

Important U.S. Federal Income Tax Information for Shareholders Concerning the Arcosa, Inc. Common Stock Distribution Pursuant to Code Section 6045B

November 13, 2018

Dear Shareholder,

On September 25th, 2018, the Board of Directors of Trinity Industries, Inc. (“Trinity”) declared a pro rata distribution of 100% of the outstanding shares of Arcosa, Inc. (“Arcosa”) common stock to Trinity shareholders of record as of the close of business on October 17, 2018 (the “Record Date”) and payable on November 1, 2018 (the “Distribution Date”). On the Distribution Date, Trinity completed the spin-off of Arcosa (the “Distribution”). For every 3 shares of Trinity common stock held as of the close of business on the Record Date, Trinity shareholders received 1 share of Arcosa common stock on the Distribution Date. No fractional shares of Arcosa were issued. Shareholders received cash in lieu of fractional shares.

This letter explains certain U.S. federal income tax consequences of the Distribution and describes how to allocate your tax basis between your Trinity common stock and the Arcosa common stock you received in the Distribution. The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the Distribution on the tax basis of Trinity stock and the allocation of the tax basis between the stock of Trinity and Arcosa following the Distribution. The information contained herein does not constitute tax advice and does not purport to be complete or describe the consequences that may apply to particular categories of shareholders. Neither Trinity nor Arcosa provides tax advice to shareholders. The example provided in this letter is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to the shareholders and their tax advisors.

Please consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state, local and foreign tax laws.

This notice does not apply to a share of Trinity stock sold, exchanged, or otherwise disposed of prior to November 1, 2018.

Tax Treatment of the Distribution

On August 9, 2018, Trinity received a Private Letter Ruling (“PLR”) from the Internal Revenue Service. This PLR substantially affirms that based upon certain representations made by Trinity and Arcosa, the Distribution and certain related transactions will qualify as tax-free for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code.

In addition, Trinity received opinions from both Skadden, Arps, Slate, Meagher & Flom, LLP, tax counsel to Trinity, and KPMG, LLP, tax advisor to Trinity, both on October 31st, 2018, concluding that based on certain representations made by Trinity and Arcosa, the Distribution and certain related transactions will qualify as tax-free for U.S. federal income tax purposes under the aforementioned sections of the Code.

As a result, you will generally not recognize gain or loss for U.S. federal income tax purposes upon receipt of the Arcosa common stock in the Distribution. If, however, you receive cash in lieu of fractional shares you may recognize taxable gain or loss as described below.

Fractional Shares

Any cash distributed to you in lieu of fractional shares is meant to avoid the expense and inconvenience to Arcosa of issuing and maintaining fractional shares. If you receive cash in lieu of a fractional share, such receipt should be treated as though you received Arcosa common stock, and then that portion of deemed-received Arcosa common

stock that corresponds to the fractional share was sold to a third party for the cash that was actually received. Any gain or loss is measured by the difference between the basis of the fractional share in Arcosa common stock and the amount of cash you received. The amount that was distributed in lieu of fractional shares was equivalent to \$21.04 per share, based upon the “when issued” market price when the shares were sold, prior to November 1, 2018.

Tax Basis

The Distribution occurred effective at 12:01 am on November 1, 2018. The first regular trading day for Arcosa common stock was on November 1, 2018.

For U.S. federal income tax purposes, your aggregate tax basis in the Trinity common stock you owned immediately before the Distribution (and after any reduction arising from the fractional share cash distributions described above) must be allocated between your Trinity common stock and the shares of Arcosa common stock you received in the Distribution (including any remaining basis in fractional shares for which you received cash). This allocation is based on the relative fair market values of your Trinity common stock and your Arcosa common stock as of the date of the Distribution.

The U.S. federal income tax laws do not specify how to determine fair market value, and the approaches can vary. These approaches include:

- The opening trading price quoted for Trinity and Arcosa on the New York Stock Exchange on the first full trading day after the Distribution.
- The closing trading price quoted for Trinity and Arcosa on the New York Stock Exchange on the first full trading day after the Distribution.
- The average of the opening and closing trading prices quoted for Trinity and Arcosa on the New York Stock Exchange on the first full trading day after the Distribution.
- The average of the highest and lowest trading prices quoted for Trinity and Arcosa on the New York Stock Exchange on the first full trading day after the Distribution.

Additionally, there may be other approaches not listed above that are acceptable. You should consult your tax advisor to determine the appropriate fair market values.

If you acquired your Trinity common stock at different times and at different prices, you will need to calculate a separate tax basis for each block of Trinity common stock you own immediately prior to the distribution of Arcosa common stock and then allocate the basis in each block of stock separately to the Arcosa common stock you received. Trinity suggests that you retain this letter to support your determination of your basis in your Trinity common stock and your Arcosa common stock.

The following is an example to be used solely for illustrative purposes (this does not represent your actual tax basis):

Example: Assume you own a single block of 100 shares of Trinity common stock with a tax basis of \$20.00 per share (and a total tax basis of \$2,000.00).

Based on the 3:1 share ratio described above, you are entitled to receive 33 1/3 shares of Arcosa common stock in the Distribution. Because no fractional shares are issued, you receive 33 shares of Arcosa common stock and cash for the 1/3 fractional share that you do not receive. The cash received in lieu of fractional shares is \$7.01 and is based upon a weighted average sales price of \$21.04 per share for the fractional shares sold.

The appropriate basis allocation percentages are calculated using the basic formulas below, which take into account the 3:1 share ratio between Trinity and Arcosa shares:

FMV=fair market value

Weighted Value = ([FMV of Trinity share] * 3 shares) + ([FMV of Arcosa share] * 1 share)

Trinity Allocation % = ([FMV of Trinity share] * 3) / Weighted Value

Arcosa Allocation % = ([FMV of Arcosa share] * 1) / Weighted Value

Assume you choose to use the closing trading price on November 1, 2018, the first trading day, as the method of determining the fair market values of the Trinity common stock and the Arcosa common stock. This closing price is reflected in the section titled “Determination of the Fair Market Values of Trinity and Arcosa after the Distribution,” below. The closing trading price of a share of Trinity common stock was \$22.72 and the closing trading price of a share of Arcosa common stock was \$27.50 after its first full trading day on November 1, 2018. Based on these relative fair market values and using the formulas listed above, your basis in Trinity common stock would be apportioned 71.25% to your Trinity stock and 28.75% to your Arcosa common stock.

The weighted value = FMV of Trinity shares x 3, plus FMV of Arcosa Share x 1
 The weighted value = \$22.72 x 3, plus \$27.50= \$ 95.66
 Trinity allocation % = \$68.16 (\$22.72 x 3)/ \$95.66= 71.25%
 Arcosa allocation% = \$27.50/ \$95.66= 28.75%

Your total tax basis in your Trinity common stock is allocated \$1,425.00 to the Trinity common stock (71.25 % of \$2,000), or \$14.25 per share (i.e., \$1,425.00 divided by 100 shares), and \$575.00 to the Arcosa common stock (28.75 % of \$2,000), or \$17.25 per share (i.e., \$575.00 divided by 33.3334 shares). The cash you received in lieu of fractional shares is deemed to be in exchange for 0.3334 fractional shares with a basis of \$5.75 (\$17.25 per share times 0.3334 shares) and you will recognize a gain of \$1.26 (the difference between your basis in the fractional shares of \$5.75 and cash received of \$7.01).

If you own Trinity common stock with a different basis for alternative minimum tax (“AMT”) purposes than your basis for regular federal income tax purposes, you will need to allocate your AMT basis between your Trinity common stock and your Arcosa common stock in the same manner as described above.

Determination of the Fair Market Values of Trinity and Arcosa after the Distribution

U.S. federal income tax law does not specifically identify how you should determine the fair market values of the Trinity common stock and the Arcosa common stock after the Distribution. The information below is intended to provide you information for which some of the more common methods of determining the fair market values are based upon. The trading prices and basis allocation percentages under these methods, which you and your tax advisor may find useful, are set forth below.

Common Stock	Opening Price	Closing Price	Average	
			Opening/ Closing Price	Highest/ Lowest Price
(a) Trinity (value per share)	\$21.31	22.72	22.02	21.79
(b) Arcosa (value per share)	<u>\$22.20</u>	<u>27.50</u>	<u>24.85</u>	<u>26.35</u>
(c) Total Weighted Value (3 Trinity Shares plus 1 Arcosa Share)*	<u>\$86.13</u>	<u>95.66</u>	<u>90.91</u>	<u>91.72</u>
Trinity % equals 3 times (a) divided by (c)	74.23 %	71.25 %	72.67 %	71.27 %
Arcosa % equals 1 times (b) divided by (c)	25.77 %	28.75 %	27.33 %	28.73 %

* To represent 1 share of Arcosa stock distributed for every 3 shares of Trinity stock held.

U.S. Federal Income Tax Reporting Requirements.

Any shareholder of Trinity that is a “significant distributee” is required to attach a statement describing the details of the Distribution to his, her, or its U.S. federal income tax return for the period that includes the Distribution Date. This would be the 2018 U.S. Federal income tax return for calendar year shareholders. You are a significant distributee if, immediately before the Distribution, you owned (i) at least five percent (by vote or value) of the total

outstanding stock of Trinity or (ii) securities in Trinity with a basis of \$1,000,000 or more. If a significant distributee is a “controlled foreign corporation” (within the meaning of section 957 of the Code), each “United States shareholder” (within the meaning of section 951(b) of the Code) with respect thereto must include a statement on or with its return.

THE INFORMATION SET FORTH ABOVE IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR SHAREHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO SHAREHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES. NOR DOES IT ADDRESS TAX CONSEQUENCES WHICH MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH ABOVE TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE DISTRIBUTION TO YOU.

A copy of this letter and Form 8937, *Report of Organizational Actions Affecting Basis of Securities* can be found under the investor relations section of our website at:

<http://www.trin.net/irs-form-8937>

You may also contact:
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