other has been reclassified to other current assets. The reclassification of these items had no significant impact on the historical total assets, total liabilities, or stockholders' equity reported by NN or Autocam, respectively. The reclassifications also did not impact the historical earnings from continuing operations.

The Merger is recorded within the pro forma financial statements under the acquisition method of accounting, in accordance with business combination accounting guidance under accounting principles generally accepted in the United States ("GAAP"). Under these accounting standards, the assets acquired and the liabilities assumed will be measured at estimated fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The unaudited pro forma adjustments included herein are preliminary. As of the date hereof, NN has not completed the detailed valuation work necessary to arrive at the required estimates of the fair value of the Autocam assets to be acquired and the liabilities to be assumed and the related allocation of purchase price. The final fair values of the assets acquired and liabilities assumed once finalized may differ materially from the information presented. Except for share and per share data and unless otherwise noted, all numbers contained in the pro forma financial statements are in thousands.

Acquisition-related transaction costs are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred.

The pro forma financial statements were prepared in accordance with U.S. GAAP and pursuant to U.S. Securities and Exchange Commission Regulation S-X Article 11. The pro forma financial statements of the consolidated companies are based upon the historical information of the respective companies after giving effect to the Merger and adjustments described in these footnotes. The pro forma balance sheet is presented as if the Merger had occurred on June 30, 2014; the pro forma statements of income for the six-months ended June 30, 2014 and for the year ended December 31, 2013, give effect to the Merger as if it occurred on January 1, 2013.

The pro forma financial statements do not reflect ongoing cost savings that NN expects to achieve as a result of the Merger or the costs necessary to achieve these costs savings or synergies.

NOTE 2. CONSIDERATION TRANSFERRED AND PRELIMINARY PURCHASE PRICE ALLOCATION

The Merger has been accounted for using the acquisition method of accounting in accordance with ASC 805, which requires, among other things, that the assets acquired and liabilities assumed be recognized at their acquisition date fair values, with any excess of the consideration transferred over the estimated fair values of the identifiable net assets acquired recorded as goodwill. In addition, ASC 805 establishes that the common stock issued to effect the Merger be measured at the date the Merger is completed at the then-current market price.

The total initial consideration transferred by NN in the Merger was approximately $290,806 and consisted of the following:

Cash transferred	$259,089
Value of NN, Inc. shares issued to the former majority shareholder of Autocam (1)	31,717
Total value of consideration transferred	$290,806

(1) Represents 1,086,957 shares of NN common stock issued at a fair market value price of $29.18 at the date of the Merger.

The following is a summary of the preliminary estimated fair values of the net assets acquired assuming the Merger closed on June 30, 2014:

Fair value of assets acquired and liabilities assumed	
Current assets	$ 87,891
Property, plant, and equipment, net	148,487
Intangible assets subject to amortization	40,198
Investment in joint venture	35,595
Other non-current assets	2,204
Goodwill	86,194
Total assets acquired	$400,569
Current liabilities	31,513
Non-current deferred tax liabilities	46,252
Long-term debt	29,963
Other non-current liabilities	2,035
Total liabilities assumed	$109,763
Net Assets acquired	$290,806

NN has made preliminary allocation estimates based on the information known to us as of the date of this report. The final determination of the purchase price allocation is anticipated to be completed as soon as practicable and most likely by the filing of our 2014 annual report on Form 10-K in March 2015. NN anticipates that the valuations of the acquired assets and liabilities will include, but not be limited to, inventory, fixed assets, customer relationships, technology know how, trade names and other potential intangible assets. The valuations will consist of physical appraisals, discounted cash flow analyses, or other appropriate valuation techniques to determine the fair value of the assets acquired and liabilities assumed.

The final, as-adjusted amounts allocated to assets acquired and liabilities assumed in the Merger will be based off the fair value of the net assets acquired at the Merger date and could differ materially from the preliminary amounts presented in these pro forma financial statements as of June 30, 2014. A decrease in the fair value of assets acquired or an increase in the fair value of liabilities assumed from those preliminary valuations presented in these pro forma financial statements would result in a dollar-for-dollar corresponding increase in the amount of goodwill that will result from the Merger. In addition, if the value of the acquired assets is higher than the preliminary indication, it may result in higher amortization and depreciation expense than is presented in these pro forma financial statements.

NOTE 3. ADJUSTMENTS TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma adjustments included in the pro forma financial statements are as follows:

Adjustments to Unaudited Pro Forma Condensed Combined Consolidated Statements of Income

a) *Depreciation and amortization* - Adjustment represents the preliminary depreciation and amortization expense associated with the change in fair value of the property and equipment and intangible assets recorded in relation to the Merger. For the year ended December 31, 2013 and the six months ended June 30, 2014, a pro forma adjustment for depreciation and amortization expense represented approximately $1,259 and $(391), respectively. The preliminary depreciation and amortization expense for the assets acquired is as follows:

	Preliminary fair value	Estimated weighted average life (years)	Depreciation expense for the year ended December 31, 2013	Depreciation expense for the six months ended June 30, 2014
Land	$ 1,992	—	$ —	$
Buildings and building improvements	7,267	15	484	242
Machinery and equipment	124,089	10	12,409	6,204
Leasehold improvements	7,855	8	982	491
Furniture and fixtures and computers	2,796	4.6	612	306
Construction in progress	4,488	—	—	—
Total	$ 148,487		14,487	$ 7,243
Less: Autocam historical depreciation expense			$ 16,603	$ 9,321
Pro forma adjustments			$ (2,116)	$ (2,078)

Depreciation expense has been estimated based upon the nature of activities associated with the property and equipment assets acquired. With other assumptions held constant, a 10% increase in the fair value adjustment for property, plant and equipment would increase annual pro forma depreciation and amortization expense by approximately $1,449.

	Preliminary fair value	Estimated weighted average life (years)	Amortization expense for the year ended December 31, 2013	Amortization expense for the six months ended June 30, 2014
Customer relationships	$ 35,300	12	$ 2,942	$ 1,471
Trade names and trademarks	4,100	15	273	136
Developed Technology	1,690	5	338	169
Unfavorable leases	(892)	5	(178)	(89)
Total	$ 40,198		$ 3,375	$ 1,687
Less: Autocam historical amortization expense			$ —	$ —
Pro forma adjustments			$ 3,375	$ 1,687

The estimated fair value of amortizable intangible assets is expected to be amortized on a straight-line basis over the estimated useful lives. The amortizable lives reflect the periods over which the assets are expected to provide material economic benefit. With other assumptions held constant, a 10% increase in the fair value adjustment for amortizable intangible assets would increase annual pro forma amortization by approximately $337.

b) *Selling, general and administrative*- Transaction related expenses recognized by NN and Autocam during the six months ended June 30, 2014 and their related tax effects have been eliminated from the pro forma statements of income, as these items are directly attributable to the Merger and will not have an ongoing impact. No transaction costs were expensed or accrued by either NN or Autocam in their actual 2013 historical financial statements. The amounts excluded from the pro forma statement of income were $568 of expense incurred by NN and $176 of expense incurred by Autocam for a total adjustment of $744.

c) Interest expense - Adjustment reflects the additional interest expense that would have been incurred during the historical periods presented assuming the Merger had occurred as of January 1, 2013. The additional interest expense to be incurred by NN as a result of the new borrowings is as follows:

Composition of new debt and related interest expense	Assumed Interest Rate	Debt	Interest expense for the year ended December 31, 2013	Interest expense for the six months ended June 30, 2014
Total new debt and related interest expense	6%	$350,000	$ 21,000	$ 10,500
Amortization of new debt issuance costs and debt discount			2,167	1,083
Total			$ 23,167	$ 11,583
Less: NN's historical interest expense on debt refinanced including amortization of deferred financing costs			(2,374)	(1,115)
Less: Autocam's interest expense on debt repaid including amortization of deferred financing costs			(1,049)	(500)
Pro forma adjustment to interest expense			$ 19,744	$ 9,968

A change of 1/8% (12.5 basis points) in the interest rate would result in a $438 change in annual interest expense.

d) *Provision (benefit) for income taxes* - The unaudited pro forma adjustment is calculated as follows:

	Year ended December 31, 2013	Six Months ended June 30, 2013
(Benefit) additional tax due to depreciation and amortization adjustment	$ (348)	$ 111
Additional tax due to the elimination of recognized transaction related costs	—	268
Benefit due to additional interest expense	(7,107)	(3,589)
Total adjustment	$ (7,455)	$ (3,210)

To calculate the pro forma adjustment to provision (benefit) for income taxes due to additional depreciation and amortization for the year ended December 31, 2013 and the six months ended June 30, 2014, Autocam's blended global statutory tax rates of 27.6% and 28.3%, respectively, have been applied to the unaudited pro forma depreciation and amortization adjustments. The blended rates were used as these expenses are expected to be incurred both in and outside of the United States.

To calculate the pro forma adjustment to provision (benefit) for income taxes due to additional interest expense, NN's U.S. blended federal and state statutory tax rate of 36% has been applied to the pro forma interest expense adjustments. The US statutory rates were used as the additional interest expense resulting from the Merger is expected to be incurred in the United States.

Transaction related expenses recognized by NN and Autocam during the six month period ended June 30, 2014 have been eliminated from the pro forma statements of income using the NN and Autocam U.S. blended statutory rates of 36% and 35%, respectively.

e) Weighted average shares outstanding - The pro forma adjustment for shares outstanding represents the effect of the former majority shareholder of Autocam accepting 1,086,957 shares of NN stock as part of the consideration in the Merger. The 1,086,957 shares were added to the basic and diluted weighted average shares outstanding as a pro forma adjustment to give the effect the Acquisition took place on January 1, 2013.

Adjustments to Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet

f) Cash– Adjustment reflects the preliminary net adjustment to cash in connection with the Merger:

Cash portion of Merger consideration	$(259,089)
Repayment of NN existing debt	(57,500)
Payment of Transaction related expenses	(16,491)
Proceeds from new borrowings, net of discount	344,750
Pro forma adjustment to cash and cash equivalents	$ 11,670

The $16,491 of estimated transaction related expenses include $9,466 of financing fees, which will be capitalized in other non-current assets, and advisory and other transaction related costs of $7,025 which will be expensed as incurred.

g) Inventories - The unaudited pro forma adjustment of $1,596 to inventory represents the step-up of Autocam’s inventories balance to the preliminary estimated fair value. As raw materials inventory was assumed to be at market value, the adjustment is related to work-in-process and finished goods inventory. The preliminary fair value of finished goods inventory to be acquired was determined using the gross profit percentage of the overall product mix and the estimated cost to sell the finished goods. The preliminary fair value of work-in-process inventory also considered costs to complete inventory and estimated profit on these costs. The pro forma statements of income do not reflect the impact of the increase to cost of products sold of $1,596 for the estimated purchase accounting adjustment to inventory as this amount is directly related to the Merger and is not expected to have a continuing impact on NN’s operations.

h) Property, plant and equipment, net – The unaudited pro forma adjustment reflects the preliminary estimated fair value of property, plant and equipment recorded in relation to the Merger. Refer to pro forma footnote Note 3 adjustment (a) above for details related to the estimated fair value of property, plant and equipment. The preliminary amounts assigned to property, plant and equipment are as follows:

Estimated fair value	$ 148,487
Less: Autocam book value of property and equipment, net	(139,706)
Pro forma adjustment to property and equipment, net	$ 8,781

i) Intangible assets, net – The unaudited pro forma adjustment reflects the preliminary fair market value of identifiable intangible assets acquired in relation to the Merger. Refer to pro forma footnote Note 3 adjustment (a) above for details related to the estimated fair value and related amortization expense of the intangible assets. The preliminary amounts assigned to the identifiable intangible assets are as follows:

Estimated fair value	$40,198
Less: Autocam book value of intangible assets, net	—
Pro forma adjustment to intangible assets, net	$40,198

The estimated fair value of amortizable intangible assets is expected to be amortized on a straight-line basis over the estimated useful lives that will generally range from five years for the unfavorable leasehold interest, net and developed technology, 12 years for customer relationship and 15 years for trade name intangible assets, subject to the finalization of the purchase price allocation. The amortizable life for each category of asset was determined by examining the pattern and life of expected cash flows from these items. The estimated amortizable life of customer relationships was determined after consideration of Autocam's historical customer buying and attrition patterns.

j) Investment in joint venture - The unaudited pro forma adjustment reflects the step-up of $21,353 to the preliminary estimated fair value of Autocam's investment in their 49% owned Chinese joint venture accounted for under the equity method. The preliminary fair value of this joint venture was determined by a market based multiple of earnings before interest, taxes, depreciation and amortization and a discounted cash flows analysis.

k) Goodwill, net – The unaudited pro forma adjustment reflects the preliminary estimated adjustment to goodwill as a result of the Merger. Goodwill represents the excess of the consideration transferred over the preliminary fair value of the assets acquired and liabilities assumed as described in pro forma footnote Note 2. The goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment exists. In the event management determines that the value of goodwill has become impaired, NN will incur an accounting charge for the amount of the impairment during the period in which the determination is made. The goodwill is attributable to the expected synergies from raw material cost and procurement savings, manufacturing and supply chain process efficiency improvements and cost reductions across a larger business and increased revenues from access to complementary end markets. The goodwill is not expected to be deductible for tax purposes. The preliminary pro forma adjustment to goodwill is calculated as follows:

Preliminary purchase price at June 30, 2014	$ 290,806
Less: Fair value of net assets to be acquired	(204,612)
Total estimated goodwill	86,194
Less: Autocam goodwill	—
Pro forma adjustment to goodwill	$ 86,194

l) Other non-current assets - The unaudited pro forma adjustment of $7,906 to other non-current assets reflects the elimination of $1,397 of unamortized deferred financing costs associated with existing NN debt that was refinanced in connection with the acquisition and the addition of $9,466 of deferred financing costs incurred by NN related to the new credit facilities entered into to facilitate the acquisition. Finally, the unaudited pro forma adjustment reflects the elimination of Autocam's deferred financing costs of $163.

m) Deferred tax liabilities - The unaudited pro forma adjustment reflects the change in net deferred tax liabilities arising from fair value adjustments to Autocam's assets to be acquired and liabilities to be assumed by NN in the Merger. Deferred income tax liabilities arising from the estimated fair value adjustments for acquired inventory, properties plant and equipment and intangible assets have been calculated by applying NN's blended statutory tax rate of 36% to the related fair value adjustments.

	Adjustment to Asset Acquired	Current Deferred Tax Liability	Noncurrent Deferred Tax Liability
Estimated fair value adjustment of identifiable intangible assets acquired	$ 40,198	$ —	$ 14,472
Estimated fair value adjustment to inventory	1,596	575	—
Estimated fair value adjustment of property, plant and equipment acquired	$ 8,781	—	3,161
Deferred tax liabilities related to estimated fair value adjustments		$ 575	$ 17,633

n) Long-term Debt- In connection with the acquisition, NN obtained a new $350,000 term loan facility, with a variable interest rate of LIBOR plus 5% with a 1% LIBOR floor. The proceeds of the term loan were used to pay the cash portion of the purchase price, to repay existing indebtedness and to pay fees and expenses in connection with the Merger. The pro forma adjustment also reflects the pay-off of $34,846 of Autocam's former senior indebtedness concurrent with the Merger.

The unaudited pro forma adjustments to debt are classified between short-term borrowings (due within one year) and long-term borrowings as follows:

	New Debt entered into by NN related to the Merger	Debt Refinanced by NN related to the Merger	Debt paid off by Autocam from Merger proceeds	Total Pro Forma Adjustment
Current maturities of long-term debt	$ —	$ (4,000)	$ —	$ (4,000)
Long-term debt, net of current portion (net of discount)	344,750	(53,500)	(34,846)	256,404
Total debt	$ 344,750	$ (57,500)	$ (34,846)	$252,404

o) Other non-current liabilities. Certain officers and key managers of Autocam were owners of Autocam stock. Under US GAAP, these awards were classified as liability awards as the shareholders and Autocam could have required repayment under certain circumstances based on a formula of earnings before interest, depreciation and amortization expense. The awards were recorded at their intrinsic value, and the expense was recognized over each employee's expected future service until an expected retirement date. Concurrent with the Merger, these shares were purchased by NN and retired. As such, we adjusted other non-current liabilities to eliminate the stock-based compensation liability of $4,136 at June 30, 2014 as NN did not assume the liability. Additionally, the unaudited pro forma adjustment reflects the settlement of Autocam's interest rate hedging net liability of $105 related to the former senior indebtedness paid-off concurrent with the Merger.

p) *Stockholders' equity -* The pro forma balance sheet reflects the elimination of Autocam's historical equity balances partially offset by the issuance of 1,086,957 shares of NN common stock at a price of $29.18 per share as partial Merger consideration. Additionally, the adjustment to equity includes estimated transaction-related fees and expenses of approximately $5,391 (net of $3,032 tax benefit associated with the acquisition-related fees and expenses) expected to be paid upon completion of the Merger. These estimated transaction costs have been excluded from the pro forma statements of income as they reflect charges directly attributable to the Merger and will not have a continuing impact on NN operations. The unaudited pro forma adjustment to stockholders' equity is calculated as follows:

Elimination of historical balance	$(111,967)
Shares issued as part of the acquisition	31,717
Estimated transaction fees expected to be paid, net of tax	(5,391)
Total adjustment	$ (85,641)

q) Income taxes payable- Income taxes payable was adjusted by $3,032 for the tax benefits associated with the acquisition-related fees and expenses incurred that are directly attributable to the Merger.