

SPARTAN STORES INC  
Form 424B3  
October 15, 2013  
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Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-190730

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The boards of directors of each of Spartan Stores, Inc. (referred to as "Spartan Stores") and Nash-Finch Company (referred to as "Nash-Finch") have unanimously approved a business combination (referred to as the "merger"). Spartan Stores and Nash-Finch entered into an Agreement and Plan of Merger, dated as of July 21, 2013 (referred to as the "merger agreement"). Under the terms of the merger agreement, a wholly owned subsidiary of Spartan Stores will merge with and into Nash-Finch, with Nash-Finch surviving as a wholly owned subsidiary of Spartan Stores.

Upon completion of the merger, Nash-Finch stockholders will receive 1.20 shares of Spartan Stores common stock for each share of Nash-Finch common stock that they own (referred to as the "exchange ratio"). The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. Based on the closing price of Spartan Stores common stock on the Nasdaq Stock Market (referred to as "Nasdaq") on July 19, 2013, the last trading day before public announcement of the merger, the 1.20 exchange ratio represented approximately \$25.44 in value for each share of Nash-Finch common stock. Spartan Stores shareholders will continue to own their existing Spartan Stores shares. Spartan Stores common stock and Nash-Finch common stock are currently traded on Nasdaq under the symbols "SPTN" and "NAFC," respectively. We urge you to obtain current market quotations of Spartan Stores and Nash-Finch common stock.

We intend for the merger to qualify as a reorganization for U.S. federal income tax purposes. Accordingly, Nash-Finch stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Nash-Finch common stock for shares of Spartan Stores common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Spartan Stores common stock.

Based on the estimated number of shares of Spartan Stores and Nash-Finch common stock that will be outstanding immediately prior to the closing of the merger, we estimate that, upon the closing, former Spartan Stores shareholders will own approximately 57.7% of the combined company following the merger and former Nash-Finch stockholders will own approximately 42.3% of the combined company following the merger.

Spartan Stores and Nash-Finch will each hold special meetings of their respective shareholders in connection with the proposed merger. At the Spartan Stores special meeting, Spartan Stores shareholders will be asked to vote on the proposal to approve the issuance of shares of Spartan Stores common stock to Nash-Finch stockholders in connection with the merger and on the proposal to approve and adopt an amendment to Spartan Stores' restated articles of incorporation to increase the number of authorized shares of Spartan Stores common stock. At the Nash-Finch special meeting, Nash-Finch stockholders will be asked to vote on the proposal to approve the merger agreement.

We cannot complete the merger unless the Spartan Stores shareholders approve the issuance of shares of Spartan Stores common stock to Nash-Finch stockholders in connection with the merger and the Nash-Finch stockholders approve the merger agreement, in each case as described above. Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend your special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Spartan Stores or Nash-Finch special meeting, as applicable.

The Spartan Stores board of directors unanimously recommends that the Spartan Stores shareholders vote "FOR" the proposal to approve the issuance of shares of Spartan Stores common stock to Nash-Finch stockholders in connection with the merger, "FOR" the proposal to approve an amendment to Spartan Stores' restated articles of incorporation and "FOR" the proposal to approve the adjournment of the Spartan Stores special meeting, if necessary or appropriate, to permit further solicitation of proxies. The Nash-Finch board of directors unanimously recommends that the Nash-Finch stockholders vote "FOR" the proposal to approve the merger agreement, "FOR" the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Nash-Finch's named executive officers that is based on or otherwise relates to the proposed transactions and "FOR" the proposal to approve the adjournment of the Nash-Finch special meeting, if necessary or appropriate, to permit further solicitation of proxies.

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**The obligations of Spartan Stores and Nash-Finch to complete the merger are subject to the satisfaction or waiver of several conditions. The accompanying joint proxy statement/prospectus contains detailed information about Spartan Stores, Nash-Finch, the special meetings, the merger agreement and the merger. You should read this joint proxy statement/prospectus carefully and in its entirety before voting, including the section entitled Risk Factors beginning on page 26.**

We look forward to the successful combination of Spartan Stores and Nash-Finch.

Sincerely,

Dennis Eidson  
President and Chief Executive Officer

Spartan Stores, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated October 15, 2013 and is first being mailed to Spartan Stores shareholders and Nash-Finch stockholders on or about October 17, 2013.

Alec C. Covington  
President and Chief Executive Officer

Nash-Finch Company

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**Spartan Stores, Inc.**

**850 76th Street, S.W.**

**P.O. Box 8700**

**Grand Rapids, Michigan 49518-8700**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On November 18, 2013**

To the Shareholders of Spartan Stores, Inc.:

We are pleased to invite you to attend the special meeting of shareholders of Spartan Stores, Inc., a Michigan corporation (referred to as Spartan Stores), which will be held at the offices of Warner Norcross & Judd LLP, 111 Lyon Street NW, Grand Rapids, MI 49503, on Monday, November 18, 2013 at 10:00 a.m., local time, for the following purposes:

to vote on a proposal to approve the issuance of shares of Spartan Stores common stock, no par value per share, to stockholders of Nash-Finch Company (referred to as Nash-Finch) in connection with the merger contemplated by the Agreement and Plan of Merger, dated July 21, 2013, by and among Spartan Stores, Nash-Finch and SS Delaware, Inc., a wholly owned subsidiary of Spartan Stores, as it may be amended from time to time (referred to as the merger agreement), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to vote on a proposal to approve an amendment to Spartan Stores' restated articles of incorporation to increase the number of authorized shares of common stock from 50 million to 100 million, a copy of which amendment is included as Annex B to the joint proxy statement/prospectus of which this notice is a part; and

to vote on a proposal to approve the adjournment of the Spartan Stores special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Spartan Stores will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Spartan Stores special meeting.

The Spartan Stores board of directors has fixed the close of business on October 15, 2013 as the record date for the Spartan Stores special meeting. Only Spartan Stores shareholders of record at that time are entitled to receive notice of, and to vote at, the Spartan Stores special meeting or any adjournment or postponement thereof.

Completion of the merger is conditioned on approval of the issuance of shares of Spartan Stores common stock to Nash-Finch stockholders in connection with the merger, but it is not conditioned on approval of the proposed amendment to Spartan Stores' restated articles of incorporation. Approval of the issuance of shares of Spartan Stores common stock to Nash-Finch stockholders in connection with the merger requires the approval of a majority of the votes cast at the Spartan Stores special meeting, assuming a quorum. Approval of the proposed amendment to Spartan Stores' restated articles of incorporation requires the affirmative vote of the holders of a majority of the shares of Spartan Stores common stock outstanding and entitled to vote at the special meeting. Approval of the adjournment of the Spartan Stores special meeting to a later date or dates, if necessary or appropriate, to permit further solicitation of proxies requires the approval of a majority of the votes cast at the Spartan Stores special meeting.

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The Spartan Stores board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Spartan Stores shareholders vote **FOR** the proposal to approve the issuance of shares of Spartan Stores common stock to Nash-Finch stockholders in connection with the merger, **FOR** the proposal to approve the amendment to Spartan Stores restated articles of incorporation and **FOR** the proposal to approve the adjournment of the Spartan Stores special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important. Whether or not you expect to attend the Spartan Stores special meeting in person, to ensure your representation at the Spartan Stores special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) visiting the internet site listed on the Spartan Stores proxy card, (ii) calling the toll-free number listed on the Spartan Stores proxy card or (iii) submitting your Spartan Stores proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Spartan Stores stock who is present at the Spartan Stores special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Spartan Stores special meeting in the manner described in the accompanying document. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by the bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Spartan Stores special meeting. We urge you to carefully read this joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Spartan Stores common stock, please contact Spartan Stores proxy solicitor:

Eagle Rock Proxy Advisors, LLC

12 Commerce Drive

Cranford, New Jersey 07016

Toll-free: (877) 705-6168

Email: [spartanstores@eaglerockproxy.com](mailto:spartanstores@eaglerockproxy.com)

[www.eaglerockproxy.com](http://www.eaglerockproxy.com)

By Order of the Spartan Stores Board of Directors,

Alex J. DeYonker

Executive Vice President, General Counsel and Secretary

Grand Rapids, Michigan

October 15, 2013

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**Nash-Finch Company**

**7600 France Avenue South**

**Edina, MN 55435**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS To Be Held On November 18, 2013**

To the Stockholders of Nash-Finch Company:

We are pleased to invite you to attend the special meeting of stockholders of Nash-Finch Company, a Delaware corporation (referred to as Nash-Finch ), which will be held at the Westin Edina Galleria, Room: Cahill B, 3201 Galleria, Edina, MN 55435, on Monday, November 18, 2013, at 9:00 a.m., local time, for the following purposes:

to vote on a proposal to adopt the Agreement and Plan of Merger, dated as of July 21, 2013, by and among Nash-Finch, Spartan Stores, Inc., a Michigan corporation (referred to as Spartan Stores ), and SS Delaware, Inc., a Delaware corporation and a wholly owned subsidiary of Spartan Stores, as it may be amended from time to time (referred to as the merger agreement ), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Nash-Finch s named executive officers that is based on or otherwise related to the proposed transactions; and

to vote on a proposal to approve the adjournment of the Nash-Finch special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Nash-Finch will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Nash-Finch special meeting.

The Nash-Finch board of directors has fixed the close of business on October 2, 2013 as the record date for the Nash-Finch special meeting. Only Nash-Finch stockholders of record at that time are entitled to receive notice of, and to vote at, the Nash-Finch special meeting or any adjournment or postponement thereof. A complete list of such stockholders will be available for inspection by any Nash-Finch stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Nash-Finch special meeting at Nash-Finch s offices at 7600 France Avenue South, Edina, MN 55435. The eligible Nash-Finch stockholder list will also be available at the Nash-Finch special meeting for examination by any stockholder present at such meeting.

Completion of the merger is conditioned on approval and adoption of the merger agreement by the Nash-Finch stockholders, which requires the approval of a majority of the issued and outstanding shares of Nash-Finch common stock entitled to vote at the Nash-Finch special meeting.

**The Nash-Finch board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Nash-Finch stockholders vote FOR the proposal to adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to**

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**Nash-Finch's named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the Nash-Finch special meeting, if necessary or appropriate, to permit further solicitation of proxies.**

**Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend the Nash-Finch special meeting in person, to ensure your representation at the Nash-Finch special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Nash-Finch proxy card, (ii) calling the toll-free number listed on the Nash-Finch proxy card or (iii) submitting your Nash-Finch proxy card by mail by using the provided self-addressed, stamped envelope.** Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Nash-Finch stock who is present at the Nash-Finch special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Nash-Finch special meeting in the manner described in the accompanying document. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Nash-Finch special meeting. We urge you to carefully read the joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies or need help voting your shares of Nash-Finch common stock, please contact Nash-Finch's proxy solicitor:

Morrow & Co., LLC

470 West Avenue

Stamford, CT 06902

203-658-9400

Toll-free: 800-662-5200

[www.morrowco.com](http://www.morrowco.com)

[info@morrowco.com](mailto:info@morrowco.com)

By Order of the Nash-Finch Board of Directors,

Kathleen M. Mahoney

Executive Vice President, General Counsel and Secretary

Edina, Minnesota

October 15, 2013

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Spartan Stores and Nash-Finch from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**If you are a Spartan Stores shareholder:**

Eagle Rock Proxy Advisors, LLC  
12 Commerce Drive  
Cranford, New Jersey 07016

Toll-free: (877) 705-6168  
[www.eaglerockproxy.com](http://www.eaglerockproxy.com)  
[spartanstores@eaglerockproxy.com](mailto:spartanstores@eaglerockproxy.com)

**Investors may also consult Spartan Stores or Nash-Finch's website for more information about Spartan Stores or Nash-Finch, respectively.** Spartan Stores' website is [www.spartanstores.com](http://www.spartanstores.com). Nash-Finch's website is [www.nashfinch.com](http://www.nashfinch.com). Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

**If you are a Nash-Finch stockholder:**

Morrow & Co., LLC  
470 West Avenue  
Stamford, CT 06902

203-658-9400  
Toll-free: 800-662-5200  
[www.morrowco.com](http://www.morrowco.com)  
[info@morrowco.com](mailto:info@morrowco.com)

**If you would like to request any documents, please do so by November 8, 2013 in order to receive them before the special meetings.**

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 160.

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**ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS**

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (referred to as the "SEC") by Spartan Stores, constitutes a prospectus of Spartan Stores under Section 5 of the Securities Act of 1933, as amended (referred to as the "Securities Act"), with respect to the shares of Spartan Stores common stock to be issued to Nash-Finch stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Spartan Stores and Nash-Finch under Section 14(a) of the Securities Exchange Act of 1934, as amended (referred to as the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Spartan Stores shareholders and a notice of meeting with respect to the special meeting of Nash-Finch stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated October 15, 2013. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Spartan Stores shareholders or Nash-Finch stockholders nor the issuance by Spartan Stores of shares of common stock pursuant to the merger will create any implication to the contrary.

**This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Spartan Stores has been provided by Spartan Stores and information contained in this joint proxy statement/prospectus regarding Nash-Finch has been provided by Nash-Finch.**

All references in this joint proxy statement/prospectus to "Spartan Stores" refer to Spartan Stores, Inc., a Michigan corporation; all references in this joint proxy statement/prospectus to "Merger Sub" refer to SS Delaware, Inc., a Delaware corporation and wholly owned subsidiary of Spartan Stores formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to "Nash-Finch" refer to Nash-Finch Company, a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to "we," "our" and "us" refer to Spartan Stores and Nash-Finch collectively, unless otherwise indicated or as the context requires; and all references to the "merger" or "merger agreement" refer to the Agreement and Plan of Merger, dated as of July 21, 2013, by and among Spartan Stores, Inc., SS Delaware, Inc. and Nash-Finch Company, a copy of which is included as Annex A to this joint proxy statement/prospectus. Spartan Stores and Nash-Finch, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the "combined company."



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<u>Transfer and Exchange Agent</u>	<b>13.5</b>	47.0
Increase (decrease) in accrued liabilities	<b>(33.4)</b>	12.2
Increase (decrease) in other liabilities	<b>(5.9)</b>	4.8
 Net cash provided (required) by operating activities	 <b>71.0</b>	 (5.6)
 Investing activities:		
(Increase) decrease in short-term marketable securities		41.0
Proceeds from sales of railcars owned more than one year at the time of sale	<b>26.5</b>	10.0
Proceeds from disposition of property, plant, equipment, and other assets	<b>12.9</b>	2.9
Capital expenditures – leasing, net of sold railcars owned one year or less	<b>(100.0)</b>	(81.5)
Capital expenditures – manufacturing and other	<b>(16.4)</b>	(8.0)
 Net cash required by investing activities	 <b>(77.0)</b>	 (35.6)
 Financing activities:		
Proceeds from issuance of common stock, net	<b>0.7</b>	1.4
Excess tax benefits from stock-based compensation	<b>0.3</b>	
Payments to retire debt – other	<b>(52.6)</b>	(42.8)
Proceeds from issuance of debt	<b>2.2</b>	
Deferred loan issuance costs		(5.9)
(Increase) decrease in restricted cash	<b>16.3</b>	1.1
Dividends paid to common shareholders	<b>(7.2)</b>	(6.3)
 Net cash required by financing activities	 <b>(40.3)</b>	 (52.5)
 Net decrease in cash and cash equivalents	 <b>(46.3)</b>	 (93.7)
Cash and cash equivalents at beginning of period	<b>351.1</b>	354.0
 Cash and cash equivalents at end of period	 <b>\$ 304.8</b>	 \$ 260.3

See accompanying notes to consolidated financial statements.

**Table of Contents****Trinity Industries, Inc. and Subsidiaries****Consolidated Statement of Stockholders' Equity****(unaudited)**

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss (in millions)	Treasury Stock		Trinity Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount				Shares	Amount			
Balances at December 31, 2011	81.7	\$ 81.7	\$ 626.5	\$ 1,314.7	\$ (134.0)	(1.5)	\$ (25.1)	\$ 1,863.8	\$ 84.5	\$ 1,948.3
Net income				52.9				52.9	(0.6)	52.3
Other comprehensive income					3.0			3.0	0.5	3.5
Cash dividends on common stock				(7.2)				(7.2)		(7.2)
Restricted shares issued, net			6.2			0.0	0.0	6.2		6.2
Stock options exercised			0.5			0.1	0.2	0.7		0.7
Stock-based compensation expense			0.5					0.5		0.5
Balances at March 31, 2012	81.7	\$ 81.7	\$ 633.7	\$ 1,360.4	\$ (131.0)	(1.4)	\$ (24.9)	\$ 1,919.9	\$ 84.4	\$ 2,004.3

See accompanying notes to consolidated financial statements.

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### **Trinity Industries, Inc. and Subsidiaries**

### **Notes to Consolidated Financial Statements**

(unaudited)

#### **Note 1. Summary of Significant Accounting Policies**

##### **Basis of Presentation**

The foregoing consolidated financial statements are unaudited and have been prepared from the books and records of Trinity Industries, Inc. and its subsidiaries ( Trinity , Company , we , or our ) including its majority-owned subsidiary, TRIP Rail Holdings LLC ( TRIP Holdings ). In our opinion, all normal and recurring adjustments necessary for a fair presentation of the financial position of the Company as of March 31, 2012, and the results of operations and cash flows for the three month periods ended March 31, 2012 and 2011, have been made in conformity with generally accepted accounting principles. Because of seasonal and other factors, the results of operations for the three month period ended March 31, 2012 may not be indicative of expected results of operations for the year ending December 31, 2012. These interim financial statements and notes are condensed as permitted by the instructions to Form 10-Q and should be read in conjunction with the audited consolidated financial statements of the Company included in its Form 10-K for the year ended December 31, 2011.

##### **Stockholders Equity**

In December 2010, the Company s Board of Directors authorized a \$200 million share repurchase program, effective January 1, 2011, which expires on December 31, 2012. No shares were repurchased under this program during the three months ended March 31, 2012.

##### **Recent Accounting Pronouncements**

In June 2011, the Financial Accounting Standards Board issued Accounting Standards Update No. 2011-05, Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income, ( ASU 2011-05 ) which amended current comprehensive income guidance. ASU 2011-05 became effective for public companies during the interim and annual periods beginning after Dec. 15, 2011 with early adoption permitted. Accordingly, the Company adopted this new standard on January 1, 2012 by including the consolidated statement of comprehensive income with its consolidated financial statements and revising Note 13 Accumulated Other Comprehensive Loss. The adoption of ASU 2011-05 did not have an impact on the Company s consolidated financial position, results of operations or cash flows as it only requires a change in reporting format with regard to components of other comprehensive income.

##### **Reclassifications**

Effective December 31, 2011, the Company adopted the emerging industry policy of recognizing revenue from the sales of railcars from the lease fleet on a gross basis in leasing revenues and cost of revenues if the railcar has been owned by the lease fleet for one year or less at the time of sale. Sales of railcars from the lease fleet which have been owned by the lease fleet for more than one year are recognized as a net gain or loss from the disposal of a long-term asset. Prior year reported balances have been reclassified to conform to this policy resulting in a decrease in revenue of \$10.0 million for the three months ended March 31, 2011.

**Table of Contents****Note 2. Fair Value Accounting**

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurement as of March 31, 2012 (in millions)			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents	\$ 134.8	\$	\$	\$ 134.8
Restricted cash	224.0			224.0
Equity call agreement with TRIP Holdings equity investor <sup>1</sup>			0.7	0.7
Fuel derivative instruments <sup>1</sup>		0.1		0.1
<b>Total assets</b>	<b>\$ 358.8</b>	<b>\$ 0.1</b>	<b>\$ 0.7</b>	<b>\$ 359.6</b>
<b>Liabilities:</b>				
Interest rate hedges <sup>2</sup>				
Wholly-owned subsidiary	\$	\$ 46.2	\$	\$ 46.2
TRIP Holdings		4.2		4.2
Equity put agreement with TRIP Holdings equity investor <sup>3</sup>			2.6	2.6
<b>Total liabilities</b>	<b>\$</b>	<b>\$ 50.4</b>	<b>\$ 2.6</b>	<b>\$ 53.0</b>

	Fair Value Measurement as of December 31, 2011 (in millions)			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents	\$ 246.6	\$	\$	\$ 246.6
Restricted cash	240.3			240.3
Equity call agreement with TRIP Holdings equity investor <sup>1</sup>			0.7	0.7
<b>Total assets</b>	<b>\$ 486.9</b>	<b>\$</b>	<b>\$ 0.7</b>	<b>\$ 487.6</b>
<b>Liabilities:</b>				
Interest rate hedges <sup>2</sup>				
Wholly-owned subsidiary	\$	\$ 48.9	\$	\$ 48.9
TRIP Holdings		4.8		4.8
Equity put agreement with TRIP Holdings equity investor <sup>3</sup>			3.1	3.1
Fuel derivative instruments <sup>2</sup>		0.1		0.1
<b>Total liabilities</b>	<b>\$</b>	<b>\$ 53.8</b>	<b>\$ 3.1</b>	<b>\$ 56.9</b>

<sup>1</sup> Included in other assets on the consolidated balance sheet.

<sup>2</sup> Included in accrued liabilities on the consolidated balance sheet.

<sup>3</sup> Included in other liabilities on the consolidated balance sheet.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market to that asset or liability in an orderly transaction between market participants on the measurement date. An entity is required to establish a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair values are listed below:

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Level 1 This level is defined as quoted prices in active markets for identical assets or liabilities. The Company's cash equivalents and restricted cash are instruments of the United States Treasury or highly-rated money market mutual funds.

Level 2 This level is defined as observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company's fuel derivative instruments, which are commodity options, are valued using energy and commodity market data. Interest rate hedges are valued at exit prices obtained from each counterparty. See Note 6 Derivative Instruments and Note 9 Debt.

Level 3 This level is defined as unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The equity put and call agreements with the TRIP equity investor are valued based on cash flow projections and certain assumptions regarding the likelihood of exercising the option under the related agreement. See Note 5 Investment in TRIP Holdings.



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The carrying amounts and estimated fair values of our long-term debt were as follows:

	March 31, 2012		December 31, 2011	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
(in millions)				
<b>Recourse:</b>				
Convertible subordinated notes	\$ 450.0	\$ 490.4	\$ 450.0	\$ 439.4
Less: unamortized discount	(96.8)		(99.8)	
	353.2		350.2	
Capital lease obligations	47.9	47.9	48.6	48.6
Term loan	54.0	54.6	54.7	55.7
Other	6.1	6.1	4.2	4.2
	461.2	599.0	457.7	547.9
<b>Non-recourse:</b>				
2006 secured railcar equipment notes	266.0	283.0	269.3	278.5
Promissory notes	459.3	443.1	465.5	448.6
2009 secured railcar equipment notes	216.2	240.3	218.4	228.6
2010 secured railcar equipment notes	351.3	354.2	354.3	333.1
TILC warehouse facility	282.7	282.7	308.5	308.5
TRIP Holdings senior secured notes	61.2	62.2	61.2	61.6
TRIP Master Funding secured railcar equipment notes	829.6	890.8	840.0	834.9
	2,466.3	2,556.3	2,517.2	2,493.8
<b>Total</b>	<b>\$ 2,927.5</b>	<b>\$ 3,155.3</b>	<b>\$ 2,974.9</b>	<b>\$ 3,041.7</b>

The estimated fair value of our convertible subordinated notes was based on a quoted market price as of March 31, 2012 and December 31, 2011, respectively (level 1 input). The estimated fair values of our 2006, 2009, and 2010 secured railcar equipment notes, promissory notes, TRIP Holdings senior secured notes, TRIP Master Funding secured railcar equipment notes, and term loan are based on our estimate of their fair value as of March 31, 2012 and December 31, 2011, respectively. These values were determined by discounting their future cash flows at the current market interest rate (level 3 inputs). The carrying value of our Trinity Industries Leasing Company ( TILC ) warehouse facility approximates fair value because the interest rate adjusts to the market interest rate and the Company's credit rating has not changed since the loan agreement was renewed in February 2011 (level 3 input). The fair values of all other financial instruments are estimated to approximate carrying value.

**Note 3. Segment Information**

The Company reports operating results in five principal business segments: (1) the Rail Group, which manufactures and sells railcars and related parts and components; (2) the Construction Products Group, which manufactures and sells highway products and concrete and aggregates; (3) the Inland Barge Group, which manufactures and sells barges and related products for inland waterway services; (4) the Energy Equipment Group, which manufactures and sells products for energy related businesses, including structural wind towers, tank containers and tank heads for pressure and non-pressure vessels, frac tanks, and utility, traffic, and lighting structures; and (5) the Railcar Leasing and Management Services Group ( Leasing Group ), which provides fleet management, maintenance, and leasing services. The segment All Other includes our captive insurance and transportation companies; legal, environmental, and maintenance costs associated with non-operating facilities; other peripheral businesses; and the change in market valuation related to ineffective commodity hedges. Gains and losses from the sale of property, plant, and equipment which are related to manufacturing and dedicated to the specific manufacturing operations of a particular segment are included in operating profit of that respective segment. Gains and losses from the sale of property, plant, and equipment that can be utilized by multiple segments are included in operating profit of the All Other segment.

Sales and related net profits from the Rail Group to the Leasing Group are recorded in the Rail Group and eliminated in consolidation. Sales between these groups are recorded at prices comparable to those charged to external customers taking into consideration quantity, features, and

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production demand. Amortization of deferred profit on railcars sold to the Leasing Group is included in the operating profits of the Leasing Group. Sales of railcars from the lease fleet are included in the Leasing Group.

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The financial information for these segments is shown in the tables below. We operate principally in North America.

**Three Months Ended March 31, 2012**

	Revenues			Operating Profit (Loss)
	External	Intersegment	Total	
	(in millions)			
<b>Rail Group</b>	\$ 341.2	\$ 125.9	\$ 467.1	\$ 40.1
<b>Construction Products Group</b>	149.6	5.4	155.0	10.8
<b>Inland Barge Group</b>	169.4		169.4	30.0
<b>Energy Equipment Group</b>	120.1	4.9	125.0	(3.8)
<b>Railcar Leasing and Management</b>				
<b>Services Group</b>	142.1	0.2	142.3	66.5
<b>All Other</b>	2.9	12.8	15.7	1.2
<b>Corporate</b>				(11.6)
<b>Eliminations Lease subsidiary</b>		(122.6)	(122.6)	(10.9)
<b>Eliminations Other</b>		(26.6)	(26.6)	0.1
<b>Consolidated Total</b>	\$ 925.3	\$	\$ 925.3	\$ 122.4

**Three Months Ended March 31, 2011**

	Revenues			Operating Profit (Loss)
	External	Intersegment	Total	
	(in millions)			
Rail Group	\$ 131.0	\$ 88.8	\$ 219.8	\$ 9.3
Construction Products Group	130.1	3.5	133.6	8.3
Inland Barge Group	137.9		137.9	21.7
Energy Equipment Group	113.2	5.5	118.7	10.5
Railcar Leasing and Management				
Services Group	119.8		119.8	54.7
All Other	2.2	10.9	13.1	(0.3)
Corporate				(10.7)
Eliminations Lease subsidiary		(85.4)	(85.4)	(8.1)
Eliminations Other		(23.3)	(23.3)	0.1
<b>Consolidated Total</b>	\$ 634.2	\$	\$ 634.2	\$ 85.5

Effective December 31, 2011, the Company adopted the emerging industry policy of recognizing revenue from the sales of railcars from the lease fleet on a gross basis in leasing revenues and cost of revenues if the railcar has been owned by the lease fleet for one year or less at the time of sale. Sales of railcars from the lease fleet which have been owned by the lease fleet for more than one year are recognized as a net gain or loss from the disposal of a long-term asset. Prior year reported balances have been reclassified to conform to this policy.

**Table of Contents****Note 4. Railcar Leasing and Management Services Group**

The Railcar Leasing and Management Services Group provides fleet management, maintenance, and leasing services. Selected consolidating financial information for the Leasing Group is as follows:

	March 31, 2012			
	Leasing Group			
	Wholly- Owned Subsidiaries	TRIP Holdings (in millions, unaudited)	Manufacturing/ Corporate	Total
Cash and cash equivalents	\$ 3.7	\$	\$ 301.1	\$ 304.8
Property, plant, and equipment, net	\$ 3,108.6	\$ 1,142.7	\$ 500.4	\$ 4,751.7
Net deferred profit on railcars sold to the Leasing Group	(348.0)	(186.4)		(534.4)
	\$ 2,760.6	\$ 956.3	\$ 500.4	\$ 4,217.3
Restricted cash	\$ 164.8	\$ 59.2	\$	\$ 224.0
Debt:				
Recourse	\$ 101.9	\$	\$ 456.1	\$ 558.0
Less: unamortized discount			(96.8)	(96.8)
	101.9		359.3	461.2
Non-recourse	1,575.5	999.6		2,575.1
Less: non-recourse debt owned by Trinity		(108.8)		(108.8)
Total debt	\$ 1,677.4	\$ 890.8	\$ 359.3	\$ 2,927.5
Net deferred tax liabilities	\$ 557.9	\$ 4.6	\$ (97.0)	\$ 465.5

	December 31, 2011			
	Leasing Group			
	Wholly- Owned Subsidiaries	TRIP Holdings (in millions)	Manufacturing/ Corporate	Total
Cash and cash equivalents	\$ 3.2	\$	\$ 347.9	\$ 351.1
Property, plant, and equipment, net	\$ 3,066.0	\$ 1,135.0	\$ 510.0	\$ 4,711.0
Net deferred profit on railcars sold to the Leasing Group	(344.5)	(187.0)		(531.5)
	\$ 2,721.5	\$ 948.0	\$ 510.0	\$ 4,179.5
Restricted cash	\$ 165.7	\$ 74.6	\$	\$ 240.3
Debt:				
Recourse	\$ 103.3	\$	\$ 454.2	\$ 557.5
Less: unamortized discount			(99.8)	(99.8)
	103.3		354.4	457.7
Non-recourse	1,616.0	1,010.0		2,626.0
Less: non-recourse debt owned by Trinity		(108.8)		(108.8)
Total debt	\$ 1,719.3	\$ 901.2	\$ 354.4	\$ 2,974.9
Net deferred tax liabilities	\$ 582.4	\$ 4.7	\$ (152.4)	\$ 434.7

See Note 5 Investment in TRIP Holdings and Note 9 Debt for a further discussion regarding the Company's investment in TRIP Holdings and TRIP Holdings' debt.



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	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		Change
<b>Revenues:</b>			
Wholly owned subsidiaries:			
Leasing and management	\$ 98.3	\$ 90.3	8.9%
Railcar sales <sup>(1)</sup>	14.9		*
	<b>113.2</b>	90.3	<b>25.4</b>
TRIP Holdings:			
Leasing and management	29.1	29.5	(1.4)
Railcar sales <sup>(1)</sup>			
	<b>29.1</b>	29.5	<b>(1.4)</b>
Total revenues	<b>\$ 142.3</b>	\$ 119.8	<b>18.8</b>
<b>Operating Profit:</b>			
Wholly owned subsidiaries:			
Leasing and management	\$ 43.1	\$ 36.5	
Railcar sales <sup>(1)</sup> :			
Railcars owned one year or less at the time of sale	2.9		
Railcars owned more than one year at the time of sale	4.1	1.0	
	<b>50.1</b>	37.5	
TRIP Holdings:			
Leasing and management	16.8	17.1	
Railcar sales <sup>(1)</sup> :			
Railcars owned one year or less at the time of sale			
Railcars owned more than one year at the time of sale	(0.4)	0.1	
	<b>16.4</b>	17.2	
Total operating profit	<b>\$ 66.5</b>	\$ 54.7	
<b>Operating profit margin:</b>			
Leasing and management	47.0%	44.7%	
Railcar sales <sup>(1)</sup>	*	*	
Total operating profit margin	<b>46.7</b>	45.7	
<b>Interest and rent expense<sup>(2)</sup>:</b>			
Rent expense	\$ 12.7	\$ 12.1	
<b>Interest expense:</b>			
Wholly-owned subsidiaries	\$ 24.6	\$ 25.2	
TRIP Holdings:			
External	15.2	11.5	
Intercompany	3.3		
	<b>18.5</b>	11.5	
Total interest expense	<b>\$ 43.1</b>	\$ 36.7	

\* Not meaningful

<sup>(1)</sup> Effective December 31, 2011, the Company adopted the emerging industry policy of recognizing revenue from the sales of railcars from the lease fleet on a gross basis in leasing revenues and cost of revenues if the railcar has been owned by the lease fleet for one year or less at the time of sale. Sales of railcars from the lease fleet which have been owned by the lease fleet for more than one year are recognized as a net

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gain or loss from the disposal of a long-term asset. Prior year reported balances have been reclassified to conform to this policy.

- <sup>(2)</sup> Rent expense is a component of operating profit. Interest expense is not a component of operating profit and includes the effect of hedges. Intercompany interest expense arises from Trinity's ownership of a portion of TRIP Holdings' Senior Secured Notes and is eliminated in consolidation. See Note 9 Debt.

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Equipment consists primarily of railcars leased by third parties. The Leasing Group purchases equipment manufactured predominantly by the Rail Group and enters into lease contracts with third parties with terms generally ranging between one and twenty years. The Leasing Group primarily enters into operating leases. Future contractual minimum rental revenues on leases are as follows:

	Remaining nine months of 2012	2013	2014	2015	2016	Thereafter	Total
	(in millions)						
Wholly-owned subsidiaries	\$ 200.4	\$ 220.5	\$ 168.5	\$ 128.1	\$ 92.7	\$ 188.4	\$ 998.6
TRIP Holdings	71.4	69.3	48.8	39.6	33.1	62.6	324.8
	\$ 271.8	\$ 289.8	\$ 217.3	\$ 167.7	\$ 125.8	\$ 251.0	\$ 1,323.4

**Debt.** The Leasing Group's debt at March 31, 2012 consists of both recourse and non-recourse debt. As of March 31, 2012, Trinity's wholly-owned subsidiaries included in the Leasing Group held equipment with a net book value of approximately \$2,436.8 million that is pledged as collateral for Leasing Group debt held by those subsidiaries, including equipment with a net book value of \$50.6 million securing capital lease obligations. The net book value of unpledged equipment at March 31, 2012 was \$575.1 million. See Note 9 Debt regarding Leasing Group debt.

**TRIP Holdings.** Debt owed by TRIP Holdings and its subsidiaries is nonrecourse to Trinity and TILC and is secured solely by the consolidated assets of TRIP Holdings and the equity interests of TRIP Holdings. In July 2011, TRIP Holdings and its newly-formed subsidiary, TRIP Rail Master Funding LLC (TRIP Master Funding), issued \$1,032.0 million in new debt and repaid all of the outstanding borrowings of the existing TRIP Warehouse Loan. TRIP Master Funding equipment with a net book value of \$1,142.7 million, excluding deferred profit resulting from the sale of railcars to TRIP Master Funding, is pledged as collateral for the TRIP Master Funding debt. See Note 5 Investment in TRIP Holdings for a description of TRIP Holdings.

**Off Balance Sheet Arrangements.** In prior years, the Leasing Group completed a series of financing transactions whereby railcars were sold to one or more separate independent owner trusts (Trusts). Each of the Trusts financed the purchase of the railcars with a combination of debt and equity. In each transaction, the equity participant in the Trust is considered to be the primary beneficiary of the Trust and therefore, the debt related to the Trust is not included as part of the consolidated financial statements. The Leasing Group, through newly formed, wholly-owned, qualified subsidiaries, leased railcars from the Trusts under operating leases with terms of 22 years, and subleased the railcars to independent third-party customers under shorter term operating rental agreements.

These Leasing Group subsidiaries had total assets as of March 31, 2012 of \$214.6 million, including cash of \$85.5 million and railcars of \$96.5 million. The right, title, and interest in each sublease, cash, and railcars are pledged to collateralize the lease obligations to the Trusts and are included in the consolidated financial statements of the Company. Trinity does not guarantee the performance of the subsidiaries' lease obligations. Certain ratios and cash deposits must be maintained by the Leasing Group's subsidiaries in order for excess cash flow, as defined in the agreements, from the lease to third parties to be available to Trinity. Future operating lease obligations of the Leasing Group's subsidiaries as well as future contractual minimum rental revenues related to these leases due to the Leasing Group are as follows:

	Remaining nine months of 2012	2013	2014	2015	2016	Thereafter	Total
	(in millions)						
Future operating lease obligations of Trusts railcars	\$ 33.6	\$ 45.6	\$ 44.8	\$ 43.1	\$ 40.1	\$ 341.3	\$ 548.5
Future contractual minimum rental revenues of Trusts railcars	\$ 44.8	\$ 44.2	\$ 29.7	\$ 22.2	\$ 14.5	\$ 26.1	\$ 181.5

**Operating Lease Obligations.** Future amounts due as well as future contractual minimum rental revenues related to operating leases other than leases with the Trusts are as follows:

	2013	2014	2015	2016	Thereafter	Total
--	------	------	------	------	------------	-------



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Remaining  
 nine months  
 of 2012

(in millions)

Future operating lease obligations	\$ 6.5	\$ 8.4	\$ 8.3	\$ 8.3	\$ 8.1	\$ 35.6	\$ 75.2
Future contractual minimum rental revenues	\$ 7.4	\$ 9.1	\$ 8.6	\$ 5.1	\$ 4.3	\$ 7.6	\$ 42.1

Operating lease obligations totaling \$29.2 million are guaranteed by Trinity Industries, Inc. and certain subsidiaries.

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See Note 5 of the December 31, 2011 Consolidated Financial Statements filed on Form 10-K for a detailed explanation of these financing transactions.

**Note 5. Investment in TRIP Holdings**

In 2007, the Company and other third-party equity investors formed TRIP Holdings for the purpose of providing railcar leasing and management services in North America. TRIP Holdings, through its wholly-owned subsidiary, TRIP Rail Leasing LLC ( TRIP Leasing ), purchased railcars from the Company's Rail and Leasing Groups funded by capital contributions from TRIP Holdings' equity investors and borrowings under the TRIP Warehouse Loan. As of March 31, 2012, TRIP Holdings' subsidiaries had purchased \$1,325.2 million of railcars from the Company. Railcars purchased from the Company by TRIP Holdings' subsidiaries were required to be purchased at prices comparable with the prices of all similar, new railcars sold contemporaneously by the Company and at prices based on third-party appraised values for used railcars.

In July 2011, as a result of refinancing TRIP Holdings' previous credit facility, TRIP Holdings and its newly-formed subsidiary, TRIP Master Funding, issued \$1,032.0 million in new debt. The debt was used by TRIP Master Funding to purchase all of the railcar equipment owned by TRIP Leasing which, in turn, repaid all outstanding borrowings under the existing TRIP credit facility and settled all outstanding related interest rate hedges. See Note 9 Debt regarding TRIP Holdings and its related debt. Additionally, Trinity entered into agreements with an equity investor of TRIP Holdings potentially requiring Trinity, under certain limited circumstances, to acquire from the equity investor an additional 16.3% equity ownership in TRIP Holdings if the option is exercised to its fullest extent. Under the agreement, if exercised, Trinity would be required to pay the equity investor an amount equal to 90% of the equity investor's net investment in TRIP Holdings. Similarly, at its option, Trinity, under certain limited circumstances, may acquire all of the equity investor's equity ownership in TRIP Holdings at an amount equal to 100% of the equity investor's net investment in TRIP Holdings. The agreements expire in July 2014. See Note 2 Fair Value Accounting.

At March 31, 2012, the Company owned 57% of TRIP Holdings with the remainder owned by three other third-party equity investors. The Company receives distributions from TRIP Holdings as an equity investor, when allowed, in proportion to its 57% equity interest, and has an interest in the net assets of TRIP Holdings upon a liquidation event in the same proportion. The terms of the Company's equity investment are identical to the terms of each of the other equity investors. Other than as described above, Trinity had no remaining equity commitment to TRIP Holdings as of March 31, 2012 and had no obligation to guarantee performance under any TRIP-related debt agreements, guarantee any railcar residual values, shield any parties from losses, or guarantee minimum yields.

The Company's carrying value of its investment in TRIP Holdings is as follows:

	March 31, 2012	December 31, 2011
	(in millions)	
Capital contributions	\$ 47.3	\$ 47.3
Equity purchased from investors	44.8	44.8
	92.1	92.1
Equity in earnings	11.2	12.0
Equity in unrealized losses on derivative financial instruments	(0.6)	(1.3)
Distributions	(7.0)	(7.0)
Deferred broker fees	(0.5)	(0.6)
	\$ 95.2	\$ 95.2

Administrative fees paid to TILC by TRIP Holdings and subsidiaries for the three month periods ended March 31, 2012 and 2011 were \$1.3 million and \$0.9 million, respectively.

See Note 6 of the December 31, 2011 Consolidated Financial Statements filed on Form 10-K for additional information.

**Note 6. Derivative Instruments**

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We use derivative instruments to mitigate the impact of changes in interest rates and pricing for zinc, natural gas, and diesel fuel prices, as well as to convert a portion of our variable-rate debt to fixed-rate debt. Additionally, we use derivative instruments to mitigate the impact of unfavorable fluctuations in foreign currency exchange rates. We also use derivatives to lock in fixed interest rates in anticipation of future debt issuances. Derivative instruments that are designated and qualify as cash flow hedges are accounted for in accordance with applicable accounting standards. See Note 2 Fair Value Accounting for discussion of how the Company valued its commodity hedges and interest rate swaps at March 31, 2012.

**Table of Contents****Interest rate hedges**

	Notional Amount	Interest Rate <sup>(1)</sup>	Included in accompanying balance sheet at March 31, 2012		
			Liability (in millions, except %)	AOCL loss/ (income) %	Noncontrolling Interest
Interest rate locks:					
2005-2006	\$ 200.0	4.87%		\$ (2.2)	
2006-2007	\$ 370.0	5.34%		\$ 9.7	
TRIP Holdings	\$ 788.5	3.60%		\$ 22.5	\$ 16.9
Interest rate swaps:					
TRIP Rail Master Funding secured railcar equipment notes	\$ 86.7	2.62%	\$ 4.2	\$ 2.4	\$ 1.8
2008 debt issuance	\$ 467.2	4.13%	\$ 46.2	\$ 44.4	

<sup>(1)</sup> Weighted average fixed interest rate

	Effect on interest expense increase/(decrease)		
	Three Months Ended March 31,		Expected effect during next twelve months <sup>(1)</sup>
	2012	2011 (in millions)	
Interest rate locks:			
2005-2006	\$ (0.1)	\$ (0.1)	\$ (0.3)
2006-2007	\$ 0.9	\$ 0.9	\$ 3.3
TRIP Holdings	\$ 1.5	\$ 7.3	\$ 6.0
Interest rate swaps:			
TRIP Rail Master Funding secured railcar equipment notes	\$ 0.5	\$	\$ 1.9
2008 debt issuance	\$ 4.2	\$ 4.5	\$ 17.4

<sup>(1)</sup> Based on fair value as of March 31, 2012.

During 2005 and 2006, we entered into interest rate swap transactions in anticipation of a future debt issuance. These instruments, with a notional amount of \$200 million, fixed the interest rate on a portion of a future debt issuance associated with a railcar leasing transaction in 2006 and settled at maturity in the first quarter of 2006. These interest rate swaps were being accounted for as cash flow hedges with changes in the fair value of the instruments of \$4.5 million in income recorded in accumulated other comprehensive loss ( AOCL ) through the date the related debt issuance closed in May 2006. The balance is being amortized over the term of the related debt. The effect on interest expense is due to amortization of the AOCL balance.

In anticipation of a future debt issuance, we entered into interest rate swap transactions during the fourth quarter of 2006 and during 2007. These instruments, with a notional amount of \$370 million, hedged the interest rate on a portion of a future debt issuance associated with an anticipated railcar leasing transaction, which closed in May 2008. These instruments settled during the second quarter of 2008, and were accounted for as cash flow hedges with changes in the fair value of the instruments of \$24.5 million recorded as a loss in AOCL through the date the related debt issuance closed in May 2008. The balance is being amortized over the term of the related debt. The effect on interest expense is due to amortization of the AOCL balance.

In May 2008, we entered into an interest rate swap transaction that is being used to fix the Libor component of the debt issuance which closed in May 2008. The effect on interest expense results primarily from monthly interest settlements.

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Between 2007 and 2009, TRIP Holdings, as required by its warehouse loan agreement, entered into interest rate swap transactions, all of which qualified as cash flow hedges, to reduce the effect of changes in variable interest rates. In July 2011, these interest rate hedges were terminated in connection with the refinancing of the TRIP Warehouse Loan. Balances included in AOCL at the date the hedges were terminated are being amortized over the expected life of the new debt with \$6.0 million of additional interest expense expected to be recognized during the next twelve months following March 31, 2012. Also in July 2011, TRIP Holdings' wholly-owned subsidiary, TRIP Rail Master Funding, entered into an interest rate swap transaction with a notional amount of \$94.1 million to reduce the effect of changes in variable interest rates associated with the Class A-1b secured railcar equipment notes.

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See Note 9 Debt regarding the related debt instruments.

***Other Derivatives***

	Effect on operating income increase/(decrease) Three Months Ended March 31, 2012      2011 (in millions)	
Fuel hedges <sup>(1)</sup>		
Effect of mark to market valuation	\$ 0.1	\$ 0.5
Settlements	0.1	0.0
	\$ 0.2	\$ 0.5
Foreign exchange hedges <sup>(2)</sup>	\$ (0.4)	\$ (0.6)

<sup>(1)</sup> Included in cost of revenues in the accompanying consolidated statement of operations.

<sup>(2)</sup> Included in other, net in the accompanying consolidated statement of operations.

***Natural gas and diesel fuel***

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel purchases. The intent of the program is to protect our operating profit from adverse price changes by entering into derivative instruments. For those instruments that do not qualify for hedge accounting treatment, any changes in their valuation are recorded directly to the consolidated statement of operations. The amount recorded in the consolidated balance sheet as of March 31, 2012 for these instruments was not significant.

***Foreign exchange hedge***

We enter into foreign exchange hedges to mitigate the impact on operating profit of unfavorable fluctuations in foreign currency exchange rates. These instruments are short term with quarterly maturities and no remaining balance in AOCL as of March 31, 2012.

**Note 7. Property, Plant, and Equipment**

The following table summarizes the components of property, plant, and equipment as of March 31, 2012 and December 31, 2011.

	March 31, 2012	December 31, 2011 (as reported)
	(in millions)	
Manufacturing/Corporate:		
Land	\$ 41.6	\$ 41.6
Buildings and improvements	430.2	429.7
Machinery and other	746.4	758.7
Construction in progress	17.3	12.8
	1,235.5	1,242.8
Less accumulated depreciation	(735.1)	(732.8)
	500.4	510.0

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Leasing:		
Wholly-owned subsidiaries:		
Machinery and other	9.6	9.6
Equipment on lease	3,497.2	3,429.3
	<b>3,506.8</b>	3,438.9
Less accumulated depreciation	(398.2)	(372.9)
	<b>3,108.6</b>	3,066.0
TRIP Holdings:		
Equipment on lease	1,271.4	1,257.7
Less accumulated depreciation	(128.7)	(122.7)
	<b>1,142.7</b>	1,135.0
Net deferred profit on railcars sold to the Leasing Group		
Sold to wholly-owned subsidiaries	(348.0)	(344.5)
Sold to TRIP Holdings	(186.4)	(187.0)
	<b>\$ 4,217.3</b>	\$ 4,179.5

**Table of Contents****Note 8. Warranties**

The changes in the accruals for warranties for the three month periods ended March 31, 2012 and 2011 are as follows:

	<b>Three Months Ended March 31, 2012      2011 (in millions)</b>	
Beginning balance	<b>\$ 13.5</b>	\$ 13.2
Warranty costs incurred	<b>(2.4)</b>	(1.3)
Warranty originations and revisions	<b>3.8</b>	1.6
Warranty expirations	<b>(0.4)</b>	(0.8)
Ending balance	<b>\$ 14.5</b>	\$ 12.7

**Note 9. Debt**

The following table summarizes the components of debt as of March 31, 2012 and December 31, 2011:

	<b>March 31, 2012</b>	<b>December 31, 2011 (as reported) (in millions)</b>
<b>Manufacturing/Corporate Recourse:</b>		
Revolving credit facility	<b>\$</b>	\$
Convertible subordinated notes	<b>450.0</b>	450.0
Less: unamortized discount	<b>(96.8)</b>	(99.8)
	<b>353.2</b>	350.2
Other	<b>6.1</b>	4.2
	<b>359.3</b>	354.4
<b>Leasing Recourse:</b>		
Capital lease obligations	<b>47.9</b>	48.6
Term loan	<b>54.0</b>	54.7
	<b>101.9</b>	103.3
Total recourse debt	<b>461.2</b>	457.7
<b>Leasing Non-recourse:</b>		
2006 secured railcar equipment notes	<b>266.0</b>	269.3
Promissory notes	<b>459.3</b>	465.5
2009 secured railcar equipment notes	<b>216.2</b>	218.4
2010 secured railcar equipment notes	<b>351.3</b>	354.3
TILC warehouse facility	<b>282.7</b>	308.5
<b>TRIP Holdings senior secured notes:</b>		
Total outstanding	<b>170.0</b>	170.0
Less: owned by Trinity	<b>(108.8)</b>	(108.8)



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	<b>61.2</b>	61.2
TRIP Master Funding secured railcar equipment notes	<b>829.6</b>	840.0
Total non-recourse debt	<b>2,466.3</b>	2,517.2
Total debt	<b>\$ 2,927.5</b>	\$ 2,974.9

We have a \$425.0 million unsecured revolving credit facility that matures on October 20, 2016. As of March 31, 2012, we had letters of credit issued under our revolving credit facility in an aggregate principal amount of \$72.6 million, leaving \$352.4 million available for borrowing. Other than these letters of credit, there were no borrowings under our revolving credit facility as of March 31, 2012, or for the three month period then ended. Of the outstanding letters of credit as of March 31, 2012, a total of \$0.4 million is expected to expire in 2012 and the remainder in 2013. The majority of our letters of credit obligations supports the Company's various insurance programs and generally renews each year. Trinity's revolving credit facility requires the maintenance of ratios related to minimum interest coverage for the leasing and manufacturing operations and maximum leverage. Borrowings under the amended credit facility bear interest at Libor plus 150.0 basis points or prime plus 50.0 basis points. As of March 31, 2012, we were in compliance with all such financial covenants.

The Company's 3 7/8% convertible subordinated notes are recorded net of unamortized discount to reflect their underlying economics by capturing the value of the conversion option as borrowing costs. As of March 31, 2012 and December 31, 2011, capital in excess of par value included \$92.8 million related to the estimated value of the Convertible

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Subordinated Notes conversion options, in accordance with ASC 470-20. Debt discount recorded in the consolidated balance sheet is being amortized through June 1, 2018 to yield an effective annual interest rate of 8.42% based upon the estimated market interest rate for comparable non-convertible debt as of the issuance date of the Convertible Subordinated Notes. Total interest expense recognized on the Convertible Subordinated Notes for the three months ended March 31, 2012 and 2011 is as follows:

	Three Months Ended March 31,	
	2012	2011
	(in millions)	
Coupon rate interest	\$ 4.4	\$ 4.4
Amortized debt discount	3.0	2.7
	<b>\$ 7.4</b>	<b>\$ 7.1</b>

At March 31, 2012, the Convertible Subordinated Notes were convertible at a price of \$51.36 per share resulting in 8,761,682 issuable shares. As of March 31, 2012, if the Convertible Subordinated Notes had been converted, no shares would have been issued since the trading price of the Company's common stock was below the conversion price of the Convertible Subordinated Notes. The Company has not entered into any derivatives transactions associated with these notes.

The \$475.0 million TILC warehouse loan facility, established to finance railcars owned by TILC, had \$282.7 million outstanding and \$192.3 million available as of March 31, 2012. The warehouse loan is a non-recourse obligation secured by a portfolio of railcars and operating leases, certain cash reserves, and other assets acquired and owned by the warehouse loan facility. The principal and interest of this indebtedness are paid from the cash flows of the underlying leases. Advances under the facility bear interest at a defined index rate plus a margin, for an all-in interest rate of 2.25% at March 31, 2012. In February 2011, the warehouse loan facility was renewed for an additional two years and now matures in February 2013. Amounts outstanding at maturity, absent renewal, will be payable in three installments in August 2013, February 2014, and August 2014.

Terms and conditions of other debt, including recourse and non-recourse provisions, are described in Note 11 of the December 31, 2011 Consolidated Financial Statements filed on Form 10-K.

The remaining principal payments under existing debt agreements as of March 31, 2012 are as follows:

	Remaining nine months of					
	2012	2013	2014	2015	2016	Thereafter
	(in millions)					
<b>Recourse:</b>						
Manufacturing/Corporate	\$ 1.3	\$ 1.7	\$ 2.4	\$ 0.2	\$ 0.2	\$ 450.3
Leasing capital lease obligations (Note 4)	2.1	2.9	3.1	3.3	3.5	33.0
Leasing term loan (Note 4)	2.1	3.0	3.3	3.5	42.1	
<b>Non-recourse leasing (Note 4):</b>						
2006 secured railcar equipment notes	10.2	15.1	16.9	18.6	21.9	183.3
Promissory notes	19.5	29.0	26.2	23.2	361.4	
2009 secured railcar equipment notes	7.0	10.2	9.9	9.6	6.5	173.0
2010 secured railcar equipment notes	9.7	14.6	14.0	15.3	15.0	282.7
TILC warehouse facility	6.4	7.8	4.3			
<b>TRIP Holdings senior secured notes:</b>						
Total outstanding			170.0			
Less: owned by Trinity			(108.8)			

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				61.2		
TRIP Master Funding secured railcar equipment notes	30.6	41.1	40.2	35.9	29.4	652.4
Facility termination payments:						
TILC warehouse facility		87.6	176.6			
Total principal payments	\$ 88.9	\$ 213.0	\$ 358.1	\$ 109.6	\$ 480.0	\$ 1,774.7

**Table of Contents****Note 10. Other, Net**

Other, net (income) expense consists of the following items:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
	<b>(in millions)</b>	
Foreign currency exchange transactions	\$ (2.0)	\$ 0.3
Gain on equity investments	(0.1)	(0.5)
Other	(0.9)	(0.3)
Other, net	\$ (3.0)	\$ (0.5)

**Note 11. Income Taxes**

The provision for income taxes results in effective tax rates different from the statutory rates. The following is a reconciliation between the statutory United States Federal income tax rate and the Company's effective income tax rate:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Statutory rate	35.0%	35.0%
State taxes	1.9	2.4
Changes in tax reserves, net of settlements	(4.6)	1.2
Other, net	0.6	0.2
Effective rate	32.9%	38.8%

During the first quarter of 2012, we settled our audit with the Internal Revenue Service ( IRS ) for the 2004-2005 tax years. As a result of closing this audit, we recognized a \$3.5 million tax benefit primarily related to favorable claims filed and approved by the IRS in the final audit settlement. The statute of limitations for this audit cycle will remain open until September 30, 2012.

In addition, we are currently under examination by the IRS for the years ended December 31, 2006 through 2008. Certain issues have been tentatively agreed upon by us and the IRS and certain issues will be challenged by us. We expect to settle all 2006-2008 issues within the next 12 months except for any potential transfer pricing adjustments. Due to the length of the appeals process, we cannot determine when the 2006-2008 cycle will close. Thus, we are unable to determine how long the statute of limitations for years after December 31, 2005 will remain open.

We have various subsidiaries in Mexico which file separate tax returns and thus are subject to examination by taxing authorities at different times. The 2003 tax year of one of our Mexican subsidiaries is still under review and its statute of limitations remains open through June 2014. Another Mexican subsidiary's 2005 statute remains open through July 2013. The remaining entities are open for their 2006 tax years and forward.

Our various European subsidiaries, including subsidiaries that were sold in 2006, are impacted by various statutes of limitations. The statute of limitations for our discontinued operations in Romania, the Czech Republic, Slovakia, and Switzerland through the year of disposition are now closed. Our two remaining Swiss subsidiaries, one of which is a holding company and the other which is dormant, have been audited by the taxing authorities through 2008 and 2009. The statute of limitations in Switzerland is generally five years from the end of the tax year, but can be extended up to 15 years in certain cases if the audit has commenced during the original five year period.

We also currently have sales offices in Europe and Canada that are subject to various statutes.

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Generally, states' statutes of limitations in the United States are open from 2003 forward due to the use of tax loss carryforwards in certain jurisdictions.

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The change in unrecognized tax benefits for the three months ended March 31, 2012 and 2011 was as follows:

	<b>Three Months Ended March 31, 2012      2011 (in millions)</b>	
Beginning balance	<b>\$ 52.5</b>	\$ 36.8
Additions for tax positions related to the current year	<b>1.0</b>	0.9
Additions for tax positions of prior years		2.6
Reductions for tax positions of prior years	<b>(1.1)</b>	
Settlements	<b>(3.0)</b>	
Expiration of statute of limitations	<b>(0.1)</b>	(0.1)
<b>Ending balance</b>	<b>\$ 49.3</b>	\$ 40.2

Additions for tax positions related to the current year in the amounts of \$1.0 million and \$0.9 million recorded in the three months ended March 31, 2012 and 2011, respectively, were amounts provided for tax positions that will be taken for Federal and state income tax purposes when we file the 2012 tax returns.

Additions for tax positions of prior years for the three months ended March 31, 2011 of \$2.6 million are primarily due to Federal tax positions taken on prior year returns that have been proposed by the IRS but not previously reserved. These items are primarily timing differences and thus we would be allowed a future tax deduction. During 2011, we recorded a corresponding deferred tax asset for the future reduction of taxes related to these adjustments.

The reduction in tax positions of prior years of \$1.1 million for the three months ended March 31, 2012, was primarily related to new guidance issued by the IRS regarding the capitalization of fixed assets that was issued in March 2012 as well as state taxes.

Settlements during the three months ended March 31, 2012, primarily related to the settlement of our 2004-2005 IRS audit.

The total amount of unrecognized tax benefits including interest and penalties at March 31, 2012 and 2011, that would affect the Company's effective tax rate if recognized was \$17.5 million and \$14.8 million, respectively. There is a reasonable possibility that unrecognized Federal and state tax benefits will decrease by March 31, 2013 due to a lapse in the statute of limitations for assessing tax. Amounts subject to a lapse in statute by March 31, 2013 total \$5.6 million. Further, there is a reasonable possibility that the unrecognized Federal tax benefits will decrease by March 31, 2013 due to settlements with taxing authorities. Amounts expected to settle by March 31, 2013 total \$26.0 million.

Trinity accounts for interest expense and penalties related to income tax issues as income tax expense. Accordingly, interest expense and penalties associated with an uncertain tax position are included in the income tax provision. The total amount of accrued interest and penalties as of March 31, 2012 and December 31, 2011 was \$12.4 million and \$13.3 million, respectively. Income tax expense for the three months ended March 31, 2012, included a decrease in income tax expense of \$0.9 million in interest expense and penalties related to uncertain tax positions. Income tax expense for the three months ended March 31, 2011, included a decrease in income tax expense of \$0.9 million in interest expense and penalties related to uncertain tax positions.

**Note 12. Employee Retirement Plans**

The following table summarizes the components of net retirement cost for the Company:

	<b>Three Months Ended March 31, 2012      2011 (in millions)</b>	
Service cost	<b>\$ 0.2</b>	\$ 0.3

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Interest	<b>4.8</b>	4.9
Expected return on plan assets	<b>(5.6)</b>	(5.7)
Actuarial loss	<b>0.9</b>	0.5
Defined benefit expense	<b>0.3</b>	0.0
Profit sharing	<b>2.6</b>	2.3
Net expense	<b>\$ 2.9</b>	\$ 2.3

Trinity contributed \$6.1 million and \$5.6 million to the Company's defined benefit pension plans for the three month periods ended March 31, 2012 and 2011, respectively. Total contributions to the Company's defined benefit pension plans in 2012 are expected to be approximately \$17.3 million.

**Table of Contents****Note 13. Accumulated Other Comprehensive Loss**

Changes in accumulated other comprehensive loss for the three months ended March 31, 2012 are as follows:

	Currency translation adjustments	Unrealized loss on derivative financial instruments	Funded status of pension liability	Accumulated Other Comprehensive Loss
	(in millions)			
Balance at December 31, 2011	\$ (17.1)	\$ (46.2)	\$ (70.7)	\$ (134.0)
Other comprehensive income		2.4	0.6	3.0
Balance at March 31, 2012, net of tax benefit of \$0.2, \$33.1, \$41.4 and \$74.7	\$ (17.1)	\$ (43.8)	\$ (70.1)	\$ (131.0)

See Note 6 Derivative Instruments for information on the reclassification of amounts in accumulated other comprehensive loss into earnings.

**Note 14. Stock-Based Compensation**

Stock-based compensation totaled approximately \$6.9 million and \$5.3 million for the three months ended March 31, 2012 and 2011, respectively.

**Note 15. Earnings Per Common Share**

Basic net income attributable to Trinity Industries, Inc. per common share is computed by dividing net income attributable to Trinity remaining after allocation to unvested restricted shares by the weighted average number of basic common shares outstanding for the period. Except when the effect would be antidilutive, the calculation of diluted net income attributable to Trinity per common share includes the net impact of unvested restricted shares and shares that could be issued under outstanding stock options. Total weighted average restricted shares and antidilutive stock options were 3.1 million shares and 2.9 million shares for the three month periods ended March 31, 2012 and 2011, respectively.

The computation of basic and diluted net income attributable to Trinity Industries, Inc. is as follows:

	Three Months Ended March 31, 2012			Three Months Ended March 31, 2011		
	Income (Loss)	Average Shares	EPS	Income (Loss)	Average Shares	EPS
Net income attributable to Trinity Industries, Inc.	\$ 52.9			\$ 24.2		
Unvested restricted share participation	(1.7)			(0.9)		
Net income attributable to Trinity Industries, Inc. basic	51.2	77.8	\$ 0.66	23.3	77.1	\$ 0.30
Effect of dilutive securities:						
Stock options		0.3			0.3	
Net income attributable to Trinity Industries, Inc. diluted	\$ 51.2	78.1	\$ 0.66	\$ 23.3	77.4	\$ 0.30

**Note 16. Contingencies**



**Railworthiness Directive**

As previously reported, in 2011 the Company received the approval of the Federal Railroad Administration ( FRA ) to implement a voluntary recertification of 948 tank cars owned or managed by the Company s wholly-owned, railcar leasing subsidiary and used in transporting poison inhalation hazard ( PIH ) materials. The recertification process is underway and being performed in conjunction with the normal 3 to 5 year, federally mandated inspection cycle for tank cars in PIH service. Maintenance costs associated with this recertification process are expensed as incurred. The additional costs estimated to be incurred for compliance with the directive are not expected to be significant.

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**Other Matters**

As previously reported, Trinity Structural Towers, Inc., a wholly-owned subsidiary of the Company, is in litigation with a structural wind tower customer for the customer's breach of a long-term supply contract for the manufacture of towers. While the customer partially performed the contract, it ultimately defaulted its purchase obligation and did not remedy such default. Discovery in this litigation is underway.

The Company is involved in claims and lawsuits incidental to our business arising from various matters including product warranty, personal injury, environmental issues, workplace laws, and various governmental regulations. The Company evaluates its exposure to such claims periodically and establishes accruals for these contingencies when a range of loss can be reasonably estimated. The range of loss for such matters, taking into consideration our rights in indemnity and recourse to third parties is \$4.3 million to \$20.5 million. Total accruals of \$9.3 million, including environmental and workplace matters described below, are included in accrued liabilities in the accompanying consolidated balance sheet. The Company believes any additional liability would not be material to its financial position or results of operations.

Trinity is subject to Federal, state, local, and foreign laws and regulations relating to the environment and the workplace. The Company has reserved \$6.8 million to cover our probable and estimable liabilities with respect to the investigations, assessments, and remedial responses to such matters, taking into account currently available information and our contractual rights to indemnification and recourse to third parties. However, estimates of liability arising from future proceedings, assessments, or remediation are inherently imprecise. Accordingly, there can be no assurance that we will not become involved in future litigation or other proceedings involving the environment and the workplace or, if we are found to be responsible or liable in any such litigation or proceeding, that such costs would not be material to the Company. We believe that we are currently in substantial compliance with environmental and workplace laws and regulations.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations ( MD&A ) is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Our MD&A is presented in the following sections:

Executive Summary

Results of Operations

Liquidity and Capital Resources  
Contractual Obligations and Commercial Commitments

Recent Accounting Pronouncements

Forward-Looking Statements

Our MD&A should be read in conjunction with the unaudited consolidated financial statements of Trinity Industries, Inc. and subsidiaries ( Trinity , Company , we , or our ) and related notes in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Executive Summary**

The Company's revenues for the three month period ended March 31, 2012 were \$925.3 million representing an increase of \$291.1 million or 46% over the same period in 2011. Operating profit for the three month period ended March 31, 2012 totaled \$122.4 million compared with \$85.5 million for the same period in 2011. While all of our business segments reported an increase in revenues for the three month period ended March 31, 2012 when compared to the prior year, the largest contributors to the increase were our Rail, Inland Barge, and Leasing Groups. The increase in revenues in our Rail and Inland Barge Groups was due to higher shipment volumes while the increase in revenues in our Leasing Group was due to higher railcar sales from the lease fleet, higher rental revenues from lease fleet additions, an increase in rental rates, and higher utilization. Operating profit grew for the three month period ended March 31, 2012 when compared with the prior year, primarily due to higher shipment levels in our Rail and Inland Barge Groups and from revenue growth in our Leasing Group. Our business segments reported an increase in operating margins due to higher volumes and improved efficiencies with the exception of our Energy Equipment Group whose decline in operating margin resulted from competitive pricing pressures and additional costs related to product mix changes. Net income attributable to Trinity Industries, Inc. common stockholders for the three month period ended March 31, 2012 increased \$28.7 million or 119% over the same period in 2011.

Our Rail and Inland Barge Groups and our structural wind towers and containers businesses operate in cyclical industries. Results in our Construction Products and Energy Equipment Groups are subject to seasonal fluctuations with the first quarter historically being the weakest quarter. Railcar sales from the lease fleet are the primary driver of fluctuations in results in the Railcar Leasing and Management Services Group. Following an extended period of weak demand for new railcars through 2010, demand for new railcars recovered sharply, primarily due to an increase in the shipment of commodities, replacement of older railcars, and federal tax benefits received from taking delivery of railcars in 2011 and 2012. While moderating from the accelerated pace in the first half of 2011, demand conditions and corresponding order levels for new railcars in the first quarter of 2012 continued to be favorable. Orders for structural wind towers have been slow since mid-2008 when energy development companies encountered tightened credit markets, lower demand for electricity, and heightened competition arising from declining natural gas prices and imports from foreign manufacturers. The continued slowdown in the residential and commercial construction markets negatively impacted the results of our Construction Products Group as well. We continually assess our manufacturing capacity and take steps to align our production capacity with demand for our products. Due to improvements in demand, we have increased production staff at certain facilities since late 2010.

Our backlog at March 31, 2012 compared with prior period was approximately as follows:

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	March 31, 2012	March 31, 2011
	(in millions)	
Rail Group		
External Customers	<b>\$ 2,008.2</b>	\$ 1,534.2
Leasing Group	<b>553.7</b>	272.4
	<b>\$ 2,561.9</b>	\$ 1,806.6
Inland Barge	<b>\$ 512.1</b>	\$ 460.5
Structural wind towers	<b>\$ 884.6</b>	\$ 974.0

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For the three months ended March 31, 2012, our rail manufacturing businesses received orders for approximately 3,255 railcars. The total amount of orders in our backlog from the Leasing Group was supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery. For multi-year barge agreements, the deliveries for 2012 are included in the backlog at this time; deliveries beyond 2012 are not included in the backlog if specific production quantities for future years have not been determined. Approximately \$412.5 million of the structural wind towers backlog is subject to litigation with a structural wind tower customer for the customer's breach of a long-term supply contract for the manufacture of towers.

**Results of Operations***Overall Summary*Revenues

	Three Months Ended March 31, 2012			Three Months Ended March 31, 2011			Percent Change
	External	Intersegment	Total	External	Intersegment	Total	
	Revenues (\$ in millions)						
Rail Group	\$ 341.2	\$ 125.9	\$ 467.1	\$ 131.0	\$ 88.8	\$ 219.8	112.5%
Construction Products Group	149.6	5.4	155.0	130.1	3.5	133.6	16.0
Inland Barge Group	169.4		169.4	137.9		137.9	22.8
Energy Equipment Group	120.1	4.9	125.0	113.2	5.5	118.7	5.3
Railcar Leasing and Management Services Group	142.1	0.2	142.3	119.8		119.8	18.8
All Other	2.9	12.8	15.7	2.2	10.9	13.1	19.8
Eliminations Lease subsidiary		(122.6)	(122.6)		(85.4)	(85.4)	
Eliminations Other		(26.6)	(26.6)		(23.3)	(23.3)	
Consolidated Total	\$ 925.3	\$	\$ 925.3	\$ 634.2	\$	\$ 634.2	45.9

Operating Profit (Loss)

	Three Months Ended March 31,	
	2012	2011
	(in millions)	
Rail Group	\$ 40.1	\$ 9.3
Construction Products Group	10.8	8.3
Inland Barge Group	30.0	21.7
Energy Equipment Group	(3.8)	10.5
Railcar Leasing and Management Services Group	66.5	54.7
All Other	1.2	(0.3)
Corporate	(11.6)	(10.7)
Eliminations Lease subsidiary	(10.9)	(8.1)
Eliminations Other	0.1	0.1
Consolidated Total	\$ 122.4	\$ 85.5

Other Income and Expense. Other income and expense is summarized in the following table:

Three Months Ended  
March 31,

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	2012	2011
	(in millions)	
Interest income	\$ (0.4)	\$ (0.3)
Interest expense	47.9	44.5
Other, net	(3.0)	(0.5)
 Consolidated Total	 <b>\$ 44.5</b>	 \$ 43.7

Interest expense for the three month period ended March 31, 2012, increased \$3.4 million over the prior year period due to TRIP Holdings debt refinancing completed in 2011. Interest income was substantially unchanged from the same three month period last year. The increase in Other, net expense for the three month period ended March 31, 2012 was primarily due to higher foreign currency translation gains over the prior period.

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*Income Taxes.* The provision for income taxes results in effective tax rates different from the statutory rates. The following is a reconciliation between the statutory United States Federal income tax rate and the Company's effective income tax rate:

	Three Months Ended March 31,	
	2012	2011
Statutory rate	35.0%	35.0%
State taxes	1.9	2.4
Changes in tax reserves, net of settlements	(4.6)	1.2
Other, net	0.6	0.2
Effective rate	32.9%	38.8%

During the first quarter of 2012, we settled our audit with the Internal Revenue Service ( IRS ) for the 2004-2005 tax years. As a result of closing this audit, we recognized a \$3.5 million tax benefit primarily related to favorable claims filed and approved by the IRS in the final audit settlement. The statute of limitations for this audit cycle will remain open until September 30, 2012.

**Rail Group**

	Three Months Ended March 31,		
	2012 (\$ in millions)	2011	Percent Change
Revenues:			
Rail	\$ 426.4	\$ 177.8	139.8%
Components	40.7	42.0	(3.1)
Total revenues	\$ 467.1	\$ 219.8	112.5
Operating profit	\$ 40.1	\$ 9.3	
Operating profit margin	8.6%	4.2%	

Railcar shipments increased by 2,770 railcars to approximately 5,010 railcars during the three month period ended March 31, 2012 when compared to approximately 2,240 railcar shipments during the same period in 2011.

As of March 31, 2012, our Rail Group backlog was as follows:

	As of March 31,	
	2012 (in millions, except railcars)	2011
External Customers	\$ 2,008.2	\$ 1,534.2
Leasing Group	553.7	272.4
Total	\$ 2,561.9	\$ 1,806.6

Number of railcars	27,245	22,490
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For the three months ended March 31, 2012, our rail manufacturing businesses received orders for approximately 3,255 railcars. The total amount of the backlog dedicated to the Leasing Group was supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery.

Operating profit for the Rail Group increased \$30.8 million for the three months ended March 31, 2012 compared to the same period last year. This increase was primarily due to a significantly higher volume of railcars with higher sales prices delivered during the period.

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In the three months ended March 31, 2012, railcar shipments included sales to the Leasing Group of \$122.6 million compared to \$85.4 million in the comparable period in 2011 with a deferred profit of \$10.9 million compared to \$8.1 million for the same period in 2011. Sales to the Leasing Group and related profits are included in the operating results of the Rail Group but are eliminated in consolidation.



**Table of Contents****Construction Products Group**

	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		Change
Revenues:			
Concrete and Aggregates	\$ 41.5	\$ 49.6	(16.3)%
Highway Products	102.5	79.7	28.6
Other	11.0	4.3	*
Total revenues	\$ 155.0	\$ 133.6	16.0
Operating profit	\$ 10.8	\$ 8.3	
Operating profit margin	7.0%	6.2%	

**\* not meaningful**

Revenues increased for the three month period ended March 31, 2012 compared to the same period in 2011 primarily due to higher volumes in our Highway Products business and other product lines partially offset by lower revenues in our Concrete and Aggregates business resulting from the divestiture of our Central Texas Region ready mix concrete facilities in April 2011. Operating profit and operating margin increased for the three months ended March 31, 2012 compared to the same period in 2011 primarily as a result of acquisitions made in our Highway Products business in prior years and the Central Texas Region divestiture along with improved efficiencies in our Concrete and Aggregates business and higher volumes in other product lines.

**Inland Barge Group**

	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		Change
Revenues	\$ 169.4	\$ 137.9	22.8%
Operating profit	\$ 30.0	\$ 21.7	
Operating profit margin	17.7%	15.7%	

Revenues and operating profit increased for the three month period ended March 31, 2012 compared to the same period in the prior year due to higher volumes of hopper and tank barges and a change in the mix of tank barge types. Operating profit for the three months ended March 31, 2012 includes a \$3.4 million net gain from sales of barges previously included in property, plant, and equipment which were under lease to third-party customers. The two barges remaining in the Company's barge lease fleet are both currently under lease.

As of March 31, 2012, the backlog for the Inland Barge Group was approximately \$512.1 million compared to approximately \$460.5 million as of March 31, 2011. For multi-year barge agreements, the deliveries for 2012 are included in the backlog at this time; deliveries beyond 2012 are not included in the backlog if specific production quantities for future years have not been determined.

**Energy Equipment Group**

	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		Change
Revenues:			
Structural wind towers	\$ 52.8	\$ 66.5	(20.6)%
Other	72.2	52.2	38.3
Total revenues	\$ 125.0	\$ 118.7	5.3

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Operating profit (loss)	\$ (3.8)	\$ 10.5
Operating profit margin (loss)	(3.0)%	8.8%

Revenues for the three month period ended March 31, 2012 increased compared to the same period in 2011 as a result of higher shipments of tank containers, tank heads, and utility structures offsetting lower structural wind tower shipments. Operating profit for the three month period ended March 31, 2012 decreased when compared to the same period in 2011 due to transition issues arising from changes in product mix in the structural wind towers business as well as competitive pricing on structural wind towers, partially offset by increased operating profit in other product lines. As of March 31, 2012, the backlog for structural wind towers was approximately \$884.6 million compared to approximately \$974.0 million as of March 31, 2011. Approximately \$412.5 million of this backlog is subject to litigation with a structural wind tower customer for the customer's breach of a long-term supply contract for the manufacture of towers.

**Table of Contents****Railcar Leasing and Management Services Group**

	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		Change
<b>Revenues:</b>			
Wholly owned subsidiaries:			
Leasing and management	\$ 98.3	\$90.3	8.9%
Railcar sales <sup>(1)</sup>	14.9		*
	<b>113.2</b>	90.3	<b>25.4</b>
TRIP Holdings:			
Leasing and management	29.1	29.5	(1.4)
Railcar sales <sup>(1)</sup>			
	<b>29.1</b>	29.5	<b>(1.4)</b>
Total revenues	<b>\$ 142.3</b>	\$119.8	<b>18.8</b>
<b>Operating Profit:</b>			
Wholly owned subsidiaries:			
Leasing and management	\$ 43.1	\$36.5	
Railcar sales <sup>(1)</sup> :			
Railcars owned one year or less at the time of sale	2.9		
Railcars owned more than one year at the time of sale	4.1	1.0	
	<b>50.1</b>	37.5	
TRIP Holdings:			
Leasing and management	16.8	17.1	
Railcar sales <sup>(1)</sup> :			
Railcars owned one year or less at the time of sale			
Railcars owned more than one year at the time of sale	(0.4)	0.1	
	<b>16.4</b>	17.2	
Total operating profit	<b>\$ 66.5</b>	\$54.7	
<b>Operating profit margin:</b>			
Leasing and management	47.0%	44.7%	
Railcar sales <sup>(1)</sup>	*	*	
Total operating profit margin	<b>46.7</b>	45.7	
<b>Fleet utilization:</b>			
Wholly-owned subsidiaries	<b>99.4%</b>	99.2%	
TRIP Holdings	<b>99.9%</b>	99.8%	
Total fleet	<b>99.5%</b>	99.4%	

\* Not meaningful

<sup>(1)</sup> Effective December 31, 2011, the Company adopted the emerging industry policy of recognizing revenue from the sales of railcars from the lease fleet on a gross basis in leasing revenues and cost of revenues if the railcar has been owned by the lease fleet for one year or less at the time of sale. Sales of railcars from the lease fleet which have been owned by the lease fleet for more than one year are recognized as a net gain or loss from the disposal of a long-term asset. Prior year reported balances have been reclassified to conform to this policy.

Total revenues increased for the three month period ended March 31, 2012 compared to the same period last year due to increased railcar sales from the lease fleet, as well as rental revenues related to additions to the lease fleet, higher rental rates, and increased utilization.

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Operating profit increased for the three month period ended March 31, 2012 compared to the same period in 2011 due to profit from lease fleet sales, lease fleet additions, higher rental rates, lower maintenance expenses, and increased utilization.

To fund the continued expansion of its lease fleet to meet market demand, the Leasing Group generally uses its non-recourse \$475 million warehouse facility or excess cash to provide initial financing for a portion of the purchase price of the railcars. After initial financing, the Leasing Group generally obtains long-term financing for the railcars in the lease fleet through non-recourse asset-backed securities, long-term non-recourse operating leases pursuant to sales/leaseback transactions, or long-term recourse debt such as equipment trust certificates. See *Financing Activities*.

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Information regarding the Leasing Group's lease fleet as of March 31, 2012 follows:

	No. of cars	Average age	Average remaining lease term
Wholly-owned subsidiaries	55,485	6.7	3.4
TRIP Holdings	14,470	4.5	3.1
<b>Total fleet</b>	<b>69,955</b>	<b>6.2</b>	<b>3.3</b>

**All Other**

	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		
			Change
Revenues	\$ 15.7	\$ 13.1	19.8%
Operating profit (loss)	\$ 1.2	\$ (0.3)	

The increase in revenues and operating profit for the three month period ended March 31, 2012 compared to the same period last year was primarily due to an increase in intersegment sales by our transportation company.

**Corporate**

	Three Months Ended March 31,		
	2012	2011	Percent
	(\$ in millions)		
			Change
Operating costs	\$ 11.6	\$ 10.7	8.4%

**Liquidity and Capital Resources****Cash Flows**

The following table summarizes our cash flows from operating, investing, and financing activities for the three months ended March 31, 2012 and 2011:

	Three Months Ended March 31,	
	2012	2011
	(in millions)	
Total cash provided by (required by)		
Operating activities	\$ 71.0	\$ (5.6)
Investing activities	(77.0)	(35.6)
Financing activities	(40.3)	(52.5)
<b>Net decrease in cash and cash equivalents</b>	<b>\$ (46.3)</b>	<b>\$ (93.7)</b>

*Operating Activities.* Net cash provided by operating activities for the three months ended March 31, 2012 was \$71.0 million compared to net cash required by operating activities of \$5.6 million for the three months ended March 31, 2011. Cash flow provided by operating activities increased due to higher operating profits in 2012, a decrease in receivables during the first quarter of 2012 compared with an increase in receivables during the first quarter of 2011, and lower increases in inventories in 2012 compared with 2011.

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Receivables at March 31, 2012 decreased by \$17.1 million or 4.4% since December 31, 2011, primarily due to lower receivables from the Energy Equipment Group partially offset by higher receivables in the Rail Group. Raw materials inventory at March 31, 2012 increased by \$16.0 million or 5% since December 31, 2011 primarily attributable to higher levels in our Rail Group required to meet production demands. Finished goods inventory at March 31, 2012 increased by \$9.5 million or 10% since December 31, 2011 primarily attributable to higher levels of production in our Construction Products Group arising from increased shipping volumes in our Highway Products business. Accounts payable increased by \$13.5 million or 7% since December 31, 2011 primarily due to higher production levels in the business groups mentioned. Accrued liabilities decreased by \$33.4 million or 8% from December 31, 2011 due to the normal settlement of certain year end liabilities. We continually review reserves related to bad debt as well as the adequacy of lower of cost or market valuations related to accounts receivable and inventory.

*Investing Activities.* Net cash required by investing activities for the three months ended March 31, 2012 was \$77.0 million compared to \$35.6 million for the three months ended March 31, 2011. Capital expenditures for the three months ended March 31, 2012 were \$116.4 million, of which \$100.0 million were for additions to the lease fleet. This compares to \$89.5 million of capital expenditures for the same period last year, of which \$81.5 million were for additions to the lease fleet. Capital expenditures for 2012 are projected to be approximately \$400.0 to \$475.0 million, including \$300.0 to \$350.0

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million in net lease fleet additions. Proceeds from the sale of property, plant, and equipment and other assets totaled \$39.4 million for the three months ended March 31, 2012 composed primarily of railcar sales from the lease fleet owned more than one year at the time of sale totaling \$26.5 million. This compares to \$12.9 million for the same period in 2011 composed primarily of railcar sales from the lease fleet owned more than one year at the time of sale totaling \$10.0 million.

*Financing Activities.* Net cash required by financing activities during the three months ended March 31, 2012 was \$40.3 million compared to \$52.5 million of cash required by financing activities for the same period in 2011. During the three months ended March 31, 2012 and 2011, we retired \$52.6 million and \$42.8 million, respectively, in debt. We intend to use our cash and committed credit facilities to fund the operations, expansions, and growth initiatives of the Company.

### **Other Financing Activities**

At March 31, 2012 and for the three month period then ended, there were no borrowings under our \$425.0 million revolving credit facility that matures on October 20, 2016. Interest on the revolving credit facility is calculated at Libor plus 150.0 basis points or prime plus 50.0 basis points. After subtracting \$72.6 million for letters of credit outstanding, \$352.4 million was available under the revolving credit facility as of March 31, 2012.

The \$475.0 million TILC warehouse loan facility, established to finance railcars owned by TILC, had \$282.7 million outstanding and \$192.3 million available as of March 31, 2012. The warehouse loan is a non-recourse obligation secured by a portfolio of railcars and operating leases, certain cash reserves, and other assets acquired and owned by the warehouse loan facility. The principal and interest of this indebtedness are paid from the cash flows of the underlying leases. Advances under the facility bear interest at a defined index rate plus a margin, for an all-in interest rate of 2.25% at March 31, 2012. In February 2011, the warehouse loan facility was renewed for an additional two years and now matures in February 2013. Amounts outstanding at maturity, absent renewal, will be payable in three installments in August 2013, February 2014, and August 2014.

In December 2010, the Company's Board of Directors authorized a \$200 million share repurchase program, effective January 1, 2011, which expires on December 31, 2012. No shares were repurchased under this program during the three months ended March 31, 2012.

Following an extended period of weak demand for new railcars through 2010, demand for new railcars recovered sharply, primarily due to an increase in the shipment of commodities, replacement of older railcars, and federal tax benefits received from taking delivery of railcars in 2011 and 2012. While moderating from the accelerated pace in the first half of 2011, demand conditions and corresponding order levels for new railcars in the first quarter of 2012 continued to be favorable. Orders for structural wind towers have been slow since mid-2008 when energy development companies encountered tightened credit markets, lower demand for electricity, and heightened competition arising from declining natural gas prices and imports from foreign manufacturers. The continued slowdown in the residential and commercial construction markets negatively impacted the results of our Construction Products Group as well. We continually assess our manufacturing capacity and take steps to align our production capacity with demand for our products. Due to improvements in demand, we have increased production staff at certain facilities since late 2010.

### **Equity Investment**

See Note 5 of the Consolidated Financial Statements for information about the investment in TRIP Holdings.

### **Future Operating Requirements**

We expect to finance future operating requirements with cash on hand, cash flows from operations, and depending on market conditions, short-term and long-term debt, and equity. Debt instruments that the Company has utilized include its revolving credit facility, the TILC warehouse facility, senior notes, convertible subordinated notes, asset-backed securities, and sale-leaseback transactions. The Company has also issued equity at various times. As of March 31, 2012, the Company had unrestricted cash balances of \$304.8 million, \$352.4 million available under its revolving credit facility, and \$192.3 million available under its TILC warehouse facility. The Company believes it has access to adequate capital resources to fund operating requirements and is an active participant in the credit markets.

### **Off Balance Sheet Arrangements**

See Note 4 of the Consolidated Financial Statements for information about off balance sheet arrangements.

### **Derivative Instruments**

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We use derivative instruments to mitigate the impact of changes in interest rates and pricing for zinc, natural gas, and diesel fuel prices, as well as to convert a portion of our variable-rate debt to fixed-rate debt. Additionally, we use derivative



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instruments to mitigate the impact of unfavorable fluctuations in foreign currency exchange rates. We also use derivatives to lock in fixed interest rates in anticipation of future debt issuances. Derivative instruments that are designated and qualify as cash flow hedges are accounted for in accordance with applicable accounting standards. See Note 2 Fair Value Accounting for discussion of how the Company valued its commodity hedges and interest rate swaps at March 31, 2012.

**Interest rate hedges**

	Notional Amount	Interest Rate <sup>(1)</sup>	Included in accompanying balance sheet at March 31, 2012		
			Liability (in millions, except %)	AOCL loss/ (income)	Noncontrolling Interest
Interest rate locks:					
2005-2006	\$ 200.0	4.87%		\$ (2.2)	
2006-2007	\$ 370.0	5.34%		\$ 9.7	
TRIP Holdings	\$ 788.5	3.60%		\$ 22.5	\$ 16.9
Interest rate swaps:					
TRIP Rail Master Funding secured railcar equipment notes	\$ 86.7	2.62%	\$ 4.2	\$ 2.4	\$ 1.8
2008 debt issuance	\$ 467.2	4.13%	\$ 46.2	\$ 44.4	

<sup>(1)</sup> Weighted average fixed interest rate

	Effect on interest expense increase/(decrease)		Expected effect during next twelve months <sup>(1)</sup>
	Three Months Ended March 31,		
	2012	2011 (in millions)	
Interest rate locks:			
2005-2006	\$ (0.1)	\$ (0.1)	\$ (0.3)
2006-2007	\$ 0.9	\$ 0.9	\$ 3.3
TRIP Holdings	\$ 1.5	\$ 7.3	\$ 6.0
Interest rate swaps:			
TRIP Rail Master Funding secured railcar equipment notes	\$ 0.5	\$	\$ 1.9
2008 debt issuance	\$ 4.2	\$ 4.5	\$ 17.4

<sup>(1)</sup> Based on fair value as of March 31, 2012.

During 2005 and 2006, we entered into interest rate swap transactions in anticipation of a future debt issuance. These instruments, with a notional amount of \$200 million, fixed the interest rate on a portion of a future debt issuance associated with a railcar leasing transaction in 2006 and settled at maturity in the first quarter of 2006. These interest rate swaps were being accounted for as cash flow hedges with changes in the fair value of the instruments of \$4.5 million in income recorded in accumulated other comprehensive loss ( AOCL ) through the date the related debt issuance closed in May 2006. The balance is being amortized over the term of the related debt. The effect on interest expense is due to amortization of the AOCL balance.

In anticipation of a future debt issuance, we entered into interest rate swap transactions during the fourth quarter of 2006 and during 2007. These instruments, with a notional amount of \$370 million, hedged the interest rate on a portion of a future debt issuance associated with an anticipated railcar leasing transaction, which closed in May 2008. These instruments settled during the second quarter of 2008 and were accounted for as cash flow hedges with changes in the fair value of the instruments of \$24.5 million recorded as a loss in AOCL through the date the related debt issuance closed in May 2008. The balance is being amortized over the term of the related debt. The effect on interest expense is due to amortization of the AOCL balance.

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In May 2008, we entered into an interest rate swap transaction that is being used to fix the Libor component of the debt issuance which closed in May 2008. The effect on interest expense results primarily from monthly interest settlements.

Between 2007 and 2009, TRIP Holdings, as required by its warehouse loan agreement, entered into interest rate swap transactions, all of which qualified as cash flow hedges, to reduce the effect of changes in variable interest rates. In July 2011, these interest rate hedges were terminated in connection with the refinancing of the TRIP Warehouse Loan. Balances included in AOCL at the date the hedges were terminated are being amortized over the expected life of the new debt with \$6.0 million of additional interest expense expected to be recognized during the next twelve months following March 31,

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2012. Also in July 2011, TRIP Holdings wholly-owned subsidiary, TRIP Rail Master Funding, entered into an interest rate swap transaction with a notional amount of \$94.1 million to reduce the effect of changes in variable interest rates associated with the Class A-1b secured railcar equipment notes.

See Note 9 Debt for a discussion of the related debt instruments.

**Other Derivatives**

	<b>Effect on operating income increase/(decrease) Three Months Ended March 31, 2012      2011 (in millions)</b>	
Fuel hedges <sup>(1)</sup>		
Effect of mark to market valuation	<b>\$ 0.1</b>	\$ 0.5
Settlements	<b>0.1</b>	0.0
	<b>\$ 0.2</b>	\$ 0.5
Foreign exchange hedges <sup>(2)</sup>	<b>\$ (0.4)</b>	\$ (0.6)

<sup>(1)</sup> Included in cost of revenues in the accompanying consolidated statement of operations.

<sup>(2)</sup> Included in other, net in the accompanying consolidated statement of operations.

*Natural gas and diesel fuel*

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel purchases. The intent of the program is to protect our operating profit from adverse price changes by entering into derivative instruments. For those instruments that do not qualify for hedge accounting treatment, any changes in their valuation are recorded directly to the consolidated statement of operations. The amount recorded in the consolidated balance sheet as of March 31, 2012 for these instruments was not significant.

*Foreign exchange hedge*

We enter into foreign exchange hedges to mitigate the impact on operating profit of unfavorable fluctuations in foreign currency exchange rates. These instruments are short term with quarterly maturities and no remaining balance in AOCL as of March 31, 2012.

**Contractual Obligation and Commercial Commitments**

As of March 31, 2012, other commercial commitments related to letters of credit decreased slightly to \$72.6 million from \$74.1 million as of December 31, 2011. Refer to Note 9 of the Consolidated Financial Statements for changes to our outstanding debt and maturities. Other commercial commitments that relate to operating leases including sale/leaseback transactions were basically unchanged as of March 31, 2012.

**Recent Accounting Pronouncements**

See Note 1 of the Consolidated Financial Statements for information about recent accounting pronouncements.

**Forward-Looking Statements**

This quarterly report on Form 10-Q (or statements otherwise made by the Company or on the Company's behalf from time to time in other reports, filings with the Securities and Exchange Commission (SEC), news releases, conferences, World Wide Web postings or otherwise) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not historical facts are forward-looking statements and involve risks and uncertainties. These forward-looking statements include

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expectations, beliefs, plans, objectives, future financial performances, estimates, projections, goals, and forecasts. Trinity uses the words anticipates, believes, estimates, expects, intends, forecasts, may, will, should, and similar expressions to identify these forward-looking statements. Potential factors, which could cause our actual results of operations to differ materially from those in the forward-looking statements include, among others:

market conditions and demand for our business products and services;

the cyclical nature of industries in which we compete;

variations in weather in areas where our construction products are sold, used, or installed;

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naturally-occurring events and disasters causing disruption to our manufacturing, product deliveries, and production capacity, thereby giving rise to an increase in expenses, loss of revenue, and property losses;

the timing of introduction of new products;

the timing and delivery of customer orders or a breach of customer contracts;

the credit worthiness of customers and their access to capital;

product price changes;

changes in mix of products sold;

the extent of utilization of manufacturing capacity;

availability and costs of steel, component parts, supplies, and other raw materials;

competition and other competitive factors;

changing technologies;

surcharges and other fees added to fixed pricing agreements for steel, component parts, supplies and other raw materials;

interest rates and capital costs;

counter-party risks for financial instruments;

long-term funding of our operations;

taxes;

the stability of the governments and political and business conditions in certain foreign countries, particularly Mexico;

changes in import and export quotas and regulations;

business conditions in emerging economies;

costs and results of litigation; and

legal, regulatory, and environmental issues.

Any forward-looking statement speaks only as of the date on which such statement is made. Trinity undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

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### **Item 3. *Quantitative and Qualitative Disclosures About Market Risk***

There has been no material change in our market risks since December 31, 2011 as set forth in Item 7A of our 2011 Form 10-K. Refer to Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, for a discussion of debt-related activity and the impact of hedging activity for the three months ended March 31, 2012.

### **Item 4. *Controls and Procedures***

#### **Disclosure Controls and Procedures**

The Company maintains controls and procedures designed to ensure that it is able to collect the information it is required to disclose in the reports it files with the SEC, and to process, summarize, and disclose this information within the time periods specified in the rules of the SEC. The Company's Chief Executive and Chief Financial Officers are responsible for establishing and maintaining these procedures and, as required by the rules of the SEC, evaluating their effectiveness. Based on their evaluation of the Company's disclosure controls and procedures which took place as of the end of the period covered by this report, the Chief Executive and Chief Financial Officers believe that these procedures are effective to ensure that the Company is able to collect, process, and disclose the information it is required to disclose in the reports it files with the SEC within the required time periods.

#### **Internal Controls**

The Company maintains a system of internal controls designed to provide reasonable assurance that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles, and (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

During the period covered by this report, there have been no changes in the Company's internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

**Table of Contents****PART II****Item 1. Legal Proceedings**

The information provided in Note 16 of the Consolidated Financial Statements is hereby incorporated into this Part II, Item 1 by reference.

**Item 1A. Risk Factors**

There have been no material changes from the risk factors previously disclosed in Item 1A of our 2011 Form 10-K.

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

This table provides information with respect to purchases by the Company of shares of its Common Stock during the quarter ended March 31, 2012:

Period	Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share <sup>(1)</sup>	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs <sup>(2)</sup>	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs <sup>(2)</sup>
January 1, 2012 through January 31, 2012	1,670	\$ 31.53		\$ 200,000,000
February 1, 2012 through February 29, 2012	6,907	\$ 33.49		\$ 200,000,000
March 1, 2012 through March 31, 2012	1,537	\$ 35.00		\$ 200,000,000
Total	10,114	\$ 33.39		\$ 200,000,000

- (1) These columns include the following transactions during the three months ended March 31, 2012: (i) the deemed surrender to the Company of 8,353 shares of Common Stock to pay the exercise price and satisfy tax withholding in connection with the exercise of employee stock options, (ii) the surrender to the Company of 1,659 shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock issued to employees, and (iii) the purchase of 102 shares of common stock by the Trustee for assets held in a non-qualified employee profit sharing plan trust.
- (2) In December 2010, the Company's Board of Directors authorized a \$200 million share repurchase program, effective January 1, 2011, which expires on December 31, 2012. No shares were repurchased under this program during the three months ended March 31, 2012.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-Q.



**Item 5. Other Information**

None.

**Table of Contents****Item 6. Exhibits**

Exhibit Number	Description
3.2	Amended and Restated By-Laws of Trinity Industries, Inc., as amended March 8, 2012 (filed herewith).
10.1	Trinity Industries, Inc. Supplemental Retirement Plan Trust (filed herewith).
31.1	Rule 13a-15(e) and 15d-15(e) Certification of Chief Executive Officer (filed herewith).
31.2	Rule 13a-15(e) and 15d-15(e) Certification of Chief Financial Officer (filed herewith).
32.1	Certification pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.2	Certification pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
95	Mine Safety Disclosure Exhibit (filed herewith).
101.INS	XBRL Instance Document (filed electronically herewith)*
101.SCH	XBRL Taxonomy Extension Schema Document (filed electronically herewith)*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed electronically herewith)*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed electronically herewith)*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed electronically herewith)*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed electronically herewith)*

\* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

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**SIGNATURES**

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

TRINITY INDUSTRIES, INC.  
Registrant

By /s/ JAMES E. PERRY

James E. Perry  
Senior Vice President and  
Chief Financial Officer  
April 26, 2012

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**INDEX TO EXHIBITS**

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