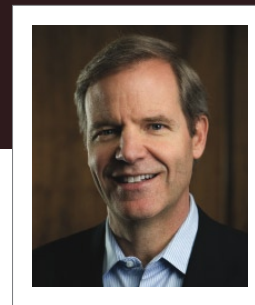


# LETTER TO OUR SHAREHOLDERS



**“I am pleased with the way our business leaders continue to leverage our multi-industry manufacturing platform to pursue new growth opportunities.”**

**Timothy R. Wallace**  
Chairman, Chief Executive Officer, and President

April 1, 2012

Dear Fellow Shareholders:

The year 2011 presented Trinity with significant opportunities and several challenges. While the overall U.S. economy began to recover slowly, demand improved considerably for products in certain industries we serve. Our businesses worked together, optimizing our manufacturing facilities to take advantage of these growth markets and capitalize on demand for new products as well as our existing product lines. Our success from these efforts is reflected in the significant improvement in our 2011 financial results. Revenues increased 43%, and our earnings per share in 2011 doubled in comparison to 2010. Our 2011 results are particularly impressive because they come on the heels of one of the most severe recessions in our nation’s history. I am very proud of the way our people responded to these dramatic market fluctuations. Our ability to quickly and efficiently fine-tune our production volumes to changes in demand is testimony to one of Trinity’s greatest strengths: our manufacturing flexibility.

Enhancing manufacturing flexibility was one of several key objectives that our businesses focused on during the recession. When demand increased for various products during 2011, our U.S. and Mexico personnel were prepared to ramp up idle capacity and quickly convert production lines. We have a seasoned group of people who have again proven their ability to shift our manufacturing resources when markets change. During the recession, our businesses also dedicated time and resources to streamlining processes and reducing costs, while improving quality and customer service. All of these activities strengthened their overall positioning during the recession and positively impacted our 2011 financial results.



One U.S. market sector that experienced significant growth in 2011 was the shale oil and gas exploration and production industry. Several of our businesses were well-positioned to capitalize on opportunities for products used by this industry. Demand for railcars to transport sand and other materials used in hydraulic fracturing processes translated into a dramatic increase in orders for our railcar manufacturing businesses. Orders for both railcars and barges to transport crude oil from areas around drilling sites also increased substantially. Our tank containers business benefited as well. During 2011, this business began manufacturing a new line of containers that store a variety of liquids, including water used during the hydraulic fracturing process. I am pleased with the way our business leaders continue to leverage our multi-industry manufacturing platform to pursue new growth opportunities.

## 2011 Highlights

The increase in railcar demand following the cyclical downturn was among the most rapid in Trinity's history. Our railcar order backlog increased more than 385% year over year, growing from 5,960 railcars at the start of the first quarter of 2011 to 29,000 railcars by the end of the fourth quarter. Our seasoned personnel overcame the challenges of an extremely steep ramp-up, increasing production in existing manufacturing facilities. They were tasked with training new employees while simultaneously remaining focused on operational efficiencies. Their efforts resulted in operating leverage expansion throughout the year. Revenues for the Rail Group were \$1.3 billion during 2011, more than double 2010 revenues. Operating profit, which was at a breakeven level during 2010, reached \$77 million. Throughout 2011, our railcar manufacturing businesses were selective with respect to the railcar orders they pursued, favoring those that provided opportunities for productivity improvements and operating leverage.



Our railcar parts and components businesses also responded successfully to last year's ramp-up in demand. During recent years, our components businesses made improvements to their plants to enhance manufacturing flexibility. During 2011, we benefited from their work. They optimized their manufacturing capacity, doing an excellent job of providing a steady supply of railcar axles and coupling devices to our railcar manufacturing companies, while continuing to grow the new industrial ingot and casting products business lines that were launched in 2010.

Our Railcar Leasing and Management Services Group performed well during 2011. Revenues and operating profit from this group increased by 19% and 23%, respectively, year over year. A portion of this increase in profits resulted from the sale of leased railcars to the secondary market during the third and fourth quarters. The diversity and size of the lease fleet, which totaled nearly 69,000 railcars at year end, allowed this business to capitalize on strong secondary market demand. Our leasing business platform continues to provide multiple strategic benefits to our Company by generating steady revenues and profit throughout the railcar cycle. It is an excellent venue for ongoing communication with the end users of our railcars, enabling our manufacturing businesses to develop closer customer relationships and a better understanding of customer needs. Our railcar leasing business platform also provides the flexibility to offer customers products for sale or lease.



In recent years, our Inland Barge Group has focused on improving operational efficiencies, enhancing customer service, and strengthening its manufacturing flexibility. As a result, this business was well-positioned to take advantage of the uptick in demand that began in 2010 and continued throughout 2011. The increase in demand was driven by several factors, including demand for crude oil tank barges used in the shale oil and gas industry, increased chemical production, and replacement demand for the aging barge fleet. Revenues were \$548 million and operating profit was \$106 million in 2011. The group's solid performance during the past two years

is particularly impressive, as each year one of our major barge manufacturing facilities was severely damaged by flooding. This year, our Missouri facility was closed for nearly nine weeks after flood waters rose to seven feet inside the plant. I am pleased with our barge team's ability to restore operations, collaborate with our insurers for quick claims resolution, and produce solid results in the face of this major upset.

Our Energy Equipment Group successfully met increased demand in our containers business during 2011, while facing challenges in the structural wind towers business. The energy industry drove increased demand for tank containers and tank heads for railcars, resulting in an overall increase in revenues for this group compared to 2010. Profits declined year over year due to a number of challenges in our structural wind towers business, including contractual issues with certain customers and low-cost import pricing. Demand for structural wind towers stayed at low levels during 2011 due to several factors, including uncertainty over the extension of federal tax incentives for

wind projects, transmission constraints, and an abundance of lower cost natural gas used to power electric generation plants. As I mentioned earlier, we saw positive results during 2011 from our new line of containers to support industries that require temporary liquid storage.



Our Construction Products Group made significant progress during 2011, realigning its portfolio through a series of strategic acquisitions in the highway products space and asset repositioning within the concrete and aggregates business. These initiatives, combined with our highway products businesses' strong proprietary product lines and targeted approach to developing international markets, enabled this group to produce higher revenues and profits for the year despite a slow construction environment. By the end of the year, our Construction Products Group experienced positive impacts from its efforts to target higher margin products and growth markets.

### **Financial Accomplishments**

Trinity is well positioned from a financial standpoint. We have a strong liquidity position and our balance sheet is healthy. The end of 2011 marked our seventh consecutive year of generating positive operating cash flow. The company raised the quarterly dividend 12.5% while continuing to invest in working capital and capital expenditures to support the increased level of business activity. Last July, we successfully refinanced TRIP Rail Holdings LLC's short-term warehouse loan, raising \$857 million in the asset-backed securities market and \$175 million in senior secured notes. The refinancing was well received in the financial markets and helped solidify TRIP's capital structure. In October 2011, we also extended our \$425 million unsecured revolving credit facility for an additional four years with improved terms and conditions. These refinancings reflect the strength of our financing capabilities, which are critical to supporting the growth of our businesses. At year end, our cash balance stood at \$350 million, which, when combined with available capacity under Trinity's credit facilities, gave us more than \$850 million of available liquidity.

### **Looking Ahead**

As we begin the second quarter of 2012, the U.S. economy appears to be stronger than a year ago. The events of the past decade make us highly aware that business conditions can change very rapidly. We continue to monitor the global geopolitical environment, particularly those activities we believe could potentially impact our businesses. I am convinced that successful companies going forward will be those that maintain a low cost structure and are able to make rapid adjustments as markets shift. The flexibility demonstrated by our performance during the past decade proves that our businesses are prepared to meet these challenges. We are highly capable of adapting as the business climate changes and demand fluctuates.

Our multi-industry manufacturing business platform enhances our flexibility, serving as a solid foundation for our businesses as they leverage each other's expertise and available production capacity. Our businesses have unique synergistic connections that position them to provide value to one another. The strength of our platform helps our business leaders devote current resources to immediate issues, while focusing on strategies that have the potential to make the biggest difference over the long term.

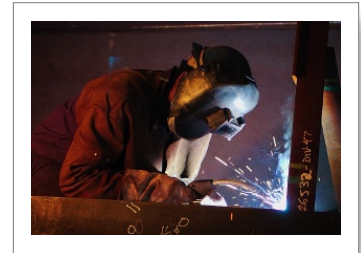


From a corporate standpoint, we continue to be focused on the key components of our premier, multi-industry growth company vision. Our approach in this area is deliberate. We continue to work on strengthening our infrastructure so that we can sustain growth throughout the business cycle. We also continue to look for opportunities to enhance the synergies between our businesses. Our results during the recent recession demonstrate significant progress in these areas. Nevertheless, our work is ongoing. The bar is always being raised in respect to what constitutes premier performance. At Trinity, we are driven by the concept of sustainable progress in everything we do. It's a large part of our culture. We know we must continually reach new levels of excellence.

We place a strong emphasis on our businesses achieving market leadership positions, which bring a wide array of opportunities to our doorstep. We take very seriously our responsibility as caretakers of our market leadership legacy, which is the result of decades of hard work on the part of generations of Trinity employees. Our commitment both to them and to you, our key stakeholders, is that we will work tirelessly to enhance our market leadership positions as we fulfill our corporate vision.

### Trinity's Team

Trinity is fortunate to have a strong team, with many employees who have been with us for decades. Our capable people are key to our success. I have great admiration and respect for our employees. We have a rich culture that provides the foundation for our flexibility and the overall performance of our Company.



We also have a strong Board of Directors with a wide variety of experiences that enrich our corporation. Each Director plays a critical role in our Company's success. We leverage our Directors' expertise in a variety of ways. They provide valuable perspective during our strategic planning activities, help oversee our corporate governance, are involved in succession planning, and serve as sounding boards for our executives on various issues and opportunities. I feel highly fortunate to have access to the knowledge and experience of such a successful and diverse group of people.

During 2011, Jess T. Hay retired from Trinity's Board. Mr. Hay became a Director in 1965 when Trinity's revenues were \$21.6 million and we employed 780 people. He played an important role in helping Trinity evolve and grow over the years. His insight and experience have been invaluable. I wish him the best. In March 2012, we welcomed a new Board member, Melendy Lovett, Senior Vice President of Texas Instruments Incorporated and President of Texas Instruments' worldwide Education Technology business. In addition to her global manufacturing and technology expertise, Melendy brings to the Board extensive experience in human resources and executive compensation.

I also very much appreciate the support of our shareholders, our suppliers, and our many customers. We know that business people have a multitude of choices with respect to potential investments and business relationships. We value our relationships and take very seriously our responsibility to our stakeholders. I sincerely thank you for your support of our Company, and I look forward to a prosperous 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy R. Wallace". The signature is fluid and cursive, with a large initial "T" and "W".

Timothy R. Wallace  
Chairman, Chief Executive Officer, and President